

**MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION
FOR THE PERIOD FROM APRIL 28, 2014 TO JUNE 30, 2014**

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations has been prepared as of July 28, 2014 and should be read in conjunction with the Dream Hard Asset Alternatives Trust (the "Trust") interim financial statements (the "interim financial statements") for the period from April 28, 2014 to June 30, 2014 and the Trust's prospectus dated July 4, 2014, as referred to herein, as well as the reference to forward-looking statements within this report. All financial information is reported in Canadian dollars and has been prepared in accordance with International Financial Reporting Standards ("IFRS") unless otherwise noted. This MD&A has been prepared by, and is the responsibility of, Dream Asset Management Corp. ("Dream" or "Manager"), pursuant to the Management Agreement (as described under Related Party Transactions).

Additional information about the Trust filed with the Canadian securities commissions is available on-line at www.sedar.com.

RESPONSIBILITY OF THE MANAGER

The Manager is responsible for the information disclosed in this MD&A. The Manager has in place the appropriate information systems, procedures and controls to ensure information used internally by the Manager and disclosed externally is materially complete and reliable.

FORWARD-LOOKING STATEMENTS

In various places in the MD&A, there are forward-looking statements reflecting the manager's current expectations regarding future economic conditions, results of operations, financial performance and other matters affecting the Trust. Forward-looking statements include information regarding possible or assumed future results of transactions as well as statements preceded by, followed by or that include the words "believes", "expects", "anticipates", "estimates", "intends" or similar expressions. Important factors, in addition to those discussed in this document, could affect the future results of the Trust and could cause those results to differ materially from those expressed in any forward-looking statements.

BUSINESS OVERVIEW

The Trust is a newly established open-ended trust formed to invest in hard asset alternative investments.

Our objectives are to:

- provide an opportunity to invest in hard asset alternative investments, including real estate, real estate loans, and infrastructure, including renewable power, managed by an experienced team with a successful track record;
- build and maintain a growth-oriented portfolio of real estate, real estate lending and infrastructure (including renewable power) assets;
- provide predictable and sustainable cash distributions to Unitholders on a tax efficient basis; and
- grow and re-position the portfolio to increase the overall average rate of return, providing the opportunity to increase distributions to Unitholders over time.

OVERALL PERFORMANCE

Except for the formation and initial capitalization of the Trust, there were no transactions related to the Trust's performance that occurred during the period from formation on April 28, 2014 to June 30, 2014.

RESULTS OF OPERATIONS

For the period from April 28, 2014 to June 30, 2014, the Trust had not yet commenced operations.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2014, the Trust had not yet commenced operations. In connection with Dream's formation of the Trust, Dream contributed \$10 in cash to the Trust. Dream is a subsidiary of Dream Unlimited Corp. On July 8, 2014, the Trust completed its initial public offering as more fully discussed under "Subsequent Events".

FINANCIAL INSTRUMENTS

Pursuant to the Declaration of Trust dated April 28, 2014, Dream contributed \$10 in cash to the Trust. It is the Manager's opinion that the Trust is not exposed to significant interest, currency or credit risks from the cash. The fair value of the financial instrument approximates its carrying value.

RELATED PARTY TRANSACTIONS AND ARRANGEMENTS

From time to time, the Trust enters into transactions with related parties that are conducted under normal commercial terms. Effective July 8, 2014, the Trust has a management agreement (the "Management Agreement") with Dream, pursuant to which Dream provides certain asset management services to the Trust.

Management Agreement

The Management Agreement provides for a broad range of asset management services 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 on July 8, 2014, 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 Dream for 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 (including a reasonable allocation for overhead) in providing such other services which the Trust and Dream agree in writing are to be provided from time to time by Dream.

Related Party Transactions

There were no related party transactions for the period from April 28, 2014 to June 30, 2014. Transactions completed subsequent to June 30, 2014 are described under "Subsequent Events".

OFF-BALANCE SHEET ARRANGEMENTS

There were no off-balance sheet arrangements at June 30, 2014.

PROPOSED TRANSACTIONS

Except those items as discussed below under "Subsequent Events", there were no significant proposed transactions as at June 30, 2014.

SUBSEQUENT EVENTS

a) *Restructuring of Organization and Initial Public Offering*

On July 4, 2014 the Trust filed a prospectus to qualify Units for distribution in connection with the reorganization and other transactions (the "Reorganization") contemplated by the amended and restated purchase agreement between, among others, Return On Innovation Advisors Ltd. ("ROI Capital") and Dream made as of July 4, 2014 (the "Purchase Agreement"). On July 8th, 2014 ("Closing"), pursuant to the Reorganization, 72,617,739 Units were distributed (Secondary Distribution) through a series of transactions to unitholders of each of ROI Canadian High Income Mortgage Fund, ROI Canadian Mortgage Income Fund, ROI Canadian Real Estate Fund and ROI Institutional Private Placement Fund (collectively, the "Distributing ROI Funds"), which were managed by ROI Capital. In connection with the Reorganization, the Trust indirectly acquired the assets of the Distributing ROI Funds together with the assets of the associated ROI Private Trust, ROI Private Capital Trust and ROI Strategic Capital Trust (the "Initial Assets") and assumed the related property-specific debt in consideration for the issuance of Units (Secondary Distribution) to the Distributing ROI Funds. On Closing, the Trust also assumed all of the outstanding liabilities of the Distributing ROI Funds relating to the Initial Assets acquired. Also on Closing, in accordance with the Purchase Agreement, \$10,000,000 was used by ROI Capital to purchase 1,000,000 Units (Primary Distribution) at an agreed upon price of \$10.00 per Unit. Additionally, the one unit issued to Dream on April 28, 2014 was redeemed for \$10.00. Concurrent with completion of the Reorganization, the Trust along with Dream Alternatives Master LP ("Master LP") and its Subsidiaries entered into the Management Agreement with Dream replacing the existing management agreement with ROI Capital.

