Q3 2017

Dream Hard Asset Alternatives Trust

dream alternatives

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LETTER TO UNITHOLDERS

Since we took over management of Dream Alternatives' portfolio in July 2014, our first goal in managing the Trust was to exit illiquid assets that used cash rather than produced cash and to sell assets where we had limited ability to influence our returns. In the third quarter of 2017, after more than three years, we completed this process with the sale of substantially all of the office buildings that were co-owned with Dream Office REIT (TSX: D.UN). These buildings generally had high capital requirements for maintenance and leasing costs with little to no upside potential. During 2017, we completed the sale of 14 non-core income properties for total gross proceeds of over $280 million. Included in this amount, was the sale of approximately $110 million of assets as part of a $1.5 billion portfolio sale, including Dream Office REIT, at IFRS value to a single purchaser. We believe that strategically selling our assets as part of a larger portfolio with Dream Office REIT, which included Scotia Plaza, in downtown Toronto enabled us to achieve the highest price for our assets.

Prior to taking over management of the Trust in 2014, the Villarboit development and investment holdings concerned us primarily because the developments consisted of subpar assets in a very difficult retail sector. Compounding this issue was our lack of control over the assets by virtue of inheriting the original arrangements of the predecessor funds. Over the past three years, we have tried to work with our partner to crystallize our investment. In the third quarter 2017, we successfully closed on the sale of all of the Villarboit assets for $70 million, which was a substantial milestone for the Trust.

As a result of the aforementioned dispositions, we now have substantially completed the sale of capital intensive, illiquid assets and have replaced or are in the process of replacing them with exceptional real estate and developments that are highly sought after.

Our 5.3 acre Lakeshore East site located on Toronto's waterfront which we acquired one year ago continues to become more important due to a number of factors. After we acquired the site, all three levels of government announced that they would invest $1.25 billion in infrastructure to flood-proof the southeastern downtown area, in order to transform the area into a beautiful new community in Toronto's Port Lands, considered one of North America's largest under-developed urban areas. And more recently, Sidewalk Labs, a sister company to Google entered into an agreement with Waterfront Toronto, to create Sidewalk Toronto, which will work on creating a new urban planning science that focuses on technology, affordability and inclusiveness. The subject lands are adjacent to our Lakeshore East site. As a result, this property is now a part of one of the most exciting developments in the world translating into increased market value.

The 72-acre Port Credit site that we acquired earlier this year is progressing through approvals and it has benefited from the strength of the Toronto housing market. We intend to engage a third party appraiser to fair value the lands at year end.

Subsequent to the third quarter, Dream Alternatives also acquired a 40% interest in the Zibi project in Ottawa through a combination of acquisitions of existing units and new subscriptions from third parties and as a result, Dream Unlimited Corp and Dream Alternatives together will own 80% of the development. The 37-acre project in the National Capital Region is an award-winning plan to create one of the most sustainable communities in North America due to its positioning adjacent to downtown with excellent local and regional public transit and its mixed use master planned community design. Construction is well underway and upon completion, the 3 million square foot community is expected to have 1.2 million square feet of retail and office developments plus 2,000 housing units. We also entered into an agreement to acquire a 25% interest in the Frank Gehry-designed Mirvish site on King Street West in downtown Toronto. This is truly a one-of-a-kind investment opportunity, which is available to the Trust as a result of Dream's relationships.

We also have committed and/or expected to commit to new loans aggregating to at least $60 million at an average interest rate of around 12%.

With the sale of substantially all of the Trust's non-core assets, we have started our strategic planning for 2018 and beyond. Our renewable power and lending portfolios provide for a base of recurring cash flow that helps to support our fixed expenses and contributes substantially to our ability to pay distributions.

Most of the income properties that we own contribute to current cash flow as well as provide for future re-development opportunities. We expect that these assets will continue to increase in value in the future due to their attractive redevelopment potential.

Since August 2017, we have acquired approximately 2.5 million units of Dream Office REIT, which completed a portfolio transformation this year. Dream Office REIT is substantially on its way to to completing its disposition program, with 70% of its income derived from Toronto. These assets also have great value upside and future re-development potential. As we have seen from the interest of Sidewalk Labs, Toronto is attracting both global interest and global tenants. Toronto has very high growth compared to other cities of comparable size. Co-ordinated efforts between private and public entities continue to make the city more livable and affordable and there are many opportunities to grow in the downtown area. As a result, we believe that Dream Office REIT provides holding income for future developments in one of the great cities to own real estate in the world. Together with Dream Unlimited Corp., and other related parties, Dream Alternatives owns over 15.9% of the REIT and will have influence over the strategy for this great business.

In addition to the Trust's future development properties with current income, and our yielding investment in Dream Office, which also holds development properties with income, we also own many prime downtown Toronto properties that are under development. Empire Lakeshore, IVY Condominiums and Axis Condominiums are all progressing well and are expected to provide income within the next couple of years upon their respective completions in 2019 and 2020. It is anticipated that Port Credit will start contributing income in the next three to four years with income over the following 7 to 10 years expected to be generated from residential and commercial sales within the development.

Development assets tend to earn high returns and we believe that combined with the current holding income, the Trust will be able to deliver a better than average risk return profile to its unitholders.

The changes to the Trust's profile over the last few months have been remarkable. We are very pleased with the assets that are currently owned by the Trust. However, we are not pleased with the unit price performance.

Our net asset value bottomed out two quarters ago. This quarter it is down marginally, but we expect the net asset value to continue to increase in future quarters from the progress on our current developments as well as future re-development opportunities in the pipeline.

We have been using our normal course issuer bid to acquire units which helps increase the net asset value of the remaining units.

With our third quarter report, we are finally able to show a balance sheet with the majority of the balance reflecting core assets that have future long term growth potential for the Trust. Now that we have our capital allocated to the assets that we believe are very valuable, we will market the business to investors more actively. We will also be providing more frequent communications on our progress between quarterly reports.

In many ways, the third quarter marks the beginning of Dream Alternatives Trust, because we can now execute without the burden of assets and partnerships that we did not choose ourselves. Over the next few quarters, we will work to get a favorable response to these changes in our public market value.

We will continue to adapt our strategy to illustrate to our unitholders and potential holders the value in our current business and the value our developments will produce over time.

We have been fortunate to have access to some preferred real estate opportunities through our relationships in the industry. We have a few more landmark developments that we hope to add to our portfolio soon.

Thank you for your continued support for our business.

Sincerely,

Michael J. Cooper
Portfolio Manager
November 10, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

(All dollar amounts in our tables are presented in thousands of Canadian dollars, except rental rates, unit, per unit and megawatt ("MW") amounts, unless otherwise stated)

1. OVERVIEW AND OVERALL FINANCIAL PERFORMANCE

1.1 OVERVIEW OF THE TRUST

Dream Hard Asset Alternatives Trust ("Dream Alternatives" or the "Trust") is an open-ended trust focused on hard asset alternative investments comprising real estate, real estate lending, real estate development, and renewable power. In the Trust's reportable operating segments, these investments are referred to as income properties, lending portfolio, development and investment holdings, and renewable power, respectively. The Trust is managed by Dream Asset Management Corporation ("DAM" or the "Asset Manager"), a subsidiary of Dream Unlimited Corp. (TSX: DRM) which is one of Canada's leading real estate companies, with approximately $14 billion of assets under management in North America and Europe. The Trust is listed on the Toronto Stock Exchange ("TSX") under the symbol "DRA.UN".

This Management's Discussion and Analysis ("MD&A") reflects all material events up to November 10, 2017, the date on which this MD&A was approved by the Board of Trustees. This MD&A should be read in conjunction with the audited consolidated financial statements and unaudited condensed consolidated financial statements and the accompanying notes for the year ended December 31, 2016 and three and nine months ended September 30, 2017, respectively, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Basis of Presentation section of this MD&A includes important information concerning certain information found in this MD&A that contains or incorporates comments that constitute forward-looking information within the meaning of applicable securities laws. Readers are encouraged to read the Basis of Presentation and Risks and Risk Management sections of this MD&A for a discussion of the risks and uncertainties regarding this forward-looking information as there are a number of factors that could cause actual results to differ materially from those disclosed or implied by such forward-looking information.

Our operating segments consist of the following:

- **Income properties** — a portfolio of office, industrial and retail commercial real estate properties in Canada, a majority of which are co-owned;
- **Lending portfolio** — interest-paying mortgages, mezzanine and corporate loans;
- **Development and investment holdings** — participating mortgages receivable and indirect investments in developments and income-producing properties and direct investments in development projects; and
- **Renewable power** — solar and wind power projects in Canada and the United Kingdom ("U.K.").

1.2 OUR OBJECTIVES

Our objectives are to:

- provide an opportunity 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;
- build and maintain a growth-oriented portfolio;
- provide predictable and sustainable cash distributions to unitholders on a tax efficient basis; and
- grow and reposition the portfolio to increase both AFAD(1) and NAV per unit(1) over time.

(1) For the Trust's definition of the following non-IFRS measures: AFAD and NAV per unit, please refer to the Non-IFRS measures and Other Disclosures section of this MD&A

1.3 FINANCIAL OVERVIEW - THIRD QUARTER 2017

DREAM ALTERNATIVES REPORTS Q3 RESULTS AND SUBSTANTIAL COMPLETION OF ITS NON-CORE ASSET DISPOSITION PROGRAM

During the three months ended September 30, 2017, the Trust successfully closed on the sale of various non-core legacy assets in line with its disposition program announced earlier in the year resulting in a nominal net loss during the period which was in line with management's expectation. This result was a decline from a net income position of $2.8 million in the same quarter in the prior year. The variance to the prior year was explained by lower net operating income ("NOI"[1]) from the income properties portfolio as a result of the sale of $281.6 million of the co-owned office properties to date which accordingly contributed more significantly to income in our third quarter 2016 results relative to our third quarter 2017 results. The successful completion of these sale transactions has however provided the Trust with a much stronger balance sheet, allowing the Trust to focus on its long term strategy of investing in development projects that will generate higher value and cash flows in the long run.

During the three months ended September 30, 2017, the Trust acquired a 40% ownership interest in a partnership for $5.5 million with an investment in two properties at 25 Imperial Street and 374 Dupont Street ("Plaza Imperial") both located in downtown Toronto. Subsequent to September 30, 2017, the Trust acquired a 40% ownership interest in the Windmill Dream Zibi Master Limited Partnership (the "Zibi" development) for $33.2 million, through a combination of acquisitions of existing units and new subscriptions from third parties. The residual partners are Dream Asset Management Corporation ("DAM") for 40% and Windmill Green Properties LP ("Windmill") for 20%. DAM will act as lead developer for the project. The partnership intends to develop 37 acres of lands for the purpose of developing into a mixed-use master-planned community located in Ottawa and Gatineau, Quebec. The project concept plan is a multi phase development which includes over 3 million square feet of density that consists of over 2,000 residential units and over one million square feet of commercial space.

Subsequent to September 30, 2017, the Trust entered into a non-binding letter of intent to acquire a 25% interest in the Frank Gehry designed Mirvish development located on King Street West in downtown Toronto being developed by Great Gulf Corporation ("Great Gulf"). This landmark site is slated to be re-developed into two residential towers, each in excess of 80 storeys. The Trust is expected to own an 18.75% interest in the development with DAM owning 6.25%. Great Gulf and DAM are also co-development partners in the Lakeshore East development site in downtown Toronto. The Trust will continue to be strategic in assessing development opportunities in order to position its assets to generate higher growth and yield investments.

For the three months ended September 30, 2017, the income properties portfolio contributed net income of $1.1 million, a decrease of $1.7 million when compared to the same period last year. The decrease was driven by lower NOI as the Trust completed the sale of an additional nine non core co-owned properties during the quarter for gross sale proceeds of $139.1 million. Year to date the Trust has disposed of 14 non core co-owned income properties resulting in total gross sales of $281.6 million. The decrease was partially offset by the acquisition of both 10 Lower Spadina Avenue and 49 Ontario Street as the Trust increased its ownership of these two properties to 100% from 60% early in the first quarter of 2017. As at September 30, 2017, the income properties portfolio was comprised of the Trust's core office income property portfolio consisting of: a 50.1% interest in Sussex Centre in Mississauga, Ontario, co-owned with Dream Office REIT (TSX: D.un); a 100.0% interest in each of 10 Lower Spadina Avenue, 49 Ontario Street and 349 Carlaw Avenue in downtown Toronto; and a 50.0% interest in six industrial properties in Regina, Saskatchewan, co-owned with Dream Industrial REIT (TSX: DIR.un). At September 30, 2017, these properties had an IFRS value of $157.7 million and generated NOI of $2.4 million during the quarter. In addition, the Trust will continue to own a 60.0% interest in London City Centre, in London, Ontario which is excluded from these statistics as it is not considered to be a core income property.

For the three months ended September 30, 2017, development and investment holdings generated a net loss of $0.6 million, down from net income of $4.1 million in the same period in the prior year. The decrease was primarily resulting from $3.7 million of fair value increases recognized in the prior year related to the Empire residential development holdings as they completed significant milestones and progressed closer to completion, particularly the Empire Brampton project. During the three months ended September 30, 2017, the Trust included in net loss of the development and investment holdings segment $0.6 million of realized losses, initially recorded in Other Comprehensive Income ("OCI"), resulting from the sale of the Villarboit Investment.

As at September 30, 2017, the Empire Brampton low-rise project was substantially completed with 98% of the units closed compared to 61% at December 31, 2016. During the quarter, the Trust received additional distributions with the receipt of $13.6 million of cash proceeds from the Empire Brampton project of which $4.8 million represented profit to the Trust in excess of its

(1) For the Trust's definition of the following non-IFRS measure: NOI, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A

investment contribution, and an additional $2.4 million of distribution and profit is anticipated in the fourth quarter. The timing of the remaining of cash distributions remains unchanged with the majority of the remaining balance to be released over the next two years.

For the three months ended September 30, 2017, net income of $3.3 million from the lending portfolio remained relatively stable when compared to the same quarter in the prior year. During the quarter, approximately $2.1 million of legacy loans were repaid, resulting in 90% of the total original loan portfolio being repatriated, compared to 80% at the beginning of the year.

For the three months ended September 30, 2017, net income of $1.4 million for the renewable power portfolio remained relatively stable to the same quarter in the prior year.

Trust expenses of $5.2 million for the three months ended September 30, 2017 decreased by $3.7 million compared to the same period in the prior year. The decrease resulted from lower income tax expense during the period primarily as a result of transaction related activities.

NET ASSET VALUE ("NAV"[1])

NAV per unit of $8.72 as at September 30, 2017 was down slightly from $8.79 per unit as at June 30, 2017. The decrease in NAV was primarily due to the fair value adjustments recognized in income properties and the Villarboit Investment as a result of the dispositions, transaction related costs and depreciation of renewable power assets. Partially offsetting the decline of the aforementioned was an increase in NAV per unit within the remainder of the portfolio. The Trust's NAV per unit bottomed out two quarters ago. While it was down marginally quarter over quarter, the Trust expects that NAV will continue to increase in future quarters from the progress on current development investments and future re-development opportunities.

The NAV per unit for the renewable power portfolio of $1.01 increased compared to $0.94 as at June 30, 2017. The increase was primarily attributable to the Trust acquiring the remaining economic interest in the wind power projects located in the U.K. increasing the Trust's ownership to 100% (from a previous 91%) and also acquiring 13 additional wind turbines for a total price of $4.1 million. The lending portfolio NAV per unit of $2.37 at September 30, 2017 was up from $2.04 as at June 30, 2017. The increase was attributable to the Trust advancing total gross proceeds of $51.3 million towards two new loans with a weighted average effective interest rate of almost 10%. NAV per unit relating to cash and other Trust consolidated working capital increased to $1.68 from a negative NAV of $0.19 at June 30, 2017, primarily as a result of the closing of the sale transactions during the quarter relating to the non-core co-owned office properties and investments in the Villarboit retail income producing and development holding properties ("Villarboit Investment"). As well, impacting cash and other Trust consolidated working capital, was the investment in publicly traded units in Dream Office REIT through the acquisition of 2,324,447 units during the quarter totaling $48.4 million. These units generated a fair value adjustment of $0.4 million during the three months ended September 30, 2017. Subsequent to the quarter, another 195,700 units of Dream Office REIT were acquired by the Trust at a cost of $4.1 million, totalling the investment to 2,520,147 units or 3.4% of total units outstanding. Together with DAM, the Trust's asset manager and the Trust's portfolio manager, the total joint ownership of Dream Office REIT was approximately 15.9% as of November 10, 2017.

Consistent with the second quarter, included in NAV as at September 30, 2017 was a market value adjustment of $25.8 million recognized on the Trust's investments in its downtown Toronto developments, primarily related to the Trust's 37.5% investment in the 5.3 acre Lakeshore East development located on Toronto's waterfront which was acquired one year ago. Since acquiring the site, there have been a number of major announcements positively impacting the market value of the lands, as it pertains to $1.25 billion of infrastructure spend and planned investment by Sidewalk Labs, a sister company of Google to redevelop the lands adjacent to our site, thereby including Lakeshore East as part of one of the most exciting and unique development opportunities globally.

Under IFRS and in the Trust's condensed consolidated financial statements these development investments are equity accounted. This market value adjustment was a result of the Trust identifying market trend progress and/or the achievement of development milestones in relation to these equity investments. The Trust has included this market value adjustment in its NAV calculation to better demonstrate the value of these assets since acquisition and/or to incorporate the achievement of development or sales milestones. The Trust has made substantial progress towards investing in assets with higher growth potential, including its development investments in downtown Toronto, and expects that these development investments will be a key driver of future growth for the Trust. For additional details on the Trust's equity accounted investments, please refer to page 22 of the MD&A.

The Trust relies on growth in the NAV per unit as a measure of value creation including the aforementioned market value adjustments on its equity accounted development projects. The closest IFRS measure to NAV per unit is unitholders equity per

(1) For the Trust's definition of the following non-IFRS measures: NAV, please refer to the Non-IFRS measures and Other Disclosures section of this MD&A

unit. Please refer to page 44 of the MD&A for a reconciliation between NAV and unitholders equity.

UNITHOLDERS' EQUITY

As at September 30, 2017, total unitholders' equity per unit of $8.26 decreased from $8.36 per unit as at June 30, 2017. The variance to prior quarter was primarily related to fair value adjustments recognized in income properties and the Villarboit Investment as a result of the dispositions, transaction related costs and depreciation of renewable power assets, as previously discussed. While unitholders' equity per unit was down marginally, we expect it to increase in future quarters for similar reasons as discussed relating to NAV per unit.

CASH GENERATED FROM OPERATING ACTIVITIES

Cash generated from operating activities for the three months ended September 30, 2017 was $13.2 million compared to $2.3 million for the same quarter in the prior year. The year over year increase in cash generated from operating activities was due to the cash distributions from the Empire Brampton project to the Trust which was previously discussed. Also impacting the increase was $3.0 million of interest received upfront in relation to a new loan advance under the lending portfolio. The remainder of the variance was due to changes in non-cash working capital.

ADJUSTED FUNDS AVAILABLE FOR DISTRIBUTIONS ("AFAD")

For the three months ended September 30, 2017, AFAD of $0.09 per unit was down $0.03 per unit when compared to the same quarter in the prior year. The year over year results are not comparable due to the disposal of certain non core co-owned income properties in line with the Trust's previously announced asset repositioning program. During the nine months ended September 30, 2017, the Trust successfully closed on the sale of 14 non core co-owned income properties, resulting in total gross proceeds of $281.6 million. Year to date the Trust has successfully repatriated capital from its legacy assets and redeployed the capital towards development assets with significant higher growth potential. As a result, the Trust anticipates that its 2017 AFAD per unit will be lower relative to the prior year but management believes that the execution of the long term strategy will result in improved AFAD per unit performance over the longer term. Furthermore, as the Trust invests a greater proportion of its assets into more development projects, growth in NAV per unit is considered by management to be a more useful metric to measure value creation and unitholders returns. For the three months ended September 30, 2017, the income properties portfolio contributed AFAD of $0.03 per unit, down $0.03 per unit when compared to the same period last year, driven by lower NOI primarily resulting from the sale of the aforementioned non-core income properties year to date. The decrease was slightly offset by the acquisition of both 10 Lower Spadina Avenue and 49 Ontario Street as the Trust increased its ownership of these two properties to 100% from 60% early in the first quarter of 2017.

During the nine months ended September 30, 2017, the Trust repurchased for cancellation 0.4 million units for $2.3 million under its normal course issuer bid ("NCIB") program. Since the inception of the Trust's NCIB program in December 2014 to November 10, 2017, the Trust has purchased for cancellation 2.3 units for a total cost of $13.9 million.

From 2014 to November 10, 2017, DAM has purchased to date an aggregate of 8.9 million, which includes 0.4 million units issued under the Distribution Reinvestment and Unit Purchase Plan and the rest in the open market for its own account, representing approximately 12% of the total units outstanding.

INVESTMENT & TRANSACTION HIGHLIGHTS

Income Properties

During the three months ended September 30, 2017, the Trust sold its ownership interests in nine non core co-owned income properties for total gross proceeds of $139.1 million. The net proceeds on the sale of these income properties was $69.4 million after the repayment by the Trust or assumption by the purchaser of mortgages, closing adjustments, and transaction costs.

Upon the successful completion of the dispositions, the Trust has repatriated cumulative equity of $257.5 million in 2017, before transaction costs and closing adjustments, of which $234.9 million relates to legacy investments. The Trust has committed to invest almost $183.0 million in reinvestment opportunities during and subsequent to the nine months ended September 30, 2017, including development investments in Toronto and Ottawa, Ontario, and investments within the renewable power and lending portfolios. As at November 10, 2017, the Trust had a cash balance of approximately $62 million. Also as of this date, the Trust expects to enter into letters of intent for $37.5 million of development and/or loan advance opportunities, which if executed, would close during the fourth quarter of 2017. Further to this, the Trust has over $70 million of real estate development opportunities in its pipeline.

Development and Investment Holdings

During the third quarter, the Trust finalized the sale of its Villarboit investment for approximately $70.0 million. The Villarboit investment consisted of six non recourse participating loans, one 19.8% co-ownership interest in a retail plaza and a mortgage loan receivable balance. As well, during the three months ended September 30, 2017, the Trust acquired a 40% ownership interest in a limited partnership for $5.5 million with an investment in two properties at 25 Imperial Street and 374 Dupont Street both located in downtown Toronto. These properties are currently income producing properties and are expected to have attractive redevelopment potential in future years. Subsequent to September 30, 2017, the Trust acquired a 40% ownership interest in the Zibi development for $33.2 million, through a combination of acquisitions of existing units and new subscriptions from third parties. The residual partners are DAM for 40% and Windmill for 20%. DAM will act as lead developer for the project. The partnership intends to develop 37 acres of lands for the purpose of developing into a mixed-use master-planned community located in Ottawa and Gatineau, Quebec. The project concept plan is a multi-phase development which includes over 3 million square feet of density that consists of over 2,000 residential units and over one million square feet of commercial space. These investments are in line with the Trust's long term strategy to diversify its portfolio into exceptional development assets with higher growth opportunities.

Both the Empire Brampton and Empire Lakeshore development projects are legacy assets that are in line with the Trust's long term strategy. As at September 30, 2017, the Empire Brampton low-rise project was substantially completed with 98% of the units closed compared to 61% at December 31, 2016. During the quarter, the Trust received additional cash distributions of $13.6 million from the Empire Brampton project, of which $4.8 million represented profit to the Trust in excess of its investment contribution, and an additional cash proceeds of $2.4 million of profit is anticipated in the fourth quarter. The expected timing of the remaining cash distributions remains unchanged with the majority of the remaining balance to be released over the next two years.

The Empire Lakeshore high-rise condominium development project continues to progress on schedule, with the construction currently above grade and on the 12th floor. The project is expected to be completed and occupied in phases from the fourth quarter of 2019 to the second quarter of 2020. As at September 30, 2017, the Empire Lakeshore high-rise project had sold 99% of the 1,285 total projected condominium units, up from 98% at December 31, 2016. The Trust has recognized a further fair value increase of $2.0 million on the Empire Lakeshore project during the third quarter of 2017 as the project continues to advance steadily to completion and payout.

Lending Portfolio

The overall loan portfolio continues to be very liquid with a weighted average term to maturity of 0.94 at September 30, 2017 years. As at September 30, 2017, the lending portfolio balance at amortized cost was $174.9 million with a weighted average effective interest rate of 9.25%. During the three months ended September 30, 2017, the Trust advanced proceeds of $51.3 million towards two new loans with a weighted average effective interest rate of almost 10.0%. This included a $45.0 million first mortgage advance, at an interest rate of 10%, on a development investment in Markham, Ontario, to the purchaser of the Villarboit investment. The Trust continues to employ effective management strategies to repatriate capital and redeploy into investments that offer more attractive risk adjusted returns.

Renewable Power

During the nine months ended September 30, 2017, the renewable portfolio was fully operational with the closing on the second and third tranche of financing on the remaining six Ontario Ground Mount Solar projects for gross proceeds of approximately $32.7 million of 19.5 year non-recourse debt in the beginning of the year. During the three months ended September 30, 2017, the Trust acquired the remaining economic interest in the wind power projects located in the U.K. increasing the Trust's ownership to 100% and also acquired 13 additional wind turbines for a total purchase price of approximately $4.1 million.

FINANCIAL HIGHLIGHTS OF THE TRUST

	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	**September 30, 2017**	September 30, 2016
Consolidated results of operations				
Total income	**$ 16,177**	$ 24,836	**$ 53,353**	$ 72,551
Adjusted total income[1]	**16,721**	21,416	**56,784**	64,347
Net income (loss)	**(36)**	2,801	**(25,849)**	2,015
Net operating income ("NOI")[1]	**11,153**	13,005	**36,195**	39,782
Cash generated from (utilized in) operating activities	**13,206**	2,280	**4,065**	6,106
AFAD	**6,049**	8,672	**18,506**	23,843
Annualized AFAD return on average unitholders' equity[1]	**4.0%**	5.2%	**6.0%**	4.7%
Trust unit information				
Distributions declared and paid per unit	**0.10**	0.10	**0.30**	0.30
Units outstanding – end of period	**72,612,262**	72,271,291	**72,612,262**	72,271,291
Units outstanding – weighted average	**72,454,130**	72,230,136	**72,466,220**	72,264,834

[1] For the Trust's definition of the following non-IFRS measures: adjusted total income, NOI, and annualized AFAD return on average unitholders' equity, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A

As at	**September 30, 2017**	June 30, 2017	December 31, 2016
Consolidated financial position			
Total Unitholders' Equity	**$ 600,066**	$ 605,432	$ 645,738
Total Unitholders' Equity per unit	**8.26**	8.36	8.92
NAV	**633,634**	636,493	657,454
NAV per unit	**8.72**	8.79	9.09
Total contractual debt payable[1]	**205,205**	188,516	308,361
Total assets	**833,924**	891,072	991,598
Cash	**96,966**	14,899	11,757
Debt-to-gross asset value[1]	**24.6%**	25.1%	31.2%

[1] For the Trust's definition of the following non-IFRS measures: debt-to-gross asset value, gross asset value and total contractual debt payable, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A

AFAD AND AFAD PER UNIT BY OPERATING SEGMENTS

	Three months ended				Nine months ended			
	September 30, 2017		September 30, 2016		**September 30, 2017**		September 30, 2016	
Income properties	**$ 2,231**	**$ 0.03**	$ 4,011	$ 0.06	**$ 9,052**	**$ 0.12**	$ 12,520	$ 0.17
Lending portfolio	**3,319**	**0.05**	3,466	0.05	**9,591**	**0.13**	10,322	0.14
Development and investment holdings	**1,793**	**0.03**	2,189	0.03	**5,977**	**0.09**	6,214	0.09
Renewable power	**2,104**	**0.03**	2,245	0.03	**5,220**	**0.08**	6,444	0.09
Trust expenses, net[1]	**(3,398)**	**(0.05)**	(3,239)	(0.05)	**(11,334)**	**(0.16)**	(11,657)	(0.16)
AFAD	**$ 6,049**	**$ 0.09**	$ 8,672	$ 0.12	**$ 18,506**	**$ 0.26**	$ 23,843	$ 0.33

[1] Trust expenses, net 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

NET ASSET VALUE PER UNIT

As at		September 30, 2017		June 30, 2017		December 31, 2016
Income properties	$	**1.21**	$	2.52	$	3.34
Lending portfolio		**2.37**		2.04		1.96
Development and investment holdings[3]		**2.45**		3.48		2.86
Renewable power[1]		**1.01**		0.94		1.21
Cash and other Trust consolidated working capital[2]		**1.68**		(0.19)		(0.28)
NAV per unit	**$**	**8.72**	$	8.79	$	9.09

(1) Net asset value for the renewable power as at September 30, 2017 includes a fair value gain of $6.0 million and excludes $30.1 million of gross proceeds redeployed from debt financing during the nine months ended September 30, 2017
(2) Cash and other Trust consolidated working capital includes Trust level cash and net working capital balances not attributable to the other operating segments
(3) Net asset value for the development and investment holdings as at September 30, 2017 includes a fair value gain of $25.8 million. For additional details on the Trust's equity accounted investments, please refer to page 22 of the MD&A.

The table below provides the reconciliation of net asset value to total unitholders' equity:

As at September 30, 2017		Income properties		Renewable power[3]		Lending portfolio		Development and investment holdings[2]		Other[1]		**Total**
TOTAL UNITHOLDERS' EQUITY	$	88,154	$	67,160	$	171,806	$	152,492	$	120,454	**$**	**600,066**
Market adjustment to renewable power assets		—		6,021		—		—		—		**6,021**
Market adjustment to equity accounted investments		—		—		—		25,760		—		**25,760**
Deferred income taxes payable (recovery)		—		—		—		—		545		**545**
Deferred unit incentive plan payable		—		—		—		—		1,242		**1,242**
NAV	**$**	**88,154**	**$**	**73,181**	**$**	**171,806**	**$**	**178,252**	**$**	**122,241**	**$**	**633,634**
NAV PER UNIT	**$**	**1.21**	**$**	**1.01**	**$**	**2.37**	**$**	**2.45**	**$**	**1.68**	**$**	**8.72**

(1) Includes other Trust amounts not specifically related to the segments
(2) For additional details on the Trust's equity accounted investments fair value adjustment, please refer to page 22 of the MD&A.
(3) For additional details on the Trust's renewable power assets fair value adjustment, please refer to page 24 of the MD&A.

