Q4 2015
TSX: SOT.UN

DEAR FELLOW UNITHOLDERS

"Change before you have to."
- Jack Welch

In 2015, Slate Office REIT (the "REIT") achieved a number of significant milestones on the way to our strategic goal of creating a pure-play investment vehicle focused on ownership and management of non-trophy Canadian office properties. As a result, Slate Office REIT is better positioned to deliver stable, consistent returns to its unitholders.

Thanks to the transformative changes of the past year, the REIT is now a more stable platform with the resources to capitalize on potential acquisition opportunities and the ability to generate organic growth through embedded rent increases, improved occupancy and creative leasing transactions.

Since Slate Asset Management L.P. has assumed management of the REIT we have:

- Increased the proportion of revenue from office properties to 95% from 53%;
- Transitioned the portfolio from having a predominantly Western Canadian asset base to a nationally diversified footprint with 30% of gross leasable area in the Greater Toronto Area, 44% in Atlantic Canada and 12% in Western Canada, with no office exposure to Alberta;
- Increased Funds from Operations and Adjusted Funds From Operations by 195% and 161%, respectively, over the previous year and reduced the AFFO payout ratio to 96% from 124%;
- Vastly improved tenant quality - investment grade tenants (BBB+ credit rating or higher) now account for approximately 42% of base rentals;
- A portfolio with no Alberta office properties and only 3% oil and gas exposure nationally, in markets with limited new supply;
- Built a dedicated Slate Office REIT asset management team at Slate Asset Management L.P. - which continues to demonstrate its alignment with all investors by virtue of its ownership of a 20% interest in the REIT; and,
- Enhanced governance and leadership with the appointment of three additional highly experienced independent Trustees.

Slate Office REIT focuses its growth on targeting high-quality, "non-trophy" assets that have been largely overlooked by other large real estate investors. We also cast a wide net, reviewing and executing on acquisition opportunities in numerous markets, both urban and suburban, as opposed to focusing solely on the downtown cores of the country's top one or two largest investment markets. Our acquisition of landmark Atlantic Canadian properties from Fortis Properties Corp. last year is an excellent example of what we look for - great properties, priced well, in under-appreciated markets.

We specifically target properties that demonstrate stability and historical operational performance. In addition to this, by focusing on opportunities that have suffered an overall lack of interest on the part of other investors we have been able to acquire at significant discounts to replacement cost. Overall, Slate Office REIT's portfolio is owned for an average of approximately $164 per square foot. With office construction costs estimated to range from $250 to $400 per square foot, that implies a discount to replacement cost of up to 60%.

Our significantly reduced cost basis provides tremendous flexibility with leasing because we can compete aggressively with other landlords for tenants. It also affords management the ability to reinvest in and modernize properties while creating solutions to meet a wide variety of tenant requirements in the process. We demonstrated this strategy in action in 2015 when we agreed to revitalize two of our properties in the suburban Greater Toronto Area in return for a long-term lease extension with our tenant, SNC-Lavalin Nuclear Inc.

Who are our tenants? The notion of a "non-core" office strategy often evokes impressions of inferior properties and locations, often with lesser quality tenant bases. This is not at all true of Slate Office REIT. We own and operate several dominant office addresses in key centres in Atlantic Canada in addition to a portfolio of strategically located suburban assets across the Greater Toronto Area. We are active owners who are committed to investing in and upgrading our properties to ensure we offer tenants the best possible experience. Finally, our diversified tenant base comprises a desirable blend of corporations like SNC-Lavalin Nuclear Inc., Manitoba Telecom Services Inc. and government uses, with nearly half of overall rental revenue being derived from investment grade tenants.

It is worth pointing out that while the REIT is more diversified than ever - both in terms of tenant base and geographic footprint - it has zero exposure to the office markets of Alberta and markets in which there is limited new supply. Overall, less than 3% of portfolio revenue is linked to the oil and gas industry including limited oil and gas industry exposure in Atlantic Canada. Given the challenges facing Canada's energy sector, we believe our limited exposure provides current stability but excellent opportunity.

We also pay close attention to the relationship between in-place rental rates and market rental rates. By coupling rental rate growth with increased occupancy, we can organically increase the income of our existing portfolio. Today, Slate Office REIT has overall rents in place of $13.96 per square foot versus market rents of $14.98. In 2015, we saw this dynamic manifest itself in approximately 800,000 square feet of leasing that we completed across the portfolio. On average, last year's new lease transactions were completed at a 6% premium to in-place rents and renewals were completed at a 19% premium to in-place rents. Going forward, we expect a similar phenomenon to result in consistent, annual organic income growth.

Ultimately, it is our results that demonstrate the strength and worthiness of our strategy. In this regard, we're proud to report that 2015 concluded with the management team having more than doubled portfolio NOI while increasing per unit Funds From Operations by 81% versus the previous year. As a measure of our ability to provide investors with a consistent, reliable distribution we would again point to AFFO payout ratio which was reduced from 124% to 96% during 2015 and continues to trend in the right direction.

We thank unitholders for their continued support as we forge ahead in building a best-in-class commercial real estate investment platform.

Sincerely,

Scott Antoniak
Chief Executive Officer
March 3, 2016

Management's Discussion and Analysis

TSX: SOT.UN

December 31, 2015

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FORWARD LOOKING STATEMENTS

Certain information in this management's discussion and analysis ("MD&A") constitutes "forward-looking statements" within the meaning of applicable securities legislation. These statements reflect management's expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance and business prospects and opportunities of the REIT including expectations for the current financial year, and include, but are not limited to, statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Statements that contain words such as "could", "should", "would", "can", "anticipate", "expect", "does not expect", "believe", "plan", budget", "schedule", "estimate", "intend", "project", "will", "may", "might", "continue" and similar expressions or statements relating to matters that are not historical facts constitute forward-looking statements.

These forward-looking statements are not guarantees of future events or performance and, by their nature, are based on the REIT's current estimates and assumptions, which are subject to significant risks and uncertainties. The REIT believes that these statements are made based on reasonable assumptions; however, there is no assurance that the events or circumstances reflected in these forward-looking statements will occur or be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to the risks that are more fully discussed under the "*Risk Factors*" section of the annual information form of the REIT for the year ended December 31, 2015 ("Annual Information Form"). Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: risks incidental to ownership and operation of real estate properties including local real estate conditions; financial risks related to obtaining 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 leases on 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; potential environmental liabilities; catastrophic events, such as earthquakes and hurricanes; governmental, taxation and other regulatory risks and litigation risks.

Forward-looking statements included in this MD&A are made as of March 3, 2016 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. Certain statements included in this MD&A may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this MD&A. Investors are cautioned against placing undue reliance on forward-looking statements.

FINANCIAL AND INFORMATIONAL HIGHLIGHTS

(in thousands of dollars, except unit amounts)

	December 31, 2015	September 30, 2015	December 31, 2014
Summary of Portfolio Information			
Number of properties	**34**	48	35
Gross leasable area ("GLA")	**4,436,293**	5,054,812	2,905,756
Total assets	**$ 812,995**	$ 813,571	$ 476,670
Total debt	**$ 495,604**	$ 500,580	$ 280,486
Occupancy	**85.4%**	89.2%	95.1%

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Summary of Financial Information				
Revenue	**$ 29,939**	$ 8,917	**$ 87,543**	$ 33,087
Net operating income	**12,326**	4,687	**40,971**	18,976
Net income and comprehensive income	**13,201**	435	**27,281**	2,861
Funds from operations ("FFO")	**7,513**	1,125	**26,288**	8,918
Core FFO	**8,528**	2,479	**27,687**	10,794
Adjusted FFO	**$ 7,409**	$ 1,971	**$ 22,725**	$ 8,703
Per Unit Financial Information				
Weighted average number of trust units (000s)	**35,519**	19,126	**27,852**	17,158
FFO per unit	**$ 0.21**	$ 0.06	**$ 0.94**	$ 0.52
Core FFO per unit	**0.24**	0.13	**0.99**	0.63
AFFO per unit	**0.21**	0.10	**0.82**	0.51
Distributions per unit	**$ 0.1875**	$ 0.1875	**$ 0.7500**	$ 0.7500
AFFO pay-out ratio	**89.7%**	159.2%	**95.9%**	124.3%

	December 31, 2015	September 30, 2015	December 31, 2014
Financial Data			
Weighted average debt interest rate	**3.2%**	3.5%	4.0%
Interest coverage ratio (times)	**2.8x**	2.9x	2.6x
Net Debt to Adjusted EBITDA ratio (times)	**10.3x**	8.6x	16.3x

PART I - OVERVIEW

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of the financial position and results of operations of the Slate Office REIT (TSX: SOT.UN) (the "REIT") is intended to provide readers with an assessment of performance and summarize the financial position and results of operations of the REIT for the year ended December 31, 2015. The presentation of the REIT's financial results, including the related comparative information, contained in this MD&A are based on the REIT's audited consolidated financial statements as at and for the years ended December 31, 2015 and 2014, which have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"). This MD&A should be read in conjunction with those financial statements. All amounts are in thousands of Canadian dollars, unless otherwise noted.

The information contained in this MD&A is based on information available to the REIT and is dated as of March 3, 2016, which is also the date the Board of Trustees, upon the recommendation of its Audit Committee, approved the contents of this MD&A.

SLATE OFFICE REIT PROFILE

The REIT is an unincorporated open-ended real estate investment trust constituted in accordance with the laws of the Province of Ontario pursuant to an amended and restated Declaration of Trust dated as of December 17, 2014, as amended on March 16, 2015 and May 25, 2015. As of December 31, 2015, the REIT owns interests in thirty-four properties comprised of twenty-eight office properties and six non-office properties totaling 4.2 million and 0.2 million square feet ("sq.ft."), respectively, of GLA at our interest. The properties are located in geographically diversified markets in Canada.

The REIT is externally managed and operated by Slate Management Corporation, a subsidiary of Slate Asset Management L.P., (collectively, "Slate" or the "Manager"). Slate has an experienced and dedicated team of real estate professionals with a proven track record of success in real estate investment and management. Management's interests are aligned with the unitholders of the REIT through its sponsorship and as a significant unitholder of the REIT. Slate is the largest unitholder in the REIT, with an 19.7% interest, and accordingly, is highly motivated to increase the value of the REIT and provide reliable growing returns to the REIT's unitholders.

Additional information on the REIT, including its annual information form, is available on SEDAR at www.sedar.com and on the REIT's website at www.slateofficereit.com.

STRATEGY AND OUTLOOK

Our strategy is to own an institutional quality portfolio of non-trophy assets in major office markets across Canada, where millions of Canadians come to work every day. We believe that non-trophy assets provide superior risk-adjusted yields relative to conventional "Class A" office towers pursued by many other large investors. This "non-core" office product comprises approximately two-thirds of Canadian office inventory that is often overlooked by large institutional investors. Accordingly, these assets can frequently be purchased at a significant discount to peak and replacement value while retaining stable operating fundamentals that together allow superior risk-adjusted yields, relative to trophy assets. The REIT's portfolio of office properties provides diversification, enhancing our ability to continue to provide steady and reliable distributions to unitholders.

We are focused on the following areas to achieve the REIT's objectives through 2016 and 2017:

- Proactive property and asset management that results in NOI growth while minimizing property and portfolio vacancy exposure;
- Prudent and disciplined management of capital outlays that will maintain and increase the attractiveness of the REIT's portfolio and achieve increased rents;
- Continue to increase the REIT's financial strength and flexibility through robust balance sheet management;
- Maintain a conservative AFFO pay-out ratio to continue to provide steady and reliable distributions to unitholders; and
- Continue to selectively dispose of non-strategic assets and recycle capital to appropriately manage leverage and acquire office properties on an opportunistic basis.

Overall, we believe that during 2015 the REIT has repositioned and reduced risk in its portfolio, capital structure and distribution strategy to effectively grow in the current economic environment and to capitalize on opportunities in the future.

