dream alternatives

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DREAM HARD ASSET ALTERNATIVES TRUST REPORTS STABLE Q1 2015 RESULTS

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, MAY 12, 2015, DREAM HARD ASSET ALTERNATIVES TRUST (TSX: DRA.UN) ("Dream Alternatives" or the "Trust") today reported its financial results for the three months ended March 31, 2015.

"We have made exceptional progress in repositioning the Trust's portfolio since its inception less than a year ago," said Michael Cooper, Portfolio Manager. "We are ahead of our expectations in repatriating capital from the original loan portfolio and we have invested and entered into agreements for approximately $150 million of equity in new investments at an average yield of 9.6%. We are confident that we will increase adjusted funds available for distribution ("AFAD") and adjusted net asset value per Unit of the Trust as all of our current renewable power investments become operational by the fourth quarter of 2015."

Our AFAD per Unit for the three months ended March 31, 2015 was $0.08, a slight decline from $0.09 in the prior quarter due to a lower average lending portfolio balance and a corresponding increase in cash on hand. In addition, we had nominal AFAD contribution from approximately $63 million of renewable assets under development on our balance sheet at March 31, 2015. We expect the Trust's AFAD per unit to increase by at least $0.06 on an annualized basis as our current portfolio of renewable power projects become fully operational by the fourth quarter of 2015, all else equal.

Selected financial and operating metrics for the three months ended March 31, 2015 are summarized below.

(All dollar amounts are presented in thousands of Canadian dollars, except Unit and per Unit amounts unless otherwise stated)

For the three months ended		**March 31, 2015**		December 31, 2014		September 30, 2014
Results of operations						
Adjusted total income[1]	**$**	**18,658**	$	19,456	$	19,232
Net operating income[2]		**11,159**		12,256		11,839
EBITDA [3]		**7,848**		8,334		8,584
AFAD [4]		**5,520**		6,290		6,580
Annualized AFAD return on net assets [5]		**3.11%**		3.53%		3.64%
Trust Unit information						
Distributions declared per Unit (DRIP participation of 4.3%)		**0.10**		0.10		0.09
AFAD per Unit (basic and fully diluted)		**0.08**		0.09		0.09

As at		**March 31, 2015**		December 31, 2014
Financial position				
Cash	**$**	**93,155**	$	80,157
Net assets attributable to Unitholders of the Trust[6]		**707,636**		712,207
Total assets		**999,902**		997,260
Debt-to-gross book value[7]		**26.45%**		25.15%
Closing price per Unit	**$**	**6.73**	$	6.78
Units outstanding – end of period		**73,545,104**		73,666,978
Market capitalization	**$**	**494,959**	$	499,462
Total adjusted net asset value per Unit[8][9]		**9.70**		9.75

Footnotes: Please refer to page 4 for definitions

2015 Q1 HIGHLIGHTS:

Repayments in the Original Loan Portfolio Ahead of Schedule:

We are pleased with the performance of the mortgage portfolio. Many of the loans which had been considered higher risk by management have been repaid by the borrowers, and we have received repayment of approximately 61% of the original mortgage portfolio as at May 12, 2015. The total outstanding principal declined by $62.8 million from last quarter mainly due to $66.5 million of maturities and repayments during the quarter, offset by $3.0 million of new originations. Since the listing of the Trust on July 8, 2014 ("the Trust's Listing"), the strategic focus has been to diversify and reduce the risk profile of the lending portfolio. At July 8, 2014, loans in the hospitality sector represented approximately 52% of the loan portfolio. During the three months ended March 31, 2015, five loans in the hospitality sector aggregating to $58.0 million were repaid, diversifying exposure to 13% of the lending portfolio and 3% of the overall net assets of the Trust.

The lending portfolio segment AFAD were $3.3 million for the three months ended March 31, 2015, which was $4.2 million lower than the prior quarter AFAD, mainly due to the net loan principal repayments discussed above. At March 31, 2015, the loan portfolio had a weighted average effective interest rate of 8.94%, an increase from 7.72% at the Trust's Listing. Commitments to fund additional loans total $25.6 million at March 31, 2015 at a weighted average interest rate of 8.15%. We continue to see a variety of lending opportunities at attractive interest rates.

Strong Leasing Momentum within Income Properties:

Our first quarter 2015 results reflect the stability of our investment in income properties with Dream Office REIT (TSX: D.UN). As at March 31, 2015, the overall in-place and committed occupancy rate was 91.2%, in line with the prior quarter, and compares favourably to the market-specific industry average occupancy rate applicable to the Trust's portfolio of 86.5% (CBRE, Canadian Market Statistics, First Quarter 2015).

The income properties segment AFAD for the three months ended March 31, 2015 were $4.4 million, a slight decrease from the prior quarter AFAD of $4.6 million as a result of slightly lower in-place occupancy.