As at December 31, 2016		Income properties		Renewable power[2]		Lending portfolio		Development and investment holdings		Other[1]		**Total**
TOTAL UNITHOLDERS' EQUITY	$	240,402	$	83,174	$	141,784	$	207,084	$	(26,706)	**$**	**645,738**
Market adjustment to renewable power assets		—		4,523		—		—		—		**4,523**
Unamortized balance of mortgages payable premiums		1,183		—		—		—		—		**1,183**
Deferred income taxes payable (recovery)		—		—		—		—		4,903		**4,903**
Deferred unit incentive plan payable		—		—		—		—		1,107		**1,107**
NAV	**$**	**241,585**	**$**	**87,697**	**$**	**141,784**	**$**	**207,084**	**$**	**(20,696)**	**$**	**657,454**
NAV PER UNIT	**$**	**3.34**	**$**	**1.21**	**$**	**1.96**	**$**	**2.86**	**$**	**(0.28)**	**$**	**9.09**

(1) Includes other Trust amounts not specifically related to the segment
(2) For additional details on the Trust's renewable power assets fair value adjustment, please refer to page 24 of the MD&A.

PORTFOLIO SUMMARY

The table below provides a summary of the Trust's portfolio as at September 30, 2017:

	Asset Value	Debt	Total Unitholders' Equity	NAV
Income Properties				
Toronto and GTA	$ 148,279	$ 90,696	$ 61,285	$ 61,285
Saskatchewan Industrial Portfolio	9,383	5,813	3,535	3,535
Other	48,845	26,693	23,334	23,334
	$ 206,507	**$ 123,202**	**$ 88,154**	**$ 88,154**
Lending Portfolio				
Toronto Development	$ 98,447	N/A	$ 95,447	$ 95,447
Vancouver Development	59,701	N/A	59,701	59,701
Other	16,713	N/A	16,658	16,658
	$ 174,861		**$ 171,806**	**$ 171,806**
Development & Investment Holdings				
Bayfield LP	$ 14,052	N/A	$ 14,052	$ 14,052
Hotel Pur	3,652	N/A	3,652	3,652
Empire Lakeshore	67,755	N/A	69,733	69,733
Empire Brampton	8,568	N/A	8,568	8,568
Axis Condominiums	3,826	N/A	3,826	12,163
IVY Condominiums	2,435	N/A	2,435	5,409
Lakeshore East Development	12,161	N/A	12,161	26,558
Port Credit West Village Partners LP	28,766	N/A	28,766	28,766
Plaza Bathurst and Plaza Imperial Development	9,299	N/A	9,299	9,351
	$ 150,514		**$ 152,492**	**$ 178,252**
Renewable Power				
Canadian Solar	$ 84,566	$ 51,405	$ 39,430	$ 41,117
Canadian Wind	32,527	26,838	7,658	11,992
United Kingdom Wind	19,844	—	20,072	20,072
	$ 136,937	**$ 78,243**	**$ 67,160**	**$ 73,181**
Marketable Securities	**$ 53,614**		**$ 53,614**	**$ 53,614**
Cash and Net Working Capital			**$ 66,840**	**$ 68,627**
Total unitholders' equity / NAV			**$ 600,066**	**$ 633,634**
Total unitholders' equity per unit / NAV per unit			**$ 8.26**	**$ 8.72**

1.5 NORMAL COURSE ISSUER BID AND INSIDER ACTIVITY

Since the inception of the Trust's NCIB program in December 2014 to November 10, 2017, the Trust has purchased for cancellation 2.3 million units for a total cost of $13.9 million.

The Trust received acceptance of its Notice of Intention to renew its prior NCIB from the TSX on January 11, 2017. The bid commenced on January 13, 2017 and will remain in effect until the earlier of January 12, 2018 or the date on which the Trust has purchased the maximum number of units permitted under the bid. Under the bid, the Trust has the ability to purchase for cancellation up to a maximum of 6,595,470 units (representing 10% of the Trust’s public float of 65,954,706 units at the time of entering the bid through the facilities of the TSX).

Since 2014 to November 10, 2017, the Trust’s asset manager, DAM, has purchased to date an aggregate of 8.9 million units, which includes 0.4 million units issued under the Distribution Reinvestment and Unit Purchase Plan and the rest in the open market for its own account, representing approximately 12% of the total units outstanding.

2. REPORTABLE OPERATING SEGMENTS RESULTS OF OPERATIONS

2.1 HIGHLIGHTS BY REPORTABLE OPERATING SEGMENTS

The tables below summarize our consolidated net assets attributable to unitholders of the Trust[1] as at September 30, 2017 by operating segment and geographical allocation, excluding cash and other Trust consolidated working capital.

OPERATING SEGMENT ALLOCATION

As at	**September 30, 2017**	December 31, 2016
Income properties	**18.4%**	35.8%
Lending portfolio	**35.8%**	21.0%
Development and investment holdings[2]	**31.9%**	30.9%
Renewable power	**13.9%**	12.3%
Total	**100.0%**	100.0%

[1] For the Trust's definition of net assets attributable to unitholders of the Trust, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A

[2] As at September 30, 2017, this segment includes under development and completed investments of 28.1% (December 31, 2016 - 26.7%) and income-producing investments of 3.7% (December 31, 2016 - 4.2%)

GEOGRAPHIC ALLOCATION

As at	**September 30, 2017**	December 31, 2016
Toronto & GTA	**75.2%**	60.1%
British Columbia	**10.0%**	8.6%
Other Ontario	**3.9%**	11.6%
Saskatchewan	**3.4%**	3.0%
United Kingdom	**3.3%**	2.2%
Other Western Canada[1]	**2.3%**	2.3%
Eastern Canada	**1.9%**	12.2%
Total	**100.0%**	100.0%

[1] The Trust's investment in assets located in Alberta as at September 30, 2017 was less than 1% of consolidated assets

ANNUALIZED AFAD RETURN ON AVERAGE UNITHOLDERS' EQUITY

	Three months ended		Nine months ended	
For the periods ended	**September 30, 2017**	September 30, 2016	**September 30, 2017**	September 30, 2016
Income properties	**1.5 %**	2.4 %	**2.9 %**	2.5 %
Lending portfolio	**2.2 %**	2.1 %	**3.1 %**	2.0 %
Development and investment holdings	**1.2 %**	1.3 %	**1.9 %**	1.2 %
Renewable power	**1.4 %**	1.3 %	**1.7 %**	1.3 %
Trust expenses and income taxes, net[1]	**(2.3)%**	(1.9)%	**(3.6)%**	(2.3)%
Annualized AFAD return on average unitholders' equity	**4.0 %**	5.2 %	**6.0 %**	**4.7 %**

[1] Trust expenses and income taxes, net 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

2.2 INCOME PROPERTIES

Revenue from income properties includes base rents, operating expenses and property tax recoveries, lease termination fees, parking income, and ancillary income. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. The total amount of contractual rent to be received from operating leases is recognized on a straight-line basis over the term of the lease; a straight-line rent receivable is recorded for the difference between the rental revenue recognized and the contractual amount received. Recoveries from tenants are recognized as revenues in the period that the corresponding costs are incurred and collectability is reasonably assured. Other revenues are recorded as earned.

As at September 30, 2017, the total income properties portfolio is comprised of two office properties co-owned with Dream Office Real Estate Investment Trust ("Dream Office REIT"), three wholly-owned properties and six industrial real estate properties co-owned with Dream Industrial REIT (TSX: DIR.UN). Michael Cooper, the Portfolio Manager of the Trust, who is also an officer and director of Dream Alternatives Master GP Inc., is a director of and is the Chief Responsible Officer of DAM, our asset manager, is a Trustee and Chair of Dream Office REIT, and is a Trustee of Dream Industrial REIT. DAM also acts as an asset manager for Dream Industrial REIT and provides management services to Dream Office REIT.

Summary of income properties as at September 30, 2017:

Property	Classification[1]	Property type	City	Trust's ownership	Total GLA (in sq.ft.)	Owned share of total GLA (in sq.ft.)	Average tenant size (in sq.ft.)	Asset value
GTA and Southwestern Ontario								
London City Centre	Non-core	Office	London	60.0%	540,902	324,541	22,651	
Sussex Centre	Core	Office	Mississauga	50.1%	654,388	327,848	9,952	
10 Lower Spadina Ave.	Core	Office	Toronto	100.0%	60,652	60,652	6,271	
49 Ontario St.	Core	Office	Toronto	100.0%	87,105	87,105	43,553	
349 Carlaw Ave.	Core	Office	Toronto	100.0%	33,894	33,894	4,488	
Total GTA and Southwestern Ontario					**1,376,941**	**834,040**	**12,682**	**$ 197,124**
Western Canada								
1802 Stock Rd.	Core	Industrial	Regina	50.0%	46,157	23,079	46,157	
1105 Pettigrew Ave.	Core	Industrial	Regina	50.0%	12,234	6,117	12,234	
363 Maxwell Cres.	Core	Industrial	Regina	50.0%	23,415	11,708	23,415	
1640 Broder St.	Core	Industrial	Regina	50.0%	11,169	5,585	11,169	
2190 Industrial Dr.	Core	Industrial	Regina	50.0%	11,677	5,839	11,677	
125 McDonald St.	Core	Industrial	Regina	50.0%	14,080	7,040	5,062	
Total Western Canada					**118,732**	**59,368**	**16,396**	**$ 9,383**
Total income properties					**1,495,673**	**893,408**	**12,930**	**$ 206,507**

[1] Core income properties are considered those the Trust plans to hold for the long term. Non-core income properties are considered non-strategic to management's long-term business plan

	Three months ended		Nine months ended	
For the periods ended	**September 30, 2017**	September 30, 2016	**September 30, 2017**	September 30, 2016
Total income	**$ 8,503**	$ 14,148	**$ 32,892**	$ 42,956
NOI	**3,795**	6,577	**14,911**	20,484
Net income (loss)	**1,073**	2,809	**(27,637)**	1,087
Income properties, excluding properties disposed during the period				
Total income[2]	**6,160**	5,405	**18,210**	16,178
NOI[3]	**3,063**	2,591	**9,209**	7,610
Net income (loss)[4]	**2,117**	27	**4,896**	(924)

[2] Includes non-core income property revenue of $1.8 million and $5.2 million for the three months and nine months ended September 30, 2017, respectively
[3] Includes non-core income property NOI of $0.7 million and $2.2 million for the three and nine months ended September 30, 2017, respectively
[4] Includes non-core income property net loss of $0.2 million and $0.9 million for the three and nine months ended September 30, 2017, respectively

For the three months ended September 30, 2017, net income decreased by $1.7 million primarily due to the sale of the nine non core income properties during the quarter. For the nine months ended September 30, 2017 a net loss of $27.6 million was generated primarily due to fair value adjustments recorded on the 14 non core co-owned income properties that were sold.

During the three and nine months ended September 30, 2017, net income, excluding income properties disposed during the period, had an increase of $2.1 million and $5.8 million, respectively. The increase was due to higher fair value adjustments recorded in the prior period relating to these income properties as well as the acquisition of both 10 Lower Spadina Avenue and 49 Ontario Street as the Trust increased its ownership of these two properties to 100% from 60% early in the first quarter of 2017.

	Three months ended		Nine months ended	
For the periods ended	**September 30, 2017**	September 30, 2016	**September 30, 2017**	September 30, 2016
AFAD	**2,231**	4,011	**9,052**	12,520
AFAD per unit	**0.03**	0.06	**0.12**	0.17

For the three months ended September 30, 2017, AFAD of $2.2 million was approximately $1.8 million lower when compared to the same period last year, driven by lower NOI primarily resulting from the sale of $281.6 million of non core co-owned income properties year to date. During the third quarter, the Trust closed on the sale of its ownership interests in the nine non core co-owned properties. The decrease was slightly offset by the acquisition of both 10 Lower Spadina Avenue and 49 Ontario Street, as discussed above. AFAD of $9.1 million for the nine months ended September 30, 2017 decreased by $3.5 million when compared to the same quarter in the prior period, also due to the sale of the non core co-owned office properties, as discussed above.

Operating statistics for the income properties portfolio for the indicated periods are as follows:

As at	**September 30, 2017**	December 31, 2016[1]	September 30, 2016[1]
Total portfolio			
Number of properties	**11**	11	11
Owned GLA (in millions of sq.ft.)	**0.9**	0.8	0.8
Occupancy rate (period-end) — including committed	**92.3%**	90.5%	90.2%
Occupancy rate (period-end) — in-place	**90.8%**	89.7%	89.4%
Average tenant size (in sq.ft.)	**12,930**	13,147	13,222
Average in-place and committed base rent per sq.ft. (period-end)	**13.40**	12.92	13.25
Weighted average remaining lease term (years)	**4.8**	5.2	5.4

[1] Excludes co-owned non core income properties disposed during the nine months ended September 30, 2017

The committed occupancy rate, which includes committed leases, increased to 92.3% as at September 30, 2017, compared to 90.5% at December 31, 2016. The weighted average remaining lease term decreased to 4.8 years at September 30, 2017 from 5.2 years at December 31, 2016 consistent with expectations.

LEASING ACTIVITY AND INITIAL DIRECT LEASING COST AND LEASE INCENTIVES

Initial direct leasing costs, include leasing fees and related costs and broker commissions incurred in negotiating and arranging tenant leases. Lease incentives, include costs incurred to make leasehold improvements to tenant spaces and cash allowances paid to tenants. Initial direct leasing costs and lease incentives incurred by the Trust are influenced by asset type, lease terminations and expiries, the mix of new leasing activity compared to renewals, portfolio growth and general market conditions. Short-term leases generally have lower costs than long-term leases, and leasing costs associated with office space are generally higher than costs associated with industrial and retail spaces. Due to the nature of these costs actuals will vary widely from quarter to quarter depending on the above noted factors. As a result of this variability, the Trust believes that using a normalized estimate relating to initial direct leasing costs and lease incentives in the calculation of AFAD is a more relevant input than actual costs in evaluating the Trust's return on net assets during the period or the rate of distribution. Normalized initial direct leasing costs and lease incentives represent an estimated amount the Trust expects to incur based on its current portfolio and expected average leasing activity. This estimate is consistent with the level of costs the Trust expects to incur within its current portfolio over the long term taking into account related lease maturity profile, expected renewals, new leasing activity and market conditions. The Trust will continuously monitor the normalized estimate to assess its accuracy compared to actuals considering any changes to the factors that influence the estimate and update it accordingly.

During the nine months ended September 30, 2017, actual initial direct leasing costs and lease incentives incurred were $8.4 million compared to the normalized initial direct leasing costs of $1.2 million. The actual initial direct leasing costs and lease incentives included $7.8 million of cost relating to assets that have been sold or assets that are considered non core income properties which are excluded from the normalized estimate as they are not part of the long term portfolio of the Trust.

During the three months ended September 30, 2017, approximately $0.8 million (three months ended September 30, 2016 - $0.7 million) of initial direct leasing costs and leasing incentives were attributable to leases that commenced during the period, representing an average cost of $22.57 per sq.ft. (three months ended September 30, 2016 - $25.13 per sq.ft.). During the nine months ended September 30, 2017, approximately $5.0 million (nine months ended September 30, 2016 - $2.0 million) of initial direct leasing costs and leasing incentives were attributable to leases that commenced during the period, representing an average cost of $20.27 per sq.ft. (nine months ended September 30, 2016 - $15.63 per sq.ft.). The overall increase year over year is primarily attributable to the lease incentives relating to the non-core co-owned income properties.

Expiries net of committed renewals of income properties, including both core and non-core income properties, in thousands of sq.ft. and as a percentage of total in-place and committed occupancy as at September 30, 2017 are as follows:

(GLA in sq.ft.)	2017	2018	2019	2020	2021	2022+	Total
Total portfolio							
Expiries[1]	(31,372)	(354,883)	(41,335)	(120,731)	(91,721)	(414,441)	**(1,054,483)**
Expiries committed for occupancy[1][2]	4,456	217,860	—	—	—	7,441	**229,757**
Expiries, net of committed renewals	**(26,916)**	**(137,023)**	**(41,335)**	**(120,731)**	**(91,721)**	**(407,000)**	**(824,726)**
Vacancies committed for new leases	941	—	—	—	—	10,334	**11,275**
Expiries, net of committed occupancy	**(25,975)**	**(137,023)**	**(41,335)**	**(120,731)**	**(91,721)**	**(396,666)**	**(813,451)**
Percentage of total in-place and committed occupancy	3.0%	17.0%	5.0%	15.0%	11.0%	49.0%	**100.0%**

(1) Expiries include current in-place expiries and future expiries committed for renewals
(2) Expiries committed for occupancy include renewals and relocation of tenants

The following are expiries net of committed renewals of the Trust's core income properties, in thousands of sq. ft. and as a percentage of total in-place and committed occupancy as at September 30, 2017:

(GLA in sq.ft.)	2017	2018	2019	2020	2021	2022+	Total
Expiries[1]	(24,220)	(145,583)	(27,505)	(84,903)	(84,859)	(242,440)	**(609,510)**
Expiries committed for occupancy[1][2]	3,124	73,207	—	—	—	7,441	**83,772**
Expiries, net of committed renewals	**(21,096)**	**(72,376)**	**(27,505)**	**(84,903)**	**(84,859)**	**(234,999)**	**(525,737)**
Vacancies committed for new leases	—	—	—	—	—	10,334	**10,334**
Expiries, net of committed occupancy	**(21,096)**	**(72,376)**	**(27,505)**	**(84,903)**	**(84,859)**	**(224,665)**	**(515,404)**
Percentage of total in-place and committed occupancy	4.0%	14.0%	5.0%	16.0%	16.0%	45.0%	**100.0%**

(1) Expiries include current in-place expiries and future expiries committed for renewals
(2) Expiries committed for occupancy include renewals and relocation of tenants

A summary of investment in income properties is included in the table below:

As at	**September 30, 2017**	December 31, 2016
NAV	**$ 88,154**	$ 241,585
NAV per unit	**1.21**	3.34
Income properties at IFRS fair value	**206,507**	479,401
Amortized balance of mortgages payable	**123,277**	243,939
Debt-to-gross asset value (income properties)	**56.3%**	49.6%

NAV as at September 30, 2017 was $88.2 million, a decrease of $153.4 million from December 31, 2016 due primarily to the sale of non core co-owned income properties during the period as further discussed on page 14.

INCOME PROPERTIES FAIR VALUES AND CONTINUITY

The table below provides a continuity of the income properties balance for the periods indicated:

		For the nine months ended September 30, 2017		For the year ended December 31, 2016
Balance, beginning of period	**$**	**479,401**	$	520,395
Add (deduct):				
Acquisition of properties		**18,147**		—
Disposition of properties		**(1,620)**		—
Building improvements – recoverable		**2,025**		4,121
Building improvements – non-recoverable		**94**		3,588
Lease incentives and initial direct leasing costs		**7,855**		7,871
Amortization of lease incentives		**(971)**		(866)
Fair value adjustments to income properties		**(35,797)**		(40,187)
Reclassified to assets held-for-sale		**(262,627)**		(15,521)
Balance, end of period	**$**	**206,507**	$	479,401

During the nine months ended September 30, 2017, the Trust acquired from Dream Office REIT a 40% interest in two co-owned properties, 10 Lower Spadina Avenue and 49 Ontario Street, in which it already held a 60% interest, for gross consideration of $18.4 million. The purchase price was funded through the assumption of mortgages payable, up financing of a maturing mortgage and cash on hand. 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 weighted average remaining lease term to maturity of 4.9 years and are expected to have attractive redevelopment potential in future years, aligning with the Trust's longer term objectives.

The table below provides a continuity of the assets held-for-sale balance for the periods indicated:

		For the nine months ended September 30, 2017		For the year ended December 31, 2016
Balance, beginning of period	**$**	**4,055**	$	—
Add (deduct):				
Lease incentives and initial direct leasing costs		**511**		—
Amortization of lease incentives		**(61)**		—
Fair value adjustments to income properties		**1,974**		—
Disposition of properties		**(269,106)**		(11,466)
Reclassified from income properties		**262,627**		15,521
Balance, end of period	**$**	**—**	$	4,055

As at September 30, 2017, the Trust sold its interest in 14 non core co-owned income properties. Gross proceeds from the sale of these properties were $281.6 million, before ordinary course purchase adjustments and transaction costs, which included $4.8 million in units in the form of publicly traded securities of the purchaser. Net proceeds were $114.1 million, after transaction costs of $2.5 million and the repayment by the Trust or assumption by the purchaser of mortgages.

During the nine months ended September 30, 2017, the Trust recorded fair value losses of $33.8 million. Approximately $31.3 million of the losses recorded related to those non core co-owned income properties that were disposed during the nine months ended September 30, 2017. Income properties, excluding assets held-for-sale, are measured at fair value using the income approach, which is derived from the overall capitalization rate method or discounted cash flow method, or in certain limited circumstances, based on land values. The Trust determines the fair value of income properties classified as assets held-for-sale by considering the current contracted sale prices, as management has committed to a plan of sale of the underlying properties and the sale of these properties is considered highly probable. The fair values of income properties, excluding assets held-for-sale, were determined by using capitalization rates ("cap rates") of 5.0% to 7.5% (December 31, 2016 – 5.0% to 8.0%), resulting in a weighted average cap rate of 6.3% (December 31, 2016 – 6.4%) and discount rates of 6.0% to 8.5% (December 31, 2016 – 5.8% to 9.0%).

Management is of the view that the current IFRS values of the income properties at September 30, 2017 are reflective of the current market conditions, including factors such as vacancy, stabilization of NOI, time to stabilization and required capital expenditures, before considering transaction costs.

Income properties, with a fair value of $206.5 million as at September 30, 2017 (December 31, 2016 – $478.2 million) are pledged as security for related mortgages.

TENANT BASE PROFILE

Our total portfolio tenant base includes a wide range of high-quality large international corporations and various recognizable businesses operating across Canada. As at September 30, 2017, the Trust has 105 tenants and an average tenant size at the Trust's share of 12,930 sq.ft. (December 31, 2016 – 11,085 sq.ft.).

The following table outlines the top five tenants based on the percentage of total GLA square feet they represent:

Top five tenants	Number of buildings	GLA (in sq.ft.)(1)	% of Total GLA	% of Total income properties revenue(2)	Remaining lease term (years)	Credit rating(3)
TD Canada Trust	1	224,336	27.2%	20.3%	6.3	AA-
Technicolor Creative Services	1	83,770	10.2%	11.9%	5.5	N/R
Edward D. Jones & Co.	1	39,256	4.8%	6.6%	2.3	N/R
Community Door Network Service	2	30,828	3.7%	3.5%	4.0	N/R
Rexel Canada Electrical Inc.	1	23,079	2.8%	2.7%	5.7	N/R
Total		**401,269**	**48.7%**	**45.0%**	**5.5**	

(1) GLA is stated at the Trust's owned share
(2) Annualized based on billing rates as of September 30, 2017
(3) Credit ratings were obtained from Standard & Poor's, which may reflect the parent's or a guarantor's credit rating. N/R - not rated

The following table outlines the top five tenants, within the core income properties, based on the percentage of total core GLA square feet they represent:

Top five tenants	Number of buildings	GLA (in sq.ft.)(1)	% of Total core GLA	% of Total core income properties revenue(2)	Remaining lease term (years)	Credit rating(3)
Technicolor Creative Services	1	83,770	10.2%	11.9%	5.5	N/R
Edward D. Jones & Co.	1	39,256	4.8%	6.6%	2.3	N/R
Community Door Network Service	2	30,828	3.7%	3.5%	4.0	N/R
Rexel Canada Electrical Inc.	1	23,079	2.8%	2.7%	5.7	N/R
MNP LLP	1	17,694	2.1%	2.4%	9.6	N/R
Total		**194,627**	**23.6%**	**27.1%**	**5.0**	

(1) GLA is stated at the Trust's owned share
(2) Annualized based on billing rates as of September 30, 2017
(3) Credit ratings were obtained from Standard & Poor's, which may reflect the parent's or a guarantor's credit rating. N/R - not rated

2.3 LENDING PORTFOLIO

We invest in mortgages and loans secured by all types of residential and commercial real estate property that represent an acceptable underwriting risk to the Trust. Working within our risk parameters, we also invest in higher-yielding development and construction loans, bridge loans and mezzanine loans, where we are comfortable with the underlying security, guarantees and covenants of the borrower.

We record lending portfolio investments initially at fair value, including upfront lender fees. Subsequent to initial recognition, lending portfolio investments are measured at amortized cost using the effective interest rate method less any impairment losses. A lending portfolio investment is considered to be impaired if there has been a deterioration of credit quality subsequent to its initial recognition such that we no longer have reasonable assurance as to the timely collection of the full amount of principal and interest.

	Three months ended		Nine months ended	
For the periods ended	**September 30, 2017**	September 30, 2016	**September 30, 2017**	September 30, 2016
Net income	**3,308**	3,466	**7,260**	7,606
AFAD	**3,319**	3,466	**9,591**	10,322

As at	**September 30, 2017**	December 31, 2016
Number of loans outstanding	**11**	15
Lending portfolio balance at amortized cost[(1)]	**$ 174,861**	$ 141,956
NAV	**171,806**	141,784
NAV per unit	**2.37**	1.96
Security allocation (1st mortgages/other)	**69.2% / 30.8%**	52.0% / 48.0%
Weighted average effective interest rate (period-end)	**9.2%**	8.6%
Weighted average face interest rate (period-end)	**9.2%**	8.0%
Weighted average remaining term to maturity (period-end) (years)	**0.94**	0.85

(1) Lending portfolio loan balances at amortized cost includes interest income receivable and differs from the NAV because it excludes loan services fees payable

Net income of $3.3 million for the three months ended September 30, 2017 from the lending portfolio remained relatively stable when compared to the same period in the prior year. Net income of $7.3 million for the nine months ended September 30, 2017 decreased by $0.3 million when compared to the same period in the prior year. The decline resulted from a decrease in upfront lender and loan extension fee income.

AFAD of $3.3 million for the three months ended September 30, 2017 remained relatively stable when compared to the same period in the prior year. AFAD of $9.6 million for the nine months ended September 30, 2017 decreased by $0.7 million when compared to the same period in the prior year as a result of lower fee income.

During the nine months ended September 30, 2017, approximately $21.0 million of legacy loans were repaid resulting in 90% of the total original loan portfolio being repatriated, compared to 80% at the beginning of the year. As well, during the nine months ended September 30, 2017, the Trust advanced four new loans for gross proceeds of $73.1 million with a weighted average effective interest rate of 9.2%. In relation to one of the new loans, Trust received interest in advance of $3.0 million which will be amortized into income as earned in accordance with the loan terms. The advances included a $45.0 million first mortgage advance at an interest rate of 10% on a development investment in Markham, Ontario to the purchaser of the Villarboit investment. During the nine months ended September 30, 2017, the Trust recognized a loan loss provision of $2.3 million (1.3% of the lending portfolio balance) to reflect management's estimate of net realizable value. The overall loan portfolio continues to be very liquid with a weighted average term to maturity at September 30, 2017 of 0.94 years.

The Trust has established a methodology for determining the adequacy of its loan loss provisions within the lending portfolio that is consistent with industry practices. The adequacy of the loan loss provision is assessed on a quarterly basis, taking into consideration factors such as:

- Delays in the collection of principal and interest;
- Value of the underlying security; The amount expected to be ultimately recovered, taking into account the probability of different outcomes and any legal or third party costs that may be incurred in the recovery process;
- Factors specific to the property, borrower, economic and real estate market conditions relevant to the loan; and
- Any other specific factors that may apply to the particular loan based on our judgment and/or historical experience.

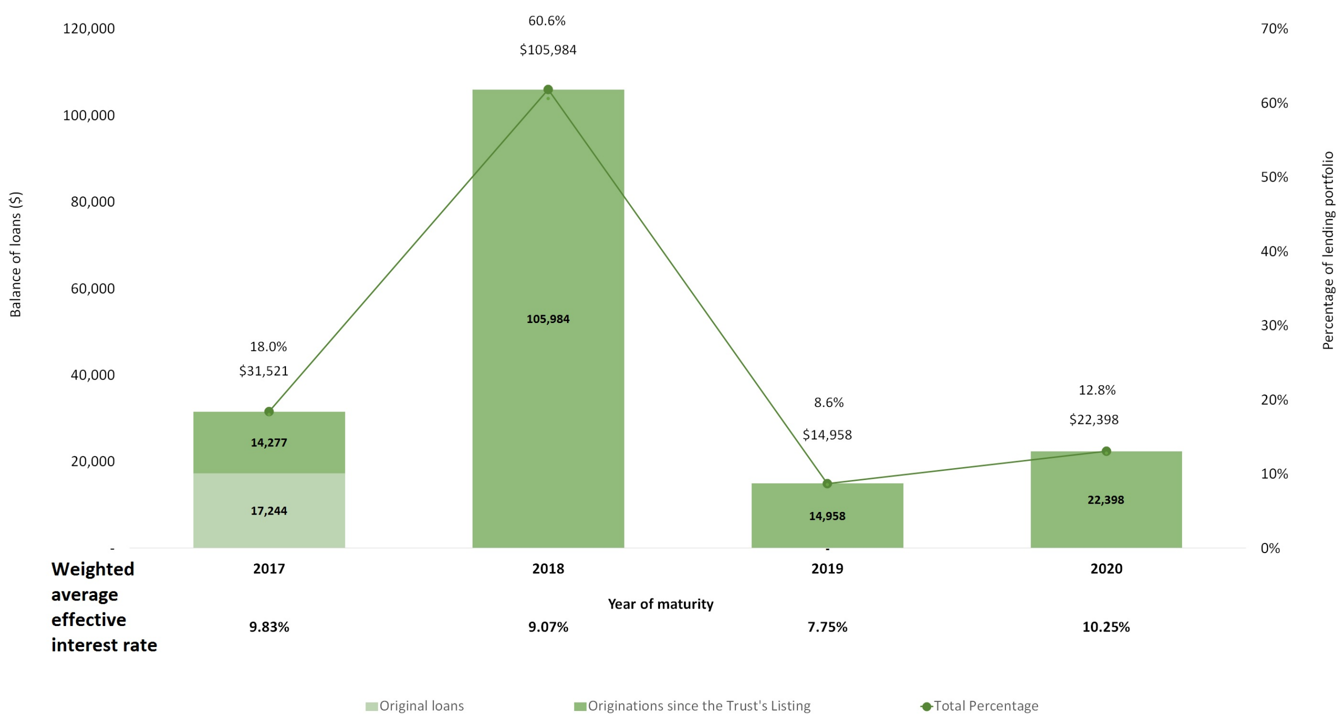
As at September 30, 2017, the lending portfolio consisted of 11 mortgages, real property loans and a corporate loan, aggregating to a total outstanding lending portfolio balance of $174.9 million.