NON-IFRS MEASURES

We disclose a number of financial measures in this MD&A that are not measures used under IFRS, including net operating income, same property net operating income, funds from operations, adjusted funds from operations, AFFO pay-out ratio, adjusted EBITDA, net debt to adjusted EBITDA ratio, interest coverage ratio, and the debt service coverage ratio, in addition to certain of these measures on a per unit basis. We utilize these measures for a variety of reasons, including measuring performance, managing the business, capital allocation and the assessment of risk. Descriptions of why these non-IFRS measures are useful to investors and how management uses each measure are included in this MD&A. We believe that providing these performance measures on a supplemental basis to our IFRS results is helpful to investors in assessing the overall performance of our business in a manner similar to management. These financial measures should not be considered as a substitute for similar financial measures calculated in accordance with IFRS. We caution readers that these non-IFRS financial measures may differ from the calculations disclosed by other businesses, and as a result, may not be comparable to similar measures presented by others. Reconciliations of these non-IFRS measures to the most directly comparable financial measures calculated and presented in accordance with IFRS are included within this MD&A.

RISKS AND UNCERTAINTIES

The REIT's business is subject to a number of risks and uncertainties which are described in its most recently filed annual information form for the year ended December 31, 2015, available on SEDAR at www.sedar.com. Additional risks and uncertainties not presently known to the REIT or that the REIT currently considers immaterial also may impair its business and operations and cause the price of the units to decline. If any of the noted risks actually occur, the REIT's business may be harmed and the financial condition and results of operation may suffer significantly. In that event, the trading price of the units could decline, and unitholders may lose all or part of their investment.

SIGNIFICANT DEVELOPMENTS

In late 2014, Slate assumed management responsibilities for the REIT with the vision of creating a pure-play office REIT focused on "non-core" real estate assets in Canada. This vision was premised on the belief that the market was changing and a pure-play office REIT would provide a vehicle to capitalize on future opportunities. Accordingly, 2015 was focused on executing management's plan to achieve that vision. The following are the significant highlights during 2015:

- Acquired a 100% interest in eleven properties throughout Atlantic Canada and a 10% interest in three properties in St. John's, Newfoundland, from Fortis Properties Corp. on June 30, 2015. The acquired portfolio includes some of Atlantic Canada's highest-quality commercial buildings, including ten office buildings, one mixed-use office complex and three retail centres totaling 2.8 million square feet of GLA. Notable regional addresses include Maritime Centre in Halifax, Nova Scotia; the Blue Cross Centre in Moncton, New Brunswick; and Fortis Place in St. John's, Newfoundland. The REIT's proportionate interest in these properties provided a significant step forward in repositioning the REIT's portfolio as a pure-play office platform.
- As part of the REIT's repositioning strategy in the third and fourth quarters of 2015, the REIT completed the disposition of seventeen non-strategic retail and industrial assets which generated proceeds of $85.1 million. These proceeds were recycled by paying down debt and by increasing the REIT's interest in the three co-owned properties in St. John's, Newfoundland from 10% to 30%.
- Completed 798,003 square feet of leasing during 2015, and most significantly the REIT extended a lease with SNC-Lavalin Group Inc.'s nuclear division, for approximately 215,000 square feet in Mississauga's Sheridan Park for an initial term of 10 years. In connection with this lease, the REIT will invest approximately $36.0 million to revitalize two key properties in Sheridan Park.
- During the third quarter, a loan provided to the REIT's partner to fund their share of the Data Centre development was converted into a further 30% equity ownership interest. In the fourth quarter, the REIT purchased the remaining 20% interest for $5.2 million increasing its ownership to 100%. The REIT's Data Centre investment provides cash flow to the REIT of approximately $6.1 million annually.
- The Trust has agreed with its lender to extend the maturity of its revolving credit facility to November 30, 2017, and increase the availability to a maximum $35.0 million, and reduce borrowing rates by 25 basis points.
- Increased AFFO per unit to $0.21 for the fourth quarter of 2015 representing an increase of $0.11 per unit or 110.0% over the same period in 2014. This increase in AFFO per unit for the fourth quarter represents an AFFO payout ratio of 89.7% compared to 159.2% for the same period in 2014. We believe that this reduced payout ratio represents a more appropriate margin of safety to provide unitholders with greater assurance on the continued ability of the REIT to deliver distributions to unitholders while having the ability to reinvest undistributed earnings in the REIT.

In summary, during 2015 the REIT was able to successfully reposition its portfolio as well as reduce risk through disposing of non-core assets, paying down debt, reducing the REIT's AFFO pay-out ratio and signing long-term leases with high quality tenants. We believe these activities and accomplishments in 2015 provide a solid foundation for growth in 2016 and beyond.

PART II - LEASING AND PROPERTY PORTFOLIO

OCCUPANCY

The following is a continuity of the change in the in-place occupancy of the REIT's properties from September 30, 2015 to December 31, 2015:

	Three months ended December 31, 2015			Three months ended September 30, 2015		
	GLA	**Occupancy (sq. ft.)**	**Occupancy (%)**	GLA	Occupancy (sq. ft.)	Occupancy (%)
Occupancy, beginning of period	**5,054,812**	**4,511,395**	**89.2%**	5,262,572	4,757,365	90.4%
Acquisitions	**203,235**	**84,886**	**41.8%**	51,200	51,200	100.0%
Dispositions	**(821,754)**	**(753,779)**	**91.7%**	(258,960)	(258,960)	100.0%
Change in occupancy		**(52,383)**			(38,210)	
Occupancy, end of period	**4,436,293**	**3,790,119**	**85.4%**	5,054,812	4,511,395	89.2%
Redevelopment properties	**269,771**	**51,578**	**19.1%**	154,189	67,215	43.6%
Occupancy, excluding redevelopments	**4,166,522**	**3,738,541**	**89.7%**	4,900,623	4,444,180	90.7%

The REIT's objective is to maintain high levels of occupancy throughout the portfolio. At December 31, 2015, the REIT's occupancy excluding redevelopment office properties was 89.7% compared to 90.7% at September 30, 2015. This occupancy level is lower by 100 basis points primarily due to the sales of the industrial and retail assets that had an occupancy rate of 91.7%.

At December 31, 2015, the in-place occupancy of the REIT's total portfolio including redevelopment assets was 85.4%. This occupancy level is lower by 380 basis points primarily due to the sales of the industrial and retail assets and the acquisition in the fourth quarter of a vacant building, 2251 Speakman Drive, which is currently being redeveloped for SNC-Lavalin Nuclear Inc. to occupy in late 2016.

The committed occupancy rate, which includes lease transactions with commencement dates subsequent to quarter-end, decreased from 90.0% to 87.0%. Management has adjusted the committed occupancy for the impact of 2251 Speakman Drive, which while scheduled to be occupied by SNC-Nuclear at a later date, will require SNC-Nuclear to vacate one of their existing premises. Accordingly, the calculation of committed occupancy has been adjusted to remove the double counting of the transfer.

During the quarter, the REIT completed 7,791 square feet of new leasing and 99,524 square feet of renewals. The most notable transactions in the quarter were a 50,154 sq.ft. renewal with Irving Oil Inc. at Brunswick Square and a 12,500 sq.ft. renewal with Mark's Work Warehouse at 307-311 Old Airport Road.

LEASE MATURITIES

The REIT generally enters into leases with an initial terms to maturity between 2 and 10 years. Accordingly, the average in-place lease remaining term to maturity is shorter than the initial term. The weighted average remaining term to maturity at December 31, 2015 was 5.5 years, not including tenants on month-to-month leases. Management considers the current average duration of rents to be indicative of the stability of the portfolio's cash flow generation abilities and diversified maturity risk.

The following table summarizes the composition of the remaining term to maturity of the REIT's leases by region at December 31, 2015:

	Weighted average years to maturity [1]	GLA	% of GLA
Atlantic	5.3	1,930,538	43.5%
Ontario	4.4	1,339,927	30.2%
Western	9.0	519,655	11.7%
	5.5	3,790,120	85.4%
Vacant [2]		646,173	14.6%
Total		4,436,293	100.0%

[1] The calculation of weighted average term to maturity does not include month-to-month tenants.
[2] Does not include committed leases commencing after December 31, 2015.

The following is a profile of the maturities of the REIT's leases without including the impact of tenant extension options at December 31, 2015:

	GLA	% of portfolio	Weighted average in-place rent (per sq.ft.)
Month-to-month	135,909	3.1%	$ 16.37
2016	488,962	11.0%	13.34
2017	574,089	12.9%	14.16
2018	530,934	12.0%	15.66
2019	338,824	7.6%	15.99
2020	567,977	12.8%	17.10
2021	164,061	3.7%	20.56
2022 and later	1,154,934	26.0%	18.81
Vacant [1]	480,603	10.8%	—
Total/weighted average	4,436,293	100.0%	$ 16.54

[1] Net of committed leases commencing after Dec 31, 2015.

IN-PLACE AND MARKET RENTS

During the three months ended December 31, 2015, the REIT undertook 107,315 square feet of leasing comprising both new tenanting and renewals. Overall, the REIT was able to achieve rents on new leases at a 16.8% premium during the fourth quarter to in-place building rents and renewed leases were completed at a 1.2% premium to expiring rents. For the 2015 year, the REIT undertook 798,003 square feet of leasing comprising both new tenanting and renewals. Overall, for 2015 the REIT was able to achieve rents on new leases at 6.2% premium to in-place building rents and

renewed leases were completed at a 19.1% premium to expiring rents. Rents on new leases for previously vacant space have been compared to the average in-place rent of the respective property to measure the relative increase.

The following table summarizes the REIT's leasing activity during the three months ended December 31, 2015:

	GLA	Number of leases	Weighted average expiring rent (per sq.ft.)	Weighted average new rent (per sq.ft.)	Increase in rent
Renewed leases	99,524	13	$ 14.11	$ 14.27	1.2%
New leases	7,791	3	14.68	17.15	16.8%
Total / weighted average	107,315	16	$ 14.15	$ 14.48	2.3%
Less: leases not renewed / vacated	63,515	17			
Net total / weighted average	43,800				

The following table summarizes the REIT's leasing activity during the year ended December 31, 2015:

	GLA	Number of leases	Weighted average expiring rent (per sq.ft.)	Weighted average new rent (per sq.ft.)	Increase in rent
Renewed leases	672,499	77	$ 12.66	$ 15.08	19.1%
New leases	125,504	33	13.81	14.67	6.2%
Total / weighted average	798,003	110	$ 12.84	$ 15.02	17.0%
Less: leases not renewed / vacated	202,037	52			
Net total / weighted average	595,966				

The weighted-average in-place rent of the REIT's portfolio at December 2015 is $13.96 per sq.ft. Management estimates that current weighted average market rate to be $14.98 per sq.ft. for the markets in which the REIT's properties are located, or $1.02 per sq.ft. per higher than the REIT's current in-place rental rate expiring in 2016. This estimate of current market rent is based on management's estimates, third party valuations and leasing data obtained from actual new and renewed leasing activity. While there are no assurances that maturing leases will be renewed at rates in excess of current in-place rents, or at all, management compares in-place to market rents to determine the future revenue capacity of the REIT's current portfolio and roll-over revenue risk.

TENANT PROFILE

Management's strategy includes ensuring that the quality of the REIT's tenants are diversified and of high credit quality. A higher quality tenant base increases the durability of the REIT's tenants through economic cycles, which directly relates to their continued ability to meet their lease obligations to the REIT and continue to retain their workforce, which directly impacts their need for office space.

