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CONFIDENTIAL OFFERING MEMORANDUM INVESTPLUS REAL ESTATE INVESTMENT TRUST

DATE: August 25, 2016

THE ISSUER:

Name: InvestPlus Real Estate Investment Trust (the "**Issuer**" or the "**Trust**")

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Currently Listed or Quoted: These securities do not trade on any exchange or market. The Issuer is not currently listed or quoted on any stock exchange. The Issuer is not a reporting issuer in any jurisdiction and is not a SEDAR filer.

THE OFFERING:

Securities Offered: Class A, Class B and Class F trust units of the Issuer (collectively, the "**Offered Units**"). See ITEM 5 – *Securities Offered*.

Price per Security: \$8.50 per 1 (one) Offered Unit.

Minimum/Maximum Offering: **There is no minimum. You may be the only purchaser.** The Maximum Offering is up to \$10 million in aggregate. **Funds available under the offering may not be sufficient to accomplish our proposed objectives.**

Minimum Subscription Amount: Each person who invests in the Offered Units must invest a minimum of \$5,000 in such Offered Units.

Eligibility for Investment: Each of the Offered Units may be eligible investments for Exempt Plans (as hereinafter defined). See ITEM 6 – *Income Tax Consequences And RRSP Eligibility*.

Payment Terms: A direct debit from the Subscriber's brokerage account with funds then sent by FundSERV wire to SGGG Fund Services Inc., a certified cheque or bank draft payable to the Trust, or such other manner as may be accepted by the Trust, in full payment of the Subscription Price per Offered Unit subscribed for, together with any applicable Commission and/or Dealer Fee, is due upon execution and delivery of the Subscription Agreement. See Section 5.2 – *Subscription Procedure*. See *Subscription Procedure and Checklist*

Proposed Closing Date(s): The Offered Units will be offered for sale commencing on the date of the certificate attached to this Offering Memorandum and ending upon reaching the Maximum Offering or otherwise at the discretion of the Trustees. Closings will occur on dates established by the Trust.

Income Tax Consequences: There are important tax consequences to these securities. You should consult your own professional tax advisors to obtain advice respecting any tax consequences applicable to you. See ITEM 6 – *Income Tax Consequences And RRSP Eligibility*.

Selling Agents: The Trust reserves the right, as allowed by applicable securities legislation, to retain agents to complete sales of Offered Units. See ITEM 7 – *Compensation to Sellers and Finders*. See *Summary of Offering*.

Resale Restrictions: **You will be restricted from selling your securities for an indefinite period.** See ITEM 10 – *Resale Restrictions*.

Purchaser's Rights: You have 2 business days to cancel your agreement to purchase these securities. If there is a misrepresentation in this Offering Memorandum, you have the right to sue either for damages or to cancel the agreement. See ITEM 11 – *Purchaser's Rights*.

No securities regulatory authority or regulator has assessed the merits of these securities or reviewed this Offering Memorandum. Any representation to the contrary is an offence. This is a risky investment. See ITEM 8 – *Risk Factors*.

There is not or may not be a market for you to sell your investment and there is no assurance that you will be able to find a buyer for this investment at a later date. This investment is speculative and involves a high degree of risk. Investors should be aware that this investment has not only the usual risks associated with the financial ability of the Issuer to make cash distributions but also risks associated with purchasing and selling of real estate.

This Offering Memorandum constitutes an offering of the securities described herein only in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick and Prince Edward Island, and to those persons to whom they may be lawfully offered for sale and only by persons permitted to sell these securities. This Offering is a private placement and is not, under any circumstances, to be construed as a public offering of the securities described herein. The securities are being offered in reliance upon exemptions from the registration and prospectus requirements set forth in applicable securities legislation. This Offering Memorandum is not, and under no circumstances is it to be construed as, a prospectus or advertisement or a public offering of securities. No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this Offering Memorandum or in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. Persons who will be acquiring securities pursuant to this Offering Memorandum will not have the benefit of the review of this material by a securities commission or similar authority.

INVESTPLUS REAL ESTATE INVESTMENT TRUST

\$10 MILLION OFFERING

Class A, Class B and Class F Trust Units



This Offering Memorandum is intended for use by investors solely in connection with the consideration of the purchase of these securities. No person is authorized to give any information or to make any representation not contained in this Offering Memorandum in connection with the offering of these securities and, if given or made, no such information or representation may be relied upon. This Offering Memorandum is confidential. By accepting a copy of this Offering Memorandum, the recipient agrees that neither it nor any of its representatives or agents shall use the Offering Memorandum or the information contained herein for any other purpose or divulge it to any other party and shall return all copies of the Offering Memorandum to the Issuer promptly upon request.

The Offered Units have not been and will not be registered under the U.S. Securities Act (as defined herein), or any applicable state securities laws. Accordingly, except pursuant to an exemption from the registration requirements of the U.S. Securities Act and state securities laws, the Offered Units may not be offered or sold within the United States or to, or for the account of benefit of, "U.S. persons" (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

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SCHEDULE "A" - SUBSCRIPTION AGREEMENT		

SUBSCRIPTION PROCEDURE AND CHECKLIST

Applicable Canadian securities laws prescribe certain of the documentation that must be completed in order to subscribe for Units. The documentation that you must complete will depend on the jurisdiction in which you are resident and the prospectus exemption on which you are relying. A summary of the documentation requirements is set forth below:

IMPORTANT: The following items must be completed and executed in connection with your subscription (as set out in the Subscription Agreement. All references to pages and schedules below are references to the applicable page or schedule of the Subscription Agreement.

All Purchasers

- _____ Complete all applicable information on the face page of the Subscription Agreement, including the particulars of the Subscriber, the number of Units subscribed for and the aggregate subscription price.
- _____ Initial beside the applicable exemption in Section 4(e) of the Subscription Agreement that describes the Subscriber. This information will be used to determine your eligibility to subscribe for and purchase Units.
- _____ Payment of the Subscription Price in respect of the Offered Units subscribed for, together with any applicable Commission and/or Dealer Fee by way of:
 - (a) a certified cheque or bank draft payable to the Trust;
 - (b) by direct debit from the Subscriber's brokerage account with funds then sent via FundSERV to SGGG Fund Services Inc.; or
 - (c) such other manner as may be accepted by the Trust in its sole discretion.

If you are relying on the Accredited Investor Exemption

Note: Any Subscriber resident in Quebec must qualify under this exemption until such time as a French translation of the Offering Memorandum is prepared and filed.

- _____ Complete and sign the Accredited Investor Representation Letter set forth in Exhibit 3 to the Subscription Agreement, including initialing the applicable category of "accredited investor" set forth in Appendix "A" to Exhibit 3. If you initial any of the categories of "accredited investor" set forth in paragraphs (j), (k) or (l) of Appendix "A" to Exhibit 3, please also complete, initial and sign Appendix "B" to Exhibit 3.

If you are relying on the Offering Memorandum Exemption

- _____ Complete and sign the Risk Acknowledgement set forth in Exhibit 1-1 and Exhibit 1-2 to the Subscription Agreement, applicable. All individual subscribers purchasing Units must also complete Schedule 1 and Schedule 2 to Exhibit 1-1 and Exhibit 1-2.
- _____ Complete and sign the Eligible Investor Representation Letter set forth in Exhibit 2 to the Subscription Agreement, including: (a) filling out the information in Section 6 of the Eligible Investor Representation Letter required to verify that an Individual Subscriber's falls within the annual investment limits under the Offering Memorandum Exemption; and (b) initialing the applicable category of "eligible investor" set forth in Appendix "A" to Exhibit 2.

All purchasers must provide a completed and originally executed copy of the Subscription Agreement, including this instruction sheet and the items required to be completed as set out above.

SUMMARY OF THE OFFERING

The following is a summary of certain information contained in this Offering Memorandum, and reference should be made to the more detailed and additional information contained elsewhere in this Offering Memorandum. Capitalized terms used and not otherwise defined herein have the meanings set out in the Glossary of Terms.

Issuer:	InvestPlus Real Estate Investment Trust (the " Issuer " or the " Trust ").
Issue:	Class A, Class B and Class F trust units of the Trust offered pursuant to this Offering Memorandum (collectively, the " Offered Units ").
Price:	\$8.50 per Offered Unit.
Minimum Subscription:	\$5,000 of Offered Units.
Eligible Subscribers for Units:	Investors who are eligible to purchase Offered Units on an exempt basis under, and subject to compliance with, applicable securities laws.
Closings:	The Offered Units will be offered for sale commencing on the date of the certificate attached to this Offering Memorandum and ending upon reaching the Maximum Offering or otherwise at the discretion of the Trustees. Closings will occur on dates established by the Trust. All subscriptions are subject to rejection or acceptance in full or in part and the right is reserved to discontinue or resume the Offering at any time without notice by the Trust.
Distributions:	The Declaration of Trust provides that the Trust may, at the sole discretion of the Trustees (subject to available cash flow), declare a quarterly cash distribution to be paid to the Unitholders. Quarterly cash distributions to the Unitholders are anticipated to be \$0.1375 (\$0.55 per year) on each Class A Trust Unit and Class F Trust Unit and \$0.125 (\$0.50 per year) on each Class B Trust Unit.
Attributes of Offered Units:	The Offered Units represent the beneficial ownership interest of the holders thereof in the Trust. Each Offered Unit shall entitle the holder thereof to one vote at a meeting of the Unitholders of the Trust. All Offered Units in a class shall rank among themselves equally and rateably without discrimination, preference or priority, including, without limitation, in respect of the distributions described above. On liquidation or termination of the Trust, each Trust Unit, including the Offered Units, shall entitle the holder thereof to participate equally with respect to the distribution of the remaining assets of the Trust after payment of the Trust's debts, liabilities and liquidation or termination expenses.
Use of Available Funds (Proceeds):	<p>The net proceeds to the Trust of the Offering, after deducting expenses in respect of the Offering, are expected to be used to be invested in the Partnership which will then be invested in Residential LP. Residential LP will use the net proceeds to acquire additional income rental properties. In addition a small portion of the net proceeds will be retained by the Trust for working capital and other day to day expenses. See ITEM 1 – <i>Use of Available Funds</i>.</p> <p>The Trust reserves the right to allocate the net proceeds of the Offering for other purposes in accordance with sound business judgment and subject to the investment</p>

guidelines and operating policies of the Trust.

Purchase Options:

Subscribers may subscribe through authorized third party dealers and brokers, including Qwest, using one of the following purchase options:

1. Class A Trust Units: a front load option.
2. Class B Trust Units: a front load option with a trailer fee payable by the Trust to the Subscriber's third party dealer or broker.
3. Class F Trust Units: a fee based account option (available to fee based accounts only).

The sales Commission and/or Dealer Fee is to be paid by the investor. Using a \$100,000 investment in Class A Trust Units or Class B Trust Units and a 5% sales charge as an example, the investor would pay a \$5,000 sales charge and then invests \$100,000 in Class A Trust Units or Class B Trust Units for a total outlay of \$105,000. The total outlay is to be delivered by the investor to the Issuer and the Issuer will deliver the sales charge to the Subscriber's third party dealer or broker. No sales charge or other commissions are payable in respect of Class F Units. See ITEM 7 – *Compensation Paid to Sellers and Finders*.

Representations of Subscribers:

Each Subscriber will represent to the Trust and any dealer who sells the Offered Units to such Subscriber that such Subscriber is eligible to purchase Offered Units on an exempt basis under, and subject to compliance with, applicable securities laws.

Fees and Expenses:

The Fund Manager is entitled to an administration fee and a fund manager fee as well as to recover its reasonable costs and expenses and any additional compliance oversight expenses created by the Trust, as more particularly described under the heading The Fund Manager Agreement in Section 2.7 – *Material Agreements*.

The Administrator will be entitled to compensation from the Partnership and/or the Trust in accordance with the Administration Agreement, which includes: (i) acquisition fees for real estate assets acquired; (ii) capital raising fees; (iii) reimbursement of all general and administrative costs; and (iv) reimbursement of all other expenses and costs incurred in connection with the management and operation of the Trust, the Partnership, Residential LP and any other subsidiary limited partnership. See Section 2.7 – *Material Agreements*.

Conflicts of Interest:

The Trust may be subject to various conflicts of interest because of the fact that the Trustees, directors, officers, affiliates and associates of the Trust, the General Partner and the Administrator may also be engaged in raising funds and managing other businesses which may have the same or similar objectives to the Trust and the Partnership. The Trust may become involved in transactions which conflict with the interests of one or more of the foregoing entities. See ITEM 8: *Risk Factors - Independence of Officers, Directors and Trustees*.

Fund Manager:

Qwest Investment Fund Management Ltd. (the "**Fund Manager**").

FundSERV Codes: QWE801 (Class A Trust Units), QWE802 (Class B Trust Units) and QWE803 (Class F Trust Units).

SCHEDULES

Schedule "A" – Subscription Agreement is attached to and forms part of this Offering Memorandum.

INTERPRETATION

Words importing the singular number only include the plural and vice versa, and words importing the masculine, feminine or neuter gender include the other genders.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Offering Memorandum constitute forward-looking statements under applicable securities laws. These statements relate to future events or our future performance. In particular, this Offering Memorandum contains forward-looking information and forward-looking statements (collectively, the "forward-looking statements") regarding the proposed acquisition and development of certain lands including the type of property, the time to develop such lands and the development and other costs associated therewith. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "budget", "plan", "forecast", "potential", "intend" and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking statements, if any. Those assumptions and factors are based on information currently available to the Issuer including information obtained from third party sources. Although the Issuer believes that the expectations reflected in such forward-looking statements are reasonable and represent the Issuer's expectations and belief at this time, such forward-looking statements involve known and unknown risks and uncertainties which may cause the Issuer's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, fluctuating interest rates, business competition, construction related risks, development costs, ability to raise financing and fund capital expenditures, and changes in government regulations or in tax laws, in addition to those factors discussed or referenced in ITEM 8 – *Risk Factors*. These factors should not be considered exhaustive. Many of these risk factors are beyond the Issuer's control and each contributes to the possibility that the forward-looking statements will not occur or that actual results, performance or achievements may differ materially from those expressed or implied by such statements. The impact of any one risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these risks, uncertainties and factors are interdependent and management's future course of action depends upon our assessment of all information available at that time.

The forward-looking statements made herein relate only to events or information as of the date of this Offering Memorandum and are expressly qualified by this cautionary statement. Except as required by law, the Issuer undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

NON-IFRS MEASURES

The Issuer uses the terms Trust's Distributable Cash and Partnership's Distributable Cash as defined in the Glossary. Management of the Issuer considers such non-IFRS measures to be a valuable measure for evaluating its operating performance and in achieving its objectives. Such measures are not defined under IFRS nor should any of these measures be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. Readers should be further cautioned that the Trust's Distributable Cash and the Partnership's Distributable Cash as calculated by the Issuer may not be comparable to similar measures presented by other issuers.

GLOSSARY OF DEFINED TERMS

The following terms used in this Offering Memorandum have the respective meanings ascribed to them below. Unless the context otherwise requires, any reference in this Offering Memorandum to any agreement, instrument, indenture or other document shall mean such, as amended, supplemented and restated at any time and from time to time prior to the date hereof or in the future:

"**ABCA**" means the *Business Corporations Act* (Alberta) and the regulations thereunder, as amended from time to time;

"**Additional Units**" means any other additional units of the Trust issued pursuant to an alternate financing described under the heading Alternate Financing in Section 2.3;

"**Administration Agreement**" means the agreement dated September 30, 2015 among the Administrator, the Partnership and the Trust;

"**Administrator**" means InvestPlus Management Group Inc. a corporation incorporated under the laws of the Province of Alberta;

"**Administrator Fee**" means a fee payable to the Administrator of up to 1% of the gross Subscription Proceeds. The aggregate of the Commission, the Dealer Fee and the Administrator Fee will not exceed 6.5% of the gross Subscription Proceeds, as described in ITEM 7 – *Compensation to Sellers and Finders*;

"**Affiliate**" has the meaning ascribed thereto under the *Securities Act* (Alberta);

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Province of Alberta;

"**Cash Distribution**" means cash distributions made by the Trust and/or the Partnership to holders of Trust Units and or LP Units, as applicable;

"**CCAA**" means the *Companies Creditors Arrangement Act* (Canada) and the regulations thereunder, as amended from time to time;

"**CFI**" has the meaning ascribed thereto in Section 2.2;

"**Class A LP Units**" means the Class A limited partnership units in the capital of the Partnership;

"**Class B LP Units**" means the Class B limited partnership units in the capital of the Partnership;

"**Class A Trust Units**" means the Class A trust units in the capital of the Trust;

"**Class B Trust Units**" means the Class B trust units in the capital of the Trust;

"**Class F Trust Units**" means the Class F trust units in the capital of the Trust;

"**Class I Trust Units**" means the Class I trust units in the capital of the Trust;

"**Closing**" means the completion of the issuance of Offered Units to Subscribers, which shall occur on the dates established by the Trust;

"**Commission**" means the fee or amounts paid to certain eligible third-party dealers and/or brokers, as applicable, in consideration of those parties introducing the Issuer to Subscribers for certain classes of Offered Units, as described in ITEM 7 – *Compensation to Sellers and Finders*;

"**CRA**" means the Canada Revenue Agency of the Government of Canada;

"**Dealer Fee**" means the fee or amounts paid to certain eligible third-party dealers and/or brokers, as applicable, in consideration of those parties introducing the Issuer to Subscribers for certain classes of Offered Units, as described in ITEM 7 – *Compensation to Sellers and Finders*;

"**Declaration of Trust**" means the agreement between the Trustees and the Settlor dated June 18, 2015, as amended and restated effective August 25, 2016;

"**Discount Value**" means (i) 92% of the fair market value of any Trust Units within the first year of issuance, (ii) 94% of the fair market value of any Trust Units within the second year of issuance, (iii) 96% of the fair market value of any Trust Units commencing on the third year of issuance, and (iv) at the fair market value any time thereafter. The fair market value of the Trust Units shall be the value as determined by the Trustees in their sole discretion, acting reasonably, but having regard to: (a) all prices at which trades of Trust Units have been transacted during the 6 month period (or such other period as the Trustees determine relevant and reasonable) immediately preceding the date on which such Trust Units were tendered to the Trust for redemption; (b) the issue prices for Trust Units issued in any offering during the 6 month period (or such other period as the Trustees determine relevant and reasonable) immediately preceding the date on which such Trust Units were tendered to the Trust for redemption; (c) the fair market value of equity interests in, or enterprise values of, comparable entities substantially similar to the Trust; and (d) any other considerations which the Trustees, in their sole discretion, determine relevant for purposes of determining the Redemption Value.

"**DRIP**" has the meaning ascribed thereto in Section 5.4;

"**Exempt Plan**" means trusts governed by an RRSP, RRIF, deferred profit sharing plan, registered education savings plan, registered disability savings plan or TFSA (all within the meaning of the Tax Act), collectively referred to herein as "**Exempt Plans**";

"**Exchange Agreement**" means the agreement dated August 25, 2016 among the Trust, the Partnership and the General Partnership to provide for the Exchange Right;

"**Exchange Right**" means the exercisable right held by each holder of Class B LP Units to exchange all or part of their Class B LP Units into Class A Trust Units;

"Fund Manager" means the fund manager approved by the Administrator to provide the Trust with the management and services that would ordinarily be provided to a similarly situated investment fund by an "investment fund manager" registered under applicable Canadian securities laws, initially being Qwest Investment Fund Management Ltd., the fund manager appointed under the Fund Manager Agreement;

"Fund Manager Agreement" means the agreement between Qwest Investment Fund Management Ltd., as fund manager, and the Trust dated January 26, 2016;

"General Partner" means the general partner of the Partnership, being 1920423 Alberta Ltd., or any other party who may become the general partner of the Partnership from time to time, in each case until such general partner ceases to be the general partner of the Partnership under the terms of the Partnership Agreement;

"IFRS" means International Financial Reporting Standards applicable to the Trust, as such principles are established and revised by the International Accounting Standards Board (or any successor organization) from time to time, applied on a consistent basis;

"ITLA" means the *Income Trusts Liability Act* (Alberta) and the regulations thereunder, as amended from time to time;

"Initial Limited Partner" means the Trust;

"Initial LPs" means InvestPlus Limited Partnership III, InvestPlus Opportunity Fund IV Limited Partnership, and InvestPlus Vantage LP;

"Investment Company" means each of InvestPlus Investments III Corp., InvestPlus Investments IV Corp. and InvestPlus Vantage Finance Corp.;

"Issuer" or **"Trust"** means InvestPlus Real Estate Investment Trust;

"Limited Partner" means a limited partner of the Partnership in accordance with the terms and conditions of the Partnership Agreement;

"LP III" means InvestPlus Limited Partnership III;

"LP IV" means InvestPlus Opportunity Fund IV Limited Partnership;

"LP Unit" means a unit of the Partnership and includes Class A LP Units and Class B LP Units;

"Maximum Offering" means \$10,000,000 in aggregate;

"Net Asset Value" or **"NAV"** means the value the Trust Units determined by the Trustees, in their sole discretion, using reasonable methods of determining such value in accordance with the Valuation Policy;

"NI 45-106" means National Instrument 45-106 – *Prospectus and Registration Exemptions*;

"NPR" has the meaning ascribed thereto in Section 2.2;

"Offered Units" has then meaning ascribed thereto on the first page of this Offering Memorandum;

"Offering" means the offering of Offered Units by way of private placement as described herein;

"Offering Memorandum" means this confidential offering memorandum, including any amendment hereto;

"Ordinary Resolution" means

- (i) a resolution passed by more than 50% of the votes cast by those Unitholders entitled to vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or
- (ii) a resolution approved in writing, in one or more counterparts, by holders of more than 50% of the votes represented by those Units entitled to be voted on such resolution;

"Other Units" has the meaning ascribed thereto in Section 8.1(f);

"Partnership" means InvestPlus Master Limited Partnership, a limited partnership duly formed pursuant to the Partnership Act;

"Partnership Act" means the *Partnership Act* (Alberta) and the regulations thereunder, as amended from time to time;

"Partnership Agreement" means the limited partnership agreement setting out the manner in which the Partnership will be governed, entered into between the Initial Limited Partner, the General Partner, the holders of LP Units, as may be amended or supplemented;

"Partnership's Distributable Cash" means the net available cash of the Partnership including receipts from assets owned by the Partnership, funds from financing and interest, dividends or other distributions on securities owned by the Partnership after payment and reservation of all amounts necessary for the payment of the expenses and commitments (including advances, loans or investment of cash) of the Partnership;

"Person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

"Prime Rate" means an annual prime rate of interest equal to the annual rate of interest published from time to time by the Bank of Canada as a reference rate then in effect for determining interest rates for Canadian dollar commercial loans and referred to as its **"prime rate"**;

"Proposed Amendments" means all of the specific proposals that have been publicly announced by or on behalf of the Minister of Finance (Canada) to amend the Tax Act prior to the date hereof;

"Quarterly Limit" means the maximum amount of cash payable by the Trust in respect of all Trust Units tendered for redemption by holders of Trust Units in the same calendar quarter, being \$100,000.00 on a *pro rata* basis;

"Qwest" means Qwest Investment Management Corp.;

"Redemption Notes" means unsecured subordinated notes of the Trust issued in place of all or a portion of a cash redemption and bearing interest at a market rate to be determined at the time of issuance and incorporating such other commercially reasonable terms as the Trustees may prescribe in accordance with the Declaration of Trust, subject to a maximum term of five (5) years from the date of issue;

"Redemption Value" means the amount that a redeeming Unitholder shall be entitled to receive per Trust Unit in Canadian dollars;

"Regulation D" means Regulation D promulgated under the U.S. Securities Act;

"Regulation S" means Regulation S promulgated under the U.S. Securities Act;

"Regulations" means regulations made under the Tax Act;

"REIT" means real estate investment trust;

"Reorganization" means the reorganization of the Initial LPs which resulted in Residential LP acquiring all of the assets of the Initial LPs and the limited partners of the Initial LPs becoming holders of Trust Units and/or LP Units pursuant to the Reorganization Agreement;

"Reorganization Agreement" means the reorganization agreement dated September 30, 2015 among, *inter alia*, the Initial LPs and the Trust;

"Reserve" means a fund in the amount determined by the Trustees that is required to establish prudent reserves;

"Residential LP" means InvestPlus Residential Limited Partnership, a limited partnership duly formed pursuant to the Partnership Act and which is wholly-owned by the Partnership;

"RRIF" means registered retirement income fund, within the meaning of the Tax Act;

"RRSP" means registered retirement savings plan, within the meaning of the Tax Act;

"Service Fee" means the annual trailer fee of up to 1.0% of the Net Asset Value of the Class B Trust Units to be paid by the Trust, if applicable, to registered third-party dealers and/or brokers whose clients continue to hold Class B Trust Units at the end of each year, as described in ITEM 7 – *Compensation to Sellers and Finders*;

"Settlor" means Nathan Roberts, an individual resident in the City of Calgary, in the Province of Alberta;

"SIFT Trust" means specified investment flow-through trust, within the meaning of the Tax Act;

"Special Resolution" means

- (i) a resolution passed by more than $66\frac{2}{3}\%$ of the votes cast by those Unitholders entitled to vote on such resolution, whether cast in person or by proxy, at a meeting of Unitholders, at which a quorum was present, called (at least in part) for the purpose of approving such resolution, or
- (ii) a resolution approved in writing, in one or more counterparts, by holders of more than $66\frac{2}{3}\%$ of the votes represented by those Units entitled to be voted on such resolution;

"Subscriber" means a Person acquiring Offered Units pursuant to the Offering described herein;

"Subscription Agreement" means the subscription agreement to be completed by Subscribers for Offered Units, being the Subscription Agreement attached as Schedule "A" hereto;

"Subscription Price" means \$8.50 per Offered Unit;

"Subscription Proceeds" means the gross monies received by the Issuer in consideration for the issuance of the Offered Units under the Offering;

"Tax Act" means the *Income Tax Act* (Canada), and all regulations thereunder, as amended from time to time;

"TFSA" means tax-free savings account, within the meaning of the Tax Act;

"Trust Units" or **"Units"** means, as the context may require, the Class A Trust Units, the Class B Trust Units, the Class F Trust Unit, the Class I Trust Units, Additional Units and/or the Other Units;

"Trustees" mean each of Domenic Mandato, Donald Leitch and Ronald Gratton, each of the City of Calgary, in the Province of Alberta, and Richard Carl, of the City of Toronto, in the Province of Ontario;

"Trust Property", at any time, means all of the money, properties and other assets of any nature or kind whatsoever as are, at such time, held by the Trust or by the Trustees on behalf of the Trust;

"Trust's Distributable Cash" means all cash amounts which are received by the Trust less the expenditures and commitments of the Trust, including an amount required for reasonable reserves, as determined at the discretion of the Trustees;

"Unitholder" means a holder of Trust Units;

"U.S. Person" has the meaning ascribed thereto in Regulation S, which definition includes, but is not limited to: (i) a natural person resident in the United States; (ii) an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person; (iii) any partnership or corporation organized or incorporated under the laws of the United States; (iv) any discretionary or non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; (v) any agency or branch of a foreign entity located in the United States; (vi) any partnership or corporation if (A) organized or incorporated under the laws of any foreign jurisdiction and (B) formed by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized or incorporated, and owned, by "accredited investors" (as defined in Rule 501(a) of Regulation D under the U.S. Securities Act) who are not natural persons, estates or trusts);

"U.S. Securities Act" means the United States *Securities Act of 1933*, as amended;

"Warrant" means a trust unit purchase warrant, where each Warrant entitled the holder to purchase one additional Class A Trust Unit at an exercise price of \$9.50 per unit and expired on December 18, 2015;

"Valuation Policy" means the valuation policy described in Section 5.3; and

"Vantage LP" means InvestPlus Vantage LP.

All references to currency herein are references to lawful money of Canada unless specifically stated otherwise.

CONFIDENTIAL OFFERING MEMORANDUM

InvestPlus Real Estate Trust (the "Issuer" or the "Trust")

ITEM 1 - USE OF AVAILABLE FUNDS

1.1 Funds

The following table discloses the net proceeds of the Offering after deduction of the costs associated with the Offering:

	Assuming Maximum Offering ⁽¹⁾
A. Amount to be raised by this Offering	\$10,000,000
B. Selling fees ^{(2) (3)}	\$100,000
C. Estimated Offering Costs (legal, accounting, audit and marketing) ⁽⁴⁾	\$400,000
D. Available Funds $D=A-(B+C)$	\$9,500,000
E. Additional Sources of Funding Required	NIL
F. Working Capital Deficiency	NIL
G. Total: $G = (D + E)-F$	\$9,500,000

Notes:

- (1) There is no minimum Offering of Offered Units and there can be no assurance that the Issuer will complete the Maximum Offering. See ITEM 2.6 – *Insufficient Funds*.
- (2) Assumes aggregate selling Administrator Fees of the maximum aggregate of 1% are paid on all Subscription Proceeds. See ITEM 7 – *Compensation to Sellers and Finders*.
- (3) The Trust sells Offered Units through authorized third party dealers and brokers. It is expected that each Subscriber will pay compensation to such third party dealers or brokers of up to a maximum of 6.5% of the gross Subscription Proceeds depending on the purchase option selected. The Trust may pay an annual Service Fee (which is an annual trailer fee) of up to 1.0% of the Net Asset Value of the Class B Trust Units sold by registered third-party dealers or brokers whose clients continue to hold Class B Trust Units as at the end of each year. The amount of the Service Fee that the Trust will be required to pay at the end of each year, if any, is not determinable in advance. In no circumstances shall the aggregate of the compensation paid to the Administrator and third party dealers and brokers for Commissions, Dealer Fees and Administrator Fees exceed 6.5% of the gross Subscription Proceeds. To the extent that the Trust is responsible for the payment of compensation to securities dealers, including the Service Fee, the funds available to the Trust for investment purposes and distributions will be reduced. See ITEM 7 – *Compensation to Sellers and Finders*.
- (4) The Trust will pay the Fund Manager an additional fund manager fee of 0.70% of the total monthly gross subscription proceeds up to a maximum of \$2,500 per month based on the total monthly gross subscription received by the Trust. For those months where the additional fee is less than \$2,500, such deficiency may be recovered in succeeding months where the fee is greater than the \$2,500 limit. To the extent that the Trust is responsible for the payment of the fund manager fee the funds available to the Trust for investment purposes and distributions will be reduced. See Section 2.7 – *Material Agreements*.

1.2 Use of Available Funds - Trust

The following table provides a detailed breakdown of how the Trust will use the available funds:

Description of intended use of available funds listed in order of priority	Assuming Maximum Offering ⁽¹⁾
Acquire LP Units of the Partnership ⁽²⁾	\$9,250,000
Working capital and other day to day operating expenses	\$250,000
Total:	\$9,500,000

Notes:

- (1) There is no minimum Offering of Offered Trust Units and there can be no assurance that the Issuer will complete the Maximum Offering.
- (2) After amounts retained for working capital and other day to day operating expenses, all of the net proceeds of the Subscription Proceeds will be invested in the Partnership which will then be invested in Residential LP. Residential LP will use the net proceeds to acquire additional income rental properties. See ITEM 2.2 – *Our Business* for further description of the use of funds raised under the Offering. Also see ITEM 2.3 – *Development of Business*, ITEM 2.4 – *Long Term Objectives* and ITEM 2.5 – *Short Term Objectives and How We Intend to Achieve Them*

1.3 Use of Available Funds – Partnership

The following table provides a detailed breakdown of how the Partnership will invest in Residential LP:

Description of intended use of available funds listed in order of priority	Assuming Maximum Offering ⁽¹⁾
Acquire limited partnership units of the Residential LP ⁽²⁾	\$9,250,000

Notes:

- (1) There is no minimum Offering of Offered Units and there can be no assurance that the Issuer will complete the Maximum Offering.
- (2) Residential LP will use the proceeds to acquire additional income rental properties. See ITEM 2.2 – *Our Business* for further description of the use of funds raised under the Offering. Also see ITEM 2.3 – *Development of Business*, ITEM 2.4 – *Long Term Objectives* and ITEM 2.5 – *Short Term Objectives and How We Intend to Achieve Them*

1.4 Reallocation

The Issuer intends to spend the available funds as stated. The Issuer will reallocate funds only for sound business reasons. Also see ITEM 2.6 – *Insufficient Funds*.

ITEM 2 - BUSINESS OF THE ISSUER

2.1 Structure

The Trust

The Trust is an unincorporated open-ended, limited purpose trust settled in the Province of Alberta on June 18, 2015, pursuant to the Declaration of Trust. Domenic Mandato, Donald Leitch, Ronald Gratton and Richard Carl are the current trustees of the Trust. The Trustees may add additional trustees as they see fit subject to approval by Unitholders by ordinary resolution. The Trust was settled principally for the purpose of investing in the Partnership.

Unitholders will be entitled to receive non-cumulative distributions if as and when declared by the Trustees. It is the intention of the Trust (subject to available cash flow) to declare a quarterly distribution of \$0.1375 (\$0.55 per year) on each Class A Trust Unit, Class F Trust Unit and Class I Trust Unit. In addition, it is the intention of the Trust (subject to available cash flow) to provide a quarterly distribution of \$0.125 (\$0.50 per year) on each Class B Trust Unit. The Trustees shall, on or before each distribution record date, declare payable to the holders of Trust Units all or any part of the Distributable Cash of the Trust (as defined in the Declaration of Trust) for the distribution period as determined by the Trustees in their sole discretion, subject, however, to compliance with debt and surety covenants and to ensure sufficient working capital.

Although the Trust intends to distribute its available cash to Unitholders in accordance with its distribution policies, unlike fixed-income securities, there is no obligation of the Trust to distribute fixed dollar amounts to Unitholders. Cash Distributions, including the anticipated return on a Unitholder's original investment, are based upon many performance assumptions and, as such, the amount of the Cash Distributions are not guaranteed.

The offices of the Trust are located at Suite 404, 921 - 5th Avenue SW, Calgary AB T2P 0N9.

The Partnership

The Partnership was formed on August 25, 2015, pursuant to the Partnership Act, by the filing of the Certificate of Limited Partnership in accordance with the Partnership Act. The Partnership was formed for the purposes of forming a subsidiary limited partnership, namely Residential LP (which in turn acquired the assets of the Initial LPs) and to acquire future properties either directly or indirectly through Residential LP or other subsidiary limited partnerships. The purpose of the Partnership is to seek maximum capital appreciation and income through the business of real estate investment and development and performing such other activities as may be incidental to or arising from the foregoing purposes as may be reasonably determined by the General Partner. See ITEM 2.2 – *Our Business*.

It is the intention that the Trust will be the sole holder of Class A LP Units while the former partners of the Initial LPs will hold Class B LP Units. The Class B LP Units are exchangeable for Class A Trust Units on a one for one basis. The Partnership Agreement provides that the Partnership's Distributable Cash shall be distributed to Limited Partners. It is the intention of the Partnership (subject to available cash flow) to declare a quarterly distribution of \$0.1375 (\$0.55 per year) on each Class B LP Unit.

The Partnership and the relationship among the Partnership, the General Partner and the limited partners (including the Trust) is governed by the Partnership Agreement in conjunction with the Partnership Act. The registered office of the Partnership is 15th Floor, 850 – 2nd Street S.W., Calgary, Alberta T2P 0R8.

The General Partner

The General Partner was incorporated on September 14, 2015 under the ABCA in order to manage the affairs of the Partnership and replaced InvestPlus GP Ltd. as the general partner of the Partnership on August 25, 2016. The sole shareholder of the General Partner is the Trust. The General Partner will not engage in any business other than acting as general partner of the Partnership. The General Partner is entitled to have all of its expenses and costs incurred in connection with the management and operation of the Partnership reimbursed, in accordance with the terms of the Partnership Agreement.

The General Partner oversees and administers the Partnership's investments acquired by the Partnership; however, pursuant to the terms of the Partnership Agreement, the General Partner may delegate its duties to any related or non-related third party. In accordance with this delegation authority in the Partnership Agreement and pursuant to the Administration Agreement, the General Partner delegated certain management functions to the Administrator.

The registered office of the General Partner is 15th Floor, 850 – 2nd Street SW, Calgary, Alberta T2P 0R8.

Residential LP

Residential LP was formed on August 25, 2015, pursuant to the Partnership Act, by the filing of the Certificate of Limited Partnership in accordance with the Partnership Act. Residential LP was formed for the purposes of carrying on the business of the ownership, lease, and operations of real estate properties. Residential LP acquired the real estate assets of the Initial LPs pursuant to the Reorganization. See ITEM 2.2 – *Our Business*.

It is the intention that the Partnership will be the holder of the units of Residential LP.

The registered office of the Residential LP is 15th Floor, 850 – 2nd Street S.W., Calgary, Alberta T2P 0R8.

InvestPlus GP Ltd. – General Partner of Residential LP

InvestPlus GP Ltd. was incorporated on June 26, 2016 under the ABCA in order to manage the affairs of Residential LP. The sole shareholder of the General Partner is the Trust. InvestPlus GP Ltd. will not engage in any business other than acting as general partner of Residential LP. InvestPlus GP Ltd. is entitled to have all of its expenses and costs incurred in connection with the management and operation of the Residential LP reimbursed, in accordance with the terms of the limited partnership agreement of Residential LP dated August 25, 2015.

InvestPlus GP Ltd. oversees and administers the investments acquired by Residential LP; however, pursuant to the terms of the limited partnership agreement of Residential LP, InvestPlus GP Ltd. may delegate its duties to any related or non-related third party. In accordance with this delegation authority in the limited partnership agreement of Residential LP and pursuant to the Administration Agreement, InvestPlus GP Ltd. delegated certain management functions to the Administrator.

The registered office of InvestPlus GP Ltd. is 15th Floor, 850 – 2nd Street SW, Calgary, Alberta T2P 0R8.

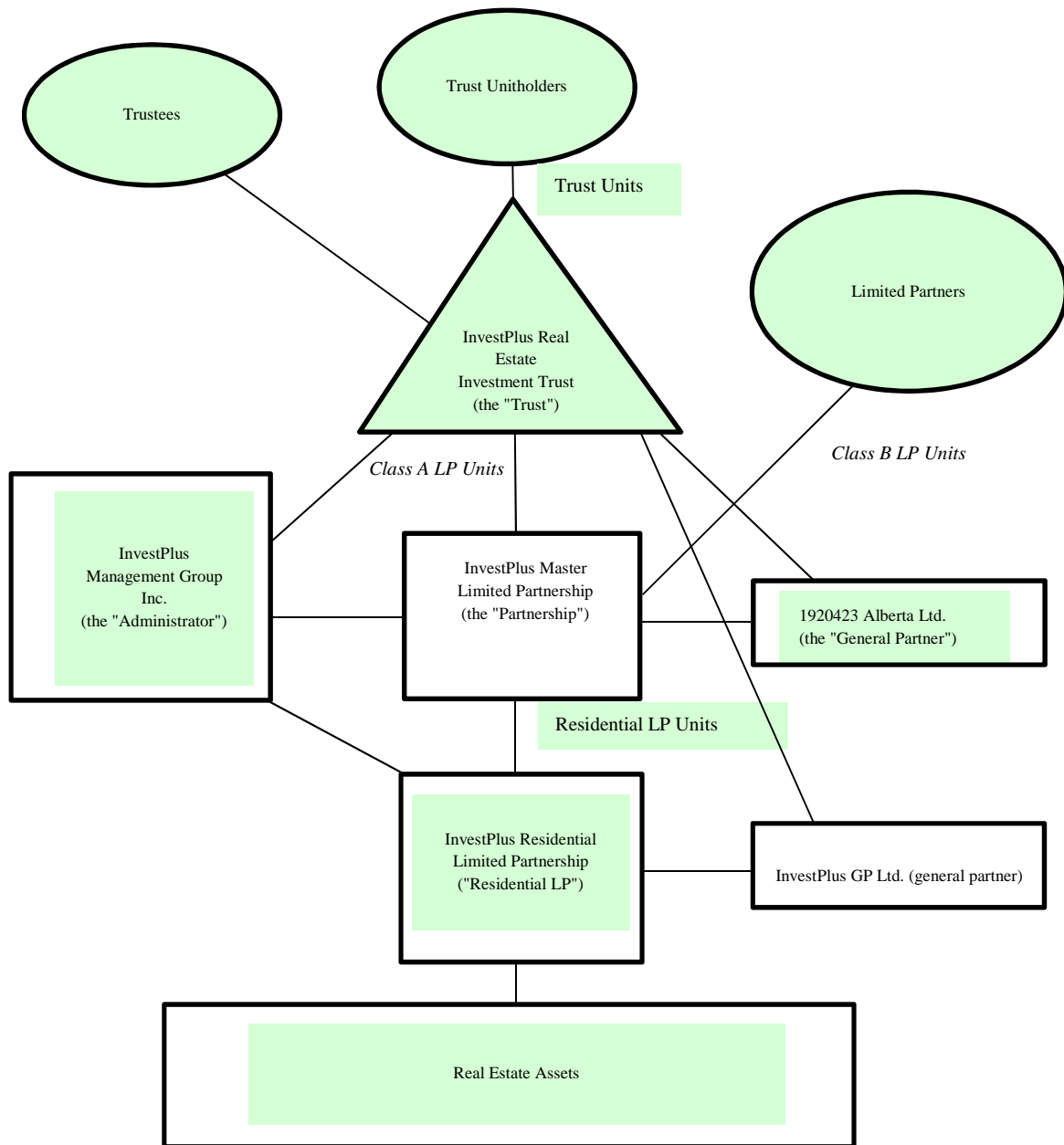
The Administrator

The Administrator has entered into the Administration Agreement in order to manage the affairs of the Trust and the Partnership, on behalf of the Trustees and General Partner, as applicable, and to oversee and administer the investment in any real estate acquired by the Partnership or any subsidiary limited partnership including Residential LP. The Administrator will be entitled to a fee of 0.3% of the purchase price of additional real estate assets, a fee of up to 1.0% of the gross proceeds of any equity raised by the Trust, reimbursement of all general and administrative costs (including compensation of the officers and employees of the Administrator and officers of the Trust supplied by the Administrator) and reimbursement of all other expenses and costs incurred in connection with the management and operation of the Trust, the Partnership, Residential LP and any other subsidiary limited partnership, in accordance with the terms of the Administration Agreement. The Administrator (and its officers and employees) will also be entitled to participate in any unit option plan and long-term incentive plans implemented by the Trust from time to time.

The Fund Manager

Pursuant to the terms of the Fund Manager Agreement, the Trust has delegated the management and services that would ordinarily be provided to a similarly situated investment fund by an “investment fund manager” registered under applicable Canadian securities laws, to the Fund Manager. See the heading entitled The Fund Manager Agreement under Section 2.7 – *Material Agreement*.

The following diagram outlines the structure of the Issuer and its various components.



Notes:

- (1) For a further description of the flow of funds and the Reorganization see ITEM 2.2 – *Our Business*.
- (2) It is the Issuer's current intention to distribute 100% of the Trust's Distributable Cash. In accordance with the Declaration of Trust, the Trust must distribute all of the taxable income of the Trust and any other applicable amounts in each year so that the Trust will not have any material liability for tax under Part I of the Income Tax Act in any year.
- (3) The General Partner intends to cause the Partnership to distribute the Partnership's Distributable Cash to limited partners including the Trust.

2.2 **Our Business**

The business of the Trust, through the acquisition of LP Units, is to finance the purchase of real estate assets.

The Trust was settled principally to offer Trust Units for sale and to invest the net proceeds of the Offering, after retention of amounts for working capital and other day to day operating expenses, to acquire LP Units.

The Partnership was formed to utilize the net proceeds of the investment of the Trust to purchase real estate assets either directly or indirectly through subsidiary limited partnerships, including Residential LP.

Residential LP was formed to acquire the real estate assets of the Initial LPs pursuant to the Reorganization, to purchase additional rental properties and to participate in real estate development and/or acquisition joint ventures with third parties.

Reorganization - Initial LPs

The Administrator previously provided managerial services to the general partners of the Initial LPs. Domenic Mandato is the sole director of the Administrator and was a founder of the Initial LPs. The Administrator conducted a review of the current status of the commercial and multi-residential real estate market, including potential additional acquisition opportunities, portfolio optimization, and the ability to raise new capital. As a result of these investigations, it was apparent that a private mutual fund trust, similar in nature to the investment objectives of a REIT, offered the best opportunity for investors. Therefore, the Administrator determined that the limited partners of the Initial LPs should be offered the opportunity to participate in a trust structure and that the Trust would benefit from having the assets of the Initial LPs as a part of its asset base. As a result, the Reorganization of the Initial LPs was undertaken.

The Reorganization was approved by the limited partners of the Initial LPs at a series of security holder meetings held on June 5, 2015. Through a series of transactions, the Reorganization resulted in all of the real estate assets of the Initial LPs, which consisted of 9 multi-family residential buildings located in the cities of Edmonton and Calgary with an estimated market value of approximately \$39.7 million with a mortgage debt of approximately \$23.1 million, as further described below, being acquired by Residential LP. In exchange for the contribution of real estate assets to Residential LP, the stakeholders of the Initial LPs, comprised of individuals and corporations dealing with the Initial LPs at arm's length, were issued Class A Trust Units, Warrants, and/or Class B LP Units.

Reorganization Steps

Pursuant to the terms of the Reorganization Agreement, the limited partners and the general partner of each of the Initial LPs transferred their respective units and profit share interests in the Initial LPs to the Partnership in exchange for Class B LP Units and Class A Trust Units. The conversion of Initial LP units and profit share interests into Class A Trust Units and Class B LP Units, as applicable, was completed on a dollar per dollar basis at \$10.00 per unit.

Upon completion of the transfers set out above, each Initial LP was dissolved and the property owned by each Initial LP was ultimately contributed to, and assumed by, Residential LP in exchange for partnership units in Residential LP and the assumption of all of the mortgaged debt by Residential LP. The general partners of the Initial LPs then exchanged such partnership units of Residential LP for Class B LP Units such that the Partnership became the sole limited partner of Residential LP.

Resulting Issued Capital

Upon completion of the Reorganization, the Trust and the Partnership and Residential LP had: (i) acquired real estate assets with a then current market value of approximately \$39.7 million with mortgage debt of approximately

\$23.1 million, as further described below; and (ii) issued 1,166,818 Class A Trust Units, 326,917 Class B LP Units, 1,166,840 Class A LP Units and 1,493,753 Warrants, of which 59,504 Warrants were exercised for the issuance of 59,504 Class A Trust Units.

The Trust understands that each Investment Company, as a former limited partner an Initial LP, will satisfy the debt obligations owed, directly or indirectly, to bondholders by distributing the Class A Trust Units received pursuant to the Reorganization in full satisfaction of the outstanding amounts payable to such bondholders.

Contributed Assets of the Initial LPs

Centre Court



Centre Court is located in Edmonton, Alberta and is a 55-suite concrete building consisting of mostly two bedroom units. Centre Court was purchased in August of 2009 for \$5,200,000. Centre Court was sold in March of 2016 for \$6,885,000 for net proceeds of \$2,780,000 after payment of the associated debt and closing costs. Based on the purchase and sale of this building the internal rate of return before selling costs was 13.8%.

The Metropolitan



The Metropolitan is a 33-suite concrete building located in Edmonton, Alberta. The Metropolitan was purchased in August of 2010 for \$3,000,000 and was subsequently renovated. The building had a 42.8% vacancy as of September 30th 2010 and was reduced to 4.5% vacancy in December of 2010. The Metropolitan is fully stratified (i.e. each unit has a separate condominium unit title) except for one suite. As of March 31, 2016, the building value is estimated at \$3,790,000.

The Newport



The Newport is a 16-suite concrete building located in Calgary Alberta. The Newport was purchased under foreclosure in March of 2011 for \$1,720,000. At the time of purchase it had an occupancy rate of 18%. The building was subsequently renovated and fully leased by July of 2011. The Newport is fully stratified (i.e. each unit has a separate condominium unit title). As of March 31, 2016, the building value is estimated at \$2,690,000.

The Luxemburg



The Luxemburg is a 23-suite concrete building, including 5,000 square feet of commercial space divided into five commercial units, located in Edmonton, Alberta. The Luxemburg was purchased in August of 2011 for \$3,495,000. The building was subsequently renovated and the power was re-metered so that the tenants are responsible for the power in their suites. The 5 commercial tenants who occupied the building at the time of purchase were on gross rents where the landlord was financially responsible for management and operations of the building pro rata to their office square-footage. Since the purchase of the Luxemburg, 4 of the 5 new and existing commercial tenants were converted to triple-net leases where the tenant

is financially responsible for management and operations of the building on a proportional basis having reference to their office square footage over the entire lease term. Rental rates on a per square foot basis were also increased as the new leases were signed. As of March 31, 2016, the building value is estimated at \$4,190,000.