b) *Revolving Operating Facility Credit Agreement*

On July 8, 2014, Dream Alternatives Lending Services LP ("Lending Services LP"), a subsidiary limited partnership, wholly-owned by the Master LP, entered into a revolving operating facility credit agreement, bearing interest generally at the bank's prime rate plus 1% or at bankers' acceptance rate plus 2%. The facility is available up to a formula-based maximum not to exceed \$50,000,000 and is effectively secured by a general security agreement over all assets of Lending Services LP and Master LP. As at July 28, 2014, no amounts were drawn on the facility.

c) *Amendment to the Declaration of Trust*

On July 8, 2014, the Trust amended and restated its Declaration of Trust to, among other things, authorize the Trust to issue an unlimited number of Special Trust Units and to create and issue preferred units in addition to Units.

Special Trust Units

Special Trust Units shall only be issued in connection with or in relation to the issuance of securities which are exchangeable into Units including the Master LP's B units, for the purpose of providing voting rights with respect to the Trust to the holders of such securities. Special Trust Units will not be transferable separately from the exchangeable securities to which they are attached and will be automatically transferred upon the transfer of such exchangeable securities. No Special Trust Units have been created at this time.

Preferred Units

The Trust is authorized to create and issue preferred units in one or more classes with rights, privileges, restrictions and conditions as may be determined by the Trustees. No preferred units have been created at this time.

d) *Commercial Mortgage Servicing Agreement*

On July 8, 2014, Lending Services LP entered into a commercial mortgage servicing agreement (“Mortgage Servicing Agreement”) with Canadian Mortgage Servicing Corporation (“CMSC”), to manage and service the loan portfolio and select other debt investments acquired at Closing (“Lending Services Agreement”). In consideration of the services received the Lending Services LP will pay CMSC the following fees:

- A monthly fee of 1.25 basis points (15 basis points annually) calculated on the principal amount of each mortgage in the loan portfolio outstanding at the beginning of each month; and
- Any origination fees paid by a borrower up to 1% of the principal amount of each new mortgage investment originated by CMSC and up to 50% of the origination fee paid by a borrower in excess of 1%.

In addition, the Lending Services LP will reimburse CMSC for all reasonable third party disbursements and expenses made or incurred in connection with the performance of the services described in the Mortgage Servicing Agreement.

e) *July 2014 Monthly Distribution*

On July 28, 2014, a distribution for the month of July 2014 in the amount of \$0.0263 per Unit for the period from July 8, 2014 to July 31, 2014 was declared by the Trust. The distribution will be payable on August 15, 2014 to unitholders on record as at July 31, 2014.

USE OF ESTIMATES

The preparation of the interim financial statements in conformity with IFRS requires the Manager to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the interim financial statements and accompanying disclosures. Although these estimates are based on the Manager’s knowledge of current events and actions the Trust may undertake in the future, actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

RISK FACTORS

Investing in Units of the Trust involves a moderate degree of risk. An investor should carefully consider the following risk factors before investing in Units of the Trust. The occurrence of any of the following 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. Although we believe that the risk factors described below 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. Unless otherwise defined herein, capitalized terms have the meanings set out in our final prospectus dated July 4, 2014.

Risks Relating to the Trust and Our Investments

Risks inherent in the real estate industry may adversely affect our financial performance

Returns on real estate and real estate related assets and investments are generally subject to a number of factors and risks, including changes in general economic conditions (which could affect the availability, terms and cost of mortgage financings and other types of credit), changes in local economic conditions (such as an oversupply of properties or a reduction in demand for real estate in a particular area), the attractiveness of properties to potential tenants or purchasers, competition with other landlords with similar available space, and the ability of the owner to provide adequate maintenance at competitive costs.

These factors and risks could cause fluctuations in the value of the real estate and real estate related assets and investments owned by us, or in the value of the real estate securing mortgage loans to us. These fluctuations could materially adversely affect us.

The income-producing properties in our investment portfolio generate income through rent payments made by our tenants. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced for a number of reasons. Furthermore, the terms of any subsequent lease may be less favourable than the existing lease. The Trust's income and funds available for distribution to its Unitholders would be adversely affected if we were unable to lease a significant amount of the available space in the particular property on economically favourable lease terms. In the event of default by a tenant, we may experience delays or limitations in enforcing our rights as lessor and incur substantial costs in protecting our investment. Furthermore, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws which could result in the rejection and termination of the lease of the tenant and, thereby, cause a reduction in the cash flows available to us which may adversely affect us.

Risks inherent in certain of our investments may adversely affect our financial performance

Our investments include direct and indirect investments in real estate, mortgages and other loans and securities of private companies, each of which can be relatively illiquid. While investments in illiquid assets have the potential to produce above-average growth opportunities, they may be difficult to value or sell at the time and price preferred by the owner. Accordingly, there is a risk that we would be unable to dispose of our illiquid assets in a timely way in response to changing economic or investment conditions. In recessionary times it may be difficult to dispose of certain of our assets, including certain types of real estate. The costs of holding certain of our assets, including real estate, are considerable and during an economic recession we may be faced with ongoing expenditures with a declining prospect of rental income. In such circumstances, it may be necessary for us to dispose of properties, or interests in properties, at discounted prices in order to generate sufficient cash for operations and making distributions. Where we are unable to dispose of illiquid assets or we are forced to sell such assets at a discounted price, our ability to make cash distributions, our financial results and the value of our Units may be adversely affected.

The illiquidity of certain of our investments may also delay or prevent the repositioning of our portfolio as we currently intend and such delays or inability to implement these plans could materially adversely affect our financial results and the value of our Units.