The following are the REIT's top 10 largest tenants at December 31, 2015, which together represent 45.0% of base rental receipts:

Tenant	Credit rating (1)	GLA (SF)	Number of properties	% of base rental receipts	Weighted average lease term (years)
Manitoba Telecom Services Inc.	BBB (stable)	66,439	2	8.7%	13.9
Government of Canada	AAA (stable)	265,471	5	8.0%	5.6
Bell Canada Enterprises	BBB (high)	495,144	3	8.5%	4.7
SNC-Lavalin Nuclear Inc. (2)	BBB (stable)	223,401	2	4.5%	5.5
Blue Cross	Unrated	160,433	2	3.9%	3.7
Province of New Brunswick	A (high)	126,609	2	3.7%	5.0
Province of Nova Scotia	A (high)	131,877	1	2.5%	1.6
The Minacs Group Inc. (3)	Unrated	103,179	1	2.2%	1.0
Province of Manitoba	A (high)	102,876	2	2.1%	20.4
Lenovo Canada Inc.	Unrated	36,720	1	0.9%	9.1
Total / weighted average		**1,712,149**		**45.0%**	**5.8**

(1) Source: DBRS
(2) The credit rating for SNC-Lavalin Nuclear Inc. reflects that of its parent, SNC-Lavalin Group Inc.
(3) Subsequent to December 31, 2015, the REIT extended its lease with The Minacs Group Inc. for an additional five years.

During 2015 management was focused on making acquisitions and securing tenants that improved the overall credit quality and covenant for the REIT's portfolio. In comparison to September 30, 2014, the quarter before the current management team took over, only The Minacs Group Inc., the Province of Manitoba, and the Government of Canada were included in the top 10 largest tenants.

PROPERTY PROFILE

The REIT's property portfolio at December 31, 2015 comprised wholly-owned interests in twenty-five office properties, three industrial properties, three retail properties, one hotel and a 30% interest in three office properties located in St. John's, Newfoundland. The portfolio comprises 4.4 million square feet of GLA. Of the REIT's property portfolio, three of its office properties are currently under redevelopment. For a listing of all of the REIT's properties see PART VI of this MD&A.

Acquisitions and dispositions

The 2015 year was focused on the execution of management's strategy to reposition the REIT as a pure-play office portfolio focused on Canada. Accordingly, the REIT undertook a significant number of acquisitions as well as management continued to execute on the REIT's disposition strategy to dispose of non-core assets. Proceeds from dispositions were recycled to either purchase assets or pay down existing debt.

The following properties were acquired by the REIT during 2015:

	2251 Speakman Drive	Co-Owned Properties	Co-Owned Properties	Portfolio Properties	Total
REIT's interest	100%	20%	10%	100%	
Number of properties	1	3	3	11	**15**
Acquisition date	Oct.1, 2015	Dec. 31, 2015	Jun. 30, 2015	Jun. 30, 2015	
Purchase price	$ 8,981	$ 28,800	$ 14,160	$ 289,094	**$ 341,035**
Transaction costs	395	145	186	5,506	**6,232**
Investment properties	9,376	28,945	14,346	294,600	**347,267**
Working capital	48	177	395	4,503	**5,123**
Debt	—	(21,000)	—	—	**(21,000)**
Total acquisition cost	$ 9,424	$ 8,122	$ 14,741	$ 299,103	**$ 331,390**

The following non-core properties were disposed of during 2015:

	Milton industrial	Winnipeg industrial	Retail portfolio	Industrial portfolio	Total
Disposition date	Sept. 2, 2015	June 18, 2015	Dec. 15, 2015	Dec. 21, 2015	
Number of properties	1	1	3	12	**17**
Location	Milton, ON	Winnipeg, MB	Newfoundland	Winnipeg, MB	
Sale price	$ 22,500	$ 6,700	$ 8,900	$ 47,000	**$ 85,100**
Capital adjustments	(1,406)	—	—	(1,183)	**(2,589)**
Net sale price	21,094	6,700	8,900	45,817	**82,511**
Working capital	(162)	(83)	(116)	(653)	**(1,014)**
Discharge of mortgages	(9,363)	(2,338)	—	(24,803)	**(36,504)**
Disposition costs	(850)	(228)	(439)	(2,902)	**(4,419)**
Net proceeds	$ 10,719	$ 4,051	$ 8,345	$ 17,459	**$ 40,574**

IFRS fair value

The REIT's property portfolio at December 31, 2015 had an estimated IFRS fair value of $729.1 million, with a weighted average capitalization rate of 6.68%. It is important to highlight that this capitalization rate balances the current economics of the REIT's properties, including its 85.4% in-place occupancy which includes its redevelopment assets and current in-place rents of $13.96, which management estimates to be $1.02 below market rents. Overall, the average estimated IFRS value per sq.ft. of the REIT's portfolio is $164. Management believes that this average value per sq.ft. is significantly lower than replacement cost, which management estimates to be between $250 and $400 per sq.ft. The REIT's average cost per sq.ft. value is lower than the current estimated fair value and replacement cost which we believe gives the REIT a significant pricing advantage compared to new office development.

The following table presents a summary of the discount, terminal capitalization and capitalization rates used to estimate the fair value of the REIT's properties at December 31, 2015 and December 31, 2014:

	2015			2014		
	Discount rate	**Terminal cap rate**	**Capitalization rate**	Discount rate	Terminal cap rate	Capitalization rate
Minimum	**7.00%**	**6.25%**	**5.50%**	7.25%	6.50%	6.50%
Maximum	**11.00%**	**9.00%**	**6.75%**	9.50%	9.00%	8.75%
Weighted average	**7.83%**	**6.93%**	**5.96%**	7.93%	7.23%	7.01%

The weighted average capitalization rate of 5.96% in the above table represents the weighted average rate of certain instances where the direct capitalization method was the primary valuation method used. Management's estimate of the weighted average capitalization rate for the entire portfolio is 6.68%.

The fair values of investment properties are measured individually without consideration to their aggregate value on a portfolio basis. No consideration is given to diversification benefits related to single property tenant risk and geography, the value of assembling a portfolio or to the utilization of a common management platform, amongst other benefits. As a result, the fair value of the REIT's investment properties taken in aggregate may differ from the fair value of investment properties measured individually in the REIT's consolidated statements of financial position.

Property continuity

A continuity of the REIT's property interests, including acquisitions, dispositions, capital and other changes is summarized below:

		Three months ended		Year ended
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Balance, beginning of period	**$ 728,053**	$ 262,866	**$ 448,012**	$ 265,367
Acquisitions	**38,688**	183,529	**347,267**	183,529
Capital expenditures	**2,378**	739	**3,524**	1,470
Direct leasing costs	**4,059**	620	**10,185**	1,861
Dispositions	**(53,261)**	—	**(82,511)**	—
Provisions	**(545)**	44	**(531)**	94
Depreciation of hotel	**(271)**	—	**(271)**	—
Change in fair value	**9,657**	150	**1,786**	(4,620)
Straight line rent and other changes	**331**	64	**1,628**	311
Balance, end of period	**$ 729,089**	$ 448,012	**$ 729,089**	$ 448,012

Capital expenditures are incurred by the REIT for maintaining or improving its office properties. Certain leases provide the ability to recover all or a portion of these costs from tenants over time. Direct leasing costs generally include tenant improvement construction costs related to new and renewal leasing.

The change in fair value during the three months and year ended December 31, 2015 is primarily the result of changes in discount and capitalization rates in addition to leasing assumptions and actual leasing transactions.

PART III - RESULTS OF OPERATIONS

SUMMARY OF RESULTS OF OPERATIONS

The following is a summary of the results of operations for the three months and years ended December 31, 2015 and 2014:

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Rental revenue	**$ 29,939**	$ 8,917	**$ 87,543**	$ 33,087
Property operating expenses	**(17,295)**	(4,165)	**(44,944)**	(13,800)
Income from equity accounted investment	**—**	577	**2,547**	$ 1,501
Finance income on finance lease receivable	**1,030**	—	**1,721**	—
Interest income	**21**	167	**703**	633
Interest and finance costs	**(5,234)**	(1,876)	**(15,339)**	(6,992)
General and administrative	**(976)**	(1,848)	**(3,488)**	(3,909)
Change in fair value of investment properties	**9,657**	150	**1,786**	(4,620)
Change in fair value of financial instruments	**21**	(1,039)	**3,312**	(3,119)
Depreciation on hotel asset	**(271)**	—	**(271)**	—
Acquisition and disposition costs	**(3,412)**	—	**(5,134)**	—
Net income before Class B LP units	**$ 13,481**	$ 883	**$ 28,436**	$ 2,781
Change in fair value of Class B LP units	712	241	2,691	2,444
Distributions to Class B LP unitholders	(992)	(689)	(3,846)	(2,364)
Net income and comprehensive income	**13,201**	435	**$ 27,281**	$ 2,861
Attributed to unitholders	13,181	435	27,181	2,861
Attributed to non-controlling interests	20	—	100	—
	13,201	435	**27,281**	2,861

NET INCOME BEFORE CLASS B LP UNITS

Net income before Class B LP units is an additional IFRS measure that represents the change in net income, before the impact of fair value adjustments to Class B LP units and distributions to Class B LP unitholders recorded in net income. Management uses and believes that this metric is valuable to users to evaluate net income prior to all residual equity holders, as the Class B LP units are exchangeable into REIT units and are in all material respects economically equivalent to REIT units.

Net income before Class B LP units for the year ended December 31, 2015 was $28.4 million compared to $2.8 million for 2014. The increase is primarily a result of an increase in net operating income of $22.0 million, in addition to positive impacts to change in the fair value of investment properties and financial instruments of $6.4 million and $6.4 million, respectively, which were offset by increased finance and other costs of $8.3 million and acquisition and disposition costs of $5.1 million that were specific to 2015.

NET INCOME

On an annual basis net income was $27.3 million for 2015, representing an increase of $24.4 million compared to 2014. This increase was primarily due to the change in net income before Class B LP units described above, together with a gain of $2.7 million as a result of a decline in fair value of the Class B LP units, which are recorded as a liability by the REIT. Increased distributions to Class B LP units of $1.5 million as a result of an increased number of Class B LP units during the 2015 year compared to 2014 also resulted in higher net income.

NET OPERATING INCOME

Net operating income ("NOI") is a non-GAAP measure and is defined by the REIT as rental revenue, excluding non-cash straight-line rent and leasing costs amortized to revenue, less property operating costs. Rental revenue for purposes of measuring NOI excludes revenue recorded as a result of determining rent on a straight-line basis and the amortization of leasing costs in revenue for IFRS, which management believes better reflects the cash generation activity of the REIT's properties. NOI is an important measure of the income generated from the REIT's properties and is used by the REIT in evaluating the performance of its properties.

The following is a calculation of NOI for the three months and year ended December 31, 2015 as compared to the same periods in the prior year:

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Revenue	**29,939**	8,916	**87,543**	33,087
Operating expenses	**(17,295)**	(4,165)	**(44,944)**	(13,800)
Property operating income	**12,644**	4,751	**42,599**	19,287
Straight-line rents and other changes	**(318)**	(64)	**(1,628)**	(311)
Net operating income	**12,326**	4,687	**40,971**	18,976

The increase in NOI of $22.0 million for the year ended December 31, 2015 compared to 2014 was the result of portfolio growth, most notably a full year of contribution from the suburban office acquisition and half year of contribution from the portfolio and co-owned properties acquired from Fortis Properties Corp. Similarly, the increase in NOI for the three months ended December 31, 2015 compared to 2014 was the result of the addition of a full quarter of NOI contribution from the suburban office acquisition and the portfolio and co-owned properties acquisition purchased from Fortis Properties Corp.

The REIT achieved NOI of $12.3 million for the three months ended December 31, 2015 and $41.0 million for the year ended December 31, 2015, compared to $4.7 million and $19.0 million for the same periods in 2014, respectively. The increase is attributable to portfolio growth most notably from the acquisition of the suburban office acquisition in December 2014 and the acquisition of the portfolio and co-owned properties in June 2015.