The York



The York is a 45-suite concrete building located in Calgary, Alberta. The York was purchased in October of 2011 for \$6,800,000 and subsequently renovated. At the time of purchase the annualized net operating income of the building was \$263,460. After renovations and rental adjustments, the annualized net operating income for 2013 was \$382,760. The Administrator also signed an agreement with WestPark/Indigo Parking to manage the parking lot tenants and maintenance of the parking lot. The agreement between the Administrator and WestPark/Indigo is such that the Trust receives \$108,000 annually plus 80% of any income generated from the parking lot in excess of \$132,000. As of March 31, 2016, the building value is estimated at \$9,200,000

The Highland House



The Highland House is a 22-suite wood-frame construction building located in Edmonton, Alberta. The building was purchased in October of 2011 for \$1,947,000 and subsequently renovated. The Administrator increased the annualized rent roll from \$194,000 to \$204,120 in a period of 12 months. As of March 31, 2016, the building value is estimated at \$2,397,000.

Forest Heights



Forest Heights is a 22-suite wood-frame construction building located in Edmonton, Alberta. Forest Heights was purchased under foreclosure in September of 2012 for \$1,981,000. The building was unoccupied at the time of purchase, however, it was already 95% renovated. The renovations were subsequently completed and the building was fully leased by January of 2013. Forest Heights is fully stratified (i.e. each unit has a separate condominium unit title). As of March 31, 2016, the building value is estimated at \$2,590,000.

The Hudson



The Hudson is an 18-suite wood-frame construction building located in Edmonton, Alberta. The Hudson was purchased in December of 2012 for \$1,746,000 and subsequently renovated. The annualized rent roll for the building at the time of purchase was \$172,380. The rent was increased within 12 months to an annualized rent roll of \$191,400. As of March 31, 2016, the building value is estimated at \$1,950,000.

Cedar Peaks

Cedar Peaks is a 38-suite wood-frame construction building located in Edmonton, Alberta. Cedar Peaks was purchased under foreclosure in February of 2013 for 3,000,000 with a then occupancy rate of 13%. The building was subsequently renovated and fully leased by June 2013. The building is fully stratified (i.e. each unit has a separate condominium unit title). As of March 31, 2016, the building value is estimated at \$4,020,000.



The foregoing sets out a description of the assets of the Initial LPs that were contributed to Residential LP pursuant to the Reorganization Agreement. The estimated building values, the vacancy rates and the rental rates set out above were based on then current market conditions and information available to the Issuer as of the dates stated above. These estimates and rates are subject to known and unknown risks and uncertainties which may cause the value of the assets, the vacancy rates and the rental rates in future periods to differ materially from those set out below. Important factors that could cause significant changes in the value of the assets, the vacancy rates and the rental rates include, among other things, general economic and market factors, fluctuating interest rates, business competition, and changes in government regulations or in tax laws, in addition to those factors discussed or referenced in ITEM 8 – *Risk Factors*.

Note that investors are cautioned that historic rates of return are in no way a guarantee or prediction of future investment returns.

The Trust, the Partnership and Residential LP continue to monitor the financial performance of the real estate assets, including buildings and properties, owned or controlled by Residential LP in order to optimize the financial returns made on such investments. The Trust and the Partnership may, from time to time, cause Residential LP to refinance or sell certain real estate assets, including buildings and properties, where the proceeds of such refinancing or sale can be used to acquire properties that are more accretive to the value of the Trust.

Prior Obligation - Redemption of Units

Prior to completing the Reorganization, certain unitholders of the Initial LPs submitted notices of redemption under their respective partnership agreements which were accepted by their respective Initial LP. As a consequence of these prior commitments, upon completion of the Reorganization the Trustees of the Trust and the General Partner conducted a one-time only extraordinary redemption whereby an aggregate of 222,613 Class A Trust Units were redeemed by the Trust in exchange for the aggregate redemption amount of \$2,056,944.

Recent Operations

Sale of Centre Court

In March of 2016, Residential LP sold the building located in Edmonton, Alberta named Centre Court for \$6,885,000 for net proceeds of \$2,780,000. These net proceeds were used to satisfy the prior redemption obligations, as set out above, and to acquire a commercial building located in Prince George, British Columbia.

Purchase of Prince George Property



On December 18, 2015, Residential LP acquired a 13,923 square foot commercial building located in Prince George, British Columbia for \$2,800,000 at an 8.6% cap rate. The building is currently leased to a single tenant, RE/MAX Prince George, for a 10 year term, pursuant to which the tenant is financially responsible for management, operations and capital improvements over the entire lease term. It is estimated that this property will generate net cash flows of \$20,000 per year based on current rental rates after distributions, expenses and debt repayment.

Refinancing of Properties

In March of 2016, the Highland House, Cedar Peaks, Forest Heights and the Hudson properties were refinanced with terms varying from two to five years and reduced interest rates of 2.95% to 3.2%. Prior to refinancing the mortgages for these buildings, their mortgage interest rates ranged from 3.9% to 4.3%. Part of the proceeds of this refinancing, in the amount of \$929,688, was used to provide the funds necessary to cover the down payment and transaction costs associated with the purchase of the Prince George property.

Management

The Trust, the Partnership and Residential LP will be managed by the Administrator, InvestPlus Management Group Inc.

Since 2004 the Administrator has been involved in the acquisition, renovation, and management of numerous properties in British Columbia, Alberta, Ontario and Quebec. The Administrator's responsibilities include overseeing and conducting due diligence, completing acquisitions and managing the operations of properties and assets allocated to limited partnerships and joint ventures. It also oversees all corporate affairs and operations for the InvestPlus group of companies. The Administrator has managed all operations of 5 real estate joint ventures and 4 real estate investment limited partnerships which entities acquired 17 multi-family buildings comprised of 421 rental units and 5000 sq.-ft. of commercial space. The Administrator now manages and operates 11 buildings of which 2 are in joint ventures and 9 are the properties acquired by Residential LP as set out above.

The following are the executive management team of the Administrator and the Trust who will execute the plans and strategies for the Trust and the Partnership. The management team may be augmented by other personnel as required to optimally manage the operations and growth of the business.

Domenic Mandato – President and Chief Executive Officer



Domenic Mandato is the President and Chief Executive Officer of both the Trust and the Administrator and is the sole director of the Administrator. He is also the founder of the Initial LPs. He is a real-estate investor and entrepreneur specializing in the acquisition, renovation and value enhancement of multi-unit residential buildings. He has successfully acquired, managed and sold approximately \$50 million multi-unit residential properties in British Columbia, Alberta, Ontario and Quebec over the last 16 years.

Mr. Mandato has spent the last 11 years building and managing InvestPlus, a highly successful real estate investment and management company. The corporations and limited partnerships of which Mr. Mandato is a principal, have transacted approximately \$50 million in cash flowing multi-family residential properties comprised of over 421 rental units in western Canada under the InvestPlus brand.

Mark Deller – Vice President of Finance



Mark Deller is the VP Finance of the Trust and Vice President Finance of the Administrator. He joined InvestPlus in November 2012. Mark is responsible for overall financial reporting to investors, acting as the strategic financial person for both equity and debt financings and provides overall investor reporting and financial and accounting oversight/management for the Trust and the Partnership. Mark's experience includes a number of accounting roles and senior level accounting and financial positions in the hi-tech, energy and real estate sectors. His experience includes cost management and operational accounting, financial reporting, cash/capital planning and management, forecasting, budgeting, process planning and risk management. He has also worked with GE Capital and Macquarie Bank and sourcing equity based capital via institutional, private equity and high net worth investors. He holds a MBA from McMaster University, is a Certified General Accountant and a Chartered Professional Accountant.

Leslie Toth – Vice President of Sales and Marketing



Leslie Toth is the Vice President of Sales and Marketing of the Administrator. He joined InvestPlus in April 2015 and is responsible for seeking additional retail and institutional investors for the Trust. He has over 20 years of experience working in the financial industry, specializing in life insurance, living benefits, succession planning, and legacy planning. Since 2006, Leslie has been an executive consultant to several small and medium size corporations on business development, sales and marketing, operations, risk management, and international relations. Leslie also has extensive experience in cyber security, theft management, and real estate development including being the VP of Business Development for The Jaymor Group, a Canadian real estate management and development firm, which specializes in multifamily and specialty housing projects in the United States.

Leslie is a member of the National Exempt Market Association. He holds his Exempt Securities Licence (IFSE), Life and Health Insurance licences (LLQP) and a B.Sc. of Electrical Engineering from Obuda University Budapest.

In addition, the Administrator will provide the services of the following individuals:

Alan Vaughan – Manager of Acquisitions and Development



Alan Vaughan is the Manager of Acquisitions and Development of the Administrator. Alan joined InvestPlus in December 2012 and is responsible for growing the asset base of the Trust by finding new assets for acquisition by the Trust. From 2002 to 2012, Alan Vaughan held the position of Vice President, Business Development with publicly traded Northern Property Real Estate Investment Trust ("NPR"). During his tenure with NPR, Alan oversaw the acquisition of more than \$750 million of income producing properties, representing some 1,200 seniors units, 5,300 residential rental units, 340 hotel rooms/executive suites and 700,000 sq. ft. of commercial space. Acquisitions ranged from \$1 million to \$150 million and were typically \$2 million to \$20 million in size.

Alan has conducted in-depth market and property assessments in every province and territory of Canada, and has written offers for properties in Newfoundland, Nova Scotia, Manitoba, Saskatchewan, Alberta, British Columbia, Northwest Territories and Nunavut. He also managed the divestment of properties, including the successful and profitable \$160 million divestment of a six building, Alberta and B.C. based seniors living portfolio.

Prior to joining NPR, Alan had more than 20 years of management and consulting experience in government and business with a focus on business development, financing, and business and real estate acquisitions. This included

the founding of Arctic Financial Ltd., a subsidiary of Pacific & Western Trust Corporation, which provided operating lines, debentures, mortgage and capital lease financing to governments, boards and agencies throughout the Northwest Territories and Nunavut.

Paula Caldwell – Office Administrator and Property Manager



Paula Caldwell is the Office Administrator and Property Manager. Paula joined InvestPlus in May 2010 and is responsible for office management, customer service and investor relations. In addition, Paula has just recently been appointed as a property and leasing manager for our southern Alberta buildings. Paula Caldwell graduated from Thompson Rivers University with a BBA major in marketing and brings over 10 years' experience as a Senior Administrator to her role at InvestPlus. Her experience includes, investment administration, event planning, business development management, recruiting, day to day operational duties and property management and coordination. Prior to joining InvestPlus, Paula worked at the local newspaper in Kamloops, BC as the Sales and Promotions Coordinator.

Stephanie Lawson – Senior Accountant



Stephanie Lawson is the Senior Accountant. Stephanie joined InvestPlus in September 2013 part-time and became a full-time senior accountant in September 2014. She is responsible for day to day payables and receivables at InvestPlus and preparation of internal financial reports. Stephanie holds a Master Financial Advisor designation as Business Services Specialist and has been in the accounting and taxation industry for 20 years. She is skilled in all aspects of full cycle accounting, tax planning and financial statement analysis. Prior to joining InvestPlus, Stephanie owned her own accounting business.

Trustees

The Administrator will report to the Trustees. The Trustees are comprised of individuals who are senior in their experience and profession and are responsible for the corporate governance of the Trust. In addition to Mr. Mandato, who is the management Trustee, the non-management Trustees are as follows:

Donald Leitch, Q.C. – Trustee



Don Leitch is the Managing Partner of the Calgary office of Dentons Canada LLP, a global law firm, and is a member of the National Management Committee of Dentons Canada LLP. Don is recognized in Best Lawyers in Canada 2013, 2014 and 2015. He has acted for public mutual funds, private venture capital funds and limited partnerships. Mr. Leitch has extensive securities experience and expertise in general corporate law, oil & gas law and commercial transactions and has acted as an officer and director for a number of private and public entities including sitting on the Governance, Compensation and Audit Committees of such entities. He is also a former member of the Calgary Advisory Committee for the TSX Venture Exchange. Don holds a BSc degree in Chemistry, a BEd degree and his LLB.

Ronald Gratton – Trustee and Chair of the Audit Committee



Ron Gratton is a chartered accountant and President of Strathdale Investment Management Ltd. providing consulting services and co-investment in a number of areas. He is also an officer of McCaig Real Estate Ltd., a private real estate investment corporation. Mr. Gratton is a former tax partner with PricewaterhouseCoopers LLP in Calgary and has spent most of his career maximizing wealth for individual and corporate clients. Mr. Gratton earned his Bachelor of Commerce degree from the University of Calgary. Mr. Gratton also serves as the Chair of the Audit Committee.

Richard Carl – Trustee



Richard Carl is an independent businessman based in Toronto, Ontario. He is the past President and Chief Operating Officer of AGS Capital Corp., a family holding company with interests in oil and gas, metals and mining and real estate. In his capacity at AGS Capital Corp. he was also the Executive Chairman of Canada Fluorspar Inc. ("CFI"), a TSX-V listed mining company and the CEO and Chair of the Management Committee of Newpsar which was CFI's joint venture formed with Arkema Inc. to develop the Fluorspar deposits at St Lawrence, NL. Mr. Carl has extensive public and private company board experience including sitting on Compensation and Governance, Audit and Special Committees of these companies. Mr. Carl earned his Bachelor of Commerce and Finance degree from the University of Toronto and also holds a Chartered Financial Analyst designation.

2.3 Development of Business

The Issuer is a newly formed open-ended mutual fund trust (within the definition of the Tax Act). The Issuer was created on June 18, 2015 and was established to principally acquire limited partnership interests in the Partnership, it is the intention of the Issuer to raise funds under this Offering to acquire such interests. On September 30, 2015 the applicable parties entered into the Reorganization Agreement which resulted in Residential LP acquiring the 9 residential multi-family buildings formerly held by the Initial LPs and the limited partners of the Initial LPs becoming holders of Class A Trust Units and Class B LP Units.

Subsequent to the completion of the Reorganization, on December 18, 2015, Residential LP acquired a 13,923 square foot commercial building located in Prince George, British Columbia for \$2,800,000.00. In addition, Residential LP sold Centre Court, a multi-family residential building located in Edmonton, Alberta, in March of 2016 for \$6,885,000 for net proceeds of \$2,780,000. These net proceeds were used to complete the redemption obligations owed to certain unitholders of the Initial LPs (as described in Section 2.2 – *Our Business – Prior Obligation – Redemption of Units*) and to acquire the commercial building located in Prince George, British Columbia.

The future plans of the Trust are to raise funds in order to acquire additional LP Units so that the Partnership can use such funds to acquire, through subsidiary limited partnerships (including Residential LP), both multi-family and commercial buildings within 6 to 8 months. The Administrator is reviewing potential properties to be acquired and the Trust is looking to raise up to \$10 million to partially finance the purchase of additional properties. The investment objective is to: (i) acquire multi-family residential properties in western Canada; and (ii) acquire commercial real estate properties in western Canada, that will be accretive to the current portfolio of assets.

The Trust intends to complete the Offering and raise \$10 million through the issuance of Offered Units. The net proceeds will be used to subscribe for additional Class A LP Units and the Partnership, through subsidiary limited partnerships (including Residential LP), will use such net proceeds (estimated to be approximately \$9.25 million after costs of the Offering and working capital reserve) to seek to purchase up to approximately \$26 million of new

real estate properties. The target properties will be both existing multi-family and commercial buildings in Canada but with a focus in western Canada. The acquisition costs for the additional properties will be satisfied by way of available cash from the net proceeds of the Offering and by way of mortgage financing secured by the new properties.

As an illustration of the opportunities available and the potential acquisitions, the Administrator is currently reviewing and conducting preliminary market due diligence on 5 multi-family residential buildings ranging in size from 87 suites to 307 suites with cap rates equal to or greater than 6.75%. The estimated cash portion to close the acquisitions of the buildings range from approximately \$3.8 million to \$11 million and would total approximately \$30.7 million if all the buildings were acquired. In addition, the Administrator is reviewing and conducting preliminary market due diligence on 3 commercial/industrial buildings with cap rates equal to or greater than 7%. The estimated cash portion to close these acquisitions range from approximately \$1 million to \$4.2 million and would total approximately \$7.9 million if all the buildings were acquired. As the estimated cash portion to close on the foregoing properties exceeds the maximum proceeds under the Offering, in the event the maximum proceeds are raised, the Trust and Partnership shall review the properties which may be available and prioritize their efforts in order to acquire those properties which have a cash to close of less than the net proceeds of the Offering and which will provide the best return to the Trust and the Partnership and which the Administrator and management of the Trust have a high degree of confidence will close.

Although the Trust intends to carry out the foregoing business plan and to raise the proceeds set forth above, the Trust does not have committed subscriptions for Offered Units nor does the Partnership or Residential LP have any binding contract to purchase additional real estate properties including any of the properties referred to above under review by the Administrator. There can be no assurances that the Trust will be successful in raising the required funds or that the Partnership or Residential LP will be successful in acquiring suitable assets. There may also be circumstances where for sound business reasons, a change to the business plan or reallocation of any funds raised may be deemed prudent or necessary and may vary materially from that set out above, including acquiring properties other than under current review by the Administrator. See ITEM 2.2 – *Our Business*.

The Trust, the Partnership and Residential LP continue to monitor the financial performance of the real estate assets, including buildings and properties, owned or controlled by Residential LP in order to optimize the financial returns made on such investments. The Trust and the Partnership may, from time to time, cause Residential LP to refinance or sell certain real estate assets, including buildings and properties, where the proceeds of such refinancing or sale can be used to acquire properties that are more accretive to the value of the Trust.

Alternate Financings

The Trustees will continue to seek out additional sources of capital and financing alternatives which are in the best interests of the Trust, including financings with exempt market dealers, IIROC firms and private equity groups, and have the power and authority, from time to time, for and on behalf of the Trust, to create one or more additional classes or series of units on such terms and conditions as may be determined by the Trustees, provided that such creation does not adversely affect the pecuniary value of the interest of any unitholder in the Trust. Each class or series will have special rights and restrictions, which may differ from the rights and restrictions of other classes or series of units.

In addition, the Trust is authorized to issue an unlimited number of Class I Trust Units. Class I Trust Units are only available to institutional investors who purchase through authorized third-party dealers or brokers. The minimum investment for Class I Trust Units is \$2 million or such other amounts determined by the Trustees. It is expected that an institutional investor who subscribes for Class I Trust Units will enter into a management agreement with the

Administrator which shall specify the management fee and operating expense rates applicable to such investor's account and would specify, if any, the Commission and/or Dealer Fee applicable to such Class I Trust Units. The Administrator shall be entitled to an Administrator Fee of up to 1% of the gross Subscription Proceeds in respect of the Class I Trust Units.

In the event that an institutional investor or third-party dealer or broker wishes to invest more than \$2 million in the Trust, such persons may acquire Class I Trust Units or any other class of units created with such special rights and restrictions as are necessary and in the best interests of the Trust, in the sole discretion of the Trustees (the "**Additional Units**"), the Trust reserves the right to create and issue such Additional Units and to issue Class I Trust Units, on a private placement basis, to such institutional investor, third-party dealer or broker concurrently with, and/or subsequently to, the Offered Units subscribed for and issued under the Offering Memorandum. If Additional Units are created and issued, or Class I Trust Units are issued, the Trust does not undertake to, and will not be required to, update the Offering Memorandum or provide notice of the issuance of Additional Units or Class I Trust Units to the Unitholders.

2.4 Long Term Objectives

Should the Issuer be successful in completing the Offering and acquiring additional properties, the current plans are for the Trust to seek to raise an additional \$15 million to \$25 million through the issuance of additional Trust Units within the next 12 to 24 months. The future offerings of the Trust Units will be priced in the context of the then current market and demand for the Trust Units. There can be no assurance as to the price the Trust Units will be offered in the future. The proceeds will be used to subscribe for additional Class A LP Units and the Partnership will, through subsidiary limited partnerships seek to purchase between \$45 million to \$75 million of multi-family and commercial properties in Canada with a focus in western Canada.

The long term objective of the Trust is to raise sufficient funds to acquire additional LP Units (or conduct other equity or debt financings by the Partnership and/or the Trust) which would allow the Partnership through subsidiary limited partnerships (including Residential LP) to:

1. provide investors with stable quarterly distributions and generating per unit growth rate superior to industry averages;
2. target properties which have a potential for equity and capital growth;
3. target properties which over time will provide a diversified portfolio of both multi-family residential and commercial;
4. grow and maintain a conservative, diversified portfolio of income-producing multi-unit residential apartments and commercial assets in western Canada;
5. maximize unit holder value through active internal asset and property management; and
6. leverage management's network of building owners and sellers and their experience in driving value in poorly managed portfolios.

In order to achieve these objectives, the Trust and the Partnership, through the Administrator must:

1. target and acquire accretive commercial and multi-unit residential apartments in growing suburban and urban markets in western Canada with superior cap rates;
2. cluster assets in suburban markets to provide for better efficiencies, less man power and commanding rental position;

3. maximize portfolio returns and efficiencies through internal asset and property management and advanced retention strategies;
4. target commercial buildings in urban and suburban markets with a history of high occupancy and low tenant turnover;
5. target lease-back-term buildings with triple net leases and higher quality tenants;
6. stagger term of leases; and
7. leverage management's network of building owner and sellers to acquire such buildings.

The statements above and in ITEM 2.2 – *Our Business* constitute forward-looking statements under applicable securities laws and are based on industry trends present at this time. Although the Issuer believes that the expectations reflected in such forward-looking statements are reasonable and represent the Issuer's expectations and belief at this time, such statements involve known and unknown risks and uncertainties which may cause the Issuer's actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. See the Forward-Looking Statements disclaimer on the second page of this Offering Memorandum.

2.5 Short Term Objectives and How We Intend to Achieve Them

The Issuer's goal for the next 12 months is to raise sufficient funds (either under the Offering or other equity or debt financing) to enable it to finance the Partnership which would allow the Partnership to purchase (through Residential LP or another subsidiary limited partnership or other business arrangement) up to approximately \$26 million of real estate properties. See ITEM 2.3 – *Development of Business*

The following outlines the costs associated with the achievement of the Issuer's short-term objectives:

What we must do and how we will do it	Target completion date or, if not known, number of months to complete	Our cost to complete
Completion of the Offering and acquisition of LP Units ⁽¹⁾	9-12 months ⁽²⁾	\$500,000 ⁽³⁾
Partnership (through Residential LP) to acquire additional real estate assets ⁽⁴⁾	9-12 months ⁽²⁾	Up to \$26,000,000

Notes:

- (1) All of the net proceeds of the Subscription Proceeds, after retention of amounts for working capital and other day to day operating expenses, will be invested in the Partnership. See ITEM 1.1 – *Use of Available Funds* for further description of the use of funds raised under the Offering.
- (2) This timeline is an estimate target. In the event that the Offering is not completed in a sufficient amount to enable the Partnership to acquire up to approximately \$26 million in real estate properties, the Trust may consider extending the Offering or commencing new offerings of Units or other securities.
- (3) Represents potential Administrator Fees (not to exceed 1% of gross proceeds raised) and estimated offering costs.
- (4) It is the intention of the Partnership to use all net funds from subscription invested by the Trust in the Partnership for Class A LP Units to acquire units in Residential LP, another subsidiary limited partnership or a related business entity. Residential LP or another subsidiary business entity, will use such funds to partially finance the purchase of additional real estate assets. In addition, the purchase of such assets will be financed by way of mortgage financing secured by the properties.

2.6 Insufficient Funds

There is no minimum Offering of Offered Units and there can be no assurance that the Issuer will complete the Maximum Offering. The proceeds of this Offering may not be sufficient to accomplish all of the Issuer's proposed objectives and there is no assurance that alternative financing will be available or, if available, may be obtained by

the Issuer on reasonable terms. However, as the acquisition of any individual property will not require that the Issuer raise the Maximum Offering, if the Maximum Offering is not obtained, the Issuer will consider the purchase of such individual properties as may be purchased with whatever proceeds of the Offering that may be available.

2.7 **Material Agreements**

The only material agreements entered into by the Issuer and/or the Partnership and which can reasonably be regarded as presently being material to the Issuer or a prospective purchaser of Trust Units are as summarized below.

Declaration of Trust

The Issuer and the Trustees have entered into the Declaration of Trust.

The Trust

The Trust is an unincorporated open-ended, limited purpose trust settled in the Province of Alberta on June 18, 2015, pursuant to the Declaration of Trust. Provided that it meets certain conditions, the Trust shall elect to be a "mutual fund trust" for purposes of the Tax Act from the beginning of its first taxation year. The legal ownership of the Trust Property and the right to conduct affairs of the Trust are vested exclusively in the Trustees.

Powers and Duties of Trustees

The Trustees have been appointed as the trustees of the Trust and such trustees may be removed by way of Ordinary Resolution of the Unitholders. Pursuant to the terms of the Declaration of Trust, the Trustees have the full authority to manage the business and affairs of the Issuer. The Trustees may delegate their powers and duties to third parties where, in the sole discretion of the Trustees, it would be desirable to effect the management or administration of the Trust. The Trustees are required to exercise their powers and carry out their functions honestly, in good faith, and in the best interests of the Issuer and the Unitholders and to exercise the care, diligence and skill of a reasonably prudent trustees in comparable circumstances. Among their other powers, the Trustees may handle and manage the funds of the Issuer, manage all Trust Property, determine the amount of distributable income and to invest in and hold securities in any person or corporation necessary or useful to carry out its purpose.

The Declaration of Trust sets forth certain actions that the Trustees may not take without the approval of the Unitholders, either by way of Ordinary Resolution or Special Resolution. The Trustees cannot, without the approval of Unitholders, (i) except as provided in the Declaration of Trust, amend the Declaration of Trust; (ii) authorize the termination or winding-up of the Trust, other than in accordance with the terms of the Declaration of Trust; or (iii) authorize any sale, lease or exchange of all or substantially all of the Trust Property.

Units

The Trust is authorized to issue an unlimited number of Trust Units, including an unlimited number of Class A Trust Units, Class B Trust Units, Class F Trust Units and Class I Trust Units, which may be divided into one or more classes as the Trustees determine to be appropriate from time to time. The interest of the Unitholders of the Trust will be represented by Trust Units. Each Offered Unit will entitle the Unitholder to one vote at a meeting of Unitholders. Each Trust Unit of a particular class represents an equal fractional undivided beneficial interest in any distribution from the Trust on such class of Trust Units. All Trust Units in a class shall rank among themselves equally and rateably without discrimination, preference or priority. The Trustees may, in their discretion, determine the designation, priority and attributes of a class, which may include: the initial closing date and offering price for the first issuance of Trust Units, any minimum initial or subsequent investment thresholds, minimum aggregate net asset value balances to be maintained by Unitholders of the Trust, and procedures in connection therewith (including

a requirement to redeem Trust Units), the fees payable to the Trustees and/or any third party dealers or brokers, if any, as management, performance, or other fees, the organization, sales and redemption fees to be paid upon the acquisition, over time or on redemption of Trust Units, the frequency of subscriptions or redemptions, the period of time Trust Units must be held before they may be redeemed, the period of notice required for redemption of Trust Units, minimum redemption amounts and any other limits on redemption, convertibility among classes, voting rights, entitlements to distributions and such additional class specific attributes as the Trustees may in their discretion specify. The Trustees may prescribe in their discretion the maximum number of Trust Units or maximum dollar amount of Trust Units that may be sold in the Trust. Class attributes may be prescribed by the Trustees from time to time which, if and when created, might have rights and privileges in priority to any other Trust Units that may be created from time to time.

If as a result of any act of the Trustees any person becomes entitled to a fraction of a Trust Unit, such person is not entitled to receive a certificate therefor. Fractional Trust Units shall not, except to the extent that they may represent in the aggregate one or more whole Trust Units, entitle the holders thereof to notice of, or to attend or to vote at, meetings of Unitholders. Subject to the foregoing, such fractional Trust Units shall have attached thereto the rights, restrictions, conditions and limitations attaching to whole Trust Units in proportion that they bear to a whole Trust Unit, including the right to receive proportional distributions of cash or other property of the Trust and allocations of income of the Trust.

The Trustees may provide for the payment of commissions and/or fees or may allow discounts to persons in consideration of their subscribing or agreeing to subscribe for Trust Units or of their agreeing to procure subscriptions for Trust Units.

Subject to any required regulatory approvals (and any Unitholder approval imposed by regulatory requirements), the Trustees may establish one or more Unitholder rights plans, distribution reinvestment plans, Trust Unit purchase plans, Trust Unit option plans, incentive option plans or other compensation plans at any time and from time to time.

Distributions

The holders of each class of Trust Unit will be entitled to receive non-cumulative distributions if, as and when declared by the Trustees. The Trustees shall, on or before each distribution record date, declare payable to the holders of any or all classes of Trust Units all or any part of the cash flow of the Trust (as defined in the Declaration of Trust) to such class or classes of Trust Units for the distribution period as determined by the Trustees in their sole discretion, subject, however, to compliance with debt and surety covenants and to ensure sufficient working capital.

In addition to the distributions of cash flow which are made payable to holders of Trust Units, the Trustees may declare to be payable and make distributions to holders of Trust Units, from time to time, out of income of the Trust, net realized capital gains, the capital of the Trust or otherwise, in any year, in such amount or amounts to each class of Trust Units, and on such dates as the Trustees may determine. Further, the Trustees shall allocate, distribute and make payable to holders of Trust Units all of the income of the Trust, net realized capital gains and any other applicable amounts so that the Trust will not have any material liability for tax under Part I of the Tax Act in any taxation year.

All distributions by the Trust may be paid in full in cash, by the issuance of Trust Units, or fractions of Trust Units, if necessary, or cash or any combination of Trust Units, and fractions of Trust Units, if necessary, as is determined by the Trustees for such distribution in their sole discretion.

The Trustees may change the distribution period or any of them at any time and may change the distribution record date for any distribution upon compliance with any requirements of applicable law. Although the Trust intends to distribute its available cash to Unitholders in accordance with its distribution policies, unlike fixed-income

securities, there is no obligation of the Trust to distribute fixed dollar amounts to Unitholders. Cash distributions, including the anticipated return on a Unitholder's original investment, are based upon many performance assumptions and, as such, the amount of cash distributions is not guaranteed.

Reserve

The Trust shall establish the Reserve:

- (a) to fund the payment of Trust expenses;
- (b) to fund the payment of any other amounts (including taxes) required by law or under the Declaration of Trust to be deducted, withheld or paid by or in respect of the Trust;
- (c) to fund additional investments;
- (d) to fund capital expenditures or other financial obligations or expenditures; and
- (e) for working capital purposes.

The Trust may pay into the Reserve such amounts received by it in respect of its investments if, as and when the Trustees determine that it is prudent to do so in accordance with prudent business practices and in respect of amounts which the Trustees estimate will or may become payable in the following two calendar quarters for which the Trust may not have sufficient funds.

Right of Redemption

Each Unitholder shall be entitled to require the Trust, on the demand of such holder, to redeem all or any part of the Trust Units registered in the name of such holder of Trust Units at the prices determined and payable in accordance with the terms and conditions set forth in the Declaration of Trust. Subject to the laws of general application, the Trustees shall be entitled in their discretion to determine and designate whether any payments in respect of any redemption are on account of income or capital. In order to cover the administration costs relating to the redemption of Trust Units, each Unitholder who exercises the right of redemption will be charged an administration fee of \$250.

In order for a Unitholder to exercise its right of redemption, such Unitholder must deliver a duly completed written notice of its intention to exercise such redemption right to the Trust at its head office or to the principal office of the registrar and transfer agent of the Trust Units (if such transfer agent has been appointed), in the form incorporated on the backside of the unit certificates or other form and substance satisfactory to the Trustee. The Trustees may require further evidence with respect to the identity, capacity or authority of the person giving such written notice prior to the redemption of the Trust Units by the Trust.

The holder of the Trust Units which are tendered for redemption shall be entitled to receive a Redemption Value in Canadian dollars equal to the Discount Value thereof, as at the date upon which such Trust Units were tendered for redemption.

In the event that at the time Trust Units are tendered for redemption the Trust Units are listed, traded or quoted on a stock exchange or market which the Trustees consider, in their sole discretion, provides representative fair market value prices for such Trust Units then the redeeming Unitholder(s) shall, *in lieu* of the Redemption Value, be entitled to receive a price per Trust Unit equal to a "market price" correlated to the trading price of the listed Trust Units.

Subject to the limitations set out below, the Redemption Value payable in respect of the Trust Units surrendered for redemption during any calendar quarter shall be satisfied by way of cash payment in Canadian dollars on or before the end of the 30 day period commencing at the end of the next calendar quarter following the quarter in which the Trust Units were tendered for redemption.

Provided that the foregoing shall not be applicable to Trust Units tendered for redemption by a holder of Trust Units if the total amount payable by the Trust in respect of such Trust Units and all other Trust Units tendered for redemption in the same calendar quarter exceeds the Quarterly Limit, being \$100,000 in cash; provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Trust Units tendered for redemption in any calendar quarter. Trust Units tendered for redemption in any quarter in which the total amount payable by the Trust exceeds the Quarterly Limit will be redeemed for cash on a *pro rata* basis up to the Quarterly Limit and, unless any applicable regulatory approvals are required, by a distribution *in specie*, on a *pro rata* basis, for the balance.

In Specie Redemption

If the balance of the Redemption Value must be satisfied by an *in specie* distribution on a *pro rata* basis, then instead of receiving the balance of the Redemption Value per Trust Unit in cash, the balance of the Redemption Value per Trust Unit, subject to all necessary regulatory approvals, if any, shall be paid and satisfied at the discretion of the Trustees:

- (a) by the Trust distributing Redemption Notes bearing interest at a market rate to be determined at the time of issuance and incorporating such other commercially reasonable terms as the Trustees may prescribe in accordance with the Declaration of Trust, subject to a maximum term of five (5) years from the date of issue, as determined in the sole discretion of the Trustees, provided that the applicable interest shall be paid at the maturity date of such Redemption Note; or
- (b) by any combination of Redemption Notes or other distribution of assets held by the Trust.

Acquisition of Trust Units

In addition to rights of redemption, the Declaration of Trust provides that the Trust will have the right to purchase or otherwise acquire some or all of the issued and outstanding Trust Units from time to time from Unitholders, whether by tender or private contract or otherwise, prior to, and without obligation for, purchasing or otherwise acquiring any other Trust Units at any time or times.

Compulsory Acquisition of Units on a Take-Over bid thereof

The Declaration of Trust contains provisions to the effect that if a take-over bid is made for Trust Units and not less than 90% of the Trust Units (other than Trust Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror shall be entitled to acquire the Trust Units held by Unitholders who did not accept the offer on the terms offered by the offeror, subject to compliance with the relevant provisions of the Declaration of Trust.

Transfer of Trust Units

Trust Units may only be sold, assigned or otherwise disposed of with the consent of the Trustees and in compliance with applicable securities laws. No sale, assignment or other disposition of Trust Units will be effective unless the Trustees receive (a) a duly executed instrument of transfer and accompanied by all necessary transfer or other taxes imposed by law, and (b) the certificate(s) representing such Trust Units being transferred properly endorsed, and, in

each case, accompanied by evidence of the genuineness of such endorsement, execution and authorization. Any transferor of Trust Units must also report to the Trustees the details concerning the transfer, including name, address, citizenship and country of residence of the transferee, as well as the price per Trust Unit at which the sale and transfer has occurred together with such other information and evidence as the Trustees may reasonably request. And all outstanding liabilities of the transferor to the Trust shall have been paid, or arrangements made satisfactory to the Trustees for the assumption of such liabilities by the transferee, prior to any permitted sale, assignment or other disposition of Trust Units.

Conflict of Interest

The Unitholders will consent and agree to such activities by the Trustees, pursuant to the terms of the Declaration of Trust where the Trustees may have other interests or associations of whatever nature or kind. For further certainty, and without limitation, and without affecting or limiting a Trustee's duties and responsibilities or the limitations rights and indemnities provided in the Declaration of Trust, each Trustee is hereby expressly permitted:

- (a) to be an associate, affiliate, securityholder, director, officer, trustee, employee, agent or consultant of, or otherwise involved with, a person from or to whom assets of the Trust have been or are to be purchased or sold;
- (b) to be a person, or to be an associate, affiliate, securityholder, director, officer, trustee, employee, agent or consultant of (or otherwise involved with) a person, with whom the Trust contracts or deals or which supplies services to the Trust;
- (c) to acquire, hold and dispose of, for such Trustee's own account, any property (real, personal, tangible or intangible) even if such property is of a character which could be held by the Trust, and to exercise all rights of an owner of such property as if such Trustee were not a Trustee;
- (d) to acquire, hold and sell Trust Units as principal, or as an affiliate or associate of or fiduciary for any other person, and to exercise all rights of a holder thereof as, if such Trustee was not a Trustee; and
- (e) to have business interests of any nature and to continue such business interests while a Trustee.

The Unitholders agree that these instances shall not constitute a conflict of interest or a breach of fiduciary duty to the Unitholders. Further, the Unitholders will agree that the Trustees will not be required to account to the Trust or the Unitholders for any benefit or profit derived from any such activities unless such activity is contrary to the express terms of the Declaration of Trust.

Fiscal Year

The fiscal year of the Trust shall commence on January 1 in each year and end on December 31 of that year.

Fees and Expenses of Trustees

The Trustees may pay, or cause to be paid, reasonable fees, costs and expenses incurred in connection with the administration and management of the Trust and in connection with the Trustees' duties, including fees, costs and expenses of auditors, accountants, lawyers, appraisers and other professional advisors of the Trust. All costs, charges and expenses properly incurred by the Trustees on behalf of the Trust will be payable out of the property of the Trust.

The Trustees will be entitled to receive for their services as Trustees reasonable compensation and fair and reasonable remuneration for services rendered in any other capacity including, without limitation, services as transfer agent.

Resignation or Removal of the Trustees and Appointment/Election of Trustees

A Trustee will continue to be a Trustee for the term of the Trust unless the Trustee resigns or is removed by the Unitholders in accordance with the terms of the Declaration of Trust. A Trustee may resign as a trustee by giving written notice of such resignation to the Unitholders. A Trustee may also be removed at any time by way of a resolution passed by the Unitholders.

Upon the resignation or removal of a Trustee, that Trustee shall cease to have right, privileges and powers of a Trustee and shall execute and deliver all documents reasonably required to transfer any Trust Property held in the Trustee's name and to provide for the transition of the Trust's activities and affairs to the successor trustee.

A departing Trustee will continue to be entitled to payment of any amounts owing by the Trust to the Trustee which accrued prior to his or her departure. The departing Trustee shall continue to be liable in respect of or in any way arising out of the Declaration of Trust which accrued prior to the resignation or removal of the Trustee; however, the departing Trustee shall continue to benefit from any indemnity and limitation of liability provisions set out in the Declaration of Trust.

Liability of Trustees and Beneficiary

No Trustee shall be liable in certain circumstances such as acting, or failing to act, in good faith, where such act, or failure to act, was in reliance on an expert or was a result of carrying out obligations or responsibilities imposed under tax legislation. The Trustees are indemnified by the Trust for any claims or damages arising from the Declaration of Trust unless such claims arose from the Trustees' gross negligence or willful misconduct. The Trustees will not have any liability in tort, contract or otherwise, to any beneficiary where such claim arises from or in connection with the Trust Property, unless such claim arises from a criminal or administrative action that is enforced by a monetary penalty and the Trustee did not have reasonable grounds for believing the conduct was lawful or a breach of the Trustees' standard of care and duty prescribed under the Declaration of Trust.

The Declaration of Trust provides that no Unitholder shall be liable in connection with the ownership or use of Trust Property, the obligations or activities of the Trust, any acts or omissions to act of a Trustee in respect of affairs of the Trust or any taxes or fines payable by the Trust or the Trustees, provided that each Unitholder shall remain responsible for taxes assessed against them by reason of or arising out of their ownership of Trust Units. Further, if a Unitholder is held to be liable in circumstances for which the Declaration of Trust provides that there is to be no liability to the Unitholder, the Unitholder will be entitled to be indemnified and reimbursed out of the Trust Property to the full extent of such costs and liability to the Unitholder.

The Trust will have no liability to reimburse any person for transfer or other taxes or fees payable on the transfer of Trust Units or any income or other taxes assessed against any person by reason of ownership or disposition of Trust Units.

Power of Attorney

Each Unitholder will irrevocably appoint the Trustees, with full power of substitution, as its lawful attorney to act on the Unitholder's behalf with full power and authority in the Unitholder's name, place and stead to execute, swear to, acknowledge, deliver, make, file or record certain necessary documents. Such power shall be coupled with an interest, shall survive the death, mental incompetence, disability or subsequent legal incapacity of a Unitholder and

shall survive the assignment by the Unitholder, of its interest in the Trust. Under the Declaration of Trust, each Unitholder will agree to be bound by any representations or actions made or taken by the Trustees pursuant to the power of attorney and waives any and all defences which may be available to contest, negate or disaffirm any actions taken by the Trustees in good faith under such power of attorney.

Auditor

The Trustees have appointed Grant Thornton LLP as the auditor of the Trust to hold office until they are removed or resign.

Accounting and Reporting

On or before March 31 in each year, the Trust will forward to the Unitholders who received distributions from the Trust in the prior calendar year, such information regarding the Trust as required by Canadian law to be submitted to Unitholders for income tax purposes to enable the Unitholders who received distributions from the Trust in the prior calendar year to prepare a Canadian federal tax return with respect to its participation in the Trust in such fiscal year.

The Trust will keep appropriate books and records with respect to the Trust. The Trustees will send to all Unitholders, the audited financial statements of the Trust together with comparative financial statements for the preceding fiscal year, within 120 days of the end of the fiscal year of the Trust. Such financial statements will be prepared in accordance with IFRS.

Amendments

The Trustees may make amendments to the Declaration of Trust without the consent of the Unitholders in certain limited circumstances such as ensuring compliance by the Trust with applicable laws, providing additional protection for Unitholders or to obtain, preserve or clarify desirable tax treatment to Unitholders, making minor corrections or cure inconsistencies within the Declaration of Trust, making amendments to reclassify the Trust Units and any other amendments which do not materially prejudice the Unitholders. All other amendments will be required to be made by a resolution of the Unitholders.

Termination of Trust

The Trust may be wound up or terminated if proposed by the Administrator and approved by a resolution of the Unitholders. Upon being required to wind-up or terminate the affairs of the Trust, the Administrator shall give notice of such wind-up or termination to the Unitholders and the Unitholders shall surrender their Trust Units for cancellation.

Liquidation, Dissolution or Termination of the Trust

Upon the winding up or termination of the Trust, the Administrator shall sell and convert into money the Trust Property and do all other acts appropriate to liquidate the Trust. After paying, retiring or discharging or making provision for the payment, retirement or discharge of all known liabilities and obligations of the Trust and providing for an indemnity against any other outstanding liabilities and obligations, the Trustees shall distribute the remaining part of the proceeds of the sale of the Trust Property to the Unitholders in accordance with their entitlements to the Trust Property on a wind-up or termination of the Trust, as such entitlements are determined in accordance with the rights, privileges, restrictions and conditions attaching to the Trust Units.

Meetings of Unitholders

In accordance with the corporate governance determinations of the Trustees, the Trustees have agreed that annual meetings of the holders of the Trust Units shall be held not later than 18 months after formation of the Trust and subsequently not later than 15 months after holding the last preceding annual meeting.

Unitholders holding not less than 25% of all votes may requisition the Trustees to call a special meeting of the Unitholders in accordance with the provisions of the Declaration of Trust. The holders of Trust Units shall be entitled to receive notice of and attend all meetings. A notice of such meeting shall be given to each Unitholder not less than 21 days in advance of the meeting and will state the nature of the business to be transacted. A quorum will consist of one or more Unitholders present in person or by proxy holding at least 5% of the outstanding Trust Units. Each Unitholder is entitled to one vote per Trust Unit held. Any resolution passed will be binding on all of the Unitholders of the Trust.

Unitholders shall be entitled to pass resolutions that will bind the Trustees only with respect to the (i) election or removal of the Trustees; (ii) the appointment or removal of the auditor; (iii) amendments of the Declaration of Trust; (iv) the termination or dissolution of the Trust; and (v) any matters otherwise that require the approval of the Unitholders as set forth in the Declaration of Trust. Except for these matters, no resolution of Unitholders shall bind the Trustees.

Other

For other information with respect to the terms of the Declaration of Trust dealing with capital contributions, and voting at meetings of Unitholders, see ITEM 5 – *Securities Offered*.

The Partnership Agreement

Investment Activities of the Partnership and Power of the General Partner

The Partnership was formed for the purposes of acquiring and holding interests in entities which directly or indirectly hold real estate assets, owning, leasing or operating real estate properties and performing such other activities as may be incidental to or arising from the foregoing purposes as may be reasonably determined by its General Partner. The General Partner will have the full and exclusive right, power and authority to manage, control, administer and operate the business and affairs of the Partnership and to make decisions regarding the undertaking and business of the Partnership, provided, however, that, unless authorized by resolution of the limited partners, the General Partner will not be entitled to, among certain other things, change in any material way the business of the Partnership.

The General Partner will covenant to exercise its powers and discharge its duties under the partnership agreement honestly, in good faith and in the best interests of the Partnership. The General Partner shall exercise the care, diligence and skill that a reasonably prudent and qualified manager of a similar business to the Partnership would exercise in comparable circumstances. Certain restrictions are imposed on the General Partner and certain acts may not be taken by it without the approval of the limited partners by way of an ordinary or extraordinary resolution. The General Partner may employ or retain affiliates or associates to provide goods or services to the Partnership provided that the costs and expenses of such goods or services are reasonable and competitive with costs of similar goods and services provided by independent third parties.

Fiscal Year

The fiscal year of the Partnership shall commence on January 1 in each year and end on December 31 of that year.

LP Units

The limited partnership interests in the Partnership is divided into and is represented by an unlimited number of Class A LP Units and an unlimited number of Class B LP Units. Each Class A LP Unit shall have the right to one vote for each Class A LP Unit in respect of all matters to be decided by limited partners, shall have the right to participate in distributions and shall have the right to receive the property of the Partnership on liquidation, dissolution or winding-up of the Partnership. The Class B LP Units, shall not have the right to vote, shall have the right to participate in distributions, the right to receive the property of the Partnership on liquidation, dissolution or winding-up of the Partnership and subject to the provisions of the Exchange Agreement, the right to exchange the Class B LP Units for Class A Trust Units on a one for one basis.

For each LP Unit issued, such limited partner will be required to contribute the purchase price in cash or other property paid in respect of such LP Unit to the capital of the Partnership.

Transfer of LP Units

LP Units may only be transferred upon compliance with the provisions of the Partnership Agreement and all applicable securities legislation. LP Units may be transferred by the limited partner or its agent duly authorized in writing to any person by delivering to the General Partner a duly completed instrument of transfer in the approved form together with such evidence of genuineness of each such endorsement, execution and authorization and other matters as may be reasonably required by the General Partner.

The General Partner will have the right to deny the transfer of LP Units in respect of which there has been default in payment of the subscription price until all amounts required to be paid on account of the subscription price, including any interest thereon, have been paid in full. The General Partner will be able to deny the transfer of the LP Units to a person who is or who acts on behalf of a person who will have a beneficial interest in the LP Units who is a "non-resident" for the purposes of the Tax Act, or if such transfer would result in the violation of any laws, including securities laws, of any jurisdiction. No transferee will become a limited partner until all filings and recordings required by the Partnership Act and the Partnership Agreement have been duly made. Where a transferee complies with the provisions set forth in the Partnership Agreement and is entitled to become a limited partner pursuant to the provisions thereof, the General Partner shall be authorized to admit the transferee to the Partnership as a limited partner and the limited partner shall consent to the admission of, and will admit, the transferee to the Partnership as a limited partner, without further act of the limited partners (other than as may be required by law).

Distributions and Allocations

The General Partner will allocate the net income or net loss of the Partnership as follows: 0.01% to the General Partner, and 99.99% to the limited partners on a *pro rata* in proportion that the number of LP Units held by a limited partner at the end of a fiscal year is to the total LP Units outstanding. The amount of income allocated to a limited partner may exceed the amount of cash distributed.

