dream alternatives DRA.UN-TSX

# DREAM ALTERNATIVES REPORTS SOLID Q4 RESULTS AND INCREASED INVESTMENT IN MAJOR TORONTO DEVELOPMENT PROJECTS

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

**TORONTO, February 26, 2018, DREAM HARD ASSET ALTERNATIVES TRUST (TSX: DRA.UN)** ("Dream Alternatives", "we" or the "Trust") today reported its financial results for the three months and year ended December 31, 2017.

The three months ended December 31, 2017 represented the first full quarter that the Trust reported results with its core asset portfolio following the sale of substantially all of the Trust's non core legacy assets, which was completed in the third quarter, after more than three years. During the fourth quarter the Trust reported net income of $16.4 million, an increase of $31.8 million when compared to the same period last year. This year over year growth in net income was driven primarily by a net increase in fair value gains of $37.6 million relative to the prior year. The net fair value gains recorded in the three months ended December 31, 2017 of $11.0 million were the result of independent third party appraisals and support the Trust's investment strategy that its core properties in downtown Toronto represent key real estate that will generate higher value and cash flows in the long term.

“We are proud of our accomplishments achieved in 2017, with the fourth quarter financials reflecting solid results following the successful repatriation of $190 million of equity and committed investments of over $220 million with higher cash flow and net asset value appreciation potential" said Michael Cooper, Portfolio Manager. "The Trust has undergone a substantial repositioning and we believe that our disclosed NAV per unit of $8.89, although largely supported by independent third party appraisals still remains conservative against what we are seeing in recent industry and private market transactions for real estate located in Toronto. The portfolio has been transformed with over 70% of the Trust's net assets located in Toronto at December 31, 2017. We believe our unitholders' equity and NAV per unit financial metrics will continue to appreciate in future quarters with continued progress on our current development and future re-development opportunities."

Over the last 15 months, the Trust has invested $111.2 million of equity, and $225.6 million inclusive of equity accounted investment project-level debt in exciting real estate opportunities in Toronto, Ottawa and the greater Toronto area ("GTA"), including: 10 Lower Spadina Avenue and 49 Ontario Street both located in downtown Toronto with considerable redevelopment potential in future years; a 5.3 acre Lakeshore East site located adjacent to a planned investment by Sidewalk Labs, a sister company of Google; a 72 acre waterfront property in Port Credit to be developed into a large master planned residential/mixed use community; 37 acres of lands for the purpose of developing into a mixed-use master-planned community located in Ottawa and Quebec, which includes over three million square feet of density that consists of over 2,000 residential units and over one million square feet of commercial space; and the iconic Frank Gehry designed Mirvish-King West Development (the "Frank Gehry" development) located at the intersection of King Street West and Duncan Street in downtown Toronto slated to be re-developed to include two landmark residential towers, each in excess of 80 storeys, over 80,000 square feet of multi level luxury retail opportunities with a potential hotel component and an art gallery. Management believes this portfolio of investments represents irreplaceable real estate in core markets with significant cash flow and value appreciation potential as milestones are achieved.

**Pipeline of Future Investment Opportunities**

As at February 26, 2018, the Trust had a cash balance of approximately $52.6 million. Also as of this date, the Trust is currently actively pursuing $138.0 million of real estate development opportunities in its pipeline that are in line with its investment strategy.

