dream alternatives **DRA.UN-TSX**

DREAM HARD ASSET ALTERNATIVES TRUST REPORTS STRONG 29% YEAR OVER YEAR AFAD PER UNIT GROWTH AND INCREASED NEW INVESTMENT IN TORONTO DEVELOPMENT PROJECTS

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, February 27, 2017, DREAM HARD ASSET ALTERNATIVES TRUST (TSX: DRA.UN) ("Dream Alternatives", "we" or the "Trust") today reported its financial results for the three months and year ended December 31, 2016.

For the year ended December 31, 2016, the Trust reported AFAD(1) of $0.43 per unit, up 29% or $0.10 per unit from the prior year excluding disposition gains. Including prior year disposition gains, AFAD was up 18.0% or $0.07 per unit from the prior year. For the three months ended December 31, 2016, AFAD of $0.10 per unit was up 11.1% or $0.01 per unit when compared to the same period in the prior year.

"We are pleased with our 2016 financial results," said Michael Cooper, Portfolio Manager. "We achieved AFAD of $0.43 per unit, which was in excess of our distributions, even though we have not yet been able to recycle the capital invested in legacy assets that are not producing any return for us currently. When we look ahead to the profits from exceptional development opportunities we have invested in, we expect AFAD per unit to cumulatively exceed our distributions over the next four years with improving prospects from our recent investments in the Lakeshore East and Mississauga development sites, when they begin to contribute to income. We are committed to unlocking the equity in the legacy portfolio so that we can grow our AFAD and net asset value per unit through our strategy of investing in yield and growth assets. Even though we do not have all of the Trust's equity currently producing our target returns, the year over year per unit growth in AFAD achieved in 2016 demonstrates the solid progress that is being made from our active management of the portfolio."

Disposition Strategy for Office Properties: Earlier in 2016, Dream Office REIT (TSX: D.UN) announced a strategic plan which involved a target to sell at least $1.2 billion of non-core assets that they believed would realize attractive pricing in the private markets relative to IFRS values. To date, Dream Office REIT has successfully sold or has under contract approximately $1.5 billion of properties with the intent to sell more assets over and above this, to concentrate on operating its highest and best quality properties. The Trust is of a similar view and a portion of the future disposition pool identified by Dream Office REIT includes some of the Trust's co-owned office assets located in the suburban Greater Toronto Area ("GTA"), Ontario and single co-owned office assets held in smaller cities or secondary markets across Canada that are fairly liquid but do not fit the longer term objectives or targeted returns of the Trust. As a result, the Trust has set a target to repatriate approximately $140-150 million of equity from the sale of these non-core co-owned properties over the next two to three years. We intend to work closely with Dream Office REIT to maximize value from the portfolio and will consider all opportunities that benefit the Trust and align with our long term strategy. Given Dream Office REIT's success in 2016 with respect to asset sales, we are optimistic we will be able to achieve our set targets.

Net asset value ("NAV")(1) per unit of $9.09 was at December 31, 2016, a 3.7% decrease from $9.44 per unit at September 30, 2016 and 5.7% decline from $9.64 per unit as at December 31, 2015. A decline in the fair value of our co-owned office properties was the largest component of the decline in NAV. During the three months ended December 31, 2016, independent third party appraisals were undertaken with a focus on a select group of assets located within the GTA given the assets' suburban market location and operating performance. The resulting fair value losses reflect changes in various leasing assumptions, and an increase in the discount rates. Income properties with a fair value of approximately $313.0 million were valued by an external appraiser during the year ended December 31, 2016. Of these, approximately $168.0 million related to the aforementioned select group of assets located within the GTA. Management is of the view that the current IFRS values of the co-owned properties at December 31, 2016 are reflective of current market conditions, including factors such as vacancy, time to stabilization and required capital expenditures, before considering transaction costs.

Fair value increases within the Trust's Empire residential development holdings were recognized throughout 2016, partially offsetting the aforementioned losses as a result of these developments progressing towards completion and successfully achieving critical project milestones as discussed below.

Increased New Investment in Exceptional Development Opportunities to Drive Future NAV Growth:

In the three months ended December 31, 2016, the Trust entered into an agreement to purchase a 23.25% ownership interest in a 74-acre waterfront property in Mississauga's Port Credit area, to be redeveloped into a large master-planned residential / mixed-use community. The site is currently a decommissioned oil refinery owned by Imperial Oil. The transaction is expected to close in the first quarter of 2017, at which time more details of the project will be disclosed. Dream Alternatives and its partners intend on working closely with the City of Mississauga to develop a community that will fulfill important city building objectives through positive public engagement, inspirational design and major public realm space. Dream Alternatives expects its share of cash equity commitment upon closing on the property to approximate $19-20 million, conditional upon successfully securing a land loan and finalizing terms of required Letter of Credit commitments, which are currently in progress. As at December 31, 2016, the Trust had funded $1.9 million with respect to the above investment.