Net income or net loss of the Partnership for a fiscal year for accounting and tax purposes shall be allocated among the limited partners and the General Partner in a manner consistent with the distributions set forth above, and for accounting purposes shall be allocated for each fiscal year of the Partnership and for income tax purposes, shall be allocated as at the end of the fiscal year of the Partnership. Notwithstanding the foregoing, in the event no distributions are made by the Partnership in a given fiscal year, the net income or net loss, as applicable, for tax purposes shall be allocated to the limited partners *pro rata* in proportion that the number of LP Units held by a limited partner at the end of a fiscal year is the total LP Units outstanding. The amount of income allocated to a limited partner may exceed the amount of cash distributed.

The Partnership shall not make any distribution on the Class A LP Units without making distribution on the Class B LP Units and vice versa provided however that with respect to any distribution on the Class A LP Units and Class B LP Units the distribution on the Class B LP Units shall be an amount on a per unit basis equal to the distributions that the Trust will make on a per Class A Trust Unit basis and the distributions on the Class A LP Units may be a greater amount on a per unit basis to ensure that distributions by the Trust on a per Class A Trust Unit basis and on the Class B LP Units on a per unit basis are equivalent.

The Partnership may, at the discretion of the General Partner, distribute the Partnership's Distributable Cash on April 30, July 30, October 30 and January 30 in each calendar year to limited partners of record on March 31, June 30, September 30 and December 31 of each year.

Fees and Expenses of the General Partner

The General Partner shall be entitled to be reimbursed by the Partnership for any costs and expenses incurred by the General Partner on behalf of the Partnership including the costs of the Administrator.

Transfer of Interest of General Partner and Resignation or Removal of the General Partner

The General Partner will continue as general partner of the Partnership until termination of the Partnership unless the General Partner is removed or resigns in accordance with the Partnership Agreement. The General Partner may, at any time upon 90-days' notice, retire or voluntarily withdraw from the Partnership. The removal of the General Partner by ordinary resolution of the limited partners may only occur if the directors or shareholders of the General Partner have passed a resolution relating to the bankruptcy, dissolution, liquidation or winding-up of the General Partner or committed a material breach or abandonment of its duties, obligation, covenants or agreements under the Partnership Agreement.

Liability of the General Partner

None of the officers, directors or employees of the General Partner shall be liable, responsible or accountable in damages or otherwise to the Partnership or any limited partner for any action taken or failure to act on behalf of the Partnership within the scope of the authority conferred on the General Partner and its officers, directors or employees by the partnership agreement or by law if such person has acted in good faith and in a manner which the person believed to be in the best interest of the limited partners and such action or omission was not performed or omitted fraudulently or did not constitute willful misconduct or gross negligence.

The General Partner will indemnify and hold harmless each of the limited partners in respect of any loss, liability or damage incurred or suffered by the limited partners by reason of the loss of limited liability through any action by them if the limited liability of such limited partner is lost for or by reason of the negligence of the General Partner.

Limitation on Authority of Limited Partners

No limited partner shall, in its capacity as a limited partner, take part in the control of the business of the Partnership, nor may any limited partner have the power to sign for or bind the Partnership.

Limited Liability of Limited Partners

Subject to the provisions of the Partnership Act and any specific assumption of liability, the liability of the limited partners for the debts, liabilities and obligations of the Partnership is limited to the aggregate of the amount of such limited partner's capital contribution and such limited partner's share of the undistributed income of the Partnership.

The Partnership shall, to the greatest extent possible, endeavor to maintain the limited liability of the limited partners under applicable laws and regulations of the jurisdictions in which it carries on business. However, all property of the Partnership shall be available to creditors to satisfy the debts and obligations of the Partnership.

There is a possibility that a limited partner may lose its limited liability to the extent that the principles of Canadian law recognizing the limitation of liability of limited partners have not been authoritatively established with respect to limited partnerships formed under the laws of one province but operating, owning property or incurring obligations in another province.

Accounting and Reporting

The General Partner will forward to the limited partners within 90 days following the end of each fiscal year of the Partnership, all information necessary to enable the limited partners to prepare a Canadian federal income tax return with respect to its participation in the Partnership in such fiscal year.

The General Partner will keep appropriate books and records with respect to the Partnership's business. The General Partner will prepare financial statements of the Partnership for each fiscal year. Such statements may but are not required to be reported upon by the auditor in the sole discretion of the General Partner and shall be forwarded to the limited partners within 120 days following the end of each fiscal year of the Partnership.

Power of Attorney

The limited partners will irrevocably appoint the General Partner, with full power of substitution, as its agent and lawful attorney to act on each limited partner's behalf with full power and authority in each limited partner's name, place and stead to execute and record or file certain necessary documents. Such power is coupled with an interest, shall survive the death or disability of a limited partner and shall survive the transfer or assignment by a limited partner, of the interest of a limited partner in the Partnership. Under the partnership agreement, the limited partners will agree to be bound by any representation or action made or taken by the General Partner pursuant to the power of attorney in accordance with the terms thereof and waives any and all defences which may be available to contest, negate or disaffirm any action of the General Partner taken in good faith under such power of attorney.

Term and Termination of the Partnership

The Partnership will be formed upon the filing and recording of the partnership certificate under the Partnership Act and will continue until: (i) the removal or resignation of the General Partner, unless the General Partner is replaced in accordance with the partnership agreement; (ii) the passage of an extraordinary resolution approving the dissolution and winding-up of the Partnership (iii) December 31, 2065 (subject to extension by an extraordinary resolution of the limited partners).

The Fund Manager Agreement

Qwest Investment Fund Management Ltd. has been retained by the Trust as the Fund Manager to provide investment fund management services to the Trust pursuant to the Fund Manager Agreement.

Qwest Investment Fund Management Ltd. is a wholly-owned subsidiary of Qwest Investment Management Corp. and was incorporated under the provisions of the Canada Business Corporations Act on September 27, 2005. Qwest Investment Fund Management Ltd. is registered as portfolio manager (or the equivalent) under the securities legislation of British Columbia, Alberta and Ontario, and an investment fund manager (or the equivalent) in British Columbia, Alberta, Ontario, Newfoundland and Labrador, and Quebec. Qwest Investment Fund Management Ltd. was established to provide investment advisory services to investment vehicles established by Qwest Investment

Management Corp. The principal office of Qwest Investment Fund Management Ltd. is #802, 750 West Pender Street, Vancouver, British Columbia V6C 2T8.

Details of the Fund Manager Agreement

Pursuant to the Fund Manager Agreement, Qwest Investment Fund Management Ltd. will provide the management and services that would ordinarily be provided to a similarly situated investment fund by an “investment fund manager” registered under applicable Canadian securities laws to the Trust.

The Fund Manager will be entitled to reimbursement by the Trust for all reasonable costs and expenses that are incurred in providing the investment fund management services to the Trust. The Fund Manager will seek prior written approval from the Trust for any expense it may incur which would be over \$100.

Under the Fund Manager Agreement, the Fund Manager has agreed to exercise its powers and discharge its duties faithfully, honestly and diligently, in a competent manner.

Unless terminated as described below, the Fund Manager Agreement will continue for a period of twelve months from January 26, 2016, automatically renewable thereafter from year to year with the mutual consent of the parties thereto.

The Fund Manager and the Trust may terminate the Fund Manager Agreement without payment upon written notice to the other party where: (a) the other party acts unlawfully, dishonestly or in bad faith in connection with the performance of its respective duties under the Fund Manager Agreement or where the other party commits a breach of trust or is convicted for committing a criminal act; (b) the other party materially breaches or defaults on any duties or responsibilities under the Fund Manager Agreement and such breach or default has not been remedied within 30 days after written notice of the breach or default has been given; (c) without notice following any gross negligence or willful misconduct by the Trust or the Fund Manager; (d) the Trust notifies the Fund Manager anytime in 2016 that it intends to change its business plan and take the necessary steps to remove the requirement for an investment fund manager for the Trust; or (e) there is otherwise cause at common law.

In consideration for its services under the Fund Manager Agreement, the Trust will pay to the Fund Manager at the beginning of each month:

- (a) an annual financial review fee of \$6,000 which fee will be paid at a rate of \$500 per month;
- (b) a per class of Trust Unit NAV calculation fee of \$165 per month; and
- (c) a Fund Manager fee equal to \$2,500, which shall increase up to an additional \$2,500 per month based on the total monthly gross subscriptions received by the Trust, whereby the Trust will pay 0.70% of the total monthly gross subscription proceeds to the Fund Manager. For those months where the additional fee is less than \$2,500, such deficiency may be recovered in succeeding months where the fee is greater than the \$2,500 limit.

In addition, the Trust agrees to pay the Fund Manager: (a) any additional compliance oversight expense created by the Trust; (b) a one-time due diligence fee of \$5,000; and (c) all reasonable expenses incurred by the Fund Manager.

The Fund Manager is registered as an exempt market dealer. The Fund Manager is entitled to act as a dealer and receive compensation on those subscriptions that are processed by the Fund Manager in connection with the investment in Offered Units offered and such compensation is described in ITEM 7 – *Compensation to Sellers and Finders*.

Exchange Agreement

The Trust, the Partnership and the General Partner have entered into the Exchange Agreement for the benefit of the holders of the Class B LP Units. The parties confirm that each holder of the Class B LP Units has the Exchange Right exercisable at any time to require the Trust and the Partnership to exchange all or part of the Class B LP Units into Class A Trust Units on a one for one basis. The Trust has the right to cause all of the outstanding Class B LP Units to be exchanged for Class A Trust Units at any time after 5 years from September 30, 2015 or if there is any amalgamation, merger, arrangement or take-over bid of the Trust.

The Exchange Right is only exercisable if the exchange would not cause the Trust to breach the restrictions respecting non-resident ownership contained in the Declaration of Trust or otherwise caused to cease to be a mutual fund trust for the purposes of the Tax Act.

In order to effect the exchange, the holder of Class B LP Units must deliver a duly completed and executed exchange notice in the form provided for in the Exchange Agreement.

Administration Agreement

The Trust, the Partnership and Residential LP entered into the Administration Agreement with the Administrator, pursuant to which the parties will agree that the Administrator will manage all of the activities of the Trust (other than those required to be performed by the Fund Manager), the Partnership and the Residential LP. The purpose of the Administration Agreement is for the Administrator to oversee each of the Trust, the Partnership and the Residential LP.

The Administrator is entitled to compensation from the Partnership and/or the Trust in accordance with the Administration Agreement, which will include: (i) an acquisition fee of 0.3% of the purchase price of additional real estate assets acquired; (ii) a fee of up to 1.0% of the gross proceeds of any equity raised by the Trust; (iii) reimbursement of all general and administrative costs (including compensation of the officers and employees of the Administrator); (iv) reimbursement of all other expenses and costs incurred in connection with the management and operation of the Trust, the Partnership, Residential LP and any other subsidiary limited partnership; (v) options to purchase Trust Units and other long term incentives offered by the Trust pursuant to any unit option plan or long term incentive plan implemented by the Trust from time to time; and (vi) any other bonus or compensation determined by the Trustees from time to time.

The Administrator may engage Qwest Investment Management Corp. ("**Qwest**"), the parent company of the Fund Manager, to provide capital market services. In the event that Qwest is engaged to provide these services, they will be compensated by the Administrator.

In the event the Trust, Partnership and Residential LP terminate the Administration Agreement without cause or due to default by the Administrator, the Administrator will be entitled to a termination fee of the greater of \$2 million and an amount equal to the prior two years' acquisition fees and financing fees if terminated within the first three years of the term of the Administration Agreement and a fee equal to the prior two years' acquisition fees and financing fees if terminated after the third year of the term of the Administration Agreement, together with a fee equal to the severance payments due to the employees and management of the Administrator. In addition, all outstanding options held by the employees and management of the Administrator shall vest and be exercisable for a period of one year from the date of termination. As well, the Trust will be required to offer to purchase all of the Trust Units held by the employees and management of the Administrator at a price equal to the Redemption Value of such units without discount notwithstanding the length of time such Trust Units have been held by the individual. See ITEM 3.4 – *Conflicts of Interest*.

Reorganization Agreement

Effective September 30, 2015, each of the Initial LPs by their general partners and the Partnership entered into the Reorganization Agreement. See ITEM 2.2 *Our Business - Reorganization Steps* for a description of the Reorganization which provided for the reorganization of the Initial LPs whereby Residential LP acquired all of the assets of the Initial LPs and the limited partners of the Initial LPs became holders of Class A Trust Units and/or LP Units.

Employee Participation Plan

Pursuant to an employee participation plan (the "**Employee Participation Plan**"), the employees of the Trust have the right to purchase Trust Units at a discount of 5% to the current market price of the Trust Units. Participation in the Employee Participation Plan will be open to all employees of the Trust, or any of its affiliates or subsidiaries. No brokerage commission will be payable in connection with the purchase of Trust Units under the Employee Participation Plan and all administrative costs will be borne by the Trust.

ITEM 3 - INTERESTS OF DIRECTORS, MANAGEMENT, PROMOTERS AND PRINCIPAL HOLDERS

3.1 Compensation and Securities Held

The Trust

The Issuer does not have directors. The Trustees and the executive officers of the Trust are as follows:

Name and Municipality of Principal Residence	Positions held and the date of obtaining that position	Compensation paid by the Issuer in the most recently completed financial year (and the compensation anticipated to be paid in the current financial year) (1)(4)(5)(6)(8)(9)	Number, type and percentage of Trust Units of the Issuer to be held after completion of Maximum Offering (2)(3)(7)
Domenic Mandato Calgary, Alberta	Trustee and President and CEO (June 18, 2015)	-- ⁽¹⁾	25,000/1.12%
Donald Leitch, Q.C. Calgary, Alberta	Trustee (June 18, 2015)	Nil/\$30,000	1,500/<1%
Ronald Gratton Calgary, Alberta	Trustee (June 18, 2015)	Nil/\$30,000	1,500/<1%
Richard Carl Toronto, Ontario	Trustee (September 1, 2015)	Nil/\$30,000	1,500/<1%
Mark Deller Calgary, Alberta	Vice President Finance (June 18, 2015)	-- ⁽¹⁾	5,000/<1%

Notes:

- (1) Mr. Mandato is compensated by the Administrator and will not be entitled to any additional compensation as a Trustee. Mr. Deller is compensated by the Administrator. See "Compensation and Securities Held – the Administrator" for the compensation paid to Messrs. Mandato and Deller. Messrs. Leitch, Gratton and Carl will be entitled to the compensation as set out above for the remainder of the current financial year, one-half of which will be settled by issuing Class A Trust Units at the then current NAV per Class A Trust Unit. Following the current financial year the Trustees will be entitled to annual compensation of \$30,000, (25% of which will be settled by issuing Class A Trust Units at the then current NAV) plus the Chairman of the Trustees and Chairman of a Trustee Committee will be entitled to an additional \$10,000 and \$5,000 respectively. All costs, charges and expenses properly incurred by the Trustees on behalf of the Trust shall be payable out of Trust Property and the Trustees are entitled to receive for their services as Trustees reasonable compensation and fair and reasonable remuneration for services rendered in any other capacity including, without limitation, services as transfer agent. The Trustees shall have priority over distributions to holders of Units in respect of amounts payable or reimbursable to the Trustees.
- (2) There is no minimum Offering.

- (3) The Trustees and senior officers may acquire additional Class A Trust Units pursuant to the Offering. It is expected that senior officers and Trustees of the Trust will subscribe for the minimum subscription amount of the Offered Units offered pursuant to the Offering.
- (4) The Partnership will reimburse the Administrator, as administrator of the General Partner, Partnership, Residential LP and the Trust for all out-of-pocket expenses and any reasonable out-of-pocket expenses incurred by the Administrator, in connection with its ongoing obligations to the Partnership, Residential LP and the Trust. See "Material Contracts – Administration Agreement".
- (5) Compensation paid in the most recently completed financial year to Mr. Mandato was compensation paid while acting as administrator and manager of the Initial LPs.
- (6) The Administrator and the Trustees are currently reviewing the compensation payable to senior management in light of the anticipated acquisition of additional properties using the proceeds of the Offering and the executive compensation contracts that will be entered into with the executive officers, which contracts will provide for termination and change of control provisions. In addition, the Trust through the Administrator is seeking to hire a Vice-President of Operations. Any amendment to executive compensation will be subject to the prior approval by the independent Trustees. It is anticipated that the aggregate amount of executive compensation will not exceed \$1.2 million in the current fiscal year including compensation payable to the Vice-President Operations but not including any performance-based bonus compensation. It is the intention of the Trustees to implement equity compensation plans and performance based equity compensation in the current financial year. Management and employees of the Administrator will also be entitled to participate in any equity compensation plans and any other long-term incentive plans instituted by the Trust.
- (7) As consideration for founding the Trust and completing the Reorganization, Messrs. Mandato, Deller and Vaughan were issued 25,000 Class A Trust Units, 5,000 Class A Trust Units and 5,000 Class A Trust Units respectively, while Messrs. Leitch, Gratton and Carl were issued 1,500 Class A Trust Units each on January 31, 2016.
- (8) The sole shareholder of the Administrator is D&R Equity Group Inc., a corporation controlled by Domenic Mandato.
- (9) Executive compensation may be paid to the individual's holding company.

The Partnership

The following table provides the specified information about the officers and directors of the General Partner. The sole shareholder of the General Partner is the Trust.

Name and Municipality of Principal Residence	Positions held and the date of obtaining that position	Compensation paid by the General Partner, as applicable, in the most recently completed financial year (and the compensation anticipated to be paid in the current financial year)	Number, type and percentage of securities of the General Partner
Domenic Mandato Calgary, Alberta	Director, President and Secretary (June 18, 2015)	Nil/Nil	Nil
Nathan Roberts	Director (August 25, 2016)	Nil/Nil	Nil
Mark Deller Calgary, Alberta	Vice President Finance (June 18, 2015)	Nil/Nil	Nil

The Partnership does not have any directors, officers or promoters and will not hold any Trust Units. The Administrator will manage the day to day operations of the Partnership on behalf of the General Partner in accordance with the Administration Agreement. The Administrator will not hold any Trust Units; however, the officers, directors, employees and shareholders of the Administrator and the General Partner may acquire Trust Units pursuant to the Offering.

The Administrator

The following table provides the specified information about each officer and director of the Administrator.

Name and Municipality of Principal Residence	Positions held and the date of obtaining that position	Compensation paid by the Administrator in the most recently completed financial year (and the compensation anticipated to be paid in the current financial year) ^{(1) (2)}	Number, type and percentage of securities of the Administrator ⁽³⁾
Domenic Mandato Calgary, Alberta	President and Chief Executive Officer (June 2004)	\$210,367/\$210,367 ⁽³⁾	Nil
Mark Deller Calgary, Alberta	Vice President Finance (November 2012)	\$68,775/\$68,775 ⁽³⁾	Nil
Leslie Toth Calgary, Alberta	Vice President Sales & Marketing (April 2015)	\$71,261/\$100,000	Nil

Notes:

- (1) The Partnership will reimburse the Administrator, as administrator of the General Partner, Partnership, Residential LP and the Trust, for all out-of-pocket expenses and any reasonable out-of-pocket expenses incurred by the Administrator in connection with its ongoing obligations to the Partnership, Residential LP and the Trust. See "Material Contracts – Administration Agreement".
- (2) Compensation paid in the most recently completed financial year was compensation paid while acting as administrator and manager of the Initial LPs.
- (3) The sole shareholder of the Administrator is D&R Equity Group Inc., a corporation controlled by Domenic Mandato.

3.2 Management Experience

The Trust and Administrator – Senior Officers

The name and principal occupation for the past five years of the Trustees and senior executives of the Trust and the Administrator, are as follows:

Name	Principal occupation and related experience
Domenic Mandato Calgary, Alberta	President and Chief Executive Officer of the Administrator since June 2004.
Mark Deller Calgary, Alberta	Vice President Finance of the Administrator since November 2012, prior thereto, Managing Director of Davidson Mattice Inc. a business advisory firm, Director of Business Advisory for Riata Partners Inc. and Business Development Manager at Macquarie Banking & Financial Services.
Leslie Toth Calgary, Alberta	Vice President Sales and Marketing of the Administrator since April 2015, prior thereto an executive consultant.
Donald Leitch, Q.C. Calgary Alberta	Partner, Dentons Canada LLP a law firm since June 2011, prior thereto Partner, Carscallen LLP, a law firm.
Ronald Gratton Calgary, Alberta	President of Strathdale Investment Management Ltd., a private consulting and investment corporation since September 2010 and a director at McCaig Family Office, and McCaig Real Estate Ltd., a private real estate investment company since 2010. Prior to these was a senior partner with PWC LLP specializing in taxation.
Richard Carl Toronto, Ontario	Independent businessman since July, 2014, prior thereto President and Chief Operating Officer of AGS Capital Corp., a family holding company and Executive Chairman of Canada Fluorspar Inc., a public mining company.

In addition, Alan Vaughan has served as Manager of Acquisitions and Dispositions of the Administrator since December 2012, prior thereto Vice President Business Development of Northern Property Real Estate Investment Trust, a public REIT.

See ITEM 2.2 - *Our Business – Management* for a description of the experience of the Trustees and management team of the Administrator.

3.3 Penalties, Sanctions and Bankruptcy

There are no penalties or sanctions that have been in effect during the last ten years or any cease trade order that has been in effect for a period of more than 30 consecutive days during the past ten years against a director, executive officer or control person of the Issuer or against a company of which any of the foregoing was a director, executive officer or control person at the time. No declaration of bankruptcy, voluntary assignment in bankruptcy, proposal under any bankruptcy or insolvency legislation, proceedings, arrangement or compromise with creditors or appointment of a receiver, receiver manager or trustee to hold assets, has been in effect during the last ten (10) years with regard to those individuals or any companies of which any of those individuals was a director, executive officer or control person other than as follows.

Mr. Leitch was a director of Fortaleza Energy Inc., a public oil and gas company. In March 2011 that company applied for an order under the CCAA staying all claims and actions against that company. The company had taken the action to enable it to challenge a reassessment issued by the CRA. The challenge was successful and in October 2011 CRA vacated its claim. As a result the company no longer required the protection of the CCAA order and the company discharged the order.

The Autorité des marchés financiers, the body mandated by the government of Québec to regulate the province's financial markets, issued a cease trade order on October 22, 2009 against LP III and Mr. Mandato. LP III and Mr. Mandato successfully appealed this order and the order was rescinded on December 22, 2011.

3.4 Conflicts of Interest

Domenic Mandato is an officer and director of the Administrator. In addition, Donald Leitch is a partner of a law firm which provides legal services to the Trust. The Trustees, directors, officers, affiliates and associates of the Trust, the General Partner and the Administrator may also be engaged in raising funds and managing other businesses which may have the same or similar objectives to the Trust and the Partnership. In the event that the Trustees and the directors, officers, affiliates and associates of the Trust and the General Partner, as applicable, elect to undertake such activities and other business activities in the future, the Trustees, the directors, officers, affiliates and associates of the Trust, the General Partner and the Administrator, as applicable, may be subject to conflicting demands in respect of allocating management time, services and other functions. In circumstances where other clients or businesses under management by the Trustees, the directors, officers, affiliates and associates of the Trust, the General Partner and the Administrator, as applicable, have been the same or have substantially similar objectives to the Trust and the Partnership, the Trustees and the directors, officers, affiliates and associates of the Trust, the General Partner and the Administrator, as applicable, will endeavor to ensure that the various clients under its management, including the Trust and the Partnership, are treated in a fair and equitable manner. See ITEM 2.6 - *Material Agreements – Declaration of Trust – Conflict of Interest*.

Each Trustee or officer of the Trust will be required to disclose to the Trust if he or she is a party to a material contract or transaction or proposed material contract or transaction with the Trust or its subsidiaries or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the Trust or its subsidiaries. Such disclosure is required to be made by a Trustee at the first meeting at which a proposed contract or transaction is considered, at the first meeting after a Trustee becomes interested in a proposed or pending contract or transaction or at the first meeting after an interested party becomes a Trustee.

Disclosure is required to be made by an officer of the Trust as soon as the officer becomes aware that a contract or transaction or proposed contract or transaction is to be, or has been, considered by the Trustees, as soon as the officer becomes aware of his or her interest in a contract or transaction or, if not currently an officer of the Trust, as soon as such person becomes an officer of the Trust. In the event that a material contract or transaction or proposed

material contract or transaction is one that in the ordinary course would not require approval by the Trustees, a Trustee or officer of the Trust is required to disclose in writing to the Trust or request to have entered into the minutes of the meeting of the Trustees the nature and extent of his or her interest forthwith after the Trustee or officer of the Trust becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating primarily to his or her remuneration as a Trustee, officer, employee or agent of the Trust or one for indemnity under the indemnity provisions of the Declaration of Trust or the purchase of liability insurance.

To address potential conflicts of interest, the Trust will obtain a valuation in respect of any real property that the Partnership intends to purchase from or sell to a "related party" prepared by a valuator engaged by, and prepared under the supervision of, a committee of two or more independent Trustees who have no interest in such transaction. In addition, the Trust will not permit the Partnership to effect a transaction with a "related party" unless the transaction is determined to be on commercially reasonable terms by, and is approved by, a majority of the Trust's independent Trustees who have no interest in such transaction.

ITEM 4 - CAPITAL STRUCTURE

4.1 Capital

The following table sets out the capital structure of the Issuer as at the dates indicated:

Description of Security	Number authorized to be issued	Price per Security	Number outstanding as at August 25, 2016 (1)(2)(3)	Number outstanding after Maximum Offering ⁽⁴⁾
Class A Trust Units	Unlimited	\$8.50 to \$10.00 ⁽⁵⁾	1,042,809	Up to 2,219,279
Class B Trust Units	Unlimited	\$8.50	Nil	Up to 1,176,470
Class F Trust Units	Unlimited	\$8.50	Nil	Up to 1,176,470

Note:

- (1) The Issuer issued 1,166,818 Class A Trust Units pursuant to the Reorganization and an aggregate of 59,504 Class A Trust Units upon exercise of the Warrants issued pursuant to the Reorganization. In conjunction with the formation of the Trust, the Initial Unitholder contributed \$50 to the Trust as the initial capital contribution of the Trust and to settle the Trust. Upon the Issuer completing the Reorganization, the Trust paid \$50 to the Initial Unitholder as a return of capital whereupon the Initial Units were cancelled.
- (2) Prior to completing the Reorganization, certain unitholders of the Initial LPs submitted notices of redemption under their respective partnership agreements which were accepted by their respective Initial LP. As a consequence of these prior commitments, upon completion of the Reorganization the Issuer redeemed 222,613 Class A Trust Units.
- (3) The Trust has entered into the Exchange Agreement whereby the Trust has agreed to exchange, at the option of the holders of the Class B LP Units, the Class B LP Units for Class A Trust Units on a one for one basis. Upon completion of the Reorganization, there were 326,917 Class B LP Units issued and outstanding, of which 33,564 Class B LP Units were subsequently exchanged for Class A Trust Units and then redeemed pursuant to the prior redemption obligations described in Section 2.2 – *Our Business*. Each Class B LP Unit was issued at a deemed price of \$10 per unit.
- (4) Assumes that all of the Offered Units subscribed for under the Offering are Offered Units of the particular class set out above.
- (5) The issued and outstanding Class A Trust Units were not all issued at the same price per security: 1,166,818 Class A Trust Units were issued pursuant to the Reorganization at a deemed price of \$10.00 per unit; the Class A Trust Units issued pursuant to the Offering will be issued at \$8.50 per unit; 59,504 Class A Trust Units were issued pursuant to the exercise of Warrants at \$9.50 per unit; 69,214 Class A Trust Units were issued pursuant to the DRIP at a deemed price of \$10.00 per unit.

4.2 Long-Term Debt Securities

As of the date of this Offering Memorandum, the Trust has no outstanding debt or long-term debt securities. InvestPlus GP Ltd., the general partner of Residential LP has entered into the following debt arrangements on behalf of Residential LP.

Description of long term debt (including whether secured)	Interest Rate	Repayment Terms	Amount outstanding as at July 31, 2016
\$1,645,000 secured mortgage on Highland House	3.20%	5 year term commencing in January of 2016. Equal and blended payments of \$95,456 per annum, based on a 25 year amortization period	\$1,626,920
\$2,995,000 secured mortgage on Cedar Peaks	3.20%	5 year term commencing in January of 2016. Equal and blended payments of \$173,794 per annum, based on a 25 year amortization period	\$2,962,082
\$1,800,000 secured mortgage on Forrest Heights	3.30%	5 year term commencing in March of 2016. Equal and blended payments of \$105,575 per annum, based on a 25 year amortization period	\$1,792,226
\$1,250,000 secured mortgage on The Hudson	2.95%	2 year term commencing in March of 2016. Equal and blended payments of \$70,603 per annum, based on a 25 year amortization period	\$1,241,491
\$2,700,000 secured mortgage on the Metropolitan	2.72%	5 year term commencing in February of 2015. Equal and blended payments of \$148,715 per annum, based on a 25 year amortization period	\$2,603,883
\$1,650,000 secured mortgage on the Newport	Prime Rate plus 210 basis points	3 year term commencing in December 2014. Fixed principal payments of \$45,000 per annum, based on a 25 year amortization period	\$1,578,750
\$2,625,000 secured mortgage on The Luxemburg	3.787%	5 year term commencing August of 2013. Equal and blended payments of \$162,079 per annum, based on a 25 year amortization period	\$2,429,751
\$5,500,000 secured mortgage on the York	Prime Rate plus 210 basis points	3 year term commencing in December of 2014. Fixed principal payments of \$149,400 per annum based on a 25 year amortization period	\$5,263,450
\$2,000,000 secured mortgage on the Prince George Property	4.0%	10 year term commencing January of 2016. Equal and blended payments of \$126,300 per annum, based on a 25 year amortization period	\$1,980,304

4.3 Prior Sales

The Issuer has not sold or issued any Trust Units or securities convertible into Trust Units in the 12 month period prior to the date hereof other than as set forth below:

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price Per Security	Total Funds Received
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June 18, 2015 ⁽¹⁾	Class A Trust Units	5 Class A Trust Units	\$10	\$50
November 9, 2015	Class A Trust Units	1,166,818 Class A Trust Units	\$10	Issued pursuant to the Reorganization
November 9, 2015	Warrants	1,493,735 Warrants ⁽²⁾	N/A	Issued pursuant to the Reorganization
November 9, 2015	Class B LP Units	326,917 Class B LP Units ⁽³⁾	\$10	Issued pursuant to the Reorganization
December 18, 2015	Class A Trust Units	33,541 Class A Trust Units	\$9.50	\$318,639.50 ⁽⁴⁾
January 31, 2016	Class A Trust Units	39,500 Class A Trust Units ⁽⁵⁾	\$10	Issued as Compensation
January 31, 2016	Class A Trust Units	25,963 Class A Trust Units	\$9.50	\$246,647.50 ⁽⁴⁾
April 30, 2016	Class A Trust Units	51,372 Class A Trust Units ⁽⁶⁾	\$10	Issued pursuant to the DRIP
April 30, 2016	Class A Trust Units	33,564 Class A Trust Units ⁽⁷⁾	N/A	Issued in exchange for Class B LP Units pursuant to the Exchange Agreement pursuant to the extra-ordinary one time redemption ⁽⁸⁾
July 30, 2016	Class A Trust Units	17,842 Class A Trust Units ⁽⁶⁾	\$10	Issued pursuant to the DRIP
July 30, 2016	Class A Trust Units	937 Class A Trust Units ⁽⁷⁾	N/A	Issued in exchange for Class B LP Units pursuant to the Exchange Agreement

Note:

- (1) In conjunction with the formation of the Trust, the Initial Unitholder contributed \$50 to the Trust as the initial capital contribution of the Trust and to settle the Trust. Upon the Issuer completing the Reorganization, the Trust paid \$50 to the Initial Unitholder as a return of capital whereupon the Initial Units were cancelled.
- (2) The Warrants were issued pursuant to the Reorganization and expired on December 18, 2015. Each Warrant entitled the holder to purchase one Class A Trust Unit for an exercise price of \$9.50 per unit.
- (3) The Class B LP Units were issued pursuant to the Reorganization at a deemed price of \$10 per Class B LP Unit. Pursuant to the Exchange Agreement, Class B LP Units may be exchanged for Class A Trust Units on a one for one basis at the option of the unitholder. See Section 2.7 – *Material Contracts – Exchange Agreement*.
- (4) Issued upon exercise of Warrants at an exercise price of \$9.50 per unit.
- (5) Issued as compensation to senior management and the Trustees of the Trust at a deemed price of \$10 per Class A Trust Unit as consideration for founding the Trust and completing the Reorganization.
- (6) Class A Trust Units were issued to the Unitholders who elected to participate in the distribution reinvestment and unit purchase plan in connection with the reinvestment of a Cash Distribution by such Unitholders.
- (7) Class B LP Units issued pursuant to the Reorganization at a deemed price of \$10 and exchanged on a one-for-one basis.
- (8) Prior to completing the Reorganization, certain unitholders of the Initial LPs submitted notices of redemption under their respective partnership agreements which were accepted by their respective Initial LP. As a consequence of these prior commitments, upon completion of the Reorganization the Trust redeemed 222,613 Trust Units. The Class B LP Units issued to certain unitholders of the Initial LPs needed to be exchanged for Class A Trust Units pursuant to the Exchange Agreement before they could be redeemed by the Trust. See Section 2.2 - *Our Business - Prior Obligations*.

ITEM 5 - SECURITIES OFFERED

5.1 Terms of Securities

The beneficial interests in the Trust are represented by Trust Units, which may be divided into one or more classes as the Trustees determine to be appropriate from time to time. Currently, there are four (4) classes of Trust Units authorized for issuance, described as Class A Trust Units, Class B Trust Units, Class F Trust Units and Class I Trust Units. The Trust is authorized to issue an unlimited number of Class A Trust Units, Class B Trust Units, Class F Trust Units and Class I Trust Units.

Class A Trust Units, Class B Trust Units, Class F Trust Units and Class I Trust Units shall be issued only as fully paid and non-assessable units in the capital of the Issuer. Each Trust Unit when issued shall vest indefeasibly in the holder thereof. The issued and outstanding Trust Units may be subdivided or consolidated from time to time by the Trustees in their discretion, pursuant to the Declaration of Trust.

This Offering consists of up to an aggregate of \$10 million in Class A Trust Units, Class B Trust Units and/or Class F Trust Units. Subscribers may subscribe for one of the three classes of Offered Units, as described below, through an authorized third party dealer or broker.

Class I Trust Units are not being offered for purchase pursuant to this Offering Memorandum. However, the Trust reserves the right issue Class I Trust Units, on a private placement basis, to institutional investors who wish to invest in the Trust, in an amount in excess of \$2 million, concurrently with, and/or subsequently to, the Trust Units subscribed for under the Offering.

General Information on Offered Units

Each Offered Unit shall entitle the holder thereof to one vote at a meeting of the Unitholders of the Trust. All Offered Units in a class shall rank among themselves equally and rateably without discrimination, preference or priority, including, without limitation, in respect of any and all distributions made by the Trust in respect of such class. On liquidation or termination of the Trust, each Trust Unit, including the Offered Units, shall entitle the holder thereof to participate equally with respect to the distribution of the remaining assets of the Trust after payment of the Trust's debts, liabilities and liquidation or termination expenses.

Capital Contribution

In connection with the subscription of the Offered Units under this Offering, each Unitholder will contribute to the capital of the Trust the purchase price per Offered Unit for each Offered Unit subscribed for. Unitholders will not be required to make any contribution to the capital of the Trust in excess of that amount.

Distribution Rates Per Unit

The Trustees may, in their discretion, allocate distributions among the classes of Trust Units to adjust for the commissions, trailers and other costs attributable to the sales channels relating to each class of Trust Units. If distributions are so allocated to adjust for the commissions, trailers and other costs attributable to each class of Trust Unit, the fair market value per unit of each class of Trust Units will be the same. If the Trustees, in their discretion, choose not to so allocate distributions, the fair market value of each class of Trust Units is expected to differ. To the extent that the Trust is responsible for the payment of compensation to securities dealers, including upfront and ongoing trailer commissions, the funds available to the Trust for investment purposes and distributions will be reduced.

For the twelve month period following the date of this Offering Memorandum, it is the Trust's current intention (subject to available cash flow) to provide a quarterly distribution of \$0.1375 (\$0.55 per year) on each Class A Trust Unit and Class F Trust Unit and a quarterly distribution of \$0.125 (\$0.50 per quarter) on each Class B Trust Unit. See ITEM 2.2 - *Material Agreements – Declaration of Trust – Distributions*.

Redemption of Units

Each holder of Trust Units, including, without limitation, the Offered Units, shall be entitled to require the Trust, on the demand of such holder, to redeem all or any part of the Trust Units registered in the name of such holder of Trust Units at the prices determined and payable in accordance with the terms and conditions set forth in the Declaration of Trust. Subject to the laws of general application, the Trustees shall be entitled in their discretion to determine and designate whether any payments in respect of any redemption are on account of income or capital. The Redemption Value payable in respect of the Trust Units surrendered for redemption during any calendar quarter shall be satisfied by way of cash payment in Canadian dollars on or before the last day of the month following the end of the calendar quarter in which the Trust Units were tendered for redemption. Provided that the foregoing shall not be applicable to Trust Units tendered for redemption by a holder of Trust Units if the total amount payable by the Trust in respect of such Trust Units and all other Trust Units tendered for redemption in the same calendar quarter exceeds the Quarterly Limit, being \$100,000 in cash; provided that the Trustees may, in their sole discretion, waive such limitation in respect of all Trust Units tendered for redemption in any calendar quarter. Trust Units tendered for redemption in any quarter in which the total amount payable by the Trust exceeds the Quarterly Limit will be redeemed for cash on a *pro rata* basis up to the Quarterly Limit and, unless any applicable regulatory approvals are required, by a distribution *in specie*, on a *pro rata* basis, for the balance. In order to cover the administration costs relating to the redemption of Trust Units, each Unitholder who exercises the right of redemption will be charged an administration fee of \$250.00. See ITEM 2.2 - *Material Agreements – Declaration of Trust - Right of Redemption*.

Governance

As stated below, unless otherwise determined by the Trustees, each Trust Unit shall entitle the holder thereof to one vote at a meeting of the Unitholders of the Trust. All Unitholders shall vote as a single class at all meetings of the Unitholders of the Trust. Pursuant to the Declaration of Trust, the holders of a class of Trust Units shall not be entitled to vote separately as a class or group on any proposals or motions that require the approval of the Unitholders.

In accordance with the corporate governance determinations of the Trustees, the Trustees have agreed that annual meetings of the holders of the Trust Units shall be held not later than 18 months after formation of the Trust and subsequently not later than 15 months after holding the last preceding annual meeting. At such annual meetings, Unitholders will have the right to elect the Trustees by ordinary resolution and the Trustees will take such action as required under the Declaration of Trust to give effect to such election. Each Trustee elected or appointed to office has agreed to hold office until the conclusion of the first annual meeting of the Unitholders held following his/her election or appointment unless he/she resigns or is removed in accordance with the Declaration of Trust. The Trustees have also agreed that unless approved unanimously by the other Trustees, a Trustee may not act as a Trustee for more than 10 years.

General Information on Trust Units

The Trust is authorized to issue an unlimited number of Trust Units, which may be divided into one or more classes as the Trustees determine to be appropriate from time to time. The Trust has created an unlimited number of Class A Trust Units, Class B Trust Units, Class F Trust Units and Class I Trust Units. Unless otherwise determined by the Trustees, each Unit shall entitle the holder or holders thereof to one vote at a meeting of the Unitholders of the Trust. All Units in a class shall rank among themselves equally and rateably without discrimination, preference or priority.

The Trustees may, in their discretion, determine the designation, priority and attributes of a class, which may include: the initial closing date and offering price for the first issuance of Units, any minimum initial or subsequent investment thresholds, minimum aggregate net asset value balances to be maintained by Unitholders of the Trust, and procedures in connection therewith (including a requirement to redeem Units), the fees payable to the Trustees, if any, as management, performance, or other fees, the organization, sales and redemption fees to be paid upon the acquisition, over time or on redemption of Units, the frequency of subscriptions or redemptions, the period of time Units must be held before they may be redeemed, the period of notice required for redemption of Units, minimum redemption amounts and any other limits on redemption, convertibility among classes, voting rights, entitlements to distributions and such additional class specific attributes as the Trustees may in their discretion specify. The Trustees may prescribe in their discretion the maximum number of Units or maximum dollar amount of Units that may be sold in the Trust. Class attributes may be prescribed by the Trustees from time to time which, if and when created, might have rights and privileges in priority to the Offered Units and any other Units that may be created from time to time. See ITEM 8 – *Risk Factors*.

5.2 **Subscription Procedure**

(a) Subscription Documents

Subscribers who wish to purchase Offered Units will be required to enter into the Subscription Agreement with the Issuer and deliver the executed Subscription Agreement, together with the Subscription Price and any applicable fees and/or commissions to the Subscribers' third party dealer or broker. Each Subscription Agreement contains, among other things, representations and warranties required to be made by the Subscriber that it is duly authorized to purchase the Offered Units, that it is purchasing the Offered Units for investment and not with a view for resale and as to its corporate status or other qualifications to purchase Offered Units on a "private placement" basis. Reference is made to the Subscription Agreement, a copy of which is attached hereto as Schedule "A", for the specific terms of these representations, warranties and conditions.

Offered Units may be purchased in the following manner:

- (i) by the execution of the Subscription Agreement, as well as any documentation required by the securities commission of the jurisdiction in which they are resident (copies of which are attached to the Subscription Agreements) and delivery of the foregoing to the Subscriber's third party dealer or broker;
- (ii) by payment of the Subscription Price in respect of the Offered Units subscribed for, together with any applicable Commission and/or Dealer Fee by way of:
 - A. a certified cheque or bank draft payable to the Trust;
 - B. by direct debit from the Subscriber's brokerage account with funds then sent via FundSERV to SGGG Fund Services Inc.; or
 - C. or such other manner as may be accepted by the Trust in its sole discretion; and
- (iii) delivery of the executed Subscription Agreement, together with Subscription Price in respect of the Offered Units subscribed for, by the Subscriber's third party dealer or broker to the Issuer.

Generally subscriptions received are subject to rejection or allotment in whole or in part by the Trustees on behalf of the Trust within 30 days of their receipt by the Trustees. However, the Issuer may extend that period for up to a further 60 days. In any event, the Trustees reserve the right to close the subscription books at any time without notice. The Trustees are not obligated to accept any subscriptions, and will reject any subscription which the Trustees consider to be not in compliance with applicable securities laws and regulations. If any subscription is

rejected, then the Trustees will return to the Subscriber within 30 days after making the decision to reject the subscription, the Subscription Proceeds related to the subscription.

The Subscription Proceeds will be held in trust for at least two (2) Business Days from the date the Subscription Agreement is executed.

The Offered Units will be offered for sale commencing on the date of the certificate attached to this Offering Memorandum and ending upon reaching the Maximum Offering or otherwise at the discretion of the Trustees. Closings will occur on dates established by the Trust. All subscriptions are subject to rejection or acceptance in full or in part and the right is reserved to discontinue or resume the Offering at any time without notice by the Trust.

All Subscription Proceeds will be held in trust until midnight on the second Business Day after the day the Subscriber signs the Subscription Agreement. In the event that such Subscriber provides the Issuer with a cancellation notice prior to midnight of the 2nd Business Day after the signing date, or the Issuer does not accept such Subscriber's subscription, all Subscription Proceeds will be promptly returned to such Subscriber without interest or deduction.

(b) Exemptions from Prospectus Requirements

Canada

The Offered Units are being offered in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Prince Edward Island, New Brunswick and Newfoundland and Labrador pursuant to exemptions under applicable securities legislation. Such exemptions relieve the Issuer from provisions under applicable securities legislation requiring the Issuer to file a prospectus and therefore Subscribers do not receive the benefits associated with a subscription for securities issued pursuant to a filed prospectus, including the review of material by a securities commission or similar authority.

The sale of Offered Units pursuant to this Offering Memorandum is being made in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, Prince Edward Island, New Brunswick and Newfoundland and Labrador under certain statutory exemptions from the prospectus requirements set out in NI 45-106. Specifically, the sale of Offered Units is being made pursuant to the "offering memorandum" exemption, Section 2.9 of NI 45-106, and the "accredited investor" exemption, Section 2.3 of NI 45-106.

The sale of Offered Units is initially being made in Quebec pursuant to the "accredited investor" exemption, Section 2.3 of NI 45-106. However, the Trust reserves the right to sell Offered Units to Subscribers in Quebec pursuant to the "offering memorandum" exemption, Section 2.9 of NI 45-106, upon and subject to the filing of a French translation of this Offering Memorandum with the applicable securities regulators. **If prospective Subscribers resident in Quebec are not "accredited investors" they are not permitted to participate in the Offering until such time as the this Offering Memorandum has been translated into French and filed with the applicable securities regulators.**

Other Jurisdictions

The sale of Trust Units pursuant to this Offering Memorandum may also be made in other jurisdictions provided that the Subscriber provides to the Issuer the full particulars of the exemption from the registration and prospectus requirements under applicable securities legislation being relied on and evidence of the Subscriber's qualifications thereunder.

(c) Investment Limits

The prospectus exemption provided by Section 2.9 of NI 45-106 establishes certain investment limits for individual investors.

The acquisition costs of all securities acquired by an individual investor under Section 2.9 of NI 45-106 in the preceding 12 months shall not exceed the following amounts:

- (i) in the case of a subscriber that is not an eligible investor (as such term is defined in Section 1.1 of NI 45-106), \$10,000;
- (ii) in the case of a subscriber that is an eligible investor, \$30,000; and
- (iii) in the case of a purchaser that is an eligible investor and that received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable, \$100 000.

Each Subscriber is urged to consult with his own legal adviser as to the details of the statutory exemption being relied upon and the consequences of purchasing securities pursuant to such exemption.

5.3 Valuation Policy

Working with the Fund Manager, the value of the Trust Units is determined by the Trustees. The Fund Manager will work with the Trustees who will use reasonable methods of determining Net Asset Value. The Fund Manager and Trustees may adopt alternative method to calculate the investment property values and Net Asset Value from time to time, without notice to or approval by the Unitholders.

Valuation of Investment Property

The Trust's investment properties are valued using the fair value model in accordance with IFRS section IAS 40 – Investment Properties. Investment property in IAS 40 is defined as property held to earn rentals or for capital appreciation or both and are initially recorded at cost, including related transaction costs. Subsequent to initial valuation, investment properties are measured at fair value, which reflects market conditions at the reporting date. The Trust applies judgment in determining if the acquisition of an investment property qualifies as a business combination in accordance with IFRS 3 or as an asset acquisition. Transaction costs (including commissions, land transfer tax, appraisals, legal fees and third party inspection reports associated with a purchase) related to property acquisitions not considered business combinations are capitalized in accordance with IAS 40. Transaction costs are expensed in accordance with IFRS 3 where such acquisitions are considered business combinations.

The investment properties' fair value is determined using a valuation process developed by the Trustees. The Trustees consider the following in determining fair value; (a) consider recent prices of similar properties in similar market areas and; (b) the direct capitalization method, which is based on the conversion of current and future normalized net earnings potential directly into an expression of market value. The normalized net earnings for the year is divided by an overall capitalization rate to estimate fair value.

The Trustees will on an annual basis: (a) determine the capitalization rates that would be used in valuing the properties; (b) provide comparable sales and supporting relevant market information; (c) utilize industry standard set off and normalization assumptions used in the calculation of normalized net earnings; (d) review the valuation process to determine whether any changes or updates are required; (e) review the audited year-end financial statements and compliance with the valuation process and compliance with IAS 40; and (f) provide a fair value report for financial statement purposes.

The Trust's auditors will report on the audited financial statements of the Trust and the Partnership on an annual basis as to the compliance of the financial statements with International Financial Reporting Standards. The Trust's auditors complete their audit using Canadian generally accepted auditing standards, which required that they plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. The audits include evaluating the appropriateness of accounting policies used, and the reasonableness of accounting estimates made by management.

The Trustees are responsible on a quarterly and annually basis to: (a) gather the property specific data used in the valuation process set forth; (b) review the valuation process to determine whether any changes or updates are required; (c) input the capitalization rates, set offs and normalization assumptions; and (d) deliver the completed valuation process to the auditors at year-end for the completion of the audit on the financial statements.