The table below provides a continuity of the lending portfolio balance at amortized cost for the periods indicated:

For the periods ended September 30, 2017		For the three months ended		For the nine months ended
Balance, beginning of period	**$**	**147,875**	**$**	**141,956**
Add (deduct):				
Lending portfolio advances		**51,339**		**78,576**
Changes in accrued interest receivable		**(301)**		**(182)**
Provision for lending portfolio losses		**—**		**(2,320)**
Interest capitalized to lending portfolio balance		**1,271**		**3,788**
Lender fees and extension fees received, net of amortization		**(882)**		**(810)**
Principal repayments at maturity and contractual repayments and prepayments		**(24,441)**		**(46,147)**
Balance, end of period	**$**	**174,861**	**$**	**174,861**

During the nine months ended September 30, 2017, the Trust advanced $78.6 million at a weighted average effective interest rate of 9.2%, compared to a weighted average effective interest rate of 7.4% on $46.1 million of principal repayments at maturity and contractual repayments and prepayments, including the mortgage receivable balance of $2.4 million, that was part of the Villarboit investment disposition.

We continue to leverage our relationships and expertise to identify opportunities with attractive yields to balance the longer term returns within the lending portfolio. The Asset Manager actively manages the lending portfolio and may decide to renew and extend loans, including those with a maturity date of twelve months from the balance sheet date, in the normal course of business. The chart below summarizes the maturity profile dates of the lending portfolio at amortized cost:



The following table illustrates the number and proportion of the lending portfolio investments by property type based on amortized cost:

	September 30, 2017			December 31, 2016		
	No. of individual mortgages outstanding	**% of Total**	**Weighted average effective interest rate**	No. of individual mortgages outstanding	% of Total	Weighted average effective interest rate
Loans secured by development assets:						
Residential development	**6**	**43.1%**	**8.8%**	6	40.4%	9.0%
Corporate loan/other[(1)]	**1**	**9.9%**	**10.7%**	1	18.0%	10.7%
Land	**2**	**35.4%**	**9.8%**	2	13.9%	8.6%
Loans secured by income-producing assets:						
Hospitality	**—**	**—%**	**—%**	2	6.0%	6.0%
Industrial/Self storage	**1**	**9.6%**	**7.7%**	1	13.1%	7.7%
Retirement home	**—**	**—%**	**—%**	1	4.5%	—%
Retail	**—**	**—%**	**—%**	1	1.6%	6.8%
Office	**1**	**2.0%**	**9.5%**	1	2.5%	9.5%
Total	**11**	**100.0%**	**9.2%**	15	100.0%	8.6%

(1) Includes an unsecured corporate loan outstanding to MMS Enterprise Holdings Inc. with an amortized cost, as at September 30, 2017, of $17.5 million. MMS Investments Inc. is the parent company of award-winning home builder Empire, which was established in 1993. The loan is guaranteed by Empire Communities ("Empire")

Since the Trust's inception, the strategic focus of the Asset Manager has been to diversify and reduce the risk profile of the Trust’s original portfolio. Development loans have historically provided very attractive returns. We believe that we benefit from the Asset Manager's position as an active developer, such that our risk associated with originating development loans is reduced to a certain extent. As a result, the Trust's exposure to residential development and land loans has increased since inception. Traditional real estate lending continues to be valuable by providing a base return while we seek opportunities with more desirable risk-adjusted returns.

2.4 DEVELOPMENT AND INVESTMENT HOLDINGS, INCLUDING EQUITY ACCOUNTED INVESTMENTS

As at September 30, 2017, our development and investment holdings and equity accounted investments consisted of approximately $150.5 million of assets including:

Investment	Sector	Accounting Treatment	Status	Expected Completion[1]	Asset Value September 30, 2017	Asset Value December 31, 2016	% Sold or Leased / Occupied	Units (#) or sq. ft. (000s)
Investment holdings								
Villarboit Income Producing	Retail	Fair Value	Income Producing	N/A	$ —	$ 12,113	N/A	N/A
Bayfield	Retail	Fair Value	Income Producing	N/A	14,052	13,982	77.8%	1,154 sq.ft.
Hotel Pur	Hospitality	Fair Value	Income Producing[2]	N/A	3,652	2,452	91.0%	242 units
Total investment holdings					**$ 17,704**	$ 28,547		
Development holdings								
Empire Brampton	Residential	Fair Value	Construction	Q3 2017	$ 8,568	$ 34,345	100.0%	685 units
Empire Lakeshore	Residential	Fair Value	Construction	Q4 2019 - Q2 2020	67,755	61,801	98.5%	1,285 units
Villarboit Under Development	Retail	Fair Value		N/A	—	62,602	N/A	N/A
Total development holdings					**$ 76,323**	$ 158,748		
Total development and investment holdings					**$ 94,027**	$ 187,295		
Equity accounted investments - Development holdings								
Axis Condominiums	Residential	Equity Accounted	Pre-construction	2020	$ 3,826	$ 5,072	100.0%	572 units
IVY Condominiums	Residential	Equity Accounted	Pre-construction	2020	2,435	2,211	100.0%	253 units
Lakeshore East	Residential	Equity Accounted	Pre-construction	N/A	12,161	11,540	N/A	N/A
Port Credit	Residential	Equity Accounted	Pre-construction	N/A	28,766	—	N/A	N/A
Plaza Bathurst	Other	Equity Accounted	Income Producing	N/A	3,832	—	N/A	N/A
Plaza Imperial	Other	Equity Accounted	Income Producing	N/A	5,467	$ —	N/A	N/A
Total equity accounted investments - development holdings					**$ 56,487**	$ 18,823		
Total development and investment holdings and equity accounted investments					**$ 150,514**	$ 206,118		
Market adjustments to equity accounted investments included in NAV[3]					**$ 25,760**	$ —		
NAV per unit					**$ 2.45**	$ 2.86		

[1] The final completion dates are estimated by the Asset Manager based on information provided by the development project manager regarding the expected completion dates and development status as at September 30, 2017 and are subject to change
[2] % occupied based on quarterly average for the three months ended September 30, 2017
[3] For additional details on the Trust's equity accounted investments, please refer to page 22 of the MD&A.

A summary of the development and investment holdings segment results follows:

For the periods ended	Three months ended **September 30, 2017**	Three months ended September 30, 2016	Nine months ended **September 30, 2017**	Nine months ended September 30, 2016
Net income - development holdings and equity accounted investments	**$ (2,222)**	$ 3,973	**$ (1,385)**	$ 9,681
Net income - investment holdings	**1,591**	139	**(1,197)**	417
Total net income	**(631)**	4,112	**(2,582)**	10,098
AFAD – development holdings and equity accounted investments	**$ 1,484**	$ 1,879	**$ 5,049**	$ 5,081
AFAD – investment holdings	**309**	310	**928**	1,133
Total AFAD	**$ 1,793**	$ 2,189	**$ 5,977**	$ 6,214
AFAD per unit	**$ 0.03**	$ 0.03	**$ 0.09**	$ 0.09

For the three months ended September 30, 2017, development and investment holdings generated a net loss of $0.6 million, down from $4.1 million in the same period in the prior year. The decrease primarily resulted from $3.7 million of fair value increases recognized in the prior year related to the Empire residential development holdings as they completed significant milestones and progressed closer to completion, particularly the Empire Brampton project. During the three months ended September 30, 2017, the Trust included in net loss of the development and investment holdings segment $0.6 million of realized losses, initially recorded in OCI, resulting from the sale of the Villarboit Investment. For the nine months ended September 30, 2017, development holdings recorded a net loss of $2.6 million compared to net income of $10.1 million in the same period in the prior year. The decrease was primarily due to $8.5 million of fair value increases recorded in the prior year consistent with the above noted.

AFAD for the three months ended September 30, 2017 for development and investment holdings including equity investments was $1.8 million compared to $2.2 million for the same period in the prior year. The decrease is due to lower interest earned on the Empire residential participating mortgage investments, particularly Empire Brampton and the decline in its contractual balance through its cash distribution as previously discussed.

DEVELOPMENT HOLDINGS AND EQUITY ACCOUNTED INVESTMENTS

The tables below provide a continuity of the development holdings and equity accounted investments balance for the periods indicated:

	Residential		Retail			
For the three months ended September 30, 2017	Empire Brampton	Empire Lakeshore	Development Holdings - Retail	Subtotal	Equity accounted investments	Total
Balance as at June 30, 2017	$ 24,197	$ 65,805	$ 56,967	**$ 146,969**	$ 49,347	**$ 196,316**
Advances/Investments/Share of Income	—	—	17	**17**	7,140	**7,157**
Fair value adjustments	(1,986)	1,950	—	**(36)**	—	**(36)**
Distribution/capital repayment	(13,643)	—	—	**(13,643)**	—	**(13,643)**
Dispositions	—	—	(56,984)	**(56,984)**	—	**(56,984)**
Balance as at September 30, 2017	**$ 8,568**	**$ 67,755**	**$ —**	**$ 76,323**	**$ 56,487**	**$ 132,810**

	Residential		Retail			
For the nine months ended September 30, 2017	Empire Brampton	Empire Lakeshore	Development Holdings - Retail	Subtotal	Equity accounted investments	Total
Balance as at December 31, 2016	$ 34,345	$ 61,801	$ 62,602	**$ 158,748**	$ 18,823	**$ 177,571**
Advances/Investments/Share of Income	—	—	319	**319**	39,072	**39,391**
Fair value adjustments	(2,134)	5,954	(5,937)	**(2,117)**	—	**(2,117)**
Distribution/capital repayment	(23,643)	—	—	**(23,643)**	(1,408)	**(25,051)**
Dispositions	—	—	(56,984)	**(56,984)**	—	**(56,984)**
Balance as at September 30, 2017	**$ 8,568**	**$ 67,755**	**$ —**	**$ 76,323**	**$ 56,487**	**$ 132,810**

During the three months ended September 30, 2017, the Trust recorded a fair value loss of $2.0 million on Empire Brampton due to a decrease in the anticipated cash flows as the project nears completion. Offsetting the fair value loss on Empire Brampton was a fair value gain of $2.0 million recorded to the Empire Lakeshore project as the development continues to progress steadily to completion and payout.

DEVELOPMENT HOLDINGS - RESIDENTIAL

As at September 30, 2017, the Empire Brampton low-rise project was substantially completed with 98% of the units closed compared to 61% at December 31, 2016. During the quarter, the Trust received additional distributions with the receipt of $13.6 million of cash proceeds from the Empire Brampton project of which $4.8 million represented profit to the Trust in excess of its investment contribution, and an additional $2.4 million of distribution and profit is anticipated in the fourth quarter. The timing of the remaining of cash distributions remains unchanged with the majority of the remaining balance to be released over the next two years.

Sales and construction of the Empire Lakeshore condominium development continue to progress on schedule with construction currently above grade and on the 12th floor. As at September 30, 2017, Empire Lakeshore had sold 99% of the 1,285 total projected condominium units, up from 98% at December 31, 2016. The project is expected to be completed and occupied in phases from the fourth quarter of 2019 to the second quarter of 2020. As at September 30, 2017, the Trust's IFRS value of its participating loan investment in Empire Lakeshore was $67.8 million, which is expected to continue appreciating over time as the project progresses towards completion and there is a reduction in risk profile of the asset as further major development milestones are met.

We continue to make progress in achieving our share of profitability from our Empire developments. Since the Trust's inception, to September 30, 2017, $32.2 million of cumulative fair value gains have been recognized from the Empire developments. The Trust recognized a fair value gain for the three and nine months months ended September 30, 2017 for the Empire Lakeshore project of $2.0 million and $6.0 million, respectively.

As at September 30, 2017, approximately $109.7 million of the Trust's total assets were advanced to Empire-related development projects or debt representing approximately 13.2% of the Trust's total assets.

DEVELOPMENT HOLDINGS - RETAIL

During the three months ended September 30, 2017, the Trust sold its interest in retail assets under development and retail assets completed and operational comprising of six long term development loans, one co-ownership investment with an interest of less than 20%, which was considered an available-for-sale ("AFS") investment, as well as a mortgage loan receivable, included within the lending portfolio ("Villarboit investment"), for total gross proceeds of $70.0 million. For the nine months ended September 30, 2017, the Trust recorded a fair value loss of $6.6 million related to the sale of the Villarboit Investment. During the three months ended September 30, 2017, the Trust recognized $0.6 million of realized losses, net of tax, from OCI into net income (loss) resulting from the sale of an AFS investment that was part of the Villarboit Investment.

EQUITY ACCOUNTED INVESTMENTS

During the nine months ended September 30, 2017, the Trust acquired a 23.25% equity ownership interest in the Port Credit Development for $27.2 million. Port Credit West Village Partners LP entered into a $105.0 million non revolving credit facility ($24.4 million Trust share) with a term of 3 years. DAM also owns a 7.75% ownership interest in Port Credit West Village Partners LP and the residual third party partners/co-developers include: Kilmer Van Nostrand, Diamond Corp., and FRAM + Slokker.

During the nine months ended September 30, 2017, the Trust invested a total of $3.8 million for a 40% equity ownership interest in two properties located in downtown Toronto. The properties are located at 6035 Bathurst Street and 388 - 390 Dupont Street ("Plaza Bathurst"). During the three months ended September 30, 2017, the Trust acquired a 40% ownership interest in a limited partnership for $5.5 million. The investment is in two properties located at 25 Imperial Street and 374 Dupont Street ("Plaza Imperial"). Both of these investments are currently income producing properties with redevelopment potential in future years.

Subsequent to September 30, 2017, the Trust acquired a 40% ownership interest in the Zibi development for $33.2 million, as acquired through a combination of acquisitions of existing units and new subscriptions from third parties. The residual partners are DAM for 40% and Windmill for 20%. DAM will act as lead developer for the project. The partnership intends to develop 37 acres of lands for the purpose of developing into a mixed-use master-planned community located in Ottawa and Gatineau, Quebec. The project concept plan is a multi-phase development which includes over 3 million square feet of density that consists of over 2,000 residential units and over one million square feet of commercial space. These investments are in line with the Trust's long term strategy to diversify its portfolio into exceptional development assets with higher growth opportunities.

As at September 30, 2017, the Trust's equity interests in the limited partnerships formed for the development of residential condominiums, IVY Condominiums and Axis Condominiums, were both considered 100% sold in relation to their respective total units and each are in similar stages of development whereby the projects are sold and financing has been secured. As at September 30, 2017, a return of capital of $1.4 million from the Axis Condominiums equity investment was distributed back to the Trust.

Development projects are key drivers of future growth for the Trust and are expected to generate attractive returns and future cash flows as milestones are achieved. The Trust expects its development projects will provide attractive profits to the Trust upon their respective completion dates, and will contribute to growth in our NAV per unit. The Trust generally targets a pre-tax IRR(2) of approximately 15-20% on equity investments in residential and mixed-use development projects.

(2) For the Trust's definition of the non-IFRS measure of IRR, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A

INVESTMENT HOLDINGS

The tables below provide a continuity of the investment holdings balance for the periods indicated:

For the three months ended September 30, 2017	Bayfield Retail and Mill Wood	Villarboit Investment Holdings(1)	Hotel Pur	Total
Balance as at June 30, 2017	$ 14,055	$ 10,648	$ 4,152	**$ 28,855**
Fair value adjustments	(3)	3	—	**—**
Distribution/capital repayment	—	—	(500)	**(500)**
Dispositions	$ —	$ (10,651)	$ —	**$ (10,651)**
Balance as at September 30, 2017	**$ 14,052**	**$ —**	**$ 3,652**	**$ 17,704**

For the nine months ended September 30, 2017	Bayfield Retail and Mill Wood	Villarboit Investment Holdings(1)	Hotel Pur	Total
Balance as at December 31, 2016	$ 13,982	$ 12,113	$ 2,452	**$ 28,547**
Advances	—	—	1,700	**1,700**
Fair value adjustments	70	(1,062)	—	**(992)**
Distribution/capital repayment	—	(400)	(500)	**(900)**
Dispositions	$ —	$ (10,651)	$ —	**$ (10,651)**
Balance as at September 30, 2017	**$ 14,052**	**$ —**	**$ 3,652**	**$ 17,704**

(1) Includes $nil of available-for-sale investments as at September 30, 2017 (December 31, 2016 - $1,091)

EQUITY INVESTMENTS FAIR VALUE INCLUDED IN NAV - METHODOLOGY

As part of its NAV calculation, a non IFRS measure, the Trust recognized a market value adjustment of $25.8 million in equity accounted investments in the nine months period ended September 30, 2017, an important element that the Trust has included in its NAV calculation to address the reduction in risk profile as each project progresses towards completion and/or reflect information from recent market transactions that indicate a change on the equity investment value (subject to internal and independent third party appraisals). Under IFRS and in the Trust’s condensed consolidated financial statements these development investments are equity accounted. The Trust believes that incorporating a market value adjustment is a more useful measure to value these development assets that would not ordinarily be captured within IFRS and the Trust's condensed consolidated financial statements.

The market value adjustment of $25.8 million was primarily attributable to the following equity investments: IVY Condominiums, Axis Condominiums and the Lakeshore East Development. In calculating the market value adjustment on the equity accounted development investments, on a going forward basis, the Trust intends to obtain independent third party appraisals annually or as significant development milestones are achieved. For those projects in active development or construction, the Trust intends to use the discounted cash flow methodology in determining the market value adjustment on a quarterly basis. The aggregate market value increase for both IVY and Axis Condominiums amounted to $11.3 million (representing a 181% increase relative to the aggregate equity accounted investment of $6.3 million at September 30, 2017) and was the result of using a discounted cash flow approach, using a discount rate of 12%, similar to the methodology utilized to value the Empire residential developments. Both IVY and Axis Condominium sales programs were launched in late 2016/early 2017 and are 100% sold with expected completion dates in 2020. Key assumptions in valuing both projects include but are not limited to: the risk and timing of expected cash flows; and the successful completion of the projects on time and on budget. The projects are expected to continue to generate market value increases on a quarterly basis, as they continue to advance closer to their completion dates. IVY Condominiums is currently being co-developed by Dream Asset Management Corp., the Trust’s asset manager. Axis Condominiums is currently being developed by CentreCourt Developments, a well-established Toronto developer with eight high-rise residential projects in various stages of development, representing over 5,000 homes and $1.5 billion of development value.

The Lakeshore East Development, a 5.3 acre waterfront property in downtown Toronto had a market value increase of $14.4 million (representing a 118% increase relative to the equity accounted investment of $12.2 million at September 30, 2017), based on favourable market trends and comparative market transactions and an independent third party appraisal at June 30, 2017.

There were no market value adjustments recorded on the Trust’s equity investments in Port Credit for the three and nine months ended September 30, 2017.

2.5 RENEWABLE POWER

Our renewable power segment includes a solar rooftop portfolio, a solar ground-mount portfolio and two wind power portfolios. All projects within these portfolios have an initial 20-year term with the government or regulated utility Power Purchase Agreements ("PPA"), allowing the sale of generated electricity at a fixed contract rate above the market rate, resulting in stable and predictable rates for all electricity generated.

The operating results of the renewable power segment are subject to significant seasonal variations. Wind production typically is best in the winter months while solar production tends to generate higher output in the summer months.

A summary of the renewable power segment results follows:

	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	**September 30, 2017**	September 30, 2016
Total income	**$ 4,711**	$ 3,644	**$ 13,673**	$ 10,194
Net income	**1,401**	1,285	**4,140**	4,123
AFAD	**2,104**	2,245	**5,220**	6,444
AFAD per unit	**0.03**	0.03	**0.08**	0.09

(1) For the Trust's definition of the non-IFRS measure of Adjusted EBITDA margin % please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A

As at	**September 30, 2017**	December 31, 2016
Renewable power assets	**$ 136,937**	$ 132,794
NAV	**73,181**	87,697
NAV per unit	**1.01**	1.21
Installed capacity (operational) (MW)[(1)(2)]	**22.4**	20.9

(1) Installed capacity (MW) is the maximum amount of electrical power in megawatts that the renewable power projects held by the Trust are capable of generating once operational

(2) Prorated based on the Trust's ownership percentage or economic interest

Net income for the three and nine months ended September 30, 2017 of $1.4 million and $4.1 million, respectively, has remained relatively stable when compared to the same period in the prior year. During the three and nine months ended September 30, 2017, the renewable power portfolio was fully operational compared to the prior year resulting in increased revenue and expenses.

AFAD for the three and nine months ended September 30, 2017 decreased by $0.1 million and $1.2 million, respectively, when compared to the same periods in the prior year. During the nine months ended September 30, 2017, the Trust closed financing on six Ontario Ground Mount Solar projects for gross proceeds of approximately $32.7 million of a 19.5 year non-recourse debt. While the additional project financing, as more fully described in the Capital and Liquidity section of this MD&A, resulted in a decreased AFAD contribution from the segment due to higher interest costs, the net impact after considering the repatriation of equity from permanent financing proceeds, is expected to have an improved return on equity on a total portfolio basis.

The table below provides a continuity of the renewable power asset balance for the period indicated:

For the three months ended September 30, 2017	**Solar power**	**Wind power**	**Total**
Balance as at June 30, 2017	$ 86,072	$ 49,007	**$ 135,079**
Additions	(608)	4,064	**3,456**
Depreciation	(898)	(580)	**(1,478)**
Foreign currency gain (loss)	—	(120)	**(120)**
Balance as at September 30, 2017	**$ 84,566**	**$ 52,371**	**$ 136,937**

For the nine months ended September 30, 2017	**Solar power**	**Wind power**	**Total**
Balance as at December 31, 2016	$ 83,169	$ 49,625	**$ 132,794**
Acquisitions/Additions	3,982	4,271	**8,253**
Depreciation	(2,585)	(1,671)	**(4,256)**
Foreign currency gain (loss)	—	146	**146**
Balance as at September 30, 2017	**$ 84,566**	**$ 52,371**	**$ 136,937**

NAV was $73.2 million as at September 30, 2017, up from $68.3 million as at June 30, 2017. During the three months ended September 30, 2017, the Trust acquired the non-controlling interest in the wind power projects located in the U.K. increasing the Trust's ownership to 100% as well as acquiring an additional 13 wind turbines for a total purchase price of approximately $4.1 million.

As more fully described below, NAV for renewable power includes an additional fair value gain of $1.7 million resulting from the Ontario ground mount project during the nine months ended September 30, 2017.

RENEWABLE POWER FAIR VALUE INCLUDED IN NAV - METHODOLOGY

The Trust records its renewable power wind and solar assets at cost less accumulated depreciation and impairment charges within its condensed consolidated financial statements. In determining NAV, the Trust reflects at market value the renewable power projects developed by the Trust once they become operational and long-term financing is arranged. The Trust deems this information as relevant to users as the risk profile of the asset decreases when a renewable power project under construction becomes operational.

The market value for each operational renewable power project is determined using a discounted cash flow model. The model incorporates assumptions, which include future cash flows from in-place power purchase agreements, estimates of anticipated long-term average electricity generation, and estimated operating and capital expenditures. Revaluations are made on a quarterly basis to reflect up to date inputs and the remaining power purchase agreement term.

As a result of the Ontario Ground Mount Solar portfolio becoming operational and obtaining long-term financing in the nine months ended September 30, 2017, a market value adjustment of $1.7 million was included within NAV. The market value adjustment was calculated using a discounted cash flow approach which included a discount rate of 9% on pre-tax equity cash flows, determined by reference to implied yields of comparable market transactions for Canadian wind and solar assets.

This methodology is generally consistent with industry practices. The market value adjustment of $1.7 million for the nine months ended September 30, 2017 represented an approximately 8.6% fair value increase to the carrying value of the project including debt and will be amortized over the term of the respective PPAs. The market value adjustment was generated mainly from a decline in the risk profile of the asset as it moved from the pre-construction stage, through the remainder of the development and construction phases, to the operating phase. Based on comparable assets and trading valuation of public wind companies, management believes the implied valuation is within a reasonable range, with consideration to a discount for smaller scale projects.

RENEWABLE POWER PROJECTS

Below is a summary of our renewable power projects:

	Number of projects	Economic interest	Installed capacity (MW)[1]	Weighted average remaining PPA (years)	Commercial operational date[2]	Carrying value[3]	Fair value adjustments included in NAV	Debt, net of unamortized financing fees
Operational projects								
Ontario Rooftop Solar	10	100%	3.2	17.2	Q2 2014 – Q3 2015	$ 13,471	$ —	$ —
United Kingdom Wind	45	100%	3.8	17.0	Q2 2013 – Q3 2016	19,844	—	—
Nova Scotia Wind	3	80%	10.6	18.0	Q4 2015	32,527	4,334	26,838
Ontario Ground Mount Solar	10	100%	4.8	18.8	Q4 2015 - Q4 2016	71,095	1,687	51,405
Total as at September 30, 2017			**22.4**	**17.9**		**$ 136,937**	**$ 6,021**	**$ 78,243**
Total as at December 31, 2016			**20.9**	**18.7**		**$ 132,794**	**$ 4,523**	**$ 48,875**

(1) Prorated based on the Trust's ownership percentage or economic interest
(2) Commercial operational date is based on the commencement of the PPA agreement
(3) Carrying value represents the renewable power assets as reflected on the condensed consolidated statement of financial position and therefore is presented, including the non-controlling interest, net of accumulated amortization where applicable

2.6 CONSOLIDATED TRUST REVIEW OF TOTAL COMPREHENSIVE INCOME (LOSS)

The table below presents a summarized condensed consolidated statement of comprehensive income (loss) for the periods indicated:

	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	**September 30, 2017**	September 30, 2016
TOTAL INCOME	**$ 16,177**	$ 24,836	**$ 53,353**	$ 72,551
TOTAL EXPENSES	**(13,169)**	(15,938)	**(48,478)**	(49,063)
Fair value adjustments to income properties	**(814)**	(1,874)	**(33,823)**	(13,516)
OPERATING INCOME (LOSS)	**2,194**	7,024	**(28,948)**	9,972
Interest and other income	**536**	546	**1,347**	1,049
Transaction costs	**(855)**	—	**(2,772)**	(3,475)
Fair value adjustments to marketable securities	**433**	—	**433**	—
Share of income (loss) from equity accounted investment	**(121)**	22	**(300)**	66
EARNINGS (LOSS) BEFORE INCOME TAX EXPENSE	**2,187**	7,592	**(30,240)**	7,612
INCOME TAX (EXPENSE) RECOVERY				
Current	**(4)**	646	**(8)**	282
Deferred	**(2,219)**	(5,437)	**4,399**	(5,879)
TOTAL INCOME TAX (EXPENSE) RECOVERY	**(2,223)**	(4,791)	**4,391**	(5,597)
NET INCOME (LOSS)	**(36)**	2,801	**(25,849)**	2,015
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	**483**	(273)	**530**	(4,383)
TOTAL COMPREHENSIVE INCOME (LOSS)	**$ 447**	$ 2,528	**$ (25,319)**	$ (2,368)

TOTAL INCOME

Total income for the three months ended September 30, 2017 of $16.2 million decreased by $8.7 million when compared to the same period in the prior year. Total income for the nine months ended September 30, 2017 of $53.4 million decreased by $19.2 million when compared to the same period in the prior year. The decrease resulted from the sale of the non core co-owned income properties during the year as well as the net fair value loss in development and investment holdings as discussed previously in the Reportable Operating Segments Results of Operations - Development Investment Holdings, including Equity Accounted Investments section.

TOTAL EXPENSES

Total expenses in the condensed consolidated statement of comprehensive income (loss) include income properties operating expenses, renewable power operating expenses, interest expense, provision for lending portfolio losses and general and administrative expenses.

Total expenses for the three and nine months ended September 30, 2017 of $13.2 million and $48.5 million respectively, decreased by $2.8 million and $0.6 million, respectively, when compared to the same period in the prior year. The decrease was primarily due to lower income property operating expenses resulting from the sale of the non core co-owned income properties. This was partially offset by an increase in renewable power operating expenses due to the renewable power portfolio being fully operational and the acquisition of an additional 13 wind turbines within the wind power projects located in the U.K.

The change in total expenses can be further explained by the change in the various components as follows:

INTEREST EXPENSE

Interest expense for the three months ended September 30, 2017 of $2.4 million remained relatively consistent when compared to the same period in the prior year. Interest expense for the nine months ended September 30, 2017 of $9.4 million increased by $1.9 million when compared to the same period in the prior year. The increase was mainly due to higher interest expense related to a higher average debt balance associated with the renewable power project financings.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the three and nine months ended September 30, 2017 of $3.7 million and $11.9 million, respectively, remained relatively consistent when compared to the same period in the prior year.

FAIR VALUE ADJUSTMENTS TO INCOME PROPERTIES

Fair value losses for the three months ended September 30, 2017 were $0.8 million, a decrease of $1.1 million from the same quarter in the prior year. Fair value losses for the nine months ended September 30, 2017 were $33.8 million, an increase of $20.3 million from the same quarter in the prior year. For additional details, refer to the Reportable Operating Segments Results of Operations - Income Properties section of this MD&A.

TRANSACTION COSTS

Transaction costs during the three months ended September 30, 2017 were $0.9 million compared to $nil in the same period in the prior year primarily due to disposition costs associated with the sale of various non core co-owned income properties and the Villarboit investment during the period. Transaction costs during the nine months ended September 30, 2017 were $2.8 million, down from $3.5 million in the prior year. Year over year results are not comparable as the prior year results included management's best estimate of certain non-recurring transaction costs applicable to the transaction underlying the formation of the Trust in 2014, which was treated as a business combination.