Additional capital investments into Toronto condominium and mixed-use development projects continued during the three months ended December 31, 2016 as the Trust successfully secured an $11.5 million investment in a development partnership for a 37.5% equity investment in a 5.3 acre waterfront property in downtown Toronto located at 351-369 Lakeshore Boulevard East ("Lakeshore East Development"). The Trust's Asset Manager, who will also act as co-developer, owns a 12.5% equity interest in the development partnership. The Lakeshore East Development represents an exceptional waterfront development site. The property is planned for a mixed-used development with potential for over one million square feet of density across three development blocks bisected by an extension of Queens Quay East to Cherry Street, which will include LRT transportation running through a dedicated centre lane. The site is subject to several policy and planning initiatives designed to shape a new waterfront community for Toronto.

Sales programs for two residential condominium development projects, Church/Wood Residences ("Axis Condominiums") and the Mutual Street Development ("IVY Condominiums"), located in downtown Toronto, Ontario in which the Trust invested a total of approximately $7.3 million earlier in the year were launched in late 2016 / early 2017 and the results have been positive. To February 27, 2017, 90% of the 572 units at Axis Condominiums are already sold and 86% of 253 units at IVY Condominiums have been sold.

The aforementioned development projects are expected key drivers of future growth with the Trust targeting attractive returns on equity (measured by pre-tax IRR[1]) of between 15-20% and strong future cash flows upon completion. The targeted returns on the development are within the Trust's strategy to pursue NAV accretive opportunities over the long term. Value creation to the Trust is expected to begin to occur as planning milestones such as the completion of re-zoning are met over the next two to three years.

Key Operating and Transactions Highlights in Q4 2016:

Residential Development Holdings:

The two Empire residential development projects continue to progress well and as at December 31, 2016, were 98.4% sold on an aggregate basis, up from 95.8% last quarter and 87.6% from December 31, 2015.

Empire Brampton - Project is Fully Sold Out; 61% of Sales Closed; Cash Flow Expected in 2017

The Empire Brampton low-rise project continues to progress well with all units fully sold out, of which 61% had closed by the end of the quarter. This compares to 91% sold and 30% closed as at December 31, 2015. The project is anticipated to be completed in phases commencing in the first quarter of 2017 with the last phase being scheduled for completion by the third quarter of 2017. Cash distributions from the project to the Trust are expected to commence in the first quarter of 2017.

Empire Lakeshore - Construction on schedule; sales progressing exceptionally well

The Empire Lakeshore high-rise condominium development project also continues to progress on schedule, having successfully secured both the construction loan and mezzanine debt financing during 2016. Sales continue to progress exceptionally well with 98% of the 1,285 units sold by the end of the fourth quarter of 2016, compared to 86% as at December 31, 2015. A limited selection of exclusive premium terrace units were released for sale which are selling well and generating higher prices per square foot which is expected to generate higher profit margins. Construction is well underway and the project is expected to be completed in phases from the fourth quarter of 2019 to the second quarter of 2020.

The Trust recognized fair value increases for each of the Empire projects during 2016 commensurate with a decrease in the projects' risk profiles as significant milestones were met and as the projects advanced steadily to completion and payout.

As at December 31, 2016, approximately $136.1 million of the Trust's assets were advanced to Empire-related development projects or debt representing approximately 13.7% of the Trust's assets in percentage terms.

Lending Portfolio:
During the quarter, approximately $12.7 million of legacy loans were repaid, resulting in 80% of the total original loan portfolio being repatriated, compared to 69% at the beginning of the year. The overall loan portfolio continues to be very liquid with a weighted average term to maturity at December 31, 2016 of 0.85 years.

Renewable Power:
As at December 31, 2016, the construction of the ten Ontario Ground Mount Solar projects was complete. During 2016, the Trust closed on the first tranche of financing on four of these projects for gross proceeds of approximately $22.1 million of 19.5 year non-recourse debt, representing a loan-to-value ratio of approximately 74%. The impact of the hedge settlement costs associated with this first tranche of term financing resulted in an effective interest rate of 4.9%. Financing for two of the remaining projects was completed subsequent to December 31, 2016 for gross proceeds of $11.1 million, while the financing on the final four projects is expected to be completed by the end of the first quarter in 2017.

During 2016, the Trust acquired seven additional wind projects within the U.K. for cash consideration of $3.2 million including transaction costs. As at December 31, 2016, the Trust had $132.8 million of renewable power assets and $48.9 million of related project financing.

