MAPLEWOOD
INTERNATIONAL REIT

Condensed Consolidated Interim Financial Statements

(In Canadian dollars)

For the three months ended September 30, 2013 and the period from January 15, 2013 to September 30, 2013

(Unaudited)

Maplewood International Real Estate Investment Trust

Condensed Consolidated Interim Balance Sheet (Unaudited)

As at September 30, 2013

(In Canadian Dollars)

	Note		September 30, 2013
Assets			
Non-current assets			
Investment property	5	$	9,398,700
			9,398,700
Current assets			
Cash and cash equivalents			655,841
Amounts receivables and other assets	6		45,984
			701,825
Total assets		$	10,100,525
Liabilities and Equity			
Non-current liabilities			
Long-term debt	7	$	5,357,247
Class B LP Units	8		14,000,000
Unit options	10		151,338
			19,508,585
Current Liabilities			
Amounts payable and accrued liabilities			713,969
Prepaid rents			314,335
Warrants	11		239,767
Current portion of long term-debt	7		155,531
			1,423,602
Total liabilities			20,932,187
Unitholders' deficiency			(10,831,662)
Total liabilities and unitholders' deficiency		$	10,100,525

On behalf of the Board of Trustees:

"Nick Kanji"______________________ Trustee "Kursat Kacira"_____________________ Trustee

See accompanying notes to the condensed consolidated interim financial statements.

Maplewood International Real Estate Investment Trust

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (Unaudited)

Period from January 15, 2013 (date of incorporation) to September 30, 2013

(In Canadian Dollars)

	Note	For the three months ended September 30, 2013	For the period from January 15 to September 30, 2013
Investment property revenue		$ 51,628	$ 51,628
Investment property operating expenses		(4,051)	(4,051)
Net operating income		47,577	47,577
Finance costs - operations		(11,721)	(11,721)
Plan of arrangement costs		(305,934)	(905,260)
General and administrative expenses		(14,403)	(22,063)
Unit-based compensation expense		(63,767)	(80,140)
Interest income		4,053	11,185
Operating loss before undernoted		(344,195)	(960,422)
Fair value adjustments to investment property	5	(705,928)	(705,928)
Fair value adjustments to warrants		19,768	19,768
Fair value adjustments to Class B LP Units		(11,000,000)	(11,000,000)
Net loss		(12,030,355)	(12,646,582)
Other comprehensive loss			
Foreign currency translation adjustments		(6,752)	(6,752)
Comprehensive loss		$ (12,037,107)	$ (12,653,334)

See accompanying notes to the condensed consolidated interim financial statements.

Maplewood International Real Estate Investment Trust

Condensed Consolidated Interim Statement of Changes in Unitholders' Equity (Unaudited)

Period from January 15, 2013 (date of incorporation) to September 30, 2013

(In Canadian Dollars)

	Unit Capital	Deficit	Cumulative Translation Reserve	Total
Unitholders' equity at January 15, 2013	$ -	$ -	$ -	$ -
Units issued, net of issue costs (Note 9)	1,996,205	-	-	1,996,205
Net loss and comprehensive loss	-	(12,646,582)	(6,752)	(12,653,334)
Fair value adjustments on conversion to Unit options and warrants from share options and warrants (Note 10)	-	(174,533)	-	(174,533)
Unitholders' equity at September 30, 2013	$ 1,996,205	$ (12,821,115)	$ (6,752)	$ (10,831,662)

See accompanying notes to the condensed consolidated interim financial statements.

Maplewood International Real Estate Investment Trust

Condensed Consolidated Interim Statements of Cash Flows (Unaudited)

Period from January 15, 2013 (date of incorporation) to September 30, 2013

(In Canadian Dollars)