SAME-PROPERTY NOI

Same-property NOI is a non-GAAP measure and is defined by the REIT as rental revenue, excluding non-cash straight-line rent, less property operating costs for those properties owned by the REIT for all of the current period and the relevant comparative period. Same-property NOI is an important measure of the income generated from the REIT's properties period-over-period, but without consideration of acquisition and disposition activity, and is used by the REIT in evaluating the performance of its properties. The REIT seeks to increase or maintain same-asset NOI through high-occupancy, increasing rents on renewal to market rents and by signing leases with embedded rent increases throughout the term of the lease.

As a result of the REIT's transition during 2015 from a diversified portfolio to a pure-play office REIT as well as the significant level of acquisition and disposition activity, management also compares same-property NOI for the current quarter to the most recently completed comparative quarter. The following is a calculation of same-property NOI for the three months ended December 31, 2015 as compared to the three months ended September 30, 2015:

		Three months ended		
		December 31, 2015		September 30, 2015
Number of properties		**33**		33
GLA		**4,320,711**		4,320,711
Revenue	**$**	**27,985**	$	26,442
Operating expenses		**(16,087)**		(13,755)
Net property income	**$**	**11,898**	$	12,687
Straight-line rents and other changes		**(309)**		(414)
Same-property net operating income	**$**	**11,589**	$	12,273

Same property NOI has remained relatively consistent for the three months ended December 31, 2015 compared to the three months ended September 30, 2015 decreasing by $0.7 million. The decrease is primarily the result of decreased earnings of $0.4 million from the REIT's hotel asset as a result of normal seasonal variations in travel to Atlantic Canada and increased expenses in the fourth quarter that were not fully recoverable. Certain expenses were not recoverable as a result of vacancy and tenants on gross leases for expenses that are higher in the colder periods of the year.

FUNDS FROM OPERATIONS

Funds from operations

Funds from operations ("FFO") is a non-IFRS measures for evaluating real estate operating performance. The REIT calculates FFO in accordance with the definition provided by the Real Property Association of Canada ("RealPAC") in its White Paper on Funds From Operations, as revised in April 2014.

Core-FFO

Core-FFO makes certain adjustments to the REIT's calculation of FFO to recognize the REIT's share of lease payments received for its Data Centre asset, which for IFRS purposes is accounted for as a finance lease. Core-FFO also removes the impact of mortgage discharge fees and special committee expenses which were incurred by the REIT prior to Slate assuming the role of the Manager.

Reconciliation of FFO and Core-FFO

Management believes that FFO and Core-FFO are important measures of the operating performance and is used by the REIT in evaluating the combined performance of its operations including the impact of its capital structure and are useful for investors to evaluate the performance of the REIT. The following is a reconciliation of FFO and Core-FFO for the three months and year ended December 31, 2015 from net income and comprehensive income compared to the same periods in the prior year:

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Net income and comprehensive income	**$ 13,201**	$ 435	**$ 27,281**	$ 2,861
Add (deduct):				
Leasing costs amortized to revenue	**62**	52	**225**	174
Fair value adjustment in equity accounted investment	**—**	(699)	**(2,507)**	(1,776)
Non-controlling interests	**(35)**	—	**(173)**	—
Fair value adjustments of investment property	**(9,657)**	(150)	**(1,786)**	4,620
Fair value adjustments to financial instruments	**(21)**	1,039	**(3,312)**	3,119
Acquisition and disposition costs	**3,412**	—	**5,134**	—
Depreciation of hotel asset	**271**	—	**271**	—
Change in fair value of Class B LP units	**(712)**	(241)	**(2,691)**	(2,444)
Distributions to Class B unitholders	**992**	689	**3,846**	2,364
FFO	**$ 7,513**	$ 1,125	**$ 26,288**	$ 8,918
Finance income on finance lease receivable	**(996)**	—	**(1,896)**	—
Finance lease payments received	**1,475**	—	**2,759**	—
Mortgage discharge fees	**536**	—	**536**	—
Special committee expenses	**—**	1,354	**—**	1,876
Core - FFO	**$ 8,528**	$ 2,479	**$ 27,687**	$ 10,794
Weighted average number of units outstanding (1)	**35,519**	19,126	**27,852**	17,158
FFO per unit (diluted)	**$ 0.21**	$ 0.06	**$ 0.94**	$ 0.52
Core- FFO per unit (diluted)	**$ 0.24**	$ 0.13	**$ 0.99**	$ 0.63

(1) Represents the diluted weighted average number of units outstanding and includes the weighted average of all REIT units, DUP units and Class B LP units.

For the year ended December 31, 2015 FFO was $26.3 million or $0.94 per unit whereas FFO for the year ended December 31, 2014 was $8.9 million or $0.52 per unit, representing an increase of $17.4 million or $0.42 per unit, respectively. The year-over-year increase was primarily the result of portfolio growth through the acquisition of the suburban office properties in December 2014 and the portfolio and co-owned properties acquired from Fortis Properties Corp. in June 2015, whereas the per unit impact is less as a result of the additional units issued during 2015.

For the three months ended December 31, 2015 FFO was $7.5 million or $0.21 per unit. This represents an increase of $6.4 million or $0.15 per unit, which is attributable to portfolio growth.

ADJUSTED FUNDS FROM OPERATIONS

Adjusted FFO ("AFFO") is a non-IFRS measure that is widely used by the real estate industry and investors to measure the cash generated from operations, after debt service and certain capital and leasing costs and also after reversing the impact of non-cash interest and revenue amounts. It is also a meaningful measure used to evaluate the cash available for distribution to unitholders.

In calculating AFFO, the REIT makes adjustments to FFO for certain items including: guaranteed income supplements; accretion on the vendor take-back loan; amortization of deferred transaction costs; de-recognition and amortization of mark-to-market adjustments on mortgages refinanced or discharged; normalized direct leasing and capital costs; and amortization of straight-line rent. 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.

A reconciliation of Core-FFO to AFFO for the three months and year ended December 31, 2015 as compared to the same periods in the prior year is as follows:

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Core - FFO	**$ 8,528**	$ 2,479	**$ 27,687**	$ 10,794
Add (deduct):				
Guaranteed income supplement	**259**	—	**747**	—
Accretion on vendor take-back loan	**—**	74	**—**	291
Amortization of deferred transaction costs	**336**	64	**735**	253
Amortization of debt mark-to-market adjustments	**(69)**	(55)	**(331)**	(221)
Amortization of straight-line rent	**(381)**	(116)	**(1,853)**	(485)
Normalized direct leasing and capital costs	**(1,264)**	(475)	**(4,260)**	(1,929)
AFFO	**$ 7,409**	$ 1,971	**$ 22,725**	$ 8,703
Weighted average number of units outstanding (1)				
Basic and diluted	**35,519**	19,126	**27,852**	17,158
AFFO per unit (diluted)	**$ 0.21**	$ 0.10	**$ 0.82**	$ 0.51

(1) The basic and diluted weighted average number of units outstanding includes the weighted average of all REIT units and Class B LP units.

For the year ended December 31, 2015 AFFO was $22.7 million or $0.82 per unit whereas AFFO for the year ended December 31, 2014 was $8.7 million or $0.51 per unit, representing an increase of $14.0 million or $0.31 per unit, respectively. The year-over-year increase was primarily the result of portfolio growth, whereas the per unit impact is less impacted as a result of the additional units issued during 2015.

For the three months ended December 31, 2015 AFFO was $7.4 million or $0.21 per unit. This represents an increase of $5.4 million or $0.11 per unit compared to the same period in the prior year, which is attributable to the acquisition of the portfolio and co-owned properties in June 2015.

Reconciliation of FFO and AFFO

A reconciliation of net income to FFO and AFFO for the three months and year ended December 31, 2015 as compared to the same periods in the prior year is as follows:

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Net income and comprehensive income	**$ 13,201**	$ 435	**$ 27,281**	$ 2,861
Add (deduct):				
Leasing costs amortized to revenue	**62**	52	**225**	174
Fair value adjustment in equity accounted investment	**—**	(699)	**(2,507)**	(1,776)
Non-controlling interests	**(35)**	—	**(173)**	—
Fair value adjustments of investment property	**(9,657)**	(150)	**(1,786)**	4,620
Fair value adjustments to financial instruments	**(21)**	1,039	**(3,312)**	3,119
Acquisition and disposition costs	**3,412**	—	**5,134**	—
Depreciation of hotel asset	**271**	—	**271**	—
Change in fair value of Class B LP units	**(712)**	(241)	**(2,691)**	(2,444)
Distributions to Class B unitholders	**992**	689	**3,846**	2,364
FFO	**7,513**	1,125	**26,288**	8,918
Finance income on finance lease receivable	**(996)**	—	**(1,896)**	—
Finance lease payments received	**1,475**	—	**2,759**	—
Mortgage discharge fees	**536**	—	**536**	—
Special committee expenses	**—**	1,354	**—**	1,876
Core - FFO	**8,528**	2,479	**27,687**	10,794
Guaranteed income supplement	**259**	—	**747**	—
Accretion on vendor take-back loan	**—**	74	**—**	291
Amortization of deferred transaction costs	**336**	64	**735**	253
Amortization of debt mark-to-market adjustments	**(69)**	(55)	**(331)**	(221)
Amortization of straight-line rent	**(381)**	(116)	**(1,853)**	(485)
Normalized direct leasing and capital costs	**(1,264)**	(475)	**(4,260)**	(1,929)
AFFO	**$ 7,409**	$ 1,971	**$ 22,725**	$ 8,703

The following is FFO and AFFO expressed on a per unit basis for the three months and year ended December 31, 2015 as compared to the same periods in the prior year:

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
FFO per unit (diluted)	**$ 0.21**	$ 0.06	**$ 0.94**	$ 0.52
Core- FFO per unit (diluted)	**0.24**	0.13	**0.99**	0.63
AFFO per unit (diluted)	**$ 0.21**	$ 0.10	**$ 0.82**	$ 0.51

The following table reconciles AFFO from cash flow from operating activities for the years ended December 31, 2015 and 2014:

	Year ended	
	December 31, 2015	December 31, 2014
Cash flow from operating activities	**$ 30,246**	$ 12,452
Add (deduct):		
Working capital items	**(13,158)**	(5,654)
Distributions paid to Class B LP unitholders	**3,833**	2,233
Adjustments on Data Centre investment	**183**	42
Acquisition and disposition costs	**5,134**	—
Special committee expenses	**—**	1,876
Guaranteed income supplement	**747**	—
Normalized direct leasing and capital costs	**(4,260)**	(1,929)
AFFO	**$ 22,725**	$ 9,020

The following table reconciles AFFO from NOI for the years ended December 31, 2015 and 2014:

	Year ended	
	December 31, 2015	December 31, 2014
Net operating income	**$ 40,971**	$ 18,976
Add (deduct):		
General and administrative	**(3,488)**	(2,033)
Share of finance lease payments received	**2,759**	—
Other earnings from equity accounted investments	**(307)**	(275)
Cash interest, net of disposition costs	**(13,697)**	(6,036)
Guaranteed income supplement	**747**	—
Normalized direct leasing and capital costs	**(4,260)**	(1,929)
AFFO	**$ 22,725**	$ 8,703

CHANGES TO CORE-FFO AND AFFO

The REIT has changed is calculation of Core-FFO and AFFO in the current period. Core-FFO has been adjusted to reflect only the lease payments received for the REIT's Data Centre property. Furthermore, adjustments for the fair value changes of the REIT's swaps have been recorded directly in FFO in accordance with REALPac's White Paper on Funds From Operations as such instruments are economic hedges. AFFO has also been adjusted so that the historical adjustment for the interest rate subsidy, which was additive to AFFO, is no longer included in the determination.