Investment properties that have been disposed of or permanently withdrawn from the property portfolio will not be included in the fair value process. Any gains or losses on the disposition of investment properties are recognized in the income statement in the year of disposition.

Calculation of Trust Units Net Asset Value and Published Prices

After the Issuer has completed a final closing of offering of Trust Units, the NAV will be calculated monthly based on the IFRS balance sheet carrying values plus adjustments. The property portfolio is valued on a quarterly basis. The NAV may or may not change in between quarters and at the end of each quarter should there be material changes or considerations that would impact the NAV including but not limited to changes in capitalization rates or acquisitions and dispositions of properties.

As part of the process for calculating the NAV, there will be important estimates, assumptions and decisions made as part of the calculation process.

The NAV will be calculated by adding IFRS balance sheet assets, subtracting IFRS balance sheet liabilities, adding appropriate non-IFRS adjustments and dividing by the total number of outstanding Trust Units. The non-IFRS adjustments include, but are not limited to: (a) applicable property portfolio premiums, plus; (b) capitalization of certain capital expenses, which accrue over a long period of time and should be allocated between exiting, remaining and incoming Trust Unitholders but may be written off or effectively written off under IFRS, or where the value of such expense is not yet reflected, in whole or in part in the property portfolio valuation due to lags in timing, if any; plus; (c) between quarters property portfolio adjustments, if any; less (d) discretionary adjustments, if any.

Property portfolio premium means an adjustment to IFRS valuations to take into account the difference a buyer may pay for a portfolio of properties versus an individual property. The IFRS valuation approach values each property on a standalone basis and does not consider the value of economies of scale, property grouping advantages, the time, expense and difficulty of assembling a portfolio and desirability of a portfolio of properties to potential buyers.

The NAV is currently determined by the Trustees, as per the above methodology, and approved by the Fund Manager for publishing the NAV and for use in, but not limited to processing redemptions, financial statements of the Trust and account statements for Trust Unitholders.

5.4 Distribution Reinvestment and Unit Purchase Plan

The Trust has implemented a distribution reinvestment and unit purchase plan pursuant to which holders of each class of Trust Units and Class B LP Units may reinvest all Cash Distributions in additional Trust Units of the same class (the "**DRIP**"). The price at which Trust Units are acquired for DRIP participants will be based on the NAV of each Trust Unit at the time of the Cash Distributions. Participants electing to reinvest Cash Distributions in Trust

Units pursuant to the DRIP will receive a further “bonus” distribution equal to 3% of anticipated declared and paid Cash Distribution which are reinvested, which further distribution will also be reinvested in Trust Units. Participants will receive the same class of Trust Units under the DRIP as the underlying Trust Units upon which such distributions were declared. Notwithstanding the foregoing, the holders of Class B LP Units will receive the Class A Trust Units under the DRIP. Participants may also purchase additional Trust Units pursuant to an optional cash purchase feature of the DRIP, subject to a minimum investment amount of \$1,000 per calendar year and up to a maximum investment amount per calendar year determined by the Trustees for that calendar year. Participants in the DRIP will not receive a bonus distribution of Trust Units in connection with any such optional cash purchases. The Trustees may amend, suspend or terminate the DRIP at any time.

Participation in the DRIP is open to holders of any class of Trust Units and Class B LP Units, other than those who are resident or present in the United States. If a participant in the DRIP is not resident in Canada, participation in the DRIP is subject to applicable withholding tax. In those circumstances, cash that would otherwise be distributed to such participants by the Trustees on any given distribution date will be reduced by the amount of applicable withholding tax, and then applied towards the purchase of additional Trust Units pursuant to the DRIP. No third party or broker commission will be payable in connection with the purchase of Trust Units under the DRIP and all administrative costs will be borne by the Trust.

ITEM 6 - INCOME TAX CONSEQUENCES AND RRSP ELIGIBILITY

6.1 Tax Advice

You should consult your own professional advisers to obtain advice on the tax consequences that apply to you.

6.2 Canadian Federal Income Tax Considerations

This summary is of a general nature only and is not intended to be, nor should it be, construed to be legal or tax advice to any particular investor. Subscribers should consult their own tax advisors for advice with respect to the income tax consequences associated with their acquisition, holding, and disposition of Units under this Offering Memorandum.

The following summary describes the principal Canadian federal income tax considerations generally applicable under the Tax Act to a holder who acquires Trust Units pursuant to this Offering and who, for purposes of the Tax Act at all relevant times, is a resident of Canada, holds the Trust Units as capital property and deals at arm's length and is not affiliated with the Trust. Generally, the Trust Units will be considered to be capital property to a holder provided the holder does not hold the Trust Units in the course of carrying on a business of trading or dealing in Trust Units and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain holders who might not otherwise be considered to hold their Trust Units as capital property may, in certain circumstances, be entitled to have their Trust Units treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary is not applicable to: (a) a holder that is a "financial institution" as defined in the Tax Act for the purposes of the "mark-to-market" rules, (b) a holder an interest in which is a "tax shelter investment" under the Tax Act, (c) a holder that is a "specified financial institution" as defined in the Tax Act, (d) a holder that enters into, with respect to their Trust Units, a "synthetic disposition arrangement" or a "derivative forward agreement" under the Tax Act, or (e) a holder whose "functional currency" for purposes of the Tax Act is the currency of a country other than Canada. Any such holder should consult its own tax advisor with respect to an investment in the Trust Units.

This summary is based upon the provisions of the Tax Act in force as of the date hereof, the Proposed Amendments and counsel's understanding of the current administrative policies of the CRA published in writing prior to the date

hereof. This summary assumes that the Proposed Amendments will be enacted substantially in the form proposed, although there can be no assurance that the Proposed Amendments will be enacted as proposed or at all.

This summary is based on the assumption that the Trust will at all times comply with the Declaration of Trust. This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to the Offering and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action. This summary specifically does not take into account provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be relied on as legal or tax advice to any particular holder or prospective holder of Trust Units. Consequently, prospective holders of Trust Units should seek independent tax advice in respect of the consequences to them of acquiring, holding and disposing of Trust Units.

(a) Status of the Trust

This summary assumes that the Trust will qualify at the closing of the Offering, and will continue to qualify thereafter, as a "mutual fund trust" as defined in the Tax Act and that the Trust will be able to elect, and will elect, to be deemed to be a "mutual fund trust" from the date of its settlement. In order to qualify as a mutual fund trust, in addition to qualifying as a "unit trust", the Trust must satisfy the following conditions:

- (i) the undertaking of the Trust must be limited to a combination of the investing of its funds in property (other than real property or interests in real property) and the acquiring, holding, maintaining, improving, leasing or managing of any real property or an interest in real property, that is capital property of the Trust;
- (ii) the Trust must comply on a continuous basis with certain requirements relating to the qualification of the Units for distribution to the public, the number of Unitholders and the dispersal of ownership of Units; and
- (iii) the Trust may not reasonably be considered to have been established or maintained primarily for the benefit of non-residents of Canada under the Tax Act.

The Trustees have advised counsel that it intends to ensure that the Trust will meet these requirements at all times. If the Trust were not to qualify as a mutual fund trust at any particular time, the Canadian federal income tax considerations described below would, in some respects, be materially different.

This summary has been prepared on the assumption that the Trust will not be a SIFT Trust for purposes of the Tax Act. The Trustees have advised that it has no current intention to arrange to have the Units listed on a stock exchange or on any other public market, and as such, the Trust should not constitute a SIFT Trust. If the Trust were to become a SIFT Trust, the income tax consequences for the Trust and for Unitholders would be materially different than those described herein.

(b) Taxation Principles Applicable to the Trust

The taxation year of the Trust is the calendar year. In each taxation year, the Trust will be subject to tax under Part I of the Tax Act on its income for the year which will include such amount of the income of the Partnership as is allocated in the year to the Trust for purposes of the Tax Act. In computing its income, the Trust may deduct reasonable amounts on account of interest, administrative, management and other expenses incurred by it in the course of carrying on its investment undertaking for the purpose of earning income and which expenses are not reimbursed to it.

Under the Declaration of Trust, an amount equal to all of the income of the Trust and any net capital gains realized by the Trust together with the non-taxable portion of any net capital gains realized by the Trust will generally be paid or become payable in the year to Unitholders by way of distributions of cash and/or Units. Income of the Trust payable to Unitholders will generally be deductible by the Trust in computing its income.

(c) Taxation Principles Applicable to the Partnership

The Partnership is not subject to tax under the Tax Act. Each partner (including the Trust) is required to include in computing the partner's income the partner's share of the income or loss of the Partnership for its fiscal year ending in or coincidentally with the partner's taxation year, whether or not any such income is distributed to the partner in the taxation year. For this purpose, the income or loss of the Partnership will be computed for each fiscal year as if it were a separate person resident in Canada. In computing such income or loss, deductions may be claimed for reasonable amounts in respect of administrative and other expenses incurred for the purpose of earning income from business or property. The income or loss of the Partnership for a fiscal year will be allocated to each Partner on the basis of the Partner's share of such income or loss subject to the Partnership Agreement and the detailed rules in the Tax Act in that regard, including, in the case of allocation of losses to Limited Partners, the at-risk rules.

The Trust, as a partner, will be required to include in its income the taxable portion of any capital gain on the disposition of its interests in the Partnership. In general, a partner's adjusted cost base in a partnership at a particular time is equal to its initial cost of the partnership interest, plus income allocated to it for fiscal periods ending before that time, minus deductible losses allocated to it for fiscal periods ending before that time and minus amounts received by it as distributions of partnership income or capital. To the extent that the adjusted cost base to the Trust in the Partnership is less than zero at the end of a fiscal period of the Partnership, the negative amount will be deemed to be a capital gain of the Trust from the disposition of the partnership interest in the year in which the negative amount arises and the adjusted cost base to the Trust of the partnership interest will be nil immediately thereafter.

(d) Taxation of the Trust

The General Partner has advised that the Partnership anticipates it will make distributions of cash to the Trust in a year in an amount that is at least equal to the income for tax purposes of the Partnership that is allocable to the Trust. The Trustees have advised counsel that the Trust will designate a sufficient amount of its income to Unitholders such that the Trust generally will not be liable for income tax under Part I of the Tax Act, however, no assurance can be given in this regard.

(e) Unitholders

(i) Distributions

A Unitholder will generally be required to include in computing income for a particular taxation year of the Unitholder such portion of the net income of the Trust for a taxation year, including net taxable capital gains, as is paid or becomes payable to the Unitholder in that particular taxation year, whether received in cash, additional Units or otherwise. The non-taxable portion of net capital gains of the Trust that is paid or becomes payable to a Unitholder in a year will not be included in computing the Unitholder's income for the year. Any other amount in excess of the net income of the Trust that is paid or becomes payable by the Trust to a Unitholder in that year will not generally be included in the Unitholder's income for the year. However, the payment by the Trust of such excess amount, other than as proceeds of disposition of Units, will generally reduce the adjusted cost base of the Units held by such Unitholder. To the extent that the adjusted cost base of a Unit is less than zero, the negative amount will be deemed to be a capital gain of the Unitholder from the disposition of the Unit in the year in which the negative

amount arises and the Unitholder's adjusted cost base of the Unit will be nil immediately thereafter. See the discussion below entitled "*Capital Gains and Capital Losses*".

It is expected that, in each year, any cash distributions paid by the Trust to the Unitholders will include both income of the Trust, which will be included in the taxable income of the Unitholders, and non-taxable distributions, which will reduce the adjusted cost base of the Unitholders in their respective Units.

If appropriate designations are made by the Trust, such portion of the net taxable capital gains of the Trust and any taxable dividends received from taxable Canadian corporations as are paid or become payable to a Unitholder will effectively retain their character and be treated as such in the hands of the Unitholder for the purposes of the Tax Act. All other income of the Trust that is paid or becomes payable to a Unitholder generally will be considered income from property, irrespective of its source. Any loss of the Trust for the purposes of the Tax Act cannot be allocated to, or treated as a loss of, the Unitholder.

A holder of Units that throughout the relevant taxation year is a "Canadian controlled private corporation", as defined in the Tax Act, may be liable to pay a refundable tax of 6.67% on certain investment income, including such portion of the income of the Trust and net taxable capital gains of the Trust that are paid or become payable to the Unitholder.

(ii) Acquisition of Units

The adjusted cost base of a Unit acquired by a Unitholder pursuant to this Offering will include all amounts paid or payable by the Unitholder for the Unit, with certain adjustments. The adjusted cost base of any Unit received as a distribution from the Trust will be equal to the fair market value of such Unit, which is expected to be \$10 per Unit. The adjusted cost base of a particular class of Units held by a Unitholder will be determined by averaging the cost of all Units of that class held by the Unitholder as capital property.

(iii) Disposition of Units

Upon the disposition or deemed disposition by a Unitholder of a Unit, the Unitholder will generally realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition are greater (or less) than the aggregate of the Unitholder's adjusted cost base of the Unit and any reasonable costs of disposition.

A redemption of Units pursuant to the Declaration of Trust in consideration for cash or promissory notes issued by the Trust to the redeeming Unitholder, as the case may be, will be a disposition of such Units for proceeds of disposition equal to the amount of cash or the fair market value of such promissory notes. Redeeming Unitholders will consequently realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition are greater (or less) than the adjusted cost base of the Units so redeemed.

The cost of the promissory notes issued by the Trust upon a redemption of Units will be equal to the fair market value of such promissory notes.

(iv) Capital Gains and Capital Losses

One-half of any capital gain realized by a Unitholder and the amount of any net taxable capital gains designated by the Trust in respect of the Unitholder will be included in the Unitholder's income under the Tax Act for the year of disposition or designation, as the case may be, as a taxable capital gain. Please note that these amounts are subject to change based on amendments or changes to the Tax Act as they pertain to inclusion and tax rates for various investment returns. Subject to certain specific rules in the Tax Act, one-half of any capital loss (an "allowable capital loss") realized by a Unitholder upon a disposition of Units in a particular taxation year may be deducted against (i) any taxable capital gains realized by the Unitholder in such taxation year, (ii) net capital gains in any of

the three preceding taxation years and (iii) net capital gains in any subsequent taxation year. A capital loss realized on the disposition of a Unit by a Unitholder that is a corporation or trust (other than a mutual fund trust), whether directly or as a member of a partnership, may be reduced in respect of certain distributions to the Unitholder out of dividends received by the Trust and designated by the Trust in respect of the Unitholder to the extent and under the circumstances described in the Tax Act.

A holder of Units that throughout the relevant taxation year is a "Canadian controlled private corporation", as defined in the Tax Act, may be liable to pay a refundable tax of 6.67% on certain investment income, including taxable capital gains.

(v) Eligibility for Investment

In the opinion of Dentons Canada LLP, counsel to the Issuer, the Units will be qualified investments under the Tax Act for Exempt Plans so long as: (1) the Trust has at least 150 Unitholders before the 91st day ending after its first taxation year, and (2) the Trust elects in its first tax return to be treated as a mutual fund trust since its inception and at all times qualifies as a mutual fund trust for the purposes of the Tax Act.

However, the holder of a TFSA, or the annuitant of a RRSP or a RRIF, which holds Units will be subject to a penalty tax if the holder or the annuitant, as the case may be, does not deal at arm's length with the Trust for the purposes of the Tax Act or if the holder or the annuitant, as the case may be, has a significant interest, within the meaning of the Tax Act, in the Trust or in a corporation, partnership or trust with which the Trust does not deal at arm's length for the purposes of the Tax Act. Unitholders are advised to consult their own tax and legal advisors regarding the application of the foregoing to their particular circumstances.

Where an Exempt Plan receives promissory notes as a result of a redemption of Units, such promissory notes may not be qualified investments for the Exempt Plan. Accordingly, Exempt Plans that own Units should consult their own tax advisors before deciding to exercise their redemption rights.

If the Trust ceases to qualify as a mutual fund trust, it will be required to pay a tax under Part XII.2 of the Tax Act. The payment of Part XII.2 tax by the Trust may have adverse income tax consequences for certain holders of Units, including Exempt Plans that acquire an interest in the Trust directly or indirectly from another holder of Units.

If the Trust ceases to qualify as a mutual fund trust, it may cease to be a qualified investment for Exempt Plans, and may result in significant adverse tax consequences to the Exempt Plan and/or to the holder or annuitant, as the case may be, of a TFSA, RRSP or RRIF.

(vi) Taxation of Unitholders Not Resident in Canada

Unitholders who, for the purposes of the Tax Act and any relevant tax treaty, are not resident in Canada and are not deemed to be resident in Canada should consult their own tax advisors regarding their particular circumstances.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Unitholder and no representations with respect to the income tax consequences are made to any particular Unitholder. Consequently, prospective Unitholders should consult their own tax advisors with respect to their particular circumstances. Unitholders who are residents of Canada, but who are also subject to the tax laws of another jurisdiction (such as the United States of America), should consult their own tax advisors.

ITEM 7 - COMPENSATION PAID TO SELLERS AND FINDERS

The Trust has authorized the issuance of three (3) different classes of Offered Units for Subscribers to purchase under the Offering. Eligible third-party dealers and brokers may be entitled to receive a Commission, Dealer Fee and/or Service Fee, as applicable, in connection with the subscription for Offered Units under the Offering. In addition, the Administrator may be entitled to receive an Administrator Fee in connection with the subscription for Offered Units under the Offering.

Details of the compensation payable to the Administrator, third party dealers and brokers are as follows:

Class A Trust Units: Class A Trust Unit purchasers will be charged a front-end sales Commission of up to 5.0% of the gross Subscription Proceeds and a Dealer Fee of up to 1.5% of the gross Subscription Proceeds by their third party dealer or broker. In addition, the Administrator shall be entitled to an Administrator Fee of up to 1.0% of the gross Subscription Proceeds in respect of the Class A Trust Units. However, in no circumstance shall the aggregate of the Commission, the Dealer Fee and the Administrator Fee exceed 6.5% of the gross Subscription Proceeds.

Class B Trust Units: Class B Trust Unit purchasers will be charged a front-end sales Commission of up to 5.0% of the gross Subscription Proceeds and a Dealer Fee of up to 1.5% of the gross Subscription Proceeds by their third party dealer or broker. In addition, the Trust will pay an annual Service Fee of up to 1.0% of the Net Asset Value of the Class B Trust Units sold by a registered third-party dealer or broker in respect of those clients who continue to hold Class B Trust Units as at the end of each year. Finally, the Administrator shall be entitled to an Administrator Fee of up to 1.0% of the gross Subscription Proceeds in respect of the Class B Trust Units. However, in no circumstance shall the aggregate of the Commission, the Dealer Fee and the Administrator Fee exceed 6.5% of the gross Subscription Proceeds.

Class F Trust Units: Class F Trust Units are only available to Subscribers who participate in fee-based programs through authorized third-party dealers or brokers. No Commission, Dealer Fee, Service Fee or Administrator Fee will be charged in respect of the Class F Trust Units. Therefore, Subscribers who purchase Class F Trust Units would only pay ongoing fees charged by their third-party dealer or broker for their investment advice and other services.

Notwithstanding the foregoing, the Trust will not pay any commissions or fees to persons that the Trust is not permitted to pay a commission or fee to under applicable securities laws, notwithstanding the class of Trust Units subscribed for by the Subscriber.

ITEM 8 - RISK FACTORS

Investment in the Trust Units should only be made after consulting with independent and qualified sources of investment and tax advice. Investment in the Trust Units at this time is highly speculative due to the stage of the Issuer's development and the structure of the Issuer. Investors must rely on the management by the Trustees and the Administrator. Any investment in the Issuer at this stage involves a high degree of risk.

In addition to factors set forth elsewhere in this Offering Memorandum, potential Subscribers should carefully consider the following factors, many of which are inherent to the ownership of the Trust Units. An investment in the Trust Units involves various risks and uncertainties. The risks discussed in this Offering Memorandum can adversely affect the Issuer's operations, operating results, prospects and financial condition. This could cause the value of the Trust Units to decline and cause investors therein to lose part or all of their investment. In addition to

those set out below and elsewhere in this Offering Memorandum, other material risks and uncertainties of which the Issuer and the Partnership are not presently aware may also harm the Partnership's activities. The following is a summary only of the material risk factors involved in an investment in the Trust Units. Prospective investors should review the risks with their legal and financial advisors.

8.1 Investment Risk

Among the risks of investing in the Issuer are the following:

- (a) **No Guaranteed Return** – There is no guarantee that an investment in Trust Units will earn any positive return in the short or long-term. The value of the Trust Units may increase or decrease depending on market, economic, political, regulatory and other conditions affecting the Issuer. Investment in the Trust Units may be more volatile and risky than some other forms of investments. All prospective Subscribers should consider an investment in the Issuer within the overall context of their investment policies. Distributions and any redemption obligations are not guaranteed by an independent third party.
- (b) **Highly Speculative** – The purchase of Trust Units is highly speculative. A potential Subscriber should purchase Trust Units only if it is able to bear the risk of the entire loss of its investment. An investment in the Trust Units should not constitute a significant portion of a Subscriber's portfolio.
- (c) **Investment Not Liquid** – The Trust Units will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, a Unitholder will not be able to trade or transfer the Trust Units unless it complies with very limited exemptions from the prospectus and registration requirements under applicable securities legislation. As the Issuer has no intention of becoming a reporting issuer in any jurisdiction in Canada, these restrictions in trading will not expire. There is no market over which the Trust Units may be traded and it is very unlikely that one will develop. Consequently, Unitholders may not be able to liquidate their Trust Units in a timely manner, if at all, or pledge their Trust Units as collateral for loans. An investment in Trust Units is hence suitable only for sophisticated investors who do not need full liquidity with respect to this investment. See ITEM 10 – *Resale Restrictions*.
- (d) **Loss of Investment** – An investment in Trust Units is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. The Issuer is not a member institution of the Canada Deposit Insurance Corporation and the Trust Units offered pursuant to this Offering Memorandum are not insured against loss through the Canada Deposit Insurance Corporation.
- (e) **Market for Securities** – There is presently no market for the Trust Units offered under this Offering Memorandum, nor is there any guarantee or expectation that such a market will develop.
- (f) **Preferences Granted to Other Units** – From time to time, the Trustees may designate and the Issuer may issue an unlimited number of Units in one or more classes (for these purposes "**Other Units**") with rights, privileges, restrictions and conditions determined by the Trustees. If and whenever the Trustees designate a class of Other Units, the rights of the Unitholders currently holding Trust Units may be subject to preferences that may be granted to the holders of Other Units, including preferential distributions or a preferential return on the distribution of assets in the event of the Issuer's liquidation, dissolution or winding up. The Trustees' intention in creating Other Units is to provide flexibility for the Issuer to attract investors with different investment preferences from those who purchase Trust Units. No designation or issuance of any class or series of Other Units has been authorized.

- (g) Possible Effect of Redemptions – Substantial redemptions of Trust Units could cause the Trust Units to cease to qualify as investments that may be held by a registered plan. As a result, the Trustees may be forced to suspend or postpone redemption of the Trust Units and the Trust Units may cease to be eligible to be held in the applicable registered plan.
- (h) Regulatory Review – This Offering Memorandum constitutes an offering of the securities described herein only in those jurisdictions and to those Persons where and to whom they may be lawfully offered for sale and is not, and under no circumstances is to be construed as a public offering, prospectus or an advertisement of securities. Subscribers will not have the benefit of a review of the material by any regulatory authority.

8.2 Issuer Risk

Among the risks of investing in the Issuer are the following:

- (a) Limited Operating History – While some of the individual members of the Administrator's management team have experience in property development and operations of the sort contemplated by the Issuer (see ITEM 3.2 – *Management Experience*), the Trust is newly settled with no previous operating history. The general partner of both the Partnership and Residential LP have been incorporated for the purpose of managing the affairs of the Partnership and Residential LP, respectively, and do not have a record of performance to be relied upon. The Residential LP's operations are subject to the risks inherent in the establishment of a new investment activity, including a lack of operating history other than the Initial LPs. The Issuer cannot be certain that its investment strategy will be successful. The likelihood of success of the Issuer, the Partnership and Residential LP must be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the acquisition and development of real estate. If the Issuer, the Partnership and Residential LP fail to address any of these risks or difficulties adequately, its investment performance will likely suffer. Future profits, if any, will depend upon various factors, many of which are out of the Issuer's, the Administrator's and General Partner's control. There is no assurance that the Issuer, the Partnership and Residential LP can operate profitably or that the Issuer, the Partnership and Residential LP will successfully implement its plans.
- (b) Reliance on Management – Unitholders must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the Trustees in the management of the Issuer. The Issuer's success is entirely dependent on the performance of the Partnership and Residential LP, and therefore, is reliant on the Administrator's management of the Partnership and Residential LP on behalf of their respective general partners. The Partnership's and Residential LP's success is substantially dependent on the performance of the Administrator, on behalf of their respective general partners, and its consultants. The loss of the Administrator or a key consultant would have a material adverse impact on the Partnership and Residential LP. The Partnership and Residential LP will generally be dependent on the Administrator, on behalf of their respective general partners, for the direction, management and daily supervisions of their operations.

Decisions regarding the management of the Partnership's and Residential LP's affairs will be made exclusively by the officers and directors of the Administrator (on behalf of their respective general partners), and not by the Limited Partners. Accordingly, Subscribers must carefully evaluate the personal experience and business performance of the officers and directors of the Administrator. The Administrator may retain independent contractors, including affiliates of the Administrator and/or the general partner of the Partnership or Residential LP to provide services to the Partnership and Residential LP. These contractors have no fiduciary duty to Unitholders.

- (c) **Changes in Tax Status** – It is intended that the Trust continue to qualify as a mutual fund trust for the purposes of the Tax Act. The Trust may not, however, always be able to satisfy future requirements for the maintenance of mutual fund trust status. Some of the significant consequences of the Trust losing mutual fund trust status are as follows:
- (i) The Trust would be taxed on certain types of income distributed to Unitholders. Payment of this tax may have adverse consequences for certain Unitholders, particularly Unitholders that are not residents of Canada and residents of Canada that are otherwise exempt from Canadian income tax.
 - (ii) Trust Units held by Unitholders that are non-residents of Canada would become taxable Canadian property. These non-resident Unitholders would be subject to Canadian income tax on any gains realized on a disposition of Trust Units held by them, subject to the application of an exemption under an income tax convention.
 - (iii) The Trust Units would not constitute qualified investments for Exempt Plans, which may result in adverse tax consequences.

The Trust may take certain measures in the future to the extent the Trust believes them necessary to ensure that it maintains its status as a mutual fund trust. These measures could be adverse to certain Unitholders.

- (d) **Ability to Pay Cash Distributions** – The Trust's ability to pay cash distributions is dependent upon the Trust's ability to generate sufficient cash flow. This in turn depends on the successful acquisition of additional real estate assets with the investment criteria established by the Partnership and Residential LP and implementation of its business plan by the Partnership and Residential LP. The Trust Units have not been and will not be rated by a bond-rating agency. As a result of these factors, this Offering is only suitable to those investors who are willing to rely on the management of the Trustees and the General Partner and who can afford to lose their entire investment.
- (e) **Continuous Disclosure Obligations** – The Issuer is not a reporting issuer and does not have any continuous disclosure obligations.
- (f) **Requirement for Additional Capital** – The business plan of the Issuer is based on the Issuer raising sufficient funding. In addition, the Issuer will continue to raise additional capital in the future in order for the Partnership and its subsidiaries to acquire additional real properties. In the event that insufficient financing is raised hereunder, the Issuer and the Partnership will require substantial additional financing to carry out the business plan from third party financial institutions. This may prove difficult or even impossible (see ITEM 2.6 – *Insufficient Funds*). The ability of the Partnership to arrange its financing in the future may well depend in part upon the prevailing market conditions as well as the business performance of the Partnership.
- (g) **Distributions and Allocations** – If the Trust has taxable income for Canadian federal income tax purposes for a fiscal year, such income will be allocated to Unitholders in accordance with the provisions of the Declaration of Trust and will be required to be included in computing their income for tax purposes, irrespective of the fact that profits may not have been distributed to Unitholders. Since allocations of income and losses of the Trust to Unitholders will only be made in accordance with the terms of the Declaration of Trust, such allocations to a particular Unitholder may not correspond to the economic gains and losses which such Unitholder may experience.
- (h) **Unitholder Liability** – The Declaration of Trust provides that no Unitholder shall be liable in connection with the ownership or use of Trust Property, the obligations or activities of the Trust, any acts or omissions

to act of the Trustees in respect of affairs of the Trust or any taxes or fines payable by the Trust or the Trustees, provided that each Unitholder shall remain responsible for taxes assessed against them by reason of or arising out of their ownership of Units. However, if any personal liability may also rise in respect of claims against the Trust that do not arise under contracts, including claims in tort, claims for taxes and possibly certain other statutory liabilities, the Unitholder will be indemnified for such claims to the extent provided for in the Declaration of Trust. The operations of the Trust will be conducted, upon the advice of legal counsel, in such a way and in such jurisdictions so as to avoid, to the extent possible, any material risk of liability to the Unitholders for claims against the Trust.

The Trust shall have no liability to reimburse any Person for transfer or other taxes or fees payable on the transfer of Units or any income or other taxes assessed against any Person by reason of ownership or disposition of Units.

On July 11, 2004, the ITLA came into force. The ITLA protects Unitholders of Alberta income trusts that are reporting issuers under the *Securities Act* (Alberta) from legal uncertainties regarding potential liability by providing a statutory limitation on Unitholders' liability. Specifically, the ITLA provides that a Unitholder will not be, as a beneficiary, liable for any act, default, obligation or liability of the trustee that arises after the ITLA came into force. The Trust has no current plans to become a reporting issuer and accordingly, Unitholders will not have the benefit of this protection.

- (i) Rights of Unitholders – Although the Declaration of Trust confers upon a Unitholder many of the same protections, rights and remedies as an investor would have as a shareholder of a corporation, there do exist some significant differences. Unlike shareholders of an ABCA corporation, Unitholders do not have a comparable right to make a Unitholder proposal at a general meeting of the Trust. The matters in respect of which Unitholder approval is required under the Declaration of Trust are generally less extensive than the rights conferred on the shareholders of an ABCA corporation, but effectively extend to certain fundamental actions that may be undertaken by the Trust.

Unitholders do not have a recourse to a dissent right under which shareholders of an ABCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, a continuance under the laws of another jurisdiction, the sale of all or substantially all of its property, a going-private transaction or the addition, change or removal of provisions restriction (i) the business or businesses that the corporation can carry on or (ii) the issue, transfer or ownership of shares). As an alternative Unitholders seeking to terminate their investment in the Trust are entitled to redeem their Units, as described in ITEM 5.1 – *Terms of Securities*. Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of an ABCA corporation where the corporation undertakes actions that are oppressive, unfairly prejudicial or disregarding the interests of securityholders and certain other parties. Shareholders of an ABCA corporation may apply to a court to order the liquidation and dissolution of the corporation in those circumstances, whereas Unitholders can rely only on the general provisions of the Declaration of Trust which permit the winding up of the Trust with the approval of a special resolution of the Unitholders.

Shareholders of a corporation may also apply to a court for the appointment of an inspector, subject to court oversight and other investigative procedures, to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. By virtue of the right to requisition a meeting of Unitholders, the Declaration of Trust allows Unitholders to call meetings to consider such matters as may be put forth by the Unitholder(s) in the requisition notice. Corporate statutes also permit shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The

Declaration of Trust does not include a comparable right of the Unitholders to commence or participate in legal proceedings with respect to the Trust.

- (j) Tax Aspects – It is possible that the Trust could become a SIFT Trust for the purposes of the Tax Act if the Units became listed for trading or if a public market is created on which the Units are traded. If the Trust became a SIFT Trust adverse tax consequences could result to the Trust and the Unitholders. There is no current intention to list the Units.
- (k) Status of the Trust – The Trust is not a reporting issuer "mutual fund" for securities law purposes. As a result, some of the protections provided to investors in mutual funds under such laws will not be available to investors in the Trust Units, and certain restrictions imposed on mutual funds under Canadian securities laws, including National Instrument 81-102, do not apply to the Trust.
- (l) Lack of Independent Experts Representing Unitholders – Each of the Trust and the Trustees has consulted with a single legal counsel regarding the formation and terms of the Trust and the Offering of Trust Units. The Unitholders have, however, not been independently represented. Therefore, to the extent that the Trust, the Unitholders or this Offering could benefit by further independent review, such benefit will not be available. Each prospective investor should consult his or her own legal, tax and financial advisors regarding the desirability of purchasing Trust Units and the suitability of investing in the Trust.
- (m) Independence of Officers, Directors and Trustees – No assurance can be given that any of the Trustees or the directors or officers of the Administrator or the General Partner will be considered to be independent within the meaning of applicable securities laws. Further, the Trustees and the directors and officers of the Administrator and the General Partner will not be devoting all of their time to the affairs of the Trust and the Partnership, as applicable, but will be devoting such time as required to effectively manage the Trust and the Partnership, as applicable. The directors and officers of the Administrator and the General Partner may be engaged in the search for business prospects on their own behalf or on behalf of others. There are potential conflicts of interest to which the Trustees and the directors and officers of the Administrator and the General Partner will be subject in connection with the operations of the Trust and the Partnership, as applicable. The directors and officers of the Administrator and the General Partner may be engaged in the identification and evaluation, with a view to potential acquisition, of interests in businesses on their own behalf and situations may arise where the directors and officers will be in direct competition with the Trust and the Partnership, as applicable. Conflicts, if any, will be subject to the forms and conditions of the Declaration of Trust, the Partnership Agreement and the Administration Agreement.
- (n) Default on Indebtedness – If the Partnership or Residential LP defaults in the repayment of any indebtedness including any future indebtedness that might exist, the creditors holding such indebtedness will be entitled to exercise available legal remedies against the Partnership including potential recourse against the real estate assets in which the Residential LP has an interest. There is no assurance that there will be assets available to recover any portion of a Unitholder's investment.
- (o) No Involvement of Registered Investment Dealers – No independent investment dealer (IIROC registered) has made any review or investigation of the terms of this Offering, the structure of the Trust or the background of the Trustees.
- (p) Possible Loss of Limited Liability – The limitation of liability of a Limited Partner, such as the Trust, will be lost by a Limited Partner if it takes part in the control of the business of the Partnership or if it is also the General Partner of the Partnership. A Limited Partner may be considered to be the General Partner under applicable legislation, with the resultant loss of limited liability, in the event the General Partner is dissolved or becomes bankrupt and the investment activities of the Partnership are continued after the

occurrence of such events. The limitation of liability will also be lost as a result of false statements in the record or in public filings made pursuant to the Partnership Act and other legislation which are known to be false by a Limited Partner and which such Limited Partner failed to have corrected within a reasonable amount of time. There is also a possibility that a Limited Partner may lose its limited liability to the extent that the principles of Canadian law recognizing the limitation of liability of limited partners have not been authoritatively established with respect to limited partnerships formed under the laws of one province but operating, owning property or incurring obligations in another jurisdiction. As a result there is a risk that a Limited Partner could lose its limited liability in certain circumstances and be liable beyond its capital contribution and share of undistributed net income of the Partnership. Where a Limited Partner has received a distribution from the Partnership, such Limited Partner may be liable to return to the Partnership or, if the Partnership is dissolved, to its creditors, any amount, not in excess of the amount distributed to such Limited Partner with interest, as may be necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before such distribution.

- (q) **Loss of Limited Liability on Dissolution** – Upon dissolution of the Partnership, a Limited Partner, such as the Trust, may receive undivided interests in the Partnership assets and will no longer enjoy limited liability with respect to the ownership of such assets.
- (r) **General Partner has Limited Assets** – The General Partner has unlimited liability for the obligations of the Partnership. The General Partner will indemnify and hold harmless the Partnership from and against all costs incurred and damages suffered by the Partnership as a result of gross negligence, willful misconduct or fraudulent act by the General Partner or as a result of any act or omission by the General Partner not believed in good faith by the General Partner to be within the scope of authority of the General Partner conferred by the Partnership Agreement. The General Partner has, and will continue to have, limited financial resources and will only have limited assets, which will affect its ability to indemnify the Partnership. The amount of any such indemnity will be limited to the extent of the assets of the General Partner and will under no circumstance include the assets of any affiliate of the General Partner.
- (s) **Changes in Applicable Laws** – Legal, tax and other regulatory changes may occur that may adversely affect the Issuer and the Unitholders. There can be no assurance that income tax, securities and other laws will not be changed in a manner which adversely affects the Issuer or the Unitholders.
- (t) **No Right to Use of the Real Estate Assets** – The purchasers of Trust Units hereunder will have no right to use, occupy, or seek partition of, any part of the real estate assets nor may any purchaser of Trust Units encumber any part of the real estate assets.

8.3 **Industry Risk**

Among the risks of investing in the Issuer are the following:

- (a) **Real Estate Business** – The value of the Trust Units and the availability of cash to pay cash distributions and the principal on the Trust Units as set out herein is entirely dependent upon the success of the proposed business of Partnership and Residential LP. Real estate investments are generally subject to varying degrees of risk depending on the nature of the property. Such risks include the highly competitive nature of the real estate industry, changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as the supply of office, retail space or warehousing or the demand for residential real estate in the area), government regulation and changes therein (such as zoning, taxation of property and environmental legislation), changes in governments and the political environment in the jurisdictions in which the real estate assets are located and the attractiveness of properties to potential purchasers and developers. In addition, each segment in the real estate industry is capital intensive and is

typically sensitive to interest rates. The market for real property can be affected adversely by economic factors, which may be regional, national or international in scope.

The Partnership and Residential LP will be required to make certain expenditures in respect of its activities, including, but not limited to, the payment of property taxes, maintenance costs, insurance costs and related charges regardless of whether or not the real estate assets are producing sufficient income to service such expenses. If the Partnership or Residential LP is unable or unwilling to meet such payment obligations, losses could be sustained as a result of the exercise by creditors of rights of foreclosure or sale.

- (b) **Construction Costs** – The real estate development industry is significantly impacted by fluctuations in the cost of construction and servicing of land. Any material increase in construction and/or servicing costs may have a materially adverse effect on the profits to the Partnership.
- (c) **Reliance on Trades/Suppliers** – The real estate industry has from time to time experienced significant difficulties in the supply of materials and services such as shortages of qualified trades people, labor disputes, shortages of building materials, unforeseen environmental and engineering problems and increases in the cost of certain materials (particularly increases in the price of lumber, wall board and cement, which are significant components of construction costs). When any of these difficulties occur, it causes delays and increases the cost of constructing which in turn negatively affects the Partnership's operations or the ability to acquire additional properties.
- (d) **Uninsured Losses on the Real Estate Assets** – Although the Partnership intends to insure the real estate assets in a manner that the Partnership determines to be appropriate, there may be risks that are not foreseen and against which the Partnership has not obtained insurance. In addition, insurance against some risks may not be available or may be prohibitively expensive. Even in cases where the Partnership has insured against loss, the amount of the loss may exceed the limits of the policy, the Partnership may not be able to substantiate the full extent of the loss to the satisfaction of the insurer and any coverage may be subject to large deductibles or co-payments.
- (e) **Economic and Political Climate** – Recent declines in economic conditions in Canada and the regions in which the Partnership operates could adversely affect the operations of the Partnership and the Issuer and the value of the Trust Units. Also, the possibility that the municipal government, provincial government and the federal government could implement legislation and policies that would have an adverse effect on the value of the Trust Units needs to be considered by potential Subscribers. Examples of such policies are tax reform, zoning restrictions, land ownership restrictions, transportation policies, development moratoriums, annexation proceedings or other adverse economic and/or monetary policies. Finally, the economy may not sustain the levels of growth required for the Partnership to be successful and projections regarding future growth may not be accurate.
- (f) **Competition** – The Partnership will be competing with other investors, developers, and owners of properties for the sale of desirable real estate properties. Certain of these competitors have greater financial and other resources and greater operating flexibility than the Partnership. The existence of competing developers and owners could have a material adverse effect on the ability of the Partnership to purchase and sell real estate assets and could adversely affect the profitability of the Partnership.
- (g) **Environmental Issues** – Under various environmental laws, ordinances and regulations, the current or previous owner or operator may be liable for the costs of removal or remediation of hazardous or toxic substances on, under or in the real estate assets. These costs could be substantial. Such laws could impose liability whether or not the Partnership knew of, or was responsible for, the presence of such hazardous or toxic substances. The presence of hazardous or toxic substances, or failure to remove or remediate such

substances, if any, or restrictions imposed by environmental laws on the manner in which the real estate assets may be operated or developed, could adversely affect the Partnership's ability to sell the real estate assets or to borrow using the real estate assets as collateral and could potentially also result in claims against the Partnership. Environmental laws provide for sanctions for non-compliance and may be enforced by governmental agencies or, in certain circumstances, by private parties. Certain environmental laws and common law principles could be used to impose liability for release of and exposure to hazardous substances into the air. Third parties may seek recovery from real property owners or operators for personal injury or property damage associated with exposure to released hazardous substances. The cost of defending against claims of liability, of complying with environmental regulatory requirements, of remediating any contaminated property, or of paying personal injury claims could be substantial and reduce the value of the investment in the Trust Units. The Partnership may be subject to liability for undetected pollution or other environmental hazards against which it cannot insure, or against which it may elect not to insure where premium costs are disproportionate to the Administrator's perception of relative risk.

The foregoing risk factors do not purport to be a complete explanation of all risks involved in purchasing Trust Units described herein. Potential investors should read this entire Offering Memorandum and the attached Subscription Agreement carefully and consult with their legal and other professional advisors before determining to invest in Trust Units of the Issuer.

ITEM 9 - REPORTING OBLIGATIONS

9.1 Reporting

The Issuer is not subject to continuous reporting and disclosure obligations which the securities legislation in any province would require of a "reporting issuer" as defined in such legislation. However, the Issuer is required to file with the securities regulatory authority in Alberta audited annual financial statements within 120 days after the end of each of its financial years and deliver them or make them reasonably available to each Unitholder. In addition, these financial statements must be accompanied by a notice of the Issuer disclosing in reasonable detail the use of the aggregate proceeds raised under the Offering.

The Trustees will send to all Unitholders, the audited financial statements of the Trust together with comparative financial statements for the preceding fiscal year, within 120 days of the end of the fiscal year of the Trust. Such financial statements will be prepared in accordance with IFRS.

On or before March 31 in each year, or such date as may be required under law, the Trust shall provide to Unitholders who received distributions from the Trust in the prior calendar year, such information regarding the Trust required by Canadian law to be submitted to Unitholders for income tax purposes to enable Unitholder to complete their tax returns in respect of the prior calendar year.

The Trustees shall prepare and maintain adequate accounting records. Unitholders have the right to obtain, on demand and without fee, from the Trust, a copy of the Declaration of Trust and minutes of meetings of Unitholders and any written resolutions of Unitholders passed in lieu of a meeting.

ITEM 10 - RESALE RESTRICTIONS

10.1 General Statement

These securities will be subject to a number of resale restrictions, including a restriction on trading. Until the restriction on trading expires, you will not be able to trade the securities unless you comply with an exemption from the prospectus and registration requirements under applicable securities legislation.

The Trust is not:

- (a) a reporting issuer in any Canadian province or territory, nor
- (b) a SEDAR filer in any Canadian province or territory.

A transfer or sale of a Trust Unit shall not be binding until the following has occurred:

- (c) the details of the transfer or sale have been reported to the Trust;
- (d) the Trustees have received an acceptable form of transfer; and
- (e) the transfer or sale has been recorded on the applicable registers of the Trust.

The transfer or sale of a Trust Unit must be of a whole Unit, unless such Unit already exists as a fraction.

10.2 **Restricted Period**

Unless permitted under securities legislation, you cannot trade the securities before the date that is 4 months and a day after the date the Issuer becomes a reporting issuer in any province or territory of Canada. The Issuer does not have any intention of becoming a reporting issuer in any jurisdiction and therefore the restricted period will not expire.

For trades in Manitoba:

Unless permitted under securities legislation, you must not trade the securities without the prior written consent of the regulator in Manitoba unless:

- (a) the Issuer has filed a prospectus with the regulator in Manitoba with respect to the securities you have purchased and the regulator in Manitoba has issued a receipt for the prospectus; or
- (b) you have held the securities for at least 12 months.

The regulator in Manitoba will consent to your trade if the regulator is of the opinion that to do so is not prejudicial to the public interest.

The foregoing is a summary of resale restrictions relevant to Subscribers of Trust Units offered hereby. The foregoing is not intended to be exhaustive and all Subscribers under this Offering should consult with their own professional advisers with respect to restriction on the transferability of the Trust Units offered hereunder.

ITEM 11 - PURCHASER'S RIGHTS

If you purchase these securities, you will have certain rights, some of which are described below. For more information about your rights, you should consult a lawyer.

11.1 Two Day Cancellation Right

You can cancel your agreement to purchase these securities. To do so, you must send a notice to the Issuer by midnight on the 2nd Business Day after you sign the Subscription Agreement to buy Offered Units.

11.2 Statutory Rights of Action in the Event of a Misrepresentation

The following statutory rights of action for damages or rescission will apply to a purchase of Offered Units. The applicable securities legislation in certain jurisdictions provides purchasers, or requires purchasers be provided, with remedies for rescission or damages, or both, if this Offering Memorandum or any amendment to it contains a misrepresentation. However, these remedies must be exercised within the time limits prescribed. Subscribers should refer to the applicable legislative provisions of their province or territory for the complete text of these rights and/or consult with a legal advisor.

British Columbia, Alberta, New Brunswick and Nova Scotia: If you are a resident of British Columbia, Alberta, New Brunswick or Nova Scotia and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Issuer to cancel your agreement to buy these securities; or
- (b) for damages against the Issuer, every person who was a director of the Issuer at the date of this Offering Memorandum and every other person who signed this Offering Memorandum.

Ontario: If you are a resident of Ontario and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue the Issuer:

- (a) to cancel your agreement to buy these securities; or
- (b) for damages.

Saskatchewan: If you are a resident of Saskatchewan and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Issuer to cancel your agreement to buy these securities; or
- (b) for damages against:
 - (i) the Issuer and every promoter or director of the Issuer at the time this Offering Memorandum or the amendment to the Offering Memorandum was sent or delivered; and
 - (ii) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them; and
 - (iii) every person who or company that, in addition to the persons or companies mentioned in clauses (i) and (ii), signed the Offering Memorandum or an amendment to the Offering Memorandum; and
 - (iv) every person who or company that sells securities on behalf of the Issuer under the Offering Memorandum or an amendment to the Offering Memorandum.

Prince Edward Island: If you are a resident of Prince Edward Island and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Issuer to cancel your agreement to buy the securities; or

- (b) for damages against the Issuer, the selling security holder on whose behalf the distribution is made, every director of the Issuer at the date of the Offering Memorandum, and every person who signed the Offering Memorandum.

Quebec: If you are a resident of Quebec and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Issuer to cancel your agreement to buy the securities,
- (b) the Issuer to have the price of the Offering Memorandum revised; or
- (c) for damages against the Issuer or the holder, the Issuers officers or directors, the dealer under control to the Issuer or holder, an expert whose opinion contained a misrepresentation, or any person who is required to sign an attestation in the prospectus.

Newfoundland and Labrador: If you are a resident of Newfoundland and Labrador and if there is a misrepresentation in this Offering Memorandum, you have a statutory right to sue:

- (a) the Issuer to cancel your agreement to buy the securities; or
- (b) for damages against the Issuer, every director of the Issuer at the date of the Offering Memorandum, and every person who signed the Offering Memorandum.

If you intend to rely on the rights described in (a), (b) or (c) above, as applicable, you must do so within strict time limitations. Except in Quebec, you must commence your action to cancel the agreement within 180 days from the day of the transaction that gave rise to the cause of action. In Quebec you must commence an action for rescission no more than 3 years after the date of purchase of the securities. In Ontario, British Columbia, Alberta, Prince Edward Island and Newfoundland and Labrador, you must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years from the day of the transaction that gave rise to the cause of action. In Saskatchewan and New Brunswick, you must commence your action for damages within the earlier of one year after learning of the misrepresentation and 6 years from the day of the transaction that gave rise to the cause of action. In Nova Scotia you must commence your action for damages no later than 120 days after the date on which payment was made for the securities or after the date on which the initial payment for the securities was made. In Quebec you must commence an action for damages no later than the earlier of (i) 3 years after the investor first had knowledge of the facts giving rise to the cause of action, or (ii) 5 years from filing of this Offering Memorandum with the Autorité des marchés financiers.