**Net Asset Value ("NAV"[1])**

NAV per unit of $8.89 as at December 31, 2017 increased from $8.64 per unit as at September 30, 2017 and decreased compared to NAV per unit of $9.02 as at December 31, 2016. The year over year NAV per unit is not comparable due to the Trust's significant asset disposition which was substantially completed in the third quarter of 2017. The increase in the NAV per unit since the third quarter following the substantial completion of the Trust's non core asset disposition program includes progress on current development investments as well as favorable market conditions impacting various investments of the Trust. The increase in NAV per unit from the prior quarter was primarily due to the fair value gain of $11.0 million recognized within the income property portfolio attributable to both growth in net operating income and cap rate compression in Toronto; a fair value gain of $3.4 million in development and investment holdings, primarily due to favourable market conditions as well as potential increased density; and a $5.8 million fair value gain in the renewable portfolio as a result of compressing yields for long duration assets, as supported by independent third party appraisals. During the year ended December 31, 2017, the Trust obtained independent third party appraisals or acquired during the year assets totaling $262.1 million, which represents 100% of unitholders' equity within the renewable power portfolio, 100% of unitholders' equity within the income properties portfolio (excluding the investment in Dream Office REIT units) and 54% of unitholders' equity within the development and investment holdings portfolio. For details please refer to the table on page 2 of the MD&A. Going forward, where applicable, the Trust intends to obtain independent third party appraisals on all assets recorded within the portfolio on an annual basis.

The development and investment holdings NAV of $206.0 million (32.0% of total NAV) or $2.84 per unit increased compared to $178.3 million or $2.45 per unit as at September 30, 2017. The increase in the NAV was due to both acquisitions and fair value gains during the fourth quarter. A fair value gain of $4.3 million, was recognized on the Trust's investment in its Port Credit development, a 72 acre waterfront property located in the GTA. The fair value adjustment was the result of the Trust identifying market trend progress and/or the achievement of development milestones, as supported by a third party independent appraisal. The Port Credit development draft master plan proposal includes approximately 2,500 residential units and approximately 350,000 square feet of commercial development. The Trust is working through the various approvals and the site work has recently commenced. Under IFRS and in the Trust's consolidated financial statements the above noted development investment is considered an equity accounted investment reflected at cost. The Trust has included a fair 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. During the three months ended December 31, 2017, the Trust invested a total of $48.1 million, including transaction costs, in both a 40% investment in the Windmill Dream Zibi Master Limited Partnership (the "Zibi" development) and an 18.75% investment in the Frank Gehry development. The Trust has made substantial progress toward investing in assets with higher growth potential, including its development investments in downtown Toronto and the Ottawa/Gatineau area, 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 14 of the MD&A.

The lending portfolio NAV of $158.8 million (24.7% of total NAV) or $2.19 per unit at December 31, 2017 decreased compared to $171.8 million or $2.37 per unit as at September 30, 2017. The decrease was the result of $24.5 million of loans being repaid of which approximately $17.5 million were legacy loans, resulting in 100% of the total original loan portfolio being repatriated, compared to 80% at the beginning of the year. Slightly offsetting this decrease in NAV was $11.5 million of proceeds advanced towards two new loans during the three months ended December 31, 2017. The Trust also recognized a $2.5 million loan loss provision to reflect management's estimate of net realizable value during the quarter.

As at December 31, 2017, NAV of $78.8 million (12.2% of total NAV) or $1.09 per unit for the renewable power portfolio increased from $73.2 million or $1.01 per unit as at September 30, 2017. The NAV increase was attributable to a fair value gain of $5.8 million. The fair value adjustment increase was primarily attributable to yield compression with respect to both the Ontario Rooftop Solar portfolio and the U.K. wind portfolio, as supported by independent third party appraisals. Under IFRS and in the Trust's consolidated financial statements, renewable power wind and solar assets are recorded at cost less accumulated depreciation and impairment charges, if any. In determining NAV, a non-IFRS measure, the Trust reflects a fair value adjustment which takes into consideration any reduction in the risk profile of the renewable power projects developed by the Trust once they become operational and long-term financing is arranged; as well it reflects recent market information that would indicate a change in the renewable power portfolio fair value (subject to appraisals). The Trust believes that incorporating a fair value adjustment is a more useful measure to value the renewable power portfolio that would not ordinarily be captured within IFRS and the Trust's consolidated financial statements. For additional details on the Trust's renewable power portfolio, please refer to page 25 of the MD&A.