INCOME TAX EXPENSE (RECOVERY)

Due to the Trust's diversified asset mix and active asset management strategy, we expect some degree of variability in current and deferred income tax expense recognized each quarter through the income statement.

For the three months ended September 30, 2017, income tax expense was $2.2 million compared to an income tax expense of $4.8 million for the same period in the prior year. The decrease in income tax expense results from lower net income earned during the three months ended September 30, 2017 primarily due to the disposition of the non core co-owned properties.

For the nine months ended September 30, 2017, income tax recovery was $4.4 million, which related to deferred income taxes and compares to an income tax expense of $5.6 million for the same period in the prior year. The year over year change in total income tax expense is due to the loss position in the current year when compared to an earnings position in the same period in the prior year, as well as the tax impact from the dispositions in the income properties segment.

The Trust intends to actively manage the portfolio in a tax efficient manner.

We are subject to income taxes both federally and provincially in Canada. Significant judgments and estimates are required in the determination of the Company's tax balances. Our income tax expense and deferred tax liabilities reflect management's best estimate of current and future taxes to be paid. The Company is subject to tax audits from various government and regulatory agencies on an ongoing basis. As a result, from time to time, taxing authorities may disagree with the interpretation and application of tax laws taken by the Company in its tax filings.

TAX ATTRIBUTES

INCOME PROPERTIES

We deduct mortgage interest and available tax depreciation on our buildings from our Canadian income properties that generate taxable net operating income. These deductions contribute to the overall tax efficiency of our structure and, in particular, the tax depreciation helps provide the Trust with tax-sheltered cash flow. Any change in the fair value of income properties is not recognized in the determination of current taxes until the sale of the asset.

RENEWABLE POWER

The *Income Tax Act* (Canada) makes available "green" energy tax incentives to the renewable energy sector. Certain pre-development and soft costs that are not normally deductible, known as Canadian renewable and conservation expenses ("CRCE"), are deductible against other sources of income in the year they are incurred. Non-CRCE project costs that are not otherwise currently deductible are included in the cost of the depreciable property and are eligible for maximum tax depreciation rates of between 30% and 50%, which can be used to help offset income for approximately 8 to 12 years once the project becomes operational.

TOTAL OTHER COMPREHENSIVE INCOME (LOSS)

An increase of $0.8 million and $4.9 million for the three and nine months ended September 30, 2017, respectively, is as a result of a total other comprehensive gain in the current period when compared to a total comprehensive loss for the same period in the prior year. This is mainly due to unrealized foreign currency gains incurred on the renewable power net investment in the U.K. as a devaluation of the British pound relative to the Canadian dollar, which occurred in the same period of the prior year, did not recur in the three and nine months ended September 30, 2017. As well, the Trust settled the derivative financial liability in the first quarter of 2017 and as such the variance is due to a combination of changes in market rates resulting in a favorable fair value adjustment as at the settlement of the derivative in the first quarter of 2017 and no further fair value adjustments to record in the third quarter of 2017 compared to the prior year. Lastly during the three months ended September 30, 2017, the Trust recognized $0.6 million of realized losses, net of tax, from OCI into net income (loss) resulting from the sale of an AFS investment that was part of the Villarboit Investment.

2.7 RELATED PARTY TRANSACTIONS

The Trust and its subsidiaries enter into transactions with related parties that are disclosed in Note 22 to the condensed consolidated financial statements.

3. DISTRIBUTION MEASURES

In any given period, the Trust anticipates that actual distributions paid and payable may differ from cash generated from operating activities. This difference is driven by a number of factors including the impact of leasing incentives and initial direct leasing costs which can fluctuate with lease maturities, renewal terms and the type of asset being leased; changes in non-cash working capital; timing of payments of capitalized interest on development and corporate loans and return on certain development holdings; and the long-term nature and investment return profile of development holdings. Because of this variability, the Trust evaluates its distribution policy considering these factors, among others, and its assessment of AFAD (a non-GAAP measure), which includes adjustments related to: interest income earned and accrued on the contractual value of certain development holdings based on their stated interest rate; leasing incentives and initial direct leasing costs; capitalized interest on development and corporate loans; and changes in non-cash working capital.

As required by National Policy 41-201, "Income Trusts and Other Indirect Offerings", the following tables outline the differences between cash generated from operating activities and distributions paid and payable in accordance with the guidelines. As the Trust uses AFAD in determining its distributions, the following table also outlines the differences between AFAD and distributions paid and payable.

	Three months ended		Nine months ended	
For the periods ended	**September 30, 2017**	September 30, 2016	**September 30, 2017**	September 30, 2016
Cash generated from (utilized in) operating activities	**$ 13,206**	$ 2,280	**$ 4,065**	$ 6,106
Distributions paid and payable	**$ 7,039**	$ 7,242	**$ 21,237**	$ 21,725
Excess (Shortfall) of cash generated from (utilized in) operating activities over distributions paid and payable	**$ 6,167**	$ (4,962)	**$ (17,172)**	$ (15,619)

	Three months ended		Nine months ended	
For the periods ended	**September 30, 2017**	September 30, 2016	**September 30, 2017**	September 30, 2016
AFAD	**$ 6,049**	$ 8,672	**$ 18,506**	$ 23,843
Distributions paid and payable	**$ 7,039**	$ 7,242	**$ 21,237**	$ 21,725
Excess (Shortfall) of AFAD over distributions paid and payable	**$ (990)**	$ 1,430	**$ (2,731)**	$ 2,118

For the three months ended September 30, 2017, cash generated from operating activities exceeded distributions paid and payable by $6.2 million (three months ended September 30, 2016 – $5.0 million shortfall). For the nine months ended September 30, 2017, distributions paid and payable exceeded cash generated in operating activities by $17.2 million (nine months ended September 30, 2016 – $15.6 million shortfall).

For the three months ended September 30, 2017, distributions paid and payable exceeded AFAD by $0.9 million (three months ended September 30, 2016 - $1.4 million excess). For the nine months ended September 30, 2017, distributions paid and payable exceeded AFAD by $2.7 million (nine months ended September 30, 2016 - $2.1 million excess).

As we implement our longer term strategy, which includes expanding the development and investment holdings segment of our portfolio, the Trust expects that for the foreseeable future both cash generated from operating activities and AFAD will fluctuate from period to period and may differ from distributions paid and payable. Because of the long term nature of the projects in the development and investment holdings segment, the AFAD and cash generated from operating activities from this segment generally does not occur until later in the operating life cycle of the development holdings. However, these are relevant in the determination of distributions as cash flows relating to the project will ultimately be received at project completion. The Trust considers these factors in evaluating its distribution policy as well as its assessment of AFAD over the longer term.

The following table summarizes total comprehensive income (loss) and total distributions paid and payable for the periods indicated:

For the periods ended	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Total comprehensive income (loss)	**$ 447**	$ 2,528	**$ (25,319)**	$ (2,368)
Distributions paid and payable	**$ 7,039**	$ 7,242	**$ 21,237**	$ 21,725
Excess (Shortfall) of total comprehensive loss over distributions paid and payable	**$ (6,592)**	$ (4,714)	**$ (46,556)**	$ (24,093)

For the three months ended September 30, 2017, the Trust's distributions paid and payable exceeded total comprehensive income (loss) by $6.6 million (three months ended September 30, 2016 – $4.7 million). For the nine months ended September 30, 2017, the Trust's distributions paid and payable exceeded total comprehensive income (loss) by $46.6 million (nine months ended September 30, 2016 – $24.1 million).

Certain assets and liabilities are recognized at fair value in the condensed consolidated financial statements. Unrealized fair value adjustments and other non-cash items are included in total comprehensive income (loss) and can fluctuate from period to period. As a result, the Trust anticipates that distributions declared will, in the foreseeable future, continue to vary from total comprehensive income (loss). The total unrealized fair value adjustments and other non-cash items included in total comprehensive income (loss) in the condensed consolidated financial statements for the periods indicated are summarized in the table below:

For the periods ended	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Total adjustments to fair values and other non-cash items included in total comprehensive income (loss)	**$ 3,225**	$ 4,147	**$ 35,017**	$ 21,711

The total adjustments to fair values and other non-cash items included in total comprehensive income (loss) are comprised of: unrealized fair value adjustments to derivative financial liabilities net of tax, deferred income tax expense, unrealized foreign currency translation loss (gain), unrealized fair value adjustments on income properties, provision for lending portfolio losses, fair value adjustments in development and investment holdings.

The Trust funds its working capital needs and investment in lease incentives and initial direct leasing costs with cash on hand and its existing revolving credit facility. As at September 30, 2017, the Trust had cash on hand of $97.0 million and $43.3 million of undrawn credit capacity on its revolving credit facility. To the extent that there are shortfalls in cash flow over distributions paid and payable, the Trust may use the existing revolving credit facility as a source of funding. The use of the Trust's revolving credit facility may involve risks as compared with using cash on hand as a source of funding, such as the risk that interest rates may rise in the future which may make it more expensive for the Trust to borrow under its revolving credit facility, and the risk associated with increasing the overall indebtedness of the Trust. The Trust does not anticipate cash distributions will be suspended in the foreseeable future but does expect that there could be timing differences as a result of the development holdings as discussed above which do not contribute to cash flow from operating activities until they are completed. Accordingly, distributions are considered an economic return of capital until cash distributions from completed development projects are received in future years. The Asset Manager reviews the estimated annual distributable cash flow (measured by AFAD) with the Board of Trustees to assist the Board in determining the targeted distribution amount, taking into consideration the duration of the current assets within the Trust's portfolio and the future investment strategy.

Our DRIP entitles unitholders to reinvest all cash distributions into additional units. Of the distributions paid and payable, for the three and nine months ended September 30, 2017, $1.3 million and $3.3 million, respectively, was reinvested into the DRIP. Over time, reinvestments pursuant to the DRIP will increase the number of Units outstanding, which may result in upward pressure on the total amount of cash distributions. Our Declaration of Trust provides our trustees with the discretion to determine the percentage payout of income that would be in the best interest of the Trust, which allows for any unforeseen expenditures and the variability in cash distributions as a result of additional units issued pursuant to the Trust's DRIP.

4. CAPITAL RESOURCES AND LIQUIDITY

Our financial position is summarized below:

As at	September 30, 2017	December 31, 2016
Consolidated financial position		
Total Unitholders' Equity	**$ 600,066**	$ 645,738
NAV	**633,634**	657,454
NAV per unit	**8.72**	9.09
Total contractual debt payable(1)	**205,205**	308,361
Total assets	**833,924**	991,598
Cash	**96,966**	11,757

(1) The included revolving credit facility matures July 31, 2019.

The Trust's primary sources of financing are cash generated from operating activities, lending activities, credit facilities, mortgage financing and refinancing, and project financing. Our primary uses of capital include the payment of: investments in development and investment holdings, equity accounted investments and investments in renewable power assets, debt principal repayments, interest payments, property acquisitions, mortgage lending, distributions, costs of attracting and retaining tenants, recurring property maintenance, and major property improvements. It is the Trust's objective to meet all of our ongoing obligations with current cash, cash flows generated from operating activities, cash from maturing lending portfolio investments, cash from renewable power project financing and conventional mortgage refinancing. The Trust's revolving credit facility provides additional short term liquidity and flexibility in support of operations.

SUMMARY OF DEBT

As at September 30, 2017 and December 31, 2016, total debt was comprised of the following:

As at	September 30, 2017	December 31, 2016
Mortgages payable	**$ 124,100**	$ 243,261
Term loans	**81,105**	50,100
Revolving loan facility	**—**	15,000
Total contractual debt payable	**$ 205,205**	$ 308,361
Unamortized balance of premium on mortgages payable	**—**	1,183
Unamortized balance of deferred financing costs	**(3,760)**	(1,745)
Total debt	**$ 201,445**	$ 307,799

Total debt decreased by $106.4 million during the nine months ended September 30, 2017 mainly as a result of mortgage payables of $149.3 million that were repaid or assumed by the purchaser as part of the sale of non core co-owned income properties. This was partially offset by an increase in renewable power term debt and refinancing of three mortgages payable within income properties, net of regular principal repayments.

During the three months ended September 30, 2017, two mortgages payable of $87.1 million were refinanced for a two and five year term at a rate of BA plus plus 1.75% or at the bank's prime rate plus 0.25%, resulting in additional total proceeds of approximately $24.9 million, net of $0.7 million of deferred financing costs.

We use the following cash flow performance and debt level indicators to assess our ability to meet or refinance our debt obligations:

As at	September 30, 2017	December 31, 2016
Weighted average effective interest rate (period-end)(1)	**3.8%**	3.5%
Weighted average face rate of interest (period-end)(1)	**3.6%**	3.8%
Debt due within one year	**$ 4,537**	$ 91,284
Interest coverage ratio(2)(3) (times)	**2.47**	3.15
Debt-to-gross asset value	**24.6%**	31.2%
Debt – average term to maturity (years)	**9.50**	5.15

(1) Weighted average effective interest rate is calculated as the weighted average face rate of interest, net of amortization of debt premiums and financing costs of interest-bearing debt weighted by the size of the respective interest bearing debt instruments in the portfolio

(2) For the Trust's definition and reconciliation of the non-IFRS measure of interest coverage ratio, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A

(3) Calculated for the rolling four fiscal quarter basis as at September 30, 2017 and December 31, 2016

The average term to maturity of debt increased when compared to December 31, 2016, mainly as a result of the new long term project financing of renewable power debt, as discussed below. The Trust expects to refinance the debt due within one year, if any, in the normal course as the underlying mortgages and the credit facility mature, as discussed below. During the three months ended September 30, 2017, the revolving credit facility was renewed and extended to July 31, 2019.

The debt-to-gross asset value as at September 30, 2017 decreased to 24.6% when compared to December 31, 2016 due primarily to the sale of income properties and fair value adjustments recorded to income properties in the quarter and repayment of debt. This was expected and management believes this is a conservative position.

Principal repayments and maturity balances on total debt to be repaid each year are as follows:

Debt maturities	Outstanding balance due at maturity	Scheduled principal repayments	Total maturity balance and principal repayments	% of Total debt maturities and principal repayments	Weighted average effective interest rate on balance due at maturity	Weighted average face rate on balance due at maturity
Mortgages Payable and Term Loans						
2017 (remainder of the year)	$ —	$ 1,783	$ 1,783	0.9%	—%	—%
2018	—	4,831	4,831	2.3%	—%	—%
2019	27,000	5,582	32,582	15.9%	3.6%	3.2%
2020	5,043	6,594	11,636	5.7%	3.5%	3.3%
2021	10,329	6,183	16,512	8.0%	3.1%	4.1%
2022 and thereafter	71,993	65,867	137,861	67.2%	3.8%	3.8%
Subtotal before undernoted	$ 114,365	$ 90,840	$ 205,205	100.0%	3.7%	3.6%
Unamortized balance of deferred financing costs (net)	(3,760)		(3,760)			
Total debt	**$ 110,605**	**$ 90,840**	**$ 201,445**			

During the three months ended September 30, 2017:

- two mortgages payable were refinanced for a total of $87.1 million for a two and five year term at a rate of Bankers' Acceptances ("BA") plus 1.75% or at the bank's prime rate plus 0.25%, resulting in additional total proceeds of approximately $24.9 million, net of $0.7 million of deferred financing costs.
- the revolving credit facility was repaid a net amount of $8.6 million, and
- lump sum and regular repayments of mortgages payable and term loans totaled $8.3 million.

During the nine months ended September 30, 2017:

- $137.5 million of mortgages payable, previously included in liabilities related to assets held-for-sale, were assumed by the purchaser in relation to the sale of non core co-owned income properties,
- the Trust closed a second tranche of long term permanent financing for two additional Ontario Ground Mount Solar projects for proceeds of $10.6 million, net of deferred financing fees of $0.5 million. The financing was secured on a non-recourse basis at a fixed face rate of 4.5% and amortizes over a 19.5 year term. The Trust also closed on the final tranche for the remaining four Ontario solar projects for proceeds of $20.7 million, net of deferred financing fees of $1.0 million. The financing was secured on a non-recourse basis at a fixed rate of 4.3% and amortizes over a 19.5 year term,
- $20.0 million mortgage payable at a 3.20% fixed face rate was secured for a five year term on one of the income properties, which replaced a $9.2 million maturing mortgage at a 5.7% fixed face rate generating an additional gross proceeds of $10.8 million. An additional two mortgages payable were refinanced for a total of $87.1 million, resulting in additional total proceeds of approximately $24.9 million, net of $0.7 million of deferred financing costs
- lump sum and regular repayments of mortgages payable and term loans totaled $28.0 million and the Trust incurred debt settlement costs of $1.3 million,
- the revolving credit facility was repaid a net amount of $15.1 million, and
- $6.5 million of mortgages payable were assumed upon the Trust's acquisition of income properties.

REVOLVING CREDIT FACILITY

A demand revolving credit facility (the "facility") is available up to a formula-based maximum not to exceed $50.0 million. The available credit under the facility, as determined by the formula, was $45.0 million as at September 30, 2017 compared to $43.0 million as at December 31, 2016. The facility is in the form of a rolling one-month Bankers' Acceptance ("BA"), and bears interest at the BA rate plus 2.0% or at the bank's prime rate plus 1.0% (3.2% as at September 30, 2017, 2.7% as at December 31, 2016), payable monthly. The facility is secured by a general security agreement over all assets of Dream Alternatives Lending Services LP and Dream Alternatives Master LP, which are subsidiaries of the Trust. During the three months ended September 30, 2017, the revolving credit facility was renewed and the maturity date was extended to July 31, 2019.

As at September 30, 2017, there were no funds drawn on the revolving credit facility and available liquidity was $43.3 million (December 31, 2016 – $23.0 million) after deducting outstanding letters of credit and unrealized obligations on derivative financial liabilities, if any.

TOTAL EQUITY

As at September 30, 2017, the Trust had 72,612,262 units outstanding and a Unitholders' equity balance of $600.1 million. The number of units outstanding increased from December 31, 2016 as a result of deferred units exchanged for Trust units and units issued under the Distribution Reinvestment and Unit Purchase Plan ("DRIP") partially offset by the repurchase of units pursuant to the normal course issuer bid as more fully discussed below.

	September 30, 2017			December 31, 2016		
As at	**Number of units**		**Amount**	Number of units		Amount
Unitholders' equity	**72,612,262**	**$**	**594,490**	72,351,722	$	593,911
Retained earnings			**10,196**			56,977
Accumulated other comprehensive income			**(4,620)**			(5,150)
Total Unitholders' equity	**72,612,262**	**$**	**600,066**	72,351,722	$	645,738
Non-controlling interests			**1,663**			1,588
Total equity		**$**	**601,729**		$	647,326

The following table summarizes the changes in the outstanding units:

	Units
Total units outstanding on December 31, 2016	72,351,722
Units issued pursuant to the DRIP	535,178
Deferred units exchanged for Trust units	92,562
Cancellation of Trust's units	(367,200)
Total units outstanding on September 30, 2017	**72,612,262**

As at November 10, 2017, 72,614,382 Trust units were outstanding.

The deferred unit incentive plan ("DUIP") provides for the grant of deferred trust units ("DTUs") to trustees of the Trust, officers and employees as well as affiliates, including the Asset Manager. DTUs are granted at the discretion of the trustees of the Trust and receive distributions in the form of income deferred trust units as they are declared and paid by the Trust. As at September 30, 2017, up to a maximum of 3.0 million DTUs were issuable under the DUIP. Distributions on the unvested DTUs are paid in the form of units converted at the market price on the date of distribution. As at September 30, 2017, there were 336,844 deferred trust units and income deferred trust units outstanding (December 31, 2016 – 299,683 units outstanding). As at November 10, 2017, 338,708 deferred trust units and income deferred trust units were outstanding.

DISTRIBUTION REINVESTMENT AND UNIT PURCHASE PLAN

The DRIP entitles unitholders to reinvest all cash distributions into additional units. Participants electing to reinvest cash distributions in units pursuant to the DRIP will receive a further "bonus" distribution equal to 4% of the amount of each cash distribution they reinvest, on which further distributions are also reinvested in units. Participants may also purchase additional units pursuant to the optional cash purchase feature of the DRIP, subject to a minimum investment amount of one thousand dollars and a maximum investment amount of two hundred and fifty thousand dollars per calendar year. Participants in the DRIP will not receive a bonus distribution of units in connection with any optional cash purchases. The Trust may amend, suspend or terminate the DRIP at any time.

DISTRIBUTIONS

The distributable cash flow and amount of monthly distributions to unitholders are determined by the Board of Trustees of the Trust based on distributions received from Dream Alternatives Master LP, net of general and administrative expenses, operating and other expenses, and income tax expenses. The Asset Manager forecasts the annual distributable cash flow from the Trust's operating segments to assist the Board of Trustees in determining the targeted distribution amount.

Our Declaration of Trust provide our trustees with the discretion to determine the percentage payout of income that would be in the best interest of the Trust, which allows for any unforeseen expenditures. As at September 30, 2017, our monthly distribution rate was $0.033 per unit. Approximately 26.2% (December 31, 2016 - 5.9%) of total units were enrolled in the DRIP. Total DRIP units issued during the nine months ended September 30, 2017 was 535,178 units compared to 303,325 units issued during the year ended December 31, 2016. The change is a result of an increase in holders of Units electing to have their cash distributions reinvested in additional units resulting in the holders further receiving an additional distribution of Units equal to 4% of each cash distribution that was reinvested.

	2017			2016				2015
As at	**Q3**	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Annualized distribution amount	**$ 0.400**	$ 0.400	$ 0.400	$ 0.400	$ 0.400	$ 0.400	$ 0.400	$ 0.400
Monthly distribution amount	**0.033**	0.033	0.033	0.033	0.033	0.033	0.033	0.033
Annualized distribution rate of return(1)	**6.6%**	6.7%	6.3%	6.4%	6.7%	6.7%	7.5%	7.0%
DRIP units issued during the quarter	**223,251**	179,219	132,708	79,102	73,846	72,894	77,483	65,065

(1) Annualized distribution rate of return is calculated as the annualized distribution amount divided by the closing price per unit on the TSX at the date specified

NORMAL COURSE ISSUER BID

On January 11, 2017, the TSX accepted the Trust's Notice of Intention to renew the prior bid. Under this bid, the Trust had the ability to purchase for cancellation up to a maximum of 6,595,470 Units (representing 10% of the Trust's public float of 65,954,706 Units at the time of entering the current bid through the facilities of the TSX). Daily purchases under the current bid were limited to 13,490 Units, other than purchases pursuant to applicable block purchase exceptions. The bid commenced on January 13, 2017 and will remain effective until the earlier of January 12, 2018 or the date on which the Trust has purchased the maximum number of Units permitted under the current bid.

From January 1, 2017 to November 10, 2017, 466,820 Units were purchased at a cost of $2.9 million inclusive of transaction costs.

The following table summarizes the Trust's activity under its NCIB program for the periods ended as indicated:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
Units repurchased (number of units)	**74,100**	—	**367,200**	534,392
Total cash consideration	**$ 441**	$ —	**$ 2,282**	$ 2,911

As at November 10, 2017, 2,330,866 units have been purchased under the prior and current bids at a total cost of $13.9 million.

LIQUIDITY

	Three months ended September 30,		Nine months ended September 30,	
Significant Sources and Uses of Cash	**2017**	2016	**2017**	2016
Cash generated from (utilized in) operating activities	**$ 13,206**	$ 2,280	**$ 4,065**	$ 6,106
Cash generated from (utilized in) investing activities	**67,424**	7,105	**83,190**	(33,582)
Cash generated from (utilized in) financing activities	**1,481**	(5,424)	**(2,012)**	24,172

Cash generated from operating activities for the three months ended September 30, 2017 was $13.2 million (three months ended September 30, 2016 - generated from $2.3 million). The year over year increase in cash generated from operating activities was due to the cash distributions from the Empire Brampton project to the Trust which was previously discussed. Also impacting the increase was $3.0 million of interest received upfront in relation to a new loan advance under the lending portfolio. The remainder of the variance was due to changes in non-cash working capital. Cash generated from operating activities for the nine months ended September 30, 2017 was $4.1 million (nine months ended September 30, 2016 - generated from $6.1 million).

Cash generated from investing activities for the three months ended September 30, 2017 was $67.4 million (three months ended September 30, 2016 - generated from $7.1 million). The year over year increase was driven primarily by receipt of net proceeds from disposal of income properties and the Villarboit Investment, cash distributions from development and investment holdings representing a return of the Trust's investment contribution, and principal repayments from the lending portfolio. These increases were partially offset primarily from additional advances in the lending portfolio and additional equity investments acquired during the quarter. Cash generated from investing activities for the nine months ended September 30, 2017 was $83.2 million (nine months ended September 30, 2016 - utilized in $33.6 million).

Cash generated from financing activities for the three months ended September 30, 2017 was $1.5 million (three months ended September 30, 2016 - utilized in $5.4 million). The year over year change was as a result the repayment of the revolving credit facility during the current period compared to prior year, where by a larger amount was repaid in the prior quarter that utilized cash from financing activities. Cash utilized in financing activities for the nine months ended September 30, 2017 was $2.0 million (nine months ended September 30, 2016 - generated from $24.2 million).

DERIVATIVE FINANCIAL INSTRUMENTS

During the nine months ended September 30, 2017, remaining sale agreements for bond forward purchase contracts, which were designated as hedges for the interest rate risk associated with the second and third tranche of project financing for the Ontario Ground Mount Solar projects, were settled and a fair value loss of $1.1 million was realized on the settlement. This realized fair value loss was recognized in other comprehensive income (loss) and will be amortized to interest expense in the condensed consolidated statements of comprehensive income (loss) over the term of the related debt.

As at September 30, 2017, the Trust had no derivative financial liability recorded on the condensed consolidated statements of financial position (December 31, 2016 – $0.8 million).

COMMITMENTS AND CONTINGENCIES

During the year ended December 31, 2016, the Trust, through a subsidiary, provided a guarantee for up to $45.0 million pursuant to the requirements of a senior construction loan associated with the Empire Lakeshore residential project. As at September 30, 2017, this guarantee balance is $14.1 million. The guarantee will be in place for the term of the construction loan and will proportionately scale down as the construction loan is repaid as unit closings begin to occur. As at September 30, 2017, the Trust is contingently liable under guarantees that are issued on certain debt assumed by purchasers of income properties up to an amount of $54.0 million.

As at September 30, 2017, guarantees of the other underlying development project loan amounts of third parties are $3.8 million.

As at September 30, 2017, the Trust is contingently liable for letters of credit in the amount of $1.7 million that have been provided to support third party performance.

The Trust may also be contingently liable for certain obligations of joint venture partners. However, the Trust would have available to it the other joint venture partners' share of assets to satisfy any obligations that may arise.

FINANCIAL COVENANTS

The revolving credit facility, the financial guarantees, certain mortgages on income properties and the renewable power term debt contain financial covenants that require the Trust to meet certain financial ratios and financial condition tests. A failure to meet these tests could result in default and, if not cured or waived, could result in an acceleration of the repayment in the underlying financing. For the three months ended September 30, 2017, the Trust was in compliance with these financial covenants.

5. QUARTERLY FINANCIAL INFORMATION

	2017			2016				2015
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Total income	**$ 16,177**	$ 14,511	$ 22,665	$ 26,380	$ 24,836	$ 25,043	$ 22,672	$ 27,326
Add (deduct):								
Fair value adjustments, net, to development and investment holdings	**35**	4,759	(1,693)	(6,206)	(3,442)	(2,802)	(2,026)	(5,524)
Realized fair value loss from available-for-sale investments	**630**	—	—	—	—	—	—	104
Share of income (loss) from equity accounted investments	**(121)**	(87)	(92)	(42)	22	33	11	—
Adjusted total income	**$ 16,721**	$ 19,183	$ 20,880	$ 20,132	$ 21,416	$ 22,274	$ 20,657	$ 21,906
Net income (loss)	**$ (36)**	$ (7,241)	$ (18,572)	$ (15,379)	$ 2,801	$ 2,847	$ (3,633)	$ 4,292
Add (deduct):								
Amortization and Depreciation[(1)]	**1,671**	1,692	1,790	1,356	1,209	1,136	933	852
Provision for lending portfolio losses, net of tax recovery	**—**	2,238	82	4,249	—	—	2,063	—
Net fair value adjustments[(2)]	**416**	9,680	26,395	20,465	(1,568)	3,322	3,492	2,097
Deferred income taxes expense (recovery)	**2,219**	(3,102)	(3,516)	(3,774)	5,437	110	332	(299)
Debt settlement costs	**(27)**	1,313	—	—	—	—	—	—
Transaction costs	**855**	1,917	—	—	—	—	3,475	—
Realized fair value loss from available-for-sale investments	**630**	—	—	—	—	—	—	—
Renewable power principal debt service[(1)]	**(792)**	(792)	(792)	(510)	—	—	—	—
Non-controlling interests	**117**	(349)	(266)	(107)	(5)	(30)	(188)	76
Straight-line rent	**(74)**	(15)	(51)	(28)	(20)	(60)	41	(55)
Amortization of deferred financing costs and realized fair value loss on derivative financial liabilities	**114**	103	89	68	62	72	26	28
Interest earned on residential development and investment holdings[(3)]	**1,267**	1,516	1,553	1,551	1,519	1,472	1,395	1,273
Distributions received from development and investment holdings and AFS investments excluding return of capital	**—**	—	—	—	—	—	—	(748)
Amortization of mortgages payable premium	**(135)**	(301)	(316)	(351)	(350)	(350)	(386)	(365)
Deferred unit compensation expense	**222**	266	204	193	186	261	85	95
Normalized initial direct leasing costs and lease incentives	**(304)**	(399)	(490)	(496)	(526)	(534)	(579)	(615)
Normalized capital expenditures on renewable power	**(94)**	(99)	(80)	(54)	(73)	(80)	(51)	(72)
AFAD	**$ 6,049**	$ 6,427	$ 6,030	$ 7,183	$ 8,672	$ 8,166	$ 7,005	$ 6,559
AFAD per unit (basic and fully diluted)	**$ 0.09**	$ 0.09	$ 0.08	$ 0.10	$ 0.12	$ 0.11	$ 0.10	$ 0.09

(1) Excludes amortization and depreciation and renewable power principal debt service attributable to non-controlling interest

(2) Includes fair value adjustments to development and investment holdings, income properties and marketable securities

(3) Includes interest income earned and accrued on the contractual value of the two Empire residential participating mortgage investments based on the agreements' stated interest rates of 8.0% - 9.0%

The quarterly results of operations of the Trust are impacted by the underlying seasonal nature of the renewable power portfolio with solar irradiation highest during the summer months and wind production generally best during the winter months. Weather and seasonal related quarter to quarter fluctuations may occur from time to time, but as these renewable power investments were undertaken with a long term view, they are expected to achieve production in line with expected long term averages.