If you elect to exercise your right of rescission against the Issuer, you will not have the right of action for damages.

The statutory right to sue is available to you whether or not you relied on the misrepresentation. However, there are various defences available to the persons or companies that you have a right to sue. In particular, they have a defence if you knew of the misrepresentation when you purchased the securities.

In the case of an action for damages, the Issuer will not be liable for all or any part of the damages that it proves does not represent the depreciation in value of the securities resulting from the misrepresentation and in no case will the amount exceed the price at which the securities were offered to you under this Offering Memorandum.

11.3 Contractual Rights of Action in the Event of a Misrepresentation

If you are a resident of Manitoba and if there is a misrepresentation in this Offering Memorandum, you have a contractual right set out in your subscription agreement to sue the Issuer:

- (a) to cancel your agreement to buy these securities; or
- (b) for damages.

The contractual right to sue is available to you whether or not you relied on the misrepresentation. However, in an action for damages, the amount you recover will not exceed the price that you paid for your securities and will not include any part of the damages that the Issuer proves does not represent the depreciation in value of the securities resulting from the misrepresentation. The Issuer has a defence if it proves that you knew of the misrepresentation when you purchased the securities.

If you intend to rely on the rights described in (a) or (b) above, you must do so within strict time limitations. You must commence your action to cancel the agreement within 180 days after you signed the agreement to purchase the securities. You must commence your action for damages within the earlier of 180 days after learning of the misrepresentation and 3 years after you signed the agreement to purchase the securities.

The foregoing is a summary only of your rights. You are advised to consult your legal advisors for advice concerning your rights of action.

General

The securities laws of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, Prince Edward Island, New Brunswick and Newfoundland and Labrador are complex. Reference should be made to the full text of the provisions summarized above relating to contractual and statutory rights of action. **Subscribers should consult their own legal advisers with respect to their rights and the remedies available to them. The rights discussed above are in addition to and without derogation from any other rights or remedies which Subscribers may have at law.**

11.4 Marketing Materials

All marketing materials related to each distribution under this Offering Memorandum which are delivered or made reasonably available to a prospective purchaser before the termination of the distribution are incorporated into and form part of this Offering Memorandum, including, without limitation:

- (i) the information memorandum of the Trust dated August 25, 2016; and
- (ii) the corporate presentation dated August 25, 2016.

ITEM 12 - FINANCIAL STATEMENTS

The following financial statements are included:

- (i) Audited Financial Statements for LP III for the period ended December 31, 2014;
- (ii) Audited Financial Statements for LP IV for the period ended December 31, 2014;
- (iii) Audited Financial Statements for Vantage LP for the period ended December 31, 2014;
- (iv) Unaudited Interim Financial Statements for LP III for the period ended September 30, 2015;
- (v) Unaudited Interim Financial Statements for LP IV for the period ended September 30, 2015;
- (vi) Unaudited Interim Financial Statements for Vantage LP for the period ended September 30, 2015;

- (vii) Audited Financial Statements of the Trust for the period ended December 31, 2015;
- (viii) Audited Financial Statements for the Partnership for the period ended December 31, 2015;
- (ix) Audited Financial Statements for InvestPlus GP Ltd., as the general partner of the Partnership for the period ended December 31, 2015;
- (x) Unaudited Interim Financial Statements for the Trust for the period ended March 31, 2016;
- (xi) Unaudited Interim Financial Statements for the Partnership for the period ended March 31, 2016;
and
- (xii) Unaudited Interim Financial Statements for InvestPlus GP Ltd., as the general partner of the Partnership for the period ended March 31, 2016.

The Trust and the Partnership prepare their financial statements in accordance with IFRS.

NOTICE

These financial statements are prepared in accordance with Canadian GAAP applicable to private enterprises, which are Canadian accounting standards for private enterprises in Part II of the Handbook.

The recognition, measurement and disclosure requirements of Canadian GAAP applicable to private enterprises differ from those of Canadian GAAP applicable to publicly accountable enterprises, which are International Financial Reporting Standards incorporated into the Handbook.

Financial Statements

InvestPlus Limited Partnership III

December 31, 2014

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Independent Auditor's Report

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To the Partners of
InvestPlus Limited Partnership III

We have audited the accompanying financial statements of InvestPlus Limited Partnership III, which comprise the balance sheet as at December 31, 2014, and the statements of loss and partners' capital, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Partnership's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of InvestPlus Limited Partnership III as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Other Matter

The balance sheets as at December 31, 2013 and statements of loss, partners' capital and cash flows for the year ended December 31, 2013 are unaudited.

Edmonton, Canada

May 19, 2015

Grant Thornton LLP

Chartered Accountants

InvestPlus Limited Partnership III

Statements of Loss and Partners' Capital

Year ended December 31

2014

2013

(unaudited)

Rental revenue	\$ 654,041	\$ 817,283
Expenses		
Administration	20,732	19,307
Amortization of financing costs	50,221	109,964
Amortization of revenue producing property	106,489	110,926
Bad debts	11,049	9,622
Bank charges	361	976
Insurance	17,094	7,205
Interest on mortgage payable	153,353	247,813
Management fees	37,667	120,165
Office and miscellaneous	5,269	4,540
Professional fees	40,098	41,959
Property administration fees	30,352	45,433
Property taxes	56,098	65,148
Repairs and maintenance	154,054	254,706
Utilities	98,451	119,905
	<u>781,288</u>	<u>1,157,669</u>
Loss before other income	(127,247)	(340,386)
Gain on disposal of revenue producing property	-	831,246
Net (loss) income	<u>\$ (127,247)</u>	<u>\$ 490,860</u>
Partners' capital, beginning of year	\$ 1,177,480	\$ 705,838
Net (loss) income	(127,247)	490,860
Issuance of limited partnership units (Note 7)	99,110	-
Redemption of limited partnership units (Note 8)	(131,351)	-
Distributions	<u>(314,387)</u>	<u>(19,218)</u>
Partners' capital, end of year	<u>\$ 703,605</u>	<u>\$ 1,177,480</u>

See accompanying notes to the financial statements.

InvestPlus Limited Partnership III

Balance Sheet

December 31

2014

2013
(unaudited)

Assets

Current

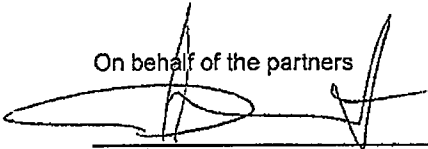
Cash	\$ -	\$ 504,465
Receivables	-	125,000
Prepays	<u>24,062</u>	<u>22,640</u>
	24,062	652,105
Due from related parties (Note 3)	189,329	23,838
Revenue producing property (Note 4)	<u>4,698,140</u>	<u>4,804,629</u>
	<u>\$ 4,911,531</u>	<u>\$ 5,480,572</u>

Liabilities

Current

Bank indebtedness	\$ 16,416	\$ -
Payables and accruals	6,346	17,797
Due to related parties (Note 5)	3,686	78,173
Current portion of mortgage payable (Note 6)	<u>94,219</u>	<u>4,174,905</u>
	120,667	4,270,875
Tenant deposits	34,122	32,217
Mortgage payable (Note 6)	<u>4,053,137</u>	<u>-</u>
	4,207,926	4,303,092
Partners' capital	<u>703,605</u>	<u>1,177,480</u>
	<u>\$ 4,911,531</u>	<u>\$ 5,480,572</u>

On behalf of the partners



Director of General Partner
InvestPlus GP III Inc.

InvestPlus Limited Partnership III

Statement of Cash Flows

Year ended December 31

2014

2013
(unaudited)

Increase (decrease) in cash and cash equivalents

Operating

Net (loss) income	\$ (127,247)	\$ 490,860
Items not affecting cash		
Amortization of revenue producing property	106,489	110,926
Gain on disposal of revenue producing property	-	(831,246)
Amortization of financing costs	50,221	109,964
	<u>29,463</u>	<u>(119,496)</u>
Change in non-cash working capital items		
Receivables	125,000	(125,000)
Prepays	(1,422)	4,366
Payables and accruals	(11,449)	13,184
Tenant deposits	1,905	(4,665)
	<u>143,497</u>	<u>(231,611)</u>

Financing

Repayment of mortgage payable	(77,035)	(1,821,583)
Issuance of limited partnership units	99,110	-
Payment of financing costs on mortgage payable	(735)	-
Redemption of limited partnership units	(131,351)	-
Limited partner distributions	(314,387)	-
	<u>(424,398)</u>	<u>(1,821,583)</u>

Investing

Advances (to) from related parties	(239,980)	112,142
Proceeds on disposal of revenue producing property	-	2,390,217
	<u>(239,980)</u>	<u>2,502,359</u>

(Decrease) increase in cash and cash equivalents (520,881) 449,165

Cash and cash equivalents (deficiency)

Beginning of year	504,465	55,300
End of year	<u>\$ (16,416)</u>	<u>\$ 504,465</u>

See accompanying notes to the financial statements.

InvestPlus Limited Partnership III

Notes to the Financial Statements

December 31, 2014

1. Nature of operations

InvestPlus Limited Partnership III (the "Limited Partnership") was formed as a limited partnership under the laws of the Province of Alberta on January 29, 2009. The Limited Partnership is involved in acquiring, holding, maintaining, improving, leasing and managing small to mid-size multi-family apartment buildings in Canada.

InvestPlus Limited Partnership III is unincorporated and these financial statements therefore include only those assets, liabilities, revenues and expenses of the Limited Partnership, and do not include all of the assets, liabilities, revenues and expenses of the partners. No provision has been made for income taxes as income of the Limited Partnership is taxed in the hands of the partners.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. Accounting standards for private enterprises require entities to select policies appropriate for their circumstances from choices provided in the specific standards. The following are details of the policies selected by the Limited Partnership and applied in these financial statements.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include the amortization of revenue producing property.

Financial instruments

The Limited Partnership initially measures its financial assets and financial liabilities at fair value except for certain non-arm's length transactions which are measured at the exchange amount. The Limited Partnership subsequently measures all of its financial assets and financial liabilities at amortized cost. Financing costs related to financial assets and financial liabilities are added to (deducted from) the initial carrying value of the financial asset or financial liability respectively. Financing costs related to the mortgage payable are amortized using the effective interest method over the term of the mortgage. Financial assets and financial liabilities measured at amortized cost include due from related parties, bank indebtedness, payables and accruals, due to related parties, tenant deposits and mortgage payable. The Limited Partnership has not designated any financial asset or financial liability to be measured at fair value.

InvestPlus Limited Partnership III

Notes to the Financial Statements

December 31, 2014

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

The Limited Partnership's policy is to present bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

Revenue producing property

Revenue producing property is stated at cost less accumulated amortization. Revenue producing property is amortized using the declining balance method over their estimated useful life at the following rates:

Building	4%
Parking lot	8%

Impairment of long-lived assets

The Limited Partnership tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Revenue recognition

Rental revenue is recognized as income over the term of the lease as it becomes due and when collection is reasonably assured.

Allocation of net income or net loss

Net income or net loss for the fiscal year is allocated as follows:

- (i) First as to 0.0001% thereof, to the general partner; and
- (ii) Thereafter, the balance of 99.9999% to the limited partners in accordance with their proportionate share.

Distributable cash

The general partner may in its discretion make distributions of distributable cash as follows:

- (i) First to the limited partners to the extent of their unreturned capital contributions; and
 - (ii) Thereafter 55% to the limited partners in accordance with their proportionate share and 45% to the general partner.
-

InvestPlus Limited Partnership III

Notes to the Financial Statements

December 31, 2014

3. Due from related parties	2014	2013 (unaudited)
InvestPlus Finance III Corp.	\$ 17,604	\$ 21,790
InvestPlus Investments III Corp.	91,283	2,048
1716430 Alberta Ltd.	57,000	-
InvestPlus Vantage LP	10,371	-
InvestPlus GP III Inc.	13,071	-
	<u>\$ 189,329</u>	<u>\$ 23,838</u>

The balances due from related parties are unsecured, non-interest bearing with no specific terms of repayment. The Limited Partnership and InvestPlus Finance III Corp., InvestPlus Investments III Corp., 1716430 Alberta Ltd. and InvestPlus Vantage LP are related through common management. InvestPlus GP III Inc. is the general partner of InvestPlus Limited Partnership III.

4. Revenue producing property			2014	2013 (unaudited)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 2,142,400	\$ -	\$ 2,142,400	\$ 2,142,400
Building	3,198,412	642,672	2,555,740	2,662,229
	\$ 5,340,812	\$ 642,672	\$ 4,698,140	\$ 4,804,629

5. Due to related parties	2014	2013 (unaudited)
InvestPlus Opportunity Fund IV Limited Partnership	\$ 2,186	\$ 2,000
Domenic Mandato	750	750
Stuart McPhail	750	750
InvestPlus GP III Inc.	-	55,366
InvestPlus Vantage LP	-	19,307
	<u>\$ 3,686</u>	<u>\$ 78,173</u>

The balance due to related parties are unsecured, non-interest bearing with no specific terms of repayment. The Limited Partnership and InvestPlus Opportunity Fund IV Limited Partnership are related through common management. Domenic Mandato and Stuart McPhail are shareholders of InvestPlus GP III Inc. which is the general partner of InvestPlus Limited Partnership III.

InvestPlus Limited Partnership III
Notes to the Financial Statements
December 31, 2014

6. Mortgage payable	2014	2013
	<u> </u>	<u>(unaudited)</u>
Mortgage, payable \$16,791 per month, principal and interest at 2.62%, due December 2019, secured by specific land and building (net book value \$4,698,140)	\$ 4,159,546	\$ 4,236,581
Deferred mortgage financing costs amortized over term of mortgage	<u>(12,190)</u>	<u>(61,676)</u>
	4,147,356	4,174,905
Less current portion	<u>94,219</u>	<u>4,174,905</u>
Due beyond one year	<u>\$ 4,053,137</u>	<u>\$ -</u>
Estimated principal re-payments are as follows:		
2015	\$ 94,219	
2016	96,704	
2017	99,254	
2018	101,872	
2019	3,767,497	
Amortization of deferred mortgage financing costs	<u>(12,190)</u>	
	<u>\$ 4,147,356</u>	

7. Issuance of limited partnership units

During the year the Limited Partnership issued 83 limited partnership units for \$99,110.

8. Redemption of limited partnership units

During the year the Limited Partnership redeemed 110 limited partnership units for \$131,351.

InvestPlus Limited Partnership III

Notes to the Financial Statements

December 31, 2014

9. Related party transactions

As per the provisions of the Limited Partnership Agreement dated January 29, 2009 a management fee of 10% of the gross monthly revenue of the property acquired by the Limited Partnership is to be paid monthly to InvestPlus GP III Inc., the general partner of InvestPlus Limited Partnership III. During the year the Limited Partnership incurred management fee expense of \$37,667 relating to management fees payable to InvestPlus GP III Inc.

During the year the Limited Partnership had business transactions with InvestPlus Vantage LP (Vantage), an entity under common management. Vantage incurred administration expenses on behalf of the Limited Partnership during the year totaling \$20,732.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

10. Financial instruments

The Limited Partnership is exposed to various risks through its financial instruments. The following analysis provides a measure of the Limited Partnership's risk exposures and concentrations at December 31, 2014. Unless otherwise noted, it is management's opinion that the Limited Partnership is not exposed to significant credit, liquidity or market risks arising from these financial instruments.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential for non-performance by counterparties of contractual obligations which could lead to a financial loss to the Limited Partnership. There was no significant change in exposure from the prior year.

Credit risk is managed through application of stringent credit policies and the performance of credit risk evaluations. The Limited Partnership's clients are numerous and diverse, which reduces the concentration of credit risk.

(b) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Limited Partnership is mainly exposed to interest rate risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Limited Partnership is exposed to interest rate risk on its fixed-rate interest rate financial instruments. Given the current composition of mortgage payable, fixed-rate instruments subject the Limited Partnership to a fair value risk.

InvestPlus Limited Partnership III
Notes to the Financial Statements
December 31, 2014

11. Comparative figures

Financial statements for the year ended December 31, 2013 are unaudited and are presented for comparative purposes only.

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The reclassifications do not affect prior year earnings and are not material.

12. Subsequent event

Subsequent to year end the Limited Partnership redeemed 25 limited partnership units for \$29,489.

NOTICE

These financial statements are prepared in accordance with Canadian GAAP applicable to private enterprises, which are Canadian accounting standards for private enterprises in Part II of the Handbook.

The recognition, measurement and disclosure requirements of Canadian GAAP applicable to private enterprises differ from those of Canadian GAAP applicable to publicly accountable enterprises, which are International Financial Reporting Standards incorporated into the Handbook.

Financial Statements

InvestPlus Opportunity Fund IV
Limited Partnership

December 31, 2014

(Amended)

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Independent Auditor's Report

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To the Partners of
InvestPlus Opportunity Fund IV Limited Partnership

We have audited the accompanying financial statements of InvestPlus Opportunity Fund IV Limited Partnership, which comprise the balance sheet as at December 31, 2014, and the statements of income, net assets attributable to limited partners, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Partnership's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of InvestPlus Opportunity Fund IV Limited Partnership as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

Other Matter

The balance sheets as at December 31, 2013 and statements of income, net assets attributable to limited partners and cash flows for the year ended December 31, 2013 are unaudited.

This report replaces our report dated May 19, 2015 to reflect the correction of distributions and prior period adjustments as disclosed in Note 3.

Edmonton, Canada

May 19, 2015, except for corrections as disclosed
in Note 3 which is as of June 9, 2015

Grant Thornton LLP

Chartered Accountants

InvestPlus Opportunity Fund IV Limited Partnership

Statement of Income (Amended)

Year ended December 31

2014

2013
(unaudited)

Rental revenue	\$ 2,018,826	\$ 2,121,369
Expenses		
Administration fees	19,688	26,688
Advertising and promotion	2,005	12,074
Amortization of financing costs	188,602	129,285
Amortization of revenue producing properties	424,101	487,226
Bad debts	11,050	19,387
Bank charges	3,109	4,237
Commissions	8,563	37,382
Insurance	48,948	42,138
Interest on mortgages payable	574,082	627,919
Management fees	98,860	121,808
Office administration	49,400	39,051
Office and miscellaneous	13,117	42,586
Professional fees	69,636	75,548
Property administration fees	91,894	95,388
Property taxes	131,475	169,063
Repairs and maintenance	451,619	260,837
Telephone and utilities	221,960	223,714
Travel	79	358
	<u>2,408,188</u>	<u>2,414,689</u>
Loss before other income	(389,362)	(293,320)
Gain on disposal of revenue producing property	<u>561,357</u>	<u>-</u>
Net income (loss)	<u>\$ 171,995</u>	<u>\$ (293,320)</u>
Allocation to partners		
Net income (loss) attributable to limited partners	\$ 120,396	\$ (205,324)
Net income (loss) attributable to general partner	<u>51,599</u>	<u>(87,996)</u>
	<u>\$ 171,995</u>	<u>\$ (293,320)</u>

See accompanying notes to the financial statements.

InvestPlus Opportunity Fund IV Limited Partnership
Statement of Net Assets Attributable to Limited Partners (Amended)

December 31, 2014

	Number of Limited Partnership Units	Limited Partnership Capital	Net Income (Loss) Attributable to Limited Partners	Net Assets Attributable to Limited Partners
Balance at beginning of year	1,758	\$ 9,011,949	\$ (4,801,606)	\$ 4,210,343
Prior period adjustments (Note 3)	-	(127,782)	1,440,482	1,312,700
As restated	1,758	8,884,167	(3,361,124)	5,523,043
Distributions	-	(443,440)	-	(443,440)
Net income	-	-	120,396	120,396
Balance at end of year	1,758	\$ 8,440,727	\$ (3,240,728)	\$ 5,199,999

See accompanying notes to the financial statements

InvestPlus Opportunity Fund IV Limited Partnership

Balance Sheet

December 31

2014

2013
(unaudited)

Assets

Current

Cash and guaranteed investment certificate	\$ 1,101,984	\$ 316,454
Receivables	23,674	6,399
Prepays	40,389	96,592
	<u>1,166,047</u>	<u>419,445</u>

Due from related parties (Note 4)	1,560,359	1,642,036
Revenue producing properties (Note 5)	<u>16,468,960</u>	<u>18,613,618</u>
	<u>\$ 19,195,366</u>	<u>\$ 20,675,099</u>

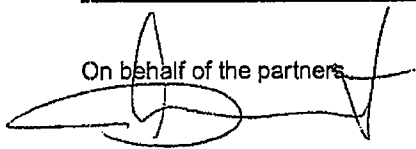
Liabilities

Current

Payables and accruals	\$ 85,693	\$ 93,161
Due to related parties (Note 6)	643,587	523,420
Current portion of mortgages payable (Note 7)	3,883,539	11,019,335
Current portion of net assets attributable to limited partners (Note 8)	<u>780,000</u>	<u>847,624</u>
	<u>5,392,819</u>	<u>12,483,540</u>

Tenant deposits	130,275	124,031
Mortgages payable (Note 7)	9,252,273	3,264,327
Net assets attributable to limited partners (Note 8)	<u>4,419,999</u>	<u>4,803,201</u>
	<u>\$ 19,195,366</u>	<u>\$ 20,675,099</u>

On behalf of the partners



Director of General Partner
InvestPlus GP IV Inc.

InvestPlus Opportunity Fund IV Limited Partnership

Statement of Cash Flows (Amended)

Year ended December 31

2014

2013
(unaudited)

Increase (decrease) in cash and cash equivalents

Operating

Net income (loss)	\$ 120,396	\$ (205,324)
Items not affecting cash		
Amortization of revenue producing properties	424,101	487,226
Gain on disposal of revenue producing properties	(561,357)	-
Amortization of financing costs	188,602	129,285
	<u>171,742</u>	<u>411,187</u>
Change in non-cash working capital items		
Receivables	(17,275)	(3,563)
Prepaids	56,203	(58,412)
Unit subscriptions receivable	-	37,100
Payables and accruals	(7,466)	36,513
Tenant deposits	6,244	6,605
	<u>209,448</u>	<u>429,430</u>

Financing

Advances from (to) related parties	74,062	(71,397)
Repayment of mortgages payable	(8,357,203)	(2,665,076)
Proceeds from mortgages payable	7,150,000	2,625,000
Payment of financing costs on mortgages payable	(129,251)	-
Limited partner distributions	(443,440)	(127,135)
	<u>(1,705,832)</u>	<u>(238,608)</u>

Investing

Purchase of revenue producing properties	-	(262,637)
Proceeds on disposal of revenue producing properties	2,281,914	-
	<u>2,281,914</u>	<u>(262,637)</u>

Increase (decrease) in cash and cash equivalents 785,530 (71,815)

Cash and cash equivalents

Beginning of year	<u>316,454</u>	<u>388,269</u>
End of year	<u>\$ 1,101,984</u>	<u>\$ 316,454</u>

See accompanying notes to the financial statements.

InvestPlus Opportunity Fund IV Limited Partnership

Notes to the Financial Statements (Amended)

December 31, 2014

1. Nature of operations

InvestPlus Opportunity Fund IV Limited Partnership (the "Limited Partnership") was formed as a limited partnership under the laws of the Province of British Columbia on February 23, 2009. The Limited Partnership is involved in acquiring, holding, maintaining, improving, leasing and managing mid-size multi-family apartment buildings in Canada.

InvestPlus Opportunity Fund IV Limited Partnership is unincorporated and these financial statements therefore include only those assets, liabilities, revenues and expenses of the Limited Partnership, and do not include all of the assets, liabilities, revenues and expenses of the partners. No provision has been made for income taxes as income of the Limited Partnership is taxed in the hands of the partners.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. Accounting standards for private enterprises require entities to select policies appropriate for their circumstances from choices provided in the specific standards. The following are details of the policies selected by the Limited Partnership and applied in these financial statements.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include the amortization of revenue producing properties.

The Limited Partnership has issued limited partnership units to limited partners. In determining whether these should be classified as liabilities or equity, management has assessed whether the limited partnership units contain a contractual agreement to deliver cash or another financial asset to another entity, whether the limited partnership units are puttable, and whether the criteria in Section 3856 Financial Instruments has been satisfied. Management has made judgments that the limited partnership units do not meet the criteria to be classified as equity. The Limited Partnership therefore has no instrument qualifying for equity classification on its balance sheet. The classification of all limited partnership units as financial liabilities does not alter the underlying economic interest of the limited partners in the net assets and net operating results attributable to limited partners.

InvestPlus Opportunity Fund IV Limited Partnership

Notes to the Financial Statements (Amended)

December 31, 2014

2. Summary of significant accounting policies (continued)

Financial instruments

The Limited Partnership initially measures its financial assets and financial liabilities at fair value except for certain non-arm's length transactions which are measured at the exchange amount. The Limited Partnership subsequently measures all of its financial assets and financial liabilities at amortized cost. Financing costs related to financial assets and financial liabilities are added to (deducted from) the initial carrying value of the financial asset or financial liability respectively. Financing costs related to the mortgages payable are amortized using the effective interest method over the term of the mortgage. Financial assets and financial liabilities measured at amortized cost include cash and guaranteed investment certificate, receivables, due from related parties, payables and accruals, due to related parties, tenant deposits, mortgages payable and net assets attributable to limited partners. The Limited Partnership has not designated any financial asset or financial liability to be measured at fair value.

Cash and cash equivalents

The Limited Partnership's policy is to disclose bank balances and redeemable guaranteed investment certificates under cash and cash equivalents.

Revenue producing properties

Revenue producing properties are stated at cost less accumulated amortization. Revenue producing properties are amortized using the declining balance method over their estimated useful lives at the following rates:

Buildings	4%
Signs	20%

Impairment of long-lived assets

The Limited Partnership tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Revenue recognition

Rental revenue is recognized as income over the term of the lease as it becomes due and when collection is reasonably assured.

InvestPlus Opportunity Fund IV Limited Partnership

Notes to the Financial Statements (Amended)

December 31, 2014

2. Summary of significant accounting policies (continued)

Allocation of net income or net loss

Net income for the fiscal year is allocated as follows:

- (a) First, limited partners shall be allocated the greater of (i) a preferred return (defined as simple, cumulative 9% interest on invested capital), and (ii) 70% of the net income in accordance with their proportionate share; and
- (b) Thereafter, the balance to the general partner.

Net loss for the fiscal year is allocated as follows:

- (a) First, limited partners shall be allocated 70% of the net loss in accordance with their proportionate share; and
- (b) Thereafter, the balance to the general partner.

Distributable cash

The general partner may in its discretion make distributions of distributable cash as follows:

- (i) First, to each limited partner holding units, such limited partner's proportionate share of the amount which, together with all previous distributions of distributable cash, is equal to (but not in excess of) the greater of:
 - (a) such limited partner's preferred return accrued at the time of such distribution; and
 - (b) 70% of the distributable cash distributed up to and including such distribution; and
- (ii) Thereafter the balance to the general partner.

Subject to the reserves as the general partner in its discretion considers appropriate, the general partner will distribute extraordinary net cash receipts to the partners of record as follows:

- (i) First, to each limited partner holding units, such limited partner's proportionate share of the amount which, together with all previous distributions of distributable cash and extraordinary net cash receipts, is equal to (but not in excess of) the greater of:
 - (a) such limited partner's preferred return accrued at the time of such distribution; and
 - (b) 70% of the aggregate of the distributions to such date of distributable cash and extraordinary net cash receipts; and
 - (ii) Thereafter the balance to the general partner.
-

InvestPlus Opportunity Fund IV Limited Partnership

Notes to the Financial Statements (Amended)

December 31, 2014

3. Prior period adjustments

The comparative figures have been restated to adjust for errors in completing the financial statements for the period ending December 31, 2009 and the years ending December 31, 2010, 2011, 2012 and 2013. As a result of this restatement of the financial statements, limited partnership capital was reduced and due to related parties was increased by \$127,782 at January 1, 2014 for \$97,782 of distributions previously reflected as amounts due to related parties and \$30,000 of capital not contributed. In addition, due from related parties and net assets attributable to limited partners at January 1, 2014 were increased by \$1,440,482 for net losses attributable to the general partner previously reflected as attributable to limited partners.

These financial statements were amended and reissued to reflect the correction of an error in the recording of the restatement of \$127,782 between limited partnership capital and due to related parties. This amount was originally reflected in current year distributions in error.

4. Due from related parties

	2014	2013 (unaudited)
InvestPlus GP IV Inc.	\$ 1,384,766	\$ 1,429,604
InvestPlus Finance IV Corp.	156,907	157,107
1716430 Alberta Ltd.	16,500	16,500
InvestPlus Limited Partnership III	2,186	2,000
InvestPlus Belvedere Limited Partnership	-	36,825
	<u>\$ 1,560,359</u>	<u>\$ 1,642,036</u>

The balances due from related parties are unsecured, non-interest bearing with no specific terms of repayment. InvestPlus GP IV Inc. is the general partner of InvestPlus Opportunity Fund IV Limited Partnership. InvestPlus Finance IV Corp., 1716430 Alberta Ltd. and InvestPlus Limited Partnership III are related through common management.

5. Revenue producing properties

5. Revenue producing properties			2014	2013
				(unaudited)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 6,325,100	\$ -	\$ 6,325,100	\$ 6,963,400
Buildings	11,621,722	1,484,776	10,136,946	11,641,576
Signs	13,885	6,971	6,914	8,642
	<u>\$ 17,960,707</u>	<u>\$ 1,491,747</u>	<u>\$ 16,468,960</u>	<u>\$ 18,613,618</u>

InvestPlus Opportunity Fund IV Limited Partnership

Notes to the Financial Statements (Amended)

December 31, 2014

6. Due to related parties

	2014	2013 (unaudited)
InvestPlus Investments IV Corp.	\$ 629,053	\$ 626,856
InvestPlus Vantage LP	14,534	24,346
	<u>\$ 643,587</u>	<u>\$ 651,202</u>

The balances due to related parties are unsecured, non-interest bearing with no specific terms of repayment. InvestPlus Investments IV Corp. and InvestPlus Vantage LP are related through common management.

7. Mortgages payable

	2014	2013 (unaudited)
First mortgage, payable \$4,667 interest only monthly at 4%, due December, 2014. Specific land and building (net book value - \$2,818,239) and assignment of insurance has been provided as collateral	\$ 1,400,000	\$ 1,400,000
First mortgage, payable \$5,988 per month, principal and interest at 3.54%, due January, 2015. Specific land and building (net book value - \$2,818,239), general security agreement, assignment of rental revenue and leases on land and building and assignment of insurance have been provided as collateral	829,753	871,651
First mortgage, payable \$7,678 per month, principal and interest at 4.30%, due June, 2015. Specific land and building (net book value - \$1,876,113), general security agreement, assignment of rental revenue and leases on the land and building, assignment of insurance and personal guarantees from two directors of a related party have been provided as collateral	1,391,313	1,424,850
First mortgage, payable \$12,450 per month principal, plus interest at 3.38%, due November, 2017. Specific land and building (net book value - \$6,713,034), general security agreement, assignment of rental revenue and leases on land and building and assignment of insurance have been provided as collateral	5,487,550	-
First mortgage, payable \$3,750 per month principal, plus interest at 3.38%, due November, 2017. Specific land and building (net book value - \$1,688,039), general security agreement, assignment of rental revenue and leases on land and building and assignment of insurance have been provided as collateral	1,646,250	-
First mortgage, payable \$13,507 per month, principal and interest at 3.787% due July, 2018. Specific land and building (net book value - \$3,366,620), general security agreement, assignment of rental revenue and leases on land and building, assignment of insurance and a personal guarantee from a director of a related party have been provided as collateral	2,532,831	2,598,398

InvestPlus Opportunity Fund IV Limited Partnership

Notes to the Financial Statements (Amended)

December 31, 2014

7. Mortgages payable (continued)

First mortgage, repaid during the year	-	5,300,000
First mortgage, repaid during the year	-	1,500,000
First mortgage, repaid during the year	-	1,100,000
Second mortgage, repaid during the year	-	300,000
Deferred mortgage financing costs amortized over term of mortgage	(151,885)	(211,237)
	13,135,812	14,283,662
Less current portion, net of deferred mortgage financing costs	3,883,539	11,019,335
Due beyond one year	<u>\$ 9,252,273</u>	<u>\$ 3,264,327</u>
Estimated principal re-payments are as follows:		
2015	\$ 3,883,539	
2016	265,076	
2017	6,818,378	
2018	2,320,704	
Amortization of deferred mortgage financing costs	(151,885)	
	<u>\$ 13,135,812</u>	

8. Net assets attributable to limited partners

The limited partners may deliver to the Limited Partnership on or before September 15 of each year, commencing September 15, 2014, a notice setting out the intention of such limited partner to retract some or all of the units of such limited partner. The Limited Partnership will retract units on February 28 in each year, commencing on February 28, 2015, provided that the Limited Partnership has not received retraction notices to redeem a number of units in excess of 15% of the number of units issued and outstanding on the notice date and the general partner of the Limited Partnership has not determined there are insufficient funds available to pay the retraction price, in which case the retraction of units will be made on a pro-rata basis according to the number of units specified on the retraction notices.

InvestPlus Opportunity Fund IV Limited Partnership

Notes to the Financial Statements (Amended)

December 31, 2014

9. Share of net loss

As at December 31, 2014 InvestPlus GP IV Inc. holds 1 limited partnership unit and therefore is allocated its proportionate share of the net loss of the Limited Partnership that is allocated to the limited partners.

10. Financial instruments

The Limited Partnership is exposed to various risks through its financial instruments. The following analysis provides a measure of the Limited Partnership's risk exposures and concentrations at December 31, 2014. Unless otherwise noted, it is management's opinion that the Limited Partnership is not exposed to significant credit, liquidity or market risks arising from these financial instruments.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential for non-performance by counterparties of contractual obligations which could lead to a financial loss to the Limited Partnership. There was no significant change in exposure from the prior year.

Credit risk is managed through application of stringent credit policies and the performance of credit risk evaluations. The Limited Partnership's tenants are numerous and diverse, which reduces the concentration of credit risk.

(b) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Limited Partnership is mainly exposed to interest rate risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Limited Partnership is exposed to interest rate risk on its floating interest rate financial instruments. Given the current composition of mortgages payable, fixed-rate instruments subject the Limited Partnership to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

InvestPlus Opportunity Fund IV Limited Partnership

Notes to the Financial Statements (Amended)

December 31, 2014

11. Commitment

The Limited Partnership has entered into a property management services agreement whereby the Limited Partnership is committed to pay the greater of 4% of the gross receipts collected on a specific rental property or \$30 per unit per month for the management and administration of the specific rental property. The property management services agreement expires on August 12, 2015 and is automatically renewed on the anniversary date for one year unless notification is provided in writing within thirty days prior to the anniversary date.

12. Related party transactions

- (a) During the year the Limited Partnership incurred management fee expense of \$98,860 relating to management fees to InvestPlus GP IV Inc., the general partner of InvestPlus Opportunity Fund IV Limited Partnership. This amount is included in due to related parties.
- (b) During the year the Limited Partnership had business transactions with InvestPlus Vantage LP (Vantage), an entity under common management. Vantage incurred office administration expenses on behalf of the Limited Partnership during the year totaling \$60,137. Of this amount, \$24,534 is included in due to related parties.
- (c) As per the provisions of the amended and restated Limited Partnership Agreement dated May 20, 2010 a management fee of 12% of the gross monthly revenue of the properties acquired by the Limited Partnership is to be paid monthly to InvestPlus GP IV Inc., the general partner of InvestPlus Opportunity Fund IV Limited Partnership. Due to cash flow considerations the management fee being charged to the Limited Partnership by the general partner is 4% or 5% of rental revenue of specific properties, which is less than the management fee payable as per the provisions of the Limited Partnership Agreement. An amendment to the Limited Partnership Agreement is being considered related to the calculation of management fees.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

13. Comparative figures

Financial statements for the year ended December 31, 2013 are unaudited and presented for comparative purposes only.

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The restatements do not affect prior year earnings and are not material.

InvestPlus Opportunity Fund IV Limited Partnership
Notes to the Financial Statements (Amended)

December 31, 2014

14. Subsequent event

- (a) Subsequent to year end the Limited Partnership repaid its first mortgage in the amount of \$1,400,000 and its first mortgage in the amount of \$829,753.
 - (b) Subsequent to year end the Limited Partnership redeemed 78 limited partnership units for \$442,478.
-

NOTICE

These financial statements are prepared in accordance with Canadian GAAP applicable to private enterprises, which are Canadian accounting standards for private enterprises in Part II of the Handbook.

The recognition, measurement and disclosure requirements of Canadian GAAP applicable to private enterprises differ from those of Canadian GAAP applicable to publicly accountable enterprises, which are International Financial Reporting Standards incorporated into the Handbook.

Financial Statements

InvestPlus Vantage LP

December 31, 2014

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Independent Auditor's Report

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To the Partners of
InvestPlus Vantage LP

We have audited the accompanying financial statements of InvestPlus Vantage LP, which comprise the balance sheets as at December 31, 2014, December 31, 2013 and January 1, 2013, and the statements of loss, net assets attributable to limited partners, and cash flows for the year ended December 31, 2014 and December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Partnership's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of InvestPlus Vantage LP as at December 31, 2014, December 31, 2013 and January 1, 2013 and its financial performance and its cash flows for the years ended December 31, 2014 and December 31, 2013 in accordance with Canadian accounting standards for private enterprises.

Edmonton, Canada

May 19, 2015

Grant Thornton LLP

Chartered Accountants

InvestPlus Vantage LP

Statement of Loss

Year ended December 31

2014

2013
(Note 3)

Rental revenue	\$ 830,420	\$ 644,930
Expenses		
Administration	39,586	80,104
Advertising and promotion	8,414	59,334
Amortization of financing costs	52,851	61,752
Amortization of revenue producing properties	162,504	129,474
Amortization of transaction costs	81,875	73,353
Bad debts	2,114	1,507
Insurance	20,336	35,802
Interest and bank charges	1,776	2,856
Interest on mortgages payable	249,276	327,623
Management fees	82,878	88,320
Office and miscellaneous	4,323	25,469
Professional fees	100,939	93,844
Property taxes	53,612	61,246
Repairs and maintenance	124,384	350,142
Telephone and utilities	115,356	96,671
Travel	1,409	10,268
	<u>1,101,633</u>	<u>1,497,765</u>
Loss before other item	(271,213)	(852,835)
Writedown of business expansion costs	<u>(147,315)</u>	<u>-</u>
Net loss	<u>\$ (418,528)</u>	<u>\$ (852,835)</u>
Allocation to partners		
Net loss attributable to limited partners	\$ (418,486)	\$ (852,750)
Net loss attributable to general partner	<u>(42)</u>	<u>(85)</u>
	<u>\$ (418,528)</u>	<u>\$ (852,835)</u>

See accompanying notes to the financial statements.

InvestPlus Vantage LP**Statement of Net Assets Attributable to Limited Partners**December 31, 2014

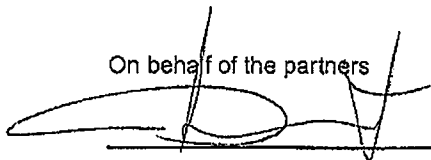
	Number of Limited Partnership Units	Limited Partnership Capital	Net Income (Loss) Attributable to Limited Partners	Net Assets Attributable to Limited Partners
Balance at beginning of year	30,501	\$ 2,730,047	\$ 300,300	\$ 3,030,347
Effect of transition to Accounting Standards for Private Enterprises	-	-	(1,452,996)	(1,452,996)
As restated	30,501	2,730,047	(1,152,696)	1,577,351
Issuance of limited partnership units	1,115	114,036	-	114,036
Distributions	-	(30,000)	-	(30,000)
Net loss	-	-	(418,486)	(418,486)
Transaction costs	-	(19,919)	-	(19,919)
Amortization of transaction costs	-	81,875	-	81,875
Balance at end of year	31,616	\$ 2,876,039	\$ (1,571,182)	\$ 1,304,857

InvestPlus Vantage LP

Balance Sheet

	December 31, 2014	December 31, 2013 (Note 3)	January 1, 2013 (Note 3)
Assets			
Current			
Cash	\$ 186,352	\$ 12,366	\$ 152,648
Receivables	8,578	100,452	-
Prepays	180	161,224	97,670
	195,110	274,042	250,318
Due from related parties (Note 4)	43,893	59,963	154,274
Revenue producing properties (Note 5)	6,574,354	6,736,858	3,772,445
	<u>\$ 6,813,357</u>	<u>\$ 7,070,863</u>	<u>\$ 4,177,037</u>
Liabilities			
Current			
Payables and accruals	\$ 23,369	\$ 154,658	\$ 52,665
Due to related parties (Note 6)	50,688	47,065	2,050
Current portion of mortgages payable (Note 7)	5,381,432	5,234,989	2,339,778
	5,455,489	5,436,712	2,394,493
Tenant deposits	53,011	56,800	10,645
Net assets attributable to limited partners (Note 8)	1,304,857	1,577,351	1,771,899
	<u>\$ 6,813,357</u>	<u>\$ 7,070,863</u>	<u>\$ 4,177,037</u>

On behalf of the partners



Director of General Partner
InvestPlus Vantage GP Inc.

InvestPlus Vantage LP

Statement of Cash Flows

Year ended December 31

2014

2013

Increase (decrease) in cash and cash equivalents

Operating

Net loss attributable to limited partners	\$ (418,486)	\$ (852,749)
Items not affecting cash		
Amortization of revenue producing properties	162,504	129,474
Amortization of transaction costs	81,875	73,353
Amortization of financing costs	52,851	61,752
	(121,256)	(588,170)
Change in non-cash working capital items		
Receivables	91,874	(100,452)
Prepays	161,044	72,913
Payables and accruals	(131,292)	101,994
Tenant deposits	(3,789)	46,155
	(3,419)	(467,560)

Financing

Advances to related party	-	(42,303)
Advances from related parties	19,693	45,162
Repayment of mortgages payable	(2,564,000)	-
Limited partner distributions	(30,000)	-
Proceeds from mortgages payable	2,700,000	2,923,862
Payment of financing costs on mortgages payable	(42,407)	(90,403)
Proceeds from issuance of limited partnership units	114,036	674,223
Payment of transaction costs on limited partnership units	(19,917)	(89,375)
	177,405	3,421,166

Investing

Purchase of revenue producing properties	-	(3,093,888)
--	---	-------------

Increase in cash and cash equivalents 173,986 (140,282)

Cash and cash equivalents

Beginning of year	12,366	152,648
End of year	\$ 186,352	\$ 12,366

See accompanying notes to the financial statements.

InvestPlus Vantage LP

Notes to the Financial Statements

December 31, 2014

1. Nature of operations

InvestPlus Vantage LP (the "Limited Partnership") was formed as a limited partnership under the laws of the Province of Alberta on February 3, 2012. The Limited Partnership is involved in acquiring, holding, maintaining, improving, leasing and managing small to mid-size multi-family apartment buildings in Canada.

InvestPlus Vantage LP is unincorporated and these financial statements therefore include only those assets, liabilities, revenues and expenses of the Limited Partnership, and do not include all of the assets, liabilities, revenues and expenses of the partners. No provision has been made for income taxes as income of the Limited Partnership is taxed in the hands of the partners.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. Accounting standards for private enterprises require entities to select policies appropriate for their circumstances from choices provided in the specific standards. The following are details of the policies selected by the Limited Partnership and applied in these financial statements.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include the amortization of revenue producing properties.

The Limited Partnership has issued limited partnership units to limited partners. In determining whether these should be classified as liabilities or equity, management has assessed whether the limited partnership units contain a contractual agreement to deliver cash or another financial asset to another entity, whether the limited partnership units are puttable, and whether the criteria in Section 3856 Financial Instruments has been satisfied. Management has made judgments that the limited partnership units do not meet the criteria to be classified as equity. The Limited Partnership therefore has no instrument qualifying for equity classification on its balance sheet. The classification of all limited partnership units as financial liabilities does not alter the underlying economic interest of the limited partners in the net assets and net operating results attributable to limited partners.

InvestPlus Vantage LP

Notes to the Financial Statements

December 31, 2014

2. Summary of significant accounting policies (continued)

Financial Instruments

The Limited Partnership initially measures its financial assets and financial liabilities at fair value except for certain non-arm's length transactions which are measured at the exchange amount. The Limited Partnership subsequently measures all of its financial assets and financial liabilities at amortized cost. Financing costs and transaction costs related to financial assets and financial liabilities are added to (deducted from) the initial carrying value of the financial asset or financial liability respectively. Financing costs related to the mortgages payable are amortized using the effective interest method over the term of the mortgage. Transaction costs related to the issuance of limited partnership units are amortized using the effective interest method over the expected life of the units, which is expected to be until December 31, 2017. Financial assets and financial liabilities measured at amortized cost include cash, receivables, due from related parties, payables and accruals, due to related parties, mortgages payable, tenant deposits and net assets attributable to limited partners. The Limited Partnership has not designated any financial asset or financial liability to be measured at fair value.

Cash and cash equivalents

The Limited Partnership's policy is to disclose bank balances under cash and cash equivalents.

Revenue producing properties

Revenue producing properties are stated at cost less accumulated amortization. Revenue producing properties are amortized using the declining balance method over their estimated useful lives at the following rates:

Buildings	4%
-----------	----

Impairment of long-lived assets

The Limited Partnership tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Revenue recognition

Rental revenue is recognized as income over the term of the lease as it becomes due and when collection is reasonably assured.

InvestPlus Vantage LP
Notes to the Financial Statements
December 31, 2014

2. Summary of significant accounting policies (continued)

Allocation of net income or net loss

Net income or net loss for the fiscal year is allocated as follows:

- (i) First as to 0.0001% thereof, to the general partner; and
 - (ii) Thereafter, the balance of 99.9999% to the limited partners in accordance with their proportionate share until such time as the limited partners have received return of their capital contributions through distributions of distributable cash, after which time such allocations are to be made 70% to the limited partners in accordance with their proportionate share and 30% to the general partner until such time as each limited partner has received distributions of distributable cash in an amount equal to 75% of their original capital contributions, after which time allocations are to be made 50% to the limited partners in accordance with their proportionate share and 50% to the general partner.
-

InvestPlus Vantage LP

Notes to the Financial Statements

December 31, 2014

3. First-time adoption of Canadian accounting standards for private enterprises

These financial statements are the first financial statements for which the Limited Partnership has applied Canadian accounting standards for private enterprises ("ASPE"). The financial statements for the year ended December 31, 2014 were prepared in accordance with ASPE. Comparative period information presented for the year ended December 31, 2013 was prepared in accordance with ASPE and the provisions set out in Section 1500 First-time Adoption.

The date of transition to ASPE is January 1, 2013. As a result of transitioning from International Financial Reporting Standards ("IFRS") to ASPE the Limited Partnership no longer reflects its revenue producing properties at fair value and records a provision for amortization on its revenue producing properties. These changes impact the allocation of net loss to the general partner recorded in due to related parties as at January 1, 2013 and December 31, 2013.

The impact of adopting these standards has been reflected in the comparative financial statements as follows:

(a) Opening balance sheet at January 1, 2013:

	As previously reported	Effects of transition	As restated
Assets			
Current			
Cash	\$ 152,648	\$ -	\$ 152,648
Prepays	97,670	-	97,670
	250,318	-	250,318
Due from related parties	154,274	-	154,274
Revenue producing properties	3,946,000	(173,555)	3,772,445
	<u>\$ 4,350,592</u>	<u>\$ (173,555)</u>	<u>\$ 4,177,037</u>
Liabilities			
Current			
Payables and accruals	\$ 52,665	\$ -	\$ 52,665
Due to related parties	2,067	(17)	2,050
Current portion of mortgages payable	2,339,778	-	2,339,778
	2,394,510	(17)	2,394,493
Tenant deposits	10,645	-	10,645
Net assets attributable to limited partners	1,945,437	(173,538)	1,771,899
	<u>\$ 4,350,592</u>	<u>\$ (173,555)</u>	<u>\$ 4,177,037</u>

InvestPlus Vantage LP
Notes to the Financial Statements
December 31, 2014

**3. First-time adoption of Canadian accounting standards for private enterprises
(continued)**

(b) Balance sheet at December 31, 2013:

	<u>As previously reported</u>	<u>Effects of transition</u>	<u>As restated</u>
Assets			
Current			
Cash	\$ 12,366	\$ -	\$ 12,366
Receivables	100,452	-	100,452
Prepays	161,224	-	161,224
	274,042	-	274,042
Due from related parties	59,963	-	59,963
Revenue producing properties	8,190,000	(1,453,142)	6,736,858
	<u>\$ 8,524,005</u>	<u>\$ (1,453,142)</u>	<u>\$ 7,070,863</u>
Liabilities			
Current			
Payables and accruals	\$ 154,658	\$ -	\$ 154,658
Due to related parties	47,211	(146)	47,065
Current portion of mortgages payable	5,234,989	-	5,234,989
	5,436,858	(146)	5,436,712
Tenant deposits	56,800	-	56,800
Net assets attributable to limited partners	3,030,347	(1,452,996)	1,577,351
	<u>\$ 8,524,005</u>	<u>\$ (1,453,142)</u>	<u>\$ 7,070,863</u>

(c) Income statement, for the year ended December 31, 2013:

	<u>As previously reported</u>	<u>Effects of transition</u>	<u>As restated</u>
Revenue	\$ 644,930	\$ -	\$ 644,930
Expenses	1,368,291	129,474	1,497,765
Loss before other item	(723,361)	(129,474)	(852,835)
Change in fair value of revenue producing properties	1,150,112	(1,150,112)	-
Net income	<u>\$ 426,751</u>	<u>\$ (1,279,586)</u>	<u>\$ (852,835)</u>

(d) Statement of cash flows

There were no material adjustments required to the presentation in the statement of cash flows presented at December 31, 2013.

