

**DREAM HARD ASSET ALTERNATIVES TRUST REPORTS Q2 2015 RESULTS AND GROWTH IN ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTION (AFAD) PER UNIT**

*This press release contains forward-looking information that is based upon assumptions and is subject to risks and uncertainties as indicated in the cautionary note contained within this press release.*

**TORONTO, AUGUST 10, 2015, DREAM HARD ASSET ALTERNATIVES TRUST (TSX: DRA.UN)** (“Dream Alternatives” or the “Trust”) today reported its financial results for the three and six months ended June 30, 2015.

The Trust's AFAD per Unit for the three months ended June 30, 2015 were \$0.11, an increase of \$0.03 or 37.5% from the prior quarter, primarily due to the successful disposition of a participating loan interest in a mixed-use pre-development project in Toronto for a pre-tax gain of \$3.1 million. Excluding this gain, the Trust's AFAD per Unit would have been \$0.08, stable relative to the prior quarter. The sale of the Trust's interest in the participating loan is consistent with the Trust's strategy to repatriate capital from the original portfolio at or above net asset value (NAV) and redeploy proceeds into hard asset investments that produce more attractive long-term risk adjusted returns over time.

During and subsequent to the quarter, the Trust invested \$70 million of equity in renewable power projects, mortgages and income properties at an expected weighted average yield of approximately 10%. Since the Trust's listing, we have invested and entered into agreements for approximately \$174 million of equity at an average yield of 9.5%.

“We continue to make exceptional progress in repatriating capital and reinvesting proceeds into mortgages, renewable power and real estate assets that will help generate income for the Trust and contribute to an increase in net asset value over time” said Michael Cooper, Portfolio Manager. “We have repositioned approximately 24% of the original portfolio since listing of the Trust. The repatriation of over \$130 million of loans at NAV since the Trust's listing in addition to the sale of our investment in the Castlepoint development asset this quarter for a pre-tax gain of 33% over our carrying value proves our ability to crystallize value from our legacy assets. We expect to continue to reinvest proceeds from the original portfolio into higher returning and more stable cash flow generating assets.”

At June 30, 2015, the Trust held \$75.2 million of wind and solar power assets which had nominal contribution to AFAD results for the three and six months ended June 30, 2015, as the majority of such assets were under construction. The income generated from solar projects specifically, are subject to seasonality within a year, with higher returns typically generated in the spring and summer months and lower returns typically generated in the fall and winter months. Our solar projects under construction are expected to become fully operational by the first quarter of 2016. Once operational, these projects are expected to generate an average annual expected yield of approximately 12% based on the stabilized equity interest over the term of the 20 year Power Purchase Agreements ("PPA").

Selected financial and operating metrics for the three and six month periods ended June 30, 2015 are summarized below.

(all amounts are presented in thousands of Canadian dollars, except Unit and per Unit amounts unless otherwise stated)	Six months ended		Three months ended		
	June 30, 2015		June 30, 2015	March 31, 2015	December 31, 2014
<b>Consolidated results of operations</b>					
NOI <sup>(1)</sup>	\$	25,353	\$ 14,194	\$ 11,159	\$ 12,256
EBITDA <sup>(1)</sup>		18,444	10,596	7,848	8,334
AFAD <sup>(1)</sup>		13,354	7,834	5,520	6,290
AFAD <sup>(1)</sup> excluding gain on disposition		11,032	5,512	5,520	6,290
Annualized AFAD return on net assets <sup>(1)</sup>		3.4%	3.5%	3.1%	3.5%
Annualized AFAD return on net assets <sup>(1)</sup> excluding gain on disposition, net of tax expense		3.1%	3.1%	3.1%	3.5%
Cash at period ended	\$	78,834	\$ 78,834	\$ 93,155	\$ 80,157
<b>Trust Unit information</b>					
Distributions declared and paid per Unit	\$	0.20	\$ 0.10	\$ 0.10	\$ 0.10
AFAD per Unit (basic and fully diluted) <sup>(1)</sup>		0.18	0.11	0.08	0.09
AFAD per Unit (basic and fully diluted) <sup>(1)</sup> excluding gain on disposition		0.15	0.08	0.08	0.09
<b>As at</b>			<b>June 30, 2015</b>	<b>March 31, 2015</b>	<b>December 31, 2014</b>
<b>Consolidated financial position</b>					
Net assets attributable to Unitholders of the Trust <sup>(1)</sup>	\$	707,464	\$ 707,636	\$ 712,207	
Adjusted net asset value per Unit <sup>(1)</sup>		9.72	9.70	9.75	
Total assets		989,326	999,902	997,260	
Debt-to-gross book value <sup>(1)</sup>		25.5%	26.5%	25.2%	
Units outstanding – end of period		73,446,918	73,545,104	73,666,978	
Market capitalization	\$	479,608	\$ 494,959	\$ 499,462	