The Trust relies on growth in the NAV per unit as a measure of value creation including the aforementioned fair value adjustments on its equity accounted development and renewable power projects. The closest IFRS measure to NAV per unit is unitholders' equity per unit. Please refer to page 41 of the MD&A for a reconciliation between NAV and unitholders' equity.

**Unitholders' Equity**

As at December 31, 2017, total unitholders' equity per unit of $8.39 increased from $8.26 per unit as at September 30, 2017 and decreased from total unitholders' equity per unit of $8.92 as at December 31, 2016. As previously mentioned, the year over year variance is not comparable due to the Trust's substantial completion of its disposition strategy. The variance to prior quarter was primarily related to the $11.0 million net fair value gain recognized in income properties during the three months ended December 31, 2017 as previously discussed.

**Cash Generated from Operating Activities**

Cash generated from operating activities for the three months ended December 31, 2017 was $7.8 million compared to $7.9 million for the same quarter in the prior year. Cash generated from operating activities for the year ended December 31, 2017 was $11.8 million compared to $14.0 million in the prior year. The year over year decrease in cash generated from operating activities is primarily due to lower net cash generated from income properties portfolio as a result of the aforementioned disposals in the current period and changes in non cash working capital. Offsetting this decrease was the receipt of additional cash distributions from the Empire Brampton project.

**Adjusted Funds Available For Distributions ("AFAD")**

During the year ended December 31, 2017, the Trust has substantially completed its disposition strategy through the sale of substantially all of its non core legacy assets. As previously noted the Trust has realigned its long term strategy and has shifted its focus to owning more development investments that will generate higher growth and cash flow over a period of time. As such, growth in NAV per unit is expected to be a more useful metric of value creation and unitholders return. Accordingly, the Trust has discontinued presenting AFAD, a non IFRS measure in its MD&A and public disclosures.

**Key Highlights**:

**Investment in Major Development Opportunities in Toronto and Ottawa**

During the three months ended December 31, 2017, the Trust continued to focus its efforts on new investments in exceptional development opportunities, which during the fourth quarter included the Zibi development and the Frank Gehry development. During the three months ended December 31, 2017, the Trust acquired a 40% ownership interest in the Zibi development for $33.6 million, including transaction costs. The residual partners are DAM for 40% and Windmill Green Properties LP ("Windmill") for 20%. DAM is the 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, Québec. The project concept plan is a multi phase development which includes over three million square feet of density that consists of over 2,000 residential units and over one million square feet of commercial space. The redevelopment of the Zibi lands represents one of the largest urban redevelopment opportunities in Canada. During the year ended December 31, 2017, construction commenced for the land servicing in both Québec and Ontario, which includes demolition, remediation, and completion of underground servicing connections in order to prepare the site for construction. To date, Zibi has launched two condominium buildings, “O” and “Kanaal” comprising 141 units, which are approximately 65% pre-sold. Construction for O commenced during the year ended December 31, 2017 and is expected to have first occupancies in early 2019 and construction for Kanaal is expected to commence in 2018 and first occupancies in 2021.

In addition, during the three months ended December 31, 2017, the Trust along with DAM also acquired a 25% interest in the Frank Gehry development located at the intersection of King Street West and Duncan Street in downtown Toronto being managed by DAM and Great Gulf Corporation ("Great Gulf"). The Trust invested $14.5 million, including transaction costs, for an 18.75% equity interest in the development with DAM owning 6.25%. This site is slated to be re-developed to include two landmark residential towers, each in excess of 80 storeys, over 80,000 square feet of multi-level luxury retail opportunities, including a potential hotel component and an art gallery. Subsequent to the fourth quarter, the project entered into non-revolving term facilities for a total balance of $85.0 million ($15.9 million at the Trust share), with terms ranging between two and three years and bears interest at the bank’s prime rate plus 1.25% or the BA rate plus 2.75%. In addition subsequent to the fourth quarter, the project entered into letters of credit in the amount of $20.0 million.

