CT Real Estate Investment Trust

2016 Third Quarter Report to Unitholders

For the quarter ended September 30, 2016

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CT REAL ESTATE INVESTMENT TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS
THIRD QUARTER 2016

Forward-looking Disclaimer

This Management's Discussion and Analysis ("MD&A") contains statements that are forward-looking. Actual results or events may differ materially from those forecasted in this disclosure because of the risks and uncertainties associated with the business of CT Real Estate Investment Trust and its subsidiaries, (unless the context requires otherwise referred to herein as "CT REIT", the "Trust" or the "REIT") and the general economic environment. CT REIT cannot provide any assurance that any forecasted financial or operational performance will actually be achieved or, if achieved, that it will result in an increase in the price of CT REIT's units. See section 12.0 in this MD&A for a more detailed discussion of the REIT's use of forward-looking statements.

1.0 Preface

1.1 Basis of Presentation

The following MD&A is intended to provide readers with an assessment of the performance of CT REIT for the three and nine months ended September 30, 2016 and should be read in conjunction with the REIT's unaudited condensed consolidated interim financial statements ("interim financial statements") and accompanying notes for the three and nine months ended September 30, 2016 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). In addition, the following MD&A should be read in conjunction with CT REIT's forward-looking information found in section 12.0 of this MD&A. Information about CT REIT, including the 2015 Annual Information Form ("AIF"), 2015 Annual Report and all other continuous disclosure documents required by the Canadian securities regulators, can be found on the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com and on CT REIT's website in the Investors section by a link at www.ctreit.com.

1.2 Definitions

In this document, the terms "CT REIT", "the REIT", and "the Trust", refer to CT Real Estate Investment Trust and its subsidiaries unless the context requires otherwise. In addition, "the Company", "CTC" and the "Corporation" refer to Canadian Tire Corporation, Limited, entities that it controls and their collective businesses unless the context requires otherwise. For commonly used defined terms refer to the glossary of terms in CT REIT's 2015 Annual Report.

1.3 Accounting Estimates and Assumptions

The preparation of the interim financial statements in accordance with IFRS requires management to make judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the interim financial statements and the reported amounts of revenue and expenses during the reporting period. Refer to section 8.0 in this MD&A for further information.

Financial data included in this MD&A includes material information as of November 1, 2016. Disclosure contained in this document is current to that date, unless otherwise noted.

1.4 Quarterly Comparisons in this MD&A

Unless otherwise indicated, all comparisons of results for Q3 2016 (three months ended September 30, 2016) are against results for Q3 2015 (three months ended September 30, 2015) and comparisons of YTD 2016 results (nine months ended September 30, 2016) are against YTD 2015 results (nine months ended September 30, 2015).

1.5 Non-GAAP and Operational Key Performance Indicators

Net operating income ("NOI"), same store NOI, same property NOI, funds from operations ("FFO"), FFO per Unit, adjusted funds from operations ("AFFO"), AFFO per Unit, earnings before interest and other financing costs, taxes and fair value adjustments ("EBITFV"), interest coverage ratio, indebtedness ratio, debt to enterprise value ratio, and book value per Unit are key performance indicators used by management to track and assess CT REIT's performance in meeting its principle objective of creating Unitholder value. These measures are not defined by IFRS, also referred to as GAAP, and therefore should not be construed as alternatives to net income or cash flow from operating activities calculated in accordance with IFRS.

Further, the key performance indicators used by management may not be comparable to similar measures presented by other real estate investment trusts or enterprises. Net income prepared in accordance with IFRS is also subject to varying degrees of judgment, and some meaningful differences in accounting policies exist between publicly traded entities in Canada. Accordingly, net income as presented by CT REIT may not be comparable to net income presented by other real estate investment trusts or enterprises.

For further information on the non-GAAP and operational key performance indicators used by management and for reconciliations to the nearest GAAP measures, refer to section 9.0.

1.6 Review and Approval by the Board of Trustees

The Board of Trustees ("the Board"), on the recommendation of its Audit Committee, authorized for issuance the contents of this MD&A on November 1, 2016.

1.7 Nature and Formation

CT REIT is an unincorporated, closed-end real estate investment trust established on July 15, 2013 pursuant to a declaration of trust under, and governed by, the laws of the Province of Ontario as amended and restated as at October 22, 2013 (the "Declaration of Trust"). CT REIT commenced operations on October 23, 2013. The principal, registered and head office of CT REIT is located at 2180 Yonge Street, Toronto, Ontario M4P 2V8. CTC owns an 85.1% effective interest in CT REIT as of September 30, 2016, consisting of 59,711,094 of the issued and outstanding units of CT REIT ("Units") and all of the issued and outstanding Class B limited partnership units ("Class B LP Units") of CT REIT Limited Partnership (the "Partnership"), which are economically equivalent to and exchangeable for Units. CTC also owns all of the Class C limited partnership units ("Class C LP Units") of the Partnership. The Units are listed on the Toronto Stock Exchange ("TSX") under the symbol CRT.UN.

CT REIT has one segment which comprises the ownership and operation of primarily retail investment properties located in Canada.

2.0 Growth Strategy and Objectives

The following section contains forward-looking information and users are cautioned that actual results may vary.

The principal objective of CT REIT is to create Unitholder value over the long-term by generating reliable, durable and growing monthly distributions on a tax-efficient basis. To achieve this objective, management is focused on expanding the REIT's asset base while also increasing its AFFO per Unit.

Future growth is expected to be achieved from a number of sources including:

1. The current portfolio of Canadian Tire store leases contain contractual annual rent escalations of 1.5% per year, on average, over the initial term of the leases and have a weighted average remaining lease term of 12.9 years;
2. CT REIT has contractual arrangements with CTC whereby CT REIT has a right of first offer[1] ("ROFO") on all CTC properties which meet the REIT's investment criteria and preferential rights, subject to certain exceptions, to participate in the development of, and to acquire, certain new retail properties; and
3. CT REIT will continue to seek to use its relationship with CTC to obtain insights into potential real estate acquisitions and development opportunities in markets across Canada.

[1]The ROFO Agreement has a remaining initial term of 7 years and thereafter will continue in effect until such time as CTC ceases to hold a majority of the voting units, being the Units and Special Voting Units.

3.0 Overview of the Property Portfolio

3.1 Property Profile

The property portfolio as at September 30, 2016 consists of 292 retail properties, three distribution centres ("DC"), one mixed-use commercial property and six development properties acquired for future development (the "Properties"). The Properties are located in each of the provinces and in two territories across Canada. The retail properties, distribution centres and mixed-use commercial property contain approximately 22.9 million square feet of gross leasable area ("GLA").

CT REIT's consolidated financial position, results of operations and property portfolio analyses include the REIT's one-third interest in Canada Square, a mixed-use commercial property in Toronto, ON. CTC is CT REIT's largest tenant. At September 30, 2016, CTC represented 94.7% of total operating GLA (December 31, 2015 - 98.0%) and 94.5% of annualized base minimum rent (December 31, 2015 - 96.7%).

Occupancy of the REIT's property portfolio, excluding properties under development, is as follows:

			As at September 30, 2016
(in square feet)	**GLA**	**Occupied GLA**	**Occupancy**
Canadian Tire stores	19,189,275	19,189,275	100%
Distribution centres	2,520,269	2,520,269	100%
Mixed-use property	281,160	275,800	98.1%
Third party tenants	504,856	440,535	87.3%
Other CTC Banners [1]	369,671	369,671	100%
Total	**22,865,231**	**22,795,550**	**99.7%**

[1] Includes Mark's and various FGL Sports banners, including Sport Chek, Sports Experts and Atmosphere (referred to herein as "Other CTC Banners").

			As at December 31, 2015
(in square feet)	GLA	Occupied GLA	Occupancy
Canadian Tire stores	18,711,312	18,711,312	100%
Distribution centres	1,859,580	1,859,580	100%
Mixed-use property	281,304	274,422	97.6%
Third party tenants	295,816	287,148	97.1%
Other CTC Banners[1]	364,041	364,041	100%
Total	21,512,053	21,496,503	99.9%

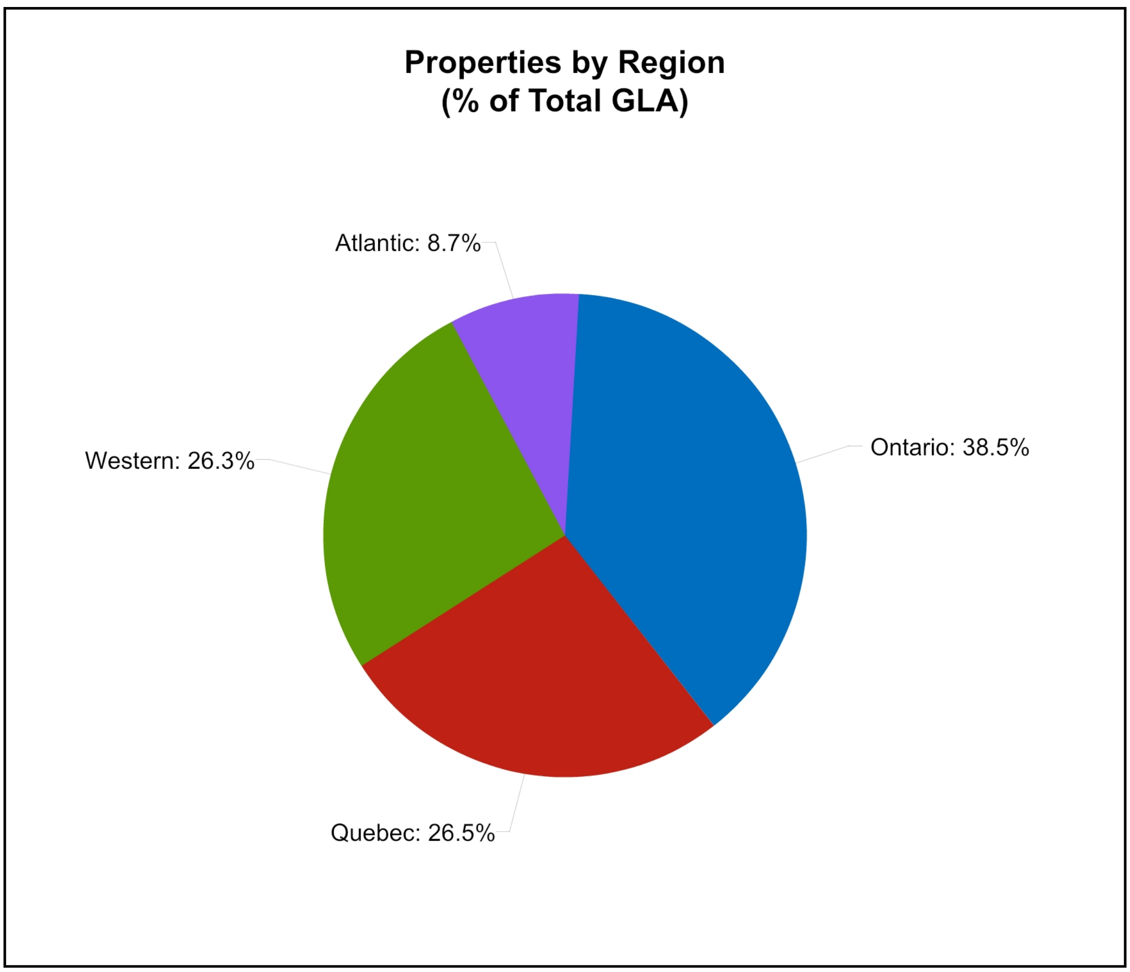
[1] Includes Mark's and various FGL Sports banners, including Sport Chek, Sports Experts and Atmosphere (referred to herein as "Other CTC Banners").

The REIT's property portfolio consists of:

As at	**September 30, 2016**	December 31, 2015
Stand-alone properties	**255**	247
Multi-tenant properties anchored by Canadian Tire store	**34**	32
Multi-tenant properties not anchored by Canadian Tire store	**3**	3
Distribution centres	**3**	2
Mixed-use property	**1**	1
Total operating properties	**296**	285
Development properties	**6**	2
Total properties	**302**	287

As at	**September 30, 2016**	December 31, 2015
Gas bars at retail properties	**95**	91

CT REIT's properties, excluding properties under development, by region, as a percentage of total GLA as at September 30, 2016 are as follows:



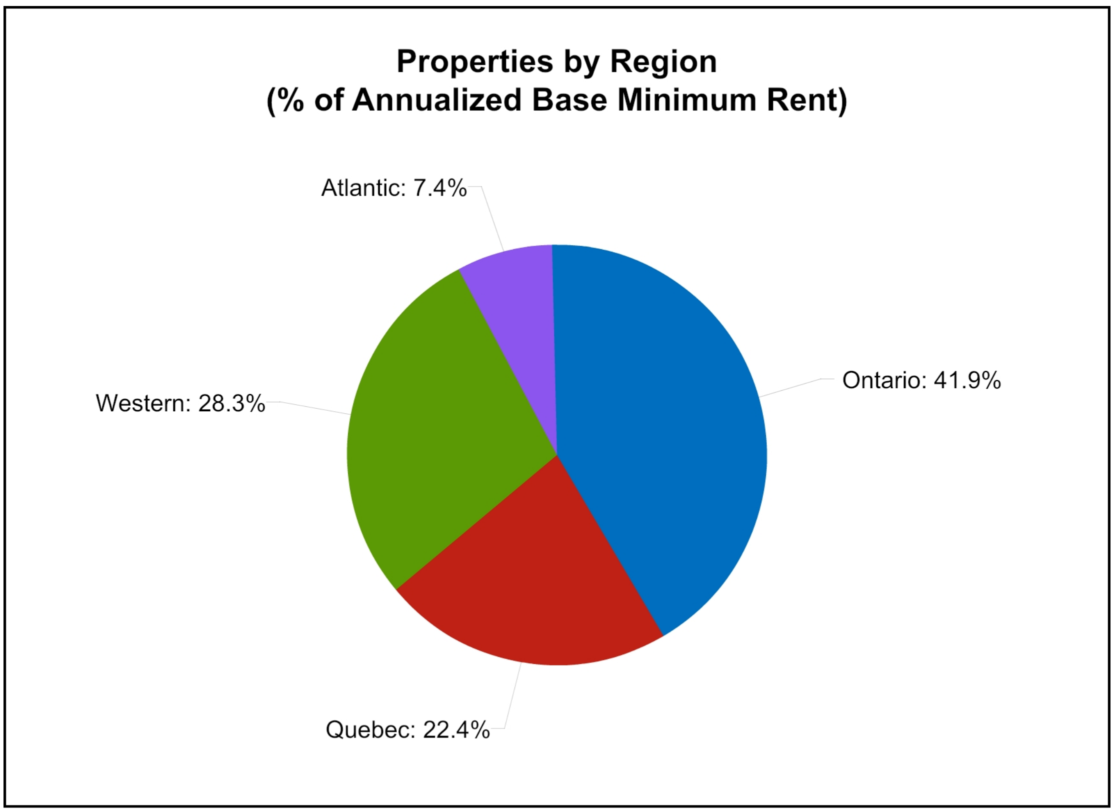
3.2 Six Largest Urban Markets

As at September 30, 2016, a significant portion of CT REIT's properties, excluding properties under development, are located in the following large urban markets:

As at	**September 30, 2016**	December 31, 2015
Toronto	**18.4%**	19.1%
Montreal	**13.1%**	13.3%
Vancouver	**3.7%**	3.9%
Ottawa	**4.8%**	5.0%
Calgary	**3.1%**	1.6%
Edmonton	**4.5%**	4.7%
Percentage of Annualized Base Minimum Rent	**47.6%**	47.6%

3.3 Revenue by Region

CT REIT's Properties, excluding properties under development, are located across Canada with approximately 64.3% of annualized base minimum rent received in respect of properties in Ontario and Quebec.



3.4 Fair Value of Property Portfolio

The fair value of the Properties represents 99.4% of the total assets of CT REIT as at September 30, 2016.

	September 30, 2016			December 31, 2015		
	Income producing properties	**Properties under development**	**Total investment properties**	Income producing properties	Properties under development	Total investment properties
Balance, beginning of period	**$ 4,304,838**	**$ 14,223**	**$ 4,319,061**	$ 3,995,860	$ 3,984	$ 3,999,844
Property acquisitions (including transaction costs)	**178,605**	**—**	**178,605**	174,430	—	174,430
Intensifications	**—**	**5,718**	**5,718**	—	28,939	28,939
Developments	**—**	**304,411**	**304,411**	—	25,983	25,983
Development land	**—**	**7,200**	**7,200**	—	8,767	8,767
Capitalized interest and property taxes	**—**	**3,782**	**3,782**	—	390	390
Transfers	**10,997**	**(10,997)**	**—**	53,840	(53,840)	—
Fair value adjustment on investment properties	**35,671**	**—**	**35,671**	39,910	—	39,910
Straight-line rent	**17,738**	**—**	**17,738**	26,131	—	26,131
Recoverable capital expenditures	**13,708**	**—**	**13,708**	14,834	—	14,834
Dispositions	**(97)**	**—**	**(97)**	(167)	—	(167)
Balance, end of period[1]	**$ 4,561,460**	**$ 324,337**	**$ 4,885,797**	$ 4,304,838	$ 14,223	$ 4,319,061

[1] Includes purchased land of $5,005 (2015 - $780) held for future development.

Properties under development ("PUD") include:

- the development of vacant land and building construction,
- intensification activities, consisting of the construction of additional buildings on existing assets, and modifications to existing stores, and
- the redevelopment of a property.

At September 30, 2016, management's determination of fair value was updated for current market assumptions, utilizing market capitalization rates provided by independent valuation professionals.

On a periodic basis, CT REIT obtains independent valuations such that substantially all of the properties will be externally appraised over a four-year period.

Valuations determined by the overall capitalization rate ("OCR") method are most sensitive to changes in capitalization rates. Valuations determined by the discounted cash flow ("DCF") method are most sensitive to changes in discount rates.

The significant inputs used to determine the fair value of CT REIT's income producing properties are as follows:

	Properties valued by the OCR method	**Properties valued by the DCF method**
Number of properties	264	32
Value at September 30, 2016	$ 3,687,313	$ 838,482
Discount rate	—%	6.78%
Terminal capitalization rate	—%	6.37%
Overall capitalization rate	6.35%	—%
Hold period (years)	—	9

The following table summarizes the sensitivity of the fair value of investment properties to changes in the capitalization rate and discount rate, respectively:

		OCR Sensitivity			DCF Sensitivity		
Rate sensitivity		**Fair value**		**Change in fair value**		**Fair value**		**Change in fair value**
+ 75 basis points	$	3,320,590	$	(366,724)	$	754,843	$	(83,638)
+ 50 basis points		3,433,878		(253,436)		780,552		(57,930)
+ 25 basis points		3,555,649		(131,665)		808,251		(30,230)
Base rate	$	3,687,313	$	—	$	838,482	$	—
- 25 basis points		3,829,662		142,348		870,592		32,111
- 50 basis points		3,984,254		296,940		905,924		67,443
- 75 basis points	$	4,152,821	$	465,507	$	944,477	$	105,996

Included in CT REIT's Properties are eight buildings which are situated on ground leases with remaining initial terms of between 3 and 40 years, and an average initial term of 16 years. Assuming all extensions are exercised, the ground leases have terms between 26 and 51 years with an average remaining lease term of 37 years.

3.5 2016 Investment Activities

The following table presents income producing properties acquired, intensified or developed during the nine months ended 2016.