The following shows the difference between the REIT's historically reported Core-FFO and AFFO and the revised calculations:

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Core-FFO							
Revised	$ 9,867	$ 4,764	$ 4,531	$ 2,479	$ 2,896	$ 2,821	$ 2,598
Previously reported	9,860	4,658	4,659	2,601	2,940	2,930	2,598
Difference	$ 7	$ 106	$ (128)	$ (122)	$ (44)	$ (109)	$ —
AFFO							
Revised	$ 8,293	$ 3,685	$ 3,340	$ 1,971	$ 2,411	$ 2,245	$ 2,076
Previously reported	8,547	3,670	3,566	850	2,387	2,228	2,055
Difference	$ (254)	$ 15	$ (226)	$ 1,121	$ 24	$ 17	$ 21

The following shows the difference between the REIT's historically reported Core-FFO and AFFO and the revised calculations on a per unit basis:

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Core-FFO							
Revised	$ 0.28	$ 0.24	$ 0.23	$ 0.13	$ 0.19	$ 0.21	$ 0.22
Previously reported	0.28	0.23	0.23	0.14	0.20	0.22	0.22
Difference	$ —	$ 0.01	$ —	$ (0.01)	$ (0.01)	$ (0.01)	$ —
AFFO							
Revised	$ 0.23	$ 0.18	$ 0.17	$ 0.10	$ 0.16	$ 0.17	$ 0.17
Previously reported	0.24	0.18	0.18	0.04	0.16	0.16	0.17
Difference	$ (0.01)	$ —	$ (0.01)	$ 0.06	$ —	$ 0.01	$ —
Weighted average diluted units	35,565	20,204	20,016	19,126	14,973	13,551	11,993

DISTRIBUTIONS

During the year, the REIT paid monthly distributions of $0.19 per unit, or $0.75 per unit on an annualized basis. Distributions paid to unitholders are paid at the same rate to holders of the REIT's Class B LP units and are paid on or about the 15th day of the month following declaration.

The following table summarizes distributions made during the three months and year ended December 31, 2015 and 2014 to unitholders of the REIT and Class B LP unitholders:

		Three months ended December 31, 2015			**Twelve months ended December 31, 2015**	
	Trust units	Class B LP units	**Total**	Trust units	Class B LP units	**Total**
Distributions declared	$ 5,654	$ 992	**$ 6,646**	$ 17,946	$ 3,846	**$ 21,792**
Distributions reinvested in trust units	472	—	**472**	1,087	—	**1,087**
Distributions made in cash	$ 5,182	$ 992	**$ 6,174**	$ 16,859	$ 3,846	**$ 20,705**

		Three months ended December 31, 2014			Year ended December 31, 2014	
	Trust units	Class B LP units	Total	Trust units	Class B LP units	Total
Distributions declared	$ 2,449	$ 689	$ 3,138	$ 8,452	$ 2,364	$ 10,816
Distributions reinvested in trust units	198	186	384	1,066	1,861	2,927
Distributions made in cash	$ 2,251	$ 503	$ 2,754	$ 7,386	$ 503	$ 7,889

The REIT has a distribution reinvestment plan (the “DRIP”), where eligible unitholders, which include holders of Class B LP units, that elect to participate in the DRIP will have their cash distributions used to purchase trust units of the REIT. The distributions declared during the year ended December 31, 2015 resulted in 154,721 trust units issued under the DRIP. For the December 2015 distribution, approximately 8.4% of the trust units outstanding were subscribed to the REIT’s DRIP. To the extent unitholders participate in the DRIP additional cash will be retained by the REIT.

AFFO PAY-OUT RATIO

The AFFO pay-out ratio is a non-IFRS measure that provides a representation of the distributions made by the REIT compared to AFFO generated by the REIT. Management uses this measure on a total and per unit basis to evaluate the REIT's ability to sustain its distributions. The AFFO pay-out ratio is calculated by dividing aggregate distributions made in respect of units of the REIT and Class B LP units by AFFO during the period of measurement.

One of the REIT's key objectives is to maintain a conservative AFFO pay-out ratio to continue to provide steady and reliable distributions to unitholders. As a result, the REIT is focused on maintaining a policy that provides a high level of certainty that the distribution will be maintained or increased over time.

For the three months ended December 31, 2015, the AFFO pay-out ratio was 89.7%, compared to the pay-out ratio of 159.2% for the same period in 2014. The AFFO pay-out ratio was 95.9% for the twelve months ended December 31, 2015, compared to an AFFO pay-out ratio of 124.3% for 2014. The decrease in pay-out ratio is mainly due to the overall growth of portfolio from the acquisitions in June 2015 and December 2014 and the commencement of the Data Centre lease on June 5, 2015. Management believes that the now current distribution level is more appropriate to meet the REIT's objective to provide a high level of certainty over ongoing distributions. We expect that in the short-term the REIT's AFFO pay-out ratio will be approximately 90%, while our longer term target AFFO pay-out ratio is approximately 85%.

The table below illustrates the REIT's cash flow capacity, based on AFFO, in comparison to its cash distributions:

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
AFFO	**$ 7,409**	$ 1,971	**$ 22,725**	$ 8,703
REIT unit and Class B LP distributions declared	**6,646**	3,138	**21,792**	10,816
Excess (deficiency) of AFFO over distributions declared	**763**	(1,167)	**933**	(2,113)
Cash retained from DRIP	**472**	384	**1,087**	2,927
Excess (deficiency) of AFFO over cash distributions	**$ 1,235**	$ (783)	**$ 2,020**	$ 814
AFFO pay-out ratio	**89.7%**	159.2%	**95.9%**	124.3%
AFFO pay-out ratio after DRIP	**83.3%**	139.7%	**91.1%**	90.6%

SEGMENTED INFORMATION

The REIT has earned NOI from three geographic locations:

	Three months ended				Year ended			
	December 31, 2015		December 31, 2014		**December 31, 2015**		December 31, 2014	
	Total	**Percentage (%)**	Total	Percentage (%)	**Total**	**Percentage (%)**	Total	Percentage (%)
Atlantic	**$ 5,999**	**48.7%**	$ —	—%	**$ 13,348**	**32.6%**	$ —	—%
Ontario	**4,328**	**35.1%**	2,376	50.7%	**19,044**	**46.5%**	8,559	45.1%
Western	**1,999**	**16.2%**	2,311	49.3%	**8,579**	**20.9%**	10,417	54.9%
	$ 12,326	**100.0%**	$ 4,687	100.0%	**$ 40,971**	**100.0%**	$ 18,976	100.0%

Atlantic

	Three months ended		Year ended	
($000s unless otherwise noted)	**December 31, 2015**	December 31, 2014	**December 31, 2015**	December 31, 2014
# of properties (period-end)	**11**	—	**11**	—
Owned GLA (000s of sq. ft.) (period-end)	**2,189,671**	—	**2,189,671**	—
Occupancy rate (%) (period-end)	**88.2%**	—	**88.2%**	—
Revenue from investment properties	**$ 16,610**	$ —	**32,629**	$ —
Property operating expenses	**(10,611)**	—	**(19,282**	—
Net operating income	**$ 5,999**	$ —	**13,348**	$ —

Net operating income from the three and twelve months ended December 31, 2015 is attributable to the acquisition of the portfolio and co-owned properties from Fortis Properties Corp. in June 30, 2015. Prior to June 30, 2015 the REIT did not have any properties in Atlantic Canada. Accordingly, as a result of this recent acquisition, there are no comparative figures for the prior year.

Ontario

	Three months ended		Year ended	
($000s unless otherwise noted)	**December 31, 2015**	December 31, 2014	**December 31, 2015**	December 31, 2014
# of properties (period-end)	**11**	11	**11**	11
Owned GLA (000s of sq. ft.) (period-end)	**1,626,092**	1,769,116	**1,626,092**	1,769,116
Occupancy rate (%) (period-end)	**82.4%**	91.4%	**82.4%**	91.4%
Revenue from investment properties	**$ 9,190**	$ 4,645	**$ 37,600**	$ 15,417
Property operating expenses	**(4,862)**	(2,269)	**(18,556)**	(6,858)
Net operating income	**$ 4,328**	$ 2,376	**$ 19,044**	$ 8,559

Net operating income for the properties in Ontario increased by $2.0 million for the three months ended December 31, 2015, when compared to the same period in 2014. NOI for the properties in Ontario increased by $10.5 million for the twelve months ended December 31, 2015, when compared to the same period in 2014. The increase in NOI in Ontario is as a result of the suburban office acquisition in December 2014.

Western

($000s unless otherwise noted)	Three months ended **December 31, 2015**	December 31, 2014	**December 31, 2015**	Year ended December 31, 2014
# of properties (period-end)	**12**	24	**12**	24
Owned GLA (000s of sq. ft.) (period-end)	**620,530**	1,136,640	**620,530**	1,136,640
Occupancy rate (%) (period-end)	**83.7%**	93.6%	**83.7%**	93.6%
Revenue from investment properties	**3,821**	4,207	**15,686**	17,359
Property operating expenses	**(1,821)**	(1,896)	**(7,107)**	(6,942)
Net operating income	**1,999**	2,311	**8,579**	10,417
Net operating income from Data Centre	**1,525**	—	**3,484**	—
Net operating income including Data Centre	**3,524**	2,311	**12,063**	10,417

Net operating income for the Western properties increased for both the three months and year ended December 31, 2015, when compared to the same periods in 2014. This increase in NOI was due to the increase in rental revenues associated with the 25 year lease renewal at 114 Garry Street and the adjustment for the Data Centre net operating income on a non-IFRS basis.

REVENUE

Revenue from investment properties includes rent from tenants under lease agreements, straight-line rental income, percentage rents, property taxes and operating cost recoveries, and other incidental income. The following is a summary of the components of revenue:

	Three months ended **December 31, 2015**	December 31, 2014	**December 31, 2015**	Year ended December 31, 2014
Property base rent	**15,949**	5,540	**$ 48,070**	$ 20,766
Operating cost and tax recoveries	**11,589**	3,313	**33,532**	12,010
Hotel	**2,082**	—	**4,313**	—
Straight-line adjustments and other	**318**	64	**1,628**	311
	$ 29,939	$ 8,916	**$ 87,543**	$ 33,087

For the three months ended December 31, 2015, revenue from investment properties was $29.9 million compared to $8.9 million for the same period in 2014. For the twelve months ended December 31, 2015, revenue from investment properties was $87.5 million compared to $33.1 million for the same period in 2014. The increase in revenue from investment properties was driven by incremental revenues from the acquisition of the suburban office properties in December 2014 and the portfolio and co-owned properties from Fortis Properties Corp. in June 2015.

PROPERTY OPERATING EXPENSES

Property operating expenses consist of property taxes, property management fees, and other expenses such as common area costs, utilities, and insurance. The majority of the REIT's property 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 $11.6 million for the three months and $33.5 million for the twelve months ended December 31, 2015, compared to $3.3 million and $12.0 million for the same periods in 2014. The increase in property operating expenses is attributable to portfolio growth through acquisitions.

GENERAL AND ADMINISTRATIVE

General and administration expenses are primarily comprised of asset management fees, professional fees, trustee fees, and other reporting fees.

For the three and twelve months ended December 31, 2015, general and administrative expenses decreased by $0.9 million and $0.4 million respectively, compared to the prior period. The decrease was as a result of $1.4 million and $1.8 million of special committee expenses included in general and administrative expenses in 2014, offset by increase in asset management and professional fees attributable to portfolio growth.

INTEREST AND FINANCE COSTS

Interest and finance costs are comprised of the following:

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Mortgage interest	**$ 2,701**	$ 1,701	**$ 10,597**	$ 6,227
Interest on other debt	**1,730**	24	**3,617**	166
Interest on vendor take-back loan	**—**	68	**185**	276
Accretion on vendor take-back loan	**—**	74	**—**	291
Amortization of deferred transaction costs	**336**	64	**735**	253
Amortization of mark-to-market adjustment on mortgages	**(69)**	(55)	**(331)**	(221)
Mortgage discharge	**536**	—	**536**	—
	$ 5,234	$ 1,876	**$ 15,339**	$ 6,992

For the three months ended December 31, 2015, finance costs resulted in expenses of $5.2 million compared to $1.9 million in the prior quarter and the twelve months ended December 31, 2015, finance costs were $15.3 million compared to $7.0 million for the same period in 2014. The increase relates to the increase in the size of the REIT from the portfolio acquisitions.