Investments in certain assets carry credit risk and administrative costs

There is a risk that the issuer of an investment security or a tenant of a property in our investment portfolio will not make a payment on debt securities or in respect of rent payable, or that an originating lender will not make its payment on a loan participation interest purchased by us or that an issuer or an investment security or an originating lender retaining the original loan in which it grants participations may suffer adverse changes in financial condition, lowering the credit quality of its security or participation and increasing the volatility of the security or participation price. Such changes in the credit quality of a security or participation can affect its liquidity and make it more difficult to sell if we wish to do so. In addition, with respect to loans made or held by us, a change in the financial condition of a borrower could have a negative financial impact on us.

Investments in participating loans may expose us to additional credit risk relative to holding an interest in the underlying loan directly

An investment in a participation interest that is granted by an originating lender that retains the actual loan, rather than having us obtain an interest in the loan itself, gives us a contractual relationship with the lender and not with the underlying borrower. As a result, we are exposed to the credit risk of each such originating lender in respect of payments of principal, interest and any fees to which we are entitled as a result of our participating interest and we are entitled to such amounts only upon receipt by the originating lender of such payments from the underlying borrower. This means that, in the event of the bankruptcy or insolvency of the originating lender, our claim would be as a creditor of the originating lender rather than as a party to the underlying loan. We may also be unable to exercise any remedies that the originating lender would have in respect of such loan.

The nature of our investments may expose us to sector, concentration and other similar risks

While our intention is to diversify our investments, our current investments are relatively concentrated in a limited number of market sectors or asset types or in a limited number of issuers. An investment in the Trust may therefore involve greater risk and volatility than an investment in an issuer with a broader portfolio of assets since the performance of one particular industry, market or issuer could significantly and adversely affect the overall performance of the Trust.

Competition for investment opportunities may adversely affect our financial performance

Our performance depends on our ability to source or acquire assets including mortgage loans, real estate and other investment opportunities at favourable yields or potential rates of return. We will compete with other investors, managers, corporations, institutions and owners of real estate for investment opportunities in the financing and/or acquisition of assets, including real estate and real estate loans. Certain competitors may have a higher risk tolerance, greater financial and other resources and greater operating flexibility than us, allowing these competitors to more aggressively pursue investment opportunities. Accordingly, we may be unable to acquire sufficient real property and real property lending assets or other assets or investment opportunities at favourable yields or terms or at all.

We may not be able to source suitable investments

Our strategy involves investing and re-investing in suitable investment opportunities, pursuing such opportunities, consummating investments and, in the case of real estate assets, effectively operating and leasing such properties. There can be no assurance as to the pace of growth through investments and/or acquisitions or that we will be able to acquire assets on an accretive basis, and as such there can be no assurance that distributions to Unitholders will increase in the future.

Environmental contamination at properties may expose us to liability and adversely affect our financial performance

Our assets may include real estate that contains ground contamination, hazardous substances, and/or other residual pollution and environmental risks. Buildings and their fixtures might contain asbestos or other hazardous substances such as polychlorinated biphenyl, dichlordiphenyltrichlorethan, pentachlorophenol or lindane above the allowable or recommended thresholds. Other environmental risks could also be associated with the buildings in our investment portfolio.

To the extent that this is the case, we will bear the risk of cost-intensive assessment, remediation or removal of such ground contamination, hazardous substances or other residual pollution. The discovery of any such residual pollution on the real estate and/or in the buildings in which we have an interest, particularly in connection with the lease or sale of properties or borrowing using the real estate as security, could trigger claims for rent reductions or termination of leases for cause, for damages and other breach of warranty claims against us. The remediation of any pollution and the related additional measures we would have to undertake could have a materially adverse effect on us and could involve considerable additional costs that we may have to bear. We will also be exposed to the risk that recourse against the polluter or the previous owners of the properties might not be possible, for example, because they cannot be identified, no longer exist or have become insolvent. Moreover, the existence or even the mere suspicion of the existence of ground contamination, hazardous materials or other residual pollution can materially adversely affect the value of a property and therefore our ability to lease or sell such a property or our interest in such a property and any such pollution on a property which secures a mortgage investment or on a neighbouring property may also have an adverse effect on us.

As an owner of real estate, we will be subject to various federal, provincial and municipal laws relating to environmental matters. Such laws provide a range of potential liability, including potentially significant penalties, and potential liability for the costs of removal or remediation of certain hazardous substances or ground contamination. The presence of such substances, if any, could materially adversely affect our ability to sell or redevelop such real estate or to borrow using such real estate as collateral and, potentially, could also result in civil claims against us. In order to obtain financing for the purchase of a new property through traditional channels, we may be requested to arrange for an environmental site assessment to be conducted. Although such an assessment provides us and our lenders with some assurance, we may become subject to liability for undetected pollution or other environmental hazards on our properties against which we cannot insure, or

against which we may elect not to insure where premium costs are disproportionate to our perception of relative risk.

We will have formal policies and procedures to review and monitor environmental exposure. These policies will include the requirement to conduct a phase I environmental site assessment before acquiring real properties or originating any real estate lending.

Some of our real estate assets may, from time to time, have tenants that use or create hazardous or toxic substances. In addition, asbestos containing materials, underground storage tanks, petroleum hydrocarbons and lead paint may be present at certain of our real estate assets. Where circumstances so warrant, designated substance surveys and/or Phase II environmental site assessments have been or will be conducted to determine the presence and/or extent of these or any other materials or potential environmental hazards. If appropriate, we will remediate such situations. Notwithstanding the above, we are not aware of any environmental conditions with respect to any of our real estate assets that we believe would involve material expenditure by us.