(in thousands of Canadian dollars, except for GLA amounts)	Transaction Date	GLA		Total Investment Cost
Property Location				
Repentigny, QC[1]	January 2016	4,390		
Hanover, ON[2]	February 2016	33,907		
Kitchener, ON[2]	February 2016	127,609		
Delson, QC[2]	February 2016	81,530		
South Edmonton Common, AB[3,5]	April 2016	—		
Calgary, AB[2]	April 2016	660,689		
Winkler, MB[2]	May 2016	181,567		
Squamish, BC[2]	May 2016	35,099		
Rothesay, NB[2]	May 2016	38,837		
Alma, QC[2]	May 2016	43,871		
Leamington, ON[2]	May 2016	54,224		
Innisfil, ON[4]	June 2016	48,618		
Sherwood Park, AB[1]	June 2016	4,075		
Edson, AB[2]	June 2016	39,481		
Total		**1,353,897**	**$**	**189,602**

[1] Intensification of existing asset; rent commences on the first day of the month, following the transaction date.
[2] Acquisition of income producing property.
[3] Located on ground lease.
[4] Development project.
[5] Intensification of existing asset.

In Q1 2016, CT REIT completed the acquisition of stand-alone Canadian Tire stores in Hanover, Ontario and Delson, Quebec and a multi-tenant property anchored by a Canadian Tire store in Kitchener, Ontario. The REIT also completed the intensification of an existing Canadian Tire store in Repentigny, Quebec.

In Q2 2016, CT REIT completed the acquisition and leaseback of the Sears Canada Inc. ("Sears") distribution centre in Calgary, Alberta ("Sears DC"), which included seven acres of excess land, an enclosed mall in Winkler, Manitoba and stand-alone Canadian Tire stores in Squamish, British Columbia, Rothesay, New Brunswick, Alma, Quebec, Leamington, Ontario and Edson, Alberta. The REIT also completed intensifications of existing Canadian Tire stores in South Edmonton Common, Alberta and Sherwood Park, Alberta. Lastly, the REIT completed the development of a Canadian Tire store in Innisfil, Ontario.

The above investment activities were funded through a combination of Class B LP Units, Class C LP Units, cash on hand, draws on the REIT's credit facility and/or proceeds of new debt financings.

The following section contains forward-looking information and users are cautioned that actual results may vary.

3.6 Development Activities

The following table provides details of the REIT's development activities as at September 30, 2016. The total building area represents the maximum anticipated area of the developments. The "Not Committed to Lease" column includes area which may be under construction but not committed to lease, depending on site specific circumstances. The "Committed Additional Investment" column represents the financial commitment required to complete the "Committed to Lease" area and related site works. The "Potential Future Investment" column is an estimate and represents the remaining costs to complete the entire development assuming the "Not Committed to Lease" area is leased and fully constructed.

		Building Area (in square feet)			Total investment (in thousands of Canadian dollars)			
Property	**Anticipated Date of Completion**	**Committed to Lease**	**Not Committed to Lease**	**Total**	**Incurred To-date**	**Committed Additional Investment**	**Potential Future Investment**	**Total**
La Sarre, QC[2]	Q4 2016	4,000	—	**4,000**				
Smithers, BC[2]	Q4 2016	4,000	—	**4,000**				
Blenheim, ON[2]	Q4 2016	2,000	—	**2,000**				
Exeter, ON[2]	Q4 2016	2,000	—	**2,000**				
Wallaceburg, ON[2]	Q4 2016	3,000	—	**3,000**				
Arnprior, ON[3]	Q4 2016	121,000	12,000	**133,000**				
Hamilton, ON[1]	Q4 2016	61,000	—	**61,000**				
Vaudreuil, QC[2]	Q4 2016	12,000	—	**12,000**				
Hanover, ON[2]	Q4 2016	8,000	—	**8,000**				
Bolton, ON[1]	Q4 2016	1,400,000	—	**1,400,000**				
Elmira, ON[1]	Q2 2017	35,000	—	**35,000**				
Athabasca, AB[2]	Q2 2017	7,000		**7,000**				
Edmundston, NB[2]	Q2 2017	3,000		**3,000**				
Elliot Lake, ON[2]	Q3 2017	6,000	—	**6,000**				
Bradford, ON[2]	Q3 2017	15,000	—	**15,000**				
Antigonish, NS[3]	Q4 2017	121,000	58,000	**179,000**				
Amos, QC[1]	Q1 2018	49,000	24,000	**73,000**				
High River, AB[2]	Q3 2018	—	10,000	**10,000**				
Martensville, SK[2]	Q3 2018	11,000	8,000	**19,000**				
TOTAL		**1,864,000**	**112,000**	**1,976,000**	**$ 324,337**	**$ 80,038**	**$ 17,328**	**$ 421,703**

[1] Development.
[2] Intensification of an existing income producing property.
[3] Redevelopment property.

In Q2 2016, CT REIT acquired and leased back the Canadian Tire distribution centre nearing completion in Bolton, Ontario. This transaction was comprised of the acquisition of a 1.4 million square foot facility and 81 acres of trailer parking. The cost of the acquisition was approximately $285,600 which was funded through a combination of cash and Class C LP Units. CT REIT is committed to a further estimated $35,000 upon completion of the facility in Q4 2016. The initial lease term is for 20 years with annual rent escalations of 1.25%. Rent is expected to commence on or before January 1, 2017.

In Q2 2016, CT REIT also acquired a mall in Antigonish, Nova Scotia, a redevelopment project, with an existing GLA of 179,000 square feet and an occupancy rate of 70% including third party tenants and CTC stores of 87,000 square feet and 38,000 square feet, respectively. The mall is being redeveloped to expand the existing CTC stores and ancillary tenants.

In Q3 2016, CT REIT completed the acquisition of development lands in Elmira, Ontario from CTC on which a 35,000 square foot Canadian Tire store is expected to be constructed by Q2 2017.

As at September 30, 2016, CT REIT had intensification and development activities occurring at 19 properties representing 1,864,000 square feet, of which 91% has been leased to CTC. A total of $324,337 has been expended on these developments and CT REIT anticipates investing an additional $80,038 to complete the development of the 1,864,000 square feet.

Commitments as at September 30, 2016

As at September 30, 2016, CT REIT had obligations of $80,038 (December 31, 2015 - $63,070) in future payments for the completion of developments which are expected to be incurred by 2018. Included in the commitment is $73,807 due to CTC.

During 2016, the REIT acquired an investment property for which the purchase agreement provided for a $1,500 holdback pursuant to which certain amounts are to be paid by the REIT if certain leasing conditions are met by the second anniversary of the acquisition date. As at September 30, 2016, CT REIT has not recorded an amount payable in other liabilities on the interim balance sheets.

Investment and Development Activities Completed Subsequent to September 30, 2016

Subsequent to September 30, 2016, the REIT acquired an enclosed mall, including approximately four acres of excess land, in Fort St. John, British Columbia from a third party vendor for a total cost of $35,650.

In addition, the Canadian Tire store in Arnprior Mall, a redevelopment property, was completed and transferred to income producing properties in October 2016.

3.7 Investment and Development Funding

Funding for the Q3 2016 investment and development activities was as follows:

	Q3 2016 Investment and Development Activity				
(in thousands of Canadian dollars)	Property investments	Development land	Developments	Intensifications	Total
Funded with working capital to CTC	$ —	$ 1,184	$ —	$ —	$ 1,184
Funded with working capital to third parties[1]	309	43	3,006	1,881	5,239
Issuance of Class B LP Units to CTC	—	—	—	—	—
Issuance of Class C LP Units to CTC	—	—	—	—	—
Total costs	**$ 309**	**$ 1,227**	**$ 3,006**	**$ 1,881**	**$ 6,423**

[1] Includes $1.0 million for the construction of stores for Other CTC Banners.

Funding for the nine months ended September 30, 2016 of investment and development activities was as follows:

YTD 2016 Investment and Development Activity					
(in thousands of Canadian dollars)	Property investments	Development land	Developments	Intensifications	Total
Funded with working capital to CTC	$ 5,790	$ 1,184	$ 279,921	$ 2,728	$ 289,623
Funded with working capital to third parties[1]	99,645	1,116	14,490	2,990	118,241
Issuance of Class B LP Units to CTC	53,070	—	—	—	53,070
Issuance of Class C LP Units to CTC	20,100	4,900	10,000	—	35,000
Total costs	**$ 178,605**	**$ 7,200**	**$ 304,411**	**$ 5,718**	**$ 495,934**

[1] Includes $1.4 million for the construction of stores for Other CTC Banners.

Funding for the year ended December 31, 2015 of investment and development activities was as follows:

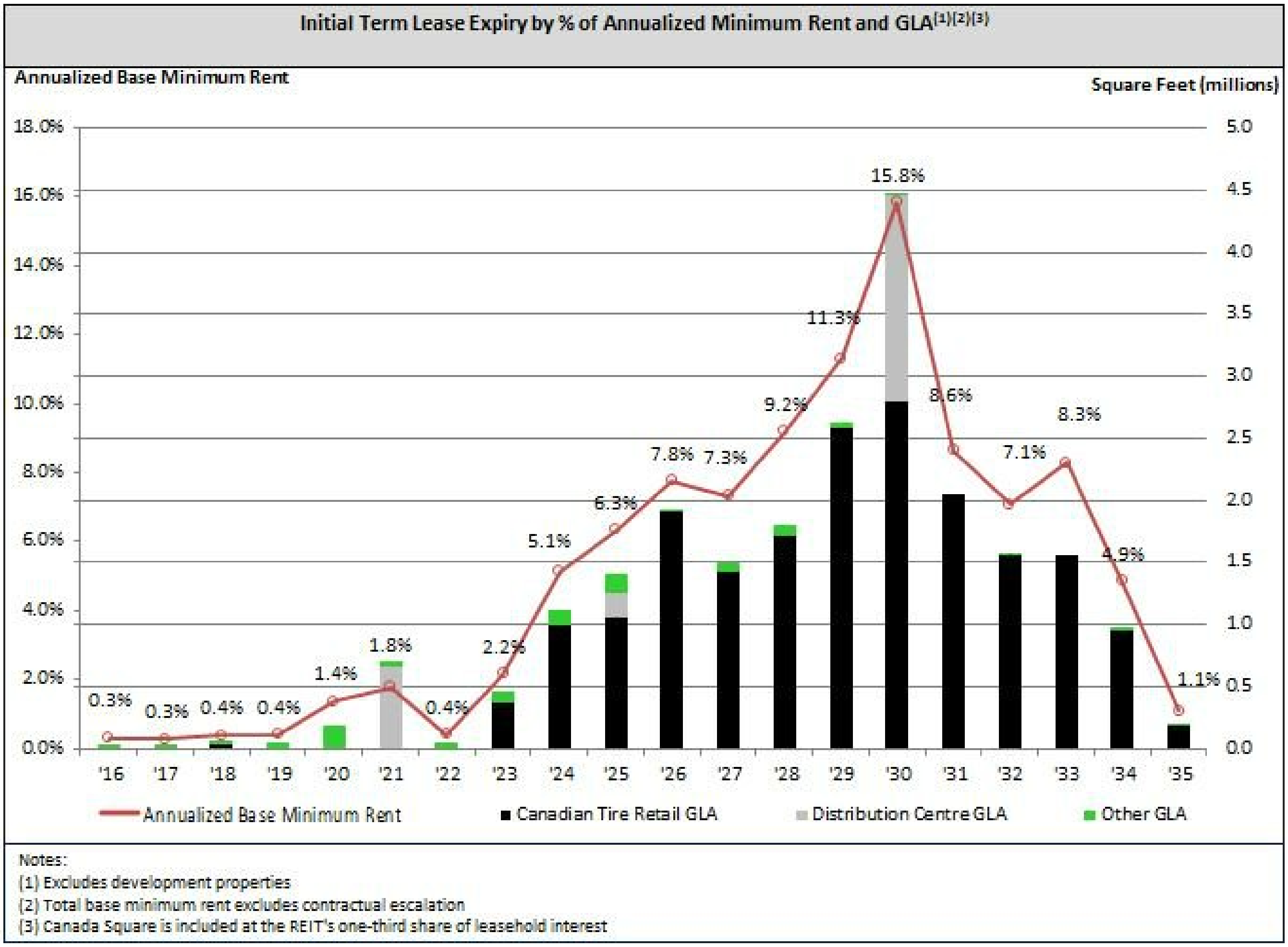
2015 Investment and Development Activity					
(in thousands of Canadian dollars)	Property investments	Development land	Developments	Intensifications	Total
Funded with working capital to CTC[1]	$ 41,955	$ 1	$ 14,060	$ 15,103	$ 71,119
Funded with working capital to third parties	1,095	627	8,966	13,836	24,524
Issuance of Class B LP Units to CTC	99,830	—	—	—	99,830
Issuance of Class C LP Units to CTC	31,550	8,139	—	—	39,689
Mortgages assumed	—	—	2,957	—	2,957
Total costs	$ 174,430	$ 8,767	$ 25,983	$ 28,939	$ 238,119

[1]Includes $17.7 million for the construction of stores for Other CTC Banners.

3.8 Lease Maturities

CTC is CT REIT’s largest tenant. As at September 30, 2016 CTC, including Canadian Tire stores and Other CTC Banners, had leased over 21.6 million square feet of GLA, with approximately 87% and 8% of the GLA attributable to retail and office, and distribution properties, respectively. The weighted average term of the retail leases with CTC, including Canadian Tire stores and Other CTC Banners, is 12.8 years, excluding the exercise of any renewals. The weighted average term of the Canadian Tire store leases is 12.9 years, with a weighted average rental rate of $13.16 per square foot. The weighted average lease terms for the distribution centres is 11.1 years. The weighted average lease term of all tenants in the REIT's portfolio, excluding those in development properties, is 12.4 years.

The following graph presents as of September 30, 2016, the lease maturity profile from 2016 to 2035 (assuming tenants do not exercise renewal options or termination rights) as a percentage of total base minimum rent and GLA as of the time of expiry.



3.9 Top 10 Tenants Excluding CTC Banners

As at September 30, 2016, CT REIT's 10 largest tenants, excluding all CTC Banners and those located in properties under development, as represented by the percentage of total annualized base rental revenue, are:

Rank	Tenant Name	Percentage of Total Annualized Base Rental Revenue
1	Sears Canada Inc.[1]	1.60%
2	Overwaitea Foods	0.32%
3	Shoppers Drug Mart	0.29%
4	Best Buy	0.27%
5	Precise Parklink	0.23%
6	Marshalls	0.23%
7	RBC Royal Bank	0.20%
8	PetSmart	0.16%
9	Farm Boy	0.16%
10	GoodLife Fitness	0.16%
		3.62%

[1] Distribution centre in Calgary.

4.0 Results of Operations

4.1 Summary of Selected Financial and Operational Information

Readers are reminded that certain key performance indicators may not have standardized meanings under GAAP. For further information on the REIT's operating measures and non-GAAP financial measures, refer to sections 1.0 and 9.0.

(in thousands of Canadian dollars, except per Unit, Unit and square footage amounts)	Three Months Ended			Nine Months Ended		
For the periods ended September 30,	**2016**	2015	Change	**2016**	2015	Change
Property revenue	**$ 102,932**	$ 95,916	7.3 %	**$ 302,935**	$ 281,581	7.6 %
Income before interest and other financing charges, taxes and fair value adjustments [1]	**$ 76,805**	$ 71,741	7.1 %	**$ 223,446**	$ 209,679	6.6 %
Net operating income [1]	**$ 72,812**	$ 67,478	7.9 %	**$ 213,414**	$ 197,220	8.2 %
Net income	**$ 72,124**	$ 58,885	22.5 %	**$ 193,624**	$ 171,656	12.8 %
Net income/Unit (basic) [2]	**$ 0.349**	$ 0.311	12.2 %	**$ 0.976**	$ 0.919	6.2 %
Net income/Unit (diluted) [4]	**$ 0.290**	$ 0.242	19.8 %	**$ 0.811**	$ 0.709	14.4 %
Funds from operations [1]	**$ 56,486**	$ 49,369	14.4 %	**$ 158,112**	$ 144,684	9.3 %
Funds from operations/Unit (diluted, non-GAAP) [1,2,3]	**$ 0.273**	$ 0.260	5.0 %	**$ 0.797**	$ 0.774	3.0 %
Adjusted funds from operations [1]	**$ 45,889**	$ 38,548	19.0 %	**$ 126,788**	$ 112,665	12.5 %
Adjusted funds from operations/Unit (diluted, non-GAAP) [1,2,3]	**$ 0.222**	$ 0.203	9.4 %	**$ 0.639**	$ 0.603	6.0 %
Distributions/Unit - paid [2,7]	**$ 0.170**	$ 0.166	2.6 %	**$ 0.510**	$ 0.497	2.6 %
AFFO payout ratio [1]	**77%**	82%	(6.1)%	**80%**	82%	(2.4)%
Excess of AFFO over distributions:						
Cash retained from operations before distribution reinvestment [6]	**$ 10,733**	$ 7,132	50.5 %	**$ 26,605**	$ 20,016	32.9 %
Per Unit (diluted, non-GAAP) [1,2,3]	**$ 0.052**	$ 0.038	36.8 %	**$ 0.134**	$ 0.107	25.2 %
Weighted average number of Units outstanding [2]						
Basic	**206,793,551**	189,543,754	9.1 %	**198,294,662**	186,814,195	6.1 %
Diluted [4]	**308,370,794**	320,882,645	(3.9)%	**306,412,920**	325,905,939	(6.0)%
Diluted (non-GAAP) [1,3]	**206,925,409**	189,630,969	9.1 %	**198,412,568**	186,891,378	6.2 %
Period-end Units outstanding [2]				**206,810,451**	189,562,625	9.1 %
Total assets				**$ 4,915,172**	$ 4,324,229	13.7 %
Total indebtedness [1]				**$ 2,290,422**	$ 2,078,826	10.2 %
Book value per Unit [1,2]				**$ 12.38**	$ 11.51	7.6 %
Market price per Unit - Close (end of period)				**$ 15.40**	$ 12.86	19.8 %
OTHER DATA						
Weighted average interest rate				**4.05%**	4.22%	(4.0)%
Indebtedness ratio [1]				**46.6%**	48.1%	(3.1)%
Interest coverage (times) [1]	**3.79**	3.22	17.7 %	**3.41**	3.22	5.9 %
Debt / enterprise value ratio [1]				**41.8%**	46.0%	(9.1)%
Weighted average term to debt maturity (in years)				**10.9**	11.5	(5.2)%
Gross leaseable area [5]				**22,865,231**	21,295,013	7.4 %
Occupancy rate [5]				**99.7%**	99.9%	(0.2)%

[1] Non-GAAP key performance indicators. Refer to section 9.0 for further information.
[2] Total Units consists of REIT Units and Class B LP Units outstanding.
[3] Diluted Units used in calculating non-GAAP measures include restricted and deferred units issued under various plans and exclude the effect of assuming that all of the Class C LP Units will be settled with Class B LP Units.
[4] Diluted Units determined in accordance with IFRS includes restricted and deferred units issued under various plans and the effect of assuming that all of the Class C LP Units will be settled with Class B LP Units. Refer to section 6.0.
[5] Refers to retail, mixed-use commercial and distribution centre properties and excludes properties under development.
[6] Refer to section 6.0 for further information.
[7] Period-over-period percentage change is calculated based on exact fractional amounts rather than rounded fractional amounts.