6. NON-IFRS MEASURES AND OTHER DISCLOSURES

We have presented certain Non-IFRS Measures because we believe these non-IFRS measures are important in evaluating the Trust's underlying operating performance, debt management and our ability to earn and pay cash distributions to unitholders. These non-IFRS measures do not have standardized meanings prescribed by IFRS and may not be comparable with similar measures presented by other issuers.

Investors are cautioned not to view Non-IFRS Measures as alternatives to financial measures calculated in accordance with IFRS.

"Adjusted funds available for distribution ("AFAD")" This non-IFRS measure is an important measure used by the Trust as an indicator to evaluate the Trust's rate of distribution while preserving the long-term value of the business; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

AFAD is a measure adjusted from net income (loss) per the condensed consolidated financial statements and includes a deduction for an estimated amount of normalized initial direct leasing costs and lease incentives that we expect to incur based on our current portfolio and expected average leasing activity. Our estimates of initial direct leasing costs and lease incentives are based on our expected renewals and new leasing activity. Coincident with the commencement of principal payment on the renewable power debt, AFAD includes a deduction for the principal portion of the debt service. As principal payments occur quarterly and semi-annually, an estimate for each reporting period, based on the amortization tables is included. Our calculation of AFAD includes a deduction for normalized capital expenditures on operational renewable power assets. AFAD also includes adjustments to remove the impact of one time or non-recurring expenses, such as transaction costs and debt settlement costs. Our calculation of AFAD excludes the impact of certain non-cash items such as amortization and depreciation, straight-line rent, deferred income taxes expense (recovery) , fair value adjustments, provision for lending portfolio losses and related tax impact, amortization of lending portfolio discount, amortization of mortgages payable premium, amortization of deferred financing costs and realized fair value adjustment on derivative financial liabilities, and deferred unit compensation expense. Our calculation of AFAD includes interest income earned on the Empire residential participating mortgage investments based on the stated interest rates in the agreements. The interest accrual represents a conservative measure of the expected future cash return from the development projects and more appropriately reflects returns that are being earned over time to the completion dates. The amounts included in AFAD represent the interest only portion of the return on these investments and do not include the Trust's estimate of the participation profit that it expects to receive upon completion of the project pursuant to the participation agreements. AFAD excludes net income (loss) attributable to non-controlling interests, including amortization and depreciation and principal repayments attributable to non controlling interests. AFAD includes cash operating distributions received from development and investment holdings and available-for-sale investments.

The AFAD reconciliation to net income (loss) can be found in this Non-IFRS Measures and Other Disclosures section of this MD&A under the heading "Reconciliation of Net Income (Loss) to AFAD".

Reconciliations of AFAD to cash generated from operating activities are also included and can be found in this Non-IFRS Measures and Other Disclosures section of this MD&A under the heading "Reconciliation of Cash Generated from Operating Activities to AFAD".

"Adjusted total income" is defined by the Trust as the total income (loss) per the condensed consolidated financial statements less fair value adjustments in development and investment holdings plus income (loss) from equity accounted investments. This non-IFRS measure excludes the fair value component in total income which is non-cash and is an important measure used by the Trust in evaluating operating performance; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. Reconciliations of adjusted total income to total income can be found in this Non-IFRS Measures and Other Disclosures section of this MD&A under the heading "Reconciliation of Total Income to Adjusted Total Income".

"Annualized AFAD return on average unitholders' equity" is AFAD for the applicable period divided by the total unitholders' equity per the condensed consolidated financial statements. Total unitholders' equity is calculated as the average of the opening and ending total unitholders' equity of the Trust of the respective periods. For periods less than 12 months, AFAD is annualized. For example, quarterly results are multiplied by four to derive the annualized AFAD, except where otherwise noted. The measure is not adjusted to reflect the timing of when AFAD was earned or for fluctuations in the balance of the total unitholders' equity over the period. This non-IFRS measure is an important measure used by the Trust in evaluating the returns on the Trust's total unitholders' equity; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

"Debt-to-gross asset value" represents the total contractual debt payable for the Trust or operating segment divided by gross asset value, excluding assets held-for-sale, of the Trust or operating segment as at the applicable reporting date. This non-IFRS measure is an important measure in evaluating the amount of debt leverage; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. A calculation of debt-to-gross asset value can be found in the Capital Resources and Liquidity section of this MD&A under the heading "Summary of Debt".

"Expected yield" is a measure of the return on investments determined as the cash flow generated from the respective group of assets, net of operating expenses, and net of debt service costs related to such group of assets, as a percentage of the total stabilized equity investment in the respective group of assets. The stabilized equity investment value is calculated as the expected funded equity at the reporting date net of debt financing expected to be secured against the respective group of assets. This non-IFRS measure is an important measure used by the Trust in evaluating the income-producing capability of investments; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

"Gross asset value" is total assets per the condensed consolidated financial statements less assets held-for-sale. This non-IFRS measure is an important measure as it includes total assets on a basis consistent with that of total contractual debt payable which also excludes debt related to assets held-for sale when calculating debt-to-gross asset value; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

"Interest coverage ratio" is a non-IFRS measure the Trust believes to be an important measure in determining our ability to cover interest expense based on our operating performance; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. Interest coverage ratio is calculated on a rolling four fiscal quarter basis as net operating income less general and administrative expenses, less gain on disposition of development and investment holdings; all divided by interest expense excluding unamortized balance of mortgages payable premiums. The basis of this measurement was amended from previous periods to more closely align with the interest coverage calculation as required under the revolving credit facility covenant. A reconciliation of net income (loss) to NOI can be found in this Non-IFRS Measures and Other Disclosures section of this MD&A under the heading "Reconciliation of Net Income (Loss) to Adjusted EBITDA and Net Operating Income". The table below calculates the interest coverage ratio for the periods indicated.

	September 30, 2017	December 31, 2016
Net operating income	**$ 48,005**	$ 51,592
General administration expenses	**(15,481)**	(14,990)
Total	**$ 32,524**	$ 36,602
Interest expense incurred, at contractual rate	**13,154**	11,613
Interest coverage ratio (times)[1]	**2.47**	3.15

[1] Calculated for the rolling four fiscal quarter basis as at September 30, 2017 and December 31, 2016

"Internal rate of return ("IRR")" for residential development projects is calculated based on the estimated net pre-tax cash flow expected to be generated from each project considering real estate development revenues, expenditures, construction time-line and sale dates; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. This non-IFRS measure is an important measure used by the Trust in evaluating the performance of its investments.

"Net assets attributable to Unitholders of the Trust" refers to the net difference between total assets and total liabilities less the amount of assets and liabilities attributable to non-controlling interests. This non-IFRS measure is an important measure in evaluating the Trust’s and Asset Manager’s performance. It is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

"Net asset value ("NAV") per unit" represents the net asset value attributable to unitholders of the Trust divided by the number of units outstanding at the end of the period. This non-IFRS measure is an important measure used by the Trust in evaluating the Trust’s performance as it is an indicator of the intrinsic value of the Trust; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. A reconciliation of net asset value per unit can be found in this Non-IFRS Measures and Other Disclosures section of this MD&A under the heading "Reconciliation of Net Asset Value to Unitholders' Equity".

"Net asset value ("NAV")" represents total unitholders' equity per the condensed consolidated financial statements, less deferred income taxes payable or receivable, deferred unit incentive plan payable, and the unamortized balance of the mortgages payable premiums. The mortgages payable premiums represent the current unamortized balance of fair market value adjustments recorded for these instruments at the Trust's listing date. Since we intend to hold the mortgages payable to maturity, this historical fair value adjustment is removed for the calculation of the NAV. A market value adjustment for renewable power projects developed by the Trust is included once they become operational and long-term financing is arranged as well as a market value adjustment for equity investments that have reached significant milestones or market transactions indicate a change in value. Excluded from the NAV calculation are any fair value adjustment with respect to liabilities as well as commitments/contracts that are not otherwise recorded as liabilities on the Trust's balance sheet. This non-IFRS measure is an important measure used by the Trust in evaluating the Trust's and Asset Manager's performance as it is an indicator of the intrinsic value of the Trust; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. A reconciliation of net asset value can be found in this Non-IFRS Measures and Other Disclosures section of this MD&A under the heading "Reconciliation of Net Asset Value to Total Unitholders' Equity".

"Net operating income ("NOI")" is defined by the Trust as net income (loss) per the condensed consolidated financial statements adjusted for: income tax expense (recovery), interest expense net of other interest income, depreciation and amortization, transaction costs, debt settlement costs, provision for lending portfolio losses, general and administrative expenses, fair value adjustments to income properties, development and investment holdings and marketable securities. This non-IFRS measure is an important measure used by the Trust in evaluating operating performance; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. Reconciliations of NOI to net income (loss) can be found in this Non-IFRS Measures and Other Disclosures section of this MD&A under the heading "Reconciliation of Net Income (Loss) to Adjusted EBITDA and Net Operating Income".

"Stabilized NOI" for an individual property is defined by the Trust as income property revenues less income property operating expenses adjusted for items such as average lease-up costs, long-term vacancy rates, non-recoverable capital expenditures, management fees, straight-line rents and other non-recurring items. This non-IFRS measurement is an important measure used by the Trust in determining the fair value of individual income properties.

"Total contractual debt payable" represents total debt per the condensed consolidated statements of financial position less note payable, unamortized balance of mortgages payable premiums and unamortized balance of deferred financing costs plus the construction loan facility. This non-IFRS measure is an important measure used in the management of our debt levels as an indicator of principal amounts outstanding; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. A reconciliation of total contractual debt payable to debt per the condensed consolidated financial statements can be found in the Capital Resources and Liquidity section of this MD&A under the heading "Summary of Debt".

RECONCILIATION OF NET INCOME (LOSS) TO AFAD

For the three months ended September 30, 2017	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Other[1]	**Total**
Net income (loss)	$ 1,073	$ 1,401	$ 3,308	$ (631)	$ (5,187)	**$ (36)**
Add (deduct):						
Amortization and Depreciation[2]	237	1,434	—	—	—	**1,671**
Provision for lending portfolio losses and related tax impact	—	—	—	—	—	**—**
Fair value adjustments[3]	814	—	—	35	(433)	**416**
Transaction costs	605	—	11	492	(253)	**855**
Realized fair value loss from available-for-sale investments	—	—	—	630	—	**630**
Deferred income tax expense (recovery)	—	—	—	—	2,219	**2,219**
Debt settlement costs	(27)	—	—	—	—	**(27)**
Renewable power principal debt service[4]	—	(792)	—	—	—	**(792)**
Non-controlling interests	—	117	—	—	—	**117**
Straight-line rent	(74)	—	—	—	—	**(74)**
Amortization of deferred financing costs and realized fair value loss on derivative financial liabilities	42	38	—	—	34	**114**
Interest earned on residential development and investment holdings[5]	—	—	—	1,267	—	**1,267**
Amortization of mortgages payable premium	(135)	—	—	—	—	**(135)**
Deferred unit compensation expense	—	—	—	—	222	**222**
Normalized initial direct leasing costs and lease incentives	(304)	—	—	—	—	**(304)**
Normalized capital expenditures on renewable power	—	(94)	—	—	—	**(94)**
AFAD	**$ 2,231**	**$ 2,104**	**$ 3,319**	**$ 1,793**	**$ (3,398)**	**$ 6,049**

For the nine months ended September 30, 2017	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Other[1]	**Total**
Net income (loss)	$ (27,637)	$ 4,140	$ 7,260	$ (2,582)	$ (7,030)	**$ (25,849)**
Add (deduct):						
Amortization and Depreciation[2]	1,032	4,121	—	—	—	**5,153**
Provision for lending portfolio losses and related tax impact	—	—	2,320	—	—	**2,320**
Fair value adjustments[3]	33,823	—	—	3,101	(433)	**36,491**
Transaction Costs	2,522	—	11	492	(253)	**2,772**
Realized fair value loss from available-for-sale investments	—	—	—	630	—	**630**
Deferred income tax expense (recovery)	—	—	—	—	(4,399)	**(4,399)**
Debt settlement costs	1,286	—	—	—	—	**1,286**
Renewable power principal debt service[4]	—	(2,376)	—	—	—	**(2,376)**
Non-controlling interests	—	(498)	—	—	—	**(498)**
Straight-line rent	(140)	—	—	—	—	**(140)**
Amortization of deferred financing costs and realized fair value loss on derivative financial liabilities	111	106	—	—	89	**306**
Interest earned on residential development and investment holdings[5]	—	—	—	4,336	—	**4,336**
Amortization of mortgages payable premium	(752)	—	—	—	—	**(752)**
Deferred unit compensation expense	—	—	—	—	692	**692**
Normalized initial direct leasing costs and lease incentives	(1,193)	—	—	—	—	**(1,193)**
Normalized capital expenditures on renewable power	—	(273)	—	—	—	**(273)**
AFAD	**$ 9,052**	**$ 5,220**	**$ 9,591**	**$ 5,977**	**$ (11,334)**	**$ 18,506**

(1) Includes other Trust amounts not specifically related to the segments
(2) Excludes amortization and depreciation attributable to non-controlling interest (three and nine months ended September 30, 2017 - $0.1 million and $0.2 million)
(3) Includes fair value adjustments in development and investment holdings, income properties and marketable securities
(4) Excludes renewable power principal debt service attributable to non-controlling interest (three and nine months ended September 30, 2017 - $0.1 million and $0.2 million)
(5) Includes interest income earned and accrued on the contractual value of the two Empire residential participating mortgage investments based on the agreements' stated interest rates of 8.0% - 9.0%

RECONCILIATION OF NET INCOME (LOSS) TO AFAD

For the three months ended September 30, 2016	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Other[1]	Total
Net income (loss)	$ 2,809	$ 1,285	$ 3,466	$ 4,112	$ (8,871)	**$ 2,801**
Add (deduct):						
Amortization and depreciation[2]	216	993	—	—	—	**1,209**
Fair value losses (gains)[3]	1,874	—	—	(3,442)	—	**(1,568)**
Deferred income tax expense	—	—	—	—	5,437	**5,437**
Non-controlling interests	—	(5)	—	—	—	**(5)**
Straight-line rent	(20)	—	—	—	—	**(20)**
Amortization of deferred financing costs and realized fair value loss on derivative financial liabilities	8	45	—	—	9	**62**
Interest earned on residential development and investment holdings[4]	—	—	—	1,519	—	**1,519**
Amortization of mortgages payable premium	(350)	—	—	—	—	**(350)**
Deferred unit compensation expense	—	—	—	—	186	**186**
Normalized initial direct leasing costs and lease incentives	(526)	—	—	—	—	**(526)**
Normalized capital expenditures on renewable power	—	(73)	—	—	—	**(73)**
AFAD	**$ 4,011**	**$ 2,245**	**$ 3,466**	**$ 2,189**	**$ (3,239)**	**$ 8,672**

For the nine months ended September 30, 2016	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Other[1]	Total
Net income (loss)	$ 1,087	$ 4,123	$ 7,606	$ 10,098	$ (20,899)	**$ 2,015**
Add (deduct):						
Amortization and depreciation[2]	575	2,703	—	—	—	**3,278**
Provision for lending portfolio losses and related tax impact	—	—	2,716	—	(653)	**2,063**
Fair value losses (gains)[3]	13,516	—	—	(8,270)	—	**5,246**
Transaction costs	—	—	—	—	3,475	**3,475**
Deferred income taxes expense	—	—	—	—	5,879	**5,879**
Non-controlling interests	—	(223)	—	—	—	**(223)**
Straight-line rent	(39)	—	—	—	—	**(39)**
Amortization of deferred financing costs and realized fair value loss on derivative financial liabilities	106	45	—	—	9	**160**
Interest earned on residential development and investment holdings[4]	—	—	—	4,386	—	**4,386**
Amortization of mortgages payable premium	(1,086)	—	—	—	—	**(1,086)**
Deferred unit compensation expense	—	—	—	—	532	**532**
Normalized initial direct leasing costs and lease incentives	(1,639)	—	—	—	—	**(1,639)**
Normalized capital expenditures on renewable power	—	(204)	—	—	—	**(204)**
AFAD	**$ 12,520**	**$ 6,444**	**$ 10,322**	**$ 6,214**	**$ (11,657)**	**$ 23,843**

(1) Includes other Trust amounts not specifically related to the segments
(2) Excludes amortization and depreciation attributable to non-controlling interest (three and nine months ended September 30, 2016 - $0.1 million)
(3) Includes fair value adjustments in development and investment holdings and fair value adjustments to income properties
(4) Includes interest income earned and accrued on the contractual value of the two Empire residential participating mortgage investments based on the agreements' stated interest rates of 8.0% - 9.0%

RECONCILIATION OF CASH GENERATED FROM (UTILIZED IN) OPERATING ACTIVITIES TO AFAD

For the three months ended	**September 30, 2017**	September 30, 2016
Cash generated from (utilized in) operating activities	**$ 13,206**	$ 2,280
Add (deduct):		
Straight-line rent	**35**	(39)
Deferred interest income	**(3,000)**	—
Initial direct leasing costs and lease incentives	**1,366**	1,006
Share of income from equity accounted investments	**(121)**	22
Interest capitalized and extension fees received on lending portfolio balance	**390**	1,170
Change in non-cash working capital	**(1,191)**	3,376
Non-controlling interests[1]	**49**	(63)
Renewable power principal debt service	**(792)**	—
Normalized initial direct leasing costs and lease incentives[1]	**(304)**	(526)
Normalized capital expenditures on renewable power	**(94)**	(73)
Interest earned on residential development and investment holdings[2]	**1,267**	1,519
Cash distributions from development and investment holdings	**(4,762)**	—
AFAD	**$ 6,049**	$ 8,672

For the nine months ended	**September 30, 2017**	September 30, 2016
Cash generated from (utilized in) operating activities	**$ 4,065**	$ 6,106
Add (deduct):		
Straight-line rent	**(164)**	(84)
Deferred interest income	**(3,000)**	—
Initial direct leasing costs and lease incentives	**8,193**	5,253
Share of income from equity accounted investments	**(300)**	66
Interest capitalized and extension fees received on lending portfolio balance	**2,979**	2,229
Change in non-cash working capital	**11,707**	5,336
Non-controlling interests[1]	**(706)**	(428)
Renewable power principal debt service	**(2,376)**	—
Current tax impact on provision for lending portfolio losses	**—**	(653)
Transaction costs	**—**	3,475
Normalized initial direct leasing costs and lease incentives[1]	**(1,193)**	(1,639)
Normalized capital expenditures on renewable power	**(273)**	(204)
Interest earned on residential development and investment holdings[2]	**4,336**	4,386
Cash distributions from development and investment holdings	**(4,762)**	—
AFAD	**$ 18,506**	$ 23,843

(1) Includes amortization and depreciation attributable to non-controlling interest (three and nine months ended September 30, 2017 - $0.1 million and $0.2 million)
(2) Includes interest income earned and accrued on the contractual value of the two Empire residential participating mortgage investments based on the agreements stated interest rates of 8.0% - 9.0%

RECONCILIATION OF TOTAL INCOME TO ADJUSTED TOTAL INCOME

For the three months ended September 30, 2017	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Total
TOTAL INCOME (LOSS)	$ 8,503	$ 4,711	$ 3,319	$ (356)	**$ 16,177**
Less: Fair value adjustments to development and investment holdings	—	—	—	35	**35**
Realized fair value loss from available-for-sale investments	—	—	—	630	**630**
Share of income (loss) from equity accounted investments	—	—	—	(121)	**(121)**
ADJUSTED TOTAL INCOME (LOSS)	**$ 8,503**	**$ 4,711**	**$ 3,319**	**$ 188**	**$ 16,721**

For the three months ended September 30, 2016	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Total
TOTAL INCOME (LOSS)	$ 14,148	$ 3,644	$ 3,292	$ 3,752	**$ 24,836**
Less: Fair value adjustments to development and investment holdings	—	—	—	(3,442)	**(3,442)**
Share of income (loss) from equity accounted investments	—	—	—	22	**22**
ADJUSTED TOTAL INCOME (LOSS)	**$ 14,148**	**$ 3,644**	**$ 3,292**	**$ 332**	**$ 21,416**

For the nine months ended September 30, 2017	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Total
TOTAL INCOME (LOSS)	$ 32,892	$ 13,673	$ 9,591	$ (2,803)	**$ 53,353**
Less: Fair value adjustments to development and investment holdings	—	—	—	3,101	**3,101**
Realized fair value loss from available-for-sale investments	—	—	—	630	**630**
Share of income (loss) from equity accounted investments	—	—	—	(300)	**(300)**
ADJUSTED TOTAL INCOME (LOSS)	**$ 32,892**	**$ 13,673**	**$ 9,591**	**$ 628**	**$ 56,784**

For the nine months ended September 30, 2016	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Total
TOTAL INCOME (LOSS)	$ 42,956	$ 10,194	$ 9,998	$ 9,403	**$ 72,551**
Less: Fair value adjustments to development and investment holdings	—	—	—	(8,270)	**(8,270)**
Share of income (loss) from equity accounted investments	—	—	—	66	**66**
ADJUSTED TOTAL INCOME (LOSS)	**$ 42,956**	**$ 10,194**	**$ 9,998**	**$ 1,199**	**$ 64,347**

RECONCILIATION OF NET INCOME (LOSS) TO NET OPERATING INCOME

For the three months ended September 30, 2017	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Other[1]	Total
NET INCOME (LOSS)	$ 1,073	$ 1,401	$ 3,308	$ (631)	$ (5,187)	**$ (36)**
Add (Deduct):						
Income tax expense (recovery)	—	—	—	—	2,223	**2,223**
Interest expense net of other interest income	1,303	947	—	(338)	(60)	**1,852**
Fair value adjustments to income properties	814	—	—	—	—	**814**
Depreciation and Amortization	—	1,503	—	—	—	**1,503**
Transaction costs	605	—	11	492	(253)	**855**
Fair value adjustments to marketable securities	—	—	—	—	(433)	**(433)**
Provision for lending portfolio losses	—	—	—	—	—	**—**
General and administrative expenses	—	—	—	—	3,710	**3,710**
Fair value adjustments to & realized fair value loss from development and investment holdings	—	—	—	665	—	**665**
NET OPERATING INCOME	**$ 3,795**	**$ 3,851**	**$ 3,319**	**$ 188**	**$ —**	**$ 11,153**

For the three months ended September 30, 2016	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Other[1]	Total
NET INCOME (LOSS)	$ 2,809	$ 1,285	$ 3,466	$ 4,112	$ (8,871)	**$ 2,801**
Add (Deduct):						
Income tax expense (recovery)	—	—	—	—	4,791	**4,791**
Interest expense net of other interest income	1,894	469	(174)	(338)	177	**2,028**
Fair value adjustments to income properties	1,874	—	—	—	—	**1,874**
Depreciation and Amortization	—	1,051	—	—	—	**1,051**
General and administrative expenses	—	—	—	—	3,903	**3,903**
Fair value adjustments to development and investment holdings	—	—	—	(3,442)	—	**(3,442)**
NET OPERATING INCOME	**$ 6,577**	**$ 2,805**	**$ 3,292**	**$ 332**	**$ —**	**$ 13,006**

For the nine months ended September 30, 2017	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Other[1]	Total
NET INCOME (LOSS)	$ (27,637)	$ 4,140	$ 7,260	$ (2,582)	$ (7,030)	**$ (25,849)**
Add (Deduct):						
Income tax expense (recovery)	—	—	—	—	(4,391)	**(4,391)**
Interest expense net of other interest income	6,203	2,596	—	(1,013)	231	**8,017**
Fair value adjustment to income properties	33,823	—	—	—	—	**33,823**
Depreciation and Amortization	—	4,329	—	—	—	**4,329**
Transaction costs	2,522	—	11	492	(253)	**2,772**
Fair value adjustments to marketable securities	—	—	—	—	(433)	**(433)**
Provision for lending portfolio losses	—	—	2,320	—	—	**2,320**
General and administrative expenses	—	—	—	—	11,876	**11,876**
Fair value adjustments to & realized fair value loss from development and investment holdings	—	—	—	3,731	—	**3,731**
NET OPERATING INCOME	**$ 14,911**	**$ 11,065**	**$ 9,591**	**$ 628**	**$ —**	**$ 36,195**

For the nine months ended September 30, 2016	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Other[1]	Total
NET INCOME (LOSS)	$ 1,087	$ 4,123	$ 7,606	$ 10,098	$ (20,899)	**$ 2,015**
Add (Deduct):						
Income tax expense (recovery)	—	—	—	—	5,597	**5,597**
Interest expense net of other interest income	5,881	1,070	(324)	(629)	442	**6,440**
Fair value adjustments to income properties	13,516	—	—	—	—	**13,516**
Depreciation and Amortization	—	2,908	—	—	—	**2,908**
Transaction costs	—	—	—	—	3,475	**3,475**
Provision for lending portfolio losses	—	—	2,716	—	—	**2,716**
General and administrative expenses	—	—	—	—	11,385	**11,385**
Fair value adjustments to development and investment holdings	—	—	—	(8,270)	—	**(8,270)**
NET OPERATING INCOME	**$ 20,484**	**$ 8,101**	**$ 9,998**	**$ 1,199**	**$ —**	**$ 39,782**

[1] Includes other Trust amounts not specifically related to the segments

RECONCILIATION OF NET ASSET VALUE TO TOTAL UNITHOLDERS' EQUITY

As at September 30, 2017	Income properties	Renewable power[3]	Lending portfolio	Development and investment holdings[2]	Other[1]	Total
TOTAL UNITHOLDERS' EQUITY	$ 88,154	$ 67,160	$ 171,806	$ 152,492	$ 120,454	**$ 600,066**
Market adjustment to renewable power assets	—	6,021	—	—	—	**6,021**
Market adjustment to equity accounted investments	—	—	—	25,760	—	**25,760**
Deferred income taxes payable (recovery)	—	—	—	—	545	**545**
Deferred unit incentive plan payable	—	—	—	—	1,242	**1,242**
NAV	**$ 88,154**	**$ 73,181**	**$ 171,806**	**$ 178,252**	**$ 122,241**	**$ 633,634**
NAV PER UNIT	**$ 1.21**	**$ 1.01**	**$ 2.37**	**$ 2.45**	**$ 1.68**	**$ 8.72**

[1] Includes other Trust amounts not specifically related to the segments
[2] For additional details on the Trust's equity accounted investments fair value adjustment, please refer to page 22 of the MD&A.
[3] For additional details on the Trust's renewable power assets fair value adjustment, please refer to page 24 of the MD&A.

As at December 31, 2016	Income properties	Renewable power[2]	Lending portfolio	Development and investment holdings	Other[1]	Total
TOTAL UNITHOLDERS' EQUITY	$ 240,402	$ 83,174	$ 141,784	$ 207,084	$ (26,706)	**$ 645,738**
Market adjustment to renewable power assets	—	4,523	—	—	—	**4,523**
Unamortized balance of mortgages payable premiums	1,183	—	—	—	—	**1,183**
Deferred income taxes payable (recovery)	—	—	—	—	4,903	**4,903**
Deferred unit incentive plan payable	—	—	—	—	1,107	**1,107**
NAV	**$ 241,585**	**$ 87,697**	**$ 141,784**	**$ 207,084**	**$ (20,696)**	**$ 657,454**
NAV PER UNIT	**$ 3.34**	**$ 1.21**	**$ 1.96**	**$ 2.86**	**$ (0.28)**	**$ 9.09**

[1] Includes other Trust amounts not specifically related to the segments
[2] For additional details on the Trust's renewable power assets fair value adjustment, please refer to page 24 of the MD&A.

7. DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Trust does not have a Chief Executive Officer or a Chief Financial Officer. At September 30, 2017, the President and Chief Responsible Officer and Chief Financial Officer of DAM (the "Certifying Officers"), along with the assistance of senior management of the Asset Manager, have designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Trust is made known to the Certifying Officers in a timely manner and information required to be disclosed by the Trust is recorded, processed, summarized and reported within the time periods specified in securities legislation, and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the condensed consolidated financial statements in accordance with IFRS.

During the three and nine months ended September 30, 2017, there have not been any changes that have materially affected, or are reasonably likely to materially affect, the internal controls over financial reporting.

8. RISKS AND RISK MANAGEMENT

For information concerning Risks and Risk Management please refer to the 2016 Annual Report and the 2016 Annual Information Form, which are found on our website at www.dreamalternatives.ca and filed electronically on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Although we believe that the risk factors described in our 2016 Annual Report and in our 2016 Annual Information Form are the most material risks that we will face, they are not the only risks. Additional risk factors not presently known to us or that we currently believe are immaterial could also materially adversely affect our investments, future prospects, cash flows, results of operations or financial condition and our ability to make cash distributions to unitholders and thereby adversely affect the value of our units. The occurrence of any of such risks could materially and adversely affect our investments, future prospects, cash flows, results of operations or financial condition and our ability to make cash distributions to unitholders.

9. SIGNIFICANT ACCOUNTING POLICIES

9.1 CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

Preparing the condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. Management bases its judgments and estimates on historical experience and other factors it believes to be reasonable under the circumstances, but that are inherently uncertain and unpredictable, the results of which form the basis of the carrying amounts of assets and liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future. Dream Alternatives' critical accounting judgments, estimates and assumptions in applying accounting policies are described in Note 4 to the condensed consolidated financial statements.

9.2 FUTURE CHANGES TO SIGNIFICANT ACCOUNTING POLICIES

Dream Alternatives' future accounting policy changes are described in Note 3 to the condensed consolidated financial statements.