At Closing, we will have insurance in place to mitigate against certain environmental liabilities in respect of our real estate assets, with limits which we believe are customary for portfolios similar to our real estate assets. In addition, certain of the existing tenant leases in respect of our real estate assets specify that the tenant will conduct its business in accordance with applicable environmental laws and regulations and will be responsible for any liabilities arising out of infractions to such laws and regulations.

Environmental laws and regulations can change and we may become subject to more stringent environmental laws and regulations (or more stringent enforcement or administration of existing requirements) in the future.

We may incur significant capital expenditures and other fixed costs

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of real property, regardless of whether the property is producing sufficient income to pay such expenses. This may include expenditures to fulfill mandatory requirements for energy efficiency. In order to retain desirable rentable space and to generate adequate revenue over the long-term, the condition of the properties in which we have an interest must be maintained or, in some cases, improved to meet market demand. Maintaining or upgrading a rental property in accordance with market standards can entail significant costs, which we may not be able to pass on to our tenants. Numerous factors, including the age of the relevant building structure, the material and substances used at the time of construction or currently unknown building code violations, could result in substantial unbudgeted costs for refurbishment or modernization.

If the actual costs of maintaining or upgrading a property in which we have an interest exceed our estimates, or if hidden defects are discovered during maintenance or upgrading which are not covered by insurance or contractual warranties, or if we are not permitted to raise rents due to legal constraints, we will incur additional and unexpected costs. If competing properties of a similar type are built in the area where one of our properties is located or similar properties located in the vicinity of one of our properties are substantially refurbished, the net operating income derived from and the value of such property could be reduced.

Any failure to undertake appropriate maintenance and refurbishment work in response to the factors described above could materially adversely affect the rental income that we earn from such properties; for example, such a failure could entitle tenants to withhold or reduce rental payments or even to terminate existing leases. Any such event could have a material adverse effect on our cash flows, financial condition and results of operations and our ability to make distributions on Units.

Financing risks, leverage and restrictive covenants may limit our ability for growth

Ownership of certain of our assets, and the real estate industry generally, is capital intensive. We will require access to capital to maintain the real estate and other assets in which we have an interest, as well as to fund our growth strategy and significant capital expenditures from time to time. There is no assurance that capital will be available when needed or on favourable terms. Our failure to access required capital could materially adversely impact our investments, cash flows, operating results or financial condition, our ability to make distributions on the Units and our ability to implement our growth strategy.

DREAM HARD ASSET ALTERNATIVES TRUST

We may borrow from third-parties from time to time to finance or otherwise leverage our assets and any such borrowing adds leverage to the investments made by us. The obligations under the resulting loans may be secured by our assets. The addition of leverage has the potential to enhance our returns but also involves additional risks, and there can be no assurance that the leveraging employed by us will enhance returns. The use of leverage may reduce returns (both distributions and capital) to Unitholders.

Our access to third-party financing will be subject to a number of factors, including:

- (a) general market conditions;
- (b) the market's perception of our growth potential;
- (c) our current and expected future earnings;
- (d) our cash flow and cash distributions; and
- (e) the market price of our Units.

Upon Closing, we will have third-party debt service obligations. The degree to which we are leveraged could have significant consequences to Unitholders. Such factors include:

- (a) a significant portion of our cash flow may be dedicated to the payment of the principal of, and interest on, our indebtedness, thereby reducing the amount of funds available for the payment of cash distributions to Unitholders;
- (b) certain of our borrowings will be at variable rates of interest which exposes us to the risk of increased interest rates;
- (c) a high level of debt would increase vulnerability to general adverse economic and industry conditions;
- (d) covenants contained in debt facilities will limit our ability to borrow additional funds, dispose of assets, encumber our assets, pay distributions and make potential investments;
- (e) a high level of debt may place us at a competitive disadvantage compared to other owners of similar real estate assets that are less leveraged and therefore may be able to take advantage of opportunities that our indebtedness would prevent us from pursuing;
- (f) our debt covenants may affect flexibility in planning for, and reacting to, changes in the economy and in the industry;
- (g) a high level of debt may make it more likely that a reduction in our borrowing base following a periodic valuation (or redetermination) could require us to repay a portion of then-outstanding borrowings; and
- (h) a high level of debt may impair our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions or other purposes.

Certain of our competitors may operate on a less leveraged basis, and therefore could have greater financing flexibility than us. Our ability to make scheduled payments of the principal of, or interest on, and to otherwise satisfy our debt obligations depends on future performance, which is subject to the financial performance of our assets, including our investments in real estate and real estate loans, prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond our control. These factors might inhibit us from refinancing indebtedness at all or on favourable terms, which could have a materially adverse effect on our value and our ability to make distributions on the Units.

Upon the expiry of the term of the financing or refinancing of any particular debt facility we may need to refinance, and there can be no assurance that we will be able to do so or will be able to do so on terms as favourable as those currently in place with respect to the indebtedness. Future financing may take many forms, including debt or equity financing which could alter our debt-to-equity ratio or which could be dilutive to our Unitholders. If we are unable to refinance our indebtedness, or are only able to refinance our indebtedness on less favourable terms, this may have a material adverse effect on us. Similarly, if we were to be in default under the terms of our indebtedness, the applicable lender could foreclose on the real property on which the lender took security to satisfy our obligations under our indebtedness. In either case, this could result in the reduction or suspension of cash distributions to Unitholders.

Certain of our indebtedness contains restrictive covenants that may limit our discretion with respect to certain business matters. These covenants place restrictions upon, among other things, our ability to: (a) incur additional indebtedness; (b) create liens or other encumbrances; (c) pay distributions or certain other payments, investments, loans and guarantees; (d) sell or otherwise dispose of assets; and (e) merge or consolidate with another entity. In addition, our indebtedness may contain financial covenants that require us to maintain certain financial ratios and financial condition tests. Failure to comply with such obligations could result in an event of default which, if not cured by us or waived by the lender, could result in acceleration of the relevant indebtedness. If any indebtedness were to be accelerated, there can be no assurance that our assets would be sufficient to repay that indebtedness in full. If an event of default under any indebtedness were to occur, we could be materially adversely affected.