4.2 Financial Results for the Three and Nine Months Ended September 30, 2016

(in thousands of Canadian dollars)	Three Months Ended			Nine Months Ended		
For the periods ended September 30,	**2016**	2015	Change	**2016**	2015	Change
Property revenue	**$ 102,932**	$ 95,916	7.3 %	**$ 302,935**	$ 281,581	7.6%
Property expense	**(24,189)**	(21,944)	10.2 %	**(71,851)**	(65,067)	10.4%
General and administrative expense	**(1,954)**	(2,320)	(15.8)%	**(7,836)**	(6,981)	12.2%
Interest income	**16**	89	(82.0)%	**198**	146	35.6%
Interest and other financing charges	**(20,251)**	(22,248)	(9.0)%	**(65,493)**	(65,202)	0.4%
Fair value adjustment on investment properties	**15,570**	9,392	65.8 %	**35,671**	27,179	31.2%
Net income and comprehensive income	**$ 72,124**	$ 58,885	22.5 %	**$ 193,624**	$ 171,656	12.8%

4.3 Property Revenue

Property revenue includes all amounts earned from tenants pursuant to lease agreements including property taxes, operating costs and other recoveries. Many of CT REIT's expenses are recoverable from tenants pursuant to their leases, with CT REIT absorbing these expenses to the extent of vacancies.

Total revenue for the three months ended September 30, 2016 increased $7,016 (7.3%) compared to the same period in the prior year primarily due to base rent related to properties acquired and intensification activities completed during 2016 and 2015. Total revenue included expense recoveries in the amount of $22,574 (Q3 2015 - $21,037).

Total revenue for the nine months ended September 30, 2016 was $302,935 which was $21,354 (7.6%) higher compared to the same period in the prior year primarily due to base rent related to properties acquired and intensification activities completed during 2016 and 2015. Total revenue included expense recoveries in the amount of $66,760 (2015 - $61,222).

The total amount of base rent to be received from operating leases is recognized on a straight-line basis over the term of the lease. For the three months ended September 30, 2016, straight-line rent of $5,954 (Q3 2015 - $6,539) was included in total property revenue. For the nine months ended September 30, 2016, straight-line rent of $17,738 (2015 - $19,429) was included in total property revenue.

4.4 Property Expense

The major components of property expense consist of property taxes and costs associated with the outsourcing of property management services pursuant to the Property Management Agreement as well as other costs. The majority of expenses are recoverable from tenants, with CT REIT absorbing these expenses to the extent of vacancies. Refer to section 7.0 for additional information on the Property Management Agreement.

Property expenses for the three months ended September 30, 2016 increased $2,245 (10.2%) compared to the same period in the prior year primarily due to property acquisitions completed during 2016 and 2015.

Property expenses for the nine months ended September 30, 2016 increased $6,784 (10.4%) compared to the same period in the prior year primarily due to property acquisitions completed during 2016 and 2015.

4.5 Net Operating Income

CT REIT defines NOI as property revenue less property expense, adjusted further for straight-line rent and land lease adjustments. Management believes that NOI is a useful key indicator of performance as it represents a measure over which management has control. NOI is also a key input in determining the value of the portfolio.

(in thousands of Canadian dollars)	Three Months Ended			Nine Months Ended		
For the periods ended September 30,	**2016**	2015	Change	**2016**	2015	Change
Property revenue	**$ 102,932**	$ 95,916	7.3 %	**$ 302,935**	$ 281,581	7.6 %
Less:						
Property expense	**(24,189)**	(21,944)	10.2 %	**(71,851)**	(65,067)	10.4 %
Property straight-line rent revenue	**(5,954)**	(6,539)	(8.9)%	**(17,738)**	(19,429)	(8.7)%
Add:						
Straight-line ground lease expense	**23**	45	(48.9)%	**68**	135	(49.6)%
Net operating income[1]	**$ 72,812**	$ 67,478	7.9 %	**$ 213,414**	$ 197,220	8.2 %

[1] Non-GAAP key performance measure. Refer to section 9.1 in this MD&A for further information.

(in thousands of Canadian dollars)	Three Months Ended			Nine Months Ended		
For the periods ended September 30,	**2016**	2015	Change [2]	**2016**	2015	Change [2]
Same store	**$ 68,399**	$ 67,397	1.5%	**$ 195,558**	$ 192,392	1.6%
Intensifications						
2016	**16**	—	NM	**29**	—	NM
2015	**364**	44	NM	**1,637**	453	NM
Same property	**$ 68,779**	$ 67,441	2.0%	**$ 197,224**	$ 192,845	2.3%
Acquisitions						
2016	**3,261**	—	NM	**6,028**	—	NM
2015	**772**	37	NM	**10,162**	4,375	NM
Net operating income[1]	**$ 72,812**	$ 67,478	7.9%	**$ 213,414**	$ 197,220	8.2%

[1] Non-GAAP key performance measure. Refer to section 9.1 in this MD&A for further information.
[2] NM - not meaningful.

NOI for the three months ended September 30, 2016 increased $5,334 (7.9%) compared to the same period in the prior year primarily due to the acquisition of income producing properties and properties under development completed in 2016 and 2015, which contributed $3,996 to NOI growth. NOI for properties under development for the three months ended September 30, 2016 was $913.

Same store NOI and same property NOI for the three months ended September 30, 2016 increased $1,002 (1.5%) and $1,338 (2.0%), respectively, when compared to the prior year for the following reasons:

- contractual rent escalations of 1.5% per year, on average, contained within the Canadian Tire store and CTC's DC leases, which are generally effective January 1st, contributed $880 to NOI growth;
- recovery of capital expenditures and interest earned on the unrecovered balance contributed $537 to NOI growth; and
- intensifications completed in 2016 and 2015 contributed to $336 to NOI growth; partially offset by
- decrease in recovery of operating expenses and property taxes which reduced NOI by $444.

NOI for the nine months ended September 30, 2016 increased $16,194 (8.2%) compared to the same period in the prior year primarily due to acquisition of income producing properties and properties under development completed in 2016 and 2015, which contributed $11,815 to NOI growth. NOI for properties under development for the nine months ended September 30, 2016 was $2,108.

Same store NOI and same property NOI for the nine months ended September 30, 2016 increased $3,166 (1.6%) and $4,379 (2.3%), respectively, when compared to the prior year for the following reasons:

- contractual rent escalations of 1.5% per year, on average, contained within the Canadian Tire store and CTC's DC leases, which are generally effective January 1st, contributed $2,712 to NOI growth;
- intensifications completed in 2016 and 2015 contributed $1,213 to NOI growth;
- recovery of capital expenditures and interest earned on the unrecovered balance contributed $954 to NOI growth; partially offset by
- decrease in recovery of operating expenses and property taxes which decreased NOI by $398; and
- increase in property management service expenses, pursuant to the Property Management Agreement, which decreased NOI by $182.

4.6 General and Administrative Expense

CT REIT has two broad categories of general and administrative expenses: i) personnel and public entity costs, and ii) outsourced costs, which will fluctuate depending on when such costs are incurred. The personnel and public entity costs reflect the expenses related to ongoing operations of CT REIT. The outsourced costs are largely related to the services provided by CTC pursuant to the Services Agreement. Under the Services Agreement, CTC provides the REIT with certain administrative, financial, information technology, internal audit and other support services as may be reasonably required from time to time (the "Services"). CTC provides these Services to the REIT on a cost recovery basis pursuant to which CT REIT reimburses CTC for all costs and expenses incurred by CTC in connection with providing the Services, plus applicable taxes. Refer to section 7.0 for additional information on the Services Agreement.

(in thousands of Canadian dollars)	Three Months Ended			Nine Months Ended		
For the periods ended September 30,	**2016**	2015	Change	**2016**	2015	Change
Services Agreement with CTC	**$ 922**	$ 829	11.2 %	**$ 2,337**	$ 2,500	(6.5)%
Personnel expense	**796**	910	(12.5)%	**3,374**	2,809	20.1 %
Other	**236**	581	(59.4)%	**2,125**	1,672	27.1 %
General and administrative expense	**$ 1,954**	$ 2,320	(15.8)%	**$ 7,836**	$ 6,981	12.2 %
As a percent of property revenue	**1.9%**	2.4%		**2.6%**	2.5%	

General and administrative expenses amounted to $1,954 or 1.9% of property revenue for the three months ended September 30, 2016 which is $366 (15.8%) lower compared to the same period in the prior year primarily due to:

- decreased personnel expense due to the variable component of compensation awards partially offset by higher headcount; and
- lower legal expenses; partially offset by
- increased costs pursuant to the Service Agreement due to the timing of performance of certain services.

General and administrative expenses amounted to $7,836 or 2.6% of property revenue for the nine months ended September 30, 2016 which is $855 (12.2%) higher compared to the same period in the prior year primarily due to:

- increased compensation costs due to higher headcount partially offset by decreased personnel expense due to the variable component of compensation awards; and
- higher transfer agency, filing fees; and
- land transfer tax expense related to amendments to Regulation 70/91 of the Land Transfer Tax Act (Ontario) that impacts the availability of an exemption from Ontario land transfer tax for certain transactions involving trusts (including real estate investment trusts) and partnerships; partially offset by
- lower income tax expense recorded in 2016 in connection with CT REIT GP Corp's ("GP") activities which resulted in a drawdown of the REIT's deferred tax asset;
- lower costs pursuant to the Services Agreement due to the internalization of certain services.

4.7 Interest Income

Interest income decreased by $73 (82.0%) and increased by $52 (35.6%) for the three and nine months ended September 30, 2016, respectively, as compared to the same periods in the prior year due to fluctuations in the average cash available to be invested in short-term deposits.

4.8 Interest and Other Financing Charges

The Partnership has issued 1,521,968 Class C LP Units with a face value of $1,521,968 and bearing a weighted average distribution rate of 4.58% per annum. The Class C LP Units are subject to redemption rights. Accordingly, the Class C LP Units are classified as financial liabilities and distributions on the Class C LP Units are presented in interest and other financing charges in the interim statements of income and comprehensive income.

(in thousands of Canadian dollars)	Three Months Ended			Nine Months Ended		
For the periods ended September 30,	**2016**	2015	Change [2]	**2016**	2015	Change [2]
Interest on Class C LP Units [1]	**$ 17,424**	$ 18,866	(7.6)%	**$ 54,986**	$ 59,454	(7.5)%
Interest on debentures payable	**5,295**	2,833	86.9 %	**11,806**	3,526	NM
Interest on mortgages payable	**396**	403	(1.7)%	**1,200**	1,225	(2.0)%
Interest on Bank Credit Facility	**46**	—	— %	**196**	647	(69.7)%
Bank Credit Facility costs	**228**	190	20.0 %	**587**	508	15.6 %
Amortization of debentures payable financing cost	**166**	56	NM	**382**	75	NM
	$ 23,555	$ 22,348	5.4 %	**$ 69,157**	$ 65,435	5.7 %
Less: capitalized interest	**(3,304)**	(100)	NM	**(3,664)**	(233)	NM
Interest and other financing charges	**$ 20,251**	$ 22,248	(9.0)%	**$ 65,493**	$ 65,202	0.4 %

[1] CTC elected to defer receipt of distributions on the Series 3-12 and Series 16 and Series 19 Class C LP Units for the three and nine months ended September 30, 2016 in the amount of $17,165 (Q3 2015 -$18,765) and $48,626 (YTD 2015 - $50,040), respectively, until the first business day following the end of the fiscal year and receive a loan in lieu thereof, which as been netted against interest payable on Class C LP Units and is included under the heading "other liabilities" on the interim balance sheets.
[2] NM - not meaningful

Interest and other financing charges for the three months ended September 30, 2016 was $1,997 (9.0%) lower compared to the same period in the prior year largely due to higher interest capitalization and the redemption of the Series 2 Class C LP Units, partially offset by the interest on the debentures payable issued in May 2016.

Interest and other financing charges for the nine months ended September 30, 2016 was $291 (0.4%) higher compared to the same period in the prior year largely due to the interest on the debentures payable issued in May 2016 and June 2015, partially offset by higher interest capitalization, the redemption of Series 1 and Series 2 Class C LP Units and a reduction in the average amount drawn on the Bank Credit Facility.

Interest capitalized to properties under development increased for the three and nine months ended September 30, 2016 mainly due to the investment in June 2016 in the development project for the Canadian Tire distribution centre in Bolton, Ontario. Interest was capitalized to properties under development based on monthly weighted average effective interest rates.

4.9 Fair Value Adjustment on Investment Properties

CT REIT recorded a fair value gain on investment properties of $15,570 and $35,671 for the three and nine months ended September 30, 2016 due to increased cash flows during the time frame of the valuation models and a slight decrease in capitalization rates for certain investment properties located in Toronto.

The fair value gains of $9,392 and $27,179 for the three and nine months ended September 30, 2015, respectively, were recorded as a result of increased cash flows partially offset by transaction costs incurred in connection with the acquisition of investment properties.

4.10 Income Tax Expense

Management operates CT REIT in a manner that enables the REIT to continue to qualify as a real estate investment trust pursuant to the Income Tax Act (Canada) (“ITA”). CT REIT distributes 100% of its taxable income to Unitholders and therefore does not incur income tax expense in relation to its activities.

If CT REIT fails to distribute the required amount of income to Unitholders or if CT REIT fails to qualify as a REIT under the ITA, substantial adverse tax consequences may occur.

4.11 Net Income

(in thousands of Canadian dollars)	Three Months Ended			Nine Months Ended		
For the periods ended September 30,	**2016**	2015	Change	**2016**	2015	Change
Net income and comprehensive income	**$ 72,124**	$ 58,885	22.5%	**$ 193,624**	$ 171,656	12.8%
Net income per Unit - basic	**$ 0.349**	$ 0.311	12.2%	**$ 0.976**	$ 0.919	6.2%
Net income per Unit - diluted	**$ 0.290**	$ 0.242	19.8%	**$ 0.811**	$ 0.709	14.4%

Net income increased by $13,239 (22.5%) for the three months ended September 30, 2016 compared to the same period in the prior year. This increase was primarily due to the fair market value adjustment on investment properties, an increase in NOI mainly relating to acquisitions and reduced interest and financing charges.

Net income increased by $21,968 (12.8%) for the nine months ended September 30, 2016 compared to the same period in the prior year. This increase was primarily due to an increase in NOI relating to acquisitions and an increase in the fair market value adjustment on investment properties, partially offset by an increase in general and administrative expenses.

Net income per Unit - diluted increased $0.048 (19.8%) and $0.102 (14.4%) for the three and nine months ended September 30, 2016, respectively, compared to the same periods in the prior year. In addition to the explanations above, the increase was primarily due to a reduced number of weighted average units outstanding - diluted resulting from fewer Class C LP Units outstanding in 2016 and a higher closing unit price at September 30, 2016 as compared to September 30, 2015.

4.12 Leasing Activities

The future financial performance of CT REIT will be impacted by occupancy rates, trends in rental rates achieved on leasing or renewing currently leased space, and contractual increases in rent. There was no significant leasing activity with tenants not related to CTC during the nine months ended September 30, 2016.

4.13 Recoverable Capital Costs

Many of the capital costs that will be incurred by CT REIT are recoverable from tenants pursuant to the terms of their leases. The recoveries will occur either in the year in which such expenditures are incurred or, in the case of a major item of repair, maintenance or replacement, on a straight-line basis over the expected useful life thereof together with an imputed rate of interest on the unrecovered balance at any point in time. Capital expenditures of $8,551 and $13,708 (Q3 2015 - $7,384 and YTD 2015 - $11,243) were incurred during the three and nine months ended September 30, 2016, respectively. Most of the REIT’s recoverable capital expenditures relate to parking lots, roofs and heating, ventilation and air conditioning activities that are typically seasonal.

5.0 Liquidity and Financial Condition

The following section contains forward-looking information and users are cautioned that actual results may vary.

5.1 Liquidity

CT REIT intends to fund capital expenditures for acquisitions and development activities through a combination of (i) cash on hand, (ii) issuances of Class B LP Units and Class C LP Units (iii) draws on the Bank Credit Facility (iv) assumption of existing debt, and/or (v) new public debt or equity financings.

(in thousands of Canadian dollars) As at		September 30, 2016		December 31, 2015
Cash and cash equivalents	$	**6,803**	$	24,680
Unused portion of Bank Credit Facility[1]		**281,788**		199,689
Liquidity	$	**288,591**	$	224,369

[1]See Section 5.8 Bank Credit Facility.

Cash flow generated from operating the property portfolio represents the primary source of liquidity to service debt and to fund planned maintenance expenditures, leasing costs, general and administrative expenses and distributions (other sources being interest income as well as cash on hand).

(in thousands of Canadian dollars)		Three Months Ended				Nine Months Ended			
For the periods ended September 30,		**2016**		2015	Change[1]		**2016**		2015	Change[1]
Cash generated from operating activities	$	**71,337**	$	66,280	7.6%	$	**203,725**	$	196,232	3.8%
Cash used for investing activities		**(13,583)**		(15,849)	NM		**(420,883)**		(68,277)	NM
Cash generated from/(used for) financing activities		**(52,046)**		(53,630)	NM		**199,281**		(87,161)	NM
Cash generated from/(used for) the period	$	**5,708**	$	(3,199)	NM	$	**(17,877)**	$	40,794	NM

[1]NM - not meaningful

5.2 Discussion of Cash Flows

Cash generated during the three months ended September 30, 2016 of $5,708 is primarily the result of cash generated from operating activities exceeding cash used in investing activities, distributions and interest paid.

Cash used during the nine months ended September 30, 2016 of $17,877 is primarily the result of cash used in investing activities, distributions and interest paid being partially offset by the residual cash generated from operating activities and proceeds from the issuance of debentures payable.

5.3 Credit Ratings

The senior unsecured debt of CT REIT is rated by Standard & Poor's Financial Services LLC ("S&P") and DBRS Limited ("DBRS"), two independent credit rating agencies which provide credit ratings of debt securities for commercial entities. A credit rating generally provides an indication of the risk that the borrower will not fulfill its full obligations in a timely manner with respect to both interest and principal commitments. Rating categories range from highest credit quality (generally "AAA") to default in payment (generally "D").

These ratings are related to and currently equivalent to those of CTC, as CTC holds a significant ownership position in CT REIT and has a strategic relationship with CT REIT. CTC is expected to continue to be CT REIT's most significant tenant for the forseeable future.

The following table sets out the current credit ratings of CT REIT's senior unsecured debt:

	DBRS		S&P	
	Credit Rating	Trend	Credit Rating	Trend
Credit Ratings (Canadian Standards)	**BBB (high)**	**Stable**	**BBB+**	**Stable**

5.4 Debt and Capital Structure
CT REIT's debt and capital structure is as follows:

(in thousands of Canadian dollars) As at		**September 30, 2016**		December 31, 2015
Class C LP Units	**$**	**1,521,968**	$	1,686,968
Mortgages payable		**56,314**		60,129
Debentures payable		**695,155**		347,948
Bank Credit Facility		**16,985**		—
Total indebtedness	**$**	**2,290,422**	$	2,095,045
Unitholders' equity		**1,080,023**		1,037,209
Non-controlling interests		**1,480,087**		1,176,154
Total capital under management	**$**	**4,850,532**	$	4,308,408

CT REIT's total indebtedness at September 30, 2016 is higher than at December 31, 2015 primarily due to the issuance of $350,000 senior unsecured debentures payable, discussed in section 5.6, the issuance of Series 17-19 Class C LP Units and borrowings drawn on the Bank Credit Facility, partially offset by the repayment of Series 2 Class C LP Units and repayment of one of the REIT's mortgages.

CT REIT's Unitholders' equity and non-controlling interests at September 30, 2016 increased as compared to December 31, 2015 primarily as a result of net income exceeding distributions and due to the issuance of Class B LP Units.