Construction of all renewable power projects is now complete and upon closing of the final tranches of project term debt financing expected in the first quarter of 2017, the Trust is targeting to achieve a 11% to 12% annual yield on expected stabilized equity[(1)] of approximately $65 million.

Income Properties:
Earlier in the year, the Trust sold its 60% interest in 2010 Winston Park Drive in Oakville, Ontario for gross proceeds of $11.8 million and netted $4.2 million of proceeds, after repayment of the associated mortgage. The Trust also committed to a plan of sale of a second income property and accordingly reclassified the property as assets held-for-sale.

Subsequent to the year ended December 31, 2016, the Trust acquired from Dream Office REIT, a 40% interest in two co-owned properties, (10 Lower Spadina Ave. and 49 Ontario Street), in which it already held a 60% interest, for gross consideration of $18.4 million. This acquisition effectively increases the Trust's ownership interest in these two properties to 100%. Both properties are located in downtown Toronto and are currently operated as income properties, with a combined in-place and committed occupancy of 100% and a weight average remaining lease term to maturity of 5.5 years and are expected to have considerable redevelopment potential in future years, aligning with the Trust's longer term objectives.

Key Financial Highlights of Q4 2016:

Renewable power segment: AFAD for the three months and year ended December 31, 2016 were $0.7 million ($0.01 per unit) and $7.1 million ($0.10 per unit), respectively, and compared to $1.7 million ($0.02 per unit) and $2.5 million ($0.03 per unit), respectively, in the same periods in the prior year.

For the three months ended December 31, 2016, and coincident with the commencement of principal payments on the renewable power term debt, AFAD now includes a deduction for the principal portion of the debt service. While this had the effect of decreasing AFAD when compared to the same period in the prior year, the net impact after considering the repatriation of equity, is expected to be an improved return on equity on a total portfolio basis. For the year ended December 31, 2016, the renewable power portfolio benefited from a full year's performance from acquisitions and projects completed late in 2015 and from projects becoming operational throughout 2016.

Lending portfolio segment: AFAD for the three months and year ended December 31, 2016 were $3.5 million ($0.05 per unit) and $13.8 million ($0.19 per unit), respectively, compared to the prior year results of $3.4 million ($0.05 per unit) and $12.6 million ($0.17 per unit), respectively. The year over year increase for the year ended December 31, 2016 was driven by a net increase in lender fees from renewals and extensions and lower allocated expense.

Development and investment holdings segment: AFAD (excluding any one-time disposition gains) for the three months and year ended December 31, 2016 were $2.2 million ($0.03 per unit) and $8.4 million ($0.12 per unit), respectively, compared to prior year results of $1.4 million ($0.02 per unit) and $5.8 million ($0.09 per unit), respectively. Increased operating cash distributions from additional investment holdings projects becoming operational throughout 2015, interest earned on the additional advance, guarantee fees and the receipt of a one-time lease termination payment from the Bayfield Mill Woods investment, all contributed to the increases.

Income properties segment: AFAD for the three months and year ended December 31, 2016 were $3.7 million ($0.05 per unit) and $16.2 million ($0.22 per unit), respectively, down from the comparative prior year results of $4.8 million ($0.07 per unit) and $18.6 million ($0.25 per unit), respectively. The decrease was mainly as a result of lower net operating income[(1)] from a general year over year decrease in in-place occupancy by 690 basis points, which included 350 bps of expected vacancy at 219 Laurier Ave. W. as certain premises within are readied for future occupancy in the fourth quarter of 2017 and additional vacancy in the GTA suburban market, consistent with general market trends.

Trust expenses, net: Year over year improvements for the three months and year ended December 31, 2016 of $0.03 and $0.01 per unit, respectively, resulted primarily from lower current tax expense due to a change in mix of the relative performance amongst the various segments.

NCIB: Since the inception of the Trust's NCIB program in December 2014 to February 27, 2017, the Trust has purchased for cancellation 1.9 million units for a total cost of $11.4 million.

Since 2014 to February 27, 2017, the Trust's asset manager, DAM has purchased to date an aggregate of 6.3 million units in the open market for its own account, representing approximately 9% of total units outstanding.