**Continued Progress in the Development Investments**

Both the Empire Brampton and Empire Lakeshore development projects are legacy assets owned since inception that are in line with the Trust's long term strategy. As at December 31, 2017, the Empire Brampton low-rise project was substantially completed with 99% of the units closed compared to 61% at December 31, 2016. During the three months ended December 31, 2017, the Trust received additional cash distributions of $2.4 million from the Empire Brampton project, which fully represented profit to the Trust in excess of its investment contribution. 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 26th 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 December 31, 2017, the Empire Lakeshore high-rise project had sold 99% of the 1,285 total projected condominium units. The Trust recognized a further fair value increase of $1.6 million on the Empire Lakeshore project during the fourth quarter of 2017 as the project continues to advance steadily to completion and payout.

Since the Trust's inception, $34.0 million of cumulative fair value gains have been recognized on the Empire projects. At December 31, 2017, the aforementioned Empire projects had an IFRS fair value of $75.7 million, net of the aforementioned cash distribution that was received during the period as return of capital.

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[1] of approximately 15-20% on equity investments in residential and mixed-use development projects.

**Completed Repatriation of the Original Loan Portfolio**
The overall loan portfolio continues to be very liquid with a weighted average term to maturity of 1.22 years at December 31, 2017. During the three months ended December 31, 2017, the Trust advanced proceeds of $11.5 million towards two new loans with a weighted average effective interest rate of 16.4%. During the quarter, $24.5 million of loans were repaid of which approximately $17.5 million were legacy loans, resulting in 100% of the total original loan portfolio being repatriated, compared to 80% at the beginning of the year.

**Other Operating Highlights in Q4 2017:**

**Development and Investment Holdings**
For the three months ended December 31, 2017, development and investment holdings net income decreased to $1.0 million from $6.8 million in the same period in the prior year. The decrease was primarily the result of $6.3 million of fair value gains 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. As at December 31, 2017, the Empire Brampton low-rise project was substantially completed with 99% of the units closed compared to 61% at December 31, 2016. During the three months ended December 31, 2017, the Trust received additional distributions of $2.4 million of cash proceeds from the Empire Brampton project, which fully represented profit to the Trust in excess of its investment contribution. The timing of the remaining cash distributions remains unchanged with the majority of the remaining balance to be released over the next two years.

**Lending Portfolio**
For the three months ended December 31, 2017, net income of $1.3 million from the lending portfolio increased from a net loss of $0.1 million when compared to the same quarter in the prior year. The increase in net income was primarily the result of an increase in upfront lender fees as well as new loan advances with a higher weighted average effective interest rate.

**Income Properties**
As at December 31, 2017, income properties was comprised of the Trust's core office income property portfolio: 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 December 31, 2017, these properties had an IFRS value of $177.5 million. 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.

**Renewable Power**
Net income of $0.4 million for the three months ended December 31, 2017 from the renewable power portfolio remained relatively stable to the same quarter in the prior year, consistent with expectations of the stabilized portfolio.

**Other**[2]
Net loss of $3.6 million for the three months ended December 31, 2017, relating to Other, increased when compared to a nominal amount in the same period in the prior year. The increase was due to a deferred taxes expense position in the current period compared to a recovery position in the same period in the prior year.

**NCIB**
Since the inception of the Trust's NCIB program in December 2014 to February 26, 2018, the Trust has purchased for cancellation 2.9 million units for a total cost of $17.7 million, which included 0.8 million units purchased during the year ended December 31, 2017, for a total cost of $5.0 million.