Future payments in respect of CT REIT's indebtedness are as follows:

	Mortgages Payable					
(in thousands of Canadian dollars)	**Principal Amortization**	**Maturities**	**Class C LP Units**	**Debentures Payable**	**Bank Credit Facility**	**Total**
For the period ending December 31:						
2016	$ 304	$ —	$ —	$ —	$ 16,985	$ 17,289
2017	1,241	—	70,418	—	—	71,659
2018	493	16,590	—	—	—	17,083
2019	35	37,590	—	—	—	37,625
2020	—	—	251,550	—	—	251,550
2021 and thereafter	—	—	1,200,000	700,000	—	1,900,000
Total contractual obligation	$ 2,073	$ 54,180	$ 1,521,968	$ 700,000	$ 16,985	$ 2,295,206
Unamortized portion of mark to market on mortgages payable assumed in connection with the acquisition of properties	—	177	—	—	—	177
Unamortized transaction costs	—	(116)	—	(4,845)	—	(4,961)
	$ 2,073	**$ 54,241**	**$ 1,521,968**	**$ 695,155**	**$ 16,985**	**$ 2,290,422**

Interest rates on CT REIT's indebtedness range from 1.65% to 5.00%. The maturity dates on the indebtedness range from May 31, 2017 to May 31, 2038. Total indebtedness at September 30, 2016 has a weighted average interest rate of 4.05% and a weighted average term to maturity of 10.9 years which is consistent with the rate and term as at December 31, 2015. At September 30, 2016, floating rate and fixed rate indebtedness were $48,118 and $2,242,304, respectively.

As at		**September 30, 2016**		December 31, 2015
Variable rate debt	**$**	**48,118**	$	31,133
Total indebtedness	**$**	**2,290,422**	$	2,095,045
Variable rate debt / total indebtedness		**2.10%**		1.49%

CT REIT's variable rate debt to total indebtedness ratio at September 30, 2016 increased as compared to December 31, 2015 due to draws on its Bank Credit Facility.

The table below presents CT REIT's interest in assets at fair value that are available to it to finance and/or refinance its debt as at September 30, 2016:

(in thousands of Canadian dollars, except percentage amounts)	Number of Properties		Fair Value of Investment Properties	Percentage of Total Assets		Mortgages Payable	Loan to Value Ratio
Unencumbered assets	297	$	4,759,777	96.8%	$	—	—
Encumbered assets	5		126,020	2.6%		56,314	44.7%
Total	**302**	**$**	**4,885,797**	**99.4%**	**$**	**56,314**	**1.2%**

The table below presents CT REIT's secured debt as a percentage of total indebtedness:

(in thousands of Canadian dollars) As at		**September 30, 2016**		December 31, 2015
Secured debt	**$**	**56,314**	$	60,129
Total indebtedness		**2,290,422**		2,095,045
Secured debt / total indebtedness		**2.46%**		2.87%

CT REIT's secured debt to total indebtedness ratio at September 30, 2016 decreased as compared to December 31, 2015 due to the repayment of one of its mortgages in 2016 and the issuance of debentures payable in 2016.

5.5 Class C LP Units

At September 30, 2016 there were 1,521,968 Class C LP Units outstanding, all of which were held by CTC. The Class C LP Units are designed to provide CTC with an interest in the Partnership that entitles holders to a fixed cumulative monthly payment during the initial fixed rate period for each Series of Class C LP Units (the "Initial Fixed Rate Period") equal to a weighted average of 4.58% of the aggregate capital amount ascribed to the Class C LP Units, in priority to distributions made to holders of Class B LP Units and GP Units (subject to certain exceptions), if, as and when declared by the Board of Directors of the GP, payable monthly at an annual distribution rate for each series as set out in the table below. In addition, the Class C LP Units are entitled to receive Special Voting Units in certain limited circumstances.

On expiry of the Initial Fixed Rate Period applicable to each series of Class C LP Units, and every five years thereafter, each such series of Class C LP Units is redeemable at par (together with all accrued and unpaid payments thereon) at the option of the Partnership or the holder, upon giving at least 120 days' prior notice. The Partnership further has the ability to settle any of the Class C LP Units at any time after January 1, 2019 at a price equal to the greater of par and a price to provide a yield equal to the then equivalent Government of Canada bond yield plus a spread, so long as such redemption is in connection with a sale of properties.

Such redemptions of Class C LP Units (other than upon a change of control at CT REIT) can be settled, at the option of the Partnership, in cash or Class B LP Units of equal value.

During the five-year period beginning immediately following the completion of the Initial Fixed Rate Period, and each five-year period thereafter, if not redeemed, the fixed payment rate for Class C LP Units will be reset, and the holders of Class C LP Units will be entitled, subject to certain conditions, to elect either a fixed rate or floating rate option.

The following table presents the details of the Class C LP Units:

Series of Class C LP Units		Initial Subscription Price ($000)	Annual Distribution Rate During Initial Fixed Rate Period	Expiry of Initial Fixed Rate Period	% of Total Class C LP Units
Series 3	$	200,000	4.50%	May 31, 2020 (3.7 years)	13.1%
Series 4		200,000	4.50%	May 31, 2024 (7.7 years)	13.1%
Series 5		200,000	4.50%	May 31, 2028 (11.7 years)	13.1%
Series 6		200,000	5.00%	May 31, 2031 (14.7 years)	13.1%
Series 7		200,000	5.00%	May 31, 2034 (17.7 years)	13.1%
Series 8		200,000	5.00%	May 31, 2035 (18.7 years)	13.1%
Series 9		200,000	5.00%	May 31, 2038 (21.7 years)	13.1%
Series 10		7,130	2.38%	May 31, 2017 (0.7 years)	0.5%
Series 11		20,685	2.20%	May 31, 2017 (0.7 years)	1.4%
Series 12		19,464	2.23%	May 31, 2017 (0.7 years)	1.3%
Series 13		3,789	1.65%	May 31, 2017 (0.7 years)	0.2%
Series 14		15,000	1.71%	May 31, 2017 (0.7 years)	1.0%
Series 15		4,350	1.77%	May 31, 2017 (0.7 years)	0.3%
Series 16		16,550	2.42%	May 31, 2020 (3.7 years)	1.1%
Series 17		18,500	2.39%	May 31, 2020 (3.7 years)	1.2%
Series 18		4,900	2.28%	May 31, 2020 (3.7 years)	0.3%
Series 19		11,600	2.28%	May 31, 2020 (3.7 years)	0.8%
Total / weighted average	**$**	**1,521,968**	**4.58%**	**12.7 years**	**100%**
Current	$	70,418			
Non-current		1,451,550			
Total	**$**	**1,521,968**			

On May 31, 2016, Series 2 of the Class C LP Units was redeemed by the issuance to CTC of $200,000 of Class B LP Units.

5.6 Debentures Payable

		September 30, 2016				December 31, 2015		
Series		**Face Value**		**Carrying Amount**		Face Value		Carrying Amount
A, 2.85%, June 9, 2022	**$**	**150,000**	**$**	**149,086**	$	150,000	$	149,159
B, 3.53%, June 9, 2025		**200,000**		**198,551**		200,000		198,789
C, 2.16%, June 1, 2021		**150,000**		**148,998**		—		—
D, 3.29%, June 1, 2026		**200,000**		**198,520**		—		—
	$	**700,000**	**$**	**695,155**	$	350,000	$	347,948

On May 31, 2016, CT REIT issued $350,000 aggregate principal amount of debentures payable under CT REIT's short form base shelf prospectus dated March 5, 2015. The proceeds, net of issuance costs of $2,564, were used to pay down certain amounts outstanding under the Bank Credit Facility, and the balance of the proceeds was retained for general business purposes.

For the three and nine months ended September 30, 2016, amortization of the transaction costs of $166 (Q3 2015 - $56) and $382 (YTD 2015 - $75) is included in interest and other financing charges on the interim statement of income and comprehensive income (refer to Note 15 to the interim financial statements).

The debentures payable have been rated "BBB+" by S&P and "BBB (high)" by DBRS. The debentures payable are direct senior unsecured obligations of CT REIT.

5.7 Mortgages Payable

Mortgages payable, secured by certain of CT REIT's investment properties, include the following:

(in thousands of Canadian dollars) As at	**September 30, 2016**		December 31, 2015	
	Face value	**Carrying amount**	Face value	Carrying amount
Current	**$ 1,230**	**$ 1,306**	$ 4,074	$ 4,176
Non-current	**55,023**	**55,008**	55,949	55,953
Total	**$ 56,253**	**$ 56,314**	$ 60,023	$ 60,129

During 2016, CT REIT repaid one mortgage.

5.8 Bank Credit Facility

CT REIT has a $300 million revolving credit facility ("Bank Credit Facility") available until April 2021. The Bank Credit Facility bears interest at a rate based on the bank's prime rate of interest or bankers' acceptances plus a margin. A standby fee is charged on the Bank Credit Facility.

As at September 30, 2016, $16,985 (December 31, 2015 - $nil) of borrowings were drawn on the Bank Credit Facility. The unamortized balance of transaction costs incurred in connection with the arrangement of the Bank Credit Facility of $162 (December 31, 2015 - $283) is recorded in other assets on the interim balance sheets.

The table below summarizes the details of the Bank Credit Facility as at September 30, 2016:

(in thousands of Canadian dollars)

Bank Credit Facility Maximum Loan Amount	**Cash Advances**	**Letters of Credit**	**Available to be Drawn**
$ 300,000	$ 16,985	$ 1,227	$ 281,788

The following section contains forward-looking information and users are cautioned that actual results may vary.

5.9 Capital Strategy

Management expects the REIT's future debt will be in the form of:

- Class C LP Units (treated as debt for accounting purposes);
- funds drawn on the Bank Credit Facility;
- unsecured public debt; and
- limited use of secured debt.

Management's objectives are to access the lowest cost of capital with the most flexible terms, to have a maturity/ redemption schedule (for fixed term obligations) spread over a time horizon so as to manage refinancing risk and to be in a position to finance acquisition opportunities when they become available. The Declaration of Trust and the Trust Indenture dated June 9, 2015 pursuant to which the debentures payable were issued, limit the REIT's overall indebtedness ratio to 60% of total aggregate assets, excluding convertible debentures, and 65% including convertible debentures.

CT REIT's indebtedness ratio was 46.6% as at September 30, 2016. Refer to section 9.6 for the definition and calculation of CT REIT's indebtedness ratio.

At September 30, 2016, CT REIT was in compliance with the financial and non-financial covenants contained in the Declaration of Trust, the Trust Indenture, the Bank Credit Facility and the assumed mortgages.

CT REIT has also adopted interest coverage guidelines which provide an indication of the REIT's ability to service or pay the interest charges relating to the underlying debt.

CT REIT will generally operate its affairs and manage its capital structure so that its interest coverage ratio is in a range of 2.4 to 3.8 times. For the three months ended September 30, 2016, CT REIT's interest coverage ratio was 3.8 times. Refer to section 9.5 for the definition and calculation of CT REIT's interest coverage ratio.

Assuming a future economic environment that is substantially similar to the current environment, management does not foresee any material impediments to refinancing future debt maturities.

The following section contains forward-looking information and users are cautioned that actual results may vary.

5.10 Commitments and Contingencies

As at September 30, 2016, CT REIT had obligations of $80,038 (December 31, 2015 - $63,070) in future payments for the completion of developments which are expected to be incurred by 2018, as described in section 3.5 and 3.6. Included in the commitment is $73,807 due to CTC.

CT REIT has sufficient liquidity to fund these future commitments as a result of (i) its conservative use of leverage on the balance sheet, (ii) liquidity on hand, (iii) its Bank Credit Facility, (iv) an investment grade credit rating, (v) unencumbered assets, and (vi) sufficient operating cash flow retained in the business.

5.11 Base Shelf Prospectus

CT REIT filed a base shelf prospectus in Q1 2015 under which it may raise up to $1.5 billion of debt and equity capital over the 25 month period ending April 4, 2017. In Q2 2016, the REIT issued $350,000 of senior unsecured debentures payable. The shelf also qualifies the sale of CT REIT Units by CTC.

6.0 Equity

6.1 Authorized Capital and Outstanding Units

CT REIT is authorized to issue an unlimited number of Units. As of September 30, 2016, CT REIT had a total of 90,442,754 Units outstanding, 59,711,094 of which were held by CTC and 116,367,697 Class B LP Units outstanding (together with a corresponding number of Special Voting Units), all of which were held by CTC.

Class B LP Units are economically equivalent to Units, are accompanied by a Special Voting Unit and are exchangeable at the option of the holder for Units (subject to certain conditions). Holders of the Class B LP Units are entitled to receive distributions when declared by the Partnership equal to the per Unit amount of distributions payable on the Units. However, Class B LP Units have limited voting rights over the Partnership.

The following tables summarize the total number of Units issued:

			As at September 30, 2016
	Units	**Class B LP Units**	**Total**
Total outstanding at beginning of period	90,337,358	99,263,329	189,600,687
Issued	105,396	17,104,368	17,209,764
Total outstanding at end of period	**90,442,754**	**116,367,697**	**206,810,451**

			As at December 31, 2015
	Units	Class B LP Units	Total
Total outstanding at beginning of year	90,188,210	91,297,572	181,485,782
Issued	149,148	7,965,757	8,114,905
Total outstanding at end of year	90,337,358	99,263,329	189,600,687

Each Unit is transferable and represents an equal, undivided beneficial interest in the REIT and any distributions from the REIT. Each Unit entitles the holder to one vote at all meetings of Unitholders.

Special Voting Units are only issued in tandem with Class B LP Units, or in limited circumstances, to holders of the Class C LP Units and are not transferable separately from the Class B LP Units or Class C LP Units to which they relate. Each Special Voting Unit entitles the holder thereof to one vote at all meetings of Unitholders or with respect to any written resolution of Unitholders. Except for the right to attend meetings and vote on resolutions, Special Voting Units do not confer upon the holders thereof any other rights.

Net income attributable to Unitholders and weighted average Units outstanding used in determining basic and diluted net income per Unit are calculated as follows:

		Three months ended September 30, 2016				
		Units		**Class B LP Units**		**Total**
Net income attributable to Unitholders - basic	$	31,539	$	40,585	$	72,124
Income effect of settling Class C LP Units with Class B LP Units						17,424
Net income attributable to Unitholders - diluted					**$**	**89,548**
Weighted average Units outstanding - basic		90,425,854		116,367,697		206,793,551
Dilutive effect of other Unit plans						131,858
Dilutive effect of settling Class C LP Units with Class B LP Units						101,445,385
Weighted average Units outstanding - diluted						**308,370,794**

		Nine months ended September 30, 2016				
		Units		**Class B LP Units**		**Total**
Net income attributable to Unitholders - basic	$	87,437	$	106,187	$	193,624
Income effect of settling Class C LP Units with Class B LP Units						54,986
Net income attributable to Unitholders - diluted					**$**	**248,610**
Weighted average Units outstanding - basic		90,391,831		107,902,831		198,294,662
Dilutive effect of other Unit plans						117,906
Dilutive effect of settling Class C LP Units with Class B LP Units						108,000,352
Weighted average Units outstanding - diluted						**306,412,920**

		Three months ended September 30, 2015				
		Units		Class B LP Units		Total
Net income attributable to Unitholders - basic	$	28,048	$	30,837	$	58,885
Income effect of settling Class C LP Units with Class B LP Units						18,866
Net income attributable to Unitholders - diluted					$	77,751
Weighted average Units outstanding - basic		90,280,425		99,263,329		189,543,754
Dilutive effect of other Unit plans						87,215
Dilutive effect of settling Class C LP Units with Class B LP Units						131,251,676
Weighted average Units outstanding - diluted						320,882,645

		Nine months ended September 30, 2015				
		Units		Class B LP Units		Total
Net income attributable to Unitholders - basic	$	82,844	$	88,812	$	171,656
Income effect of settling Class C LP Units with Class B LP Units						59,454
Net income attributable to Unitholders - diluted					$	231,110
Weighted average Units outstanding - basic		90,243,681		96,570,514		186,814,195
Dilutive effect of other Unit plans						77,183
Dilutive effect of settling Class C LP Units with Class B LP Units						139,014,561
Weighted average Units outstanding - diluted						325,905,939

6.2 Equity

(in thousands of Canadian dollars) As at		**September 30, 2016**		December 31, 2015
Equity - beginning of the year	**$**	**2,213,363**	$	2,002,189
Net income and comprehensive income for the period		**193,624**		234,480
Issuance of Class B LP Units, net of issue costs		**252,799**		99,661
Distributions to non-controlling interests		**(55,053)**		(64,813)
Distributions to Unitholders		**(46,105)**		(59,976)
Issuance of Units under Distribution Reinvestment Plan		**1,482**		1,822
Equity - end of the period	**$**	**2,560,110**	$	2,213,363

6.3 Distributions

CT REIT's primary business goal is to accumulate a portfolio of high-quality real estate assets and deliver the benefits of such real estate ownership to Unitholders. The primary benefit to Unitholders is expected to be reliable, durable and growing distributions over time.

In determining the amount of the monthly distributions paid to Unitholders, the Board applies discretionary judgment to forward-looking cash flow information, such as forecasts and budgets, and many other factors including provisions in the Declaration of Trust, the macro-economic and industry-specific environment, debt maturities, covenants and taxable income.

The Board regularly reviews CT REIT's rate of distributions to ensure an appropriate level of distributions.

On September 15, 2016, CT REIT's Board declared a distribution of $0.05667 per Unit paid on October 14, 2016 to holders of Units and Class B LP Units of record as of September 30, 2016.

On October 14, 2016, CT REIT's Board declared a distribution of $0.05667 per Unit payable on November 15, 2016 to holders of Units and Class B LP Units of record as of October 31, 2016.

On November 1, 2016, the Board reviewed the current rate of distribution of $0.68 per Unit per year and approved an increase in the annual rate of distribution to $0.70 per Unit per year, or $0.05837 per Unit monthly, commencing with the December 31, 2016 record date.

CT REIT is focused on increasing distributions to its Unitholders on a regular and prudent basis. The distribution increases since December 31, 2014 are presented in the table below:

		December 31, 2017[1]		**December 31, 2016**		December 31, 2015		December 31, 2014
Monthly distribution per Unit	$	0.05837	**$**	**0.05667**	$	0.05525	$	0.05416
% increase		3.0%		**2.6%**		2.0%		—
Annualized distribution per Unit	$	0.700	**$**	**0.680**	$	0.663	$	0.650
Annualized increase per Unit	$	0.020	**$**	**0.017**	$	0.013		—

[1]Approved by the Board on November 1, 2016.

Net income prepared in accordance with IFRS recognizes certain revenues and expenses at time intervals that do not match the receipt or payment of cash. Therefore, in applying judgment, consideration is given to AFFO (which is the product of the cash generated from, and required for operating activities) and other factors when establishing distributions to Unitholders.

(in thousands of Canadian dollars, except per Unit amounts)	Three Months Ended			Nine Months Ended		
For the periods ended September 30,		**2016**	2015		**2016**	2015
Distributions before distribution reinvestment - paid	**$**	**35,156**	$ 31,416	**$**	**100,183**	$ 92,649
Distribution reinvestment		**499**	470		**1,482**	1,346
Distributions net of distribution reinvestment - paid	**$**	**34,657**	$ 30,946	**$**	**98,701**	$ 91,303
Distributions per Unit - paid	**$**	**0.170**	$ 0.166	**$**	**0.510**	$ 0.497

Distributions for the three and nine months ended September 30, 2016 are higher than the same periods in the prior year due to the increase in the annual rate of distributions, effective with the first distribution paid in 2016, and higher weighted average number of Units outstanding in 2016.

CT REIT's distributions for the nine months ended September 30, 2016 are less than the REIT's cash generated from operating activities, cash generated from operating activities reduced by interest expense, and less than AFFO which is an indicator of the source of funding for and sustainability of distributions.