FINANCE INCOME ON FINANCE LEASE RECEIVABLE

The REIT has a 15 year lease with MTS for the Data Centre. The terms of the lease meet the requirements for classification as a finance lease because the minimum lease payments amount to at least substantially all of the fair value of the leased asset. As a result of this classification, a portion of revenue earned on the property is recorded as interest income on finance lease. Interest income recognized on the finance lease for the quarter and year ended December 31, 2015 was $1.0 million and $1.7 million. There was no income earned in the comparable period in 2014.

The REIT makes certain non-IFRS adjustments for the contributions made by the Data Centre to its Core-FFO and AFFO to account for the difference between accounting under IFRS and the lease contributions under a cash basis.

INCOME FROM EQUITY ACCOUNTED INVESTMENT

During the three months and twelve months ended December 31, 2015, the REIT recorded income of nil and $2.5 million from its equity accounted investment in the Data Centre compared to income of $0.6 million and $1.5 million for the same periods in 2014. Equity income was largely driven by a fair value adjustment to its investment property under development. No additional equity income was recognized in 2015 as a result of the REIT's acquisition of an additional 30% of the Data Centre to an 80% controlling interest since July 31, 2015. The REIT began consolidating the Data Centre effective July 31, 2015 as a result of the acquisition.

FAIR VALUE ADJUSTMENTS TO FINANCIAL INSTRUMENTS

Under IFRS, the trust unit purchase warrants issued on December 28, 2012 in connection with the REIT's initial public offering 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 based on the quoted closing price of the warrants.

During the three months and year ended December 31, 2015 and 2014, the fair value adjustment to warrants were nominal. The warrants expired unexercised on December 28, 2015.

Also included in fair value adjustments to financial instruments is the gain on extinguishment of subscription receipts of $4.9 million which was nil in the prior year. On June 10, 2015, the REIT completed a public offering of 10,820,820 subscription receipts at $7.40 per subscription receipt, for gross proceeds of $80.1 million. Each subscription receipt, entitled the the holder to the right to receive one trust unit upon completion of the acquisition of the portfolio and co-owned properties from Fortis Properties Corp. The share price on the date of acquisition was $6.95 representing a $0.45 price premium over the fair value of the trust units on June 10, 2015.

ACQUISITION AND DISPOSITION COSTS

Acquisition and disposition costs for the twelve months ended were $5.1 million. Disposition costs for the industrial portfolio were $2.9 million and disposition costs for the Milton industrial sale were $0.9 million. Included in acquisition and disposition costs are $0.6 million for adjustments on the acquisition of Data Centre including acquisition costs payable the Manager of $0.2 million.

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. Therefore, the REIT has not recognized any current or deferred income taxes in its consolidated financial statements.

QUARTERLY INFORMATION

The following is a summary of financial and operational information for the REIT for the eight most recently completed quarters:

	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Revenue	**$ 29,939**	$ 29,133	$ 14,390	$ 14,082	$ 8,917	$ 7,991	$ 7,972	$ 8,207
Operating costs	**(17,295)**	(14,808)	(6,387)	(6,454)	(4,165)	(3,148)	(3,045)	(3,442)
Less: Straight-line rent and other	**(319)**	(438)	(369)	(502)	(64)	(46)	(109)	(92)
Net operating income	**$ 12,325**	$ 13,887	$ 7,634	$ 7,628	$ 4,688	$ 4,797	$ 4,818	$ 4,673
Net income (loss) and comprehensive income (loss)	**$ 13,201**	$ 4,830	$ 10,480	$ (1,230)	$ 435	$ 4,652	$ (1,872)	$ (354)
Weighted average diluted units (1)	**35,519**	35,565	20,204	20,016	19,126	14,973	13,551	11,993
Distributions (2)	**$ 6,646**	$ 6,664	$ 4,729	$ 3,753	$ 3,138	$ 2,811	$ 2,616	$ 2,251
Distributions per unit	**0.1875**	0.1875	0.1875	0.1875	0.1875	0.1875	0.1875	0.1875
FFO	**7,513**	9,525	4,720	4,531	1,125	2,712	2,601	2,480
FFO per unit - diluted	**0.21**	0.27	0.24	0.23	0.06	0.18	0.19	0.21
Core-FFO	**8,528**	9,867	4,764	4,531	2,479	2,896	2,821	2,598
Core-FFO per unit - diluted	**0.24**	0.28	0.24	0.23	0.13	0.19	0.21	0.22
AFFO	**7,409**	8,293	3,685	3,340	1,971	2,411	2,245	2,076
AFFO per unit - diluted	**$ 0.21**	$ 0.23	$ 0.18	$ 0.17	$ 0.10	$ 0.16	$ 0.17	$ 0.17
AFFO pay-out ratio	**89.7%**	80.4%	128.3%	112.4%	159.2%	116.6%	116.5%	108.4%
Properties	**$ 729,089**	$ 728,053	$ 747,270	$ 448,062	$ 448,012	$ 262,866	$ 262,849	$ 265,087
Total assets	**812,995**	813,571	801,946	476,293	476,670	289,500	289,107	273,577
Total debt	**$ 495,604**	$ 498,573	$ 490,656	$ 281,210	$ 280,486	$ 136,126	$ 137,075	$ 138,013
LTV ratio	**61.1%**	61.4%	61.3%	59.2%	59.0%	47.3%	47.7%	50.7%
Number of properties	**34**	48	48	35	35	28	28	28
Office GLA	**4,243,928**	4,204,054	4,343,891	2,038,036	2,040,294	963,748	963,748	963,748
Total GLA	**4,436,293**	5,054,812	5,262,636	2,903,398	2,905,756	1,829,103	1,829,096	1,829,096
Occupancy - excluding redevelopment	**89.7%**	90.7%	90.7%	91.7%	92.3%	94.8%	97.8%	97.9%
Occupancy	**85.4%**	89.2%	90.0%	91.7%	92.3%	94.8%	97.8%	97.9%

(1) The weighted average number of basic units reflects the REIT units and includes the conversion of the Class B LP units and is shown in thousands.
(2) Includes distributions made to both unitholders of the REIT, DUP units and Class B LP unitholders.

PART IV - FINANCIAL CONDITION

LIQUIDITY AND CAPITAL RESOURCES

The principal liquidity needs of the REIT arise from working capital requirements, distributions to unitholders, planned funding of maintenance capital expenditures and leasing costs, and future property acquisitions.

Cash flows from operating the REIT's property portfolio, available funding under the REIT's credit facilities and cash on hand represent the primary sources of liquidity. Cash flows from operations are dependent upon rental occupancy levels, rental rates, the collection of rents, recoveries of operating costs and the level of operating costs.

DEBT STRATEGY

The REIT's obligations with respect to debt repayments and funding requirements for future investment property acquisitions will be primarily funded by refinancing cash retained after distribution the REIT's maturing debt, financing unencumbered properties, or future issuances of trust units and debentures.

The REIT's overall borrowing objective is to obtain secured financing, with terms to maturity that are appropriate having regard to the lease maturity profiles of the underlying properties and which allows the REIT to achieve and maintain staggered debt maturities that reduce its exposure to interest rate fluctuations and re-financing risk in any particular period. The REIT also endeavors to have an appropriate amount of fixed rate debt and to extend loan terms when borrowing conditions are favourable.

INDEBTEDNESS RATIO

In accordance with the REIT's Declaration of Trust the REIT's indebtedness may not exceed 65% of the REIT's gross book value, which is defined by the Declaration of Trust as total assets less restricted cash. The REIT's indebtedness ratio at December 31, 2015 was 61.1% compared to 59.0% as at December 31, 2014. The change is primarily a result of property acquisitions being financed with borrowings at a leverage ratio greater than the REIT's pre-existing properties. Subject to market conditions and the growth of the REIT, management's target is to maintain total indebtedness at approximately 55%. 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, debt 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.

The REIT's indebtedness level is calculated as follows:

	December 31, 2015	December 31, 2014
Total assets	**$ 812,995**	$ 476,670
Less: restricted cash	**(1,403)**	(1,596)
Gross book value	**811,592**	475,074
Debt	**$ 495,604**	$ 280,486
Leverage ratio	**61.1%**	59.0%

Additional investment and operating guidelines are provided for by the Declaration of Trust. The REIT is in compliance with these guidelines.

ADJUSTED EBITDA

Adjusted EBITDA is a non-IFRS measure and is used by the REIT to monitor the REIT's ability to satisfy and service its debt as well as monitor requirements imposed by the REIT's lenders. Specifically, adjusted EBITDA is used to monitor the REIT's leverage ratio, interest coverage ratio and debt service ratio, which the REIT uses to measure its debt profile and assess its ability to satisfy its obligations, including servicing its debt. Management views adjusted EBITDA as a proxy for operating cash flow prior to interest costs. Adjusted EBITDA represents earnings before interest, income taxes, depreciation, fair value gains (losses) from both financial instruments and investment properties, while also excluding nonrecurring items such as transaction costs from dispositions, acquisitions or other events. Similar adjustments are made to the REIT's share of net income or loss from its equity accounted investment when calculating adjusted EBITDA.

The following is a calculation of adjusted EBITDA for the three months and years ended December 31, 2015 and 2014:

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Net income and comprehensive income	**$ 13,201**	$ 435	**$ 27,281**	$ 2,861
Fair value adjustment for equity accounted investment	**—**	(699)	**(2,507)**	(1,776)
Finance income on finance lease receivable	**(1,030)**	—	**(1,721)**	—
Interest income	**(21)**	(167)	**(703)**	(633)
Interest expense and other changes	**5,234**	1,876	**15,339**	6,992
Fair value adjustments on investment property	**(9,657)**	(150)	**(1,786)**	4,620
Fair value adjustments on financial instruments	**(21)**	1,039	**(3,312)**	3,119
Class B LP distributions	**992**	689	**3,846**	2,364
Amortization of leasing costs	**62**	52	**225**	174
Straight line rent	**(381)**	(116)	**(1,853)**	(485)
Depreciation	**271**	—	**271**	—
Acquisition and disposition costs	**3,412**	—	**5,134**	—
Adjusted EBITDA	**$ 12,061**	$ 2,959	**$ 40,214**	$ 17,236

INTEREST COVERAGE

In addition to the REIT's level of indebtedness calculated in accordance with the REIT's Declaration of Trust, management also monitors certain financial measures, which include the (i) net debt to adjusted EBITDA leverage ratio, (ii) interest coverage ratio, and (iii) the debt service coverage ratio. All of these measures are non-IFRS measures.

Net Debt to adjusted EBITDA leverage ratio

The net debt to adjusted EBITDA ratio is used to calculate the financial leverage of the REIT, specifically, its ability to meet financial obligations and to provide a measure of its balance sheet strength. The REIT calculates debt to adjusted EBITDA by dividing the aggregate amount of debt outstanding, less cash on hand, by annualized adjusted EBITDA. The net debt to adjusted EBITDA leverage ratio also indicates the number of years required for the REIT's unleveraged operating earnings (i.e. before depreciation, amortization, transaction costs, gains or losses, fair value adjustments, and taxes) to cover or repay all outstanding debts. The net debt to adjusted EBITDA ratio also takes into consideration the cash on hand to decrease debt.

The following is a calculation of adjusted EBITDA for the three months and years ended December 31, 2015 and 2014:

		Three months ended		Year ended
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Debt, net	**$ 495,604**	$ 280,486	**$ 495,604**	$ 280,486
Adjusted EBITDA (1)	**$ 48,242**	$ 11,836	**$ 40,214**	$ 17,236
Net debt to adjusted EBITDA	**10.3x**	23.7x	**12.3x**	16.3x

(1) Adjusted EBITDA for three months is based on three months adjusted EBITDA annualized.