	For the three months ended September 30, 2013	For the period from January 15 to September 30, 2013
Cash flows from operating activities:		
Net loss	$ (12,030,355)	$ (12,646,582)
Fair value adjustment to investment property	705,928	705,928
Fair value adjustments to Class B LP Units	11,000,000	11,000,000
Fair value adjustments to warrants	(19,768)	(19,768)
Amortization of financing costs	957	957
Unit-based compensation expense	63,767	80,140
Change in non-cash working capital items:		
Receivables and other assets	43,544	(45,984)
Amounts payable and accrued liabilities	88,070	713,969
Prepaid rents	314,335	314,335
Cash flow from operating activities	166,478	102,995
Cash flows from financing activities:		
Proceeds from issuance of common shares and Units, net of issuance costs	1,762,080	2,152,405
Proceeds from issuance of common shares, converted to Class B LP Units	-	3,000,000
Proceeds from new long term debt financing	5,491,200	5,491,200
Long term debt financing cost	(56,966)	(56,966)
Cash flow from financing activities	7,196,314	10,586,639
Cash flows from investing activities:		
Acquisition of investment properties	(9,962,391)	(9,962,391)
Cash flow used in investing activities	(9,962,391)	(9,962,391)
Increase in cash and cash equivalents during the period	(2,599,599)	727,243
Foreign exchange loss on cash held in Euro	(71,402)	(71,402)
Cash and cash equivalents, beginning of period	3,326,842	-
Cash and cash equivalents, end of period	$ 655,841	$ 655,841

See accompanying notes to the condensed consolidated interim financial statements.

1. Nature of operations

Maplewood International Real Estate Investment Trust (the "REIT") is an unincorporated, open-ended real estate investment trust established pursuant to the Declaration of Trust dated May 30, 2013 ('DOT"), as amended on September 9, 2013, and governed by the laws of the Province of Ontario. The registered office of the REIT is located at 2425 Matheson Boulevard East, Suite 791, Mississauga, Ontario, Canada.

Prior to its reorganization as a real estate investment trust, the REIT was known as Holland Global Capital Corporation (the "Corporation"), a capital pool company, as defined in Policy 2.4 of the TSX Venture Exchange (the “Exchange”). The Corporation was incorporated under the Business Corporations Act (Ontario) on January 15, 2013 and completed its initial public offering on April 5, 2013. The shares of the Corporation were listed on the Exchange on April 11, 2013. Prior to entering the Plan of Arrangement on September 9, 2013, there were 40,500,000 shares of the Corporation issued and outstanding.

Pursuant to a Plan of Arrangement approved on September 9, 2013 by the Corporation's shareholders and the Exchange, the common shares of the Corporation were changed, based on an exchange ratio of eight-for-one, for either REIT Units, or Class B LP Units of Maplewood International Limited Partnership (“MILP”), a wholly owned subsidiary of the REIT. In addition, outstanding options or warrants to purchase shares in the Corporation were exchanged for REIT Unit options or warrants having identical terms, subject to the adjustment of the number of Units based on the exchange ratio of one REIT Unit for every eight shares held. The REIT is now the continuing public entity with its Units listed on the Exchange, under the symbol MWI.UN.

2. Basis of presentation

(a) Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Accounting Standard 34, *Interim Financial Reporting,* as issued by the International Accounting Standards Board ("IASB") and do not include all of the information required for full annual financial statements and using accounting policies described herein.

These condensed consolidated interim financial statements were authorized for issue by the Board of Trustees of the REIT on November 28, 2013.

(b) Basis of presentation and consolidation

The condensed consolidated interim financial statements comprise the financials statements of the REIT and its subsidiaries. Subsidiaries are entities controlled by the REIT. The financial statements of the subsidiaries are prepared for the same reporting periods as the REIT using consistent accounting policies. All intercompany transactions and balances between the REIT and its subsidiary entities have been eliminated upon consolidation.

(c) Basis of measure

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for investment properties, Class B LP Units and the Unit options and warrants, which are measured at fair values.

These consolidated interim financial statements are presented in Canadian dollars which is also the functional currency of the REIT.

3. Significant accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand, unrestricted cash and short-term investments which management has allocated to the operations of the REIT. Short-term investments, comprising money market instruments, have an initial maturity of 90 days or less at their date of purchase and are stated at cost, which approximates fair value.

(b) Investment properties

Investment properties include properties that are held to earn rental income and/or for capital appreciation. Investment properties are initially recorded at cost, including transaction costs. The REIT selected the fair value method to account for investment properties. As a result, subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in fair value are recognized in income and loss during the period in which they arise.

The fair value of investment properties is determined using the direct capitalization method and/or the discounted cash flow method. The direct capitalization method applies a capitalization rate to stabilized net operating income (“NOI”) and incorporates allowances for vacancy and management fees. The resulting capitalized value is further adjusted for extraordinary costs to stabilize income and non-recoverable capital expenditures, where applicable. The discounted cash flow method discounts the expected future cash flows, generally over a term of ten years, and uses discount rates and terminal capitalization rate.