(in thousands of Canadian dollars)	Three Months Ended			Nine Months Ended		
For the periods ended September 30,		**2016**	2015		**2016**	2015
AFFO [1]	**$**	**45,889**	$ 38,548	**$**	**126,788**	$ 112,665
Distributions before distribution reinvestment - paid	**$**	**35,156**	$ 31,416		**100,183**	92,649
Excess of AFFO over distributions paid	**$**	**10,733**	$ 7,132	**$**	**26,605**	$ 20,016

[1] Non-GAAP key performance indicator. Refer to section 9.0 for further information.

7.0 Related Party Transactions

Related Party Transactions
CT REIT's controlling Unitholder is CTC, which, on September 30, 2016, held an approximate 85.1% effective interest in the REIT, through ownership of 59,711,094 Units and all of the issued and outstanding Class B LP Units.

In addition to its ownership interest, CTC is CT REIT's largest tenant representing approximately 94.5% of the annualized base minimum rent earned by CT REIT and approximately 94.7% of its GLA as at September 30, 2016.

In the normal course of its operations, CT REIT enters into various transactions with related parties that have been valued at amounts agreed to between the parties and recognized in the interim financial statements. Investment property transactions with CTC amounted to $377,693 (2015 - $171,454) for the nine months ended September 30, 2016. Refer to Note 3 to the interim financial statements for additional information.

CT REIT and CTC are parties to a number of commercial agreements which govern the relationships among such parties, including the Service Agreement and the Property Management Agreement which are described below.

Services Agreement
Under the Services Agreement, CTC provides the REIT with certain administrative, financial, information technology, internal audit and other support services as may be reasonably required from time to time (the "Services"). CTC provides these Services to the REIT on a cost recovery basis pursuant to which CT REIT reimburses CTC for all costs and expenses incurred by CTC in connection with providing the Services, plus applicable taxes.

Property Management Agreement
Under the Property Management Agreement, CTC provides the REIT with customary property management services (the "Property Management Services"). CTC agreed to provide Property Management Services to the REIT on a cost recovery basis pursuant to which the REIT reimburses CTC for all costs and expenses incurred by CTC in connection with providing the Property Management Services, plus applicable taxes.

Refer to CT REIT's 2015 Annual Information Form available on SEDAR at www.sedar.com for additional information on related party agreements and arrangements with CTC.

CT REIT's policy is to conduct all transactions and settle all balances with related parties on market terms and conditions. The following table summarizes CT REIT's related party transactions as at September 30, 2016, excluding acquisition, intensification and development activities which are contained in section 3.6:

(in thousands of Canadian dollars)	Three Months Ended		Nine Months Ended	
For the periods ended September 30,	**2016**	2015	**2016**	2015
Rental revenue	**$ 96,165**	$ 91,621	**$ 285,543**	$ 269,371
Property Management and Services Agreement expense	**$ 1,491**	$ 1,364	**$ 4,133**	$ 4,113
Distributions on Units	**$ 10,151**	$ 9,897	**$ 30,454**	$ 29,691
Distributions on Class B LP Units [1]	**$ 19,784**	$ 16,453	**$ 55,053**	$ 48,220
Interest expense on Class C LP Units [2]	**$ 17,424**	$ 18,866	**$ 54,986**	$ 59,454

[1] Includes distributions deferred at the election of the holders of the Class B LP units.
[2] Includes interest of $nil (2015 - $125) for the bridge loan received for the period from the date that the Series 1 Class C LP Units was redeemed (June 1, 2015) to date of the issuance of the debentures payable (June 9, 2015).

The net balance due to CTC is comprised of the following:

(in thousands of Canadian dollars) As at	September 30, 2016	December 31, 2015
Tenant and other receivables	**$ (1,344)**	$ (893)
Class C LP Units	**1,521,968**	1,686,968
Amounts payable on Class C LP Units	**54,432**	75,093
Loans receivable in lieu of payments on Class C LP Units	**(48,626)**	(68,805)
Other liabilities	**15,708**	4,396
Distributions payable on Units and Class B LP Units[1]	**14,919**	11,115
Loans receivable in lieu of distributions on Class B LP Units	**(4,940)**	(2,106)
Net due to CTC	**$ 1,552,117**	$ 1,705,768

[1] Includes distributions deferred at the election of the holders of the Class B LP units.

8.0 Accounting Policies and Estimates

8.1 Significant Areas of Estimation

The preparation of the interim financial statements requires management to apply judgments, and to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Estimates are based upon historical experience and on various other assumptions that are reasonable under the circumstances. The result of ongoing evaluation of these estimates forms the basis for applying judgment with regards to the carrying values of assets and liabilities and the reported amounts of revenues and expenses. Actual results may differ from estimates. CT REIT's critical judgments in applying significant accounting policies are described in Note 2 of the annual consolidated financial statements contained in CT REIT's 2015 Annual Report, the most significant of which is the fair value of investment properties.

Fair Value of Investment Properties

To determine fair value, CT REIT uses the income approach. Fair value is estimated by capitalizing the cash flows that a property can reasonably be expected to produce over its remaining economic life. The income approach is derived from two methods: the OCR method, whereby the net operating income is capitalized at the requisite OCR, or the DCF method, in which the cash flows are projected over the anticipated term of the investment plus a terminal value discounted using an appropriate discount rate.

Properties under development are recorded at acquisition cost and are adjusted to fair value at each balance sheet date with the fair value adjustment recognized in earnings.

8.2 New Standards Implemented

There were no new standards implemented for the three months ended September 30, 2016.

8.3 Standards, Amendments and Interpretations Issued and Adopted

Disclosure initiative (IAS 1)

In December 2014, the International Accounting Standard Board ("IASB") issued Disclosure Initiative Amendments to IAS 1 as part of the IASB's Disclosure Initiative. These amendments encourage entities to apply professional judgment regarding disclosure and presentation in their financial statements.

These amendments are effective for annual periods beginning on or after January 1, 2016. These amendments did not impact CT REIT's interim financial statements and CT REIT is currently assessing the impact on its annual disclosure.

8.4 Standards, Amendments and Interpretations Issued and Not Yet Adopted

Details of the standards, amendments and interpretations issued but not yet adopted are described in Note 2 to the annual consolidated financial statements contained in CT REIT's 2015 Annual Report, except for the following:

Revenue from contracts with customers

In May 2014, the IASB issued IFRS 15 - *Revenue from Contracts with Customers* ("IFRS 15"), which replaces IAS 11 - *Construction Contracts*, IAS 18 - *Revenue*, and International Financial Reporting Interpretations Committee 13 - *Customer Loyalty Programmes* ("IFRIC 13"), as well as various other interpretations regarding revenue. IFRS 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 also contains enhanced disclosure requirements. IFRS 15 will be applied retrospectively for annual periods beginning on or after January 1, 2018. Early adoption is permitted. CT REIT is assessing the potential impact of this standard.

In April 2016, the IASB published clarifications to IFRS 15 which address three topics (identifying performance obligations, principal versus agent considerations, and licensing) and provide some transition relief for modified contracts and completed contracts. The amendments are effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. CT REIT is assessing the potential impact of these amendments.

Share-based payment

In June 2016, the IASB issued amendments to IFRS 2 - *Share-based Payment*, clarifying how to account for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature and a modification to the terms and conditions that changes the classification of the transactions.

These amendments are effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted. CT REIT is assessing the potential impact of these amendments.

9.0 Non-GAAP and Operational Key Performance Indicators

CT REIT uses non-GAAP key performance indicators including NOI, same store NOI, same property NOI, FFO, FFO per Unit, AFFO, AFFO per Unit, EBITFV, interest coverage ratio, indebtedness ratio, debt to enterprise value ratio and book value per Unit. CT REIT believes these non-GAAP measures and ratios provide useful supplemental information to both management and investors in measuring the financial performance of CT REIT in meeting its principle objective of the creation of Unitholder value by generating reliable, durable and growing monthly distributions. When calculating diluted FFO and AFFO per Unit, management excludes the effect of settling the Class C LP Units with Class B LP Units, which is required when calculating diluted Units in accordance with IFRS.

These measures and ratios do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures and ratios presented by other publicly traded entities, and should not be construed as an alternative to other financial measures determined in accordance with GAAP.

9.1 Net Operating Income

CT REIT defines NOI as property revenue less property expense and is adjusted further for straight-line rent and land lease adjustments. Management believes that NOI is a useful key indicator of performance as it represents a measure over which management of property operations has control. NOI is also a key input in determining the value of the portfolio. Refer to section 4.5 for the calculation of NOI.

9.1.1 Same Store NOI

Same store NOI is a non-GAAP financial measure which reports the period-over-period performance of the same asset base having consistent gross leaseable area in both periods. To calculate same store NOI growth, NOI is further adjusted to remove the impact of lease cancellation fees and other non-recurring items. Refer to section 4.5 for the calculation of same store NOI.

9.1.2 Same Property NOI

Same property NOI is a non-GAAP financial measure that is consistent with the definition of same store NOI above, except that same property includes the NOI impact of intensifications. Refer to section 4.5 for the calculation of same property NOI.

9.2 Funds From Operations

FFO is a non-GAAP financial measure of operating performance widely used by the real estate industry, particularly by those publicly traded entities that own and operate income-producing properties. FFO should not be considered as an alternative to net income or cash flows provided by operating activities determined in accordance with IFRS. CT REIT calculates its FFO in accordance with the Real Property Association of Canada White Paper on FFO for IFRS issued in April 2014. The purpose of the White Paper was to provide reporting issuers and investors with greater guidance on the definition of FFO and to help promote more consistent disclosure amongst reporting issuers. The use of FFO, combined with the required IFRS presentations, has been included for the purpose of improving the understanding of the operating results of CT REIT.

Management believes that FFO provides an operating performance measure that, when compared period-over-period, reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and property taxes, acquisition activities and interest costs, and provides a perspective of the financial performance that is not immediately apparent from net income determined in accordance with IFRS. FFO adds back to net income items that do not arise from operating activities, such as fair value adjustments.

FFO, however, still includes non-cash revenues related to accounting for straight-line rent and makes no deduction for the recurring capital expenditures necessary to sustain the existing earnings stream.

9.3 Adjusted Funds From Operations

AFFO is a supplemental measure of operating performance widely used in the real estate industry to assess an entity's ability to pay distributions. Management believes that AFFO is an effective measure of the cash generated from operations, after providing for operating capital requirements which are referred to as "productive capacity maintenance expenditures".

CT REIT calculates AFFO by adjusting FFO for non-cash income and expense items such as amortization of straight-line rents. FFO is also adjusted for a reserve for maintaining productive capacity required for sustaining property infrastructure and revenue from real estate properties and direct leasing costs. Property capital expenditures do not occur evenly during the fiscal year or from year to year. The property capital reserve in the AFFO calculation is intended to reflect an average annual spending level. The reserve is based on a 15-year average expenditure as determined by building condition reports prepared during 2013 by an independent consultant. The amount is also consistent with actual average amounts spent by CTC prior to October 2013.

There is currently no standard industry-defined measure of AFFO. As such, CT REIT's method of calculating AFFO may differ from that of other real estate entities and, accordingly, may not be comparable to such amounts reported by other issuers.

A reconciliation of the IFRS term "Cash Generated from Operating Activities" (refer to the interim statements of cash flow for the three and nine months ended September 30, 2016) to AFFO is as follows:

(in thousands of Canadian dollars)	Three Months Ended			Nine Months Ended		
For the periods ended September 30,	**2016**	2015	Change[1]	**2016**	2015	Change[1]
Cash generated from operating activities	**$ 71,337**	$ 66,280	7.6 %	**$ 203,725**	$ 196,232	3.8%
Changes in working capital and other	**(463)**	(1,033)	(55.2)%	**2,051**	(5,847)	NM
Deferred taxes	**(191)**	(202)	(5.4)%	**(339)**	152	NM
Fair value adjustment of unit based compensation	**123**	78	57.7 %	**498**	55	NM
Interest and other financing charges	**(20,251)**	(22,248)	(9.0)%	**(65,493)**	(65,202)	0.4%
Normalized capital expenditure reserve	**(4,666)**	(4,327)	7.8 %	**(13,654)**	(12,725)	7.3%
AFFO	**$ 45,889**	$ 38,548	19.0 %	**$ 126,788**	$ 112,665	12.5%

[1]NM - Not meaningful

The following table reconciles GAAP net income and comprehensive income to FFO and further reconciles FFO to AFFO:

(in thousands of Canadian dollars, except per unit amounts)	Three Months Ended			Nine Months Ended		
For the periods ended September 30,	**2016**	2015	Change[3]	**2016**	2015	Change [3]
Net Income and comprehensive income	**$ 72,124**	$ 58,885	22.5 %	**$ 193,624**	$ 171,656	12.8 %
Fair value adjustment of investment property	**(15,570)**	(9,392)	65.8 %	**(35,671)**	(27,179)	31.2 %
Deferred taxes	**(191)**	(202)	(5.4)%	**(339)**	152	NM
Fair value adjustment of unit based compensation	**123**	78	57.7 %	**498**	55	NM
Funds from operations	**$ 56,486**	$ 49,369	14.4 %	**$ 158,112**	$ 144,684	9.3 %
Property straight-line rent revenue	**(5,954)**	(6,539)	(8.9)%	**(17,738)**	(19,429)	(8.7)%
Straight-line ground lease expense	**23**	45	(48.9)%	**68**	135	(49.6)%
Normalized capital expenditure reserve	**(4,666)**	(4,327)	7.8 %	**(13,654)**	(12,725)	7.3 %
Adjusted funds from operations	**$ 45,889**	$ 38,548	19.0 %	**$ 126,788**	$ 112,665	12.5 %
FFO per Unit - basic	**$ 0.273**	$ 0.260	5.0 %	**$ 0.797**	$ 0.774	3.0 %
FFO per Unit - diluted (non-GAAP) [1]	**$ 0.273**	$ 0.260	5.0 %	**$ 0.797**	$ 0.774	3.0 %
AFFO per Unit - basic	**$ 0.222**	$ 0.203	9.4 %	**$ 0.639**	$ 0.603	6.0 %
AFFO per Unit - diluted (non-GAAP) [1]	**$ 0.222**	$ 0.203	9.4 %	**$ 0.639**	$ 0.603	6.0 %
AFFO payout ratio [2]	**77%**	82%	(6.1)%	**80%**	82%	(2.4)%
Distribution per Unit - paid	**$ 0.170**	$ 0.166	2.6 %	**$ 0.510**	$ 0.497	2.6 %
Weighted average units outstanding - basic	**206,793,551**	189,543,754	9.1 %	**198,294,662**	186,814,195	6.1 %
Weighted average units outstanding - diluted (non-GAAP) [1]	**206,925,409**	189,630,969	9.1 %	**198,412,568**	186,891,378	6.2 %
Number of units outstanding, end of period	**206,810,451**	189,562,625	9.1 %	**206,810,451**	189,562,625	9.1 %

[1]For the purposes of calculating diluted FFO and AFFO per Unit, diluted Units includes restricted and deferred units issued under various plans and excludes the effects of settling the Class C LP Units with Class B LP Units.
[2]Calculated as Distributions per Unit divided by AFFO per Unit - diluted (non-GAAP).
[3]NM - not meaningful

FFO for the three months ended September 30, 2016 amounted to $56,486 or $0.273 per Unit (diluted non-GAAP) and was $7,117 (14.4%) higher than the same period in 2015 primarily due to the impact of NOI variances and higher interest capitalization, discussed earlier.

FFO for the nine months ended September 30, 2016 amounted to $158,112 or $0.797 per Unit (diluted non-GAAP) and was $13,428 (9.3%) higher than the same period in 2015 primarily due to the impact of NOI variances, partially offset by higher general and administrative expenses, discussed earlier.

AFFO for the three months ended September 30, 2016 amounted to $45,889 or $0.222 per Unit (diluted non-GAAP) and was $7,341 (19.0%) higher than the same period in 2015 primarily due to the impact of NOI variances and higher interest capitalization, discussed earlier.

AFFO for the nine months ended September 30, 2016 amounted to $126,788 or $0.639 per Unit (diluted non-GAAP) and was $14,123 (12.5%) higher than the same period in 2015 primarily due to the impact of NOI variances, partially offset by higher general and administrative expenses, discussed earlier.

9.4 Earnings Before Interest and Other Financing Costs, Taxes and Fair Value Adjustments

EBITFV is a non-GAAP measure of a REIT's operating cash flow and it is used in addition to IFRS net income because it excludes major non-cash items (including fair value adjustments on investment properties), interest expense and other financing costs, income tax expense, losses or gains on disposition of property, and other non-recurring items that may occur under IFRS that management considers non-operating in nature. EBITFV should not be considered as an alternative to net income or cash flows provided by operating activities determined in accordance with IFRS.

EBITFV is used as an input in some of CT REIT's debt metrics, providing information with respect to certain financial ratios that CT REIT uses in measuring its debt profile and assessing the REIT's ability to satisfy its obligations, including servicing its debt. For the three and nine months ended September 30, 2016, EBITFV was calculated as follows:

(in thousands of Canadian dollars)	Three Months Ended			Nine Months Ended		
For the periods ended September 30,	**2016**	2015	Change	**2016**	2015	Change
Net Income and comprehensive income	**$ 72,124**	$ 58,885	22.5 %	**$ 193,624**	$ 171,656	12.8%
Fair value adjustment on investment properties	**(15,570)**	(9,392)	65.8 %	**(35,671)**	(27,179)	31.2%
Interest expense and other financing charges	**20,251**	22,248	(9.0)%	**65,493**	65,202	0.4%
EBITFV	**$ 76,805**	$ 71,741	7.1 %	**$ 223,446**	$ 209,679	6.6%

EBITFV for the three months ended September 30, 2016 is higher than the same period in 2015 primarily due to the impact of NOI variances, discussed earlier.

EBITFV for the nine months ended September 30, 2016 is higher than the same period in 2015 primarily due to the impact of NOI variances, partially offset by higher general & administrative expenses, discussed earlier.

9.5 Interest Coverage Ratio

Interest coverage ratios are used to measure an entity's ability to service its debt. Generally, the higher the ratio is, the lower the risk of default on debt. EBITFV is a generally accepted proxy for operating cash flow. The ratio is calculated as follows:

(in thousands of Canadian dollars)	Three Months Ended		Nine Months Ended	
For the periods ended September 30,	**2016**	2015	**2016**	2015
EBITFV (A)	**$ 76,805**	$ 71,741	**$ 223,446**	$ 209,679
Interest and other financing charges (B)	**$ 20,251**	$ 22,248	**$ 65,493**	$ 65,202
Interest coverage ratio (A)/(B)	**3.79**	3.22	**3.41**	3.22

The interest coverage ratio for the three months ended September 30, 2016 increased compared to the same period in the prior year due to higher EBITFV in 2016 and reduced interest and other financing charges.

The interest coverage ratio for the nine months ended September 30, 2016 increased compared to the same period in the prior year due to higher EBITFV in 2016.

9.6 Indebtedness Ratio

CT REIT has adopted an indebtedness ratio guideline which management uses as a measure to evaluate its leverage and the strength of its equity position, expressed as a percentage of financing provided by debt. CT REIT's Declaration of Trust limits its indebtedness (plus the aggregate par value of the Class C LP Units) to a maximum of 60% of the gross book value, excluding convertible debentures, and 65% including convertible debentures. Gross book value is defined as total assets as reported on the latest consolidated balance sheet. CT REIT calculates its indebtedness ratio as follows:

(in thousands of Canadian dollars)				
As at		**September 30, 2016**		December 31, 2015
Total assets (A)	**$**	**4,915,172**	$	4,350,903
Total indebtedness [1] (B)	**$**	**2,290,422**	$	2,095,045
Indebtedness ratio (B)/(A)		**46.6%**		48.2%

[1] Total indebtedness reflects the value of the Class C LP Units, mortgages payable, debentures payable and draws on the Bank Credit Facility, if any.