Selected financial and operating metrics for the three months ended and year ended December 31, 2017 are summarized below:

For the year ended December 31, 2017, the Trust reported a net loss of $9.5 million compared to a net loss of $13.4 million in the prior year. While the year over year results are not comparable due to the sale of the non-core co-owned office properties the improvement in net loss compared to the prior year is attributed to the Trust's focus on attaining and retaining assets with higher growth potential, predominately in downtown Toronto and the GTA as it now makes up approximately 70% of the Trust's current portfolio.

| | Three months ended | | Year-ended | |
|---|---|---|---|---|
| | **December 31, 2017** | December 31, 2016 | **December 31, 2017** | **December 31, 2016** |
| **Consolidated results of operations** | | | | |
| Net income (loss) | **$ 16,377** | $ (15,379) | **$ (9,472)** | $ (13,364) |
| Net Income (loss) before depreciation[1] | **17,837** | (14,314) | **(3,891)** | (9,596) |
| Net operating income ("NOI")[1] | **8,568** | 11,809 | **44,763** | 51,591 |
| Cash generated from (utilized in) operating activities | **5,936** | 7,874 | **10,001** | 13,980 |
| Net income (loss) per unit | **0.23** | (0.21) | **(0.13)** | (0.18) |
| Net income (loss) per unit before depreciation[1] | **0.25** | (0.20) | **(0.05)** | (0.14) |
| **Trust unit information** | | | | |
| Distributions declared and paid per unit | **$ 0.10** | $ 0.10 | **$ 0.40** | $ 0.40 |
| Units outstanding – end of period | **72,417,786** | 72,351,722 | **72,417,786** | 72,351,722 |
| Units outstanding – weighted average | **72,583,347** | 72,312,566 | **72,434,391** | 72,276,832 |

| As at | **December 31, 2017** | September 30, 2017 | December 31, 2016 |
|---|---|---|---|
| **Consolidated financial position** | | | |
| Total Unitholders' Equity | **$ 607,278** | $ 600,066 | $ 645,738 |
| Total Unitholders' Equity per unit | **8.39** | 8.26 | 8.92 |
| NAV | **643,999** | 627,532 | 652,847 |
| NAV per unit | **8.89** | 8.64 | 9.02 |
| Total contractual debt payable[1] | **203,318** | 205,205 | 308,361 |
| Total assets | **853,265** | 833,924 | 991,598 |
| Cash | **60,927** | 96,966 | 11,757 |
| Debt-to-gross asset value[1] | **23.8%** | 24.6% | 31.2% |
| Core assets as a % of total assets | **95.0%** | 94.0% | 64.0% |

With the Trust's focus on development investments that will generate higher growth and cash flow over a period of time the growth in NAV per unit is considered to be a more useful metric of value creation and unitholders return. During the year ended December 31, 2017, the Trust obtained independent third party appraisals or acquired during the year assets making up $262.1 million of unitholders' equity, which represents 100% of unitholders' equity within the renewable power portfolio, 100% of unitholders' equity within the income properties portfolio (excluding the investment in Dream Office REIT units) and 53.8% of unitholders' equity within the development and investment holdings portfolio. The Trust has not appraised the lending portfolio, as the Trust intends to hold the investments in the lending portfolio until maturity and its term to maturity is within one a year, as such this portfolio is considered fairly liquid and fair value approximates amortized cost.

The table below provides a summary of the Trust's portfolio as at December 31, 2017:

| | Location | Year acquired | Accounting treatment[1] | Asset value | Debt | Total unitholders' equity[4] | NAV [3] | NAV per unit | Last external appraisal |
|---|---|---|---|---|---|---|---|---|---|
| **Development & Investment Holdings** | | | | | | | | | |
| Bayfield LP | Other Western Canada | 2014 | Fair value | $ 14,799 | N/A | $ 14,799 | $ 14,799 | $ 0.20 | Q4 2017 |
| Hotel Pur | Eastern Canada | 2015 | Fair value | 3,652 | N/A | 3,652 | 3,652 | 0.05 | N/A |
| Empire Lakeshore | Toronto & GTA | 2014 | Fair value | 69,363 | N/A | 71,678 | 71,678 | 0.99 | N/A |
| Empire Brampton | Toronto & GTA | 2014 | Fair value | 6,305 | N/A | 6,305 | 6,305 | 0.09 | N/A |
| Axis Condominiums | Toronto & GTA | 2016 | Equity accounted | 3,834 | N/A | 3,834 | 12,391 | 0.17 | Q4 2017 |
| IVY Condominiums | Toronto & GTA | 2016 | Equity accounted | 2,425 | N/A | 2,425 | 4,300 | 0.06 | Q4 2017 |
| Lakeshore East | Toronto & GTA | 2016 | Equity accounted | 12,438 | N/A | 12,438 | 26,862 | 0.37 | Q4 2017 |
| Port Credit Development | Toronto & GTA | 2017 | Equity accounted | 30,913 | N/A | 22,427 | 26,761 | 0.37 | Q4 2017 |
| Plaza Bathurst and Plaza Imperial Development | Toronto & GTA | 2017 | Equity accounted | 8,409 | N/A | 8,409 | 8,420 | 0.11 | Acquired 2017 |
| Zibi Development | Other Ontario | 2017 | Equity accounted | 33,445 | N/A | 16,406 | 16,406 | 0.23 | Acquired 2017 |
| Frank Gehry Development | Toronto & GTA | 2017 | Equity accounted | 14,453 | N/A | 14,453 | 14,453 | 0.20 | Acquired 2017 |
| | | | | **$ 200,036** | | **$ 176,826** | **$ 206,027** | **$ 2.84** | |
| **Lending Portfolio** | | | | | | | | | |
| Toronto Development | Toronto & GTA | N/A | Amortized cost[2] | $ 93,543 | N/A | $ 91,061 | $ 91,061 | $ 1.26 | |
| Vancouver Development | British Columbia | N/A | Amortized cost | 53,296 | N/A | 53,296 | 53,296 | 0.74 | |
| Other | Saskatchewan | N/A | Amortized cost | 14,593 | N/A | 14,401 | 14,401 | 0.19 | |
| | | | | **$ 161,432** | | **$ 158,758** | **$ 158,758** | **$ 2.19** | |
| **Income Properties and Investments** | | | | | | | | | |
| Toronto and GTA | Toronto & GTA | 2014 - 2017 | Fair value | $ 168,394 | $ 90,501 | $ 81,576 | $ 81,576 | $ 1.13 | Q4 2017 |
| Industrial Portfolio | Saskatchewan | 2015 | Fair value | 9,075 | 5,757 | 3,350 | 3,350 | 0.05 | Q4 2017 |
| Investment in Dream Office REIT units | N/A | 2017 | Fair value | 55,846 | N/A | 56,653 | 56,653 | 0.78 | Mark to market |
| Other | Other Ontario | 2014 | Fair value | 42,187 | 26,799 | 14,883 | 14,883 | 0.20 | Q3 2017 |
| | | | | **$ 275,502** | **$ 123,057** | **$ 156,462** | **$ 156,462** | **$ 2.16** | |
| **Renewable Power** | | | | | | | | | |
| Canadian Solar | Toronto & GTA | 2014 | Amortized cost | 83,381 | 50,186 | 38,757 | 43,675 | 0.60 | Q4 2017 |
| Canadian Wind | Eastern Canada | 2014 | Amortized cost | 32,110 | 26,534 | 7,521 | 10,498 | 0.14 | Q4 2017 |
| United Kingdom Wind | United Kingdom | 2015 | Amortized cost | 20,023 | — | 20,783 | 24,661 | 0.35 | Q4 2017 |
| | | | | **$ 135,514** | **$ 76,720** | **$ 67,061** | **$ 78,834** | **$ 1.09** | |
| **Marketable securities - other** | | | | | | **$ 4,790** | **$ 4,790** | **$ 0.07** | |
| **Cash and other Trust consolidated working capital[4], including tax** | | | | | | **$ 43,381** | **$ 39,128** | **$ 0.54** | |
| **Total unitholders' equity / NAV** | | | | | | **$ 607,278** | **$ 643,999** | | |
| **Total unitholders Equity per unit / NAV per unit** | | | | | | **$ 8.39** | | **$ 8.89** | |