Capital expenditures, including tenant improvements, are capitalized to investment properties only when it is probable that the future economic benefits of the expenditure will flow to the property and the cost can be measured reliably. Repairs and maintenance expenditures are expensed when incurred.

(c) Revenue recognition

The REIT has retained substantially all of the risks and benefits of ownership of its investment properties and, therefore, accounts for its leases with tenants as operating leases.

Revenue from investment properties includes all rental income earned from the property, including base rent, recoveries of operating expenses, lease termination fees and all other miscellaneous income paid by the tenants under the terms of their existing leases. Revenue recognition under a lease commences when a tenant has a right to use the leased asset, and revenue is recognized pursuant to the terms of the lease agreement. Lease incentives in the form of cash or other payments are amortized on a straight-line basis over the term of the lease as a reduction of investment property revenue.

(d) REIT Units

The REIT Units are redeemable at the option of the holder and, therefore, are considered puttable instruments in accordance with IAS 32, Financial Instruments-Presentation ("IAS 32"). Puttable instruments are required to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 32, in which case, the puttable instruments may be presented as equity. The REIT Units meet the conditions of IAS 32 and are, therefore, classified as equity.

(e) Class B LP Units

The Class B LP Units are exchangeable into REIT Units at the option of the holder. The REIT Units are puttable and, therefore, the Class B LP Units meet the definition of a financial liability under IAS 32. Further, the Class B LP Units are designated as fair value through income or loss financial liabilities and are measured at fair value at each reporting period, based upon the value of a REIT Unit, with any changes in fair value recorded in income or loss. The distributions paid on the Class B LP Units are accounted for as finance costs when declared payable by the Board of Trustees.

(f) Income taxes

The REIT is a mutual fund trust and a real estate investment trust pursuant to the Income Tax Act (Canada). Under current tax legislation, a real estate investment trust that is not a Specified Investment Flow Through Trust ("SIFT") is entitled to deduct distributions of taxable income such that it is not liable to pay income taxes provided that its taxable income is fully distributed to unitholders. The REIT intends to continue to qualify as a real estate investment trust and to make distributions not less than the amount necessary to ensure that the REIT will not be liable to pay income taxes.

The REIT will indirectly own investment properties in the Netherlands through its subsidiaries, which will be taxable for income tax purposes in the Netherlands. Income tax payable in the Netherlands will be calculated using the asset and liability method, whereby deferred income taxes assets and liabilities are determined based on differences between the carrying amount of the balance sheet items and the corresponding tax values. Income taxes are computed using enacted and substantively enacted corporate income tax rates for the years in which tax and accounting basis differences are expected to reverse. Adjustments to these balances are recognized in income as they occur. When realization of deferred tax assets is not probable, a valuation allowance is provided for the difference. The REIT expects that sufficient deductions will be available to offset the tax liability in the Netherlands such that taxes will not be material.

Accordingly, no current or deferred income taxes have been recorded in these condensed consolidated interim financial statements.

(g) Financial instruments

Financial instruments are classified as one of the following: (i) fair value through income and loss ("FVTPL"), (ii) loans and receivables, (iii) held-to-maturity, (iv) available-for-sale or (v) other liabilities. Financial instruments are recognized initially at fair value. Financial assets and liabilities classified at FVTPL are subsequently measured at fair value with gains and losses recognized in income and loss. Financial instruments classified as held-to maturity, loans and receivables or other liabilities are subsequently measured at amortized cost. Available-for-sale financial instruments are subsequently measured at fair value and any unrealized gains and losses are recognized through other comprehensive income and presented in the fair value reserve in equity. The REIT derecognizes a financial asset when the contractual rights to the cash flows from the asset expire.

Financial liabilities are classified as FVTPL when the financial liability is either classified as held-for-trading or it is designated as FVTPL. A financial liability may be designated at FVTPL upon initial recognition if it forms part of a contract containing one or more embedded derivatives, and lAS 39, Financial Instruments - Recognition and Measurement, permits the entire combined contract (asset or liability) to be designated at FVTPL. The Class B LP Units have been classified as financial liabilities at FVTPL.