Footnote: Please refer to page 4 for definitions

## SECOND QUARTER 2015 HIGHLIGHTS:

### **Strong Pipeline of New Lending Opportunities at Attractive Interest Rates**

During the quarter, the lending portfolio segment's AFAD for the three months ended June 30, 2015 were \$2.7 million, lower than the prior quarter AFAD of \$3.3 million, primarily due to a lower average principal balance during the quarter as a result of net repayments. At June 30, 2015, the weighted average term to maturity of the lending portfolio was 0.85 years with a weighted average effective interest rate of 8.7% (March 31, 2015 – 0.96 years and 8.9% respectively).

We have received repayment of approximately 61% of the original mortgage portfolio as at August 10, 2015, which includes many of the loans that were originally considered to be of higher risk. During the six months ended June 30, 2015, we advanced \$8.1 million toward new and existing loan commitments at a weighted average rate of 8.2%. Subsequent to June 30, 2015, we funded \$31.0 million of loans and have unfunded commitments of \$20.4 million, in aggregate with an average contractual interest rate of 8.4%. Included in the amounts funded subsequent to quarter end is a \$17.0 million second mortgage secured by a 294-acre golf course in Markham, Ontario, for a term of three years and an interest rate of 9.3%, and a \$14.0 million first mortgage secured by a 14,000 sq.ft. condominium development site in downtown Toronto for a term of one year and an interest rate of 8.0%. Since the Trust's listing, including unfunded commitments, we have originated \$118.3 million of new loans at a weighted average effective interest rate of 8.6%. The Trust expects to continue to originate unique lending opportunities at attractive risk adjusted returns by leveraging the Dream platform and its extensive network.

### **Acquisition of Industrial Portfolio with Dream Industrial REIT**

During the quarter, the Trust acquired a co-ownership interest in a portfolio of industrial income properties located in Regina, Saskatchewan for \$8.9 million at the Trust's interest, including transaction costs of \$0.3 million, at a going-in capitalization rate of 6.9%. The acquisition is structured as a 50/50 co-ownership with Dream Industrial REIT (TSX: DIR.UN or "DIR"). Subsequent to quarter end, the Trust acquired a sixth industrial income property for \$0.9 million at the Trust's interest with DIR. The portfolio has a gross leasable area of approximately 59,000 sq.ft. at the Trust's interest, which is fully leased and has a weighted average lease term of 5.7 years. This portfolio, in combination with our office and retail properties, will continue to provide a stable and diversified source of income to the Trust. The assets were acquired unencumbered and the Trust expects to obtain secured mortgage financing in the third quarter of 2015.

### **Income Properties Update**

As at June 30, 2015, the in-place and committed occupancy rate was 91.6%, up 0.4% from the prior quarter, and compares favourably to the market-specific industry average occupancy rate applicable to the Trust's portfolio of 86.9%. The income properties segment's AFAD for the three months ended June 30, 2015 were \$4.6 million, \$0.2 million higher than the prior quarter, mainly due to the acquisition of the industrial property portfolio and lower interest expense due to the repayment of one property mortgage upon maturity.

Our portfolio continues to deliver stable operating and financial results amidst a more competitive leasing environment. As at June 30, 2015, lease commitments of almost 79% of our 2015 expiries had been secured. In addition, the Trust has secured approximately 30% of expiries in 2016. Our remaining expiries in 2016 include over 50 tenants and have an average suite size of approximately 4,000 sq.ft.

The Trust has approximately \$60.1 million of mortgage maturities coming due in the third quarter of 2015. As at August 10, 2015, the Trust has received commitment letters from a lender to refinance all of the maturities and expects to receive approximately \$74.0 million from the refinancing, for a term of 5 years at a rate of approximately 3.0%. Following execution of this financing, the Trust will have refinanced all of its remaining 2015 mortgage maturities.

### **Update on Renewable Power Investments**

AFAD from renewable power increased from \$0.04 million in the first quarter of 2015 to \$0.3 million in the second quarter of 2015, as a result of partial quarter revenue contribution of three newly operational solar rooftop projects with an installed capacity of 1.2 megawatts ("MW") in Ontario. Our renewable power projects currently under construction are expected to be completed within budget and produce 21.2 MW by the first quarter of 2016. These projects are expected to generate a weighted average expected yield of approximately 12% based on the stabilized equity interest over the term of the 20 year PPA.