The indebtedness ratio at September 30, 2016 decreased compared to the indebtedness ratio at December 31, 2015 primarily due to CT REIT's 2016 acquisition, intensification and development activities and 2016 fair value adjustment made to its investment property portfolio, partially offset by an increase in indebtedness during 2016.

9.7 Debt to Enterprise Value Ratio

CT REIT's debt to enterprise value ratio is a non-GAAP measure and is calculated as total debt divided by enterprise value which is the sum of: i) total indebtedness and ii) period-end Units and Class B LP Units outstanding multiplied by the period end Unit closing price ("Equity Value"). Enterprise value is an economic measure reflecting the market value of an entity. CT REIT's debt to enterprise value ratio is an indicator of how indebted it is relative to its enterprise value.

(in thousands of Canadian dollars, except for per Unit amounts)				
As at		**September 30, 2016**		December 31, 2015
Total indebtedness (A)	**$**	**2,290,422**	$	2,095,045
Equity value				
Period-end Units and Class B LP Units outstanding		**206,810,451**		189,600.687
Unit closing price	**$**	**15.40**	$	13.00
Equity value (B)	**$**	**3,184,881**	$	2,464,809
Enterprise value (A + B)	**$**	**5,475,303**	$	4,559,854
Debt / Enterprise value (A / (A + B))		**41.8%**		45.9%

CT REIT's debt to enterprise value ratio at September 30, 2016 decreased compared to the debt to enterprise value ratio at December 31, 2015 as a result of an increased closing Unit price and an increase in equity value due to additional Units and Class B LP Units issued, partially offset by an increase in indebtedness.

The table below presents CT REIT's indebtedness to EBITFV ratio:

(in thousands of Canadian dollars)				
As at		**September 30, 2016**		December 31, 2015
Total indebtedness	**$**	**2,290,422**	$	2,095,045
EBITFV [1]		**307,220**		281,904
Total indebtedness / EBITFV		**7.46**		7.43

[1] Non-GAAP key performance indicator. Refer to section 9.0 for further information. 2016 EBITFV is annualized based on EBITFV for the three months ended September 30, 2016.

CT REIT's indebtedness to EBITFV ratio at September 30, 2016 remained consistent compared to the indebtedness to EBITFV ratio at December 31, 2015.

9.8 Book Value per Unit

Book value per Unit is a non-GAAP measure and represents Total Equity from the interim balance sheets divided by the sum of the period end Units and Class B LP Units outstanding. It is an indication of the residual book value available to Unitholders. As well, book value per Unit is compared to the REIT's Unit trading price in order to measure a premium or discount.

(in thousands of Canadian dollars, except for per Unit amounts)		
As at	**September 30, 2016**	December 31, 2015
Total Equity (A)	**$ 2,560,110**	$ 2,213,363
Period-end Units and Class B LP Units outstanding (B)	**206,810,451**	189,600,687
Book value per Unit (A / B)	**$ 12.38**	$ 11.67

CT REIT's book value per Unit at September 30, 2016 increased from the book value per Unit at December 31, 2015 primarily due to net income exceeding distributions and the issuance of new equity at a price exceeding the book value per Unit.

9.9 Selected Quarterly Consolidated Information

(in thousands of Canadian dollars, except per Unit amounts)	**2016**			**2015**				2014
As at and for the quarter ended	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Property revenue	**$ 102,932**	$ 101,507	$ 98,496	$ 96,599	$ 95,916	$ 93,217	$ 92,448	$ 89,212
Net income	**$ 72,124**	$ 60,347	$ 61,153	$ 62,824	$ 58,885	$ 57,205	$ 55,566	$ 53,711
Net income per Unit								
- basic	**$ 0.349**	$ 0.306	$ 0.321	$ 0.331	$ 0.311	$ 0.306	$ 0.302	$ 0.296
- diluted	**$ 0.290**	$ 0.256	$ 0.260	$ 0.257	$ 0.242	$ 0.233	$ 0.226	$ 0.222
FFO - diluted, non-GAAP [1]	**$ 0.273**	$ 0.263	$ 0.260	$ 0.264	$ 0.260	$ 0.256	$ 0.258	$ 0.256
AFFO - diluted, non-GAAP [1]	**$ 0.222**	$ 0.210	$ 0.206	$ 0.206	$ 0.203	$ 0.199	$ 0.200	$ 0.191
Total assets	**$ 4,915,172**	$ 4,874,626	$ 4,433,104	$ 4,350,903	$ 4,324,229	$ 4,291,153	$ 4,113,322	$ 4,017,420
Total indebtedness	**$ 2,290,422**	$ 2,288,626	$ 2,112,726	$ 2,095,045	$ 2,078,826	$ 2,071,737	$ 1,984,131	$ 1,983,773
Total distributions, net of distribution reinvestment, to Unitholders - paid	**$ 34,657**	$ 32,190	$ 31,854	$ 30,947	$ 30,946	$ 30,450	$ 29,907	$ 29,078
Total distributions to Unitholders per Unit - paid	**$ 0.170**	$ 0.170	$ 0.170	$ 0.166	$ 0.166	$ 0.166	$ 0.166	$ 0.163
Book value per Unit	**$ 12.38**	$ 12.20	$ 11.84	$ 11.67	$ 11.51	$ 11.36	$ 11.21	$ 11.03
Market price per Unit								
- high	**$ 15.76**	$ 15.60	$ 14.76	$ 13.45	$ 13.40	$ 12.96	$ 13.50	$ 12.55
- low	**$ 14.55**	$ 14.17	$ 12.46	$ 12.50	$ 11.26	$ 11.75	$ 11.70	$ 10.50
- close (end of period)	**$ 15.40**	$ 14.80	$ 14.45	$ 13.00	$ 12.86	$ 12.10	$ 12.90	$ 12.31

[1]Non-GAAP key performance indicators. Refer to section 9.0 for further information.

Refer to CT REIT's respective annual and interim MD&A's issued for a discussion and analysis relating to those periods.

10.0 Enterprise Risk Management

To preserve and enhance Unitholder value over the long term, CT REIT approaches the management of risk strategically through its ERM Program.

The ERM Program provides an integrated approach to the management of risks, supporting the REIT's strategies and objectives, and is described in detail in Section 10.0 in the MD&A contained in the REIT's 2015 Annual Report.

The REIT's ERM Program continues to further enhance risk reporting through developing and refining underlying processes and tools aimed at supporting risk identification and risk monitoring.

11.0 Internal Controls and Procedures

Details related to disclosure controls and procedures and internal controls over financial reporting are disclosed in Section 11.0 of the MD&A contained in CT REIT's 2015 Annual Report.

Changes in Internal Control over Financial Reporting
During the three months ended September 30, 2016, there have been no changes in CT REIT's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, CT REIT's internal control over financial reporting.

12.0 Forward-looking Information

This MD&A, and the documents incorporated by reference herein, contain forward-looking statements that involve a number of risk and uncertainties, including statements regarding the outlook for CT REIT's business results of operations. Forward-looking statements are provided for the purposes of providing information about CT REIT's future outlook and anticipated events or results and may include statements regarding known and unknown risks and uncertainties and other factors that may cause the actual results to differ materially from those indicated. Such factors include, but are not limited to, general economic conditions, financial position, business strategy, availability of acquisition opportunities, budgets, capital expenditures, financial results including fair value adjustments and cash flow assumptions upon which they are based, cash, taxes, plans and objectives of or involving CT REIT. Particularly, statements regarding future acquisitions, developments, distributions, results, performance, achievements, prospects or opportunities for CT REIT or the real estate industry are forward-looking statements. In some cases, forward-looking information can be identified by such terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue", "likely", "schedule", "resolved to", or the negative thereof or other similar expressions concerning matters that are not historical facts. Some of the specific forward-looking statements in this document include, but are not limited to, statements with respect to the following:

- CT REIT's growth strategy and objectives under section 2.0;
- CT REIT's fair value of property portfolio under section 3.4;
- CT REIT's 2016 Investment Activities - Commitments as at September 30, 2016 under section 3.6;
- CT REIT's fair value adjustment on investment properties under section 4.9;
- CT REIT's capital expenditures to fund acquisitions and development activities under section 5.1;
- CT REIT's capital strategy under section 5.9; and
- CT REIT's commitments and contingencies under section 5.10;
- CT REIT's access to available sources of debt and/or equity financing;
- CT REIT's principal risks under section 10.0;
- the expected tax treatment of CT REIT and its distributions to Unitholders;
- CT REIT's ability to expand its asset base, make accretive acquisitions, develop or intensify its property and participate with CTC in the development or intensification of the properties; and
- the ability of CT REIT to qualify as a "mutual fund trust", as defined in the Tax Act, and as a "real estate investment trust", as defined in the SIFT Rules.

CT REIT has based these forward-looking statements on factors and assumptions about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs, including that the Canadian economy will remain stable over the next 12 months, that inflation will remain relatively low, that tax laws remain unchanged, that conditions within the real estate market, including competition for acquisitions, will be consistent with the current climate, that the Canadian capital markets will provide CT REIT with access to equity and/or debt at reasonable rates when required and that CTC will continue its involvement with CT REIT on the basis described in its 2015 AIF.

Although the forward-looking statements contained in this MD&A are based upon assumptions that management of CT REIT believes are reasonable based on information currently available to management, there can be no assurance that actual results will be consistent with these forward-looking statements. Forward-looking statements necessarily involve known and unknown risks and uncertainties, many of which are beyond the REIT's control, that may cause CT REIT's or the industry's actual results, performance, achievements, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, the factors discussed under the "Risk Factors" section of the 2015 AIF.

For more information on the risks, uncertainties and assumptions that could cause CT REIT's actual results to differ from current expectations, please also refer to CT REIT's public filings available on SEDAR at www.sedar.com and by a link at www.ctreit.com.

CT REIT cautions that the foregoing list of important factors and assumptions is not exhaustive and other factors could also adversely affect its results. Investors and other readers are urged to consider the foregoing risks, uncertainties, factors and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information. Statements that include forward-looking information do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made have on CT REIT's business. For example, they do not include the effect of any dispositions, acquisitions, asset write-downs or other charges announced or occurring after such statements are made. The forward-looking information in this MD&A is based on certain factors and assumptions made as of the date hereof or the date of the relevant document incorporated herein by reference, as applicable. CT REIT does not undertake to update the forward-looking information, whether written or oral, that may be made from time to time by it or on its behalf, to reflect new information, future events or otherwise, except as required by applicable securities laws.

Information contained in or otherwise accessible through the websites referenced in this MD&A or the documents incorporated by reference herein (other than CT REIT's profile on SEDAR at www.sedar.com) does not form part of this MD&A or the documents incorporated by reference herein and is not incorporated by reference into this MD&A. All references to such websites are inactive textual references and are for information only.

Commitment to disclosure and investor communication

The Investor Relations section of the REIT's website by a link at www.ctreit.com includes the following documents and information of interest to investors:

- Annual Information Form;
- Management Information Circular;
- the Prospectus;
- quarterly reports; and
- conference call webcasts (archived for one year).

Additional information about the REIT has been filed electronically with various securities regulators in Canada through SEDAR and is available online at www.sedar.com.

If you would like to contact the Investor Relations department directly, call Andrea Orzech at (416) 480-3195 or email investor.relations@ctreit.com.

November 1, 2016

THIRD QUARTER 2016

CT REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

Condensed Consolidated Balance Sheets (Unaudited)

(Canadian dollars, in thousands) **As at**	Note		**September 30, 2016**		December 31, 2015
Assets					
Non-current assets					
Investment properties	3	**$**	**4,885,797**	$	4,319,061
Other assets			**3,026**		2,541
			4,888,823		4,321,602
Current assets					
Tenant and other receivables			**3,086**		2,511
Other assets			**16,460**		2,110
Cash and cash equivalents			**6,803**		24,680
			26,349		29,301
Total assets		**$**	**4,915,172**	$	4,350,903
Liabilities					
Non-current liabilities					
Class C LP Units	4	**$**	**1,451,550**	$	1,486,968
Mortgages payable	5		**55,008**		55,953
Debentures payable	6		**695,155**		347,948
Other liabilities	8		**2,750**		1,481
			2,204,463		1,892,350
Current liabilities					
Class C LP Units	4		**70,418**		200,000
Mortgages payable	5		**1,306**		4,176
Bank credit facility	7		**16,985**		—
Other liabilities	8		**50,170**		30,269
Distributions payable	9		**11,720**		10,745
			150,599		245,190
Total liabilities			**2,355,062**		2,137,540
Equity					
Unitholders' equity	10		**1,080,023**		1,037,209
Non-controlling interests	10, 12		**1,480,087**		1,176,154
Total equity			**2,560,110**		2,213,363
Total liabilities and equity		**$**	**4,915,172**	$	4,350,903

The related notes form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statements of Income and Comprehensive Income (Unaudited)

(Canadian dollars, in thousands, except per unit amounts)

		Three months ended		Nine months ended	
For the periods ended September 30,	Note	**2016**	2015	**2016**	2015
Property revenue	13	**$ 102,932**	$ 95,916	**$ 302,935**	$ 281,581
Property expense	13	**(24,189)**	(21,944)	**(71,851)**	(65,067)
General and administrative expense	14	**(1,954)**	(2,320)	**(7,836)**	(6,981)
Interest income		**16**	89	**198**	146
Interest and other financing charges	15	**(20,251)**	(22,248)	**(65,493)**	(65,202)
Fair value adjustment on investment properties	3	**15,570**	9,392	**35,671**	27,179
Net income and comprehensive income		**$ 72,124**	$ 58,885	**$ 193,624**	$ 171,656
Net income and comprehensive income attributable to:					
Unitholders		**$ 31,539**	$ 28,048	**$ 87,437**	$ 82,844
Non-controlling interests		**40,585**	30,837	**106,187**	88,812
		$ 72,124	$ 58,885	**$ 193,624**	$ 171,656
Net income per unit - basic	10	**$ 0.35**	$ 0.31	**$ 0.98**	$ 0.92
Net income per unit - diluted	10	**$ 0.29**	$ 0.24	**$ 0.81**	$ 0.71

The related notes form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statements of Changes in Equity (Unaudited)

(Canadian dollars, in thousands)

	Note	Units	Retained Earnings	Unitholders' Equity	Non-controlling interests	Total Equity
Balance at December 31, 2015		**$ 879,727**	**$ 157,482**	**$ 1,037,209**	**$ 1,176,154**	**$ 2,213,363**
Net income and comprehensive income for the period		—	87,437	87,437	106,187	193,624
Issuance of Class B LP Units, net of issue costs	3, 4	—	—	—	252,799	252,799
Distributions	9	—	(46,105)	(46,105)	(55,053)	(101,158)
Issuance of Units under Distribution Reinvestment Plan	9	1,482	—	1,482	—	1,482
Balance at September 30, 2016		**$ 881,209**	**$ 198,814**	**$ 1,080,023**	**$ 1,480,087**	**$ 2,560,110**

	Note	Units	Retained Earnings	Unitholders' Equity	Non-controlling interests	Total Equity
Balance at December 31, 2014		**$ 877,905**	**$ 104,683**	**$ 982,588**	**$ 1,019,601**	**$ 2,002,189**
Net income and comprehensive income for the period		—	82,844	82,844	88,812	171,656
Issuance of Class B LP Units, net of issue costs	3	—	—	—	99,727	99,727
Distributions	9	—	(44,876)	(44,876)	(48,220)	(93,096)
Issuance of Units under Distribution Reinvestment Plan	9	1,346	—	1,346	—	1,346
Balance at September 30, 2015		**$ 879,251**	**$ 142,651**	**$ 1,021,902**	**$ 1,159,920**	**$ 2,181,822**

The related notes form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows (Unaudited)

(Canadian dollars, in thousands, except per unit amounts)

		Three months ended		Nine months ended	
For the periods ended September 30,	Note	**2016**	2015	**2016**	2015
Cash generated from (used for):					
Operating activities					
Net income		**$ 72,124**	$ 58,885	**$ 193,624**	$ 171,656
Add/(deduct):					
Fair value adjustment on investment properties		**(15,570)**	(9,392)	**(35,671)**	(27,179)
Property straight-line rent revenue		**(5,954)**	(6,539)	**(17,738)**	(19,429)
Straight-line ground lease expense		**23**	45	**68**	135
Interest and other financing charges		**20,251**	22,248	**65,493**	65,202
Changes in working capital and other	16	**463**	1,033	**(2,051)**	5,847
Cash generated from operating activities		**$ 71,337**	$ 66,280	**$ 203,725**	$ 196,232
Investing activities					
Income producing property		**(309)**	(1,224)	**(105,435)**	(48,906)
Development activities and land investments		**(5,782)**	(9,873)	**(303,609)**	(13,790)
Capital expenditures recoverable from tenants		**(7,553)**	(4,919)	**(11,936)**	(5,748)
Proceeds of disposition		**61**	167	**97**	167
Cash used for investing activities		**$ (13,583)**	$ (15,849)	**$ (420,883)**	$ (68,277)
Financing activities					
Proceeds from issuance of debentures payable	6	**—**	—	**350,000**	350,000
Debenture issue costs	6	**(583)**	(403)	**(1,909)**	(2,087)
Redemption of Class C LP Units	4	**—**	—	**—**	(200,000)
Unit distributions	9	**(14,873)**	(14,493)	**(44,617)**	(43,524)
Class B LP Unit distributions paid or loaned	9	**(19,784)**	(16,453)	**(54,084)**	(47,779)
Payments on Class C LP Units paid or loaned	4	**(17,402)**	(18,780)	**(55,468)**	(59,363)
Bank Credit Facility draws (repayments), net	7	**1,990**	—	**16,985**	(78,000)
Mortgage principal repayments	5	**(301)**	(291)	**(3,770)**	(865)
Interest paid		**(903)**	(3,210)	**(7,585)**	(5,439)
Class B LP Unit issue costs		**(190)**	—	**(271)**	(104)
Cash generated from/(used for) financing activities		**$ (52,046)**	$ (53,630)	**$ 199,281**	$ (87,161)
Cash generated from/(used for) the period		**$ 5,708**	$ (3,199)	**$ (17,877)**	$ 40,794
Cash and cash equivalents, beginning of period		**1,095**	46,703	**24,680**	2,710
Cash and cash equivalents, end of period		**$ 6,803**	$ 43,504	**$ 6,803**	$ 43,504

The related notes form an integral part of these condensed consolidated financial statements.

1. NATURE OF CT REAL ESTATE INVESTMENT TRUST

CT Real Estate Investment Trust is an unincorporated, closed-end real estate investment trust. CT Real Estate Investment Trust and its subsidiaries, unless the context requires otherwise, are together referred to in these unaudited condensed consolidated financial statements as “CT REIT” or "the REIT". CT REIT commenced operations on October 23, 2013, and was formed to own income-producing commercial properties located primarily in Canada. The principal and registered head office of CT REIT is located at 2180 Yonge Street, Toronto, Ontario M4P 2V8.