The following summarizes the REIT’s classification and measurement of financial assets and financial liabilities:

	Classification	Measurement
Financial Assets		
Cash and cash equivalents	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Financial Liabilities		
Class B LP Units	Fair value through income and loss	Fair value
Amounts payable and other liabilities	Other financial liabilities	Amortized cost
Long-term liabilities	Other financial liabilities	Amortized cost
Financial Derivatives		
Units options	Fair value through income and loss	Fair value
Warrants	Fair value through income and loss	Fair value

Transaction costs that are directly attributable to the acquisition or issuance of financial assets or liabilities, other than financial assets and liabilities measured at FVTPL, are accounted for as part of the carrying amount of the respective asset or liability at inception.

Transaction costs on financial assets and liabilities measured at FVTPL are expensed in the period incurred.

Transaction costs related to financial instruments measured at amortized cost are amortized using the effective interest rate over the anticipated life of the related instrument.

Financial assets are derecognized when the contractual rights to the cash flows from financial assets expire or have been transferred.

(h) Unit Options

The REIT has a Unit option plan available for officers, employees, trustees and consultants. The plan is accounted for as a long-term employee benefit with the service cost being determined based on the grant-date fair value of the options. The service cost and related option liability is recognized over the vesting period. The associated liability is remeasured to fair value at each reporting date with the re-measurement reflected in net income as part of Unit based compensation expense.

(i) Warrants

Awards of warrants related to private placements or public offerings of Units are treated as Unit issuance costs. The fair values of warrants granted are estimated on the date of grant and subsequently using the Black-Scholes option pricing model. Units of the REIT are considered puttable financial instruments; therefore, subsequent to initial recognition, warrants are measured at fair value at each reporting date and are presented as liabilities. Changes in fair value are recognized in net income as a fair value gain or loss.

(j) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the REIT's operating subsidiary is Euros. The consolidated condensed interim financial statements are presented in Canadian dollars, which is the group's presentation and functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the statements of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses are presented in the consolidated statements of comprehensive income.

(iii) Subsidiary

The results and financial position of the subsidiary that has a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(iii) all resulting exchange differences are recognized in other comprehensive income.

(k) Critical Accounting Judgement, Estimates and Assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies.

Critical judgements

(i) Accounting for acquisitions

Management must assess whether the acquisition of a property should be accounted for as an asset purchase or business combination. This assessment impacts the accounting treatment of transaction costs, the allocation of the costs associated with the acquisition and whether or not goodwill is recognized. The REIT's acquisitions are generally determined to be asset purchases as the REIT does not acquire an integrated set of processes as part of the acquisition transaction.

(ii) Income taxes

The REIT is a mutual fund trust pursuant to the Income Tax Act (Canada) and a real estate investment trust pursuant to the Code. Under current tax legislation, the REIT is not liable to pay Canadian income tax provided that its taxable income is fully distributed to unitholders each year. The REIT has reviewed the requirements for real estate investment trust status and has determined that it is expected to qualify as a real estate investment trust pursuant to the Code.

Estimates and assumptions

In making estimates and assumptions, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. There are no known trends, commitments, events or uncertainties that management believes will materially affect the methodology or assumptions utilized in making those estimates and judgments in

these financial statements. The estimates used in determining the recorded amount for assets and liabilities in the consolidated interim financial statements include the following:

(i) Investment properties

The estimates used when determining the fair value of investment properties are capitalization rates and stabilized future cash flows. The capitalization rate applied is reflective of the characteristics, location and market of each investment property. The stabilized future cash flows of each investment property are based upon rental income from current leases and assumptions about occupancy rates and market rent from future leases reflecting current conditions, less future cash outflows relating to such current and future leases. Management determines fair value internally utilizing internal financial information, external market data and capitalization rates provided by independent industry experts and third party appraisals.

(ii) Financial instruments

Critical judgments and estimates are also made in the determination of fair value of financial instruments and include assumptions and estimates regarding market price of Units, future interest rates, the relative creditworthiness of the REIT to its counterparties, the credit risk of the REIT's counterparties relative to the REIT, the estimated future cash flows and discount rates. Critical estimates relating to the fair value of the Unit options and warrants include the estimated forfeitures on the grants, the life of the Unit options, and the market price, volatility and distribution yield of Units.