InvestPlus Vantage LP

Notes to the Financial Statements

December 31, 2014

4. Due from related parties	December 31, 2014	December 31, 2013 (Note 3)	January 1, 2013 (Note 3)
InvestPlus Vantage Finance Corp.	\$ 650	\$ 574	\$ 154,274
InvestPlus Management Group Inc.	28,709	3,760	-
InvestPlus Opportunity Fund IV Limited Partnership	14,534	24,346	-
InvestPlus Belvedere Limited Partnership	-	11,976	-
InvestPlus Limited Partnership III	-	19,307	-
	<u>\$ 43,893</u>	<u>\$ 59,963</u>	<u>\$ 154,274</u>

The balances due from related parties are unsecured, non-interest bearing with no specific terms of repayment. InvestPlus Vantage Finance Corp. is a limited partner of the Limited Partnership. The Limited Partnership and InvestPlus Management Group Inc., InvestPlus Opportunity Fund IV Limited Partnership, InvestPlus Belvedere Limited Partnership and InvestPlus Limited Partnership III are related through common management.

5. Revenue producing properties		December 31, 2014	December 31, 2013 (Note 3)	January 1, 2013 (Note 3)	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 2,674,260	\$ -	\$ 2,674,260	\$ 2,674,260	\$ 1,490,800
Buildings	<u>4,238,637</u>	<u>338,543</u>	<u>3,900,094</u>	<u>4,062,598</u>	<u>2,281,645</u>
	<u>\$ 6,912,897</u>	<u>\$ 338,543</u>	<u>\$ 6,574,354</u>	<u>\$ 6,736,858</u>	<u>\$ 3,772,445</u>

6. Due to related parties	December 31, 2014	December 31, 2013 (Note 3)	January 1, 2013 (Note 3)
InvestPlus Vantage GP Inc.	\$ 40,317	\$ 1,817	\$ 2,050
InvestPlus Limited Partnership III	10,371	-	-
InvestPlus Whitehouse Inc.	-	45,248	-
	<u>\$ 50,688</u>	<u>\$ 47,065</u>	<u>\$ 2,050</u>

The balances due to related parties are unsecured, non-interest bearing with no specific terms of repayment. InvestPlus Vantage GP Inc. is the general partner of the Limited Partnership. InvestPlus Limited Partnership III and InvestPlus Whitehouse Inc. are related through common management.

InvestPlus Vantage LP
Notes to the Financial Statements
December 31, 2014

7. Mortgages payable	December 31, 2014	December 31, 2013 (Note 3)	January 1, 2013 (Note 3)
Mortgage, interest only monthly at prime plus 1.5%, due May, 2015. Specific land and building (net book value \$1,912,649, December 31, 2013 - \$1,959,326, January 1, 2013 - \$2,007,948), general security agreement, assignment of rental revenue and leases on land and building and assignment of insurance have been provided as collateral	\$ 1,450,000	\$ 1,450,000	\$ 1,089,324
Mortgage, payable interest only monthly at prime plus 1.75%, due May, 2015. Specific land and building (net book value - \$1,680,915, December 31, 2013 - \$1,721,853, January 1, 2013 - \$1,764,497) and assignment of rental revenue and leases on land and building have been provided as collateral	1,249,640	1,249,640	1,250,454
Mortgage, payable interest only monthly at prime plus 1.5%, due September, 2015, secured by specific land and building (net book value \$2,980,790, December 31, 2013 - \$3,055,679, January 1, 2013 - \$nil)	2,700,000	2,564,000	-
Deferred mortgage financing costs amortized over term of mortgage	(18,208)	(28,651)	-
	5,381,432	5,234,989	2,339,778
Less current portion	5,381,432	5,234,989	2,339,778
Due beyond one year	\$ -	\$ -	\$ -

InvestPlus Vantage LP

Notes to the Financial Statements

December 31, 2014

8. Net assets attributable to limited partners

The Limited Partnership is authorized to issue up to 750,000 limited partnership units with each unit having a capital contribution amount of no less than \$93 per unit.

The Limited Partnership has issued 31,616 (December 31, 2013 - 30,501, January 1, 2013 - 23,750) Class A units to limited partners for gross proceeds of \$3,133,214 (December 31, 2013 - \$3,019,178, January 1, 2013 - \$2,344,955) before unamortized transaction costs of \$228,618 (December 31, 2013 - \$289,131, January 1, 2013 - \$389,592).

The significant rights and restrictions of the Limited Partnership unitholders are listed below:

- (i) Each limited partner has the right to exercise one vote for each whole unit held by the limited partner;
- (ii) Limited partners are entitled to receive allocations of income or loss, distributions, or any return of capital, pro rata in accordance with their respective proportionate units;
- (iii) The limited partners may redeem their units commencing on the five year anniversary from the date of issuance. The redemption amount is determined as follows:
 - (a) Where the Limited Partner has not received all of its capital contributions with respect of the units to be redeemed as at the date of providing the notice of redemption, the redemption price will be the total of A+B+C, where:
 - A represents the extent of unreturned capital contributions per unit and is calculated as the lesser of the net asset value of the Limited Partnership ("NAV") or the capital contribution per unit less the distributions of distributable cash per unit to the date of redemption;
 - B represents the percentage of distributable cash per unit that the limited partners are entitled to pursuant to the terms of the agreement and is calculated where the NAV is greater than A, B is the lesser of 0.70 multiplied by the NAV minus A or 0.75 multiplied by the capital contribution per unit; and
 - C represents the percentage of distributable cash per unit that the limited partners are entitled to pursuant to the terms of the agreement and is calculated where NAV is greater than the sum of A plus B plus the general partner's share per unit, as 0.50 multiplied by the results of NAV minus 0.75/0.70 multiplied by the capital contribution per unit minus capital contributions per unit less distributions per unit to the date of the redemption notice.
 - (b) Where a limited partner has received all of its capital contributions with respect to the units to be redeemed, the redemption price per unit shall be determined at the discretion of the general partner upon application of the general principles of the formulas set forth above and applied equally to the redemption of all units.
- (iv) In order for limited partners to maintain the limited liability afforded to them, unitholders are restricted from taking part in the control or management of the business of the Limited Partnership, or transacting any business on behalf of the Limited Partnership;

InvestPlus Vantage LP
Notes to the Financial Statements
December 31, 2014

8. Net assets attributable to limited partners (continued)

- (v) Limited partners are entitled to receive distributable cash. Distributions of distributable cash are at the discretion of the general partner and are allocated as follows:
- (a) Firstly to the limited partners to the extent of their unreturned initial capital contributions;
 - (b) Secondly, 70% to the limited partners in accordance with their proportionate share of partnership units, and 30% to the general partner until such time as the limited partners have received distributions of distributable cash in an amount equal to 75% of their original capital contributions; and
 - (c) Distributions shall thereafter be made 50% to the limited partners in accordance with their proportionate share of partnership units and 50% to the general partner.

As disclosed in Note 2, the limited partnership units contain a contractual agreement to deliver cash or another financial asset to the unitholders, therefore have been classified as a liability on the balance sheet.

9. Related party transactions

As per the provisions of the Limited Partnership Agreement dated February 3, 2012 an annual management fee of 0.5% of the annual portfolio value of the Limited Partnership is to be paid in equal monthly payments to InvestPlus Vantage GP Inc., the general partner of InvestPlus Vantage LP. During the year the Limited Partnership incurred management fee expense of \$44,356 (2013 - \$43,512) relating to management fees payable to InvestPlus Vantage GP Inc., the general partner of InvestPlus Vantage LP. Of this amount, \$3,717 (December 31, 2013 - \$nil; January 1, 2013 - \$nil) is included in due to related parties.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

InvestPlus Vantage LP

Notes to the Financial Statements

December 31, 2014

10. Financial instruments

The Limited Partnership is exposed to various risks through its financial instruments. The following analysis provides a measure of the Limited Partnership's risk exposures and concentrations at December 31, 2014. Unless otherwise noted, it is management's opinion that the Limited Partnership is not exposed to significant credit, liquidity or market risks arising from these financial instruments.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential for non-performance by counterparties of contractual obligations which could lead to a financial loss to the Limited Partnership. There was no significant change in exposure from the prior year.

Credit risk is managed through application of stringent credit policies and the performance of credit risk evaluations. The Limited Partnership's clients are numerous and diverse, which reduces the concentration of credit risk.

(b) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Limited Partnership is mainly exposed to interest rate risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Limited Partnership is exposed to interest rate risk on its floating interest rate financial instruments. Given the current composition of mortgages payable, fixed-rate instruments subject the Limited Partnership to a fair value risk.

11. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The reclassifications do not affect prior year earnings and are not material.

NOTICE

These financial statements are prepared in accordance with Canadian GAAP applicable to private enterprises, which are Canadian accounting standards for private enterprises in Part II of the Handbook.

The recognition, measurement and disclosure requirements of Canadian GAAP applicable to private enterprises differ from those of Canadian GAAP applicable to publicly accountable enterprises, which are International Financial Reporting Standards incorporated into the Handbook.

Interim
Financial Statements

(Unaudited - Prepared by Management)

InvestPlus Limited Partnership III

Nine months ended September 30, 2015

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InvestPlus Limited Partnership III

Interim Statements of Loss and Partners' Capital

(Unaudited - Prepared by Management)

Nine months ended ended September 30

	2015	2014
Rental revenue	\$ 507,165	\$ 484,774
Rental expenses		
Insurance	12,226	12,491
Office administration	6,322	7,933
Property administration	37,441	40,088
Property taxes	59,157	56,098
Repairs and maintenance	85,174	100,038
Utilities	71,698	75,954
	<u>272,018</u>	<u>292,602</u>
	<u>235,147</u>	<u>192,172</u>
General and administrative expenses		
Administration	28,950	11,546
Amortization of financing costs	12,243	37,850
Amortization of revenue producing property	76,672	79,867
Interest on mortgage payable	80,714	126,144
Management fees (recovered)	(16,997)	27,996
Office and miscellaneous	11,065	1,524
Professional fees	56,563	34,410
	<u>249,210</u>	<u>319,337</u>
Loss before other income (item)	(14,063)	(127,165)
Write-off of amount due from related party	<u>(57,000)</u>	<u>-</u>
Net loss	\$ <u>(71,063)</u>	\$ <u>(127,165)</u>
Partners' capital, beginning of period	\$ 703,605	\$ 1,177,480
Net loss	(71,063)	(127,165)
Redemption of limited partnership units	(29,122)	-
Distributions	<u>(45,156)</u>	<u>(82,228)</u>
Partners' capital, end of period	\$ <u>558,264</u>	\$ <u>968,087</u>

See accompanying notes to the interim financial statements.

InvestPlus Limited Partnership III

Interim Balance Sheet

(Unaudited - Prepared by Management)

September 30, 2015 December 31, 2014

Assets

Current

Cash	\$ 147,381	\$ -
Receivables	3,427	-
Prepays	<u>12,762</u>	<u>24,062</u>
	163,570	24,062
Due from related parties (Note 3)	114,260	189,329
Revenue producing property (Note 4)	<u>4,621,468</u>	<u>4,698,140</u>
	<u>\$ 4,899,298</u>	<u>\$ 4,911,531</u>

Liabilities

Current

Bank indebtedness	\$ -	\$ 16,416
Payables and accruals	41,299	6,346
Due to related parties (Note 5)	173,480	3,686
Current portion of mortgage payable (Note 6)	<u>96,077</u>	<u>94,219</u>
	310,856	120,667
Mortgage payable (Note 6)	3,993,067	4,053,137
Tenant deposits	<u>37,111</u>	<u>34,122</u>
	4,341,034	4,207,926
Partners' capital	<u>558,264</u>	<u>703,605</u>
	<u>\$ 4,899,298</u>	<u>\$ 4,911,531</u>

See accompanying notes to the interim financial statements.

InvestPlus Limited Partnership III

Interim Statement of Cash Flows

(Unaudited - Prepared by Management)

Nine months ended ended September 30

2015

2014

Increase (decrease) in cash and cash equivalents

Operating

Net loss	\$ (71,063)	\$ (127,165)
Items not affecting cash		
Amortization of revenue producing property	76,672	79,867
Amortization of financing costs	12,243	37,850
Write-off of amount due from related party	57,000	-
	<u>74,852</u>	<u>(9,448)</u>
Change in non-cash working capital items		
Receivables	(3,427)	125,000
Prepays	11,300	14,669
Payables and accruals	34,953	30,271
Tenant deposits	2,989	3,815
	<u>120,667</u>	<u>164,307</u>

Financing

Repayment of mortgage payable	(70,455)	(53,870)
Payment of financing costs on mortgage payable	-	(735)
Redemption of limited partnership units	(29,122)	-
Limited partner distributions	(45,156)	(82,228)
	<u>(144,733)</u>	<u>(136,833)</u>

Investing

Advances from (to) related parties	<u>187,863</u>	<u>(395,338)</u>
Increase (decrease) in cash and cash equivalents	163,797	(367,864)
Cash and cash equivalents (deficiency)		
Beginning of nine months ended	<u>(16,416)</u>	<u>504,465</u>
End of nine months ended	<u>\$ 147,381</u>	<u>\$ 136,601</u>

See accompanying notes to the interim financial statements.

InvestPlus Limited Partnership III

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

1. Nature of operations

InvestPlus Limited Partnership III (the "Limited Partnership") was formed as a limited partnership under the laws of the Province of Alberta on January 29, 2009. The Limited Partnership is involved in acquiring, holding, maintaining, improving, leasing and managing small to mid-size multi-family apartment buildings in Canada.

InvestPlus Limited Partnership III is unincorporated and these unaudited interim financial statements therefore include only those assets, liabilities, revenues and expenses of the Limited Partnership, and do not include all of the assets, liabilities, revenues and expenses of the partners. No provision has been made for income taxes as income of the Limited Partnership is taxed in the hands of the partners.

2. Summary of significant accounting policies

These unaudited interim financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. Accounting standards for private enterprises require entities to select policies appropriate for their circumstances from choices provided in the specific standards. The following are details of the policies selected by the Limited Partnership and applied in these financial statements. These unaudited interim financial statements, in all material respects, follow the same accounting policies as the audited financial statements for the year ended December 31, 2014.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these unaudited interim financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the period they become known.

Items subject to significant management estimates include the amortization of revenue producing property.

Financial instruments

The Limited Partnership initially measures its financial assets and financial liabilities at fair value except for certain non-arm's length transactions which are measured at the exchange amount. The Limited Partnership subsequently measures all of its financial assets and financial liabilities at amortized cost. Financing costs related to financial assets and financial liabilities are added to (deducted from) the initial carrying value of the financial asset or financial liability respectively. Financing costs related to the mortgage payable are amortized using the effective interest method over the term of the mortgage. Financial assets and financial liabilities measured at amortized cost include cash, receivables, due from related parties, payables and accruals, due to related parties, tenant deposits and mortgage payable. The Limited Partnership has not designated any financial asset or financial liability to be measured at fair value.

InvestPlus Limited Partnership III

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

The Limited Partnership's policy is to present bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn.

Revenue producing property

Revenue producing property is stated at cost less accumulated amortization. The building is amortized using the declining balance method over its estimated useful life at a rate of 4% per annum.

Impairment of long-lived assets

The Limited Partnership tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Revenue recognition

Rental revenue is recognized as income over the term of the lease as it becomes due and when collection is reasonably assured.

Allocation of net income or net loss

Net income or net loss for the fiscal year is allocated as follows:

- (i) First as to 0.0001% thereof, to the general partner; and
- (ii) Thereafter, the balance of 99.9999% to the limited partners in accordance with their proportionate share.

Distributable cash

The general partner may in its discretion make distributions of distributable cash as follows:

- (i) First to the limited partners to the extent of their unreturned capital contributions; and
 - (ii) Thereafter 55% to the limited partners in accordance with their proportionate share and 45% to the general partner.
-

InvestPlus Limited Partnership III

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

	September 30, 2015	December 31, 2014
3. Due from related parties		
InvestPlus Finance III Corp.	\$ 17,604	\$ 17,604
InvestPlus Investments III Corp.	6,983	91,283
1716430 Alberta Ltd.	-	57,000
InvestPlus Vantage LP	-	10,371
InvestPlus GP III Inc.	89,673	13,071
	<u>\$ 114,260</u>	<u>\$ 189,329</u>

The balances due from related parties are unsecured, non-interest bearing with no specific terms of repayment. The Limited Partnership and InvestPlus Finance III Corp., InvestPlus Investments III Corp., 1716430 Alberta Ltd. and InvestPlus Vantage LP are related through common management. InvestPlus GP III Inc. is the general partner of InvestPlus Limited Partnership III.

		September 30, 2015	December 31, 2014
4. Revenue producing property			
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>
Land	\$ 2,142,400	\$ -	\$ 2,142,400
Building	3,198,412	719,344	2,479,068
	<u>\$ 5,340,812</u>	<u>\$ 719,344</u>	<u>\$ 4,621,468</u>
			<u>\$ 4,698,140</u>

	September 30, 2015	December 31, 2014
5. Due to related parties		
InvestPlus Vantage LP	\$ 40,407	\$ -
InvestPlus Opportunity Fund IV Limited Partnership	22,698	2,186
InvestPlus Management Group Inc.	108,875	-
Stuart McPhail	750	750
Domenic Mandato	750	750
	<u>\$ 173,480</u>	<u>\$ 3,686</u>

The balance due to related parties are unsecured, non-interest bearing with no specific terms of repayment. The Limited Partnership and InvestPlus Vantage LP, InvestPlus Opportunity Fund IV Limited Partnership and InvestPlus Management Group Inc. are related through common management. Domenic Mandato and Stuart McPhail are shareholders of InvestPlus GP III Inc. which is the general partner of InvestPlus Limited Partnership III.

InvestPlus Limited Partnership III

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

	September 30, 2015	December 31, 2014
6. Mortgage payable		
Mortgage, payable \$16,791 per month, principal and interest at 2.62%, due December, 2019. Specific land and building (net book value - \$4,621,468) has been provided as collateral	\$ 4,089,144	\$ 4,159,546
Deferred mortgage financing costs amortized over term of mortgage	-	(12,190)
	4,089,144	4,147,356
Less current portion, net of deferred mortgage financing costs	96,077	94,219
Due beyond one year	\$ 3,993,067	\$ 4,053,137
Estimated principal re-payments are as follows:		
2016	\$ 96,077	
2017	98,611	
2018	101,211	
2019	103,880	
2020	<u>3,689,365</u>	
	\$ 4,089,144	

7. Related party transactions

As per the provisions of the Limited Partnership Agreement dated January 29, 2009 a management fee of 10% of the gross monthly revenue of the property acquired by the Limited Partnership is to be paid monthly to InvestPlus GP III Inc., the general partner of InvestPlus Limited Partnership III. During the period the Limited Partnership incurred management fee expense of \$29,291 relating to management fees payable to InvestPlus GP III Inc. In addition, during the period the Limited Partnership recovered management fees of \$46,288 incurred in prior years.

During the period the Limited Partnership had business transactions with InvestPlus Vantage LP (Vantage), an entity under common management. Vantage incurred administration, office and miscellaneous and professional fees expenses on behalf of the Limited Partnership during the period totaling \$45,040.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

InvestPlus Limited Partnership III

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

8. Financial instruments

The Limited Partnership is exposed to various risks through its financial instruments. The following analysis provides a measure of the Limited Partnership's risk exposures and concentrations at September 30, 2015. Unless otherwise noted, it is management's opinion that the Limited Partnership is not exposed to significant credit, liquidity or market risks arising from these financial instruments.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential for non-performance by counterparties of contractual obligations which could lead to a financial loss to the Limited Partnership. There was no significant change in exposure from the prior period.

Credit risk is managed through application of stringent credit policies and the performance of credit risk evaluations. The Limited Partnership's clients are numerous and diverse, which reduces the concentration of credit risk.

(b) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Limited Partnership is mainly exposed to interest rate risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Limited Partnership is exposed to interest rate risk on its fixed-rate interest rate financial instruments. Given the current composition of mortgage payable, fixed-rate instruments subject the Limited Partnership to a fair value risk.

NOTICE

These financial statements are prepared in accordance with Canadian GAAP applicable to private enterprises, which are Canadian accounting standards for private enterprises in Part II of the Handbook.

The recognition, measurement and disclosure requirements of Canadian GAAP applicable to private enterprises differ from those of Canadian GAAP applicable to publicly accountable enterprises, which are International Financial Reporting Standards incorporated into the Handbook.

Interim
Financial Statements

(Unaudited - Prepared by Management)

InvestPlus Opportunity Fund IV
Limited Partnership

Nine months ended September 30, 2015

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InvestPlus Opportunity Fund IV Limited Partnership

Interim Statement of Loss

(Unaudited - Prepared by Management)

Nine months ended September 30

	2015	2014
Rental revenue	\$ 1,562,758	\$ 1,509,949
Rental expenses		
Insurance	36,004	34,221
Office administration	33,013	12,245
Property administration	102,448	126,952
Property taxes	110,794	105,183
Repairs and maintenance	172,243	443,018
Utilities	159,123	165,134
	<u>613,625</u>	<u>886,753</u>
	<u>949,133</u>	<u>623,196</u>
General and administrative expenses		
Administration	75,645	21,740
Amortization of financing costs	187,057	141,452
Amortization of revenue producing properties	305,137	318,076
Commissions	2,318	8,113
Interest on mortgages payable	315,507	419,853
Management fees	95,747	85,149
Office and miscellaneous	32,225	8,636
Professional fees	95,236	42,883
	<u>1,108,872</u>	<u>1,045,902</u>
Loss before other item	(159,739)	(422,706)
Gain on disposal of revenue producing property	-	561,357
Net (loss) income	<u>\$ (159,739)</u>	<u>\$ 138,651</u>
Allocation to partners		
Net (loss) income attributable to limited partners	\$ (111,817)	\$ 97,056
Net (loss) income attributable to general partner	<u>(47,922)</u>	<u>41,595</u>
	<u>\$ (159,739)</u>	<u>\$ 138,651</u>

See accompanying notes to the interim financial statements.

InvestPlus Opportunity Fund IV Limited Partnership

Interim Statement of Net Assets Attributable to Limited Partners

(Unaudited - Prepared by Management)

Nine months ended September 30, 2015

	Number of Limited Partnership Units	Limited Partnership Capital	Net Loss Attributable to Limited Partners	Net Assets Attributable to Limited Partners
Balance at beginning of period	1,758	\$ 8,440,727	\$ (3,240,728)	\$ 5,199,999
Redemption of limited partnership units	(149)	(792,769)	-	(792,769)
Distributions	-	(221,681)	-	(221,681)
Net loss	-	-	(111,817)	(111,817)
Balance at end of period	1,609	\$ 7,426,277	\$ (3,352,545)	\$ 4,073,732

Nine months ended September 30, 2014

	Number of Limited Partnership Units	Limited Partnership Capital	Net Loss Attributable to Limited Partners	Net Assets Attributable to Limited Partners
Balance at beginning of period	1,758	\$ 9,011,949	\$ (4,801,606)	\$ 4,210,343
Prior period adjustments	-	-	1,440,482	1,440,482
As restated	1,758	9,011,949	(3,361,124)	5,650,825
Distributions	-	(331,502)	-	(331,502)
Net income	-	-	97,056	97,056
Balance at end of period	1,758	\$ 8,680,447	\$ (3,264,068)	\$ 5,416,379

InvestPlus Opportunity Fund IV Limited Partnership

Interim Balance Sheet

(Unaudited - Prepared by Management)

	September 30, 2015	December 31, 2014
Assets		
Current		
Cash	\$ 598,080	\$ 1,101,984
Receivables	16,942	23,674
Prepays	<u>77,667</u>	<u>40,389</u>
	692,689	1,166,047
Due from related parties (Note 3)	1,675,586	1,560,359
Revenue producing properties (Note 4)	<u>16,163,823</u>	<u>16,468,960</u>
	<u>\$ 18,532,098</u>	<u>\$ 19,195,366</u>
<hr/>		
Liabilities		
Current		
Payables and accruals	\$ 130,701	\$ 85,693
Due to related parties (Note 5)	703,471	643,587
Current portion of mortgages payable (Note 6)	1,708,323	3,883,539
Current portion of net assets attributable to limited partners (Note 7)	<u>611,060</u>	<u>780,000</u>
	3,153,555	5,392,819
Tenant deposits	125,903	130,275
Mortgages payable (Note 6)	11,789,968	9,252,273
Net assets attributable to limited partners (Note 7)	<u>3,462,672</u>	<u>4,419,999</u>
	<u>\$ 18,532,098</u>	<u>\$ 19,195,366</u>

See accompanying notes to the interim financial statements.

InvestPlus Opportunity Fund IV Limited Partnership

Interim Statement of Cash Flows

(Unaudited - Prepared by Management)

Nine months ended September 30

2015

2014

Increase (decrease) in cash and cash equivalents

Operating

Net (loss) income	\$ (111,817)	\$ 97,056
Items not affecting cash		
Amortization of revenue producing properties	305,137	318,076
Gain on disposal of revenue producing property	-	(561,357)
Amortization of financing costs	187,057	141,452
	<u>380,377</u>	<u>(4,773)</u>
Change in non-cash working capital items		
Receivables	6,732	(13,014)
Prepays	(37,278)	88,780
Payables and accruals	45,008	101,286
Tenant deposits	(4,372)	8,026
	<u>390,467</u>	<u>180,305</u>

Financing

Advances (to) from related parties	(55,343)	(39,617)
Repayment of mortgages payable	(2,489,405)	(1,505,616)
Proceeds from mortgages payable	2,700,000	-
Payment of financing costs on mortgages payable	(35,173)	(169,898)
Limited partner distributions	(221,681)	(331,502)
Redemption of limited partnership units	(792,769)	-
	<u>(894,371)</u>	<u>(2,046,633)</u>

Investing

Proceeds on disposal of revenue producing properties	-	2,281,914
(Decrease) increase in cash and cash equivalents	(503,904)	415,586
Cash and cash equivalents		
Beginning of nine months	<u>1,101,984</u>	<u>316,454</u>
End of nine months	<u>\$ 598,080</u>	<u>\$ 732,040</u>

See accompanying notes to the interim financial statements.

InvestPlus Opportunity Fund IV Limited Partnership

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

1. Nature of operations

InvestPlus Opportunity Fund IV Limited Partnership (the "Limited Partnership") was formed as a limited partnership under the laws of the Province of British Columbia on February 23, 2009. The Limited Partnership is involved in acquiring, holding, maintaining, improving, leasing and managing mid-size multi-family apartment buildings in Canada.

InvestPlus Opportunity Fund IV Limited Partnership is unincorporated and these unaudited interim financial statements therefore include only those assets, liabilities, revenues and expenses of the Limited Partnership, and do not include all of the assets, liabilities, revenues and expenses of the partners. No provision has been made for income taxes as income of the Limited Partnership is taxed in the hands of the partners.

2. Summary of significant accounting policies

These unaudited interim financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. Accounting standards for private enterprises require entities to select policies appropriate for their circumstances from choices provided in the specific standards. The following are details of the policies selected by the Limited Partnership and applied in these financial statements. These unaudited interim financial statements, in all material respects, follow the same accounting policies as the audited financial statements for the year ended December 31, 2014.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these unaudited interim financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the period they become known.

Items subject to significant management estimates include the amortization of revenue producing properties.

The Limited Partnership has issued limited partnership units to limited partners. In determining whether these should be classified as liabilities or equity, management has assessed whether the limited partnership units contain a contractual agreement to deliver cash or another financial asset to another entity, whether the limited partnership units are puttable, and whether the criteria in Section 3856 Financial Instruments has been satisfied. Management has made judgments that the limited partnership units do not meet the criteria to be classified as equity. The Limited Partnership therefore has no instrument qualifying for equity classification on its balance sheet. The classification of all limited partnership units as financial liabilities does not alter the underlying economic interest of the limited partners in the net assets and net operating results attributable to limited partners.

InvestPlus Opportunity Fund IV Limited Partnership

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

2. Summary of significant accounting policies (continued)

Financial instruments

The Limited Partnership initially measures its financial assets and financial liabilities at fair value except for certain non-arm's length transactions which are measured at the exchange amount. The Limited Partnership subsequently measures all of its financial assets and financial liabilities at amortized cost. Financing costs related to financial assets and financial liabilities are added to (deducted from) the initial carrying value of the financial asset or financial liability respectively. Financing costs related to the mortgages payable are amortized using the effective interest method over the term of the mortgage. Financial assets and financial liabilities measured at amortized cost include cash, receivables, due from related parties, payables and accruals, due to related parties, tenant deposits, mortgages payable and net assets attributable to limited partners. The Limited Partnership has not designated any financial asset or financial liability to be measured at fair value.

Cash and cash equivalents

The Limited Partnership's policy is to disclose bank balances and redeemable guaranteed investment certificates under cash and cash equivalents.

Revenue producing properties

Revenue producing properties are stated at cost less accumulated amortization. Revenue producing properties are amortized using the declining balance method over their estimated useful lives at the following rates:

Buildings	4%
Signs	20%

Impairment of long-lived assets

The Limited Partnership tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Revenue recognition

Rental revenue is recognized as income over the term of the lease as it becomes due and when collection is reasonably assured.

InvestPlus Opportunity Fund IV Limited Partnership

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

2. Summary of significant accounting policies (continued)

Allocation of net income or net loss

Net income for the fiscal year is allocated as follows:

- (a) First, limited partners shall be allocated the greater of (i) a preferred return (defined as simple, cumulative 9% interest on invested capital), and (ii) 70% of the net income in accordance with their proportionate share; and
- (b) Thereafter, the balance to the general partner.

Net loss for the fiscal year is allocated as follows:

- (a) First, limited partners shall be allocated 70% of the net loss in accordance with their proportionate share; and
- (b) Thereafter, the balance to the general partner.

Distributable cash

The general partner may in its discretion make distributions of distributable cash as follows:

- (i) First, to each limited partner holding units, such limited partner's proportionate share of the amount which, together with all previous distributions of distributable cash, is equal to (but not in excess of) the greater of:
 - (a) such limited partner's preferred return accrued at the time of such distribution; and
 - (b) 70% of the distributable cash distributed up to and including such distribution; and
- (ii) Thereafter the balance to the general partner.

Subject to the reserves as the general partner in its discretion considers appropriate, the general partner will distribute extraordinary net cash receipts to the partners of record as follows:

- (i) First, to each limited partner holding units, such limited partner's proportionate share of the amount which, together with all previous distributions of distributable cash and extraordinary net cash receipts, is equal to (but not in excess of) the greater of:
 - (a) such limited partner's preferred return accrued at the time of such distribution; and
 - (b) 70% of the aggregate of the distributions to such date of distributable cash and extraordinary net cash receipts; and
 - (ii) Thereafter the balance to the general partner.
-

InvestPlus Opportunity Fund IV Limited Partnership

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

	September 30, 2015	December 31, 2014
3. Due from related parties		
InvestPlus GP IV Inc.	\$ 1,495,981	\$ 1,384,766
InvestPlus Finance IV Corp.	156,907	156,907
1716430 Alberta Ltd.	-	16,500
InvestPlus Limited Partnership III	22,698	2,186
	<u>\$ 1,675,586</u>	<u>\$ 1,560,359</u>

The balances due from related parties are unsecured, non-interest bearing with no specific terms of repayment. InvestPlus GP IV Inc. is the general partner of InvestPlus Opportunity Fund IV Limited Partnership. InvestPlus Finance IV Corp., 1716430 Alberta Ltd. and InvestPlus Limited Partnership III are related through common management.

4. Revenue producing properties		September 30, 2015		December 31, 2014	
		Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 6,325,100	\$ -	\$ 6,325,100	\$ 6,325,100	
Buildings	11,621,722	1,788,876	9,832,846	10,136,946	
Signs	13,885	8,008	5,877	6,914	
	\$ 17,960,707	\$ 1,796,884	\$ 16,163,823	\$ 16,468,960	

	September 30, 2015	December 31, 2014
5. Due to related parties		
InvestPlus Investments IV Corp.	\$ 626,913	\$ 629,053
InvestPlus Management Group Inc.	57,219	-
InvestPlus Vantage LP	19,339	14,534
	<u>\$ 703,471</u>	<u>\$ 643,587</u>

The balances due to related parties are unsecured, non-interest bearing with no specific terms of repayment. InvestPlus Investments IV Corp., InvestPlus Management Group Inc. and InvestPlus Vantage LP are related through common management.

InvestPlus Opportunity Fund IV Limited Partnership

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

	September 30, 2015	December 31, 2014
6. Mortgages payable		
First mortgage, repaid in the period	\$ -	\$ 1,400,000
First mortgage, repaid in the period	-	829,753
First mortgage, payable \$7,678 per month, principal and interest at 4.30%. Specific land and building (net book value - \$1,841,643), general security agreement, assignment of rental revenue and leases on the land and building, assignment of insurance and personal guarantees from two directors of a related party have been provided as collateral	1,366,333	1,391,313
First mortgage, payable \$12,450 per month principal, plus interest at 2.897%, due November, 2017. Specific land and building (net book value - \$6,587,795), general security agreement, assignment of rental revenue and leases on land and building and assignment of insurance have been provided as collateral	5,375,500	5,487,550
First mortgage, payable \$3,750 per month principal, plus interest at 2.897%, due November, 2017. Specific land and building (net book value - \$1,656,454), general security agreement, assignment of rental revenue and leases on land and building and assignment of insurance have been provided as collateral	1,612,500	1,646,250
First mortgage, payable \$13,507 per month, principal and interest at 3.787% due July, 2018. Specific land and building (net book value - \$3,304,762), general security agreement, assignment of rental revenue and leases on land and building, assignment of insurance and a personal guarantee from a director of a related party have been provided as collateral	2,482,016	2,532,831
First mortgage, payable \$12,393 per month, principal and interest at 2.72%, due March, 2020. Specific land and building (net book value - \$2,767,292), general security agreement, assignment of rental revenue and leases on land and building and assignment of insurance have been provided as collateral	2,661,942	-
Deferred mortgage financing costs amortized over term of mortgage	-	(151,885)
	13,498,291	13,135,812
Less current portion, net of deferred mortgage financing costs	1,708,323	3,883,539
Due beyond one year	\$ 11,789,968	\$ 9,252,273

InvestPlus Opportunity Fund IV Limited Partnership

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

6. Mortgages payable (continued)

Estimated principal re-payments are as follows:

2016	\$ 1,708,323
2017	6,945,831
2018	2,419,747
2019	83,257
2020	<u>2,341,133</u>
	<u>\$ 13,498,291</u>

7. Net assets attributable to limited partners

The limited partners may deliver to the Limited Partnership on or before September 15 of each year, commencing September 15, 2014, a notice setting out the intention of such limited partner to retract some or all of the units of such limited partner. The Limited Partnership will retract units on February 28 in each year, commencing on February 28, 2015, provided that the Limited Partnership has not received retraction notices to redeem a number of units in excess of 15% of the number of units issued and outstanding on the notice date and the general partner of the Limited Partnership has not determined there are insufficient funds available to pay the retraction price, in which case the retraction of units will be made on a pro-rata basis according to the number of units specified on the retraction notices.

8. Share of net loss

As at September 30, 2015 InvestPlus GP IV Inc. holds 1 limited partnership unit and therefore is allocated its proportionate share of the net loss of the Limited Partnership that is allocated to the limited partners.

InvestPlus Opportunity Fund IV Limited Partnership

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

9. Financial instruments

The Limited Partnership is exposed to various risks through its financial instruments. The following analysis provides a measure of the Limited Partnership's risk exposures and concentrations at September 30, 2015. Unless otherwise noted, it is management's opinion that the Limited Partnership is not exposed to significant credit, liquidity or market risks arising from these financial instruments.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential for non-performance by counterparties of contractual obligations which could lead to a financial loss to the Limited Partnership. There was no significant change in exposure from the prior period.

Credit risk is managed through application of stringent credit policies and the performance of credit risk evaluations. The Limited Partnership's tenants are numerous and diverse, which reduces the concentration of credit risk.

(b) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Limited Partnership is mainly exposed to interest rate risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Limited Partnership is exposed to interest rate risk on its floating interest rate financial instruments. Given the current composition of mortgages payable, fixed-rate instruments subject the Limited Partnership to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

InvestPlus Opportunity Fund IV Limited Partnership

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

10. Related party transactions

- (a) During the period the Limited Partnership incurred management fee expense of \$95,747 relating to management fees to InvestPlus GP IV Inc., the general partner of InvestPlus Opportunity Fund IV Limited Partnership. Of this amount, \$9,015 included in due to related parties.
- (b) During the period the Limited Partnership had business transactions with InvestPlus Vantage LP (Vantage), an entity under common management. Vantage incurred office administration, office and miscellaneous and professional fees expenses on behalf of the Limited Partnership during the period totalling \$96,384.
- (c) As per the provisions of the amended and restated Limited Partnership Agreement dated May 20, 2010 a management fee of 12% of the gross monthly revenue of the properties acquired by the Limited Partnership is to be paid monthly to InvestPlus GP IV Inc., the general partner of InvestPlus Opportunity Fund IV Limited Partnership. Due to cash flow considerations the management fee being charged to the Limited Partnership by the general partner is 4% or 5% of rental revenue of specific properties, which is less than the management fee payable as per the provisions of the Limited Partnership Agreement. An amendment to the Limited Partnership Agreement is being considered related to the calculation of management fees.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

NOTICE

These financial statements are prepared in accordance with Canadian GAAP applicable to private enterprises, which are Canadian accounting standards for private enterprises in Part II of the Handbook.

The recognition, measurement and disclosure requirements of Canadian GAAP applicable to private enterprises differ from those of Canadian GAAP applicable to publicly accountable enterprises, which are International Financial Reporting Standards incorporated into the Handbook.

Interim
Financial Statements

(Unaudited - Prepared by Management)

InvestPlus Vantage LP

Nine months ended September 30, 2015

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InvestPlus Vantage LP

Interim Statement of Loss

(Unaudited - Prepared by Management)
Nine months ended September 30

	2015	2014
Rental revenue	\$ 620,546	\$ 620,413
Rental expenses		
Insurance	16,144	14,458
Office administration	14,697	4,416
Property administration	53,365	58,269
Property taxes	46,562	42,241
Repairs and maintenance	64,515	60,763
Utilities	87,905	86,677
	<u>283,188</u>	<u>266,824</u>
	<u>337,358</u>	<u>353,589</u>
General and administrative expenses		
Administration	44,685	26,770
Amortization of financing costs	18,209	39,638
Amortization of revenue producing properties	117,003	121,878
Amortization of transaction costs	239,682	61,406
Interest on mortgages payable	164,383	173,758
Management fees	33,075	33,206
Office and miscellaneous	15,680	9,214
Professional fees	74,827	82,364
	<u>707,544</u>	<u>548,234</u>
Net loss	\$ (370,186)	\$ (194,645)
Allocation to partners		
Net loss attributable to limited partners	\$ (370,149)	\$ (194,626)
Net loss attributable to general partner	<u>(37)</u>	<u>(19)</u>
	<u>\$ (370,186)</u>	<u>\$ (194,645)</u>

See accompanying notes to the interim financial statements.

InvestPlus Vantage LP**Interim Statement of Net Assets Attributable to Limited Partners**

(Unaudited - Prepared by Management)

Nine months ended September 30, 2015

	Number of Limited Partnership Units	Limited Partnership Capital	Net Income (Loss) Attributable to Limited Partners	Net Assets Attributable to Limited Partners
Balance at beginning of period	31,616	\$ 2,876,039	\$ (1,571,182)	\$ 1,304,857
Net loss	-	-	(370,149)	(370,149)
Distributions	-	(30,000)	-	(30,000)
Transaction costs	-	(11,064)	-	(11,064)
Amortization of transaction costs	-	239,682	-	239,682
Balance at end of period	31,616	\$ 3,074,657	\$ (1,941,331)	\$ 1,133,326

Nine months ended September 30, 2014

	Number of Limited Partnership Units	Limited Partnership Capital	Net Income (Loss) Attributable to Limited Partners	Net Assets Attributable to Limited Partners
Balance at beginning of period	30,501	\$ 2,730,047	\$ 300,300	\$ 3,030,347
Effect of transition to Accounting Standards for Private Enterprises	-	-	(1,452,996)	(1,452,996)
As restated	30,501	2,730,047	(1,152,696)	1,577,351
Issuance of limited partnership units	1,115	114,036	-	114,036
Net loss	-	-	(194,626)	(194,626)
Distributions	-	(15,000)	-	(15,000)
Transaction costs	-	(19,919)	-	(19,919)
Amortization of transaction costs	-	61,406	-	61,406
Balance at end of period	31,616	\$ 2,870,570	\$ (1,347,322)	\$ 1,523,248

See accompanying notes to the interim financial statements

InvestPlus Vantage LP
Interim Balance Sheet
(Unaudited - Prepared by Management)

	September 30, 2015	December 31, 2014
Assets		
Current		
Cash	\$ 198,973	\$ 186,352
Receivables	-	8,578
Prepays	<u>31,245</u>	<u>180</u>
	230,218	195,110
Due from related parties (Note 3)	70,780	43,893
Revenue producing properties (Note 4)	<u>6,457,352</u>	<u>6,574,354</u>
	<u>\$ 6,758,350</u>	<u>\$ 6,813,357</u>
<hr/>		
Liabilities		
Current		
Payables and accruals	\$ 64,675	\$ 23,369
Due to related parties (Note 5)	108,083	50,688
Current portion of mortgages payable (Note 6)	<u>5,399,370</u>	<u>5,381,432</u>
	5,572,128	5,455,489
Tenant deposits	52,896	53,011
Net assets attributable to limited partners (Note 7)	<u>1,133,326</u>	<u>1,304,857</u>
	<u>\$ 6,758,350</u>	<u>\$ 6,813,357</u>

See accompanying notes to the interim financial statements.

InvestPlus Vantage LP

Interim Statement of Cash Flows

(Unaudited - Prepared by Management)

Nine months ended September 30

2015

2014

Increase (decrease) in cash and cash equivalents

Operating

Net loss attributable to limited partners	\$ (370,149)	\$ (194,626)
Items not affecting cash		
Amortization of revenue producing properties	117,003	121,878
Amortization of financing costs on mortgages payable	18,209	39,638
Amortization of transaction costs on limited partnership units	239,682	61,406
	<u>4,745</u>	<u>28,296</u>
Change in non-cash working capital items		
Receivables	8,578	100,452
Prepays	(31,065)	132,514
Payables and accruals	41,305	(72,616)
Tenant deposits	(115)	1,026
	<u>23,448</u>	<u>189,672</u>

Financing

Advances to related parties	30,508	(152,426)
Repayment of mortgages payable	(271)	(2,564,000)
Proceeds from issuance of limited partnership units	-	114,036
Proceeds from mortgages payable	-	2,700,000
Payment of financing costs on mortgages payable	-	(42,408)
Payment of transaction costs on limited partnership units	(11,064)	(19,919)
Limited partner distributions	(30,000)	(15,000)
	<u>(10,827)</u>	<u>20,283</u>

(Decrease) increase in cash and cash equivalents 12,621 209,955

Cash and cash equivalents

Beginning of nine months	186,352	12,366
End of nine months	<u>\$ 198,973</u>	<u>\$ 222,321</u>

See accompanying notes to the interim financial statements.

InvestPlus Vantage LP

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

1. Nature of operations

InvestPlus Vantage LP (the "Limited Partnership") was formed as a limited partnership under the laws of the Province of Alberta on February 3, 2012. The Limited Partnership is involved in acquiring, holding, maintaining, improving, leasing and managing small to mid-size multi-family apartment buildings in Canada.

InvestPlus Vantage LP is unincorporated and these unaudited interim financial statements therefore include only those assets, liabilities, revenues and expenses of the Limited Partnership, and do not include all of the assets, liabilities, revenues and expenses of the partners. No provision has been made for income taxes as income of the Limited Partnership is taxed in the hands of the partners.

2. Summary of significant accounting policies

These unaudited interim financial statements have been prepared in accordance with Canadian accounting standards for private enterprises. Accounting standards for private enterprises require entities to select policies appropriate for their circumstances from choices provided in the specific standards. The following are details of the policies selected by the Limited Partnership and applied in these financial statements. These unaudited interim financial statements, in all material respects, follow the same accounting policies as the audited financial statements for the year ended December 31, 2014.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these unaudited interim financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the period they become known.

Items subject to significant management estimates include the amortization of revenue producing properties.

The Limited Partnership has issued limited partnership units to limited partners. In determining whether these should be classified as liabilities or equity, management has assessed whether the limited partnership units contain a contractual agreement to deliver cash or another financial asset to another entity, whether the limited partnership units are puttable, and whether the criteria in Section 3856 Financial Instruments has been satisfied. Management has made judgments that the limited partnership units do not meet the criteria to be classified as equity. The Limited Partnership therefore has no instrument qualifying for equity classification on its balance sheet. The classification of all limited partnership units as financial liabilities does not alter the underlying economic interest of the limited partners in the net assets and net operating results attributable to limited partners.

InvestPlus Vantage LP

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

2. Summary of significant accounting policies (continued)

Financial instruments

The Limited Partnership initially measures its financial assets and financial liabilities at fair value except for certain non-arm's length transactions which are measured at the exchange amount. The Limited Partnership subsequently measures all of its financial assets and financial liabilities at amortized cost. Financing costs and transaction costs related to financial assets and financial liabilities are added to (deducted from) the initial carrying value of the financial asset or financial liability respectively. Financing costs related to the mortgages payable are amortized using the effective interest method over the term of the mortgage. Transaction costs related to the issuance of limited partnership units are amortized using the effective interest method over the expected life of the units, which is expected to be until December 31, 2017. Financial assets and financial liabilities measured at amortized cost include cash, receivables, due from related parties, payables and accruals, due to related parties, mortgages payable, tenant deposits and net assets attributable to limited partners. The Limited Partnership has not designated any financial asset or financial liability to be measured at fair value.

Cash and cash equivalents

The Limited Partnership's policy is to disclose bank balances under cash and cash equivalents.

Revenue producing properties

Revenue producing properties are stated at cost less accumulated amortization. The buildings are amortized using the declining balance method over their estimated useful lives at a rate of 4% per annum.

Impairment of long-lived assets

The Limited Partnership tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Revenue recognition

Rental revenue is recognized as income over the term of the lease as it becomes due and when collection is reasonably assured.

InvestPlus Vantage LP

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

2. Summary of significant accounting policies (continued)

Allocation of net income or net loss

Net income or net loss for the fiscal year is allocated as follows:

- (i) First as to 0.0001% thereof, to the general partner; and
- (ii) Thereafter, the balance of 99.9999% to the limited partners in accordance with their proportionate share until such time as the limited partners have received return of their capital contributions through distributions of distributable cash, after which time such allocations are to be made 70% to the limited partners in accordance with their proportionate share and 30% to the general partner until such time as each limited partner has received distributions of distributable cash in an amount equal to 75% of their original capital contributions, after which time allocations are to be made 50% to the limited partners in accordance with their proportionate share and 50% to the general partner.