### **Development and Investment Holding Activities**

The development and investment holdings AFAD for the for the three months ended June 30, 2015 were \$4.5 million, which included a pre-tax gain of \$3.1 million from the sale of the Trust's interest in the Castlepoint development project for gross proceeds of \$12.6 million. During the three months ended June 30, 2015, cash distributions of \$1.0 million were received from the development and investment holdings portfolio mainly due to term financing secured against a retail development project.

During the three months ended June 30, 2015, the Trust acquired a 50% equity interest in TRYP Hotel PUR, an award-winning, full service hotel situated in the heart of the Saint-Roch District of Québec City, Québec. The investment was made in partnership with Global Edge Investments ("GEI") Hospitality Inc., a North American hospitality investment company with development and asset management expertise in hotels, restaurants and online hospitality companies. The Trust also entered into a commitment to fund a 10.2% second mortgage secured against the hotel for up to \$5.5 million for a term of two years with a one year extension at the option of the borrower. No amounts were drawn on the loan as at August 10, 2015. Proceeds will be used to enhance the value of the asset through a capital investment program to upgrade the guest rooms and common amenities of the hotel, and rebrand the hotel as a 4-star property.

Construction of the Empire Lakeshore two tower condominium development commenced in the second quarter of 2015 and the low-rise multi-phase residential development continues to actively sell residential homes. As at June 30, 2015, the residential development project manager had sold 76.3% of the 1,944 total projected condominium and single family residential units, an increase from 59.0% at the Trust's Listing date.

At June 30, 2015, our equity investment in assets located in Alberta, as a percentage of our total investment portfolio, was less than 2%.

#### **Renewal and Extension of Revolving Credit Facility**

On July 8, 2015, the Trust's demand revolving credit facility, which is available up to a formula-based maximum of up to \$50.0 million was renewed and extended to July 31, 2017. The renewal included an amendment to the formula-based maximum calculation resulting in an increase in the available balance to \$48.7 million as of the renewal date, up from \$29.2 million at June 30, 2015. All other terms of the credit facility remain unchanged. As at August 10, 2015 no amounts were drawn on the facility, and there were \$4.9 million of letters of credit outstanding.

The Trust ended the second quarter with \$78.8 million of cash on hand, an undrawn credit facility with maximum availability of up to \$50 million and a conservative debt to gross book value of 25.5%. With the Trust's flexible investment mandate and conservative balance sheet, we remain well positioned to seek and execute on high value investment opportunities.

#### **Normal Course Issuer Bid Update**

From the commencement of our normal course issuer bid to August 10, 2015, the Trust has purchased for cancellation 382,500 Units at an average price of \$6.58 per Unit and a total cost of approximately \$2.5 million. Since the Trust's Listing date, the Asset Manager and the portfolio manager of the Trust have also purchased in aggregate 871,500 Units at a total cost of approximately \$5.6 million.

### **SELECTED SEGMENTED OPERATING METRICS**

	Three months ended		
	June 30, 2015	March 31, 2015	December 31, 2014
<i>(All dollar amounts are presented in thousands of Canadian dollars, except for rental rates)</i>			
<b>INCOME PROPERTIES</b>			
Income properties revenue	\$ 14,909	\$ 14,933	\$ 14,956
Net operating income ("NOI") <sup>(1)</sup>	7,560	7,461	7,787
NOI margin (%) <sup>(1)</sup>	50.7%	50.0%	52.1%
Occupancy rate - including committed (period-end)	91.6%	91.2%	91.2%
Average in-place base rent per sq.ft. (period-end)	\$ 14.61	\$ 14.58	\$ 14.49
Market rent/in-place rent (%)	5.0%	5.6%	6.2%
<b>LENDING PORTFOLIO</b>			
Lending portfolio interest income and lender fees	\$ 3,100	\$ 3,654	\$ 4,454
Annualized AFAD return on segment net assets <sup>(1)</sup>	7.6%	8.8%	7.9%
Lending portfolio loan balance at amortized cost	\$ 144,508	\$ 150,763	\$ 213,572
Weighted average face interest rate on debt receivable <sup>(1)</sup>	7.7%	8.0%	7.8%
Weighted average remaining term to maturity of debt receivable (years)	0.85	0.96	0.93
<b>DEVELOPMENT AND INVESTMENT HOLDINGS INVESTMENT</b>			
Villarboit - assets under development	\$ 74,687	\$ 75,110	\$ 75,600
Villarboit - completed developments	3,828	4,902	4,662
Empire Brampton - assets under development	23,911	23,095	22,308
Empire Lakeshore - assets under development	42,902	41,180	41,541
Bayfield LP investments - income producing	14,286	14,286	15,222
Hotel PUR - income producing	2,596	—	—
Castlepoint - assets under development	—	9,454	9,383
Total	\$ 162,210	\$ 168,027	\$ 168,716
<b>RENEWABLE POWER</b>			
Renewable power revenue	\$ 441	\$ 71	\$ 46
NOI margin (%) <sup>(1)</sup>	85.0%	62.0%	32.6%
EBITDA <sup>(1)</sup>	\$ 341	\$ 42	\$ (19)
EBITDA margin <sup>(1)</sup>	77.3%	59.2%	N/A
Total capacity installed, under development and construction	21.2	21.2	17.1