(l) Provisions

Provisions are recognized when the REIT has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at management’s best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value when the effect is material.

(m) Distributions

The REIT makes distributions on its Units in accordance with the Declaration of Trust, at the discretion of the Trustees. Distributions are recorded as a reduction to equity and are presented as a liability in the period in which the distributions are declared.

(In Canadian Dollars)

(n) Future changes in accounting standards

IFRS 9 - Financial instruments

IFRS 9, *Financial Instruments* ("IFRS 9") is the first of a multi-phase project to replace International Accounting Standard 39, *Financial Instruments: Recognition and Measurement ("IAS 39)*. It addresses the classification, measurement and derecognition of financial assets and financial liabilities.

IFRS 9 divides all financial assets that are currently in the scope of IAS 39 into two classifications – those measured at amortized cost and those measured at fair value. Classification is made at the time the financial asset is initially recognized when the entity becomes a party to the contractual provisions of the instrument. Most of the requirements in IAS 39 for the classification and measurement of financial liabilities have been carried forward, unchanged to IFRS 9. Where an entity chooses to measure its own debt at fair value, IFRS 9 now requires the amount of the change in fair value due to changes in the issuing entity's own credit risk to be presented in other comprehensive income (loss). An exception to the new approach is made where the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch in operating income, in which case all gains or losses on that liability are to be presented in operating income.

This mandatory effective date of IFRS 9 has been tentatively deferred from the original date for fiscal years beginning on or after January 1, 2015 pending finalization of the impairment and classification and measurement requirements. Early application is still permitted. Management is currently evaluating the impact of this standard.

4. Acquisitions

The following asset acquisition was completed during the three month period ended September 30, 2013. The fair value of consideration including acquisition costs has been allocated to the identifiable assets acquired and liabilities assumed based on their fair values at the date of acquisition as follows:

	Einsteinstraat 1 's-Gravenzande The Netherlands
Net assets and liabilities acquired:	
Investment property (including transaction costs)	$ 10,104,628
Receivables and other assets	5,410
	$ 10,110,038
Compensation paid, funded by:	
New mortgage financing	$ 5,569,600
Cash paid by the REIT	4,540,438
	$ 10,110,038

(In Canadian Dollars)

5. Investment property

The reconciliation of the carrying amount of investment properties for the period from January 15, 2013 to September 30, 2013 is set out below:

Balance, January 15, 2013	$	-
Investment property acquisition, including transaction costs of $705,928		10,104,628
Fair value adjustments to investment property		(705,928)
Balance, September 30, 2013	$	9,398,700

As at September 30, 2013, Management determined that the fair value of the investment property equalled its purchase price on September 16, 2013.

6. Amounts receivable and other assets

Amounts receivable	$	41,418
Prepaid expenses		4,566
	$	45,984

7. Long-term debt

As at September 30, 2013, the REIT had $5,569,600 of principal mortgages payable. The mortgages carry a weighted average interest rate of 3.89% and a weighted average term to maturity of five years. One mortgage has a fixed rate and one mortgage has a variable rate. The mortgages are secured by a first charge on the investment property and are repayable as follows:

		Scheduled principal payments		Debt maturing during the year		Total mortgages payable
2013 - remainder of year	$	41,772	$	-	$	41,772
2014		167,088		-		167,088
2015		167,088		-		167,088
2016		167,088		-		167,088
2017		167,088		-		167,088
Thereafter		125,316		4,734,160		4,859,476
Face value						5,569,600
Unamortized financing costs						(56,822)
					$	5,512,778

(In Canadian Dollars)

The following table provides a breakdown of current and non-current portions of long-term debt at September 30, 2013:

Current:		
Mortgages payable	$	167,088
Unamortized financing costs		(11,557)
		155,531
Non-current:		
Mortgages payable		5,402,512
Unamortized financing costs		(45,265)
		5,357,247
	$	5,512,778

8. Class B LP Units

Pursuant to a Plan of Arrangement which was completed on September 9, 2013, 35,000,000 common shares of the Corporation were exchanged for 4,375,000 Class B LP Units in MILP on the basis of one Class B LP Unit for every eight common shares of the Company, resulting in 4,375,000 Class B LP Units being issued.