	September 30, 2015	December 31, 2014
3. Due from related parties		
InvestPlus Vantage GP Inc.	\$ 10,174	\$ -
InvestPlus Vantage Finance Corp.	860	650
InvestPlus Management Group Inc.	-	28,709
InvestPlus Opportunity Fund IV Limited Partnership	19,339	14,534
InvestPlus Limited Partnership III	40,407	-
	<u>\$ 70,780</u>	<u>\$ 43,893</u>

The balances due from related parties are unsecured, non-interest bearing with no specific terms of repayment. InvestPlus Vantage GP Inc. is the general partner of the Limited Partnership. InvestPlus Vantage Finance Corp. is a limited partner of the Limited Partnership. The Limited Partnership and InvestPlus Management Group Inc., InvestPlus Opportunity Fund IV Limited Partnership and InvestPlus Limited Partnership III are related through common management.

			September 30, 2015	December 31, 2014
4. Revenue producing properties				
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 2,674,260	\$ -	\$ 2,674,260	\$ 2,674,260
Buildings	4,238,637	455,545	3,783,092	3,900,094
	<u>\$ 6,912,897</u>	<u>\$ 455,545</u>	<u>\$ 6,457,352</u>	<u>\$ 6,574,354</u>

InvestPlus Vantage LP

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

	September 30, 2015	December 31, 2014
5. Due to related parties		
InvestPlus Management Group Inc.	\$ 108,083	\$ -
InvestPlus Limited Partnership III	-	10,317
InvestPlus Vantage GP Inc.	-	40,371
	<u>\$ 108,083</u>	<u>\$ 50,688</u>

The balances due to related parties are unsecured, non-interest bearing with no specific terms of repayment. InvestPlus Management Group Inc. and InvestPlus Limited Partnership III are related through common management. InvestPlus Vantage GP Inc. is the general partner of the Limited Partnership

	September 30, 2015	December 31, 2014
6. Mortgages payable		
Mortgage, payable interest only monthly at prime plus 1.5%, due September, 2015. Specific land and building (net book value - \$2,926,870), general security agreement, assignment of rental revenue and leases on land and building and assignment of insurance have been provided as collateral	\$ 2,699,856	\$ 2,700,000
Mortgage, interest only monthly at prime plus 1.5%, due May, 2016. Specific land and building (net book value - \$1,879,041), general security agreement, assignment of rental revenue and leases on land and building and assignment of insurance have been provided as collateral	1,449,940	1,450,000
Mortgage, payable interest only monthly at prime plus 1.75%, due May, 2016. Specific land and building (net book value - \$1,651,440) and assignment of rental revenue and leases on land and building have been provided as collateral	1,249,574	1,249,640
Deferred mortgage financing costs amortized over term of mortgage	<u>-</u>	<u>(18,208)</u>
	5,399,370	5,381,432
Less current portion, net of deferred mortgage financing costs	<u>5,399,370</u>	<u>5,381,432</u>
Due beyond one year	<u>\$ -</u>	<u>\$ -</u>

InvestPlus Vantage LP

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

7. Net assets attributable to limited partners

The Limited Partnership is authorized to issue up to 750,000 limited partnership units with each unit having a capital contribution amount of no less than \$93 per unit.

The Limited Partnership has issued 31,616 Class A units to limited partners for gross proceeds of \$3,133,214.

The significant rights and restrictions of the Limited Partnership unitholders are listed below:

- (i) Each limited partner has the right to exercise one vote for each whole unit held by the limited partner;
- (ii) Limited partners are entitled to receive allocations of income or loss, distributions, or any return of capital, pro rata in accordance with their respective proportionate units;
- (iii) The limited partners may redeem their units commencing on the five year anniversary from the date of issuance. The redemption amount is determined as follows:
 - (a) Where the Limited Partner has not received all of its capital contributions with respect of the units to be redeemed as at the date of providing the notice of redemption, the redemption price will be the total of A+B+C, where:
 - A represents the extent of unreturned capital contributions per unit and is calculated as the lesser of the net asset value of the Limited Partnership ("NAV") or the capital contribution per unit less the distributions of distributable cash per unit to the date of redemption;
 - B represents the percentage of distributable cash per unit that the limited partners are entitled to pursuant to the terms of the agreement and is calculated where the NAV is greater than A, B is the lesser of 0.70 multiplied by the NAV minus A or 0.75 multiplied by the capital contribution per unit; and
 - C represents the percentage of distributable cash per unit that the limited partners are entitled to pursuant to the terms of the agreement and is calculated where NAV is greater than the sum of A plus B plus the general partner's share per unit, as 0.50 multiplied by the results of NAV minus 0.75/0.70 multiplied by the capital contribution per unit minus capital contributions per unit less distributions per unit to the date of the redemption notice.
 - (b) Where a limited partner has received all of its capital contributions with respect to the units to be redeemed, the redemption price per unit shall be determined at the discretion of the general partner upon application of the general principles of the formulas set forth above and applied equally to the redemption of all units.
- (iv) In order for limited partners to maintain the limited liability afforded to them, unitholders are restricted from taking part in the control or management of the business of the Limited Partnership, or transacting any business on behalf of the Limited Partnership;

InvestPlus Vantage LP

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

7. Net assets attributable to limited partners (continued)

- (v) Limited partners are entitled to receive distributable cash. Distributions of distributable cash are at the discretion of the general partner and are allocated as follows:
 - (a) Firstly to the limited partners to the extent of their unreturned initial capital contributions;
 - (b) Secondly, 70% to the limited partners in accordance with their proportionate share of partnership units, and 30% to the general partner until such time as the limited partners have received distributions of distributable cash in an amount equal to 75% of their original capital contributions; and
 - (c) Distributions shall thereafter be made 50% to the limited partners in accordance with their proportionate share of partnership units and 50% to the general partner.

As disclosed in Note 2, the limited partnership units contain a contractual agreement to deliver cash or another financial asset to the unitholders, therefore have been classified as a liability on the balance sheet.

8. Related party transactions

As per the provisions of the Limited Partnership Agreement dated February 3, 2012 an annual management fee of 0.5% of the annual portfolio value of the Limited Partnership is to be paid in equal monthly payments to InvestPlus Vantage GP Inc., the general partner of InvestPlus Vantage LP. During the period the Limited Partnership incurred management fee expense of \$33,075 relating to management fees payable to InvestPlus Vantage GP Inc., the general partner of InvestPlus Vantage LP.

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

InvestPlus Vantage LP

Notes to the Interim Financial Statements

(Unaudited - Prepared by Management)

September 30, 2015

9. Financial instruments

The Limited Partnership is exposed to various risks through its financial instruments. The following analysis provides a measure of the Limited Partnership's risk exposures and concentrations at September 30, 2015. Unless otherwise noted, it is management's opinion that the Limited Partnership is not exposed to significant credit, liquidity or market risks arising from these financial instruments.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential for non-performance by counterparties of contractual obligations which could lead to a financial loss to the Limited Partnership. There was no significant change in exposure from the prior period.

Credit risk is managed through application of stringent credit policies and the performance of credit risk evaluations. The Limited Partnership's clients are numerous and diverse, which reduces the concentration of credit risk.

(b) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Limited Partnership is mainly exposed to interest rate risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Limited Partnership is exposed to interest rate risk on its floating interest rate financial instruments. Given the current composition of mortgages payable, fixed-rate instruments subject the Limited Partnership to a fair value risk.

Financial Statements

InvestPlus Real Estate Investment Trust

Period Ended December 31, 2015

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Independent Auditor's Report

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To the Unitholders of InvestPlus Real Estate Investment Trust

We have audited the accompanying financial statements of InvestPlus Real Estate Investment Trust, which comprise the statement of financial position as at December 31, 2015 and the statements of changes in unitholders' equity, net loss and comprehensive loss, and cash flows for the period from June 18, 2015 to December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of InvestPlus Real Estate Investment Trust as at December 31, 2015, and its changes in unitholders' equity, its financial performance and its cash flows for the period from date of formation on June 18, 2015 to December 31, 2015 in accordance with International Financial Reporting Standards.

Edmonton, Canada

June 13, 2016

Grant Thornton LLP

Chartered Professional Accountants, Chartered Accountants

InvestPlus Real Estate Investment Trust
Statement of Financial Position

December 31,

2015

Assets

Current asset	
Cash	\$ 328,643
Investment in Class A limited partnership units (Note 4)	<u>10,829,123</u>
Total assets	<u>\$ 11,157,766</u>

Liabilities

Current liability	
Obligation to issue trust units (Note 5)	\$ <u>10,003</u>
Unitholders' equity	<u>11,147,763</u>
Total liabilities and unitholders' equity	<u>\$ 11,157,766</u>

Approved on behalf of the Trust


_____ Trustee

_____ Trustee

See accompanying notes to the financial statements

InvestPlus Real Estate Investment Trust

Statement of Changes in Unitholders' Equity

For the period from date of formation on June 18, 2015 to December 31, 2015

	<u>Unitholders'</u> <u>capital</u>	<u>Warrants</u>	<u>Retained</u> <u>earnings</u>	<u>Unitholders'</u> <u>equity</u>
Balance, beginning of period	\$ -	\$ -	\$ -	\$ -
Issuance of units (Note 5)	11,189,397	797,423	-	11,986,820
Exercise of warrants (Note 5)	17,777	(17,777)	-	-
Expiry of warrants (Note 5)	779,646	(779,646)	-	-
Net loss for the period	<u>-</u>	<u>-</u>	<u>(839,057)</u>	<u>(839,057)</u>
Balance, end of period	<u>\$ 11,986,820</u>	<u>\$ -</u>	<u>\$ (839,057)</u>	<u>\$11,147,763</u>

See accompanying notes to the financial statements

InvestPlus Real Estate Investment Trust
Statement of Net Loss and Comprehensive Loss

For the period from date of formation on June 18, 2015 to December 31, 2015

Revenue	\$ -
Other items	
Income allocated from limited partnership	1,730,943
Change in fair value of investment in Class A limited partnership units	<u>(2,570,000)</u>
Net loss and comprehensive loss for the period	<u>\$ (839,057)</u>

See accompanying notes to the financial statements

InvestPlus Real Estate Investment Trust

Statement of Cash Flows

Period from date of formation on June 18, 2015 to December 31, 2015

Operating activities	
Net loss for the period	\$ (839,057)
Non-cash transactions:	
Income allocated from the Partnership	(1,730,943)
Fair value loss on investment in Class A limited partnership units	<u>2,570,000</u>
	-
Change in non-cash operating working capital:	
Obligation to issue trust units	<u>10,003</u>
Cash flows from operating activities	<u>10,003</u>
Financing activities	
Proceeds on issuance of units	11,668,180
Proceeds on exercise of warrants	<u>318,640</u>
Cash flows from financing activities	<u>11,986,820</u>
Investing activity	
Investment in Class A limited partnership units	<u>(11,668,180)</u>
Net increase in cash for the period	328,643
Cash at beginning of period	<u>-</u>
Cash at end of period	\$ 328,643

See accompanying notes to the financial statements

InvestPlus Real Estate Investment Trust

Notes to the Financial Statements

Period from date of formation on June 18, 2015 to December 31, 2015

1. General business description

InvestPlus Real Estate Investment Trust (the "Trust") is an unincorporated, open-ended, investment trust formed under the laws of the province of Alberta on June 18, 2015 pursuant to the Declaration of Trust. If not terminated sooner, the trust shall continue until a term 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on June 18, 2015.

The Trust was formed to raise funds for the purpose of acquiring units in InvestPlus Master Limited Partnership (the "Partnership"). The Partnership was formed for the purposes of forming a subsidiary limited partnership, InvestPlus Residential Limited Partnership ("Residential LP"), and to acquire future properties either directly or indirectly through Residential LP or other subsidiary limited partnerships. Residential LP was formed to acquire the assets of three existing limited partnerships, which consist of residential real estate.

A Limited Partnership Agreement (the "Agreement"), dated August 25, 2015, governs the operations and business affairs of the Partnership. In accordance with the Agreement, all operations are overseen by the general partner, InvestPlus GP Ltd. (the "General Partner").

If not terminated sooner, the term of the Partnership shall continue until December 31, 2065.

These financial statements do not include all the assets and liabilities of the unitholders, but only those relating to the business of the Trust.

The Trust is taxed as a mutual fund trust for Canadian income tax purposes. In accordance with the Declaration of Trust, distributions to Unitholders are declared at the discretion of the Trustee. It is the intention of the Trust to declare distributions not less than the amount necessary to ensure the Trust will not be subject to tax. Accordingly, the Trust will not recognize any current tax or deferred tax assets or liabilities on temporary differences.

The address of the registered office of the Trust is 921 – 5 Avenue SW, Calgary, Alberta, T2P 0N9.

InvestPlus Real Estate Investment Trust

Notes to the Financial Statements

Period from date of formation on June 18, 2015 to December 31, 2015

2. Basis of preparation

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements were authorized for issue by the Trustee of the Trust on June 13, 2016

Basis of measurement

The financial statements have been prepared on the historical cost basis except as follows:

The Trust has adopted the investment entity amendments to IFRS 10 *Consolidated Financial Statements*. In addition to defining an investment entity, IFRS 10 requires that investments in subsidiaries (other than those that provide investment-related services) be accounted for at fair value through profit or loss rather than by consolidating them. The Trust has determined that it became an investment entity as a result of investment in Class A limited partnership units in the Partnership. The Trust owns all of the outstanding Class A limited partnership units in the Partnership.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Trust's functional currency.

Change in accounting policy

For the period ended August 25, 2015 the Trust presented consolidated financial statements, where it assessed that it controlled the Partnership. For the period ended December 31, 2015 the Trust has assessed that it meets the criteria to be considered an investment entity under IFRS 10 *Consolidated Financial Statements*, and has chosen to account for its investment in limited partnership units at fair value. This change in accounting policy was applied for the entire period presented from the date of formation. As at August 25, 2015, the Trust's investment in limited partnership units was \$10.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

InvestPlus Real Estate Investment Trust

Notes to the Financial Statements

Period from date of formation on June 18, 2015 to December 31, 2015

2. Basis of preparation (cont'd)

Use of estimates and judgments (cont'd)

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

i) Judgments

Classification of Trust units

The Trust has issued Trust units to unitholders. In determining whether these should be classified as liabilities or equity, management has assessed whether the Trust units contain a contractual agreement to deliver cash or another financial asset to another entity, whether the units are puttable, and whether the criteria in IAS 32 *Financial Instruments: Presentation* which permit the classification of a puttable instrument as equity has been satisfied.

The Trust's units are redeemable at the option of the holder and, therefore, are considered puttable instruments. Puttable instruments are required to be presented as financial liabilities, except where certain conditions are met in accordance with IAS 32 *Financial Instruments: Presentation*, in which case the puttable instruments may be presented as equity. The Trust's units were determined to meet the conditions of IAS 32 and are accordingly presented as equity in the financial statements.

Assessment of control

In determining whether the Trust controls the entities in which it invests, management is required to consider and assess the definition of control in accordance with IFRS 10 *Financial Statements*. The Trust has assessed that while the limited partnership agreement between the Partnership and the General Partner provides the General Partner with the ability to direct all relevant activities of the Partnership, and the General Partner can only be removed as General Partner of the partnership if it enters bankruptcy or receivership, or the occurrence of any gross negligence, wilful misconduct or fraud on the part of the general partner, and the limited partners pass an ordinary resolution to remove the General Partner as the general partner, the Trust controls the Partnership by virtue of the fact that the General Partner is acting as an agent of the limited partners, and the Trust holds all of the outstanding voting limited partnership units. There is judgment required to determine whether the rights of the Trust result in control of the Partnership and whether the General Partner meets the definition of an agent.

Determination of investment entity

In determining that the Trust is an investment entity, there is a requirement that management consider and assess whether it met the criteria to be an investment entity in accordance with IFRS 10 *Consolidated Financial Statements*. In accordance with IFRS 10, an investment entity is an entity that: "obtains funds from one or more investors for the purpose of providing them with investment management services, commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income (including rental income), or both, and measures and evaluates the performance of substantially all of its investments on a fair value basis." In addition, IFRS 10 clarifies that an investment entity may earn fee income from the provision of investment-related services to external parties.

InvestPlus Real Estate Investment Trust

Notes to the Financial Statements

Period from formation on June 18, 2015 to December 31, 2015

2. Basis of preparation (cont'd)

Use of estimates and judgments (cont'd)

In determining its status as an investment entity, the Trust considered that it invests funds from unitholders solely in limited partnership units in the Partnership for the purposes of managing this investment on behalf of the unitholders to generate returns sufficient to repay the capital contribution and accrued distributions to unitholders. In determining its status as an investment entity, the Trust has determined that fair value is the primary measurement attribute used to monitor and evaluate its investments and that its participation in the Partnership is as an investor, rather than as an operator or developer of properties. The Trust does not meet the typical characteristics of an investment entity, in that it does not have more than one investment; however the Trust has considered that the Partnership may participate in more than one investment property on behalf of limited partners, and therefore the Trust indirectly participates in more than one investment.

i) Estimates

Fair value and measurement of investments not quoted in an active market

Management uses appropriate valuation techniques in measuring the fair value of financial instruments, where active market quotes are not available. Details of the assumptions used are provided in Note 6. In applying valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with the observable data the market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

In measuring financial instruments held or issued by the Trust, management is required to make estimates of expected future cash flows of those instruments. The most significant estimate is of the expected future cash flows from the investment in Class A limited partnership units.

Fair value of warrants

The Trust uses the residual method to determine the fair value of units and warrants issued as part of an asset acquisition (Note 5). The Trust measures the fair value of warrants by reference to the fair value of the equity instruments at the date at which they are granted. Fair value is determined by using the Black-Scholes Option Pricing formula which requires estimating the inputs to the model such as the expected life of the warrants, share price volatility for similar entities in the public markets, expected yield, risk-free interest rate and making assumptions thereon. Changes in the subjective input assumptions can materially effect the fair value estimate. The fair value of the warrants is subtracted from the issue price of the trust units to determine the value of trust units issued in the asset acquisition. The value of warrants not exercised is transferred to unitholders' capital upon expiry.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

InvestPlus Real Estate Investment Trust

Notes to the Financial Statements

Period from formation on June 18, 2015 to December 31, 2015

3. Significant accounting policies

Cash

Cash and cash equivalents consist of cash on hand.

Financial instruments

All financial instruments are initially measured at fair value. Financial assets and financial liabilities are measured subsequently based on their classification.

Financial assets are classified as either fair value through profit or loss, loans and receivables, held to maturity, or available for sale. Financial liabilities are classified as fair value through profit or loss, or other financial liabilities. Financial assets or liabilities at fair value through profit or loss include instruments classified as held-for-trading or designated upon initial recognition at fair value through profit or loss. Financial assets or liabilities at fair value through profit or loss are measured at fair value with all gains and losses included in net income in the period in which they arise. Available for sale financial assets are measured at fair value with gains and losses, net of tax, included in other comprehensive income until the instruments are derecognized or impaired, at which time the gains or losses are recorded in net income. Loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost using the effective interest method.

The Trust has the following financial assets and liabilities for which it has selected the following classification:

	<u>Classification</u>	<u>Measurement</u>
Cash	Loans and receivables	Amortized cost
Investment in Class A limited partnership units	Available for sale	Fair value
Obligation to issue trust units	Other financial liabilities	Amortized cost

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been impacted. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

Provisions and contingent liabilities

Provisions are recognized when there is a present legal or constructive obligation arising as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation. Timing or exact amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

InvestPlus Real Estate Investment Trust

Notes to the Financial Statements

Period from formation on June 18, 2015 to December 31, 2015

3. Significant accounting policies (cont'd)

Equity instruments

The Trust's units were determined to meet the conditions of IAS 32 *Financial Instruments: Presentation* and are accordingly presented as unitholders' equity in the financial statements. Distributions on Trust accounts will be deducted from unitholders' capital.

Future accounting standards and interpretations

The Trust has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following are relevant to the Trust:

The Trust will be required to adopt IFRS 9, *Financial Instruments* ("IFRS 9") the effective date for which is undetermined. This is a result of the first phase of the IASB's project to replace IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. IFRS 9 has also been amended not to require the restatement of comparative period financial statements for the initial application of the classification and measuring requirements of IFRS 9, but instead requires modified disclosures on transition to IFRS 9. The Trust has not early adopted this standard and is currently assessing the impact that this standard will have on the financial statements.

The Trust will be required to adopt IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"). IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 *Revenue*, IAS 11 *Construction Contracts* and several revenue related interpretations. The new standard establishes a control based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRS, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options and other common complexities. IFRS 15 is effective for reporting periods beginning on or after January 1, 2017. The Trust has not early adopted this standard and is currently assessing the impact that this standard will have on the financial statements.

InvestPlus Real Estate Investment Trust

Notes to the Financial Statements

Period from formation on June 18, 2015 to December 31, 2015

4. Investment in Class A limited partnership units

2015

Changes in the value of the limited partnership units are as follows:

Opening balance	\$ -
Units acquired during year	11,668,180
Income allocated from Partnership	1,730,943
Fair value change	<u>(2,570,000)</u>
	<u>\$ 10,829,123</u>

As at December 31, 2015 the Trust holds 1,166,818 Class A limited partnership units with an original capital contribution value of \$11,668,180. The Partnership may issue an unlimited number of Class A voting limited partnership units ("Class A Unit") and an unlimited number of Class B non-voting limited partnership units ("Class B Unit"). The holder of a Class B unit shall be entitled at any time to cause the exchange of a Class B Unit for a unit of the Trust on a one-for-one basis (Note 8).

The investment in Class A limited partnership units is carried at fair value, and an fair value loss of \$2,570,000 was recorded for the period ended December 31, 2015 in the statement of loss. Key inputs into the valuation of the investment in Class A limited partnership units are disclosed in Note 6.

Net income or net loss of the Partnership is allocated as follows:

- a) Firstly, 0.01% to the General Partner;
- b) Secondly, 99.99% to the limited partners in accordance with their proportionate shares

Net income or net loss for tax purposes is allocated to individual limited Partners based on their proportionate share of Units as at the end of the fiscal year, over the total units at the end of the fiscal year.

Distributable cash will be allocated to limited partners on a proportionate basis subject to the following conditions:

- Distribution on the Class B Units will be equal on a per unit basis, to the distributions made by the Trust to Trust unitholders on a per Trust unit basis, to ensure distributions by the Trust on a per Trust unit basis, and on the Class B Units on a per unit basis are equivalent;
- Distributions on the Class A Units may be an amount greater on a per unit basis than those on Class B Units

The Partnership shall not make any distribution on the Class A Units without making distribution on the Class B Units, and vice versa.

InvestPlus Real Estate Investment Trust

Notes to the Financial Statements

Period from formation on June 18, 2015 to December 31, 2015

5. Unitholders' capital

The Trust was formed on June 18, 2015 and issued five initial trust units ("Units") at \$10 per Unit.

On September 30, 2015 the Partnership completed an asset acquisition. Under the terms of the acquisition, the Partnership acquired investment properties. The consideration paid for the properties was 326,917 Class B limited partnership units at a deemed value of \$10 per Unit, 1,166,818 Units in the Trust for deemed consideration of \$10 per unit, and 1,493,735 warrants for the acquisition of Trust Units. The Partnership concurrently acquired the Trust's share of the assets from the Trust by issuing 1,166,818 Class A limited partnership units.

At December 31, 2015, 33,541 of the outstanding warrants were exercised for total gross proceeds of \$318,640, and with a grant date fair value of \$0.53.

At December 31, 2015, the Trust had received \$10,003 in advance for the issuance of Units. This amount is shown as obligation to issue trust units on the statement of financial position until the Units are issued.

Unitholders' capital consists of Units held by investors, plus income allocations net of distributions.

The Declaration of Trust provides that an unlimited number of trust units (the "Units") may be issued. Each Unit represents an equal, undivided beneficial interest in any distribution of the Trust and in the net assets of the Trust in the event of termination or winding up of the Trust. Each Unit entitles the holder thereof to participate equally in the distributions and to one vote at all meetings of unitholders for each whole unit held.

The Trustee, with the assistance of the Administrator, may declare a distribution of the Trust's cash flow quarterly on March 31, June 30, September 30 and December 31 or such other periods as may be determined by the Trustees in each year of the Trust, except that December 31 in all cases shall be a distribution record date. The distribution may be paid in full in cash or redemption notes payable, or in Trust Units or a combination of cash and Trust Units.

Each unitholder shall be entitled to require the Trust to redeem all or part of their Units, and shall be entitled to receive a price equal to the following: (i) within the first year of issuance of the Unit equal to an amount per Unit of 92% of the fair market value of the Units, (ii) within the second year of issuance of the Unit equal to amount per Unit of 94% of the fair market value of the Unit, (iii) within the third year of issuance of the Unit an amount equal to 96% of the fair market value of the Unit, and (iv) at the fair market value of the Units without discount if redeemed commencing on the fourth anniversary of issuance. The fair market value of the Unit shall be the value as determined by the Trustees at their sole discretion, having regard to the prices at which Units have traded in the six months prior, the issue price for Units in any offering during the six months prior, the fair market value of equity interests in, or enterprise values of comparable entities, and any other considerations that the Trustees may consider appropriate.

InvestPlus Real Estate Investment Trust

Notes to the Financial Statements

Period from formation on June 18, 2015 to December 31, 2015

5. Unitholders' capital (cont'd)

The Trust may be required to redeem up to \$100,000 of Units in the form of cash in each fiscal quarter (the "Quarterly Limit") provided that the Trustees may, in their sole discretion, waive the limitation in respect of all Units tendered for redemption in any fiscal quarter. When the total amount payable in respect of all Units tendered for redemption in the same fiscal quarter exceeds the Quarterly Limit, Units will be redeemed for cash on a pro rata basis up to the Quarterly Limit and thereafter, subject to regulatory approvals, shall be paid and satisfied by the Trust distributing promissory notes ("Redemption Notes") for the balance. The Redemption Notes will be unsecured, bear interest from the issue date of each such note at a market rate of interest, determined at the time of interest, based on advice of an independent financial advisor, payable annually in arrears, be subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Trustee or Administrator with holders of senior indebtedness, be subject to early repayment without penalty, being due and payable on the third anniversary of the date of issuance, and being subject to the other standard terms and conditions as would be included in a promissory note of this kind, as may be approved by the Administrator. The Trust also may not be required to redeem Units in the form of cash if in the sole opinion of the Administrator, the payment would not be in the best interest of the Trust having regard to the then current cash position of the Trust or if the redemption of Units will result in the Trust losing its status as a mutual fund trust for the purposes of the Tax Act.

Warrants

The warrants were issued on September 1, 2015, and expired on December 31, 2015. The warrants had an exercise price of \$9.50 per unit and vested immediately. The warrants were issued in conjunction with the issuance of Units as a part of the asset acquisition undertaken by the Partnership.

The fair value of the warrants was determined using the Black-Scholes Option Pricing Model using the following assumptions:

Grant date stock price	\$	10
Risk free interest rate		1.25%
Expected volatility		15.20%
Annual dividend rate		0.00%
Forfeiture rate		0.00%
Expected remaining life (years)		0.083 years
Fair value	\$	0.53

	Number of warrants	Weighted Average Price
Outstanding, beginning of period	-	-
Issued	1,493,736	\$ 9.50
Expired	(1,460,195)	(9.50)
Exercised	(33,541)	(9.50)
Outstanding, end of period	-	\$ -

InvestPlus Real Estate Investment Trust

Notes to the Financial Statements

Period from formation on June 18, 2015 to December 31, 2015

6. Financial instruments and financial risk management

Fair value

The fair value of a financial instrument is the estimated amount that the Trust would receive or pay to settle the financial assets and financial liabilities at the reporting date. The fair value of cash and obligation to issue trust units approximates its carrying value due to its short term nature.

Fair value for the investment in Class A limited partnership units is determined by the Trust using valuation techniques. Such valuation techniques may include earnings multiples, and discounted cash flows. In determining fair value, the Trust relies on the financial data of the Partnership, and on estimates by the Partnership as to the effect of future developments. Although the Trust uses its best judgments, there are inherent limitations in any estimation techniques.

The fair value estimates presented herein are not necessarily indicative of an amount the Trust could realize in a current transaction.

Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- o Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- o Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- o Level 3 inputs are unobservable inputs for the asset or liability.

The investment in Class A limited partnership units has level 3 fair value inputs. The main input in the Trust's valuation of the investment in Class A limited partnership units is the underlying net asset value of the Partnership, and the expected cash flows, including timing, from those net assets if the Trust were to require redemption of its investment in Class A limited partnership units. The Trust also considers the original transaction price, recent transactions in the same or similar instruments, and the expected discount rate applied to cash flows of the Class A limited partnership units and adjusts the model as deemed necessary.

Risk management framework

The Trust employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Trust's business objectives and risk tolerance levels. The Trustees have overall responsibility for the establishment and oversight of the Trust's risk management framework, and the responsibility to administer and monitor these risks.

Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they are due. The Trust's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Trust's ongoing liquidity will be impacted by various external events and conditions, including the profitability of its investment in the Partnership. The Trust's ability to repay its payables and accruals is contingent upon the performance of the Partnership.

Investments in limited partnerships can be relatively illiquid, with the degree of liquidity generally fluctuating in relation to the demand for, and perceived desirability of such investments.

InvestPlus Real Estate Investment Trust

Notes to the Financial Statements

Period from formation on June 18, 2015 to December 31, 2015

7. Capital management

The primary objectives of the Trust's capital management are to invest in limited partnership units in the Partnership with the objective of generating returns to Unit holders. The Trust will manage its capital structure and make changes to it in the light of changes in economic conditions and the risk characteristics of the nature of the business.

The Trust considers its capital structure to be unitholders' capital. In order to maintain or adjust the capital structure, the Trust may from time to time issue Trust units, seek debt financing and adjust its capital spending to manage its current and projected capital structure. The Trust's capital to December 31, 2015 has increased due to the issuance of Trust units.

The Trust is not subject to externally imposed capital requirements.

8. Commitment

Exchange agreement

The Company, the Trust and the Partnership entered into an exchange agreement (the "Exchange Agreement") dated August 25, 2015. Pursuant to the terms of the Exchange Agreement, the Trust and the Partnership agree that Class B limited partnership unitholders in the Partnership will be provided with the right to exchange their Class B limited partnership units for Trust units on a one for one basis. The General Partner will act as exchange agent under the terms of the agreement.

Consolidated Financial Statements

InvestPlus Master Limited Partnership

Period Ended December 31, 2015

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Independent Auditor's Report

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To the Partners of InvestPlus Master Limited Partnership

We have audited the accompanying consolidated financial statements of InvestPlus Master Limited Partnership, which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statements of net income and comprehensive income, changes in partners' equity, and cash flows for the period from August 25, 2015 to December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of InvestPlus Master Limited Partnership as at December 31, 2015, and its financial performance, changes in partners' equity, and its cash flows for the period from August 25, 2015 to December 31, 2015 in accordance with International Financial Reporting Standards.

Grant Thornton LLP

Edmonton, Canada

June 13, 2016

Chartered Professional Accountants, Chartered Accountants

InvestPlus Master Limited Partnership

Consolidated Statement of Financial Position

As at December 31,

2015

Assets

Current

Cash	\$ 10,921
Receivables	190,467
Prepays	152,605
Deposits	58,500
	<u>412,493</u>

Restricted cash	235,751
Due from related party (Note 4)	150
Investment properties (Note 5)	<u>42,475,000</u>
	<u>\$ 43,123,394</u>

Liabilities

Current

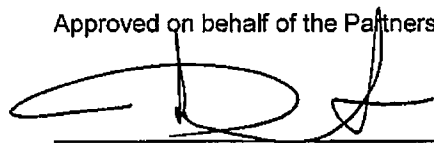
Payables and accruals	\$ 424,739
Due to related party (Note 4)	385,940
Current portion of mortgages payable (Note 6)	<u>3,303,386</u>
	<u>4,114,065</u>

Tenant deposits	235,751
Mortgages payable (Note 6)	<u>21,897,602</u>
	<u>26,247,418</u>

Partners' equity (Note 7)	<u>16,875,976</u>
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Total liabilities and partners' equity	<u>\$ 43,123,394</u>
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Approved on behalf of the Partnership



Director of InvestPlus GP Ltd. (General Partner)

See accompanying notes to the consolidated financial statements

InvestPlus Master Limited Partnership
Consolidated Statement of Changes in Partners' Equity

	<u>General Partner</u>	<u>Class A units</u>	<u>Class B units</u>	<u>Total Equity</u>
Balance, August 25, 2015	\$ -	\$ -	\$ -	\$ -
Capital contribution (Note 7)	20	-	-	20
Issuance of units (Note 7)	-	11,668,190	3,269,170	14,937,360
Transaction costs (Note 7)	-	(216,802)	(60,744)	(277,546)
Net income and comprehensive income for the period	<u>222</u>	<u>1,730,943</u>	<u>484,977</u>	<u>2,216,142</u>
Balance, December 31, 2015	<u>\$ 242</u>	<u>\$ 13,182,331</u>	<u>\$ 3,693,403</u>	<u>\$ 16,875,976</u>

See accompanying notes to the consolidated financial statements

InvestPlus Master Limited Partnership

Consolidated Statement of Net Income and Comprehensive Income

For the period from August 25, 2015 to December 31, 2015

Revenue	
Rent	\$ 817,531
Expenses	
Advertising and promotion	7,071
Asset management fees	53,550
Commissions	40,629
Insurance	38,293
Interest and bank charges	2,111
Interest on mortgages payable	204,098
Meals and entertainment	2,639
Office	9,743
Professional fees	103,049
Property management fees	44,224
Property taxes	52,514
Repairs and maintenance	94,892
Salaries and related benefits	30,318
Subscriptions, permits and licenses	3,586
Borrowing cost amortization	2,345
Utilities	98,745
Travel	8,728
	<u>796,535</u>
Income from operations	20,996
Other item	
Valuation gains from investment properties (Note 5)	<u>2,195,146</u>
Net income and comprehensive income for the period	\$ <u>2,216,142</u>
Net income and comprehensive income attributable to General Partner	\$ 222
Net income and comprehensive income attributable to Class A Limited Partners	\$ 1,730,943
Net income and comprehensive income attributable to Class B Limited Partners	\$ 484,977

See accompanying notes to the consolidated financial statements

InvestPlus Master Limited Partnership

Consolidated Statement of Cash Flows

For the period from August 25, 2015 to December 31, 2015

Operating activities	
Net income for the period	\$ 2,216,142
Interest on mortgages payable	204,098
Non-cash items:	
Valuation gains from investment properties	(2,195,146)
Amortization on borrowing costs	<u>2,345</u>
	227,439
Changes in non-cash operating working capital:	
Receivables	(181,529)
Prepays	(30,157)
Deposits	(58,500)
Payables and accruals	245,582
Tenant deposits	<u>19,841</u>
Cash flows from operating activities	<u>222,676</u>
Investing activities	
Restricted cash	(235,751)
Advances from related party	148,169
Acquisition of investment property	(2,740,031)
Cash acquired on acquisition	<u>885,633</u>
Cash flows from investing activities	<u>(1,941,980)</u>
Financing activities	
Proceeds on issuance of Class A limited partnership units	10
Transaction costs paid	(277,546)
Proceeds from mortgages payable	2,211,839
Interest on mortgages payable	(204,098)
Initial capital contributions from general partner	<u>20</u>
Cash flows from financing activities	<u>1,730,225</u>
 Net increase in cash for the period	 10,921
 Cash at beginning of period	 <u>-</u>
 Cash at end of period	 <u>\$ 10,921</u>
 Non-cash transaction:	
Acquisition of properties from issuance of Class A and Class B limited partnership units (Note 5)	<u>\$ 14,937,350</u>

See accompanying notes to the consolidated financial statements

InvestPlus Master Limited Partnership

Notes to the Consolidated Financial Statements

For the period from August 25, 2015 to December 31, 2015

1. General business description

InvestPlus Master Limited Partnership (the "Partnership") was registered pursuant to the provisions of the *Partnership Act* (Alberta) on August 25, 2015.

The Partnership was formed for the purposes of forming a subsidiary limited partnership, InvestPlus Residential Limited Partnership ("Residential LP"), and to acquire future properties either directly or indirectly through Residential LP or other subsidiary limited partnerships. Residential LP was formed on August 25, 2015 to acquire residential real estate assets of three existing limited partnerships.

A limited partnership agreement, dated August 25, 2015, governs the operations and business affairs of the Partnership. In accordance with the agreement, all operations are overseen by the general partner, InvestPlus GP Ltd. (the "General Partner").

If not terminated sooner, the term of the Partnership shall continue until December 31, 2065.

These consolidated financial statements do not include all the assets and liabilities of the partners, but only those relating to the business of the Partnership.

On August 25, 2015 the Partnership acquired 1 limited partnership unit in Residential LP. A limited partnership agreement governs the operations and business affairs of Residential LP. In accordance with the agreement, all operations are overseen by the General Partner.

On September 30, 2015 the Residential LP acquired the investment properties held by InvestPlus Vantage LP, InvestPlus LP III and InvestPlus LP IV in exchange for issuance of Class A and Class B limited partnership units of the Partnership (Note 7).

The Partnership is not subject to income taxes. The net income or loss of the Partnership is allocated to the individual partners for tax purposes.

The address of the registered office of the Partnership is 921 – 5 Avenue SW, Calgary, Alberta, T2P 0N9.

InvestPlus Master Limited Partnership

Notes to the Consolidated Financial Statements

For the period from August 25, 2015 to December 31, 2015

2. Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue by the General Partner of the Partnership on June 13, 2016.

Basis of consolidation

The consolidated financial statements include the assets, liabilities, results of operations and cash flows of the Partnership and Residential LP, from its date of formation on August 25, 2015. The Partnership owns all of the outstanding limited partnership units in Residential LP, and the General Partner acts as the general partner of Residential LP.

All inter-company transactions and balances are eliminated. The Partnership attributes total comprehensive income or loss of the Residential LP between the Partnership and the General Partner based on the terms of the Agreement. The Partnership has applied uniform accounting policies throughout all consolidated entities and reporting dates of Residential LP are consistent with the Partnership.

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties which have been measured at fair value.

Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the Partnership's functional currency.

Use of estimates and judgments

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

InvestPlus Master Limited Partnership

Notes to the Consolidated Financial Statements

For the period from August 25, 2015 to December 31, 2015

2. Basis of preparation (cont'd)

Use of estimates and judgments

i) Judgments

Classification of limited partnership units

The Partnership has issued partnership units to limited partners. In determining whether these should be classified as liabilities or equity, management has assessed whether the partnership units contain a contractual agreement to deliver cash or another financial asset to another entity, whether the units are puttable, and whether the criteria in IAS 32 *Financial Instruments: Presentation* which permit the classification of a puttable instrument as equity has been satisfied.

The Partnership's Class A and B units are not considered puttable instruments however the Class A and B units require the Partnership to deliver a pro rata share of the net assets on liquidation. As the Partnership has a limited term this creates an obligation and requires the units to be accounted for as financial liabilities, except where certain conditions are met in accordance with IAS 32 in which case, the units may be presented as equity. The Partnership's Class A and B units were determined to have met the conditions in accordance with IAS 32 and therefore have been classified and presented as equity in the consolidated financial statements.

Assessment of control

In determining whether the Partnership controls the entities in which it invests, management is required to consider and assess the definition of control in accordance with IFRS 10 *Consolidated Financial Statements*. The Partnership has assessed that while the limited partnership agreement between the Residential LP and the General Partner provides the General Partner with the ability to direct all relevant activities of the Residential LP, and the General Partner can only be removed as General Partner of the partnership if it enters bankruptcy or receivership, or the occurrence of any gross negligence, wilful misconduct or fraud on the part of the general partner, and the limited partners pass an ordinary resolution to remove the General Partner as the general partner, the Partnership controls the Residential LP by virtue of the fact that the General Partner is acting as an agent of the limited partners. There is judgment required to determine whether the rights of the Partnership result in control of the Residential LP, and whether the General Partner meets the definition of an agent.

Business combinations

The Partnership and its subsidiaries acquire real estate properties. At the time of acquisition, the Partnership considers whether or not the acquisition represents the acquisition of a business. The Partnership accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made to the extent to which significant processes are acquired and, in particular, the extent of ancillary services provided by the property (e.g. maintenance, cleaning, security, bookkeeping etc.). The significance of any process is judged with reference to the guidance in IAS 40 about ancillary services.

When the acquisition of a property does not represent a business, it is accounted for as an acquisition of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values and no goodwill is recognized. None of the property acquisitions in the current year were considered to be business combinations.

InvestPlus Master Limited Partnership

Notes to the Consolidated Financial Statements

For the period from August 25, 2015 to December 31, 2015

2. Basis of preparation (cont'd)

Use of estimates and judgments (cont'd)

ii) Estimates

Valuation of investment properties

The fair value of the investment properties is determined by management, in conjunction with independent real estate valuation experts using recognized valuation techniques. The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as tenant profiles, future revenue streams and overall repair and condition of the property), capitalization rates and discount rates applicable to those assets. These estimates are based on market conditions existing at the reporting date.

The following approaches, either individually or in combination, are used by management, together with the appraisers, in their determination of the fair value of the investment properties:

The Income Approach derives market value by estimating the future cash flows that will be generated by the property and then applying an appropriate capitalization rate or discount rate to those cash flows. This approach can utilize the direct capitalization method and/or the discounted cash flow analysis.

The Direct Comparison Approach involves comparing or contrasting the recent sale, listing or optioned prices of properties comparable to the subject and adjusting for any significant differences between them.

Management reviews each appraisal and ensures the assumptions used by the appraisers are reasonable and the final fair value amount reflects those assumptions used in the various approaches above. Where an appraisal is not obtained at the reporting date, management considers the date of the most recent appraisal and the data utilized within for any significant changes. If significant changes in the assumptions are determined, management reviews the approaches described above, for each investment property, and estimates the fair value.

The significant assumptions used by management in estimating the fair value of the investment property are set out in Note 5.

3. Significant accounting policies

Cash

Cash and cash equivalents consist of cash on hand.

Revenue recognition

The Partnership classifies its income-producing properties as investment properties, and has determined that all of its leases with tenants meet the criteria for classification as operating leases in accordance with IAS 17 *Leases*. Rental revenue includes all amounts earned from tenants related to lease agreements.

InvestPlus Master Limited Partnership

Notes to the Consolidated Financial Statements

For the period from August 25, 2015 to December 31, 2015

3. Significant accounting policies (cont'd)

Revenue recognition (cont'd)

Rental revenue from investment properties is recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognized as a component of the total rental revenue, over the term of the lease. Lease cancellation fees are recognized as revenue when the tenant foregoes the rights and obligations from the use of the space.

Rental revenue also include contractual recoveries of operating expenses, including property taxes and is recognized in income in the period that recoverable costs are chargeable to the tenants. The recoveries are included gross of the related costs in revenue, as management considers that the Company acts as a principal in this respect.

Interest revenue is recognized when earned.

Revenue as stated above is only recognized only when reasonableness of collection is assured.

Investment properties

Investment properties are comprised of property held either to earn rental income or for capital appreciation or for both. Investment properties are measured initially at its cost, including related transaction costs. Transaction costs include professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

After initial recognition, investment properties are carried at fair value. Gains or losses arising from changes in fair value are included in profit or loss in the year in which they arise.

Leases

The Partnership is the lessor in all leasing arrangements. Leases are classified according to the substance of the transaction. Leases that transfer substantially all the risks and benefits of ownership from the Partnership to the lessees are accounted for as finance leases. Upon initial recognition, the leased asset is recorded as an amount receivable and measured as the present value of the minimum lease payments. All other leases are accounted for as operating leases. All leases of the Partnership at December 31, 2015 are operating leases.

Financial instruments

All financial instruments are initially measured at fair value. Financial assets and financial liabilities are measured subsequently based on their classification.

Segmented information

The Partnership owns and operates residential real estate assets located in Canada. In measuring the Partnership's performance or making operating decisions, management does not distinguish or group its operations on a geographical or other basis. Accordingly, the Partnership is a single reportable segment for disclosure purposes.

InvestPlus Master Limited Partnership

Notes to the Consolidated Financial Statements

For the period from August 25, 2015 to December 31, 2015

3. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Financial assets are classified as either fair value through profit or loss, loans and receivables, held to maturity, or available for sale. Financial liabilities are classified as fair value through profit or loss, or other financial liabilities. Financial assets or liabilities at fair value through profit or loss include instruments classified as held-for-trading or designated upon initial recognition at fair value through profit or loss. Financial assets or liabilities at fair value through profit or loss are measured at fair value with all gains and losses included in net income in the period in which they arise. Available for sale financial assets are measured at fair value with gains and losses, net of tax, included in other comprehensive income until the instruments are derecognized or impaired, at which time the gains or losses are recorded in net income. Loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost using the effective interest method.

The Partnership has the following financial instruments for which it has selected the following classifications:

	<u>Classification</u>	<u>Measurement</u>
Cash	Loans and receivables	Amortized cost
Receivables	Loans and receivables	Amortized cost
Deposits	Loans and receivables	Amortized cost
Restricted cash	Loans and receivables	Amortized cost
Due from related party	Loans and receivables	Amortized cost
Payables and accruals	Other financial liabilities	Amortized cost
Due to related party	Other financial liabilities	Amortized cost
Tenant deposits	Other financial liabilities	Amortized cost
Mortgages payable	Other financial liabilities	Amortized cost

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been impacted. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

Provisions and contingent liabilities

Provisions are recognized when there is a present legal or constructive obligation arising as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation. Timing or exact amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

InvestPlus Master Limited Partnership

Notes to the Consolidated Financial Statements

For the period from August 25, 2015 to December 31, 2015

3. Significant accounting policies (cont'd)

Future accounting standards and interpretations

The Partnership has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following are relevant to the Partnership:

The Partnership will be required to adopt IFRS 9, *Financial Instruments* ("IFRS 9"), the effective date for which is undetermined. This is a result of the first phase of the IASB's project to replace IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. IFRS 9 has also been amended not to require the *restatement* of comparative period financial statements for the initial application of the classification and measuring requirements of IFRS 9, but instead requires modified disclosures on transition to IFRS 9. The Partnership has not early adopted this standard and is currently assessing the impact that this standard will have on the consolidated financial statements.

The Partnership will be required to adopt IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"). IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 *Revenue*, IAS 11 *Construction Contracts* and several revenue related interpretations. The new standard establishes a control based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRS, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options and other common complexities. IFRS 15 is effective for reporting periods beginning on or after January 1, 2017. The Partnership has not early adopted this standard and is currently assessing the impact that this standard will have on the consolidated financial statements.

The Partnership will be required to adopt IFRS 16 *Leases* ("IFRS 16"). IFRS 16 eliminates the classification of leases as either operating or finance leases and requires the recognition of assets and liabilities for all leases, unless the lease term is twelve months or less, or the underlying asset has a low value. IFRS 16 is effective for reporting periods beginning on or after January 1, 2019. The Partnership has not early adopted this standard and is currently assessing the impact that this standard will have on the financial statements.

4. Due from (to) related parties

2015

InvestPlus Properties (IPP) Canada, a company with common directors, officers and management with the General Partner	\$ 150
InvestPlus Management Inc. a company with common directors, officers and management with the General Partner	\$ (385,940)

The balances due from (to) related parties are unsecured, non-interest bearing with no specific terms of repayment. All parties indicated are related through common management.

InvestPlus Master Limited Partnership

Notes to the Consolidated Financial Statements

For the period from August 25, 2015 to December 31, 2015

4. Due from (to) related parties (cont'd)

Related party transactions

During the period the Partnership entered into the following transactions with related parties:

- Issued 1,166,819 Class A limited partnership units to Investplus Real Estate Investment Fund (the "Trust") for gross proceeds of \$11,668,180. The Trust controls the Partnership as it holds all outstanding voting Class A limited partnership units.
- Paid asset management fees of \$53,550 to InvestPlus Management Group Inc.
- Included in accounts payable at period-end is \$38,601 payable to the shareholder of the General Partner, which relates to reimbursements for expenses paid on behalf of the Partnership.

5. Investment properties

The Partnership has the following income producing properties carried at fair value. The results of operations of these properties have been included in these consolidated financial statements.