Changes in government regulations may affect our investments

We are subject to laws and regulations governing the ownership and leasing of certain of our assets (including our real estate), employment standards, environmental matters, taxes and other matters. It is possible that future changes in applicable federal, provincial, local or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting us (including with retroactive effect). Any changes in the laws to which we are subject could materially adversely affect the distributions received by the Trust from Dream Alternatives Master LP or by Unitholders from the Trust. It is not possible to predict whether there will be any further changes in any regulatory regime to which we are subject or the effect of any such change on our investments.

An investment in the Trust is subject to certain Canadian tax risks

We intend to continue to qualify as a “mutual fund trust” for purposes of the Tax Act. There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting the treatment of “mutual fund trusts” will not be changed in a manner that adversely affects Unitholders. If we cease to qualify as a “mutual fund trust” under the Tax Act, the income tax considerations applicable to us, including the income tax considerations described under “Certain Canadian Federal Income Tax Considerations”, would be materially and adversely different in certain respects, including that Units may cease to be qualified investments for Plans.

Although we are of the view that all expenses to be claimed by us will be reasonable and deductible and that the cost amount and capital cost allowance claims of entities indirectly owned by us will have been correctly determined, there can be no assurance that the Tax Act, or the interpretation of the Tax Act, will not change, or that the CRA will agree with our determinations. If the CRA successfully challenges the deductibility of such expenses, our taxable income will increase or change.

The extent to which distributions will be non-taxable in the future will depend in part on the extent to which entities indirectly owned by us are able to deduct depreciation, interest and loan expenses relating to our investments for purposes of the Tax Act.

We will endeavour to ensure that Units continue to be qualified investments for Plans; however, there can be no assurance that this will occur. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

Changes in interest rates could adversely affect our cash flows and our ability to pay distributions

When concluding financing agreements or extending such agreements, we will depend on our ability to agree on terms, including in respect of interest payments and amortization that do not restrict our ability to pay

distributions. In addition, we may enter into future financing agreements with variable interest rates if the current historical low level of interest rates continue. Given the historically low interest rates, there is a risk that interest rates will increase. An increase in interest rates could result in a significant increase in the amount paid by us to service debt, resulting in a decrease in distributions to Unitholders, and could materially adversely affect the trading price of the Units. In addition, increasing interest rates may put competitive pressure on the levels of distributable income paid by us to Unitholders, increasing the level of competition for capital faced by us, which could have a material adverse effect on the trading price of the Units.

We may implement hedging programs in order to offset the risk of revenue losses and to provide more certainty regarding the payment of distributions to Unitholders should current variable interest rates increase. However, to the extent that we fail to adequately manage these risks, our financial results, and our ability to pay distributions to Unitholders and interest payments under future financings may be adversely affected. Increases in interest rates generally cause a decrease in demand for properties. Higher interest rates and more stringent borrowing requirements, whether mandated by law or required by financial institutions, could have a material adverse effect on our ability to sell any of our investments.

Acquisitions of real estate may expose us to undisclosed defects and obligations

Our external growth prospects depend in large part on identifying suitable investment opportunities, pursuing such opportunities and consummating acquisitions, including direct or indirect acquisitions of real estate.

Notwithstanding pre-acquisition due diligence, it is not possible to fully understand a property before it is owned and operated for an extended period of time. For example, we could directly or indirectly acquire a property that contains undisclosed defects in design or construction. Furthermore, we are not always able to obtain from the seller the records and documents that we need in order to fully verify that the buildings we acquire were constructed in accordance with, and that their use complies with, planning laws and building code requirements. Accordingly, in the course of acquiring a property, specific risks might not be or might not have been recognized or correctly evaluated. Thus, we could have overlooked or misjudged legal and/or economic liabilities. These circumstances could lead to additional costs and could have a material adverse effect on our proceeds from sales and rental income of the relevant properties. In addition, after the acquisition of a property by us, the market in which the acquired property is located may experience unexpected changes that materially adversely affect the property's value. The occupancy of properties that we acquire may decline during its ownership, and rents that are in effect at the time a property is acquired may decline thereafter. For these reasons, among others, our property acquisitions may cause us to experience significant losses.

Interests in real estate that are under development may not be completed on the anticipated timelines, budgets or at all

Our assets may include interests in real estate under construction or held for development. We may commit to making further investments in respect of our interest in these types of properties, including through the provision of construction and completion guarantees by the co-owners to project lenders or otherwise. Our involvement in such development activities is subject to related risks that include:

- (a) the potential insolvency of a developer;
- (b) the developer's failure to use advanced funds in payment of construction costs;
- (c) construction or unanticipated delays;
- (d) incurring construction costs before ensuring rental revenues will be earned from a project;
- (e) cost over-runs on a project; and
- (f) the failure of tenants to occupy and pay rent in accordance with lease arrangements.

Such risks are minimized, but not avoided, by generally not commencing construction until satisfactory levels of preleasing or sales, as applicable, are achieved.

Investments in, and profits and cash flows from, properties or other assets may be lost in the event of uninsured or underinsured losses to properties or other assets or losses from title defects

We will carry general liability, umbrella liability and excess liability insurance with limits which are typically obtained for similar real estate portfolios in Canada and otherwise acceptable to the Trust Board on the recommendation of DREAM. For the property risks we intend to carry "All Risks" property insurance including but not limited to, flood, earthquake and loss of rental income insurance (with at least a 24 month indemnity period). We also intend to carry boiler and machinery insurance covering all boilers, pressure vessels, HVAC systems and equipment breakdown. There are, however, certain types of risks (generally of a catastrophic nature such as from war or nuclear accident) which are uninsurable under any insurance policy. Furthermore there are other risks that are not economically viable to insure at this time. We will have insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements. Should an uninsured or underinsured loss occur, we could lose our investment in, and anticipated profits and cash flows from, one or more of our properties, but we would continue to be obligated to repay any recourse mortgage indebtedness on such properties. We may carry title insurance on certain of our real estate assets but will not necessarily insure all titles. If a loss occurs resulting from a title defect with respect to a property where there is no title insurance or the loss is in excess of insured limits, we could lose all or part of our investment in, and anticipated profits and cash flows from, such property.