Selected financial and operating metrics for the three months and year ended December 31, 2016 are summarized below:

	Three months ended		Year-ended	
For the periods ended	**December 31, 2016**	December 31, 2015	**December 31, 2016**	December 31, 2015
Consolidated results of operations				
Total income	**$ 26,380**	$ 27,326	**$ 98,931**	$ 90,114
Adjusted total income[(1)]	**20,131**	21,906	**84,478**	82,087
Net income (loss)	**(15,379)**	4,292	**(13,364)**	18,930
Net operating income ("NOI")[(1)]	**11,809**	13,954	**51,591**	51,418
Adjusted EBITDA[(1)]	**10,815**	15,998	**44,766**	43,564
AFAD[(1)]	**7,183**	6,559	**31,026**	26,299
Annualized AFAD return on average Trust net assets[(1)]	**4.4%**	3.8%	**4.8%**	3.9%
Trust unit information				
Distributions declared and paid per unit	**0.10**	0.10	**0.40**	0.40
AFAD per unit (basic and fully diluted)[(1)]	**0.10**	0.09	**0.43**	0.36
Units outstanding – end of period	**72,351,722**	72,562,487	**72,351,722**	72,562,487
Units outstanding – weighted average	**72,312,566**	72,991,548	**72,276,832**	73,373,619

As at	**December 31, 2016**	**September 30, 2016**	December 31, 2015
Consolidated financial position			
NAV per unit[(1)]	**$ 9.09**	$ 9.44	$ 9.64
Total contractual debt payable[(1)]	**308,361**	310,914	269,404
Total assets	**991,598**	1,021,778	997,555
Cash	**11,757**	17,402	20,764
Debt-to-gross asset value[(1)]	**31.2%**	30.6%	27.0%

	Three months ended		Year-ended	
For the periods ended	**December 31, 2016**	December 31, 2015	**December 31, 2016**	December 31, 2015
AFAD per unit				
Income properties	**$ 0.05**	$ 0.07	**$ 0.22**	$ 0.25
Lending portfolio	**0.05**	0.05	**0.19**	0.17
Development and investment holdings	**0.03**	0.02	**0.12**	0.12
Renewable power	**0.01**	0.02	**0.10**	0.03
Trust expenses, net[(3)]	**(0.04)**	(0.07)	**(0.20)**	(0.21)
AFAD per unit	**$ 0.10**	$ 0.09	**$ 0.43**	$ 0.36
AFAD per unit excluding after tax disposition gains[(1)(2)]	**$ 0.10**	$ 0.09	**$ 0.43**	$ 0.33

Year End 2016 Webcast and Conference Call

Senior management will be hosting a conference call. Details are as follows:

Date:	Thursday, March 2, 2017 at 9:00am (ET)
Dial:	For Canada and USA please dial: 1-888-465-5079
	For International please dial: 416-216-4169
Passcode:	7107 362#

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 and click on Calendar of Events in the News and Events section.

To access the conference call via webcast, please go to Dream Alternatives Trust's website at 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 hard asset alternative investments, including real estate, real estate lending, real estate development 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 grow and reposition the portfolio to increase both AFAD and NAV per unit over time. For more information, please visit: www.dreamalternatives.ca

For further information, please contact:

DREAM ALTERNATIVES

Michael J. Cooper	**Pauline Alimchandani**	**Kim Lefever**
Portfolio Manager	Chief Financial Officer	Investor Relations
416 365-5145	416 365-5992	416 365-6339
mcooper@dream.ca	palimchandani@dream.ca	klefever@dream.ca

Footnotes

(1) Non-IFRS measures - Please refer to cautionary statements under the heading "Non-IFRS Measures" in this press release

(2) The after-tax disposition gain on the Castlepoint development, during the year ended December 31, 2015, was $2.3 million (net of tax of $0.8 million).

(3) Trust expenses represent costs not allocated to the other operating segments, such as general and administrative costs and income taxes, and are net of interest income earned on our cash balances

Non-IFRS Measures

The Trust's 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 annual yield on expected stabilized equity, adjusted total income, net operating income ("NOI"), adjusted EBITDA, adjusted funds available for distribution ("AFAD"), AFAD per unit, segmented AFAD per unit, annualized AFAD return on average Trust net assets, debt-to-gross asset value, net asset value ("NAV") per unit, total contractual debt payable, IRR and stabilized equity as well as other measures discussed elsewhere in this release. These non-IFRS measures 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 and Other Disclosures" in the Trust's Management's Discussion and Analysis for the year ended December 31, 2016.

Forward Looking Information

This press release may contain forward-looking information within the meaning of applicable securities legislation, including statements relating to our objectives, strategies to achieve those objectives, our beliefs, plans, estimates, projection and intentions, and similar statement concerning anticipated future events, future growth, results of operations, performance, business prospects and opportunities, as well as statements regarding our plans and proposals for future development projects, including projected sizes, density and uses; development timelines and anticipated returns on current and future development projects; our anticipated investment in future development projects; timing of financing of our renewable power projects; our future AFAD or NAV performance as well as future distributions and future returns on equity; and our disposition targets for office properties. 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 including foreign exchange rates, 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 February 27, 2017. 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). These filings are also available at the Trust's website at www.dreamalternatives.ca