The Class B Units are economically equivalent to REIT Units and are entitled to receive distributions equal to those provided to holders of REIT Units. These Class B Units have been classified as a liability in accordance with IFRS.

The following table shows the change in the carrying value of the Class B Units outstanding for the period:

	Class B LP Units		Amount
Outstanding, January 15, 2013	-	$	-
Issuance of Class B LP Units	4,375,000		3,000,000
Fair value adjustment	-		11,000,000
Outstanding, September 30, 2013	4,375,000	$	14,000,000

Upon closing of Plan of Arrangement on September 9, 2013, the Class B LP Units were recorded at cost of $0.80. The fair value of Class B as of September 30, 2013 was determined based on the trading price of REIT Units of $3.20.

9. Unitholders' deficiency

(a) Units

The REIT is authorized to issue an unlimited number of Units and an unlimited number of special voting units (the "Special Voting Units"). Each Unit confers the right to one vote at any meeting of unitholders and to participate pro rata in all distributions by the

REIT and, in the event of termination or winding-up of the REIT, in the net assets of the REIT. The unitholders have the right to require the REIT to redeem their Units on demand. The Units have no par value.

Upon receipt of the redemption notice by the REIT, all rights to and under the Units tendered for redemption shall cease and the holder thereof shall be entitled to receive a price per Unit ("Redemption Price"), as determined by a formula and outlined in the DOT. The Redemption Price will be paid in accordance with the conditions provided for in the DOT.

The Trustees have discretion in respect to the timing and amounts of distributions.

(b) Special Voting Units

The DOT and the exchange agreement provide for the issuance of the Special Voting Units which have no economic entitlement in the REIT or in the distribution or assets of the REIT, but are used to provide voting rights proportionate to the votes of the Units to holders of securities exchangeable into Units, including the Class B LP Units. Each Special Voting Unit is not transferable separately from the Class B LP Unit to which it is attached and will be automatically redeemed and cancelled upon exchange of the attached Class B LP Unit into a Unit.

(c) Units outstanding

The following table summarizes the changes to shares and Units for the period from January 15, 2013 to September 30, 2013:

	Shares	Units	Amount
	(000's)		
Balance, January 15, 2013	-	-	$ -
Common shares issued for cash (seed financing)	10,000	-	500,000
Common shares issued for cash (private placement)	26,500	-	2,650,000
Common shares issued for cash (initial public offering)	4,000	-	400,000
Share issuance costs and agent's warrants	-	-	(172,036)
	40,500	-	3,377,964
Common shares exchanged for REIT Units			
(one REIT Unit for every eight common shares)	(5,500)	687,500	-
Common shares exchanged for Class B LP Units			
(one Class B LP Unit for every eight common shares)	(35,000)	-	(3,000,000)
Units issued for cash (private placement)			
(net of issuance costs of $381,759)	-	625,000	1,618,241
	-	1,312,500	$ 1,996,205

On February 7, 2013, the Corporation issued 10,000,000 common shares for cash of $500,000 in its seed financing. The shares will be held in escrow and will be released in future periods in accordance with the Escrow Agreement to be entered into between the Corporation and seed shareholders.

On February 8, 2013, the Corporation issued 26,500,000 common shares for cash of $2,650,000 in a private placement. Of these 26,500,000 common shares, 19,500,000 common shares will be held in escrow and will be released in future periods in accordance with the Escrow Agreement to be entered into between the Corporation and the shareholders of the private placement.

On April 5, 2013, the Corporation issued 4,000,000 common shares for cash of $400,000 in an initial sale to the public (the "Initial Public Offering"). Costs related to the issuance including the agent's commission, legal, audit and filing fees of $172,036 were charged directly to shareholders' equity.

In connection with the Initial Public Offering, the Corporation granted on the closing date to agent of the offering warrants to purchase up to 400,000 common shares, at a price of $0.10 per share. The agent's warrants will expire 24 months from the date the common shares of the Corporation are listed on the Exchange.

On April 11, 2013, the Corporation's common shares began trading on the Exchange.