Risks Relating to Real Estate Lending

Nature of investments in mortgages

Investments in mortgages are affected by general economic conditions, local real estate markets, demand for leased premises, new supply, occupancy rates, operating expenses, prevailing interest rates and various other factors. The value of a real estate property may ultimately depend on the credit and financial stability of its tenants. Investments in mortgages are relatively illiquid. This limited liquidity will tend to limit our ability to vary our mortgage portfolio promptly in response to changing economic or investment conditions.

Investments in mortgages relating to development or renovations may be riskier than investments in mortgages relating to income-producing commercial property or mortgage receivables. Land mortgages pose a risk in the event of default in that the asset has no capacity to generate cash flow. Our mortgages will not usually be insured in whole or in part. As well, there are certain inherent risks in the real estate industry, some of which we may not be able to insure against or which we may elect not to insure due to the cost of such insurance. Any or all of these factors could materially adversely affect us.

Sensitivity to interest rates on mortgage portfolio

The market price for our Units and the value of our mortgage portfolio at any given time may be affected by the level of interest rates prevailing at such time. Our income includes interest payments on the mortgages comprising our real estate lending portfolio. If there is a decline in interest rates (as measured by the indices upon which the interest rates of our mortgages are based), we may find it difficult to make additional mortgages bearing rates sufficient to achieve our investment objectives and to support our rate of distributions. There can be no assurance that an interest rate environment in which there is a significant decline in interest rates would not adversely affect our ability to maintain our distributions at a consistent level. As well, if interest rates increase, the value of our real estate lending portfolio may be negatively impacted.

Changes in real estate values of secured real estate

Our mortgage loans are secured by real estate, the value of which can fluctuate. The value of real estate is affected by general economic conditions, local real estate markets, the attractiveness of the property to tenants (where applicable), competition from other available properties, fluctuations in occupancy rates, operating expenses and other factors. The value of income-producing real property may also depend on the credit worthiness and financial stability of the borrowers and/or the tenants. Changes in market conditions may decrease the value of the secured property and reduce the cash flow from the property, thereby impacting the ability of the borrower to service the debt and/or repay the loan based on the property income. A substantial decline in value of real property provided as security for a mortgage loan may cause the value of the property to be less than the outstanding principal amount of the mortgage loan. Foreclosure or power of sale by us on any such mortgage loan might not provide us with proceeds sufficient to satisfy the outstanding principal amount of the mortgage loan.

Risks related to mortgage defaults

If a borrower under a mortgage loan defaults under any terms of the loan, we may have the ability to exercise our mortgage enforcement remedies in respect of the mortgage loan. Exercising mortgage enforcement remedies is a process that requires a significant amount of time to complete, which could adversely impact our cash flow. In addition, as a result of potential declines in real estate values, there is no assurance that we will be able to recover all or substantially all of the outstanding principal and interest owed to us in respect of such mortgages by exercising our mortgage enforcement remedies. Our inability to recover all or substantially all of the principal and interest owed to us in respect of such mortgage loans could materially adversely affect us.

Foreclosure and related costs

One or more borrowers could fail to make payments according to the terms of their mortgage loan, and we could therefore be forced to exercise our rights as mortgagee. The recovery of a portion of our assets may not be possible for an extended period of time during this process and there are circumstances where there may be complications in the enforcement of our rights as mortgagee. Legal fees and expenses and other costs incurred by us in enforcing our rights as mortgagee against a defaulting borrower are usually recoverable from the borrower directly or through the sale of the mortgaged property by power of sale or otherwise, although there can be no assurance that such expenses will actually be recovered. In the event that these expenses are not recoverable, they will be borne by us.

Furthermore, certain significant expenditures, including real estate taxes, capital repair and replacement costs, maintenance costs, mortgage payments, insurance costs and related charges must be made through the period of ownership of real estate regardless of whether the property is producing income or whether mortgage payments are being made. We may therefore be required to incur such expenditures to protect our investment, even if the borrower is not honouring its contractual obligations.

Renewal of mortgages comprising the mortgage portfolio

There can be no assurance that any of the mortgages comprising our mortgage portfolio can or will be renewed at the same interest rates and terms, or in the same amounts as are currently in effect. The mortgagor, the mortgagee or both, may elect to not renew any mortgage. If mortgages are renewed, the principal balance, the interest rates and the other terms and conditions will be subject to negotiation between the mortgagors and the mortgagees at the time of renewal.

Composition of the mortgage portfolio

The composition of our mortgage portfolio may vary widely from time to time and may be concentrated by type of security, industry or geography, resulting in it being less diversified at some times than at other times. A lack of diversification may result in us being exposed to economic downturns or other events that have an adverse and disproportionate effect on particular types of securities, industries or geographies.

Value of assets underlying our investments in mortgages may fall and be insufficient to repay amounts outstanding

We could lose some or all of our investment in a mortgage if the value of the assets securing the mortgage is insufficient on a realization to repay in full the amount owing by the borrower on the mortgage. As part of evaluating an investment for us, we expect that DREAM will analyze the risk of loss should a default ever occur, including evaluating the security or collateral for the investment in the mortgage to determine the likelihood of the value of the assets securing the debt covering the amount that would be owed to Dream **Alternatives Master LP**. However, there can still be no assurance that such analysis will be correct or that the value of such collateral will not decline.