Our leasing progress to date has been strong and we have secured future leases for approximately 60% of the 2015 expiries, as well as 30% and 40% of the 2016 and 2018 expiries, respectively. Included in the new leases securing future expiries is an approximately 77,000 sq.ft. lease at the Trust's share with a government tenant for 15 years at 219 Laurier Ave. West in Ottawa. Additionally, the spread between average market rent and in-place rent remains attractive at 5.6%. Overall, we expect the portfolio to maintain a stable operating and financial performance for the remainder of 2015.

Increasing Exposure to Renewable Power Investments:

The Trust has $62.6 million of renewable power assets at March 31, 2015, up from $25.9 million in the prior quarter, primarily attributable to new commitments funded in the first quarter of 2015. Including these investments, we expect to have 21 megawatts ("MW") of projects become operational by the fourth quarter of 2015. All committed renewable power investments are expected to generate an average yield of 12% over the life of the projects.

In addition, the Trust successfully closed the first tranche of $15.0 million in project financing for its Nova Scotia wind project. The financing was secured at a fixed rate of 4.70%, on a non-recourse basis and amortizes over a 20-year term. Proceeds from the debt financing will be used to fund construction costs for the project.

All projects within the Trust's renewable power portfolio have 20-year government or regulated utility power purchase agreements ("PPA"), allowing the projects to sell the generated electricity at a fixed contract rate, which is above the market rate, providing stable and predictable cash flow to the Trust.

Development and Investment Holdings Update:

The value of the Trust's development and investment holdings portfolio remained stable relative to the fourth quarter of 2014. As at March 31, 2015, 40.3% of the 1.2 million sq.ft. of retail developments are leased and the project manager remains in active leasing discussions with national tenants. This compares favourably to the 29.7% at the Trust's Listing. In addition, at March 31, 2015, 67.7% of the 1,944 total projected residential units in our portfolio have been sold, up from 59.0% at the Trust's Listing.

During the three months ended March 31, 2015, cash distributions of $1.1 million were received from the development and investment holdings available-for-sale in the Trust's portfolio. This was largely attributed to capital proceeds received from the refinancing of a matured mortgage on one Bayfield LP investment. AFAD for the three months ended March 31, 2015 were $1.3 million (December 31, 2014 - $1.3 million), which includes accrued interest receivable on the Empire residential development projects.

Normal Course Issuer Bid Update

During and subsequent to the three months ended March 31, 2015, the Trust purchased for cancellation 236,000 Units under the normal course issuer bid at an average price of $6.62 per Unit and a total cost of approximately $1.6 million. Since the Trust's Listing, the Asset Manager and the Portfolio Manager of the Trust together have purchased a total of 871,500 Units at a total cost of approximately $5.6 million.

Other Financial Information

Information appearing in this press release is a select summary of results. The financial statements and management's discussion and analysis for the Trust are available at www.dreamalternatives.ca and on SEDAR at www.sedar.com.

Dream Alternative Trust's management team will discuss the Trust's business at its annual meeting, being held today at 4:00 p.m. (ET) at the Trust's corporate office at 30 Adelaide Street East, Suite 300 in Toronto.

About Dream Alternatives

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

For further information, please contact:

DREAM ALTERNATIVES

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Non-IFRS Measures

The Trust's interim condensed consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, the Trust discloses and discusses certain non-IFRS financial measures including adjusted total income, net operating income ("NOI"), EBITDA, adjusted funds available for distribution ("AFAD"), annualized AFAD return on net assets, net assets attributable to Unitholders of the Trust, debt-to-gross book value, adjusted net asset value, and adjusted net asset value per Unit, as well as other measures discussed elsewhere in this release. These non-IFRS measure are not defined by IFRS, do not have a standardized meaning and may not be comparable with similar measures presented by other issuers. The Trust has presented such non-IFRS measures as Management believes they are relevant measures of our underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to net income, total comprehensive income or cash flows generated from operating activities or comparable metrics determined in accordance with IFRS as indicators of the Trust's performance, liquidity, cash flow and profitability. For a full description of these measures and where applicable a reconciliation to the most directly comparable measure calculated in accordance with IFRS please refer to the "Non-IFRS Measures" in the Trust's Management's Discussion and Analysis for the period ended March 31, 2015.

Forward Looking Information

This press release may contain forward-looking information within the meaning of applicable securities legislation. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Trust's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to general and local economic and business conditions, employment levels, mortgage and interest rates and regulations, regulatory risks, environmental risks, consumer confidence, the financial condition of tenants and borrowers, local real estate conditions, adverse weather conditions and variability in wind conditions and solar irradiation, reliance on key clients, partners and personnel, the uncertainties of acquisitions and new projects, inflation and competition. All forward looking information in this press release speaks as of May 12, 2015. The Trust does not undertake to update any such forward looking information whether as a result of new information, future events or otherwise. Additional information about these assumptions and risks and uncertainties is disclosed in filings with securities regulators filed on SEDAR (www.sedar.com). These filings are also available at the Trust's website at www.dreamalternatives.ca.