Footnote: Please refer to page 4 for definitions

## **Other Financial Information**

Information appearing in this press release is a selected summary of results. The financial statements and management's discussion and analysis for the Trust are available at [www.dreamalternatives.ca](http://www.dreamalternatives.ca) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## **Conference Call**

Senior management will be hosting a conference call.

Date: Monday, August 17, 2015 at 10:00am (ET)  
Dial: For Canada and USA please dial: 1-888-465-5079  
For International please dial: 416-216-4169  
Passcode: 9147 557#

A taped replay of the call will be available for ninety (90) days. For access details, please go to Dream Alternatives Trust's website at [www.dreamalternatives.ca](http://www.dreamalternatives.ca) and click on Calendar of Events in the News and Events section.

## **Webcast**

To access the conference call via webcast, please go to Dream Alternatives Trust's website at [www.dreamalternatives.ca](http://www.dreamalternatives.ca) and click on Calendar of Events in the News and Events section. The webcast will be archived for ninety (90) days.

## **About Dream Alternatives**

Dream Alternatives provides an opportunity for Unitholders to invest in diversified hard asset alternative investments, including real estate, real estate loans and infrastructure, including renewable power, managed by an experienced team with a successful track record in these areas. The objectives of the Trust are to provide predictable and sustainable cash distributions to Unitholders on a tax efficient basis, and re-position and grow its assets to increase the value of its business and its distributions to Unitholders over time. For more information, please visit: [www.dreamalternatives.ca](http://www.dreamalternatives.ca)

For further information, please contact:

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## **FOOTNOTE**

(1) *Adjusted total income, net operating income ("NOI"), NOI margin, EBITDA, EBITDA margin, adjusted funds available for distribution ("AFAD"), annualized AFAD return on net assets, net assets attributable to Unitholders of the Trust, debt-to-gross book value, adjusted net asset value, adjusted net asset value per Unit, and weighted average face interest rate are non-IFRS measures used by Management in evaluating operating performance. Please refer to the cautionary statements under the heading "Non-IFRS Measures" in this press release*

## **Non-IFRS Measures**

*The Trust's interim condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, the Trust discloses and discusses certain non-IFRS financial measures including adjusted total income, net operating income ("NOI"), NOI margin, EBITDA, EBITDA margin, adjusted funds available for distribution ("AFAD"), annualized AFAD return on net assets, net assets attributable to Unitholders of the Trust, debt-to-gross book value, adjusted net asset value, and adjusted net asset value per Unit, weighted averaged face interest rates, as well as other measures discussed elsewhere in this release. These non-IFRS measure are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. The Trust has presented such non-IFRS measures as Management believes they are relevant measures of our underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to net income, total comprehensive income or cash flows generated from operating activities or comparable metrics determined in accordance with IFRS as indicators of the Trust's performance, liquidity, cash flow and profitability. For a full description of these measures and where applicable a reconciliation to the most directly comparable measure calculated in accordance with IFRS please refer to the "Non-IFRS Measures" in the Trust's Management's Discussion and Analysis for the periods ended June 30, 2015.*

## **Forward Looking Information**

*This press release may contain forward-looking information within the meaning of applicable securities legislation. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Trust's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to general and local economic and business conditions, employment levels, mortgage and interest rates and regulations, regulatory risks, environmental risks, consumer confidence, the financial condition of tenants and borrowers, local real estate conditions, adverse weather conditions and variability in wind conditions and solar irradiation, reliance on key clients, partners and personnel, the uncertainties of acquisitions and new projects, inflation and competition. All forward looking information in this press release speaks as of August 10, 2015. The Trust does not undertake to update any such forward looking information whether as a result of new information, future events or otherwise. Additional information about these assumptions and risks and uncertainties is disclosed in filings with securities regulators filed on SEDAR ([www.sedar.com](http://www.sedar.com)). These filings are also available at the Trust's website at [www.dreamalternatives.ca](http://www.dreamalternatives.ca).*