Interest coverage ratio

The interest coverage ratio is useful in determining the REIT's ability to service the interest requirements of its outstanding debt. The interest coverage ratio is calculated by dividing adjusted EBITDA by the REIT's interest obligations for the period. Management utilizes this ratio to measure and limit leverage.

The following is a calculation of adjusted EBITDA for the three months and years ended December 31, 2015 and 2014:

		Three months ended		Year ended
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Adjusted EBITDA (1)	**$ 48,242**	$ 11,836	**$ 40,214**	$ 17,236
Interest expense	**$ 17,724**	$ 7,172	**$ 14,399**	$ 6,669
Interest coverage ratio	**2.8x**	2.6x	**2.8x**	2.6x

(1) Adjusted EBITDA for three months is based on three months adjusted EBITDA annualized.

Debt service coverage ratio

The debt service coverage ratio is determined as adjusted EBITDA divided by the debt service requirements for the period, whereby the debt service requirements reflects principal repayments and interest expensed during the period. Payments related to defeasance, prepayment penalties, or payments upon discharge of a mortgage are excluded from the calculation. The debt service coverage ratio is a useful measure and is used by the REIT's management to monitors the REIT's ability to meet annual interest and principal payments.

The following is a calculation of adjusted EBITDA for the three months and years ended December 31, 2015 and 2014:

		Three months ended		Year ended
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Adjusted EBITDA (1)	**$ 48,242**	$ 11,836	**$ 40,214**	$ 17,236
Interest expense	**17,724**	7,172	**14,399**	6,669
Principal repayments	**3,368**	4,072	**4,198**	3,995
Debt service requirements	**$ 21,092**	$ 11,244	**$ 18,597**	$ 10,664
Debt service coverage ratio	**2.3x**	1.05x	**2.2x**	1.6x

(1) Adjusted EBITDA for three months is based on three months adjusted EBITDA annualized.

DEBT REPAYMENT SCHEDULE

The following table outlines the REIT's annual principal payments and maturity schedule, together with the weighted average annual interest rates:

	Annual Principal Payments	Principal Repayments on Maturity	Total	Percentage (%)	Weighted Average Contractual Interest Rate (%)[1]
2016	$ 3,245	$ 1,510	$ 4,755	1.0%	4.1%
2017	3,462	200,500	203,962	41.0%	3.1%
2018	3,538	198,984	202,522	40.7%	2.9%
2019	3,665	10,376	14,041	2.8%	4.4%
2020	3,429	—	3,429	0.7%	0.0%
Thereafter	$ 27,224	$ 41,707	$ 68,931	12.9%	4.2%

(1) Includes payments under interest rate swaps.

CONTRACTUAL OBLIGATIONS

The following is a summary of the REIT's contractual obligations over the next five years:

	Total contractual cash flow	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Accounts payable and other liabilities	$ 20,586	$ 20,586	$ —	$ —	$ —
Amortizing principal repayments on debt	44,563	3,245	7,000	7,094	27,224
Principal repayments on maturity of debt	453,077	1,510	399,484	10,376	41,707
Interest on debt[1]	50,760	15,546	16,747	6,574	11,893
Interest rate swaps[2]	4,544	668	1,294	1,202	1,380
Security deposits	4,216	1,266	692	797	1,461
Total	**$ 577,746**	**$ 42,821**	**$ 425,217**	**$ 26,043**	**$ 83,665**

(1) Interest amounts on floating debt have been determined using floating rates at December 31, 2015.
(2) Interest rate swap obligations have been calculated as the difference between the pay-fixed rate and receive-float rate based on the December 31, 2015 floating rate.

INTEREST RATE SWAPS

As at December 31, 2015, the REIT has interest rate swaps that entitle the REIT to receive interest at floating rates and pay interest at fixed rates. Interest rate swaps are measured at fair value with fair values calculated as the present value of contractual cash flows based on current forward curves.

At December 31, 2015 and 2014 the REIT had the following interest rate swap agreements:

Maturity date	Fixed interest rate	Notional amount December 31, 2015	Notional amount December 31, 2014	Fair value at December 31, 2015	Fair value at December 31, 2014
Feb. 1, 2025	5.9%	$ —	$ 3,840	$ —	$ 634
Aug. 14, 2023	4.6%	21,790	22,325	2,162	1,482
May 1, 2023	3.7%	23,347	24,005	990	123
				$ 3,153	**$ 2,239**

The following is a reconciliation of the change in the balance of the interest rate swap liability during the years ended December 31:

	2015	2014
Balance, beginning of period	**$ 2,239**	$ (936)
Extinguishment	**(651)**	—
Fair value changes	**1,565**	3,175
Balance, end of period	**$ 3,153**	$ 2,239

Changes in the fair value of the interest rate swaps is dependent on changes in the underlying swap curve which impacts the future expectation of net payments to be made by the REIT over the term to maturity. The extinguishment during 2015 related to the settlement of a swap attached to a mortgage secured by a property that was disposed of during the year.

FINANCIAL CONDITION

The REIT's primary sources of capital are cash generated from operating, financing and investing activities. Management expects to meet all of the REIT's obligations through current cash and cash equivalents, cash flows from operations, the REIT's revolving credit facility, and refinancing of mortgages.

The following table provides an overview of the REIT's cash flows from operating, financing and investing activities for the three months and year months ended December 31, 2015 and 2014.

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Net change in cash related to:				
Operating	**$ 9,930**	$ 9,343	**$ 30,246**	$ 12,452
Investing	**26,144**	(148,451)	**(266,491)**	(166,017)
Financing	**(33,793)**	148,539	**242,095**	154,847
Increase in cash	**$ 2,281**	$ 9,431	**$ 5,850**	$ 1,282

The increase in net cash flow for the three months and year ended December 31, 2015 compared to the same periods in 2014 was the result of the following factors:

- Operating – cash flows for the three and twelve months ended December 31, 2015 increased when compared to the same period in 2014, mainly due the increase in non-cash working capital items assumed on the acquisition of the suburban office properties and the portfolio and co-owned properties from Fortis Properties Corp. Net operating income increased from the growth in the portfolio and the timing of cash receipts and settlement of payables. These increases are offset by distributions on Class B LP units distributions in cash, and interest paid on mortgage payable.
- Investing – cash flows for the three and twelve months ended December 31, 2015 were primarily related to the acquisition of portfolio and co-owned properties from Fortis Properties Corp. for cash consideration of $313.8 million plus certain other adjustments, net of proceeds received from the dispositions of the non-core industrial and retail portfolios of $40.6 million.
- Financing – cash flows for the three and twelve months ended December 31, 2015 were from the proceeds on the issuance of trust units and draws on the new revolving credit facility and term facility in connection with the acquisition of the portfolio and co-owned properties from Fortis Properties Corp. These sources were offset by the increase in transaction costs on the equity offering and new debt, as well as distributions paid on trust units in cash.

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 $7.05 as at December 31, 2015.

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 year ended December 31, 2015.

As at December 31, 2015, the total number of trust units outstanding was 30,041,430. As at March 3, 2016, the total number of trust units outstanding was 30,037,998.

Normal course issuer bid

The REIT has registered a normal course issuer bid ("NCIB"). The NCIB commenced on August 17, 2015 and ceases at the earlier of January 12, 2016 or the date on which the REIT has purchased an aggregate of 850,154 trust units (representing approximately 10% of the REIT's issued and outstanding trust units at the time of entering the NCIB). On January 15, 2016, the REIT renewed its NCIB, whereby the REIT may purchase up to 2,334,509 trust units, subject to certain restrictions. The renewed NCIB expires on the earlier of January 25, 2017 and repurchase of the maximum number of trust units.

For the year ended December 31, 2015, 579,973 trust units were purchased and subsequently canceled under the NCIB for a total cost, including transaction costs, of $4.4 million at an average price of $7.35 per unit.

Potential trust units

	December 31, 2015	December 31, 2014
Class B LP units	**5,285,160**	5,073,818
Warrants	**—**	1,598,550
Deferred units	**17,440**	—
	5,302,600	6,672,368

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 equal to the cash distributions paid to holders of trust units by the REIT. 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. During the three months and twelve months ended December 31, 2015, there were no Class B LP units exchanged for the REIT's trust units.

DEFERRED UNIT PLAN

Effective May 26, 2015, the REIT adopted a Deferred Unit Plan ("DUP"). Trustees of the REIT who are neither full nor part-time employees of the REIT, Slate, or any of their subsidiaries, are eligible to participate in the DUP. Participants may elect to receive all or a portion of their annual retainer, meeting fees and additional compensation (including travel fees), in deferred units. One deferred unit, which vests immediately on the grant date, is equivalent to one trust unit. Additional deferred units accumulate at the same rate that distributions are paid on the trust units. The deferred units may be redeemed by a participant for a period of two years after the participant ceases to be a Trustee of the REIT in whole or in part for cash or trust units. The value of the deferred units when converted to cash will be equivalent to the market value of REIT units on the date of the redemption request.

The REIT measures deferred units as a liability at their fair value, which is equivalent to the fair value of trust units. Changes in the measurement of deferred units is recorded as a gain or loss.

As at December 31, 2015, the total number of deferred units outstanding was 17,440.

RELATED PARTY TRANSACTIONS

The REIT has a management agreement (the "Management Agreement") with Slate Management Corporation ("SMC"), a subsidiary of Slate Asset Management L.P. ("SLAM"), whereby SMC as the REIT's manager provides the REIT with the strategic, administrative, property management, leasing, acquisition and disposition, financing and construction management services necessary to manage the strategy and day-to-day operations of the REIT and its assets. SLAM is also the manager of the REIT's three co-owned properties in St. John's, Newfoundland.

SLAM held the following interests in the REIT at December 31:

	Year ended December 31,	
	2015	2014
Number of REIT units	**1,687,251**	1,687,251
Number of Class B LP units	**5,285,160**	5,073,818
Total	**6,972,411**	6,761,069
Economic interest	**19.74%**	33.79%

Since becoming the manager of the REIT in late 2014, SLAM has been the largest unitholder in the REIT. Accordingly, SLAM is highly motivated to continue to grow the operations and financial position of the REIT on an accretive basis.

The Management Agreement provides for the following fees:

Type	**Basis**
Property management	3% of revenues
Asset management	0.3% of gross book value
Leasing	5% on new leases, 2% on renewals
Financing	0.25% of debt placed
Construction	5.0% of costs
Acquisition	Variable (1)

(1) Acquisition fees are 1.0% on the first $100 million of acquisitions; 0.75% on the next $100MM of acquisitions and 0.50% for acquisitions in excess of $200 million.

For the three months and year ended December 31, 2015 and 2014 the REIT incurred the following fees under the Management Agreement:

	Three months ended		Year ended	
	December 31, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Property management	**$ 831**	$ 250	**$ 2,459**	$ 936
Asset management	**606**	239	**1,921**	857
Leasing, financing, and construction management	**552**	60	**2,203**	374
Acquisition	**215**	8	**2,671**	103
	$ 2,204	$ 557	**$ 9,254**	$ 2,270

Property administration fees are allowable under the tenants' leases relating to assets or resources of the Manager that are directly attributable to the management of the REIT's properties. For the three months ended December 31, 2015, property administration fees were $1.6 million, compared to $0.3 million for the same period in 2014. For the twelve months ended December 31, 2015, property administration fees were $4.8 million, compared to $1.3 million for the same period in 2014. These fees are recovered from the tenants by the REIT and payable by the REIT to the Manager under the terms of the Management Agreement.

Assets and liabilities included in the consolidated statement of financial position of the REIT related to SMC and SLAM at December 31 were as follows:

	2015	2014
Accounts receivable	**$ 1,424**	$ 3,721
Accounts payable and accrued liabilities	**2,748**	1,000
Vendor take-back loan	**—**	9,180
Class B LP units	**$ 37,260**	$ 13,901

On December 17, 2014, the REIT completed the acquisition of the suburban office properties, with the approval of the unitholders of the REIT, from an entity controlled by SLAM. On October 1, 2015, the REIT acquired 2251 Speakman Drive from SLAM.