Canadian Tire Corporation, Limited (“CTC”) owns an 85.1% effective interest in CT REIT as of September 30, 2016, consisting of 59,711,094 of the issued and outstanding units of CT REIT (“Units”) and all of the issued and outstanding Class B limited partnership units (“Class B LP Units”) of CT REIT Limited Partnership (the “Partnership”), which are economically equivalent to and exchangeable for Units. CTC also owns all of the issued and outstanding Class C limited partnership units (“Class C LP Units”) of the Partnership (see Note 4). The Units are listed on the Toronto Stock Exchange (the “TSX”) under the symbol CRT.UN.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These condensed consolidated interim financial statements (“interim financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). CT REIT prepared these interim financial statements for the three and nine months ended September 30, 2016 in accordance with International Accounting Standard (“IAS”) 34 – *Interim Financial Reporting*. These interim financial statements should be read in conjunction with the annual consolidated financial statements contained in CT REIT’s 2015 Annual Report. They have been prepared using the same accounting policies that were described in Note 3 to the annual consolidated financial statements contained in CT REIT’s 2015 Annual Report other than standards, amendments and interpretations adopted as disclosed in note 2(d).

These interim financial statements were authorized for issuance by CT REIT’s Board of Trustees (the “Board”) on November 1, 2016.

(b) Basis of presentation

These interim financial statements have been prepared on the historical cost basis except for investment properties and liabilities for unit-based compensation plans, which are measured at fair value.

These interim financial statements are presented in Canadian dollars (“C$”) rounded to the nearest thousand, except per unit amounts.

(c) Judgements and estimates

The preparation of these interim financial statements in accordance with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of these interim financial statements and the reported amounts of revenue and expenses during the reporting periods presented. Actual results may differ from estimates made in these interim financial statements.

Judgments are made in the selection and assessment of CT REIT’s accounting policies. Estimates are used mainly in determining the measurement of recognized transactions and balances. Estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Judgment and estimates are often interrelated. CT REIT’s judgments and estimates are continually re-evaluated to ensure they remain appropriate. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Details of the accounting policies subject to judgments and estimates that CT REIT believes could have the most significant impact on the amounts recognized in these interim financial statements are described in Note 2 to the annual consolidated financial statements contained in CT REIT's 2015 Annual Report.

(d) Standards, amendments and interpretations issued and adopted
Disclosure initiative (IAS 1)
In December 2014, the International Accounting Standard Board ("IASB") issued Disclosure Initiative Amendments to IAS 1 as part of the IASB's Disclosure Initiative. These amendments encourage entities to apply professional judgment regarding disclosure and presentation in their financial statements.

These amendments are effective for annual periods beginning on or after January 1, 2016. These amendments did not impact CT REIT's interim financial statements and CT REIT is currently assessing the impact on its annual disclosure.

(e) Standards, amendments and interpretations issued but not yet adopted
Details of the standards, amendments and interpretations issued but not yet adopted are described in Note 2 to the annual consolidated financial statements contained in CT REIT's 2015 Annual Report, except for the following:

Revenue from contracts with customers
In May 2014, the IASB issued IFRS 15 - *Revenue from Contracts with Customers* ("IFRS 15"), which replaces IAS 11 - *Construction Contracts*, IAS 18 - *Revenue*, and International Financial Reporting Interpretations Committee 13 - *Customer Loyalty Programmes* ("IFRIC 13"), as well as various other interpretations regarding revenue. IFRS 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers, except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments. IFRS 15 also contains enhanced disclosure requirements. IFRS 15 will be applied retrospectively for annual periods beginning on or after January 1, 2018. Early adoption is permitted. CT REIT is assessing the potential impact of this standard.

In April 2016, the IASB published clarifications to IFRS 15 which address three topics (identifying performance obligations, principal versus agent considerations, and licensing) and provide some transition relief for modified contracts and completed contracts. The amendments are effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted. CT REIT is assessing the potential impact of these amendments.

Share-based payment
In June 2016, the IASB issued amendments to IFRS 2 - *Share-based Payment*, clarifying how to account for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature and a modification to the terms and conditions that changes the classification of the transactions.

These amendments are effective for annual periods beginning on or after January 1, 2018. Early adoption is permitted. CT REIT is assessing the potential impact of these amendments.

(All dollar amounts are in thousands, except per unit amounts)

3. INVESTMENT PROPERTIES

	September 30, 2016			December 31, 2015		
	Income producing properties	**Properties under development**	**Total investment properties**	Income producing properties	Properties under development	Total investment properties
Balance, beginning of period	**$ 4,304,838**	**$ 14,223**	**$ 4,319,061**	$ 3,995,860	$ 3,984	$ 3,999,844
Property acquisitions (including transaction costs)	**178,605**	**—**	**178,605**	174,430	—	174,430
Intensifications	**—**	**5,718**	**5,718**	—	28,939	28,939
Developments	**—**	**304,411**	**304,411**	—	25,983	25,983
Development land	**—**	**7,200**	**7,200**	—	8,767	8,767
Capitalized interest and property taxes	**—**	**3,782**	**3,782**	—	390	390
Transfers	**10,997**	**(10,997)**	**—**	53,840	(53,840)	—
Fair value adjustment on investment properties	**35,671**	**—**	**35,671**	39,910	—	39,910
Straight-line rent	**17,738**	**—**	**17,738**	26,131	—	26,131
Recoverable capital expenditures	**13,708**	**—**	**13,708**	14,834	—	14,834
Dispositions	**(97)**	**—**	**(97)**	(167)	—	(167)
Balance, end of period[1]	**$ 4,561,460**	**$ 324,337**	**$ 4,885,797**	$ 4,304,838	$ 14,223	$ 4,319,061

[1] Includes purchased land of $5,005 (2015 - $780) held for future development.

To determine fair value, CT REIT uses the income approach. Fair value is estimated by capitalizing the cash flows that the property can reasonably be expected to produce over its remaining economic life. The income approach is derived from two methods: the overall capitalization rate ("OCR") method, whereby the net operating income is capitalized at the requisite OCR, or the discounted cash flow ("DCF") method, in which the cash flows are projected over the anticipated term of the investment plus a terminal value discounted using an appropriate discount rate.

As at September 30, 2016, management's determination of fair value was updated for current market assumptions, utilizing market capitalization rates provided by independent valuation professionals.

On a periodic basis, CT REIT obtains independent valuations such that substantially all of the properties will be externally appraised over a four-year period.

The fair value of investment properties is based on Level 3 inputs (see Note 24(a) to the annual consolidated financial statements contained in CT REIT's 2015 Annual Report for definition of levels). There have been no transfers during the period between levels.

The significant inputs used to determine the fair value of CT REIT's income producing properties are as follows:

	Properties valued by the OCR method	**Properties valued by the DCF method**
Number of properties	264	32
Value at September 30, 2016	$ 3,687,313	$ 838,482
Discount rate	—%	6.78%
Terminal capitalization rate	—%	6.37%
Overall capitalization rate	6.35%	—%
Hold period (years)	—	9

(All dollar amounts are in thousands, except per unit amounts)

Valuations determined by the OCR method are most sensitive to changes in capitalization rates. Valuations determined by the DCF method are most sensitive to changes in discount rates.

The following table summarizes the sensitivity of the fair value of investment properties to changes in the capitalization rate and discount rate, respectively:

	OCR Sensitivity		DCF Sensitivity	
Rate sensitivity	**Fair value**	**Change in fair value**	**Fair value**	**Change in fair value**
+ 75 basis points	$ 3,320,590	$ (366,724)	$ 754,843	$ (83,638)
+ 50 basis points	3,433,878	(253,436)	780,552	(57,930)
+ 25 basis points	3,555,649	(131,665)	808,251	(30,230)
Base rate	$ 3,687,313	$ —	$ 838,482	$ —
- 25 basis points	3,829,662	142,348	870,592	32,111
- 50 basis points	3,984,254	296,940	905,924	67,443
- 75 basis points	$ 4,152,821	$ 465,507	$ 944,477	$ 105,996

2016 Investment and Development Activity

Funding of investment and development activities for the three and nine months ended September 30, 2016 was as follows:

	Q3 2016 Investment and Development Activity				
	Property investments	**Development land**	**Developments**	**Intensifications**	**Total**
Funded with working capital to CTC	$ —	$ 1,184	$ —	$ —	$ 1,184
Funded with working capital to third parties	309	43	3,006	1,881	5,239
Issuance of Class B LP Units to CTC	—	—	—	—	—
Issuance of Class C LP Units to CTC	—	—	—	—	—
Total costs	**$ 309**	**$ 1,227**	**$ 3,006**	**$ 1,881**	**$ 6,423**

	YTD 2016 Investment and Development Activity				
	Property investments	**Development land**	**Developments**	**Intensifications**	**Total**
Funded with working capital to CTC	$ 5,790	$ 1,184	$ 279,921	$ 2,728	$ 289,623
Funded with working capital to third parties	99,645	1,116	14,490	2,990	118,241
Issuance of Class B LP Units to CTC	53,070	—	—	—	53,070
Issuance of Class C LP Units to CTC	20,100	4,900	10,000	—	35,000
Total costs	**$ 178,605**	**$ 7,200**	**$ 304,411**	**$ 5,718**	**$ 495,934**

(All dollar amounts are in thousands, except per unit amounts)

2015 Investment and Development Activity

Funding of investment and development activities for the year ended December 31, 2015 was as follows:

	2015 Investment and Development Activity				
	Property investments	**Development land**	**Developments**	**Intensifications**	**Total**
Funded with working capital to CTC	$ 41,955	$ 1	$ 14,060	$ 15,103	$ 71,119
Funded with working capital to third parties	1,095	627	8,966	13,836	24,524
Issuance of Class B LP Units to CTC	99,830	—	—	—	99,830
Issuance of Class C LP Units to CTC	31,550	8,139	—	—	39,689
Mortgages assumed	—	—	2,957	—	2,957
Total costs	$ 174,430	$ 8,767	$ 25,983	$ 28,939	$ 238,119

Included in CT REIT's investment properties are eight buildings which are situated on ground leases with remaining initial terms of between 3 and 40 years, and an average initial term of 16 years.

4. CLASS C LP UNITS

The Class C LP Units entitle the holder to a fixed cumulative monthly payment during the initial fixed rate period for each Series of Class C LP Units (the “Initial Fixed Rate Period”) equal to a weighted average of 4.58% of the aggregate capital amount ascribed to the Class C LP Units, in priority to distributions made to holders of the Class B LP Units and CT REIT GP Corp. (the "GP") Units, subject to certain exceptions.

On expiry of the Initial Fixed Rate Period applicable to each series of Class C LP Units, and every five years thereafter, each such series of Class C LP Units is redeemable at par (together with all accrued and unpaid payments thereon) at the option of the Partnership or the holder, upon giving at least 120 days’ prior notice. The Partnership further has the ability to settle any of the Class C LP Units at any time after January 1, 2019 at a price equal to the greater of par and a price to provide a yield equal to the then equivalent Government of Canada bond yield plus a spread, so long as such redemption is in connection with a sale of properties.

Such redemptions of Class C LP Units (other than upon a change of control at CT REIT) can be settled at the option of the Partnership, in cash or Class B LP Units of equal value.

During the five-year period beginning immediately following the completion of the Initial Fixed Rate Period, and each five-year period thereafter, if not redeemed, the fixed payment rate for Class C LP Units will be reset, and the holders of Class C LP Units will be entitled, subject to certain conditions, to elect either a fixed rate or floating rate option.

(All dollar amounts are in thousands, except per unit amounts)

The following table presents the details of the Class C LP Units:

Series	Expiry of initial fixed rate period	Annual distribution rate during initial fixed rate period	Carrying amount at September 30, 2016	Carrying amount at December 31, 2015
Series 2	May 31, 2016	3.50%	$ —	$ 200,000
Series 3	May 31, 2020	4.50%	**200,000**	200,000
Series 4	May 31, 2024	4.50%	**200,000**	200,000
Series 5	May 31, 2028	4.50%	**200,000**	200,000
Series 6	May 31, 2031	5.00%	**200,000**	200,000
Series 7	May 31, 2034	5.00%	**200,000**	200,000
Series 8	May 31, 2035	5.00%	**200,000**	200,000
Series 9	May 31, 2038	5.00%	**200,000**	200,000
Series 10	May 31, 2017	2.38%	**7,130**	7,130
Series 11	May 31, 2017	2.20%	**20,685**	20,685
Series 12	May 31, 2017	2.23%	**19,464**	19,464
Series 13	May 31, 2017	1.65%	**3,789**	3,789
Series 14	May 31, 2017	1.71%	**15,000**	15,000
Series 15	May 31, 2017	1.77%	**4,350**	4,350
Series 16	May 31, 2020	2.42%	**16,550**	16,550
Series 17	May 31, 2020	2.39%	**18,500**	—
Series 18	May 31, 2020	2.28%	**4,900**	—
Series 19	May 31, 2020	2.28%	**11,600**	—
Weighted average / Total		**4.58%**	**$ 1,521,968**	$ 1,686,968
Current			**$ 70,418**	$ 200,000
Non-current			**1,451,550**	1,486,968
Total			**$ 1,521,968**	$ 1,686,968

For the three and nine months ended September 30, 2016, interest expense of $17,424 (Q3 2015 – $18,866) and $54,986 (YTD 2015 - $59,454), respectively, was recognized in respect of the Class C LP Units (see Note 15). The holders of the Class C LP Units may elect to defer receipt of all or a portion of payments declared by CT REIT until the first business day following the end of the fiscal year. If the holder so elects to defer receipt of payments, CT REIT will loan the holder an amount equal to the deferred payment without interest, and the loan will be due and payable in full on the first business day following the end of the fiscal year the loan was advanced, the holder having irrevocably directed that any payment of the deferred payments be applied to repay such loans. At the election of the holder, payments on the Class C LP Units for the three and nine months ended September 30, 2016 of $17,165 (Q3 2015 – $18,765) and $48,626 (YTD 2015 – $50,040), respectively, were deferred until the first business day following the end of the fiscal year and non-interest bearing loans equal to the deferred payments were advanced in lieu thereof. The net amount of payments due in respect of the Class C LP Units at September 30, 2016 of $5,806 (December 31, 2015 – $6,288) is included in other liabilities on the interim balance sheets (see Note 8).

On May 31, 2016, Series 2 of the Class C LP Units was redeemed by the issuance to CTC of $200,000 of Class B LP Units.

(All dollar amounts are in thousands, except per unit amounts)

5. MORTGAGES PAYABLE

Mortgages payable, secured by certain of CT REIT's investment properties, include the following:

	September 30, 2016		December 31, 2015	
	Face value	**Carrying amount**	Face value	Carrying amount
Current	**$ 1,230**	**$ 1,306**	$ 4,074	$ 4,176
Non-current	**55,023**	**55,008**	55,949	55,953
Total	**$ 56,253**	**$ 56,314**	$ 60,023	$ 60,129

Future repayments are as follows:		**Principal Amortization**	**Maturities**	**Total**
	2016	$ 304	$ —	$ 304
	2017	1,241	—	1,241
	2018	493	16,590	17,083
	2019	35	37,590	37,625
	2020	—	—	—
	2021 and thereafter	—	—	—
Total contractual obligation		$ 2,073	$ 54,180	$ 56,253
Unamortized portion of mark to market on mortgages payable assumed at the acquisition of properties				177
Unamortized transaction costs				(116)
				$ 56,314

Mortgages payable have interest rates that range from 2.93% to 3.60%, and have maturity dates that range from January 2018 to December 2019. Mortgages payable at September 30, 2016 had a weighted average interest rate of 3.18% (December 31, 2015 – 3.15%). At September 30, 2016, floating rate and fixed rate mortgages were $31,133 (December 31, 2015 – $31,133) and $25,120 (December 31, 2015 – $28,890), respectively.

Investment properties having a fair value of $126,020 (December 31, 2015 – $132,999), have been pledged as security for mortgages payable.

6. DEBENTURES PAYABLE

	September 30, 2016		December 31, 2015	
Series	**Face Value**	**Carrying Amount**	Face Value	Carrying Amount
A, 2.85%, June 9, 2022	**$ 150,000**	**$ 149,086**	$ 150,000	$ 149,159
B, 3.53%, June 9, 2025	**200,000**	**198,551**	200,000	198,789
C, 2.16%, June 1, 2021	**150,000**	**148,998**	—	—
D, 3.29%, June 1, 2026	**200,000**	**198,520**	—	—
	$ 700,000	**$ 695,155**	$ 350,000	$ 347,948

On May 31, 2016, CT REIT issued $350,000 aggregate principal amount of senior unsecured debentures payable under CT REIT's short form base shelf prospectus dated March 5, 2015. The proceeds, net of issuance costs of

(All dollar amounts are in thousands, except per unit amounts)

$2,564, were used to pay down certain amounts outstanding under the Bank Credit Facility, and the balance of the proceeds was retained for general business purposes.

For the three and nine months ended September 30, 2016, amortization of the transaction costs of $166 (Q3 2015 - $56) and $382 (YTD 2015 - $75) is included in interest and other financing charges on the interim statements of income and comprehensive income (see Note 15).

7. BANK CREDIT FACILITY

CT REIT has a $300 million revolving credit facility ("Bank Credit Facility") available until April 2021. The Bank Credit Facility bears interest at a rate based on the bank's prime rate of interest or bankers' acceptances plus a margin. A standby fee is charged on the Bank Credit Facility.

As at September 30, 2016, $16,985 (December 31, 2015 - $nil) of borrowings were drawn on the Bank Credit Facility and $1,227 (December 31, 2015 – $311) of letters of credit were outstanding under the Facility. The unamortized balance of transaction costs incurred in connection with the arrangement of the Bank Credit Facility of $162 (December 31, 2015 – $283) is recorded in other assets on the interim balance sheets.

For the three and nine months ended September 30, 2016, amortization of the transaction costs of $46 (Q3 2015 – $41) and $121 (YTD 2015 - $117), respectively, as well as the standby fee of $182 (Q3 2015 – $149) and $466 (YTD 2015 - $391) are included in interest and other financing charges on the interim statements of income and comprehensive income (see Note 15).

8. OTHER LIABILITIES

Other liabilities are comprised of the following:

	September 30, 2016	December 31, 2015
Interest on Class C LP Units [1]	$ **5,806**	$ 6,288
Interest on Debentures Payable	**6,824**	693
Property operating costs [2]	**5,198**	2,899
Capital expenditures payable	**8,165**	9,630
Deferred revenue [3]	**13,252**	1,301
Other [4]	**13,675**	10,939
Other liabilities	$ **52,920**	$ 31,750
Current	$ **50,170**	$ 30,269
Non-current	**2,750**	1,481
Other liabilities	$ **52,920**	$ 31,750

[1] Net of loans receivable of $48,626 (December 31, 2015 - $68,805). See Note 19(b).
[2] Includes $416 payable to CTC (December 31, 2015 - $507).
[3] Prepaid rent from CTC.
[4] Includes $2,040 payable to CTC (December 31, 2015 - $2,588).

(All dollar amounts are in thousands, except per unit amounts)

9. DISTRIBUTIONS ON UNITS AND CLASS B LP UNITS

The following table presents total distributions declared on Units and Class B LP Units:

	Three months ended September 30, 2016		Nine months ended September 30, 2016	
	Total Distributions	**Distributions per Unit**	**Total Distributions**	**Distributions per Unit**
Units [1]	$ 15,374	$ 0.17	$ 46,105	$ 0.51
Class B LP Units [2]	$ 19,784	$ 0.17	$ 55,053	$ 0.51

	Three months ended September 30, 2015		Nine months ended September 30, 2015	
	Total Distributions	Distributions per Unit	Total Distributions	Distributions per Unit
Units [1]	$ 14,965	$ 0.17	$ 44,876	$ 0.50
Class B LP Units [2]	$ 16,453	$ 0.17	$ 48,220	$ 0.50

[1] Includes $10,151 and $30,454 (2015 - $9,897 and YTD - $29,691) for the three and nine months ended September 30, 2016 paid or payable to CTC, respectively.
[2] Paid or payable to CTC.