Risks Relating to our Relationship with DREAM and Others

Reliance on DREAM for management services

We will rely on DREAM with respect to the asset management of our investments. Consequently, our ability to achieve our investment objectives depends in large part on DREAM and its ability to properly advise us. Although the Management Agreement does not have a fixed term, DREAM has the right to terminate the Management Agreement with 180 days' prior written notice if Dream Alternatives Master LP and/or the Trust defaults in the performance or observance of any material term, condition or agreement of the Management

Agreement in a manner that results in material harm and such default continues unremedied for a period of 60 days. The Management Agreement may also be terminated in other circumstances, such as upon the occurrence of an event of default or insolvency of DREAM within the meaning of such agreement. Accordingly, there can be no assurance that DREAM will continue to be our asset manager. If DREAM should cease for any reason to be our asset manager, our ability to meet our objectives and execute our strategy may be adversely affected. We may be unable to duplicate the quality and depth of management available to DREAM by becoming a self-managed company or by hiring another asset manager. In addition, the cost of obtaining substitute services may be greater than the fees we will pay DREAM under the Management Agreement.

DREAM will exercise substantial influence over Dream Alternatives Master LP and we are highly dependent on DREAM

DREAM is the sole shareholder of Dream Alternatives Master GP. As a result of its ownership of Dream Alternatives Master GP, DREAM will be able to control the appointment and removal of the Directors and, accordingly, exercise substantial influence over Dream Alternatives Master LP. In addition, the Trust holds its interest in our assets through its limited partnership interest in Dream Alternatives Master LP. As a limited partner, the Trust will not have a right to participate in the management or activities of Dream Alternatives Master LP.

We depend on the management and administration services provided by DREAM under the Management Agreement. DREAM personnel and support staff that provide services to us under the Management Agreement are not required to have as their primary responsibility the management and administration of the Trust or Dream Alternatives Master LP or to act exclusively for either of us and the Management Agreement does not require that the services we receive be provided to us by any specific individuals employed by DREAM. Any failure to effectively manage our operations or to implement our strategy could materially adversely affect us.

Reliance on Dream Alternatives Master LP to provide us with the funds necessary to pay distributions and meet our financial obligations

The Trust's sole material asset is its limited partnership interest in Dream Alternatives Master LP. The cash distributions to Unitholders are dependent on the ability of Dream Alternatives Master LP to pay distributions in respect of our LP A Units. The ability of Dream Alternatives Master LP to pay distributions or make other payments or advances to us may be subject to contractual restrictions contained in any instruments governing the indebtedness of Dream Alternatives Master LP or investments held by it. The ability of Dream Alternatives Master LP to pay distributions or make other payments or advances is also dependent on the ability of Dream Alternatives Master LP's Subsidiaries to pay distributions or make other payments or advances to Dream Alternatives Master LP. The Trust depends on distributions and other payments from Dream Alternatives Master LP and, indirectly, its Subsidiaries and investments, to provide the Trust with the funds necessary to pay distributions to its Unitholders and to meet its financial obligations.

Dream Alternatives Master GP, Dream Alternatives Master LP and its Subsidiaries are legally distinct from us and some of them are or may become restricted in their ability to pay dividends and distributions or otherwise make funds available to us pursuant to law, regulatory requirements and their respective contractual agreements. Any other Persons through which we may conduct operations in the future will also be legally distinct from us and may be similarly restricted in their ability to pay dividends and distributions or otherwise make funds available to us under certain conditions.

We anticipate that the only distributions we will receive in respect of our limited partnership interest in Dream Alternatives Master LP will consist of amounts that are intended to assist us in making distributions to our Unitholders in accordance with our distribution policy and to allow us to pay our expenses and other costs as they become due. While we plan to review our distributions to Unitholders periodically, there is no guarantee that we will be able to increase, or even maintain, the level of distributions that are paid.

Third-party risks

We rely on third-parties to, among other things, act as partners in investments as well as to actively manage real estate in which we directly or indirectly invest. The loss of, or degradation in, relationships with one or more of these third-parties could adversely affect the availability of investments to the Trust or the return generated by the investments of the Trust. Furthermore, these third-parties are independent of the Trust and may act in a manner that is contrary to its wishes or best interests.

Our Trustees, Directors and DREAM may be put in a position of conflict as a result of their positions held and interests in other businesses

The Trustees and the Directors may also be trustees, directors and/or officers of other entities, including DREAM, or are otherwise engaged, and will continue to be engaged, in activities that may put them in conflict with our investment strategy. Consequently, these positions could create, or appear to create, conflicts of interest with respect to matters involving us. Pursuant to the Declaration of Trust, all decisions to be made by the Trust Board which involve us will be required to be made in accordance with the Trustee's duties and obligations to act honestly and in good faith with a view to the best interests of the Trust and the Unitholders. In addition, our Trustees are required to declare their interests in, and such Trustees are required to refrain from voting on, any matter in which they may have a material conflict of interest. Applicable corporate law imposes similar obligations on the Directors. However, there can be no assurance that potential conflicts of interest or that such actual or potential conflicts of interest will be adequately addressed or be resolved in our favour.

DREAM acts as the asset manager for three publicly-traded REITs and also provides management services to other public and private companies. As asset manager for other entities and on its own behalf, DREAM will pursue other business opportunities, including but not limited to real estate and development business opportunities outside of the Trust and Dream Alternatives Master LP. These multiple responsibilities to public entities and other businesses could create competition for the time and efforts of DREAM which could materially adversely affect us.