SMC has provided a guarantees on mortgages with aggregate principal balances of $3.6 million at December 31, 2015 (2014 – $1.8 million).

PART V - ACCOUNTING AND CONTROL

CRITCIAL ACCOUNTING ESTIMATES

The REIT has identified the estimate of the fair value of its properties as a critical accounting estimate due to the significance of the estimate to the REIT's financial position and impact of changes on fair value to net income. Estimating the fair value of real property is characterized by uncertainty, both in terms of differences between different methods of valuation but also in the selection of assumptions to reflect the property being valued, certain of which are subjective. There is no assurance that management's, or a third-party's, estimate of fair value would be realized on sale due to the specific and unique aspects of real property, including their location, liquidity, tenants and the local demand and supply of competing properties for tenants.

The REIT determines the fair value of investment properties based upon either the overall income capitalization rate method or the discounted cash flow method, direct comparison approach or through a combination of methods. All methods are generally accepted appraisal methodologies. If a third party appraisal is not obtained for a property, management uses one or a combination of the overall income capitalization rate method and the discounted cash flow method. In certain circumstances the direct comparison approach is used by comparing properties to similar properties that have sold, but adjusting for differences in the nature, location and other relevant considerations of the properties. The valuation methodology used, or combination of methodologies used, is based on the applicability and reliability of the relative approaches in the context of the subject property.

The fair values of investment properties are measured individually without consideration to their aggregate value on a portfolio basis. No consideration is given to diversification benefits related to single property tenant risk and geography, the value of assembling a portfolio or to the utilization of a common management platform, amongst other benefits. As a result, the fair value of the REIT's investment properties taken in aggregate may differ from the fair value of investment properties measured individually in the REIT's consolidated statements of financial position.

The following is a summary of the methodologies undertaken by management to estimate the fair value of the REIT's properties:

Overall income capitalization approach

The overall income capitalization approach evaluates a property's potential to generate cash flows and converts those cash flows into a present value. Generally, the REIT estimates a stabilized net operating income and applies a capitalization rate to that income to estimate fair value. Stabilized net operating income is determined as the property's potential gross income that could be generated at full capacity, less a vacancy and collection allowance. The capitalization rate used is derived from analysis of comparable sales data and the relative relationship of other properties' net operating incomes over their sale price. In many cases, industry surveys are available that provide indicative ranges of capitalization rates for recently sold properties or views on value, however, certain adjustments are required to adjust for the specific nature, location and quality of properties.

Discounted cash flow method

Under the discounted cash flow method, fair values are primarily determined by discounting the expected future cash flows, generally over a term of 10 years, including a terminal value based on the application of a capitalization rate to estimated year 11 net operating income. Capitalization and discount rates are the most significant assumption in determining fair value. The REIT uses leasing history, market reports, tenant profiles and available appraisals, among other things, in determining the most appropriate assumptions.

Direct comparison approach

This approach involves comparing properties similar to the property for which fair value is being estimated and making adjustments to reconcile differences in size, location, nature and the quality of the property.

A summary of the significant assumptions used in the REIT's estimate of fair value as at December 31, 2015 is included on page 8 of this MD&A. Changes in these assumptions would have a significant impact on the REIT's estimate of fair value, which can be impacted by changes in demand for properties similar to those owned by the REIT, expectations of market rents, the covenant quality of tenants and the general economic environment. Further, these changes can occur at different times and magnitudes for each of the REIT's Western, Ontario and Atlantic regions based on the investment environments in each of their respective markets.

FUTURE ACCOUNTING POLICIES

The IASB has issued the following new standards that will be relevant to the REIT in preparing its consolidated financial statements in future periods:

IAS 1, Presentation of Financial Statements ("IAS 1")

The IASB issued amendments to IAS 1 as part of its major initiative to improve presentation and disclosure in financial reports. These amendments will not require any significant change to current practice, but are intended to facilitate improved financial statement disclosures. The amendments are effective for annual periods beginning on or after January 1, 2016. The REIT is assessing the impact of this amendment on its consolidated financial statements.

IFRS 9, Financial Instruments ("IFRS 9")

IFRS 9, which replaces IAS 39 *Financial Instruments: Recognition and Measurement*, establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their cash flows. 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. This new standard is effective for annual periods beginning on or after January 1, 2018. The REIT is assessing the impact of this new standard on its consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standard on leases, insurance contracts and financial instruments. The new standard includes a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018, and is to be applied retrospectively. Early adoption is permitted. The REIT is currently assessing the impact of the new standard on its consolidated financial statements.

IFRS 16, Leases ("IFRS 16)

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use

the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17, *Leases*, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. The new standard is effective for annual periods beginning on or after January 1, 2019, which is when the REIT intends to adopt IFRS 16 in its financial statements. The extent of the impact of adoption of the standard has not yet been determined.

For each of the above changes in accounting policy the REIT expects to adopt such changes at the time of their required adoption. The REIT continues to assess the impact of the changes in accounting policy on its consolidated financial statements, however, there is currently no identified impact on the REIT's business.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

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 controls over financial reporting ("ICFR"), as such terms are defined in National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109").

DC&P are those controls and other procedures that are designed to provide reasonable assurance that all material 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 those controls and other procedures that are designed to ensure that material 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 REIT has adopted the *Internal Control – Integrated Framework (2013)* published by the Committee of Sponsoring Organizations of the Treadway Commission for the design of its ICFR for the year ended December 31, 2015.

As required by NI 52-109, the REIT's CEO and CFO have evaluated the effectiveness of the REIT's DC&P and ICFR. Based on such evaluations, we have concluded that the design and operation of the REIT's DC&P and ICFR, as applicable, are adequately designed and effective, as at December 31, 2015. No changes were made in the REIT's design of ICFR during the year ended December 31, 2015, that have materially affected, or are reasonably likely to materially affect, the REIT's ICFR.

In designing such controls, it should be recognized that due to inherent limitations, any controls or control systems, no matter how well designed 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 or prevented. These inherent limitations include, without limitation, (i) the possibility that management's assumptions and judgments may ultimately prove to be incorrect under varying conditions and circumstances; or (ii) the impact of isolated errors.

Additionally, controls may be circumvented by unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PART VI - PROPERTY TABLE

A summary of details of the REIT's property portfolio as at December 31, 2015 is set out in the table below.

Asset Class	Property Address	Property Name	City, Province	Year Built / Renovated / Expanded	Sq ft.of GLA	Occupancy
Office - Income Producing						
	1870 Albert Street	Saskatchewan Place	Regina, SK	1985	84,243	66.4 %
	280 Broadway Avenue (1)		Winnipeg, MB	1957	112,642	99.0 %
	114 Garry Street		Winnipeg, MB	1950 / 2016	74,248	100.0 %
	895 Waverley Street		Winnipeg, MB	1991	34,364	100.0 %
	1000 Waverley Street		Winnipeg, MB	1966 / 1998	58,668	91.3 %
	MTS Data Centre	MTS Data Centre	Winnipeg, MB	2015	64,000	100.0 %
	4211 Yonge Street		Toronto, ON	1982	170,972	94.7 %
	1189 Colonel Sam Drive		Oshawa, ON	2001	103,179	100.0 %
	2655 – 2695 North Sheridan Way	The Promontory	Mississauga, ON	1987 / 1989	159,752	100.0 %
	7030, 7050, 7100 Woodbine Avenue & 55, 85 Idema Road	Woodbine Complex	Markham, ON	1984 / 2011	359,833	84.9 %
	135 Queens Plate		Toronto, ON	1989 / 2012	93,581	82.3 %
	1 Eva Road		Toronto, ON	1978 / 2011	91,068	77.8 %
	2400 – 2430 Meadowpine Boulevard		Mississauga, ON	1990	59,095	91.8 %
	5395 – 5409 Eglinton Avenue West	Centennial Centre	Toronto, ON	1985	235,299	78.8 %
	2285 Speakman Drive		Mississauga, ON	1981	126,270	100.0 %
	2599 Speakman Drive		Mississauga, ON	1971 / 2011	111,461	86.1 %
	644 Main Street	Blue Cross Centre	Moncton, NB	1988 / 2006	320,818	97.6 %
	39 King Street (2)	Brunswick Square	Saint John, NB	1976	507,804	87.3 %
	440 King Street	King's Place	Fredericton, NB	1974 / 2001	292,022	82.8 %
	1505 Barrington Street	Maritime Center	Halifax, NS	1977 / 1985	547,014	94.9 %
	100 New Gower Street	Cabot Place	St. John's, NL	1987	40,390	100.0 %
	10 Factory Lane	Fort William Building	St. John's, NL	1980	188,170	100.0 %
	5 Springdale Street	Fortis Place	St. John's, NL	2014	42,831	100.0 %
	4 Herald Avenue	Fortis Tower	Corner Brook, NL	2014	67,203	96.5 %
	140 Water Street	TD Place	St. John's, NL	1980 / 2013	29,230	85.8 %
Office - Redevelopment						
	173 Water Street	Water Street	St. John's, NL	Various	71,541	45.0 %
	2251 Speakman Drive		Mississauga, ON	1965 / 2016	115,582	0.0 %
	139 Water Street	Fortis Building	St. John's, NL	1968 / 1994	82,648	23.5 %
					4,243,928	**86.3 %**
Industrial						
	35 Martin Way		Brooks, AB	2005	28,400	0.0 %
	5404 36th Street SE	Doka Building	Calgary, AB	1980	36,000	100.0 %
	7001 96th Street		Grande Prairie, AB	2005	33,280	0.0 %
					97,680	**36.9 %**
Retail						
	125 – 185 First Street		Cochrane, AB	1998	15,771	70.6 %
	200 Manitoba 10	Flin Flon Wal-Mart	Flin Flon, MB	2002	63,439	100.0 %
	307 – 311 Airport Road	Airport Road Shopping Centre	Yellowknife, NWT	2001 / 2003	15,475	100.0 %
					94,685	**95.1 %**
Total - Total Portfolio					**4,436,293**	**85.4 %**
Total - Excluding Office Redevelopment					**4,238,063**	

(1) 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 occupancy from residential tenants at 70 Smith Street.
(2) Includes Delta Brunswick Hotel.

CORPORATE INFORMATION

Slate Office REIT is an unincorporated, open-ended investment trust fund under and governed by the laws of the Province of Ontario. The REIT focuses on acquiring, owning and leasing a portfolio of diversified revenue-producing commercial real estate properties in Canada with an emphasis on office properties. The REIT has a current portfolio that spans 4.4 million square feet of GLA and consists of 34 properties located across Canada.

Head office

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Independent auditors

KPMG LLP
Chartered Professional Accountants
Winnipeg, Canada

Stock exchange listing and symbol

The REIT's units are listed on the Toronto Stock Exchange and trade under the symbol SOT.UN

Registrar and transfer agent

Computershare Investor Services Inc.
510 Burrard Street, 3rd Floor
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The REIT's website **www.slateam.com/reits/office/** provides additional information regarding the REIT's portfolio, investment strategy, management and corporate governance. Additionally, the Investor section includes news, presentations, events, regulatory filings and stock information.

Trustees

John O'Bryan [3]
Corporate Director

Pam Spackman [1][2][3]
Chair of the Mortgage Advisory Committee,
Timbercreek Mortgage Strategies Inc.

Gary Samuel [1][2][3]
President, Perek Bet Inc.

Al Mawani [2]
President and Chief Executive Officer
Rodenbury Investments Limited

Georges Dubes [1]
Partner, Bennett Jones LLP

Nora Duke
Executive Vice-President, Corporate Service and
Chief Human Resources Office, Fortis Inc.

Blair Welch
Partner and Co-founder
Slate Asset Management L.P.

Brady Welch
Partner and Co-founder
Slate Asset Management L.P.

[1] Compensation, Governance and Nomination Committee
[2] Audit Committee
[3] Investment Committee