CT REIT has adopted a distribution reinvestment plan ("DRIP"), which allows certain Canadian resident Unitholders to elect to have all or a portion of their cash distributions reinvested in additional Units (at a price per unit calculated by reference to the five-day volume weighted average for the Units on the TSX for the five business days immediately preceding the distribution payment date). No brokerage commissions or service charges are payable in connection with the purchase of Units under the DRIP and CT REIT pays all administrative costs. The automatic reinvestment of distributions under the DRIP does not relieve holders of Units of any income tax applicable to such distributions. Unitholders who participate in the DRIP receive an additional distribution of units equal to 3.0% of each distribution that was reinvested by them.

For the three and nine months ended September 30, 2016, 34,026 (Q3 2015–38,732) and 105,396 (YTD 2015 – 111,086) Units, respectively, were issued under the DRIP for $499 (Q3 2015 – $470) and $1,482 (YTD 2015 - $1,346), respectively.

On September 15, 2016, CT REIT's Board declared a distribution of $0.05667 per Unit paid on October 14, 2016 to holders of Units and Class B LP Units of record as of September 30, 2016.

On October 14, 2016, CT REIT's Board declared a distribution of $0.05667 per Unit payable on November 15, 2016 to holders of Units and Class B LP Units of record as of October 31, 2016.

The holders of the Class B LP Units may elect to defer receipt of all or a portion of distributions declared by CT REIT until the first day following the end of the fiscal year. If the holder so elects to defer receipt of distributions, CT REIT will loan the holder the amount equal to the deferred distribution without interest, and the loan will be due and payable in full on the first business day following the end of the fiscal year the loan was advanced, the holder having irrevocably directed that any payment of the deferred distributions be applied to repay such loans. For the three and nine months ended September 30, 2016, the holders of the Class B LP Units elected to defer distributions in the amount of $3,370 (Q3 2015 – $813) and $4,940 (YTD 2015 - $1,389), respectively. See Note 19(b).

(All dollar amounts are in thousands, except per unit amounts)

10. EQUITY

Authorized and outstanding units
CT REIT is authorized to issue an unlimited number of Units.

The following tables summarize the changes in Units and Class B LP Units:

			As at September 30, 2016
	Units	**Class B LP Units**	**Total**
Total outstanding at beginning of period	90,337,358	99,263,329	189,600,687
Issued	105,396	17,104,368	17,209,764
Total outstanding at end of period	**90,442,754**	**116,367,697**	**206,810,451**

			As at December 31, 2015
	Units	Class B LP Units	Total
Total outstanding at beginning of year	90,188,210	91,297,572	181,485,782
Issued	149,148	7,965,757	8,114,905
Total outstanding at end of year	90,337,358	99,263,329	189,600,687

Net income attributable to Unitholders and weighted average units outstanding used in determining basic and diluted net income per unit for the three and nine months ended September 30, 2016 and 2015, are calculated as follows, respectively:

			Three months ended September 30, 2016
	Units	**Class B LP Units**	**Total**
Net income attributable to Unitholders - basic	$ 31,539	$ 40,585	$ 72,124
Income effect of settling Class C LP Units with Class B LP Units			17,424
Net income attributable to Unitholders - diluted			**$ 89,548**
Weighted average Units outstanding - basic	90,425,854	116,367,697	206,793,551
Dilutive effect of other Unit plans			131,858
Dilutive effect of settling Class C LP Units with Class B LP Units			101,445,385
Weighted average Units outstanding - diluted			**308,370,794**

			For the nine months ended September 30, 2016
	Units	**Class B LP Units**	**Total**
Net income attributable to Unitholders - basic	$ 87,437	$ 106,187	$ 193,624
Income effect of settling Class C LP Units with Class B LP Units			54,986
Net income attributable to Unitholders - diluted			**$ 248,610**
Weighted average Units outstanding - basic	90,391,831	107,902,831	198,294,662
Dilutive effect of other Unit plans			117,906
Dilutive effect of settling Class C LP Units with Class B LP Units			108,000,352
Weighted average Units outstanding - diluted			**306,412,920**

(All dollar amounts are in thousands, except per unit amounts)

For the three months ended September 30, 2015	Units	Class B LP Units	Total
Net income attributable to Unitholders - basic	$ 28,048	$ 30,837	$ 58,885
Income effect of settling Class C LP Units with Class B LP Units			18,866
Net income attributable to Unitholders - diluted			$ 77,751
Weighted average Units outstanding - basic	90,280,425	99,263,329	189,543,754
Dilutive effect of other Unit plans			87,215
Dilutive effect of settling Class C LP Units with Class B LP Units			131,251,676
Weighted average Units outstanding - diluted			320,882,645

For the nine months ended September 30, 2015	Units	Class B LP Units	Total
Net income attributable to Unitholders - basic	$ 82,844	$ 88,812	$ 171,656
Income effect of settling Class C LP Units with Class B LP Units			59,454
Net income attributable to Unitholders - diluted			$ 231,110
Weighted average Units outstanding - basic	90,243,681	96,570,514	186,814,195
Dilutive effect of other Unit plans			77,183
Dilutive effect of settling Class C LP Units with Class B LP Units			139,014,561
Weighted average Units outstanding - diluted			325,905,939

Details and descriptions of the Units, and Class B LP Units are available in Note 14 to the annual consolidated financial statements contained in the CT REIT's 2015 Annual Report.

11. UNIT BASED COMPENSATION PLANS

Deferred Unit Plan for Trustees

CT REIT offers a deferred unit ("DU") Plan for members of its Board of Trustees who are not employees or officers of CT REIT or its affiliates. Under this Plan, trustees may elect to receive all or a portion of their annual compensation, which is paid quarterly, in DUs. The number of DUs to be issued is determined by dividing the quarterly compensation amount the trustee has elected to defer by the volume weighted average price at which Units of CT REIT trade on the TSX during the five trading days immediately preceding the end of the calendar quarter. The DU account of each trustee includes the value of distributions, if any, which are reinvested in additional DUs. DUs represent the right to receive an equivalent number of Units issued by CT REIT or, at the trustee's election, the cash equivalent thereof, upon the trustee's departure from the Board. DUs that are converted to cash will be equivalent to the fair market value of Units of CT REIT at the time the conversion takes place pursuant to the terms of the DU Plan.

(All dollar amounts are in thousands, except per unit amounts)

Performance Unit Plan
CT REIT offers performance units ("PUs") to its executives. Each PU entitles the executive to receive a cash payment equal to the volume weighted average trading price of a Unit of CT REIT on the TSX during the 10-calendar day period commencing on the first business day following the end of the performance period, multiplied by a factor determined by specific performance-based criteria, as set out in CT REIT's PU Plan. The performance period of each PU award is approximately three years from the date of issuance.

Restricted Unit Plan for Executives
CT REIT offers a restricted unit ("RU") Plan for its executives. Under this Plan, executives of CT REIT may elect to receive all or a portion of their annual bonus in RUs which entitle the executive to receive an equivalent number of Units issued by CT REIT or, at the executive's election, the cash equivalent thereof, at the end of the vesting period which is generally five years from the annual bonus payment date. The number of RUs to be issued is determined by dividing the annual bonus amount the executive has elected to defer by the volume weighted average price at which Units of CT REIT trade on the TSX during the five trading days immediately prior to the tenth business day following the release of CT REIT's financial statements for the year in which the annual bonus was earned. The RU Plan also provides for discretionary grants of RUs which entitle the executive to receive an equivalent number of Units of CT REIT or, at the executive's election, the cash equivalent thereof, at the end of the vesting period which is generally three years from the date of issuance. RUs that are converted to cash will be equivalent to the market value of Units of CT REIT on the conversion date pursuant to the terms of the RU Plan. The RU account for each executive includes the value of distributions, if any, which are reinvested in additional RUs.

12. NON-CONTROLLING INTERESTS

Details of non-wholly owned subsidiaries of CT REIT that have material non-controlling interests are as follows:

	Proportion of ownership interests held by non-controlling interests		Net income and comprehensive income allocated to non-controlling interests			
As at	**September 30, 2016**	December 31, 2015	**For the three months ended September 30, 2016**	For the three months ended September 30, 2015	**For the nine months ended September 30, 2016**	For the nine months ended September 30, 2015
Name of Subsidiary						
CT REIT Limited Partnership	**56.27%**	52.35%	**$ 40,585**	$ 30,837	**$ 106,187**	$ 88,812

There are no restrictions on CT REIT's ability to access or use the assets and settle the liabilities of its subsidiaries and there are no contractual arrangements that could require CT REIT to provide financial support.

13. REVENUE AND EXPENSES

(a) Property revenue
CT REIT leases income-producing commercial properties to tenants under operating leases. The CTC leases have staggered initial terms ranging from 1 to 19 years, with a weighted average remaining initial term of approximately 12.8 years. Annual base minimum rent for CTC leases had weighted average annual rent escalations of approximately 1.5% per year commencing January 1, 2015.

(All dollar amounts are in thousands, except per unit amounts)

The components of property revenue are as follows:

	CTC	Other	For the three months ended September 30, 2016
Base minimum rent	$ 68,584	$ 4,623	$ 73,207
Straight-line rent	5,772	182	5,954
Subtotal base rent	$ 74,356	$ 4,805	$ 79,161
Property operating expense recoveries	20,758	1,816	22,574
Capital expenditure and interest recovery charge	1,051	19	1,070
Other revenues	—	127	127
Property revenue	**$ 96,165**	**$ 6,767**	**$ 102,932**

	CTC	Other	For the nine months ended September 30, 2016
Base minimum rent	$ 204,040	$ 11,361	$ 215,401
Straight-line rent	17,285	453	17,738
Subtotal base rent	$ 221,325	$ 11,814	$ 233,139
Property operating expense recoveries	61,620	5,140	66,760
Capital expenditure and interest recovery charge	2,596	56	2,652
Other revenues	2	382	384
Property revenue	**$ 285,543**	**$ 17,392**	**$ 302,935**

	CTC	Other	For the three months ended September 30, 2015
Base minimum rent	$ 65,249	$ 2,377	$ 67,626
Straight-line rent	6,443	96	6,539
Subtotal base rent	$ 71,692	$ 2,473	$ 74,165
Property operating expense recoveries	19,433	1,604	21,037
Capital expenditure and interest recovery charge	496	81	577
Other revenues	—	137	137
Property revenue	$ 91,621	$ 4,295	$ 95,916

	CTC	Other	For the nine months ended September 30, 2015
Base minimum rent	$ 191,733	$ 7,150	$ 198,883
Straight-line rent	19,085	344	19,429
Subtotal base rent	$ 210,818	$ 7,494	$ 218,312
Property operating expense recoveries	56,929	4,293	61,222
Capital expenditure and interest recovery charge	1,624	81	1,705
Other revenues	—	342	342
Property revenue	$ 269,371	$ 12,210	$ 281,581

(All dollar amounts are in thousands, except per unit amounts)

(b) Property expense

The major components of property expense consist of realty taxes and other recoverable costs:

	Three months ended		Nine months ended	
For the periods ended September 30,	**2016**	2015	**2016**	2015
Property taxes	**$ 20,579**	$ 18,983	**$ 60,858**	$ 56,364
Other recoverable operating costs	**1,663**	1,235	**5,123**	4,201
Property management [1]	**893**	678	**2,745**	2,048
Ground rent	**1,009**	994	**3,019**	2,317
Property insurance	**45**	40	**106**	135
Other non-recoverable costs	**—**	14	**—**	2
Property expense	**$ 24,189**	$ 21,944	**$ 71,851**	$ 65,067

[1] Includes $569 (Q3 2015 - $535) and $1,796 (YTD 2015 - $1,613), respectively, with CTC. See Note 19.

14. GENERAL AND ADMINISTRATIVE EXPENSE

General and administrative expense is comprised of the following:

	Three months ended		Nine months ended	
For the periods ended September 30,	**2016**	2015	**2016**	2015
Services Agreement with CTC [1]	**$ 922**	$ 829	**$ 2,337**	$ 2,500
Personnel expense [2]	**796**	910	**3,374**	2,809
Other [2]	**236**	581	**2,125**	1,672
General and administrative expense	**$ 1,954**	$ 2,320	**$ 7,836**	$ 6,981

[1] See Note 19.
[2] Includes unit-based awards, as described in Note 11, including (gain) loss adjustments as a result of the change in the fair market value of the Units of $123 (Q3 2015 - $78) and $498 (YTD 2015 - $55) for the three and nine months ended September 30, 2016.

(All dollar amounts are in thousands, except per unit amounts)

15. INTEREST AND OTHER FINANCING CHARGES

Interest and other financing charges are comprised of the following:

	Three months ended		Nine months ended	
For the periods ended September 30,	**2016**	2015	**2016**	2015
Interest on Class C LP Units [1]	**$ 17,424**	$ 18,866	**$ 54,986**	$ 59,454
Interest on debentures payable	**5,295**	2,833	**11,806**	3,526
Interest on mortgages payable	**396**	403	**1,200**	1,225
Interest on Bank Credit Facility	**46**	—	**196**	647
Standby fees - Bank Credit Facility	**182**	149	**466**	391
Amortization of financing costs - Bank Credit Facility	**46**	41	**121**	117
Amortization of debentures payable financing cost	**166**	56	**382**	75
	$ 23,555	$ 22,348	**$ 69,157**	$ 65,435
Capitalized interest	**(3,304)**	(100)	**(3,664)**	(233)
Interest and other financing charges	**$ 20,251**	$ 22,248	**$ 65,493**	$ 65,202

[1] Paid or payable to CTC.

16. CHANGES IN WORKING CAPITAL AND OTHER

Changes in working capital are comprised of the following:

	Three months ended		Nine months ended	
For the periods ended September 30,	**2016**	2015	**2016**	2015
Changes in working capital and other				
Tenant and other receivables	**$ 779**	$ 1,225	**$ (575)**	$ (454)
Other assets	**4,242**	3,081	**(14,835)**	(12,107)
Other liabilities	**(4,657)**	(3,273)	**13,629**	18,408
Other	**99**	—	**(270)**	—
Changes in working capital and other	**$ 463**	$ 1,033	**$ (2,051)**	$ 5,847

17. SEGMENTED INFORMATION

CT REIT has one reportable segment, which comprises the ownership and operation of primarily retail investment properties located in Canada.

18. COMMITMENTS AND CONTINGENCIES

CT REIT has agreed to indemnify, in certain circumstances, the trustees and officers of CT REIT and its subsidiaries.

As at September 30, 2016, CT REIT had obligations of $80,038 (December 31, 2015 – $63,070) in future payments for the completion of developments which are expected to be incurred by 2018. Included in the commitments is $73,807 to CTC.

(All dollar amounts are in thousands, except per unit amounts)

During 2016, the REIT acquired an investment property for which the purchase agreement provided for a $1,500 holdback pursuant to which certain amounts are to be paid by the REIT if certain leasing conditions are met by the second anniversary of the acquisition date. As at September 30, 2016, CT REIT has not recorded an amount payable in other liabilities on the interim balance sheets.

19. RELATED-PARTY TRANSACTIONS

In the normal course of operations, CT REIT enters into various transactions with related parties that have been measured at amounts agreed to between the parties and are recognized in the consolidated financial statements.

(a) Arrangements with CTC

Services Agreement

Under the Services Agreement, CTC provides the REIT with certain administrative, financial, information technology, internal audit and other support services as may be reasonably required from time to time (the "Services"). CTC provides these Services to the REIT on a cost recovery basis pursuant to which CT REIT reimburses CTC for all costs and expenses incurred by CTC in connection with providing the Services, plus applicable taxes.

Property Management Agreement

Under the Property Management Agreement, CTC provides the REIT with customary property management services (the ''Property Management Services''). CTC agreed to provide Property Management Services to the REIT on a cost recovery basis pursuant to which the REIT reimburses CTC for all costs and expenses incurred by CTC in connection with providing the Property Management Services, plus applicable taxes.

(b) Transactions and balances with related parties

Transactions with CTC are comprised of the following, excluding acquisition, intensification and development activities with CTC which are contained in Note 3:

		Three months ended		**Nine months ended**	
For the periods ended September 30,	Note	**2016**	2015	**2016**	2015
Rental revenue	13	**$ 96,165**	$ 91,621	**$ 285,543**	$ 269,371
Property Management and Services Agreement expense		**$ 1,491**	$ 1,364	**$ 4,133**	$ 4,113
Distributions on Units		**$ 10,151**	$ 9,897	**$ 30,454**	$ 29,691
Distributions on Class B LP Units [1]		**$ 19,784**	$ 16,453	**$ 55,053**	$ 48,220
Interest expense on Class C LP Units [2]	15	**$ 17,424**	$ 18,866	**$ 54,986**	$ 59,454

[1] Includes distributions deferred at the election of the holders of the Class B LP units.
[2] Includes interest of $nil (2015 - $125) for the bridge loan received for the period from the date that the Series 1 Class C LP Units was redeemed (June 1, 2015) to date of the issuance of the debentures payable (June 9, 2015).

(All dollar amounts are in thousands, except per unit amounts)

The net balance due to CTC is comprised of the following:

		September 30, 2016		December 31, 2015
Tenant and other receivables	**$**	**(1,344)**	$	(893)
Class C LP Units		**1,521,968**		1,686,968
Amounts payable on Class C LP Units		**54,432**		75,093
Loans receivable in lieu of payments on Class C LP Units		**(48,626)**		(68,805)
Other liabilities		**15,708**		4,396
Distributions payable on Units and Class B LP Units[1]		**14,919**		11,115
Loans receivable in lieu of distributions on Class B LP Units		**(4,940)**		(2,106)
Net due to CTC	**$**	**1,552,117**	$	1,705,768

[1] Includes distributions deferred at the election of the holders of the Class B LP units.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair value of the Class C LP Units is determined by discounting contractual principal and interest payments at estimated current market interest rates for the instrument. Current market interest rates are determined with reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risks.

The fair value of the Class C LP Units, debentures payable and mortgages payable at September 30, 2016, is $1,698,313, $716,491 and $57,658 respectively. The fair value measurement of the Class C LP Units, debentures payable and mortgages payable is based on Level 2 inputs. The significant inputs used to determine the fair value of the Class C LP Units, debentures payable and mortgages payable are interest rates, interest rate volatility, and credit spreads. There have been no transfers during the period between levels.

Financial assets consist of cash and cash equivalents, tenant and other receivables, and deposits, which are classified as loans and receivables and carried at amortized cost. Financial liabilities, other than those discussed in the preceding paragraph, consist of other liabilities, Bank Credit Facility and distributions payable, which are classified as other liabilities and carried at amortized cost, except for DUs, RUs and PUs which are included in other liabilities and carried at fair value, equivalent to the trading price of Units, which is a Level I input. The carrying amounts approximate their fair value due to their short-term nature.

21. CAPITAL MANAGEMENT AND LIQUIDITY

CT REIT's objectives when managing capital are to ensure access to capital and sufficient liquidity is available to support ongoing property operations, developments and acquisitions while generating reliable, durable and growing monthly cash distributions on a tax-efficient basis to maximize long-term Unitholder value.

The definition of capital varies from entity to entity, industry to industry and for different purposes. CT REIT's strategy and process for managing capital is driven by requirements established under its Declaration of Trust, the Trust Indenture dated June 9, 2015 pursuant to which the Debentures Payable were issued, and the Bank Credit Facility.

As at September 30, 2016, CT REIT was in compliance with all of its financial covenants. Under these financial covenants, CT REIT has sufficient flexibility to fund business growth and maintain or amend distribution rates within its existing distribution policy.

22. SUBSEQUENT EVENTS

Subsequent to September 30, 2016, the REIT acquired an enclosed mall, including approximately four acres of excess land, in Fort St. John, British Columbia from a third party vendor for a total cost of $35,650.