FOOTNOTES

*(1) **"Adjusted total income"** is defined by the Trust as the total income from income properties, renewable power projects, lending portfolio investments and cash distributions received from development and investment holdings. This non-IFRS measurement is an important measurement used by the Trust in evaluating operating performance. A reconciliation of adjusted total income can be found in the MD&A under the heading "Reconciliation of total income to adjusted total income, NOI, EBITDA, adjusted EBITDA for the three months ended March 31, 2015".*

*(2) **"Net operating income ("NOI")"** is defined by the Trust as adjusted total income less operating expenses as presented in the interim condensed consolidated financial statements of comprehensive income, and includes the Trust's share of net rental income from investments in joint ventures, if any. This non-IFRS measurement is an important measurement used by the Trust in evaluating operating performance. A reconciliation of NOI to net income can be found in the MD&A under the heading "Reconciliation of total income to adjusted total income, NOI, EBITDA, adjusted EBITDA for the three months ended March 31, 2015'".*

*(3) **"EBITDA"** is defined by the Trust as net income (loss) adjusted for interest, income taxes, depreciation of property, plant and equipment, fair value gains (losses) on income properties and development investments, non-recurring and/or non-cash items. This non-IRFS measurement is an important measure used by the Trust to assess our ongoing business operations while eliminating the impact of financing methods, capital structure and income tax rates. A reconciliation of EBITDA can be found in the MD&A under the heading "Reconciliation of total income to adjusted total income, NOI, EBITDA, adjusted EBITDA for the three months ended March 31, 2015'".*

*(4) **"Adjusted funds available for distribution ("AFAD")"** This non-IFRS measurement is an important measure used by the Trust as an indicator to evaluate the Trust's rate of distribution while preserving the long-term value of the business. It does not represent cash flow from operating activities, as defined by IFRS, and is not necessarily indicative of cash available to fund Dream Alternatives' needs.*

*(5) **"Annualized AFAD return on net assets"** is AFAD for the applicable period divided by total net assets attributable to Unitholders of the Trust at the end of the period calculated on an annualized basis by prorating the AFAD for the period over 12 months (for example, the quarterly results are multiplied by four to derive the annualized AFAD). The measure is not adjusted to reflect the timing of when the AFAD was earned or for fluctuations in the balance of net assets attributable to Unitholders of the Trust over the period. This non-IFRS measurement is an important measurement used by the Trust in evaluating the Trust's operating performance.*

*(6) **"Net assets attributable to Unitholders of the Trust"** refers to the net difference between total assets and total liabilities less the amount of assets and liabilities attributable to non-controlling interests. This non-IFRS measurement is an important measurement in evaluating the Trust's and Asset Manager's performance. A reconciliation of net assets attributable to Unitholders of the Trust can be found in the MD&A under the heading "Reconciliation of Adjusted Net Asset Value as at March 31, 2015".*

*(7) **"Debt-to-gross book value"** represents the contractual balance of debt payable divided by the gross asset value of the Trust as at the applicable reporting date. This non-IFRS measurements is an important measure used in the management of the Trust's debt levels.*

*(8) **"Adjusted net asset value ("Adjusted NAV")"** represents the net assets attributable to Unitholders of the Trust including adjustments to remove deferred income taxes payable or receivable, Deferred Unit Incentive Plan payable, and the unamortized balance of the net lending portfolio discount and mortgages payable premiums that are included in net assets on the Trust's interim condensed consolidated financial statements of financial position. The net lending portfolio discount and mortgages payable premiums represent the current unamortized balance of fair market value adjustments recorded for these instruments at Closing. Since the Trust intends on holding the lending portfolio investments and mortgages payable to maturity, this historical fair value adjustment is removed for the calculation of the adjusted net asset value. Adjusted NAV also includes fair value adjustments on renewable power projects, which are recognized at amortized cost on the interim condensed consolidated financial statements of financial position ($nil as at March 31, 2015). This non-IFRS measurement is an important measurement used by the Trust in evaluating the Trust's and Asset Manager's performance. A reconciliation of net asset value per Unit can be found in the MD&A under the heading "Reconciliation of Adjusted Net Asset Value as at March 31, 2015."*

*(9) **"Adjusted Net asset value per Unit"** represents the adjusted net asset value attributable to Unitholders of the Trust divided by the number of Units outstanding at the end of the period. This non-IFRS measurement is an important measurement in evaluating the Trust's and Asset Manager's performance. A reconciliation of adjusted net asset value per Unit can be found in the MD&A under the heading "Reconciliation of Adjusted Net Asset Value as at March 31, 2015".*