The Plan of Arrangement was completed September 9, 2013, whereby 5,500,000 common shares of the Corporation were exchanged for REIT Units on the basis of one REIT Unit for every eight common shares of the Company (687,500 REIT Units at a value of $377,964). The remaining 35,000,000 common shares were exchanged for Class B LP Units in MILP on the basis of one Class B LP Unit for every eight common shares of the Company (4,375,000 Class B LP Units at a value of $3,000,000). On completion of the Plan of Arrangement, the REIT issued 625,000 Private Placement Units which include one Unit and one warrant by way of a private placement at $3.20 per Unit for gross proceeds of $2,000,000. Each warrant entitles the holder to purchase a Unit at an exercise price of $3.20 within 24 months of the date of issuance.

10. Unit Options

The REIT has adopted a Unit-based compensation plan (the "Plan"). Under the terms of the Plan, the Board of Trustees of the REIT may from time to time, in its discretion, and in accordance with Exchange requirements, grant trustees, officers, employees and consultants to the REIT, non-transferable options to purchase REIT Units, exercisable for a period of up to five years from the date of grant. These Units vest according to the vesting schedule over a three-year period from the grant date. The total numbers of REIT Units reserved under option for issuance may not exceed 10% of the REIT Units outstanding.

Pursuant to a Plan of Arrangement approved by the Corporation's shareholders and the Exchange, 4,050,000 of outstanding options, issued at an exercise price of $0.10 per share to purchase shares in the Corporation, have been exchanged for 506,250

(In Canadian Dollars)

Unit options at an exercise of $0.80 per Unit option. The Unit options have terms identical to the share options.

The fair value associated with the Unit options outstanding as at September 30, 2013 was calculated using the Black-Scholes model for option valuation, assuming volatility of 25% on the underlying Units, distribution yield of 8.5%, and the risk-free rate ranging from 1.05% to 1.4% (equivalent Government of Canada bond yield) that corresponds to the option life.

	Number of share options	Number of Unit options		Weighted average exercise price
Balance, January 15, 2013	-	-		-
Granted	4,050,000	-		0.10
Exchange of share options for Unit options	(4,050,000)	506,250		0.80
Balance, September 30, 2013	-	506,250	$	0.80
Exercisable, end of period		-		

11. Warrants

On April 5, 2013, in connection with the Initial Public Offering, the Corporation granted on the closing date to the agent of the offering an option to purchase up to 400,000 common shares, at a price of $0.10 per share. The agent's warrants will expire 24 months from the date the common shares of the Corporation are listed on the Exchange.

Pursuant to a Plan of Arrangement approved by the Corporation's shareholders and the Exchange, 400,000 of outstanding warrants, issued at an exercise price of $0.10 per share to purchase shares in the Corporation, have been exchanged for 50,000 REIT Unit warrants at an exercise of $0.80 per Unit warrant. The Unit warrants have terms identical to the share warrants.

The fair value associated with these agent's warrants outstanding as at September 30, 2013 was calculated using the Black-Scholes model for option valuation, assuming volatility of 25% on the underlying Units, distribution yield of 8.5%, and the risk-free rate of 1.19% .

	Number of share warrants	Number of Unit warrants		Weighted average exercise price
Balance, January 15, 2013	-	-		-
Granted	400,000	-		0.10
Exchange of share options for Unit options	(400,000)	50,000		0.80
Balance, September 30, 2013	-	50,000	$	0.80
Exercisable, end of period		50,000		

(In Canadian Dollars)

The fair value associated with these agent's warrants outstanding as at September 30, 2013 was calculated using the Black-Scholes model for option valuation, assuming volatility of 25% on the underlying Units, distribution yield of 8.5%, and the risk-free rate of 1.19%.

On September 10, 2013, the REIT issued 625,000 Private Placement Units which include one Unit and one warrants by way of a private placement at $3.20 per Unit for gross proceeds of $2,000,000. Each warrant entitles the holder to purchase a Unit at an exercise price of $3.20 within 24 months of the date of issuance.

	Number of units warrants		Weighted average exercise price
Balance, January 15, 2013	-		-
Granted	625,000		3.20
Balance, September 30, 2013	625,000	$	3.20
Exercisable, end of period	625,000		

The fair value associated with these private placement warrants outstanding as at September 30, 2013 was calculated using the Black-Scholes model for option valuation, assuming volatility of 25% on the underlying Units, distribution yield of 8.5%, and the risk-free rate of 1.19%.

12. Capital management

The REIT defines its capital as the aggregate of unitholders' equity, Class B LP Units, mortgages payable. The REIT's objectives when managing capital are to safeguard and build long-term unitholder value, fund its ongoing long-term business strategies and provide reasonable returns to unitholders taking into account levels of risk.