(1) Equity accounted investments are recognized initially at cost and subsequently adjusted for the Trust's share of the profit or loss
(2) Includes an unsecured corporate loan of $10.0 million as at December 31, 2017 classified as FVTPL
(3) For the Trust's definition of the non-IFRS measure NAV, please refer to the Non-IFRS measures and Other Disclosures section of this MD&A
(4) Included in Total Unitholders' equity is working capital that is presented separately from its asset in the statement of financial position
(5) Cash and other Trust consolidated working capital includes Trust level cash and net working capital balances not attributable to the other operating segments

**Year End 2017 Webcast and Conference Call**

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

| | |
|---|---|
| Date: | Thursday, March 1, 2018 at 1:00pm (ET) |
| Dial: | For Canada and USA please dial: 1-888-465-5079 |
| | For International please dial: 416-216-4169 |
| Passcode: | 611 9734# |

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

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

## About Dream Alternatives

Dream Alternatives provides an opportunity for unitholders to invest in hard asset alternative investments, real estate development, real estate lending, real estate, and renewable power managed by an experienced team with a successful track record in these areas. The objectives of the Trust are to build and maintain a growth-oriented portfolio, provide predictable cash distributions to unitholders on a tax efficient basis, and grow and reposition the portfolio to increase NAV per unit over time. For more information, please visit: www.dreamalternatives.ca

For further information, please contact:


**DREAM ALTERNATIVES**

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**Footnotes**

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

(2) Other segment represents costs not allocated to the other operating segments, such as general and administrative costs and income taxes, and are net of interest income earned on our cash balances

**Non-IFRS Measures**

*The Trust's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, the Trust discloses and discusses certain non-IFRS financial measures including net income (loss) before depreciation, net income (loss) per unit before depreciation, IRR, net operating income ("NOI"), debt-to-gross asset value, net asset value ("NAV"), NAV per unit, total contractual debt payable, as well as other measures discussed elsewhere in this release. These non-IFRS measures are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. The Trust has presented such non-IFRS measures as Management believes they are relevant measures of our underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to unitholders' equity, net income, total comprehensive income or cash flows generated from operating activities or comparable metrics determined in accordance with IFRS as indicators of the Trust's performance, liquidity, cash flow and profitability. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to the "Non-IFRS Measures and Other Disclosures" in the Trust's Management's Discussion and Analysis for the year ended December 31, 2017.*

**Forward-Looking Information**

*This press release may contain forward-looking information within the meaning of applicable securities legislation, including statements relating to our objectives, strategies to achieve those objectives, our beliefs, plans, estimates, projection and intentions, and similar statements concerning anticipated future events, future growth, results of operations, performance, business prospects and opportunities, as well as statements regarding our plans and proposals for future development projects, including projected sizes, density and uses; our expected ownership levels of proposed investments; the growth potential of our development investments; development timelines and anticipated returns on current and future development projects; our anticipated return on our development projects and expected growth in NAV of our development projects as a result of fair value adjustments; unitholders equity and NAV performance as well as targeted returns, future distributions and future returns on equity. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Trust's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to: general and local economic and business conditions including foreign exchange rates, employment levels, mortgage and interest rates and regulations, regulatory risks, environmental risks, consumer confidence, the financial condition of tenants and borrowers, local real estate conditions, adverse weather conditions and variability in wind conditions and solar irradiation, reliance on key clients, partners and personnel, the uncertainties of acquisitions and new projects, inflation and competition. All forward-looking information in this press release speaks as of February 26, 2018. The Trust does not undertake to update any such forward looking information whether as a result of new information, future events or otherwise. Additional information about these assumptions and risks and uncertainties is disclosed in filings with securities regulators filed on SEDAR (www.sedar.com). These filings are also available at the Trust's website at www.dreamalternatives.ca*