Standards issued but not yet effective up to the date of issuance of the Trust's financial statements that are likely to have an impact on the Trust are listed below. This listing is of standards and interpretations issued that the Trust reasonably expects to be applicable at a future date. The Trust intends to adopt those standards when they become effective.

REVENUE RECOGNITION

IFRS 15, "Revenue from Contracts with Customers" ("IFRS 15"), provides a comprehensive revenue recognition model for all contracts with customers. The IFRS 15 revenue recognition model requires management to exercise significant judgment and make estimates that affect revenue recognition. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Trust has not early adopted IFRS 15. The Trust has formed an internal working group and is in the process of completing an in-depth assessment of IFRS 15 and its impact on the Trust's consolidated financial statements. The Trust's preliminary assessment has identified common areas maintenance recoveries as a key area of focus that may potentially impact the Trust on transition to IFRS 15. The working group is in the process of reviewing contracts with tenants and is focused on the impact of adopting IFRS 15 will have on service revenue (common areas maintenance recoveries). Rental revenue earned from leases is outside of the scope of IFRS 15 and will therefore not be impacted by its adoption. The Trust expects to provide an update in the fourth quarter of 2017.

FINANCIAL INSTRUMENTS

The final version of IFRS 9, "Financial Instruments" ("IFRS 9"), was issued by the IASB in July 2014 and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 introduces a model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of an entity's own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. The entity's own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. Lastly, a third measurement category for financial assets – "fair value through other comprehensive income" will exist. IFRS 9 is effective for annual periods beginning on or after January 1, 2018; however, it is available for early adoption. The Trust has not early adopted IFRS 9. The Trust has formed an internal working group and is in the process of completing an in-depth assessment of IFRS 9 and its impact to the Trust's consolidated financial statements. The Trust's preliminary assessment has identified the lending portfolio, in particular the assessment of the "expected loss" impairment model as a key area of focus taking into consideration forward looking information as required in the implementation of IFRS 9. Additional disclosure will be required to comply with IFRS 9. Currently, the Trust does not expect there to be a material impact to the carrying value of its trade receivables given past default rates and receivable balances. The Trust expects to provide an update in the fourth quarter of 2017.

FINANCIAL INSTRUMENTS – DISCLOSURES

IFRS 7, "Financial Instruments: Disclosures" ("IFRS 7"), has been amended by the IASB to require additional disclosures on transition from IAS 39 to IFRS 9. The amendment to IFRS 7 is effective for periods beginning on or after January 1, 2018. The Trust is currently evaluating the impact of adopting this standard on the consolidated financial statements.

LEASES

IFRS 16, "Leases" ("IFRS 16"), sets out the principles for the recognition, measurement and disclosure of leases. IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right-of-use assets and lease liabilities for leases with terms of more than 12 months, unless the underlying asset is of low value. Under IFRS 16, lessor accounting for operating and finance leases will remain substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15. The Trust has not early adopted IFRS 16. The Trust is working through their assessment of IFRS 16 and its impact to the Trust's consolidated financial statements.

10. BASIS OF PRESENTATION

This "MD&A" is a discussion of the operating results, cash flows and financial position of Dream Alternatives and should be read in conjunction with the condensed consolidated financial statements of Dream Alternatives for the three and nine months ended September 30, 2017, prepared in accordance with IFRS.

When we refer to terms such as "we", "us", and "our", we are referring to the Trust, Dream Alternatives Master LP and its subsidiaries. When we refer to the term "Units" we are referring to the Units of the Trust. When we refer to "Unitholders" we are referring to holders of the Units of the Trust.

Certain information herein contains or incorporates comments that constitute forward-looking information within the meaning of applicable securities legislation, including, but not limited to, statements relating to the Trust's objectives and strategies to achieve those objectives; the Trust's strategies with respect of our legacy assets and income properties; the Trusts' beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, future growth and drivers thereof, results of operations, performance, business prospects and opportunities, market conditions, acquisitions or divestitures, leasing transactions, future maintenance and development plans and costs, capital investments, financing, the availability of financing sources, income taxes, litigation and the real estate, lending and renewable power industries in general, in each case, that are not historical facts as well as statements regarding our plans and proposals for future retail, residential and development and investment holdings projects, including projected sizes, density and uses; anticipated costs of our retail, residential, and development and investment holdings and renewable power projects; timing of achieving milestones in our retail, residential, renewable power and development and investment holdings projects; development time lines on current and future retail, residential, renewable power and development and investment holdings projects, including expected commencement and completion dates; our estimated normalized initial direct leasing costs and lease incentives with respect to our income properties and the estimated normalized capital expenditures on operational renewable power assets; our pipeline of potential development opportunities; expected sources, amounts, and timing of financings for our projects; our anticipated ownership levels of proposed investments; expected cash flows, economic returns and funded equity of projects in future periods; expected renewals, occupancies and leasing activity in our income properties portfolio and in the retail component of our development and investment holdings portfolio; anticipated demand for our retail, residential and development and investment holdings projects; the redevelopment potential of our development and investment properties; anticipated expected fair value gains on the carrying value of investment and development holdings and renewable power projects; expected market value gains on the NAV of our equity accounted development projects; proposed methodologies for valuing investments and timing of appraisals; timing of distributions or future cash return from our development and investment holdings portfolio; targeted return on equity (levered and unlevered), income growth, NAV growth and IRR; expected loss; expected debt financing; anticipated cumulative equity; expected yield; expected level of repatriation of equity from our income properties; stabilized equity; anticipated returns from our renewable power and development and investment holdings projects as well as the future contributions to NAV; the sustainability of cash distributions; the variability in the Trust's income tax expense; and anticipated AFAD in future periods. Forward-looking statements generally can be identified by words such as "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "could", "likely", "plan", "project", "continue" or similar expressions suggesting future outcomes or events. 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 disclosed in or implied by such forward-looking information. The assumptions, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein as well as assumptions relating to general and local economic and business conditions; the regulatory environment; the real estate market in general; the financial condition of tenants and borrowers; interest and mortgage rates; leasing risks, including those associated with the ability to lease vacant space; our ability to source and complete accretive acquisitions and renewable power projects; and the development, construction and operation of our real estate and renewable power projects on anticipated terms.

All the forward-looking statements contained in this MD&A are based on what we believe are reasonable assumptions; there can be no assurance that actual results will be consistent with these forward-looking statements. Factors or risks that could cause actual results to differ materially from those set forth in the forward-looking statements and information include, but are not limited to, general economic conditions; changes to the regulatory environment; environmental risks; local real estate conditions, including the development of properties in close proximity to the Trust's properties and changes in real estate values; timely leasing of vacant space and re-leasing of occupied space upon expiration; dependence on tenants' and borrowers' financial condition; the uncertainties of acquisition activity; the ability to effectively integrate acquisitions; dependence on our partners in the development, construction and operation of our real estate and renewable power projects; uncertainty surrounding the development and construction of new projects and delays and cost overruns in the design, development, construction and operation of projects; adverse weather conditions and variability in wind conditions and solar irradiation; our ability to execute strategic plans and meet financial obligations; interest and mortgage rates and regulations; inflation; availability of equity and debt financing; foreign exchange fluctuations; and other risks and factors described from time to time in the documents filed by the Trust with securities regulators.

All forward-looking information is as of November 10, 2017. Dream Alternatives does not undertake to update any such forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional information about these assumptions and risks and uncertainties is contained in our filings with securities regulators. Certain filings are also available on our web site at www.dreamalternatives.ca.

Certain market information has been obtained from Standard & Poor's, publications prepared by independent, third-party commercial firms that provide information relating to the real estate industry. Although we believe this information is reliable, the accuracy and completeness of this information is not guaranteed. We have not independently verified this information and make no representation as to its accuracy.

Average market rent disclosed in the MD&A is the Asset Manager's best estimate of the net rental rate that would be achieved in the event of a unit becoming vacant in a non-arm's length lease after a reasonable marketing period with an inducement and lease term appropriate for the particular space. Market rent by property is determined on a quarterly basis by our Asset Manager's leasing and portfolio management teams. The basis of calculating market rents depends on leasing deals that are completed for similar space of comparable properties in the area. Market rents may differ by property or by suite within the property, and are dependent upon a number of factors. Some of the factors considered include the condition of the space, the location within the building, the amount of office build-out required for the suites, appropriate lease term, and normal tenant inducements. On a quarterly basis, market rental rates are compared against the external appraisal information that is gathered for our properties and/or other comparable properties managed by the Asset Manager, as well as other external market data sources. The current estimated market rents are at a point in time and are subject to change based on future market conditions.

In addition, certain disclosures incorporated by reference into this report including, but not limited to, information regarding our largest tenants and development and investment holdings' development partners were obtained from publicly available information. We have not independently verified any such information.

11. ADDITIONAL INFORMATION

11.1 DEVELOPMENT AND INVESTMENT HOLDINGS PARTNERS AND SUPPLEMENTAL INFORMATION

Empire Communities ("Empire"[1])

Empire has established a tradition of creating prestigious, award-winning new homes, condominiums, and communities in the GTA, Hamilton, and Niagara regions, while earning a reputation for outstanding attention to detail and customer service. The company received recognition as Ontario's 2013 Green Builder of the Year. Past awards include The President's Award from the Ontario New Home Warranty Program for Outstanding Service and Achievement, the Ontario Community of the Year Award for its Wyndfield and Wyndance communities, and previous Green Builder of the Year Awards from the Hamilton-Halton Home Builders' Association and Building Industry and Land Development Association.

The participating mortgage investments are in a high-rise condominium development and a detached/semi-detached/townhouse development being constructed by Empire, each in the form of a mortgage instrument and a participating agreement, which allows us to participate in a percentage of the profits of the development in excess of the proceeds of the mortgages. We expect to receive repayment of amounts owing under the mortgage instruments and our share of proceeds under the participating agreements from both Empire developments upon the respective completion dates. Upon receipt of all proceeds, we will retain no further ownership interest or security on these developments.

Bayfield LP Investments

The Bayfield LP investments consist of limited partnership interests of less than 20% in two separate limited partnerships that own co-ownership interests in three shopping centres and one office tower. RioCan REIT has an ownership interest in these properties, and a subsidiary of RioCan REIT is the property manager of each of the retail properties. Cash distributions received from the Bayfield LP investments during the quarter were consistent with the annual target distribution rate as communicated by the limited partnerships' asset manager, Bayfield Realty Advisors.

Hotel PUR

Hotel PUR is 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 Hospitality Inc. ("GEI"[2]), a North American hospitality investment company with development and asset management expertise in hotels, restaurants and on-line hospitality companies. The hotel is managed by Crescent Hotels & Resorts, one of the top five leading third-party hotel management companies in North America and is a Starwood Tribute Portfolio hotel.

(1) As disclosed on Empire's website at www.empirecommunities.com
(2) As disclosed on GEI's website at www.globaledgeinvestments.com

11.2 RENEWABLE POWER SUPPLEMENTAL INFORMATION

Ontario Rooftop Solar
Ontario Rooftop Solar comprises three rooftop solar portfolios, which consist of ten rooftop solar power projects located in Ontario, and has an installed capacity of 3.2 MW.

Ontario Ground Mount Solar
Ontario Ground Mount Solar is a portfolio of ten ground-mount solar power projects located in Ontario with an installed capacity of 4.8 MW. All solar power projects are declared operational. Each project has a 20-year PPA with the Independent Electricity System Operator through the Feed-in Tariff ("FIT") program.

Nova Scotia Wind
Nova Scotia Wind is a wind power portfolio consisting of eight turbines located in Nova Scotia with a total capacity of 13.2 MW. The Trust owns an approximate 80.0% economic interest in this portfolio, representing an installed capacity at a share of 10.6 MW. The portfolio is divided into three projects each of which have a 20-year PPA with Nova Scotia Power Inc. through the Community Feed-in-Tariff program.

United Kingdom Wind
United Kingdom Wind is a wind power portfolio located in the U.K. that consists of 45 fully operational distributed-scale wind turbines. The Trust has a 100% economic interest in the portfolio based on the form and structure of the investment. Each of the turbines has a FIT accreditation which provides for payments from local utilities within the U.K. that are indexed to inflation for a remaining term of approximately 20 years as guaranteed by the Office of Gas and Electricity Markets ("OFGEM"), the U.K. government regulator for the electricity and downstream natural gas markets. The assets are unlevered as at September 30, 2017.

11.3 ADDITIONAL INFORMATION

Additional information relating to Dream Hard Asset Alternatives Trust, including the Trust's Annual Information Form and audited consolidated financial statements and accompanying notes, are available on SEDAR at www.sedar.com. The Trust's voting units trade on the TSX under the symbol "DRA.UN".

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited)

(in thousands of Canadian dollars)	Note	**September 30, 2017**	December 31, 2016
ASSETS			
NON-CURRENT ASSETS			
Income properties	5	**$ 206,507**	$ 479,401
Lending portfolio	6	**34,248**	35,259
Development and investment holdings	7	**94,027**	187,295
Renewable power assets	8	**136,937**	132,794
Other non-current assets	9	**54,186**	7,122
Equity accounted investments	10	**56,487**	18,823
TOTAL NON-CURRENT ASSETS		**582,392**	860,694
CURRENT ASSETS			
Lending portfolio - current portion	6	**140,613**	106,697
Amounts receivable		**2,942**	3,177
Income tax receivable		**2,143**	2,151
Prepaid expenses and other current assets		**8,868**	2,891
Cash		**96,966**	11,757
TOTAL CURRENT ASSETS		**251,532**	126,673
Assets held-for-sale	16	**—**	4,231
TOTAL ASSETS		**$ 833,924**	$ 991,598
LIABILITIES			
NON-CURRENT LIABILITIES			
Amounts payable and accrued liabilities	13	**$ 12**	$ 509
Debt	11	**196,908**	216,515
Deferred income taxes	20	**545**	4,903
Deferred units incentive plan		**1,242**	1,107
TOTAL NON-CURRENT LIABILITIES		**198,707**	223,034
CURRENT LIABILITIES			
Debt - current portion	11	**4,537**	91,284
Derivative financial liabilities	12	**—**	845
Amounts payable and accrued liabilities	13	**28,951**	26,824
TOTAL CURRENT LIABILITIES		**33,488**	118,953
Liabilities related to assets held-for-sale	16	**—**	2,285
TOTAL LIABILITIES		**232,195**	344,272
UNITHOLDERS' EQUITY			
Unitholders' equity		**594,490**	593,911
Retained earnings		**10,196**	56,977
Accumulated other comprehensive loss	15	**(4,620)**	(5,150)
TOTAL UNITHOLDERS' EQUITY		**600,066**	645,738
Non-controlling interests		**1,663**	1,588
TOTAL EQUITY		**601,729**	647,326
TOTAL LIABILITIES AND EQUITY		**$ 833,924**	$ 991,598

See the accompanying notes to the condensed consolidated financial statements

Commitments and contingencies (Note 24)

On behalf of the Board of Trustees of Dream Hard Asset Alternatives Trust:

James Eaton
Chair

David Kaufman
Trustee

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(unaudited)

(in thousands of Canadian dollars)	Note	Three months ended September 30, 2017	2016	Nine months ended September 30, 2017	2016
INCOME					
Income properties revenue		**$ 8,503**	$ 14,148	**$ 32,892**	$ 42,956
Renewable power revenue		**4,711**	3,644	**13,673**	10,194
Lending portfolio interest income and lender fees		**3,319**	3,292	**9,591**	9,998
Fair value adjustments and operating cash distributions in development and investment holdings		**274**	3,752	**(2,173)**	9,403
Realized fair value loss from available-for-sale investments	7	**(630)**	—	**(630)**	—
TOTAL INCOME		**16,177**	24,836	**53,353**	72,551
EXPENSES					
Income properties, operating		**(4,708)**	(7,571)	**(17,981)**	(22,472)
Renewable power, operating	17	**(2,363)**	(1,890)	**(6,937)**	(5,001)
Interest expense	18	**(2,388)**	(2,574)	**(9,364)**	(7,489)
Provision for lending portfolio losses	6	**—**	—	**(2,320)**	(2,716)
General and administrative	19	**(3,710)**	(3,903)	**(11,876)**	(11,385)
TOTAL EXPENSES		**(13,169)**	(15,938)	**(48,478)**	(49,063)
Fair value adjustments to income properties	5, 16	**(814)**	(1,874)	**(33,823)**	(13,516)
OPERATING INCOME (LOSS)		**2,194**	7,024	**(28,948)**	9,972
Interest and other income		**536**	546	**1,347**	1,049
Transaction costs		**(855)**	—	**(2,772)**	(3,475)
Fair value adjustments to marketable securities		**433**	—	**433**	—
Share of income (loss) from equity accounted investments	10	**(121)**	22	**(300)**	66
EARNINGS (LOSS) BEFORE INCOME TAX EXPENSE		**2,187**	7,592	**(30,240)**	7,612
INCOME TAX RECOVERY (EXPENSE)					
Current income tax recovery (expense)	20	**(4)**	646	**(8)**	282
Deferred income tax recovery (expense)	20	**(2,219)**	(5,437)	**4,399**	(5,879)
TOTAL INCOME RECOVERY (EXPENSE)		**(2,223)**	(4,791)	**4,391**	(5,597)
NET INCOME (LOSS)		**(36)**	2,801	**(25,849)**	2,015
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will be reclassified subsequently to net income (loss):					
Fair value adjustments to derivative financial liabilities hedges, net of tax	12	**—**	(186)	**(196)**	(1,718)
Realized fair value loss from derivative financial liabilities hedges, net of tax	12	**25**	9	**65**	9
Fair value adjustments to available-for-sale investments, net of tax		**58**	30	**—**	(14)
Realized fair value loss from available-for-sale investments, net of tax		**557**	—	**557**	—
Unrealized foreign currency translation gain (loss)		**(157)**	(126)	**104**	(2,660)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		**483**	(273)	**530**	(4,383)
TOTAL COMPREHENSIVE INCOME (LOSS)		**$ 447**	$ 2,528	**$ (25,319)**	$ (2,368)
NET INCOME (LOSS) ATTRIBUTABLE TO					
Unitholders		**$ 81**	$ 2,796	**$ (26,347)**	$ 1,792
Non-controlling interests		**(117)**	5	**498**	223
NET INCOME (LOSS)		**$ (36)**	$ 2,801	**$ (25,849)**	$ 2,015
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO					
Unitholders		**$ 564**	$ 2,523	**$ (25,817)**	$ (2,591)
Non-controlling interests		**(117)**	5	**498**	223
TOTAL COMPREHENSIVE INCOME (LOSS)		**$ 447**	$ 2,528	**$ (25,319)**	$ (2,368)

See the accompanying notes to the condensed consolidated financial statements

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(unaudited)

For the nine months ended September 30, 2017

(in thousands of Canadian dollars, except for number of units)	Note	Number of units	Unitholders' equity	Retained earnings	Accumulated other comprehensive income (loss)	Non-controlling interests	Total
Balance as at January 1, 2017		**72,351,722**	**$ 593,911**	**$ 56,977**	**$ (5,150)**	**$ 1,588**	**$ 647,326**
Net income (loss) for the period		**—**	**—**	**(26,347)**	**—**	**498**	**(25,849)**
Other comprehensive income (loss)		**—**	**—**	**—**	**530**	**—**	**530**
Distributions paid and payable	14	**—**	**—**	**(21,237)**	**—**	**—**	**(21,237)**
Distribution Reinvestment Plan	14	**535,178**	**3,265**	**—**	**—**	**—**	**3,265**
Deferred units exchanged for Trust units		**92,562**	**556**	**—**	**—**	**—**	**556**
Cancellation of Trust units	14	**(367,200)**	**(3,085)**	**803**	**—**	**—**	**(2,282)**
Acquisition of non-controlling interest		**—**	**(157)**	**—**	**—**	**157**	**—**
Distributions to non-controlling interests		**—**	**—**	**—**	**—**	**(580)**	**(580)**
Balance as at September 30, 2017		**72,612,262**	**$ 594,490**	**$ 10,196**	**$ (4,620)**	**$ 1,663**	**$ 601,729**

For the nine months ended September 30, 2016

(in thousands of Canadian dollars, except for number of units)	Note	Number of units	Unitholders' equity	Retained earnings	Accumulated other comprehensive income (loss)	Non-controlling interests	Total
Balance as at January 1, 2016		72,562,487	$ 596,541	$ 98,078	$ (1,452)	$ 1,893	$ 695,060
Net income (loss) for the period		—	—	1,792	—	223	2,015
Other comprehensive income (loss)		—	—	—	(4,383)	—	(4,383)
Distributions paid and payable	14	—	—	(21,725)	—	—	(21,725)
Distribution Reinvestment Plan	14	224,223	1,275	—	—	—	1,275
Deferred units exchanged for Trust units		18,973	109	—	—	—	109
Cancellation of Trust units	14	(534,392)	(4,476)	1,565	—	—	(2,911)
Distributions to non-controlling interests		—	—	—	—	(605)	(605)
Balance as at September 30, 2016		**72,271,291**	**$ 593,449**	**$ 79,710**	**$ (5,835)**	**$ 1,511**	**$ 668,835**

See the accompanying notes to the condensed consolidated financial statements

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

(in thousands of Canadian dollars)	Note	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Generated from (utilized in) operating activities					
Net income (loss)		**$ (36)**	$ 2,801	**$ (25,849)**	$ 2,015
Non-cash and other items:					
Amortization and depreciation	23	**1,718**	979	**4,915**	2,557
Other adjustments	23	**6,937**	2,882	**40,137**	12,123
Change in non-cash working capital	23	**1,191**	(3,376)	**(11,707)**	(5,336)
Investment in lease incentives and initial direct leasing costs		**(1,366)**	(1,006)	**(8,193)**	(5,253)
Cash distributions from development and investment holdings		**4,762**	—	**4,762**	—
Generated from (utilized in) operating activities		**$ 13,206**	$ 2,280	**$ 4,065**	$ 6,106
Generated from (utilized in) investing activities					
Investments in building improvements		**$ (570)**	$ (1,168)	**$ (1,917)**	$ (6,267)
Acquisition of income properties, including transaction costs		**—**	—	**(11,657)**	—
Cash distributions from development and investment holdings	7	**9,381**	—	**19,781**	—
Cash advances to development and investment holdings	7	**(16)**	(265)	**(2,019)**	(8,491)
Net proceeds from disposal of development and investment holdings, net of transaction costs		**67,132**	—	**67,132**	—
Net proceeds from disposal of income properties, net of transaction costs		**78,368**	—	**126,105**	4,641
Additions to renewable power assets		**(4,262)**	(5,835)	**(3,845)**	(13,461)
Lending portfolio additions, net of lender fees	6	**(51,339)**	(1,705)	**(78,576)**	(31,177)
Principal repayments received from lending portfolio	6	**24,441**	16,078	**46,147**	28,430
Acquisition of marketable securities		**(48,450)**	—	**(48,450)**	—
Investments in equity accounted investments, net		**(7,261)**	—	**(29,511)**	(7,257)
Generated from (utilized in) investing activities		**$ 67,424**	$ 7,105	**$ 83,190**	$ (33,582)
Generated from (utilized in) financing activities					
(Repayment) borrowings on construction loan facility, net		**$ —**	$ —	**$ —**	$ (14,534)
Changes in restricted cash balance		**(28)**	(1,353)	**(1,720)**	301
Long-term debt borrowings, net		**24,904**	23,762	**66,655**	56,283
Debt settlement costs	23	**27**	—	**(1,286)**	—
Lump sum repayments of mortgage payable and note payable	11	**(7,848)**	—	**(22,968)**	(1,097)
Mortgages and term loan repayments	11	**(468)**	(2,256)	**(5,051)**	(6,292)
Settlement of derivative financial liabilities	12	**—**	(1,512)	**(1,109)**	(1,512)
Distributions and contributions to non-controlling interests		**(104)**	(268)	**(580)**	(605)
Advance (repayment) on revolving credit facility, net		**(8,575)**	(17,000)	**(15,075)**	15,000
Distributions paid on units	14	**(5,986)**	(6,797)	**(18,596)**	(20,461)
Trust units repurchased and cancelled	14	**(441)**	—	**(2,282)**	(2,911)
Generated from (utilized in) financing activities		**$ 1,481**	$ (5,424)	**$ (2,012)**	$ 24,172
Foreign exchange on cash held in foreign currency		**$ (44)**	$ (29)	**$ (34)**	$ (58)
Increase (decrease) in cash		**$ 82,067**	$ 3,932	**$ 85,209**	$ (3,362)
Cash, beginning of period		**14,899**	13,470	**11,757**	20,764
Cash, end of period		**$ 96,966**	$ 17,402	**$ 96,966**	$ 17,402

See the accompanying notes to the condensed consolidated financial statements

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited, all dollar amounts are presented in thousands of Canadian dollars, except for unit, per unit, and MW amounts, unless otherwise stated)

1. ORGANIZATION

Dream Hard Asset Alternatives Trust ("Dream Alternatives" or the "Trust") is an open-ended trust established under the laws of the Province of Ontario by a Declaration of Trust dated April 28, 2014, amended and restated on July 8, 2014. The unaudited condensed consolidated financial statements ("condensed consolidated financial statements") of Dream Alternatives include the accounts of Dream Alternatives and its consolidated subsidiaries. The Trust was formed by and is managed by Dream Asset Management Corporation ("DAM" or the "Asset Manager"). The Trust is focused on hard asset alternative investments comprising real estate, real estate lending, real estate development and renewable power.

The Trust's registered office is 30 Adelaide Street East, Suite 301, Toronto, Ontario, Canada, M5C 3H1. The Trust is listed on the Toronto Stock Exchange ("TSX") under the symbol "DRA.UN". Dream Alternatives' condensed consolidated financial statements for the nine months ended September 30, 2017 were authorized for issuance by the Board of Trustees on November 10, 2017.

For simplicity, throughout the notes, reference is made to the units of the Trust as follows:
- "units" meaning Trust voting units, and
- "unitholders" meaning holders of Trust voting units.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosures normally included in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed. The condensed consolidated financial statements should be read in conjunction with the Trust's annual consolidated financial statements for the year ended December 31, 2016, which have been prepared in accordance with IFRS, as issued by the IASB.

3. ACCOUNTING POLICIES SELECTED AND APPLIED FOR SIGNIFICANT TRANSACTIONS AND EVENTS

The condensed consolidated financial statements have been prepared using the same significant accounting policies and methods as those set out in Note 3 to the Trust's audited annual consolidated financial statements for the year ended December 31, 2016. All amounts included in the condensed consolidated financial statements are presented in Canadian dollars, the Trust's functional currency.

CURRENT ACCOUNTING POLICY CHANGES

There were a number of new standards and interpretations effective from January 1, 2017, that the Trust applied for the first time. The nature and impact of each new relevant standard and/or amendment is described below. Other than the changes described below, the accounting policies adopted are consistent with the previous financial years.

STATEMENT OF CASH FLOWS

IAS 7, Statement of Cash Flows ("IAS 7"), has been amended by the IASB to introduce additional disclosure that will allow users to understand changes in liabilities arising from financing activities. This amendment to IAS 7 is effective for annual periods beginning on or after January 1, 2017. The adoption of this standard did not have a material impact on the Trust's condensed consolidated financial statements.

FUTURE ACCOUNTING POLICY CHANGES

Standards issued but not yet effective up to the date of issuance of the Trust's condensed consolidated financial statements that are likely to have an impact on the Trust are listed below. This listing is of standards and interpretations issued that the Trust reasonably expects to be applicable at a future date. The Trust intends to adopt those standards when they become effective.

REVENUE RECOGNITION

IFRS 15, "Revenue from Contracts with Customers" ("IFRS 15"), provides a comprehensive revenue recognition model for all contracts with customers. The IFRS 15 revenue recognition model requires management to exercise significant judgment and make estimates that affect revenue recognition. IFRS 15 is effective for annual periods beginning on or after January 1, 2018, with earlier application permitted. The Trust has not early adopted IFRS 15. The Trust has formed an internal working group and started an in-depth assessment of IFRS 15 and its impact on the Trust's consolidated financial statements. The Trust's preliminary assessment has identified common areas maintenance recoveries as a key area of focus that may potentially impact the Trust on transition to IFRS 15. The working group is in the process of reviewing contracts with tenants and is focused on the impact that adopting IFRS 15 will have on service revenue (common areas maintenance recoveries). Rental revenue earned from leases is outside of the scope of IFRS 15 and will therefore not be impacted by its adoption. The Trust expects to provide an update in the fourth quarter of 2017.

FINANCIAL INSTRUMENTS

The final version of IFRS 9, "Financial Instruments" ("IFRS 9"), was issued by the IASB in July 2014 and will replace IAS 39, "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 introduces a model for classification and measurement, a single, forward-looking "expected loss" impairment model and a substantially reformed approach to hedge accounting. The new single, principle-based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of an entity's own credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. The entity's own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. Lastly, a third measurement category for financial assets – "fair value through other comprehensive income" will exist. IFRS 9 is effective for annual periods beginning on or after January 1, 2018; however, it is available for early adoption. The Trust has not early adopted IFRS 9. The Trust has formed an internal working group and started an in-depth assessment of IFRS 9 and its impact to the Trust's consolidated financial statements. The Trust's preliminary assessment has identified the lending portfolio, in particular the assessment of the "expected loss" impairment model as a key area of focus taking into consideration forward looking information as required in the implementation of IFRS 9. Additional disclosure will be required to comply with IFRS 9. Currently, the Trust does not expect there to be a material impact to the carrying value of its trade receivables given past default rates and receivable balances. The Trust expects to provide an update in the fourth quarter of 2017.

FINANCIAL INSTRUMENTS – DISCLOSURES

IFRS 7, "Financial Instruments: Disclosures" ("IFRS 7"), has been amended by the IASB to require additional disclosures on transition from IAS 39 to IFRS 9. The amendment to IFRS 7 is effective for periods beginning on or after January 1, 2018. The Trust is currently evaluating the impact of adopting this standard on the consolidated financial statements.

LEASES

IFRS 16, "Leases" ("IFRS 16"), sets out the principles for the recognition, measurement and disclosure of leases. IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right-of-use assets and lease liabilities for leases with terms of more than 12 months, unless the underlying asset is of low value. Under IFRS 16, lessor accounting for operating and finance leases will remain substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15. The Trust has not early adopted IFRS 16. The Trust is working through its assessment of IFRS 16 and its impact to the Trust's consolidated financial statements.

4. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS IN APPLYING ACCOUNTING POLICIES

The preparation of the condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. Management bases its judgments and estimates on historical experience and other factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying amounts of assets and liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future. The critical accounting judgments, estimates and assumptions applied during the quarter are consistent with those set out in Note 4 to the Trust's audited annual consolidated financial statements for the year ended December 31, 2016.

5. INCOME PROPERTIES

For the periods ended	Note		September 30, 2017		December 31, 2016
Balance, beginning of period		**$**	**479,401**	$	520,395
Add (Deduct):					
Acquisition of properties			**18,147**		—
Disposition of properties			**(1,620)**		—
Building improvements			**2,119**		7,709
Lease incentives and initial direct leasing costs			**7,855**		7,871
Amortization of lease incentives			**(971)**		(866)
Fair value adjustments to income properties			**(35,797)**		(40,187)
Reclassified to assets held-for-sale	16		**(262,627)**		(15,521)
Balance, end of period		**$**	**206,507**	$	479,401
Change in unrealized losses included in net income					
Change in fair value for income properties		**$**	**(2,539)**	$	(39,772)

As at September 30, 2017, the Trust's income properties consist of interests in office and industrial properties co-owned with Dream Office Real Estate Investment Trust ("Dream Office REIT") and Dream Industrial Real Estate Investment Trust ("Dream Industrial REIT"), respectively, which are accounted for as joint operations, and three wholly owned office properties.

Income properties have been reduced by $541 (December 31, 2016 – $565) related to straight-line rent receivables, which have been reclassified to other non-current assets.

During the nine months ended September 30, 2017, the Trust acquired from Dream Office REIT a 40% interest in two co-owned properties, 10 Lower Spadina Avenue and 49 Ontario Street, in which it already held a 60% interest, for gross consideration of $18,400 before ordinary course purchase adjustments and transaction costs. This acquisition increased the Trust's ownership interest in these two properties to 100%.

During the nine months ended September 30, 2017, the Trust recorded a fair value loss of $33,823. Approximately $31,284 of the fair value loss recorded relates to non core co-owned income properties that were disposed as at September 30, 2017. Income properties, excluding assets held-for-sale, are measured at fair value using the income approach, which is derived from the overall capitalization rate method or discounted cash flow method, or in certain limited circumstances, based on land values. The Trust determines the fair value of income properties classified as assets held-for-sale by considering the current contracted sale prices, as management has committed to a plan of sale of the underlying properties and the sale of these properties is considered highly probable. The fair values of income properties, excluding assets held-for-sale, were determined by using capitalization rates ("cap rates") of 5.0% to 7.5% (December 31, 2016 – 5.0% to 8.0%), resulting in a weighted average cap rate of 6.3% (December 31, 2016 – 6.4%) and discount rates of 6.0% to 8.5% (December 31, 2016 – 5.8% to 9.0%).

Generally, under the overall capitalization rate method, an increase in stabilized net operating income ("NOI") will result in an increase to the fair value. An increase in the cap rate will result in a decrease to the fair value. The cap rate magnifies the effect of a change in stabilized NOI. If the weighted average cap rate were to increase by 25 basis points ("bps"), the fair value of income properties would decrease by $7,742. If the weighted average cap rate were to decrease by 25 bps, the fair value would increase by $8,384.

Income properties with a fair value of $206,507 as at September 30, 2017 (December 31, 2016 – $478,201) are pledged as security for mortgages.

6. LENDING PORTFOLIO

For the periods ended		**September 30, 2017**		December 31, 2016
Balance, beginning of period	**$**	**141,956**	$	161,283
Add (Deduct):				
Lending portfolio advances		**78,576**		39,843
Changes in accrued interest receivable		**(182)**		(72)
Provision for lending portfolio losses		**(2,320)**		(6,312)
Interest capitalized to lending portfolio balance		**3,788**		3,572
Lender fees and extension fees received, net of amortization		**(810)**		(72)
Principal repayments at maturity and contractual repayments and prepayments		**(46,147)**		(56,286)
Balance, end of period	**$**	**174,861**	$	141,956
Less: Current portion		**140,613**		106,697
Non-current portion of lending portfolio	**$**	**34,248**	$	35,259

The table below provides a summary of the Trust's lending portfolio:

As at		**September 30, 2017**		December 31, 2016
Weighted average effective interest rate (period-end)		**9.2%**		8.6%
Security allocation (1st mortgages/other)		**69.2% / 30.8%**		52.0% / 48.0%
Maturity dates		**2017 - 2020**		2017 - 2020
Balance of accrued interest	**$**	**939**	$	1,162
Loans with prepayment options		**31,023**		51,990

Principal repayments, based on contractual maturity dates, are as follows:

2017 (remainder of year)	$	31,784
2018		107,984
2019		14,958
2020		22,398
Total principal repayments	$	177,124
Provision for lending portfolio losses		(2,320)
Accrued interest balance		939
Unamortized balance of lender fees received		(882)
Balance as at June 30, 2017	**$**	**174,861**

During the three months ended September 30, 2017, the Trust advanced total gross proceeds of $51,339 on two new loans with a weighted average effective interest rate of 9.9%. The Trust received interest in advance of $3,000, which will be amortized into income as earned in accordance with the loan terms. During the nine months ended September 30, 2017, the Trust advanced four new loans for total gross proceeds of $73,148 with a weighted average effective interest rate of 9.2%.

During the nine months ended September 30, 2017, a provision for lending portfolio losses of $2,320 was recognized. The provision relates primarily to two loans, the value of which was determined based on their net realizable value.

7. DEVELOPMENT AND INVESTMENT HOLDINGS

The Trust has entered into debt agreements that allow the Trust to participate in the remaining profits of the developments after the payment of interest and an equal preferred return to the equity partners is paid. The table below provides a continuity of development and investment holdings:

	Investment holdings				
	FVTPL[1]	AFS[2]	Total investment holdings	Development holdings	Total development and investment holdings
Balance as at January 1, 2016	$ 13,474	$ 15,109	**$ 28,583**	$ 135,436	**$ 164,019**
Advances	—	—	**—**	8,835	**8,835**
Fair value adjustments	—	(36)	**(36)**	14,477	**14,441**
Balance as at December 31, 2016	**$ 13,474**	**$ 15,073**	**$ 28,547**	**$ 158,748**	**$ 187,295**
Advances	1,700	—	**1,700**	319	**2,019**
Distributions received	(900)	—	**(900)**	(23,643)	**(24,543)**
Dispositions	(9,638)	(1,013)	**(10,651)**	(56,984)	**(67,635)**
Fair value adjustments	(984)	(8)	**(992)**	(2,117)	**(3,109)**
Balance as at September 30, 2017	**$ 3,652**	**$ 14,052**	**$ 17,704**	**$ 76,323**	**$ 94,027**

(1) Fair value through profit and loss ("FVTPL")
(2) Available-for-sale ("AFS")

As at September 30, 2017, investment holdings include a hospitality asset recorded through FVTPL and two limited partnerships that are recorded as AFS investments. Development holdings includes two long-term development loans secured by real property comprised of two residential assets under development.

During the three months ended September 30, 2017, the Trust disposed of its interest in retail assets under development and retail assets completed and operational comprising six long-term development loans, one co-ownership investment with an interest of less than 20%, as well as a mortgage loan receivable of $2,384 ("Villarboit Investment"), previously included within the lending portfolio (refer to note 6 Lending Portfolio), for total gross proceeds of $70,000, before transaction costs of $503. For the nine months ended September 30, 2017, the Trust recorded a fair value loss of $6,583 related to the sale of the Villarboit Investment. During the quarter, the Trust transferred $630 of realized losses from other comprehensive income (loss) into net income (loss) resulting from the sale of an AFS investment that was part of the Villarboit Investment.

For the remaining investments, the fair value methodologies and material assumptions for each respective category are summarized in the table below:

As at			**September 30, 2017**	December 31, 2016
	Method	**Unobservable inputs**	**Range**	**Range**
Development Holdings				
Residential assets under development	Discount future anticipated proceeds from unit closings	Discount rates	**9.5% - 12%**	9.5% - 12.5%
Retail assets under development	Blended approach which includes calculating current value by applying direct capitalization method to in-place NOI and the direct comparison approach	Capitalization rates	**N/A**	6.0% - 6.9%
Investment Holdings				
Retail assets completed and operational	Calculate current value by applying direct capitalization method to stabilized NOI	Capitalization rates	**N/A**	6.3%
Hospitality asset	Discount future cash flows to reporting date	Discount rates	**13.0%**	13.0%
Available-for-sale	Calculate value by applying direct capitalization method to stabilized NOI and where applicable discount back to the reporting date	Capitalization rates	**6.3% - 7.75%**	6.3% - 7.75%

Generally, an increase in anticipated proceeds from unit closings or an increase in stabilized NOI will result in an increase in fair values. An increase in the capitalization rates or in the discount rates will result in a decrease in fair values. The capitalization rate magnifies the effect of a change in stabilized NOI, with a lower rate resulting in a greater impact to the fair value than a higher rate.

8. RENEWABLE POWER ASSETS

The table below provides a continuity of renewable power assets:

	Solar power	Wind power	Total
Balance as at January 1, 2016	$ 69,043	$ 51,478	**$ 120,521**
Additions and acquired renewable power assets during the period	15,943	3,408	**19,351**
Depreciation of renewable power assets	(1,817)	(2,129)	**(3,946)**
Foreign currency loss	—	(3,132)	**(3,132)**
Balance as at December 31, 2016	**$ 83,169**	**$ 49,625**	**$ 132,794**
Additions to renewable power assets during the period	3,982	4,271	**8,253**
Depreciation of renewable power assets	(2,585)	(1,671)	**(4,256)**
Foreign currency gain	—	146	**146**
Balance as at September 30, 2017	**$ 84,566**	**$ 52,371**	**$ 136,937**

As at	September 30, 2017	December 31, 2016
Gross book value	**$ 146,118**	$ 137,719
Accumulated depreciation	**(9,181)**	(4,925)
Total renewable power assets	**$ 136,937**	$ 132,794

SOLAR POWER PROJECTS AND NON-CONTROLLING INTERESTS

The non-controlling partners in the Trust's rooftop solar power projects are unrelated parties. The aggregate non-controlling interests of all rooftop solar power projects of $115 (December 31, 2016 – $87) are recorded in the condensed consolidated statements of financial position.

WIND POWER PROJECTS AND NON-CONTROLLING INTERESTS

During the year ended December 31, 2016, the Trust invested in an additional seven wind turbines, located in the United Kingdom ("U.K.") for cash consideration of $3,210 including transaction costs.

As at September 30, 2017, the Trust has invested in a total of 45 fully operational distributed-scale wind turbines located in the U.K. All power generation will be sold under long-term power purchase agreements. During the three months ended September 30, 2017, the Trust acquired the non-controlling interest in the wind power projects located in the U.K. increasing the Trust's ownership to 100% and also acquired an additional 13 wind turbines for a total purchase price of approximately $4,100.

The Trust, indirectly through a subsidiary, has an 80% economic interest in the wind power portfolio in the province of Nova Scotia with an installed capacity of 13.2 MW (10.6 MW at the Trust's share) and also has control over the project's general partner. The Trust's non-controlling partner's 20% economic interest in the Nova Scotia wind power project is owned by an unrelated party and its non-controlling interest is reflected on the condensed consolidated statements of financial position in the amount of $1,548 (December 31, 2016 – $1,601). The assets and liabilities and results of operations of the limited partnership have been consolidated in the Trust's condensed consolidated financial statements.

The operating results of the renewable power segment are subject to significant seasonal variations with solar irradiation highest during the summer months and wind production generally best during the winter months.

9. OTHER NON-CURRENT ASSETS

As at		September 30, 2017		December 31, 2016
Investment in marketable securities	$	**48,883**	$	—
Deposits and other		**3,004**		4,726
Intangible assets, net of amortization – wind power contract		**1,758**		1,831
Straight-line rent receivable		**541**		565
Total	$	**54,186**	$	7,122

Intangible assets are net of $186 of accumulated amortization as at September 30, 2017 (December 31, 2016 – $113).

As at September 30, 2017, the investment in marketable securities relates to an investment in Dream Office REIT through the acquisition of 2,324,447 units, recorded at fair value through profit and loss. During the three months ended September 30, 2017, the Trust recorded a fair value adjustment of $433 relating to this investment.

10. EQUITY ACCOUNTED INVESTMENTS

During the year ended December 31, 2016, the Trust invested $11,540, including transaction costs, for a 37.5% equity interest in a Lakeshore East Development. DAM is the lead co-developer, owning a 12.5% equity interest, with the residual interest held by a third party co-developer. The equity method of accounting was adopted for this investment. As at September 30, 2017, the Trust has invested an additional $709. During the three and nine months ended September 30, 2017, the Trust recorded an equity loss of $25 and $88, respectively.

During the year ended December 31, 2016, the Trust invested $2,211, including transaction costs, for a 50% equity interest in a partnership formed for the development of a residential condominium, Mutual Street Development ("IVY Condominiums"), a residential condominium located in downtown Toronto, Ontario. The project is currently in the development phase and is co-managed by DAM and an external party. The investment is considered to be a joint venture and the equity method of accounting was adopted. As at September 30, 2017, the Trust has invested an additional $328. During the three and nine months ended September 30, 2017, the Trust recorded an equity loss of $nil and $104, respectively.

During the year ended December 31, 2016, the Trust also purchased for $5,072, including transaction costs, a 28% interest in a limited partnership from an entity related to DAM. This investment relates to Church/Wood Residences ("Axis Condominiums"), a development project for a mixed use property in downtown Toronto, Ontario and is managed and developed by a third party to the Trust. Given the ownership percentage and decision making abilities of the Trust pursuant to the partnership agreements, the Trust is considered to have significant influence over this investment, and accordingly, the equity method of accounting was applied. As at September 30, 2017, a return of capital of $1,408 on the investment was distributed back to the Trust and the Trust has invested an additional $176. During the three and nine months ended September 30, 2017, the Trust recorded an equity loss of $2 and $14, respectively.

During the nine months ended September 30, 2017, the Trust acquired a 23.25% equity ownership interest in Port Credit West Village Partners LP ("Port Credit") for $27,242. Port Credit entered into a $105,000 non revolving credit facility ($24,413 Trust share) with a term of three years. DAM also owns a 7.75% ownership interest in Port Credit. The investment is considered to be a joint venture and the equity method of accounting was adopted. As at September 30, 2017, the Trust has invested an additional $1,566. During the three and nine months ended September 30, 2017, the Trust recorded an equity loss of $40 and $42, respectively.

During the nine months ended September 30, 2017, the Trust also acquired a 40% equity ownership interest in a limited partnership for $3,827. The investment is in two properties, which are located at 6035 Bathurst Street and 388 - 390 Dupont Street ("Plaza Dupont Development"). The Bathurst property is a 19,000 square foot commercial property and the Dupont Street property is a 7,000 square foot fully leased distribution centre. The investment is considered to be a joint venture and the equity method of accounting was adopted. As at September 30, 2017, the Trust has invested an additional $24. During the three and nine months ended September 30, 2017, the Trust recorded an equity loss of $21 and $19, respectively.

During the three months ended September 30, 2017, the Trust acquired a 40% equity ownership interest in a limited partnership for $5,500. The investment is in two properties, which are located at 25 Imperial Street and 374 Dupont Street ("Plaza Imperial Development"). The Imperial Street property is a 22,000 square foot office property and the Dupont street property is an 11,000 square foot fully leased commercial property. The investment is considered to be a joint venture and the equity method of accounting was adopted. During the three months ended September 30, 2017, the Trust recorded an equity loss of $33.

Each equity accounted investment is subject to a shareholder or limited partnership agreement that governs distributions from these investments. In addition, distributions must also comply with the respective credit agreements.

11. DEBT

As at		September 30, 2017		December 31, 2016
Mortgages payable	**$**	**124,100**	$	243,261
Term loans		**81,105**		50,100
Revolving credit facility		**—**		15,000
Total debt before undernoted	**$**	**205,205**	$	308,361
Unamortized balance of premiums		**—**		1,183
Unamortized balance of deferred financing costs		**(3,760)**		(1,745)
Total	**$**	**201,445**	$	307,799
Less: current portion		**4,537**		91,284
Total non-current long-term debt	**$**	**196,908**	$	216,515

		Outstanding balance
2017 (remainder of year)	$	1,783
2018		4,831
2019		32,582
2020		11,636
2021		16,512
2022 and thereafter		137,861
Balance as at September 30, 2017	**$**	**205,205**

MORTGAGES PAYABLE

During the nine months ended September 30, 2017, total mortgages payable of $149,312 relating to the disposed non core co-owned income properties, previously included in liabilities related to assets held-for-sale, were assumed by the purchaser or settled by the Trust. During the nine months ended September 30, 2017, the Trust incurred debt settlement costs of $1,286. During the three and nine months ended September 30, 2017, total lump sum repayments of mortgages payable were $7,848 and $22,968, respectively.

Mortgages payable are secured by charges on specific income properties, bear interest at a weighted average face rate of 3.2% (December 31, 2016 – 3.7%) and mature between 2017 and 2022. The weighted average effective interest rate of mortgages payable is 3.5% at September 30, 2017 (December 31, 2016 – 3.2%).

During the three months ended September 30, 2017, two mortgages payable were refinanced for a total of $87,120 for a two and five year term at a rate of Bankers' Acceptances ("BA") plus 1.75% or at the bank's prime rate plus 0.25%, resulting in additional total proceeds of approximately $24,900, net of $673 of deferred financing costs. During the nine months ended September 30, 2017, in conjunction with the Trust's acquisition of a 40% interest in each of two co-owned income properties from Dream Office REIT, $6,490 of mortgages were assumed and $10,792 of additional proceeds were received upon refinancing of one of the properties.

Total lump sum and regular long-term debt principal repayments for the three and nine months ended September 30, 2017 were $8,316 and $28,019, respectively.

TERM LOANS AND RESTRICTED CASH

During the nine months ended September 30, 2017, the Trust closed financing on six Ontario Ground Mount Solar projects for gross proceeds of approximately $31,263, net of deferred financing fees of $1,466. The financing was secured on a non-recourse basis at a fixed face rate of 4.5% for the second tranche and 4.3% for the third tranche and amortizes over a 19.5 year term.

Restricted cash and the balance of available funds held in escrow under the term loans as at September 30, 2017 was $3,440 (December 31, 2016 - $1,720).

REVOLVING CREDIT FACILITY

A demand revolving credit facility (the "facility") is available up to a formula-based maximum not to exceed $50,000. The available credit under the facility, as determined by the formula, increased to $45,000 as at September 30, 2017 compared to $43,000 as at December 31, 2016. The facility is in the form of rolling one-month BA rates and bears interest at the BA rate plus 2.0%, or at the bank's prime rate plus 1.0% (3.2% as at September 30, 2017, 2.7% as at December 31, 2016), payable monthly. The facility is secured by a general security agreement over all assets of Dream Alternatives Lending Services LP and Dream Alternatives Master LP, which are subsidiaries of the Trust. During the three months ended September 30, 2017, the revolving credit facility was renewed and the maturity date was extended to July 31, 2019. As at September 30, 2017, there were no funds drawn on the revolving credit facility (December 31, 2016 – $15,000) and funds available under this facility were $43,295 (December 31, 2016 – $22,953), as determined by the formula-based maximum calculation, net of $1,705 (December 31, 2016 – $4,202) of letters of credit issued against the facility and net of an amount applied against the facility equal to the unrealized fair value loss on the derivative financial liability of $nil (December 31, 2016 – $845).

FINANCIAL COVENANTS

The revolving credit facility, the financial guarantees, certain mortgages on income properties and the renewable power term loan contain financial covenants that require the Trust to meet certain financial ratios and financial condition tests. A failure to meet these tests could result in default and, if not cured or waived, could result in an acceleration of the repayment in the underlying financing. For the nine months ended September 30, 2017, the Trust was in compliance with these financial covenants.

12. DERIVATIVE FINANCIAL LIABILITIES

During the nine months ended September 30, 2017, the remaining sale agreements for bond forward purchase contracts, which were designated as hedges for the interest rate risk associated with the second and third tranche of project financing for the Ontario Ground Mount Solar projects, were settled and a fair value loss of $1,109 was realized on the settlement. This realized fair value loss was recognized in other comprehensive income (loss) and will be amortized to interest expense in the condensed consolidated statements of comprehensive income (loss) over the term of the related debt. As at September 30, 2017, there was no derivative financial liability in the condensed consolidated statements of financial position (December 31, 2016 – $845).

Unrealized fair value losses recorded in other comprehensive income (loss) in the condensed consolidated statements of comprehensive income (loss) and the related income tax effects are shown in the following table for the periods indicated:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
Fair value losses	**$ —**	$ (249)	**$ (264)**	$ (2,347)
Deferred income tax recovery	**—**	63	**68**	629
Fair value losses, net of deferred income tax recovery	**$ —**	$ (186)	**$ (196)**	$ (1,718)

There was no hedge ineffectiveness recorded in net income in the condensed consolidated statements of comprehensive income (loss) for the nine months ended September 30, 2017 (three and nine months ended September 30, 2016 - no hedge ineffectiveness). During the three and nine months ended September 30, 2017, realized losses of $25 and $65, net of taxes of $9 and $24, were reclassified to net income, respectively (three and nine months ended September 30, 2016 - realized losses of $9, net of taxes of $nil).

13. AMOUNTS PAYABLE AND ACCRUED LIABILITIES

As at	September 30, 2017	December 31, 2016
Accrued liabilities and other payables	**$ 25,389**	$ 22,311
Distributions payable	**1,787**	2,411
Accrued interest	**810**	856
Rent received in advance	**977**	1,755
Total	**$ 28,963**	$ 27,333
Less: non-current portion	**12**	509
Current portion of accounts payable and accrued liabilities	**$ 28,951**	$ 26,824

Transaction costs of $3,475, previously included in the accrued liabilities and other payables were settled during the three months ended September 30, 2017. The amount settled during the quarter was for $3,222, with the difference reflected in the condensed consolidated statement of comprehensive income (loss).

14. UNITHOLDERS' EQUITY

DREAM ALTERNATIVES UNITS

Dream Alternatives is authorized to issue an unlimited number of units and an unlimited number of Special Trust Units ("STUs"). Each Unit represents an undivided beneficial interest in the Trust. Each unit is transferable and entitles the holder thereof to:

- an equal participation in distributions of the Trust;
- rights of redemption; and
- one vote at meetings of unitholders.

The STUs may only be issued to holders of exchangeable securities and entitle the holder to exchange the exchangeable securities for units. The STUs have a nominal redemption value, entitle the holder to vote at the Trust level and do not receive distributions. At September 30, 2017, there were no STUs issued and outstanding.

DISTRIBUTIONS

Pursuant to its declaration of trust, Dream Alternatives expects to maintain monthly distribution payments to unitholders payable on or about the 15th day of the following month. The amount of the annualized distribution to be paid is determined by the Trustees, at their sole discretion, based on what they consider appropriate given the circumstances of the Trust. The Trustees may declare distributions out of the income, net realized capital gains and capital of the Trust to the extent such amounts have not already been paid, allocated or distributed. The following table provides details of the distribution payments:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
Paid in cash	**$ 5,986**	$ 6,797	**$ 18,596**	$ 20,461
Paid by way of reinvestment in units	**1,330**	442	**3,265**	1,275
Payable at beginning of period	**(2,064)**	(2,406)	**(2,411)**	(2,420)
Payable at end of period	**1,787**	2,409	**1,787**	2,409
Total	**$ 7,039**	$ 7,242	**$ 21,237**	$ 21,725

On September 19, 2017, the Trust announced a cash distribution of $0.033 per unit for the month of September 2017. The monthly distribution for September 2017 was paid on October 15, 2017. On October 20, 2017, the Trust announced a cash distribution of $0.033 per unit for the month of October 2017. The monthly distribution for October 2017 will be paid on November 15, 2017.

DISTRIBUTION REINVESTMENT AND UNIT PURCHASE PLAN

The Distribution Reinvestment and Unit Purchase Plan ("DRIP") allows holders of units, other than unitholders who are resident of or present in the United States, to elect to have all cash distributions from Dream Alternatives reinvested in additional units. Unitholders who participate in the DRIP receive an additional distribution of units equal to 4% of each cash distribution that was reinvested. For the three and nine months ended September 30, 2017, 223,251 and 535,178 units were issued under the DRIP (three and nine months ended September 30, 2016 – 73,846 and 224,223 units).

NORMAL COURSE ISSUER BID

The Trust received acceptance of its Notice of Intention to renew its prior normal course issuer bid from the TSX on January 11, 2017. The bid commenced on January 13, 2017 and will remain in effect until the earlier of January 12, 2018 or the date on which the Trust has purchased the maximum number of units permitted under the bid. Under the bid the Trust has the ability to purchase for cancellation up to a maximum of 6,595,470 units (representing 10% of the Trust's public float of 65,954,706 units at the time of entering the bid through the facilities of the TSX).

During the three months ended September 30, 2017, the Trust repurchased 74,100 units (three months ended September 30, 2016 – nil units) at a total cost of $441 (nine months ended September 30, 2016 – $nil), inclusive of transaction costs. The excess book value over the purchase price of the units purchased of $181 (nine months ended September 30, 2016 – $nil) was recorded as a gain directly to retained earnings.

During the nine months ended September 30, 2017, the Trust repurchased 367,200 units (nine months ended September 30, 2016 – 534,392 units) at a total cost of $2,282 (nine months ended September 30, 2016 – $2,911), inclusive of transaction costs. The excess book value over the purchase price of the units purchased of $803 (nine months ended September 30, 2016 – $1,565) was recorded as a gain directly to retained earnings.

Subsequent to quarter end, 99,620 Units were repurchased at a total cost of $594, inclusive of transaction costs.

15. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Fair value adjustments to and realized fair value loss from derivative financial liabilities hedges, net of tax	Fair value adjustments to and realized fair value loss from available-for-sale investments, net of tax	Unrealized foreign currency translation gain (loss)	Total
Balance as at January 1, 2016	$ (1,122)	$ (311)	$ (19)	$ (1,452)
Other comprehensive loss during the period	(602)	(31)	(3,085)	(3,718)
Realized fair value loss	20	—	—	20
Balance as at December 31, 2016	**$ (1,704)**	**$ (342)**	**$ (3,104)**	**$ (5,150)**
Other comprehensive gain (loss) during the period	(196)	—	104	**(92)**
Realized fair value loss	65	557	—	**622**
Balance as at September 30, 2017	**$ (1,835)**	**$ 215**	**$ (3,000)**	**$ (4,620)**

As at September 30, 2017, the fair value adjustments to and realized fair value loss from derivative financial liabilities hedges are net of income taxes of $669 (December 31, 2016 – $624) and fair value adjustments to and realized fair value loss from available-for-sale investments are net of income taxes of $36 (December 31, 2016 – $132).

16. ASSETS HELD-FOR-SALE

As at September 30, 2017, the Trust has sold its interest on these non core co-owned income properties which were previously classified as assets held-for-sale:

	Note	**For the nine months ended September 30, 2017**	For the year ended December 31, 2016
Balance, beginning of period		**$ 4,055**	$ —
Add (Deduct):			
Lease incentives and initial direct leasing costs		**511**	—
Amortization of lease incentives		**(61)**	—
Fair value adjustments to income properties		**1,974**	—
Disposition of properties		**(269,106)**	(11,466)
Reclassified from income properties	5	**262,627**	15,521
Balance, end of period		**$ —**	$ 4,055

During the year ended December 31, 2016, the Trust sold its 60% interest in 2010 Winston Park Drive for gross proceeds of $11,835. Net proceeds were $4,223 after repayment of mortgages.

As at September 30, 2017, the Trust sold its interest in 14 non core co-owned income properties. Gross proceeds from the sale of these 14 non core co-owned income properties were $281,646, before ordinary course purchase adjustments and transaction costs, which included $4,766 of consideration in units in the form of publicly traded securities of the purchaser. Net proceeds were $114,089, including net of transaction costs of $2,522, and after the repayment by the Trust or assumption of the mortgages payable by the purchaser.

17. RENEWABLE POWER OPERATING EXPENSES

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
Renewable power operating costs	**$ 747**	$ 760	**$ 2,337**	$ 1,924
General office and other	**113**	80	**271**	169
Depreciation and amortization on renewable power assets	**1,503**	1,050	**4,329**	2,908
Total	**$ 2,363**	$ 1,890	**$ 6,937**	$ 5,001

18. INTEREST EXPENSE

	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Interest expense incurred, at contractual rate of debt and other bank charges	**$ 2,470**	$ 2,871	**$ 8,613**	$ 8,424
Debt settlement costs	**(27)**	—	**1,286**	—
Amortization of mortgages payable premiums	**(135)**	(350)	**(752)**	(1,086)
Amortization of deferred financing costs	**80**	53	**217**	151
Total	**$ 2,388**	$ 2,574	**$ 9,364**	$ 7,489

The amortization of mortgages payable premiums is amortized to interest expense over the expected life of the debt using the effective interest rate method. Debt settlement costs comprise expenses and gains on early discharge of mortgages.

19. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Salary and other compensation	**$ 473**	$ 546	**$ 1,522**	$ 1,651
Trust, service and professional fees	**390**	691	**1,361**	1,555
General office and other	**81**	41	**353**	256
Asset management and other third-party service fees	**2,766**	2,625	**8,640**	7,923
Total	**$ 3,710**	$ 3,903	**$ 11,876**	$ 11,385

20. INCOME TAXES

During the three and nine months ended September 30, 2017, the Trust recognized an income tax expense of $2,223 and recovery amount of $4,391 (income tax expense for the three and nine months ended September 30, 2016 – $4,791 and $5,597).

The income tax expense amount on pre-tax earnings differs from the income tax expense amount that would arise using the combined Canadian federal and provincial statutory tax rate of 26.7% and 26.7% for the three and nine months ended September 30, 2017 (September 30, 2016 – 26.8%) as illustrated in the table below.