Risks Relating to the Reorganization and the Acquisition of the Initial Assets

Historical financial information and pro forma financial information may not be indicative of future results

The Trust Pro Forma Statements included in this prospectus have been derived from the historical accounting records and audited financial statements of the ROI Funds, which were prepared by the respective ROI Funds and not by us. We have relied on these accounting records and audited financial statements, and believe that we have made reasonable assumptions, in preparing the Trust Pro Forma Statements. However, the Trust Pro Forma Statements may not reflect what our financial position, results of operations or cash flows would have been had we owned the Initial Assets during the historical periods presented or what our financial position, results of operations or cash flows will be in the future.

In preparing the Trust Pro Forma Financial Statements included in this prospectus, we have given effect to, among other items, the Reorganization and the Offering. The estimates used in the financial information may not be similar to our actual experience.

We may assume unknown liabilities in connection with the acquisition of the Initial Assets

We will assume liabilities arising out of or related to our business in connection with the Reorganization and the acquisition of the Initial Assets which may include unknown liabilities that could be significant. Although DREAM has obtained certain representations and warranties in the Purchase Agreement with respect to the Initial Assets, there can be no assurance that these representations are true and correct or that DREAM will be fully protected in the event of a breach of such representations and warranties. Although ROI Capital has agreed to indemnify DREAM in connection with matters under the Purchase Agreement, including for breaches of representations and warranties relating to the Initial Assets, we are not a party to the Purchase Agreement and so there can be no assurance that we would receive any benefit from any claim made by DREAM pursuant to such indemnity for a breach of any representations or warranties relating to the Initial Assets or otherwise.

Risks Relating to the Offering and the Units

Absence of a prior public market and determination of offering price

As at the date of this prospectus, there is no public market for the Units. We cannot predict the prices at which the Units will trade and there can be no assurance that an active trading market will develop after Closing or, if developed, that such market will be sustained at a particular price or at all.

A publicly-traded mutual fund trust will not necessarily trade at values determined solely by reference to the net asset value of its underlying assets. Accordingly, Units may trade at a premium or a discount to values implied by the valuation of our assets. The market price of the Units could be subject to wide fluctuations.

The market price of Units may be affected by the annual yield on the Units. An increase in market interest rates may lead purchasers of Units to demand a higher annual yield, which accordingly could materially adversely affect the market price of the Units. In addition, general market conditions, fluctuations in the markets for equity or debt securities, short-term supply and demand factors for issuers such as the Trust and numerous other factors beyond our control could materially adversely affect the trading value of the Units.

Ability of Unitholders to redeem Units is subject to restrictions on redemption

It is anticipated that the redemption right attached to Units will not be the primary mechanism by which Unitholders will liquidate their investments. The entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitations that: (a) the total amount payable by us in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed \$50,000 (provided that such limitations may be waived at the discretion of the Trust Board); (b) at the time such Units are tendered for redemption, the outstanding Units shall be listed for trading on a stock exchange or traded or quoted on another market that the Trust Board believes, in its sole discretion, is able to provide representative fair market value prices for such Units; and (c) the normal trading of Units is not suspended or halted on any stock exchange on which such Units are listed (or, if not listed on a stock exchange, on any market on which such Units are quoted for trading) on the Redemption Date or for more than five trading days during the 20-day trading period commencing immediately after the Redemption Date.

Cash distributions are not guaranteed and may fluctuate with our financial performance

The Trust's distribution policy will be established in the Declaration of Trust and may only be changed with the approval of at least two-thirds of Unitholders. However, the Trust Board may reduce or suspend cash distributions indefinitely, which could have a material adverse effect on the market price of Units.

Although we intend to make cash distributions in accordance with our distribution policy, the amount of monthly distributions to Unitholders will be determined by the Trust Board based on distributions received from Dream Alternatives Master LP and the amount of the Trust's general and administrative, operating and other expenses and taxes. Dream Alternatives Master LP's distribution policy will provide that the intention is to distribute free cash flow from Dream Alternatives Master LP that is not necessary to maintain the value of its assets or investments, implement the then-current approved annual investment plan or to otherwise fund its ongoing operations. However, distributions to the Trust by Dream Alternatives Master LP will be determined by the GP Board and will be dependent on, among other things, the interest income, net rental income and other income earned on the assets held by Dream Alternatives Master LP, interest expenses, general and administrative expenses, other corporate and servicing costs, taxes, provisions for capital expenditures, working capital and reserves, and the Management Fees payable to DREAM. The actual cash flow available for distribution to Unitholders is therefore dependent on the amount of cash flow paid to us by our operating entities and can vary significantly from period to period, including as a result of other factors that may be beyond our control.

Distributions may be increased, reduced or suspended entirely depending on our operations and the performance of our assets. The market value of Units may materially deteriorate if we are unable to meet distribution expectations in the future.

Unitholders do not have legal rights normally associated with ownership of shares of a corporation

Unitholders do not have all of the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions against us.

Unitholder Liability

The Declaration of Trust provides that no Unitholder will be subject to any personal liability whatsoever to any Person in connection with the holding of a Trust Unit. In addition, legislation has been enacted in the Province of Ontario that is intended to provide Unitholders with limited liability. However, there remains risk, which is considered by the Trust to be remote in the circumstances, that a Unitholder could be held personally liable for the obligations of the Trust to the extent that claims are not satisfied out of the assets of the Trust. It is intended that the affairs of the Trust will be conducted to seek to minimize such risk wherever possible.

DREAM HARD ASSET ALTERNATIVES TRUST

Regulatory approvals may be required in connection with a distribution of securities on a redemption of Units or our termination

Upon a redemption of Units or termination of the Trust, the Trust Board may distribute securities directly to the Unitholders, subject to obtaining any required regulatory approvals. No established market may exist for the securities so distributed at the time of the distribution and no market may ever develop. In addition, the securities so distributed may not be qualified investments for Plans, depending upon the circumstances at the time.