The REIT's Declaration of Trust provides that total indebtedness of the REIT may not exceed 65% of the Gross Book Value as defined; as at September 30, 2013, this ratio is 54.6% according to the calculation as defined in the Declaration of Trust.

13. Risk management and fair values

(a) Risk management

In the normal course of business, the REIT is exposed to a number of risks that can affect its operating performance. These risks and the actions taken to manage them are as follows:

(i) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. There is a risk that the REIT may not be able to renegotiate its mortgage at maturity on terms as favourable as the existing mortgage payable.

The REIT mitigates interest rate risk by maintaining reasonable levels of debt to gross book value and aims to structure new debt to stagger the maturities to ensure that the majority of debt does not become due for repayment in any one particular year.

(ii) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a loss to another party by failing to pay for its obligations. The REIT is subject to credit risk with respect to its cash and cash equivalents. The REIT mitigates credit risk by depositing cash with and investing with chartered banks.

As at September 30, 2013, the REIT had a single tenant, resulting in concentration of credit risk. The REIT mitigates the credit risk with respect to the tenant by evaluating their creditworthiness on a periodic basis.

(iii) Liquidity risk

Liquidity risk is the risk that the REIT will not have the financial resources required to meet its financial obligations as they become due. The REIT manages this risk by ensuring it has sufficient cash and cash equivalents on hand to meet obligations as they become due by forecasting cash flows from operations, cash required for investing activities and cash from financing activities.

(iv) Currency risk:

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The REIT’s functional and presentation currency is Canadian dollars. The REIT’s operating subsidiaries’ functional currency is the Euro; accordingly the assets and liabilities are translated at the prevailing rate at period-end, and comprehensive income is translated at the average rate for the period. The REIT may periodically enter into derivative contracts to manage part of the foreign exchange risk exposures.

(b) Fair values

The fair values of the REIT's financial assets, which include cash and other receivables, as well as financial liabilities, which include tenant rental deposits, finance costs payable and accounts payable and accrued liabilities, approximate their recorded values due to their short-term nature.

The REIT uses a fair value hierarchy to categorize the type of valuation techniques from which fair values are derived. The REIT's use of quoted market prices (Level 1), internal models using observable market information as inputs (Level 2) and internal models without observable market information as inputs (Level 3).

The fair values of the REIT's mortgages payable at September 30, 2013 are $5,569,600. The fair values have been estimated based on the current market rates for financial instruments with similar terms and conditions. (Level 2)

The REIT's Class B LP Units are carried at fair value and the fair value of the Class B LP Units has been determined with reference to the trading price of the REIT's Units.(Level 2)

The fair value of Unit options and warrant options granted are estimated using a Black-Scholes model for option valuation (see notes 10 and 11). (Level 2)

14. Management compensation

Key management personnel have received $6,896 as employment compensation and have been granted 321,875 Unit options.

15. Investment properties revenue

The REIT receives rental income from operating leases. The minimum future base rent payments to the REIT under non-cancelable operating leases for the remainder of 2013 is $257,724, for 2014 is $1,032,557 and for the period January 1, 2015 to March 31, 2016 is $1,290,282. On April 1, 2016 the rent can be adjusted to market values.

16. Subsequent events

On October 15, 2013 the REIT announced a cash distribution of $0.034005 per Unit for the period from the completion of the qualifying transaction on September 16, 2013 to October 31, 2013. The distribution will be paid on November 15, 2013 to unitholders of record on October 31, 2013. On November 26, 2013, the REIT announced a cash distribution of $0.02267 per Unit for the period from November 1, 2013 to November 29, 2013, which will be paid on December 16, 2013 to unitholders of record on November 29, 2013, and a cash distribution of $0.02267 per Unit for the period from December 1, 2013 to December 31, 2013, which will be paid on January 15, 2014 to unitholders of record on December 31, 2013.

Eligible unitholders can participate in the REIT's distribution reinvestment plan ("DRIP"), whereby those unitholders enrolled in the DRIP will have their monthly cash distributions used to acquire additional Units at a 3% discount to the weighted average closing price of the Units, for the 5 trading days immediately preceding the date of distribution declared by the REIT in respect of Units.