	Three months ended September 30, 2017	Three months ended September 30, 2016	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Current income tax recovery (expense):				
Current income taxes with respect to profits in the period	**$ (4)**	$ 646	**$ (8)**	$ (9)
Current tax adjustments in respect of prior periods	**—**	—	**—**	291
Current income tax recovery (expense):	**$ (4)**	$ 646	**$ (8)**	$ 282
Deferred income tax recovery (expense):				
Origination and reversal of temporary differences	**(2,220)**	(5,437)	**4,381**	(5,561)
Deferred tax adjustments in respect of prior periods	**—**	—	**—**	(331)
Expense (benefit) arising from previously unrecognized temporary difference	**—**	—	**—**	44
Impact of changes in income tax rates	**1**	—	**18**	(31)
Deferred income tax recovery (expense)	**$ (2,219)**	$ (5,437)	**$ 4,399**	$ (5,879)
Total income tax recovery (expense)	**$ (2,223)**	$ (4,791)	**$ 4,391**	$ (5,597)

	Three months ended September 30,		Nine months ended September 30,	
	2017	**2016**	**2017**	2016
Earnings (loss) before income tax expense for the period	**$ (2,187)**	$ (7,592)	**$ 30,240**	$ (7,612)
Combined federal and provincial tax rate	**26.7%**	26.8%	**26.7%**	26.8%
Income tax recovery (expense) before the undernoted	**$ (584)**	$ (2,035)	**$ 8,074**	$ (2,040)
Effect on taxes of:				
Adjustment in expected future tax rates	**(467)**	—	**21**	(32)
Non-deductible expenses	**(31)**	(58)	**(151)**	(164)
Difference between Canadian rates and rates in foreign jurisdiction	**(113)**	(11)	**(45)**	(42)
Tax adjustments in respect of prior periods	**—**	—	**—**	(40)
Rate differences	**623**	127	**(1,534)**	278
Change in unrecognized deferred tax asset	**(1,649)**	475	**(2,140)**	(340)
Other items	**(2)**	(3,289)	**166**	(3,217)
Total income tax recovery (expense)	**$ (2,223)**	$ (4,791)	**$ 4,391**	$ (5,597)

The movement in the deferred income tax assets and liabilities during the nine months ended September 30, 2017 and the net components of the Trust's net deferred income tax liability are illustrated in the following table:

	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Other	Hedge	Loss carry forward	**Total**
Balance as at January 1, 2016	$ (6,928)	$ (834)	$ (369)	$ 2,853	$ 1,851	$ 406	$ —	**$ (3,021)**
(Charged) credited to:			—					
(Loss) Earnings for the period	4,260	(1,248)	178	(5,365)	(803)	—	873	**(2,105)**
Other comprehensive (income) loss	—	—	—	5	—	218	—	**223**
Balance as at December 31, 2016	**$ (2,668)**	**$ (2,082)**	**$ (191)**	**$ (2,507)**	**$ 1,048**	**$ 624**	**$ 873**	**$ (4,903)**
(Charged) credited to:								
(Loss) Earnings for the period	**487**	**(914)**	**498**	**(2,583)**	**(547)**	**—**	**7,458**	**4,399**
Other comprehensive (income) loss	**—**	**—**	**—**	**(86)**	**—**	**45**	**—**	**(41)**
Balance as at September 30, 2017	**$ (2,181)**	**$ (2,996)**	**$ 307**	**$ (5,176)**	**$ 501**	**$ 669**	**$ 8,331**	**$ (545)**

21. SEGMENTED INFORMATION

The Trust has identified its reportable operating segments as income properties, renewable power, lending portfolio and development and investment holdings based on how the chief operating decision-maker views the financial results of the business.

For the three and nine months ended September 30, 2017 and September 30, 2016, income tax expense (recovery) and the majority of general and administrative expenses were not allocated to the segment expenses as these costs are not specifically managed on a segmented basis.

SEGMENTED RESULTS OF OPERATIONS – THREE MONTHS ENDED SEPTEMBER 30, 2017

	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Other[1]	Total
INCOME						
Income properties revenue	$ 8,503	$ —	$ —	$ —	$ —	**$ 8,503**
Renewable power revenue	—	4,711	—	—	—	**4,711**
Lending portfolio interest income and lender fees	—	—	3,319	—	—	**3,319**
Fair value adjustments and operating cash distributions in development and investment holdings	—	—	—	274	—	**274**
Realized fair value loss from available-for-sale investments	—	—	—	(630)	—	**(630)**
TOTAL INCOME (LOSS)	**8,503**	**4,711**	**3,319**	**(356)**	**—**	**16,177**
EXPENSES						
Income properties, operating	(4,708)	—	—	—	—	**(4,708)**
Renewable power, operating	—	(2,363)	—	—	—	**(2,363)**
Interest expense	(1,303)	(947)	—	—	(138)	**(2,388)**
General and administrative	—	—	—	—	(3,710)	**(3,710)**
TOTAL EXPENSES	**(6,011)**	**(3,310)**	**—**	**—**	**(3,848)**	**(13,169)**
Fair value adjustments to income properties	(814)	—	—	—	—	**(814)**
OPERATING INCOME (LOSS)	**1,678**	**1,401**	**3,319**	**(356)**	**(3,848)**	**2,194**
Interest and other income	—	—	—	338	198	**536**
Transaction costs	(605)	—	(11)	(492)	253	**(855)**
Fair value adjustments to marketable securities	—	—	—	—	433	**433**
Share of income (loss) from equity accounted investments	—	—	—	(121)	—	**(121)**
EARNINGS (LOSS) BEFORE INCOME TAX EXPENSE	**1,073**	**1,401**	**3,308**	**(631)**	**(2,964)**	**2,187**
INCOME TAX RECOVERY (EXPENSE)						
Current income tax recovery (expense)	—	—	—	—	(4)	**(4)**
Deferred income tax recovery (expense)	—	—	—	—	(2,219)	**(2,219)**
TOTAL INCOME TAX RECOVERY (EXPENSE)	**—**	**—**	**—**	**—**	**(2,223)**	**(2,223)**
NET INCOME (LOSS)	**1,073**	**1,401**	**3,308**	**(631)**	**(5,187)**	**(36)**
OTHER COMPREHENSIVE INCOME (LOSS)						
Items that will be reclassified subsequently to net income (loss):						
Realized fair value loss from derivative financial liabilities hedges, net of tax	—	—	—	—	25	25
Fair value adjustment to available-for-sale investments, net of tax	—	—	—	(11)	69	58
Realized fair value loss from available-for-sale investments, net of tax	—	—	—	557	—	557
Unrealized foreign currency translation loss	—	(131)	—	—	(26)	(157)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	**—**	**(131)**	**—**	**546**	**68**	**483**
TOTAL COMPREHENSIVE INCOME (LOSS)	**$ 1,073**	**$ 1,270**	**$ 3,308**	**$ (85)**	**$ (5,119)**	**$ 447**

[1] Includes other Trust amounts not specifically related to the segments

SEGMENTED RESULTS OF OPERATIONS – THREE MONTHS ENDED SEPTEMBER 30, 2016

	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Other[1]	Total
INCOME						
Income properties revenue	$ 14,148	$ —	$ —	$ —	$ —	**$ 14,148**
Renewable power revenue	—	3,644	—	—	—	**3,644**
Lending portfolio interest income and lender fees	—	—	3,292	—	—	**3,292**
Fair value adjustments and operating cash distributions in development and investment holdings	—	—	—	3,752	—	**3,752**
TOTAL INCOME (LOSS)	**14,148**	**3,644**	**3,292**	**3,752**	**—**	**24,836**
EXPENSES						
Income properties, operating	(7,571)	—	—	—	—	**(7,571)**
Renewable power, operating	—	(1,890)	—	—	—	**(1,890)**
Interest expense	(1,894)	(469)	—	—	(211)	**(2,574)**
General and administrative	—	—	—	—	(3,903)	**(3,903)**
TOTAL EXPENSES	**(9,465)**	**(2,359)**	**—**	**—**	**(4,114)**	**(15,938)**
Fair value adjustments to income properties	(1,874)	—	—	—	—	**(1,874)**
OPERATING INCOME (LOSS)	**2,809**	**1,285**	**3,292**	**3,752**	**(4,114)**	**7,024**
Interest and other income	—	—	174	338	34	**546**
Share of income (loss) from equity accounted investments	—	—	—	22	—	**22**
EARNINGS (LOSS) BEFORE INCOME TAX EXPENSE	**2,809**	**1,285**	**3,466**	**4,112**	**(4,080)**	**7,592**
INCOME TAX RECOVERY (EXPENSE)						
Current income tax recovery (expense)	—	—	—	—	646	**646**
Deferred income tax recovery (expense)	—	—	—	—	(5,437)	**(5,437)**
TOTAL INCOME TAX RECOVERY (EXPENSE)	**—**	**—**	**—**	**—**	**(4,791)**	**(4,791)**
NET INCOME (LOSS)	**2,809**	**1,285**	**3,466**	**4,112**	**(8,871)**	**2,801**
OTHER COMPREHENSIVE INCOME (LOSS)						
Items that will be reclassified subsequently to net income (loss):						
Fair value adjustment to derivative financial liabilities hedges, net of tax	—	—	—	—	(186)	**(186)**
Realized fair value loss from derivative financial liabilities	—	—	—	—	9	**9**
Fair value adjustment to available-for-sale investments, net of tax	—	—	—	30	—	**30**
Unrealized foreign currency translation loss	—	(127)	—	—	1	**(126)**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	**—**	**(127)**	**—**	**30**	**(176)**	**(273)**
TOTAL COMPREHENSIVE INCOME (LOSS)	**$ 2,809**	**$ 1,158**	**$ 3,466**	**$ 4,142**	**$ (9,047)**	**$ 2,528**

[1] Includes other Trust amounts not specifically related to the segments

SEGMENTED RESULTS OF OPERATIONS – NINE MONTHS ENDED SEPTEMBER 30, 2017

	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Other[1]	Total
INCOME						
Income properties revenue	$ 32,892	$ —	$ —	$ —	$ —	**$ 32,892**
Renewable power revenue	—	13,673	—	—	—	**13,673**
Lending portfolio interest income and lender fees	—	—	9,591	—	—	**9,591**
Fair value adjustments and operating cash distributions in development and investment holdings	—	—	—	(2,173)	—	**(2,173)**
Realized fair value loss from available-for-sale investments	—	—	—	(630)	—	**(630)**
TOTAL INCOME (LOSS)	**32,892**	**13,673**	**9,591**	**(2,803)**	**—**	**53,353**
EXPENSES						
Income properties, operating	(17,981)	—	—	—	—	**(17,981)**
Renewable power, operating	—	(6,937)	—	—	—	**(6,937)**
Interest expense	(6,203)	(2,596)	—	—	(565)	**(9,364)**
Provision for lending portfolio losses	—	—	(2,320)	—	—	**(2,320)**
General and administrative	—	—	—	—	(11,876)	**(11,876)**
TOTAL EXPENSES	**(24,184)**	**(9,533)**	**(2,320)**	**—**	**(12,441)**	**(48,478)**
Fair value adjustments to income properties	(33,823)	—	—	—	—	**(33,823)**
OPERATING INCOME (LOSS)	**(25,115)**	**4,140**	**7,271**	**(2,803)**	**(12,441)**	**(28,948)**
Interest and other income	—	—	—	1,013	334	**1,347**
Transaction costs	(2,522)	—	(11)	(492)	253	**(2,772)**
Fair value adjustments to marketable securities	—	—	—	—	433	**433**
Share of income (loss) from equity accounted investments	—	—	—	(300)	—	**(300)**
EARNINGS (LOSS) BEFORE INCOME TAX EXPENSE	**(27,637)**	**4,140**	**7,260**	**(2,582)**	**(11,421)**	**(30,240)**
INCOME TAX RECOVERY (EXPENSE)						
Current income tax recovery (expense)	—	—	—	—	(8)	**(8)**
Deferred income tax recovery (expense)	—	—	—	—	4,399	**4,399**
TOTAL INCOME TAX RECOVERY (EXPENSE)	**—**	**—**	**—**	**—**	**4,391**	**4,391**
NET INCOME (LOSS)	**(27,637)**	**4,140**	**7,260**	**(2,582)**	**(7,030)**	**(25,849)**
OTHER COMPREHENSIVE INCOME (LOSS)						
Items that will be reclassified subsequently to net income (loss):						
Fair value adjustment to derivative financial liabilities hedges, net of tax	—	—	—	—	(196)	**(196)**
Realized fair value loss from derivative financial liabilities hedges, net of tax	—	—	—	—	65	**65**
Fair value adjustment to available-for-sale investments, net of tax	—	—	—	(18)	18	**—**
Realized fair value loss from available-for-sale investments, net of tax	—	—	—	557	—	**557**
Unrealized foreign currency translation loss	—	132	—	—	(28)	**104**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	**—**	**132**	**—**	**539**	**(141)**	**530**
TOTAL COMPREHENSIVE INCOME (LOSS)	**$ (27,637)**	**$ 4,272**	**$ 7,260**	**$ (2,043)**	**$ (7,171)**	**$ (25,319)**

[1] Includes other Trust amounts not specifically related to the segments

SEGMENTED RESULTS OF OPERATIONS – NINE MONTHS ENDED SEPTEMBER 30, 2016

	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Other[1]	Total
INCOME						
Income properties revenue	$ 42,956	$ —	$ —	$ —	$ —	**$ 42,956**
Renewable power revenue	—	10,194	—	—	—	**10,194**
Lending portfolio interest income and lender fees	—	—	9,998	—	—	**9,998**
Fair value adjustments and operating cash distributions in development and investment holdings	—	—	—	9,403	—	**9,403**
TOTAL INCOME (LOSS)	**42,956**	**10,194**	**9,998**	**9,403**	**—**	**72,551**
EXPENSES						
Income properties, operating	(22,472)	—	—	—	—	**(22,472)**
Renewable power, operating	—	(5,001)	—	—	—	**(5,001)**
Interest expense	(5,881)	(1,070)	—	—	(538)	**(7,489)**
Provision for lending portfolio losses	—	—	(2,716)	—	—	**(2,716)**
General and administrative	—	—	—	—	(11,385)	**(11,385)**
TOTAL EXPENSES	**(28,353)**	**(6,071)**	**(2,716)**	**—**	**(11,923)**	**(49,063)**
Fair value adjustments to income properties	(13,516)	—	—	—	—	**(13,516)**
OPERATING INCOME (LOSS)	**1,087**	**4,123**	**7,282**	**9,403**	**(11,923)**	**9,972**
Interest and other income	—	—	324	629	96	**1,049**
Share of income (loss) from equity accounted investments	—	—	—	66	—	**66**
Transaction costs	—	—	—	—	(3,475)	**(3,475)**
EARNINGS (LOSS) BEFORE INCOME TAX EXPENSE	**1,087**	**4,123**	**7,606**	**10,098**	**(15,302)**	**7,612**
INCOME TAX RECOVERY (EXPENSE)						
Current income tax recovery (expense)	—	—	—	—	282	**282**
Deferred income tax recovery (expense)	—	—	—	—	(5,879)	**(5,879)**
TOTAL INCOME TAX RECOVERY (EXPENSE)	**—**	**—**	**—**	**—**	**(5,597)**	**(5,597)**
NET INCOME (LOSS)	**1,087**	**4,123**	**7,606**	**10,098**	**(20,899)**	**2,015**
OTHER COMPREHENSIVE INCOME (LOSS)						
Items that will be reclassified subsequently to net income (loss):						
Fair value adjustment to derivative financial liabilities hedges, net of tax	—	—	—	—	(1,718)	**(1,718)**
Realized fair value loss from derivative financial liabilities hedges, net of tax					9	**9**
Fair value adjustment to available-for-sale investments, net of tax	—	—	—	(14)	—	**(14)**
Unrealized foreign currency translation loss	—	(2,657)	—	—	(3)	**(2,660)**
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	**—**	**(2,657)**	**—**	**(14)**	**(1,712)**	**(4,383)**
TOTAL COMPREHENSIVE INCOME (LOSS)	**$ 1,087**	**$ 1,466**	**$ 7,606**	**$ 10,084**	**$ (22,611)**	**$ (2,368)**

[1] Includes other Trust amounts not specifically related to the segments

SEGMENTED ASSETS AND LIABILITIES – AS AT SEPTEMBER 30, 2017

As at September 30, 2017	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Other[1]	Total
ASSETS						
Total non-current assets	$ 207,450	$ 138,695	$ 34,248	$ 152,904	$ 49,095	**$ 582,392**
Total current assets	11,677	11,423	140,613	419	87,400	**251,532**
TOTAL ASSETS	**$ 219,127**	**$ 150,118**	**$ 174,861**	**$ 153,323**	**$ 136,495**	**$ 833,924**
LIABILITIES						
Total non-current liabilities	$ 122,294	$ 74,689	$ —	$ 12	$ 1,712	**$ 198,707**
Total current liabilities	8,679	6,606	3,055	819	14,329	**33,488**
TOTAL LIABILITIES	**$ 130,973**	**$ 81,295**	**$ 3,055**	**$ 831**	**$ 16,041**	**$ 232,195**

[1] Includes other Trust amounts not specifically related to the segments

SEGMENTED ASSETS AND LIABILITIES – AS AT DECEMBER 31, 2016

As at December 31, 2016	Income properties	Renewable power	Lending portfolio	Development and investment holdings	Other[1]	Total
ASSETS						
Total non-current assets	$ 480,358	$ 134,625	$ 35,259	$ 208,242	$ 2,210	**$ 860,694**
Total current assets	7,069	8,029	106,697	407	4,471	**126,673**
Assets held-for-sale	4,231	—	—	—	—	**4,231**
TOTAL ASSETS	**$ 491,658**	**$ 142,654**	**$ 141,956**	**$ 208,649**	**$ 6,681**	**$ 991,598**
LIABILITIES						
Total non-current liabilities	$ 152,640	$ 48,875	$ —	$ 509	$ 21,010	**$ 223,034**
Total current liabilities	96,331	9,017	172	1,056	12,377	**118,953**
Liabilities related to assets held-for-sale	2,285	—	—	—	—	**2,285**
TOTAL LIABILITIES	**$ 251,256**	**$ 57,892**	**$ 172**	**$ 1,565**	**$ 33,387**	**$ 344,272**

[1] Includes other Trust amounts not specifically related to the segments

22. RELATED PARTY TRANSACTIONS AND ARRANGEMENTS

From time to time, the Trust and its subsidiaries enter into transactions with related parties that are contracted under commercial terms. DAM, which is a subsidiary of Dream Unlimited Corp. (TSX: DRM), is the Trust's Asset Manager and is a related party on the basis that it provides key management personnel services to the Trust under the terms of the management agreement as further discussed below:

ASSET MANAGEMENT AGREEMENT

On July 8, 2014, the Trust entered into a management agreement (the "Management Agreement") with DAM, pursuant to which DAM provides a broad range of asset management services to the Trust for the following fees:

- Base annual management fee calculated and payable on a monthly basis, equal to 1.00% of the gross value of the initial assets at the Trust's Listing, plus the gross cost of any asset acquired on the date of such acquisition, plus the gross amount invested in any assets following acquisition, less the gross amount previously included in the calculation of this amount in respect of any asset disposed of or repaid;
- Acquisition/origination fee equal to:
  - (a) 0.40% of the principal amount of any loan originated by the Trust or a subsidiary having an expected term of less than five years;
  - (b) 1.00% of the principal amount of any loan originated by the Trust or a subsidiary having an expected term of five years or more; and
  - (c) 1.00% of the gross cost of any asset acquired or originated by the Trust or a subsidiary represented by all other investments, assets or projects; and
- Disposition fee equal to 0.25% of the gross sale proceeds of any asset (including all indebtedness) sold by the Trust or any subsidiary represented by loans, investments, assets or projects disposed of during the fiscal year, including any

part of the initial assets, except for the disposition of individual loans having a term to maturity of 12 months or less and excluding the regular and scheduled repayment of loans.

In addition, the Trust will reimburse DAM for reasonable out-of-pocket costs and expenses incurred in connection with the performance of the management services described in the Management Agreement and the costs and expenses incurred in providing such other services that the Trust and DAM agree to in writing that are to be provided from time to time by DAM.

Pursuant to the Management Agreement, the Trust incurred the following amounts:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
Fees paid by the Trust under the Management Agreement:				
Base annual management fee	**$ 2,503**	$ 2,479	**$ 7,678**	$ 7,334
Acquisition/origination fee and disposition fees	**832**	39	**2,596**	324
Expense recoveries relating to financing arrangements and other	**458**	422	**1,339**	1,441
Total	**$ 3,793**	$ 2,940	**$ 11,613**	$ 9,099

During the nine months ended September 30, 2017, the acquisition of ownership interest in investments within the development and investment holdings portfolio, renewable power assets, new loans within the lending portfolio and the acquisition of the remaining ownership of two previously co-owned income properties resulted in acquisition fees calculated in accordance with the management agreement. The disposition fees are as a result of the disposal of the Villarboit investment and non core co-owned income properties.

AMOUNTS DUE TO RELATED PARTIES

Amounts payable and accrued liabilities at September 30, 2017 included $1,413 (December 31, 2016 – $1,018) related to the Management Agreement. Total amounts payable and accrued liabilities due to DAM at September 30, 2017 were $8,355 (December 31, 2016 – $1,427). Included in the balance due to DAM is $6,510 (December 31, 2016 - $nil) relating to a letter of credit to a third party in relation to a co-owned development project.

On February 22, 2017, the Trust entered into a project-level development management agreement with DAM and its third party co-developer, in which the Trust has a 50% equity ownership interest. Pursuant to the agreement, DAM provides development management services for a fee equal to 3.75% of project-level revenue, which is shared equally between the Trust and its third party co-developer. Under this agreement, $711 of fees were incurred at the project level during the nine months ended September 30, 2017 and, at the Trust's share, $271 was owing to DAM from the project for the period.

TRANSACTIONS WITH DAM

During the nine months ended September 30, 2017, the Trust entered into various related party transactions as disclosed in note 10 Equity Accounted Investments.

23. SUPPLEMENTARY CASH FLOW INFORMATION

Amortization and depreciation includes:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
Lease incentives	**$ 237**	$ 216	**$ 1,032**	$ 575
Deferred financing costs	**80**	53	**217**	151
Renewable power assets	**1,478**	1,027	**4,256**	2,835
Intangible assets – wind power contract	**24**	24	**73**	73
Realized fair value loss on derivative financial liabilities	**34**	9	**89**	9
Mortgages payable premiums	**(135)**	(350)	**(752)**	(1,086)
Total	**$ 1,718**	$ 979	**$ 4,915**	$ 2,557

Other adjustments include:

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
Straight-line rent adjustment	**$ (109)**	$ 19	**$ 24**	$ 45
Deferred interest income	**3,000**	—	**3,000**	—
Realized fair value loss from available-for-sale investments	**630**	—	**630**	—
Share of (income) loss from equity accounted investments	**121**	(22)	**300**	(66)
Fair value adjustments to development and investment holdings	**35**	(3,442)	**3,101**	(8,270)
Fair value adjustments to income properties	**814**	1,874	**33,823**	13,516
Fair value adjustments to marketable securities	**(433)**	—	**(433)**	—
Interest capitalized and lender fees received on lending portfolio balance	**(390)**	(1,170)	**(2,979)**	(2,229)
Deferred unit compensation expense	**222**	186	**692**	532
Provision for lending portfolio losses	**—**	—	**2,320**	2,716
Deferred income tax expense (recovery)	**2,219**	5,437	**(4,399)**	5,879
Debt settlement costs	**(27)**	—	**1,286**	—
Transaction costs	**855**	—	**2,772**	—
Total	**$ 6,937**	$ 2,882	**$ 40,137**	$ 12,123

Non-cash working capital includes cash generated from (utilized in):

	Three months ended September 30,		Nine months ended September 30,	
	2017	2016	**2017**	2016
Lending portfolio interest income accrual	**$ 301**	$ 678	**$ 182**	$ 448
Other non-current assets	**(49)**	(1,265)	**(585)**	(4,152)
Amounts receivable and income tax receivable/payable	**1,086**	(1,034)	**(116)**	(4,664)
Prepaid expenses and other current assets	**(45)**	(429)	**(222)**	(452)
Amounts payable and accrued liabilities	**(102)**	(1,290)	**(5,781)**	3,643
Assets held-for-sale	**—**	(36)	**(5,185)**	(159)
Total	**$ 1,191**	$ (3,376)	**$ (11,707)**	$ (5,336)

During the three and nine months ended September 30, 2017, cash interest paid was $2,180 and $9,459 (three and nine months ended September 30, 2016 – $2,501 and $7,872, respectively) and cash taxes paid was $nil (three and nine months ended September 30, 2016 – $573 and $4,466, respectively). For the same period, investments in building improvements included non cash transactions of $nil and $202 (September 30, 2016 – non-cash transactions of $522 and $647) and investments in lease incentives and initial direct leasing costs included settlement of $113 of payables and non cash transactions of $173 (September 30, 2016 – non-cash transactions of $36 and $13). Additions to renewable power assets non cash transactions of $4,407 (September 30, 2016 – settlement of payables of $368). Acquisition of income properties included the assumption of mortgage payables of $6,490. Net proceeds from disposal of income properties included the assumption of mortgage payables of $137,501 and the receipt of $4,766 in the form of units of publicly traded securities.

24. COMMITMENTS AND CONTINGENCIES

Dream Alternatives and its operating subsidiaries are contingently liable under guarantees that are issued in the normal course of business and with respect to litigation and claims that arise from time to time. In the opinion of the Asset Manager, any liability that may arise from such contingencies would not have a material adverse effect on the condensed consolidated financial statements of Dream Alternatives.

OTHER COMMITMENTS

During the nine months ended September 30, 2017, the Trust, through a subsidiary, continued to provide a guarantee for up to $45,000 pursuant to the requirements of a senior construction loan associated with the Empire Lakeshore residential project. As at September 30, 2017, this guarantee balance is $14.1 million. The guarantee will be in place for the term of the construction loan and will proportionately scale down as the construction loan is repaid as unit closings begin to occur. Guarantees of the other underlying development project loan amounts of third parties are $3.8 million. As at September 30, 2017, the Trust is contingently liable under guarantees that are issued on certain debt assumed by purchasers of income properties up to an amount of $54.0 million.

The Trust is contingently liable for letters of credit in the amount of $1,705 that have been provided to support third party performance.

The Trust may also be contingently liable for certain obligations of joint venture partners. However, the Trust would have available to it the other joint venture partners' share of assets to satisfy any obligations that may arise.

The Trust has entered into lease agreements that may require tenant improvement costs of approximately $820.

25. FAIR VALUE MEASUREMENTS

Quoted market prices represent a Level 1 valuation. When quoted market prices are not available, the Trust maximizes the use of observable inputs. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3. The Trust's policy is to recognize transfers between fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. During the nine months ended September 30, 2017, $67.6 million of development and investment holdings relating to the Villarboit Investments was transferred from Level 3 to Level 2 and have been disposed during the three months ended September 30, 2017. There were no transfers between levels 1, 2 and 3 during the year ended December 31, 2016.

The following tables summarize fair value measurements recognized or disclosed in the condensed consolidated financial statements by class of asset or liability and categorized by level according to the significance of the inputs used in making the fair value measurements.

		Fair value		
As at September 30, 2017	**Carrying value**	**Level 1**	**Level 2**	**Level 3**
Recurring measurements				
Income properties	**$ 206,507**	**$ —**	**$ —**	**$ 206,507**
Development and investment holdings	**94,027**	**—**	**—**	**94,027**
Investment in marketable securities[1]	**53,614**	**53,614**	**—**	**—**

[1] included in other non-current assets and other current assets on the condensed consolidated statements of financial position

		Fair value		
As at December 31, 2016	Carrying value	Level 1	Level 2	Level 3
Recurring measurements				
Income properties	$ 479,401	$ —	$ —	$ 479,401
Development and investment holdings	187,295	—	—	187,295
Derivative financial liabilities	845	—	—	845

Financial instruments carried at amortized cost are noted below:

		Fair value		
As at September 30, 2017	**Carrying value**	**Level 1**	**Level 2**	**Level 3**
Fair values disclosed				
Lending portfolio	**$ 174,861**	**$ —**	**$ —**	**$ 175,471**
Debt	**201,445**	**—**	**—**	**201,365**

		Fair value		
As at December 31, 2016	Carrying value	Level 1	Level 2	Level 3
Fair values disclosed				
Lending portfolio	$ 141,956	$ —	$ —	$ 141,998
Debt	307,799	—	—	310,679

At September 30, 2017, amounts receivable, cash, restricted cash, deposits, amounts payable and accrued liabilities, and distributions payable were carried at amortized cost, which approximates fair value due to their short-term nature.

26. SUBSEQUENT EVENTS

Subsequent to September 30, 2017, the Trust subscribed to a 40% ownership interest in the Windmill Dream Zibi Master Limited Partnership (the “Zibi” development) for $33,163, as acquired from third parties. The residual partners are DAM for 40% and Windmill Development Group Ltd. ("Windmill") for 20%. DAM will act as lead developer for the project.

Corporate Information

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TRANSFER AGENT
(for change of address, registration or other unitholder enquiries)

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STOCK EXCHANGE LISTING
The Toronto Stock Exchange
Listing Symbol:

DRA.UN

For more information, please visit
dreamalternatives.ca

DISTRIBUTION REINVESTMENT AND UNIT PURCHASE PLAN
The purpose of our Distribution Reinvestment and Unit Purchase Plan ("DRIP") is to provide Unitholders with a convenient way of investing in additional units without incurring transaction costs such as commissions, service charges or brokerage fees. By participating in the Plan, you may invest in additional units in two ways:

Distribution reinvestment: Unitholders will have cash distributions from Dream Alternatives Trust reinvested in additional units as and when cash distributions are made. If you register in the DRIP, you will also receive a "bonus" distribution of units equal to 4% of the amount of your cash distribution reinvested pursuant to the Plan. In other words, for every $1.00 of cash distributions reinvested by you under the Plan, $1.04 worth of units will be purchased.

Cash purchase: Unitholders may invest in additional units by making cash purchases. To enroll, contact:
Computershare Trust Company of Canada
100 University Avenue, 9th Floor
Toronto, Ontario M5J 2Y1

Attention: Dividend Reinvestment Services
or call their Customer Contact Centre at
1 800 564-6253 (toll free) or (514) 982-7555

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