<u>Property</u>	<u>Type</u>	<u>December 31,</u> <u>2015</u>
Cedar Peaks	Residential	\$ 4,200,000
Centre Court	Residential	7,100,000
Forest Heights	Residential	2,650,000
Highland	Residential	2,525,000
Hudson	Residential	2,100,000
Luxemburg	Residential	4,350,000
Metropolitan	Residential	3,950,000
Newport	Residential	2,900,000
York	Residential	9,900,000
Prince George	Commercial	2,800,000
		<u>\$ 42,475,000</u>

The fair values of the investment properties have been determined by management using external appraisals performed by accredited independent appraisers with recognized and relevant professional qualifications and recent experience in the location and category of income properties being valued. Management reviews each appraisal and ensures that the assumptions used are reasonable and the final fair value amount reflects those assumptions used in the determination of the fair market values of the properties. When assessing the difference between an appraised value and the acquisition cost for a property acquired in the period, management reviews the quantitative factors impacting the purchase including the impact on price of off-market negotiations, and assesses the purchase price for indications that the price may not be representative of fair value. Additionally, for properties where the appraisal date different from the reporting date, management reviews the significant assumptions utilized in the appraisal, and if any significant changes were noted, recalculates the fair value utilizing updated assumptions as applicable.

InvestPlus Master Limited Partnership

Notes to the Consolidated Financial Statements

For the period from August 25, 2015 to December 31, 2015

5. Investment properties (cont'd)

The significant Level 3 assumptions made relating to the valuations are set out below:

	2015
Capitalization rate	5.12%- 7.75%
Vacancy and collection loss allowance rate	2.00%- 5.00%

If the capitalization rate increased by 0.25% the fair values of the investment properties would decrease by approximately \$1,759,000. If the vacancy and collection loss allowance rate increased by 1%, or the net operating income decreased by 1% the fair value of the investment properties would decrease by approximately \$1,620,000.

Asset acquisitions

During the period, the Partnership acquired investment properties from InvestPlus Vantage LP, InvestPlus LP III, and InvestPlus LP IV (cumulatively the "Existing LPs") in a reorganization transaction. In exchange for units of the Trust, and units of the Partnership, the Existing LPs transferred their assets, including investment properties, and related liabilities to the Partnership. The Partnership assessed that the transfer of assets which consisted of investment properties and their related balances did not meet the definition of a business combination, as no processes were transferred. As a result, the acquisition was recorded as an asset purchase, at the fair value of the consideration given. The fair value allocated to the assets acquired and liabilities assumed was as follows:

	InvestPlus Vantage LP	InvestPlus LP III	InvestPlus LP IV	Total
Assets acquired:				
Cash	\$ 198,973	\$ 147,380	\$ 539,280	\$ 885,633
Prepays	32,020	12,762	77,666	122,448
Accounts receivable	(3,549)	3,427	9,060	8,938
Due from related parties	-	-	1,081	1,081
Investment properties:				
Centre Court	-	6,636,138	-	6,636,138
Highland House	-	-	2,380,188	2,380,188
Luxemburg	-	-	4,099,738	4,099,738
Metropolitan	-	-	3,724,294	3,724,294
Newport	-	-	2,736,317	2,736,317
York	-	-	9,335,347	9,335,347
Cedar Peaks	4,049,129	-	-	4,049,129
Forest Heights	2,554,945	-	-	2,554,945
Hudson	2,023,727	-	-	2,023,727
Liabilities assumed:				
Accounts payable	(61,125)	(10,214)	(107,818)	(179,157)
Due to related parties	(109,062)	(129,640)	-	(238,702)
Security deposits	(52,896)	(37,111)	(125,903)	(215,910)
Mortgages payable	(5,399,369)	(4,089,144)	(13,498,291)	(22,986,804)
Fair value of consideration	\$ 3,232,793	\$ 2,533,598	\$ 9,170,959	\$ 14,937,350

	Number	Value
Class A units issued	1,166,818	\$ 11,668,180
Class B units issued	326,917	3,269,170
		<u>\$ 14,937,350</u>

InvestPlus Master Limited Partnership

Notes to the Consolidated Financial Statements

For the period from August 25, 2015 to December 31, 2015

5. Investment properties (cont'd)

Pursuant to the asset acquisition, the Partnership issued \$3,269,165 in Class B Units to unitholders of the existing limited partnership, and the Trust issued \$11,668,185 in Trust units as consideration to the unitholders of the existing limited partnership. The Partnership then issued \$11,668,185 in Class A Units to the Trust in consideration for its share of the assets. As this transaction was completed concurrently, it was treated as a single transaction for the purposes of the asset acquisition.

Fair value of investment properties

Continuity of investment properties acquired	Acquisition price	Valuation gains from investment properties	Fair value
Centre Court	\$ 6,636,138	\$ 463,862	\$ 7,100,000
Highland	2,380,188	144,812	2,525,000
Luxemburg	4,099,738	250,262	4,350,000
Metropolitan	3,724,294	225,706	3,950,000
Newport	2,736,317	163,683	2,900,000
York	9,335,347	564,653	9,900,000
Cedar Peaks	4,049,129	150,871	4,200,000
Forest Heights	2,554,945	95,055	2,650,000
Hudson	2,023,727	76,273	2,100,000
Prince George	2,740,031	59,969	2,800,000
Total	\$ 40,279,854	\$ 2,195,146	\$ 42,475,000

InvestPlus Master Limited Partnership

Notes to the Consolidated Financial Statements

For the period from August 25, 2015 to December 31, 2015

6. Mortgages payable

2015

First mortgage, payable in instalments of \$13,507 per month, blended principal and interest. Bearing interest at 3.787% per annum, due July 2018. Secured by land and building (Luxemburg), a general security agreement, assignment of rental revenue and leases, assignment of insurance and a personal guarantee from a director of a related party.	\$ 2,464,758
Mortgage, payable in instalments of \$16,591 per month, blended principal and interest. Bearing interest at 2.621% per annum, due December 2018. Secured by land and building (Centre Court).	4,065,368
First mortgage, payable in instalments of \$3,750 per month, blended principal and interest. Bearing interest at 2.937% per annum, due November 2017. Secured by land and building (Newport), a general security agreement, assignment of rental revenue and leases, and an assignment of insurance.	1,601,250
First mortgage, payable in instalments of \$12,450 per month, blended principal and interest. Bearing interest at 2.937% per annum, due November 2017. Secured by land and building (York), a general security agreement, assignment of rental revenue and leases, and an assignment of insurance.	5,338,150
Mortgage, payable in instalments of \$12,393 per month, blended principal and interest. Bearing interest at 2.72% per annum, due March 2020. Secured by land and building (Metropolitan).	2,642,720
First mortgage, payable in instalments of \$14,483 per month, blended principal and interest. Bearing interest at 3.2% per annum, due January 2021. Secured by land and building (Cedar Peaks), a general security agreement, assignment of rental revenue and leases, and an assignment of insurance.	2,995,000
First mortgage, payable in instalments of \$10,525 per month, blended principal and interest. Bearing interest at 4.0% per annum, due January 2026. Secured by land and building (Prince George), a general security agreement, assignment of rental revenue and leases, and an assignment of insurance.	2,000,000
Mortgage, interest only payments monthly Bearing interest at prime plus 1.75%, due February 2016. Secured by land and building (Hudson), and an assignment of rental revenue and leases (Note 6(a)).	1,249,574

InvestPlus Master Limited Partnership

Notes to the Consolidated Financial Statements

For the period from August 25, 2015 to December 31, 2015

6. Mortgages payable (cont'd)

2015

Mortgage, interest only payments monthly
Bearing interest at 3.2%, due January 2021.
Secured by land and building (Highland),
and an assignment of rental revenue and leases. 1,645,000

Mortgage, interest only payments monthly
Bearing interest at prime plus 1.5%, originally
due May 2015. Renewed on a month-to-month basis for
the remainder of 2015. Secured by land and building
(Forest Heights), an assignment of rental revenue
and leases and an assignment of insurance (Note 6(b)). 1,449,940
25,451,760

Less unamortized transaction costs (250,772)

Total mortgages payable 25,200,988

Less current portion (3,303,386)

Long-term portion of mortgages payable \$ 21,897,602

Estimated principal repayments are as follows:

2016	\$ 3,303,386
2017	7,174,363
2018	443,097
2019	457,282
2020	14,073,632

- a) The mortgage for the Hudson property was renegotiated at December 11, 2015 and commencing January 1, 2016 for \$1,250,000, bearing interest at 3.20%, with monthly payments of principal and interest of \$6,045 commencing on February 1, 2016, and maturing on January 1, 2021.
- b) During the year, the mortgage for Forest Heights came due. The mortgage was continued on a month-to-month basis. Subsequent to year-end, the mortgage was renegotiated for \$1,800,000, bearing interest at 3.30%, with monthly payments of principal and interest of \$8,798 commencing May 1, 2016 and maturing on April 10, 2021.

InvestPlus Master Limited Partnership

Notes to the Consolidated Financial Statements

For the period from August 25, 2015 to December 31, 2015

7. Partners' capital

The Partnership may issue an unlimited number of Class A, voting, limited partnership units ("Class A Units") and an unlimited number of Class B, non-voting limited partnership units ("Class B Units"). The holder of a Class B unit shall be entitled at any time to cause the exchange of a Class B Unit for a unit of the Trust on a one-for-one basis (Note 10).

The Trust was issued an initial Class A Unit for cash of \$10. The General Partner made a capital contribution of \$10 to each of the Partnership and Residential LP, but holds no partnership units in either the Partnership or Residential LP.

During the period 1,166,818 Class A Units with a value of \$11,668,180, and 326,917 Class B Units with a value of \$3,269,170 were issued as consideration for the acquisition of investment properties (Note 5). The Partnership incurred \$277,546 of transaction costs related to the issuance of this capital, and recorded the amounts as transaction costs net against the equity.

Partners' capital consists of units held by the limited partners, capital contributions from the General Partner plus cumulative income (loss) allocations net of distributions.

Net income or net loss of the Partnership is allocated as follows:

- a) Firstly, 0.01% to the General Partner;
- b) Secondly, 99.99% to the limited partners in accordance with their proportionate shares

Net income or net loss for tax purposes is allocated to individual limited Partners based on their proportionate share of Units as at the end of the fiscal year, over the total units at the end of the fiscal year.

Distributable cash will be allocated to limited partners on a proportionate basis subject to the following conditions:

- Distribution on the Class B Units will be equal on a per unit basis, to the distributions made by the Trust to Trust unitholders on a per Trust unit basis, to ensure distributions by the Trust on a per Trust unit basis, and on the Class B Units on a per unit basis are equivalent;
- Distributions on the Class A Units may be an amount greater on a per unit basis than those on Class B Units

The Partnership shall not make any distribution on the Class A Units without making distribution on the Class B units, and vice versa.

InvestPlus Master Limited Partnership

Notes to the Consolidated Financial Statements

For the period from August 25, 2015 to December 31, 2015

7. Partners' capital (cont'd)

The Partnership holds all of the outstanding limited partnership units in the Residential LP and as such is entitled to net income or net loss and cash distributions as a limited partner under the terms of the Limited Partnership Agreement. The terms of the Limited Partnership Agreement for the Residential LP include the following:

- The Residential LP is authorized to issue an unlimited number of voting limited partnership units ("Units").
 - Net income or net loss of the Residential LP is allocated as follows:
 - a) Firstly, 0.01% to the General Partner;
 - b) Secondly, 99.99% to the limited partners in accordance with their proportionate shares
 - Net income or net loss for tax purposes of Residential LP is allocated to individual limited partners based on their proportionate share of Units as at the end of the fiscal year, over the total units at the end of the fiscal year.
 - Distributable cash of Residential LP will be allocated to limited partners on a proportionate basis based on Unit ownership as of the distribution record date.
-

8. Financial instruments and financial risk management

Fair value

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quote prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

The fair value of a financial instrument is the estimated amount that the Partnership would receive or pay to settle the financial assets and liabilities at the reporting date.

The fair value of cash, receivables, deposits, restricted cash, due from related party, payables and accruals, and due to related party approximates their carrying amounts due to their short term nature. The fair value of mortgages payable is estimated to approximate its carrying value because its interest rate does not differ significantly from current interest rates for similar types of borrowing arrangements (Level 2).

Risk management framework

The Partnership employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Partnership's business objectives and risk tolerance levels. While the general partner has overall responsibility for the establishment and oversight of the partnership's risk management framework, management has the responsibility to administer and monitor these risks.

InvestPlus Master Limited Partnership

Notes to the Consolidated Financial Statements

For the period from August 25, 2015 to December 31, 2015

8. Financial instruments and financial risk management (cont'd)

Credit risk

Credit risk is the risk of financial loss to the Partnership if a tenant or other party to meet its contractual obligations related to lease agreements or other financial instruments. The Partnership mitigates the risk by checking tenants' credit history, requesting security deposits and implementing an appropriate collection process. At December 31, 2015, the Partnership's maximum exposure to credit risk is comprised of its receivables and due from related party totalling \$190,617.

Cash and restricted cash consist of bank balances. The Partnership manages the credit exposure related to cash and restricted cash by selecting financial institutions with high credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

Market risk

Market risk is the risk that changes in market prices, such as interest rates or foreign exchange rates, will affect the Partnership's net income or the value of financial instruments. The objective of the Partnership is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

Interest rate risk

The Partnership is also exposed to interest rate risk in that the fair value of financial instruments will fluctuate with changes in market interest rates. Some of the Partnership's mortgages payable have a fixed rate, and therefore the fair value of the long-term debt will fluctuate with changes in market rates. Some of the Partnership's mortgages payable have a floating rate, and therefore the Partnership's cash flows will fluctuate with the change in market rates. The Partnership minimizes its exposure to interest rate risk to the extent that mortgages with fixed rates have varying terms from one year to eleven years.

Liquidity risk

Liquidity risk is the risk that the Partnership will not be able to meet its financial obligations as they are due or refinance debt obligations as they mature. The Partnership's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Partnership's ongoing liquidity will be impacted by various external events and conditions.

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to the demand for, and perceived desirability of such investments. Such illiquidity may limit the Partnership's ability to vary its portfolio promptly in response to change economic or investment conditions. If the Partnership were required to liquidate a real property investment, the proceeds to the Partnership may be significantly less than the aggregate carrying value of such property.

InvestPlus Master Limited Partnership

Notes to the Consolidated Financial Statements

For the period from August 25, 2015 to December 31, 2015

8. Financial instruments and financial risk management (cont'd)

Contractual obligations are as follows:

December 31, 2015	Less than 1 year	1 to 5 years	Total
Payables and accruals	\$ 424,736	\$ -	\$ 424,736
Due to related party	385,940	-	385,940
Mortgages payable	3,303,386	21,897,602	25,200,988
Tenant deposits	-	235,831	235,831
	<u>\$ 4,114,062</u>	<u>\$ 22,133,433</u>	<u>\$ 26,247,495</u>

The Partnership expects to settle its financial liabilities in the normal course of operations and to fund future operational and capital requirements through operating cash flow.

9. Capital management

The primary objectives of the Partnership's capital management are to invest, through Residential LP, or other investment vehicles, in a diversified portfolio of well-located quality investment properties with positive cash flows in order to generate positive returns for unitholders. The Partnership intends to maintain a flexible capital structure to maximize its ability to pursue additional investment opportunities and to sustain future development.

The Partnership will manage its capital structure and make changes to it in the light of changes in economic conditions and the risk characteristics of the nature of the business. The Partnership considers its capital structure to be partners' equity. In order to maintain or adjust the capital structure, the Partnership may from time to time issue partnership units, seek debt financing and adjust its capital spending to manage its current and projected capital structure.

	<u>2015</u>
Capital	
Partners' capital	\$ 16,875,976
Mortgages payable	25,200,988
Total capital	<u>\$ 42,076,964</u>

For the period-ended December 31, 2015, the total capital of the Partnership increased due to the issuance of Class A and Class B Units and additions to mortgages payable.

The Partnership is not subject to externally imposed capital requirements.

10. Commitment

Exchange agreement

The Company, the Trust and the Partnership entered into an exchange agreement (the "Exchange Agreement") dated August 25, 2015. Pursuant to the terms of the Exchange Agreement, the Trust and the Partnership agree that Class B limited partnership unitholders in the Partnership will be provided with the right to exchange their Class B Units for Trust units on a one for one basis. The General Partner will act as exchange agent under the terms of the agreement.

Financial Statements

InvestPlus GP Ltd.

Period Ended December 31, 2015

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Independent Auditor's Report

Grant Thornton LLP
1701 Scotia Place 2
10060 Jasper Avenue NW
Edmonton, AB
T5J 3R8
T (780) 422-7114
F (780) 426-3208
www.GrantThornton.ca

To the Shareholder of InvestPlus GP Ltd.

We have audited the accompanying financial statements of InvestPlus GP Ltd. which comprise the statement of financial position as at December 31, 2015 and the statements of net income and comprehensive income, changes in equity and cash flows for the period from June 26, 2015 to December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of InvestPlus GP Ltd. as at December 31, 2015 and its financial performance, changes in equity and cash flows for the period from June 26, 2015 to December 31, 2015 in accordance with International Financial Reporting Standards.

Edmonton, Canada

June 13, 2016

Grant Thornton LLP

Chartered Professional Accountants, Chartered Accountants

InvestPlus GP Ltd.
Statement of Financial Position

December 31,

2015

Assets

Current asset

Cash \$ 1

Investment in limited partnerships (Note 5) 242\$ 243

Liability

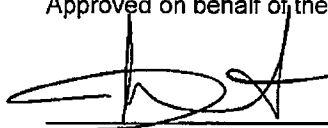
Current liability

Due to shareholder (Note 6) \$ 20**Equity**

Share capital (Note 4) 1

Retained earnings 222223**Total liability and equity** \$ 243

Approved on behalf of the board

_____
Director

See accompanying notes to the financial statements

InvestPlus GP Ltd.**Statement of Net Income and Comprehensive Income**

For the period from June 26, 2015 to December 31, 2015

Revenue	\$ -
Expenses	<u>-</u>
Net income before income allocated from the Partnership	-
Income allocated from the Partnership	<u>222</u>
Net income and comprehensive income for the period	<u>\$ 222</u>

See accompanying notes to the financial statements

InvestPlus GP Ltd.**Statement of Changes in Equity**

For the period from June 26, 2015 to December 31, 2015

	<u>Share capital</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
Balance, beginning of period	\$ -	\$ -	\$ -
Issuance of share capital (Note 4)	1	-	1
Net income for the period	-	<u>222</u>	<u>222</u>
Balance, end of period	<u>\$ 1</u>	<u>\$ 222</u>	<u>\$ 223</u>

See accompanying notes to the financial statements

InvestPlus GP Ltd.
Statement of Cash Flows

For the period from June 26, 2015 to December 31, 2015

Operating activity	
Net income for the period	\$ 222
Non-cash item:	
Income allocated from the Partnership	<u>(222)</u>
	-
Financing activities	
Proceeds from issuance of share capital	1
Advances from shareholder	<u>20</u>
	<u>21</u>
Investing activity	
Capital contribution to limited partnerships	<u>(20)</u>
Net increase in cash for the period	1
Cash at beginning of period	<u>-</u>
Cash at end of period	<u>\$ 1</u>

See accompanying notes to the financial statements

InvestPlus GP Ltd.

Notes to the Financial Statements

For the period from June 26, 2015 to December 31, 2015

1. General business description

InvestPlus GP Ltd. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on June 26, 2015. The Company acts as general partner for the InvestPlus Master Limited Partnership (the "Partnership") and InvestPlus Residential Limited Partnership (the "Residential LP") pursuant to the terms of separate Limited Partnership Agreements (the "Agreements") dated August 25, 2015.

The Partnership is a limited partnership registered pursuant to the provisions of the Partnership Act (Alberta) on August 25, 2015. The Partnership was formed for the purposes of forming a subsidiary limited partnership, Residential LP, and to acquire future properties either directly or indirectly through Residential LP or other subsidiary limited partnerships. Residential LP is a limited partnership registered pursuant to the provisions of the Partnership Act (Alberta) on August 25, 2015 and was formed to acquire residential real estate assets of three existing limited partnerships.

The Agreements govern the operations and business affairs of the Partnership and Residential LP. In accordance with the agreements, all operations are overseen by the Company. As the general partner of both the Partnership and Residential LP, the Company is entitled to allocations of net income or net loss and distributions of distributable cash from the Partnership and Residential LP.

If not terminated sooner, the terms of the Partnership and Residential LP shall continue until December 31, 2065.

The address of the registered office of the Company is 921 – 5 Avenue SW, Calgary, Alberta, T2P 0N9.

2. Basis of preparation

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue by the board of directors of the Company on June 13, 2016.

Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the investment in limited partnership that has been measured at fair value.

Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

InvestPlus GP Ltd.

Notes to the Financial Statements

For the period from June 26, 2015 to December 31, 2015

2. Basis of preparation (cont'd)

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

3. Significant accounting policies

Cash

Cash and cash equivalents consist of cash on hand.

Financial instruments

All financial instruments are initially measured at fair value. Financial assets and financial liabilities are measured subsequently based on their classification.

Financial assets are classified as either fair value through profit or loss, loans and receivables, held to maturity, or available for sale. Financial liabilities are classified as fair value through profit or loss, or other financial liabilities. Financial assets or liabilities at fair value through profit or loss include instruments classified as held-for-trading or designated upon initial recognition at fair value through profit or loss. Financial assets or liabilities at fair value through profit or loss are measured at fair value with all gains and losses included in net income in the period in which they arise. Available for sale financial assets are measured at fair value with gains and losses, net of tax, included in other comprehensive income until the instruments are derecognized or impaired, at which time the gains or losses are recorded in net income. Loans and receivables, held-to-maturity investments and other financial liabilities are measured at amortized cost using the effective interest method.

The Company has the following financial assets and liabilities for which it has selected the following classification:

	<u>Classification</u>	<u>Measurement</u>
Cash	Loans and receivables	Amortized cost
Investments in limited partnerships	Available for sale	Fair value
Due to shareholder	Other financial liabilities	Amortized cost

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been impacted. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

InvestPlus GP Ltd.**Notes to the Financial Statements**

For the period from June 26, 2015 to December 31, 2015

3. Significant accounting policies (cont'd)**Provisions and contingent liabilities**

Provisions are recognized when there is a present legal or constructive obligation arising as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation. Timing or exact amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

Income taxes

Income tax expense or recovery is comprised of current and deferred tax. Income tax expense or recovery is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income, in which case it is recognized in equity or in other comprehensive income, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, plus any adjustment to tax payable in respect to previous periods.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, including the carry forward of non-capital losses, can be utilized.

Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different taxable entities, where the intention is to settle current tax liabilities and assets on a net basis or to realize the current tax assets and settle the current liabilities simultaneously.

InvestPlus GP Ltd.

Notes to the Financial Statements

For the period from June 26, 2015 to December 31, 2015

3. Significant accounting policies (cont'd)

Equity instruments

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Future accounting standards and interpretations

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective and determined that the following are relevant to the Company:

The Company will be required to adopt IFRS 9, *Financial Instruments* ("IFRS 9"), the effective date for which is undetermined. This is a result of the first phase of the IASB's project to replace IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"). The new standard replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. IFRS 9 has also been amended not to require the restatement of comparative period financial statements for the initial application of the classification and measuring requirements of IFRS 9, but instead requires modified disclosures on transition to IFRS 9. The Company has not early adopted this standard and is currently assessing the impact that this standard will have on the financial statements.

The Company will be required to adopt IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"). IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 *Revenue*, IAS 11 *Construction Contracts* and several revenue related interpretations. The new standard establishes a control based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRS, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options and other common complexities. IFRS 15 is effective for reporting periods beginning on or after January 1, 2017. The Company has not early adopted this standard and is currently assessing the impact that this standard will have on the financial statements.

InvestPlus GP Ltd.

Notes to the Financial Statements

For the period from June 26, 2015 to December 31, 2105

4. Share capital

Authorized:

Unlimited number of Class A voting common shares

Unlimited number of Class B non-voting common shares

Issued during the period for cash:

1 Class A common share

\$ 1

5. Investment in limited partnerships

The Partnership may issue an unlimited number of Class A, voting, limited partnership units ("Class A Units") and an unlimited number of Class B, non-voting limited partnership units ("Class B Units").

The Company contributed \$10 to each of the Partnership, and the Residential LP as capital contributions under the terms of the respective limited partnership agreements. The Company, as general partner is entitled to share in the net income or net loss of the Partnership and Residential LP as follows:

Net income or net loss of the Partnership and Residential LP is allocated as follows:

- a) Firstly, 0.01% to the Company, as general partner;
- b) Secondly, 99.99% to the limited partners in accordance with their proportionate shares

For the period ended December 31, 2015 net income allocated to the Company by the Partnership and Residential LP was \$222. There was no fair value adjustment to the investment in limited partnerships for the year ended December 31, 2015.

6. Related party transactions

The due to shareholder is unsecured, non-interest bearing, with no set terms of repayment.

7. Financial instruments and financial risk management

Fair value

The fair value of a financial instrument is the estimated amount that the Company would receive or pay to settle the financial assets and liabilities at the reporting date.

The fair values of cash and due to shareholder approximate their carrying amounts due to their short term nature. The fair value of investment in limited partnership approximates its carrying value as the General Partner is entitled only to receive its portion of net income attributable to the general partner, and return of initial capital contribution.

Risk management framework

The Company employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Company's business objectives and risk tolerance levels. While the directors have overall responsibility for the establishment and oversight of the Company's risk management framework, management has the responsibility to administer and monitor these risks.

InvestPlus GP Ltd.

Notes to the Financial Statements

For the period from June 26, 2015 to December 31, 2015

7. Financial instruments and financial risk management (cont'd)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company's approach to managing liquidity is to ensure it will have sufficient liquidity to meet its liabilities when due. The Company's ongoing liquidity will be impacted by various external events and conditions. The Company expects to settle its financial liabilities in the normal course of operations and to fund future operational requirements through operating cash flows.

Market risk

Market risk is the risk that changes in market prices, such as interest rates or foreign exchange rates, will affect the Company's net income or the value of financial instruments. The objective of the Partnership is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

8. Capital management

The primary objectives of the Company's capital management are to manage the operations of the Partnership and Residential LP to generate positive returns for shareholders.

The Company will manage its capital structure and make changes to it in the light of changes in economic conditions and the risk characteristics of the nature of the business. The Company considers its capital structure to be share capital. In order to maintain or adjust the capital structure, the Company may from time to time issue share capital, seek debt financing and adjust its capital spending to manage its current and projected capital structure.

The Company is not subject to externally imposed capital requirements.

9. Commitment

Exchange agreement

The Company, InvestPlus Real Estate Investment Trust (the "Trust"), and the Partnership entered into an exchange agreement (the "Exchange Agreement") dated August 25, 2015. Pursuant to the terms of the Exchange Agreement, the Trust and the Partnership agree that Class B limited partnership unitholders in the Partnership will be provided with the right to exchange their Class B limited partnership units for Trust units on a one for one basis. The Company will act as exchange agent under the terms of the agreement.

Interim Financial Statements

InvestPlus Real Estate Investment Trust

Three months ended March 31, 2016

(Unaudited – Prepared by Management)

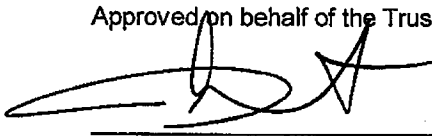
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InvestPlus Real Estate Investment Trust
Interim Statement of Financial Position
(Unaudited – Prepared by Management)

	March 31, 2016	December 31, 2015
Assets		
Current asset		
Cash	\$ 107,290	\$ 328,643
Investment in Class A limited partnership units (Note 3)	<u>9,848,317</u>	<u>10,829,123</u>
Total assets	<u>\$ 9,955,607</u>	<u>\$ 11,157,766</u>
Liabilities		
Current liability		
Obligation to issue trust units (Note 4)	\$ 10,003	\$ 10,003
Due to InvestPlus Master Limited Partnership (Note 5)	<u>97,287</u>	<u>-</u>
	107,290	10,003
Unitholders' equity	<u>9,848,317</u>	<u>11,147,763</u>
Total liabilities and unitholders' equity	<u>\$ 9,955,607</u>	<u>\$ 11,157,766</u>

Approved on behalf of the Trust


 _____ Trustee

 _____ Trustee

See accompanying notes to the financial statements

InvestPlus Real Estate Investment Trust
Interim Statement of Changes in Unitholders' Equity
(Unaudited – Prepared by Management)

	<u>Unitholders'</u> <u>capital</u>	<u>Warrants</u>	<u>Retained</u> <u>earnings</u>	<u>Unitholders'</u> <u>equity</u>
Balance, June 18, 2015	\$ -	\$ -	\$ -	\$ -
Issuance of units (Note 4)	11,189,397	797,423	-	11,986,820
Exercise of warrants (Note 4)	17,777	(17,777)	-	-
Expiry of warrants (Note 4)	779,646	(779,646)	-	-
Net income for the period	<u>-</u>	<u>-</u>	<u>(839,057)</u>	<u>(839,057)</u>
Balance, December 31, 2015	\$ 11,986,820	\$ -	\$ (839,057)	\$ 11,147,763
Issuance of units (Note 4)	1,499,057	-	-	1,499,057
Redemption of units (Note 4)	(2,056,944)	-	-	(2,056,944)
Distributions (Note 4)	(607,867)	-	-	(607,867)
Net income for the period	<u>-</u>	<u>-</u>	<u>(133,692)</u>	<u>(133,692)</u>
Balance, March 31, 2016	<u>\$ 10,821,066</u>	<u>\$ -</u>	<u>\$ (972,749)</u>	<u>\$ 9,848,317</u>

See accompanying notes to the financial statements

InvestPlus Real Estate Investment Trust
Interim Statement of Net Income and Comprehensive
Income

(Unaudited – Prepared by Management)

Three months ended March 31, 2016

Revenue	\$ -
Other item	
Loss allocated from limited partnership	<u>(133,692)</u>
Net loss and comprehensive loss for the period	<u>\$ (133,692)</u>

See accompanying notes to the financial statements

InvestPlus Real Estate Investment Trust
Interim Statement of Cash Flows
(Unaudited – Prepared by Management)

Three months ended March 31, 2016

Operating activities	
Net loss for the period	\$ (133,692)
Non-cash transactions:	
Income allocated from the Partnership	<u>133,692</u>
Cash flows from operating activities	<u>-</u>
Investing activity	
Proceeds on issuance of units	246,647
Cash paid on redemption of units	(1,721,314)
Cash received on redemption of investment in Class A limited partnership units	1,721,314
Investment in Class A limited partnership units	(479,159)
Advances from InvestPlus Master Limited Partnership	<u>11,159</u>
Cash flows from investing activities	<u>(221,353)</u>
Net decrease in cash for the period	(221,353)
Cash at beginning of period	<u>328,643</u>
Cash at end of period	<u>\$ 107,290</u>

See accompanying notes to the financial statements

InvestPlus Real Estate Investment Trust

Notes to the Interim Financial Statements

(Unaudited – Prepared by Management)

Three months ended March 31, 2016

1. General business description

InvestPlus Real Estate Investment Trust (the "Trust") is an unincorporated, open-ended, investment trust formed under the laws of the province of Alberta on June 18, 2015 pursuant to the Declaration of Trust. If not terminated sooner, the trust shall continue until a term 21 years after the date of death of the last surviving issue of Her Majesty, Queen Elizabeth II, alive on June 18, 2015.

The Trust was formed to raise funds for the purpose of acquiring units in InvestPlus Master Limited Partnership (the "Partnership"). The Partnership was formed for the purposes of forming a subsidiary limited partnership, InvestPlus Residential Limited Partnership ("Residential LP"), and to acquire future properties either directly or indirectly through Residential LP or other subsidiary limited partnerships. Residential LP was formed to acquire the assets of three existing limited partnerships, which consist of residential real estate.

A Limited Partnership Agreement (the "Agreement"), dated August 25, 2015, governs the operations and business affairs of the Partnership. In accordance with the Agreement, all operations are overseen by the general partner, InvestPlus GP Ltd. (the "General Partner").

If not terminated sooner, the term of the Partnership shall continue until December 31, 2065.

These unaudited interim financial statements do not include all the assets and liabilities of the unitholders, but only those relating to the business of the Trust.

The Trust is taxed as a mutual fund trust for Canadian income tax purposes. In accordance with the Declaration of Trust, distributions to Unitholders are declared at the discretion of the Trustee. It is the intention of the Trust to declare distributions not less than the amount necessary to ensure the Trust will not be subject to tax. Accordingly, the Trust will not recognize any current tax or deferred tax assets or liabilities on temporary differences.

The address of the registered office of the Trust is 921 – 5 Avenue SW, Calgary, Alberta, T2P 0N9.

InvestPlus Real Estate Investment Trust

Notes to the Interim Financial Statements

(Unaudited – Prepared by Management)

Three months ended March 31, 2016

2. Basis of presentation and significant accounting policies

The unaudited interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting". They do not contain all necessary annual disclosures in accordance with IFRS.

These unaudited interim financial statements, in all material respects, follow the same accounting policies and method of application as the audited financial statements dated December 31, 2015. Accordingly these unaudited interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2015.

The financial statements of the Corporation are presented in Canadian dollars, which is the functional and reporting currency of the Corporation.

These interim financial statements were approved by the Trustees on June 30, 2016.

3. Investment in Class A limited partnership units

Changes in the value of the limited partnership units are as follows:

	March 31, 2016	December 31, 2015
Opening balance	\$ 10,829,123	\$ -
Units acquired during the period	1,817,706	11,668,180
Redemption made during the period	(2,056,944)	-
Distributions made during the period	(607,876)	-
Income allocated from Partnership	(133,692)	1,730,943
Fair value change	-	(2,570,000)
	<u>\$ 9,848,317</u>	<u>\$ 10,829,123</u>

As at March 31, 2016, the Trust holds 1,133,242 Class A limited partnership units with an original capital contribution value of \$13,150,256. The Partnership may issue an unlimited number of Class A voting limited partnership units ("Class A Unit") and an unlimited number of Class B non-voting limited partnership units ("Class B Unit"). The holder of a Class B unit shall be entitled at any time to cause the exchange of a Class B Unit for a unit of the Trust on a one-for-one basis (Note 7).

The investment in Class A limited partnership units is carried at fair value, and an fair value loss of \$nil was recorded at March 31, 2016 (December 31, 2015 – loss of \$2,570,000) in the unaudited interim statement of loss.

InvestPlus Real Estate Investment Trust

Notes to the Interim Financial Statements

(Unaudited – Prepared by Management)

Three months ended March 31, 2016

4. Unitholders' capital

The Trust was formed on June 18, 2015 and issued five initial trust units ("Units") at \$10 per Unit.

On September 30, 2015 the Partnership completed an asset acquisition. Under the terms of the acquisition, the Partnership acquired investment properties. The consideration paid for the properties was 326,917 Class B limited partnership units at a deemed value of \$10 per Unit, 1,166,818 Units in the Trust for deemed consideration of \$10 per unit, and 1,493,735 warrants for the acquisition of Trust Units. The Partnership concurrently acquired the Trust's share of the assets from the Trust by issuing 1,166,818 Class A limited partnership units. At December 31, 2015, 33,541 of the outstanding warrants were exercised for total gross proceeds of \$318,640, and with a grant date fair value of \$0.53. At December 31, 2015 the Trust has 1,200,359 Units outstanding for gross proceeds of \$11,986,820.

During the three month period ended March 31, 2016, the Trust issued 115,991 units for gross proceeds of \$1,499,057. In the same period, the Trust redeemed 222,613 Trust units for \$2,056,944, and declared distributions of \$607,867, of which \$521,739 was paid through the issuance of units.

At March 31, 2016, the Trust had received \$10,003 in advance for the issuance of Units. This amount is shown as obligation to issue trust units on the interim statement of financial position until the Units are issued.

Unitholders' capital consists of units held by investors, plus income allocations net of distributions.

The Declaration of Trust provides that an unlimited number of trust units (the "Units") may be issued. Each Unit represents an equal, undivided beneficial interest in any distribution of the Trust and in the net assets of the Trust in the event of termination or winding up of the Trust. Each Unit entitles the holder thereof to participate equally in the distributions and to one vote at all meetings of unitholders for each whole unit held.

The Trustee, with the assistance of the Administrator, may declare a distribution of the Trust's cash flow quarterly on March 31, June 30, September 30 and December 31 or such other periods as may be determined by the Trustees in each year of the Trust, except that December 31 in all cases shall be a distribution record date. The distribution may be paid in full in cash or redemption notes payable, or in Trust Units or a combination of cash and Trust Units.

Each unitholder shall be entitled to require the Trust to redeem all or part of their Units, and shall be entitled to receive a price equal to the following: (i) within the first year of issuance of the Unit equal to an amount per Unit of 92% of the fair market value of the Units, (ii) within the second year of issuance of the Unit equal to amount per Unit of 94% of the fair market value of the Unit, (iii) within the third year of issuance of the Unit an amount equal to 96% of the fair market value of the Unit, and (iv) at the fair market value of the Units without discount if redeemed commencing on the fourth anniversary of issuance. The fair market value of the Unit shall be the value as determined by the Trustees at their sole discretion, having regard to the prices at which Units have traded in the six months prior, the issue price for Units in any offering during the six months prior, the fair market value of equity interests in, or enterprise values of comparable entities, and any other considerations that the Trustees may consider appropriate.

InvestPlus Real Estate Investment Trust

Notes to the Interim Financial Statements

(Unaudited – Prepared by Management)

Three months ended March 31, 2016

4. Unitholders' capital (cont'd)

The Trust may be required to redeem up to \$100,000 of Units in the form of cash in each fiscal quarter (the "Quarterly Limit") provided that the Trustees may, in their sole discretion, waive the limitation in respect of all Units tendered for redemption in any fiscal quarter. When the total amount payable in respect of all Units tendered for redemption in the same fiscal quarter exceeds the Quarterly Limit, Units will be redeemed for cash on a pro rata basis up to the Quarterly Limit and thereafter, subject to regulatory approvals, shall be paid and satisfied by the Trust distributing promissory notes ("Redemption Notes") for the balance. The Redemption Notes will be unsecured, bear interest from the issue date of each such note at a market rate of interest, determined at the time of interest, based on advice of an independent financial advisor, payable annually in arrears, be subordinated and postponed to all senior indebtedness and which may be subject to specific subordination and postponement agreements to be entered into by the Trustee or Administrator with holders of senior indebtedness, be subject to early repayment without penalty, being due and payable on the third anniversary of the date of issuance, and being subject to the other standard terms and conditions as would be included in a promissory note of this kind, as may be approved by the Administrator. The Trust also may not be required to redeem Units in the form of cash if in the sole opinion of the Administrator, the payment would not be in the best interest of the Trust having regard to the then current cash position of the Trust or if the redemption of Units will result in the Trust losing its status as a mutual fund trust for the purposes of the Tax Act.

5. Related party transactions

The balance due to the Partnership is unsecured, non-interest bearing, with no set of terms of repayment.

6. Capital management

The primary objectives of the Trust's capital management are to invest in limited partnership units in the Partnership with the objective of generating returns to Unit holders. The Trust will manage its capital structure and make changes to it in the light of changes in economic conditions and the risk characteristics of the nature of the business.

The Trust considers its capital structure to be unitholders' capital. In order to maintain or adjust the capital structure, the Trust may from time to time issue Trust units, seek debt financing and adjust its capital spending to manage its current and projected capital structure. The Trust's capital to December 31, 2015 has increased due to the issuance of Trust units.

The Trust is not subject to externally imposed capital requirements.

7. Commitment

Exchange agreement

The Company, the Trust and the Partnership entered into an exchange agreement (the "Exchange Agreement") dated August 25, 2015. Pursuant to the terms of the Exchange Agreement, the Trust and the Partnership agree that Class B limited partnership unitholders in the Partnership will be provided with the right to exchange their Class B limited partnership units for Trust units on a one for one basis. The General Partner will act as exchange agent under the terms of the agreement.

Interim Consolidated Financial
Statements

InvestPlus Master Limited Partnership

Three months ended March 31, 2016

(Unaudited – Prepared by Management)

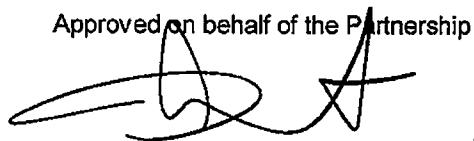
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InvestPlus Master Limited Partnership
Interim Consolidated Statement of Financial Position
(Unaudited – Prepared by Management)

	March 31, 2016	December 31, 2015
Assets		
Current		
Cash	\$ -	\$ 10,921
Receivables	203,171	190,467
Prepays	166,896	152,605
Deposits	<u>132,700</u>	<u>58,500</u>
	502,767	412,493
Restricted cash	233,620	235,751
Due from related parties (Note 3)	97,287	150
Investment properties (Note 4)	<u>42,475,000</u>	<u>42,475,000</u>
	<u>\$ 43,308,674</u>	<u>\$ 43,123,394</u>
Liability		
Current		
Payables and accruals	\$ 656,166	\$ 424,739
Due to related party (Note 3)	1,774,659	385,940
Current portion of mortgages payable (Note 5)	<u>3,303,386</u>	<u>3,303,386</u>
	5,734,211	4,114,065
Tenant deposits	233,620	235,751
Mortgages payable (Note 5)	<u>22,064,983</u>	<u>21,897,602</u>
	<u>28,032,814</u>	<u>26,247,418</u>
Partners' capital (Note 6)	<u>15,275,860</u>	<u>16,875,976</u>
Total liabilities and partners' equity	<u>\$ 43,308,674</u>	<u>\$ 43,123,394</u>

Approved on behalf of the Partnership



Director of InvestPlus GP Ltd. (General Partner)

See accompanying notes to the consolidated financial statements

InvestPlus Master Limited Partnership
Interim Consolidated Statement of Changes in Partners' Equity
(Unaudited – Prepared by Management)

	<u>General Partner</u>	<u>Class A units</u>	<u>Class B units</u>	<u>Total Equity</u>
Balance, August 25, 2015	\$ -	\$ -	\$ -	\$ -
Capital contribution (Note 6)	20	-	-	20
Issuance of units (Note 6)	-	11,668,190	3,269,170	14,937,360
Transaction costs (Note 6)	-	(216,802)	(60,744)	(277,546)
Net income and comprehensive income for the period	<u>222</u>	<u>1,730,943</u>	<u>484,977</u>	<u>2,216,142</u>
Balance, December 31, 2015	\$ 242	\$ 13,182,331	\$ 3,693,403	\$ 16,875,976
Issuance of units (Note 6)	-	1,482,076	-	1,482,076
Transfer of Class B to Class A units		335,630	(335,630)	-
Redemption of units (Note 6)	-	(2,056,935)	-	(2,056,935)
Distributions (Note 6)	-	(486,286)	(134,836)	(621,122)
Transaction costs	-	(181,785)	(50,933)	(232,718)
Net loss and comprehensive loss	<u>(17)</u>	<u>(133,692)</u>	<u>(37,708)</u>	<u>(171,417)</u>
Balance, March 31, 2016	<u>\$ 225</u>	<u>\$ 12,141,339</u>	<u>\$ 3,134,296</u>	<u>\$ 15,275,860</u>

See accompanying notes to the consolidated financial statements

InvestPlus Master Limited Partnership
Interim Consolidated Statement of Net Income and
Comprehensive Income
(Unaudited – Prepared by Management)

For the three months ended March 31, 2016

Revenue	
Rent	<u>\$ 853,995</u>
Expenses	
Advertising and promotion	4,388
Asset management fees	-
Commissions	-
Insurance	3,568
Interest and bank charges	(1,422)
Interest on mortgages payable	192,933
Management remuneration	395,050
Meals and entertainment	479
Office	13,557
Professional fees	101,634
Property management fees	46,096
Property taxes	56,964
Repairs and maintenance	93,212
Salaries and related benefits	741
Subscriptions, permits and licenses	3,706
Borrowing cost amortization	-
Utilities	109,747
Travel	<u>4,759</u>
	<u>1,025,412</u>
Loss before other item	(171,417)
Other item	
Fair value gain on investment property	<u>-</u>
Net loss and comprehensive loss for the period	<u>\$ (171,417)</u>
Net loss and comprehensive loss attributable to General Partner	\$ (17)
Net loss and comprehensive loss attributable to Class A Limited Partners	\$ (133,692)
Net loss and comprehensive loss attributable to Class B Limited Partners	\$ (37,708)

See accompanying notes to the consolidated financial statements

InvestPlus Master Limited Partnership

Interim Consolidated Statement of Cash Flows

(Unaudited – Prepared by Management)

For the three months ended March 31, 2016

Operating activities	
Net loss for the period	\$ (171,417)
Non-cash items:	
Fair value gain on investment properties	-
Amortization on borrowing costs	-
	<u>(171,417)</u>
Changes in non-cash operating working capital:	
Receivables	(12,704)
Prepays	(14,291)
Deposits	(74,200)
Payables and accruals	231,427
Tenant deposits	<u>(2,131)</u>
	<u>(43,316)</u>
Investing activities	
Change in restricted cash	2,131
Advances from related party	1,291,582
Acquisition of investment property	-
Cash acquired on acquisition	-
	<u>1,293,713</u>
Financing activities	
Proceeds on issuance of Class A limited partnership units	565,287
Transaction costs paid	(232,718)
Redemption of Class A and B units	(1,761,268)
Proceeds on mortgages payable	3,050,000
Repayments on mortgages payable	<u>(2,882,619)</u>
	<u>(1,261,318)</u>
 Net decrease in cash for the period	 (10,921)
 Cash at beginning of period	 <u>10,921</u>
 Cash at end of period	 <u>\$ -</u>
 Non-cash transaction:	
Payment of cash distribution by related party	\$ 99,382
Issuance of class A units as payment of distributions	\$ 521,739
Issuance of Class A units as payment of management fees	\$ 395,050

See accompanying notes to the consolidated financial statements

InvestPlus Master Limited Partnership
Notes to the Interim Consolidated Financial Statements
(Unaudited – Prepared by Management)

For the three months ended March 31, 2016

1. General business description

InvestPlus Master Limited Partnership (the "Partnership") was registered pursuant to the provisions of the *Partnership Act* (Alberta) on August 25, 2015.

The Partnership was formed for the purposes of forming a subsidiary limited partnership, InvestPlus Residential Limited Partnership ("Residential LP"), and to acquire future properties either directly or indirectly through Residential LP or other subsidiary limited partnerships. Residential LP was formed on August 25, 2015 to acquire the assets of three existing limited partnerships, which consisted of residential real estate.

A limited partnership agreement, dated August 25, 2015, governs the operations and business affairs of the Partnership. In accordance with the agreement, all operations are overseen by the general partner, InvestPlus GP Ltd. (the "General Partner").

If not terminated sooner, the term of the Partnership shall continue until December 31, 2065.

These interim consolidated financial statements do not include all the assets and liabilities of the partners, but only those relating to the business of the Partnership.

The Partnership is not subject to income taxes. The net income or loss of the Partnership is allocated to the individual partners for tax purposes.

The address of the registered office of the Partnership is 921 – 5 Avenue SW, Calgary, Alberta, T2P 0N9.

InvestPlus Master Limited Partnership
Notes to the Interim Consolidated Financial Statements
(Unaudited – Prepared by Management)
For the three months ended March 31, 2016

2. Basis of preparation and significant accounting policies

The consolidated unaudited interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting". They do not contain all necessary annual disclosures in accordance with IFRS.

These consolidated unaudited interim financial statements, in all material respects, follow the same accounting policies and method of application as the audited financial statements dated December 31, 2015. Accordingly these unaudited interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2015.

The financial statements of the Partnership are presented in Canadian dollars, which is the functional and reporting currency of the Partnership.

These interim financial statements were approved by the Board of Directors of the General Partner on June 30, 2016.

InvestPlus Master Limited Partnership
Notes to the Interim Consolidated Financial Statements
(Unaudited – Prepared by Management)

For the three months ended March 31, 2016

3. Due from (to) related parties	March 31, <u>2016</u>	December 31, <u>2015</u>
Investplus Management Inc. a company with common directors, officers and management with the General Partner	\$ (1,774,659)	\$ 150
Investplus Real Estate Investment Trust, a trust holding 100% of the Class A units of the Partnership	<u>97,287</u> <u>\$ (1,677,372)</u>	<u>(385,940)</u> <u>\$ (385,790)</u>

The balances due from (to) related parties are unsecured, non-interest bearing with no specific terms of repayment. All parties indicated are related through common management.

4. Investment properties

The Partnership has the following income producing properties carried at fair value. The results of operations of these properties have been included in these unaudited interim consolidated financial statements.

<u>Property</u>	<u>Type</u>	March 31, <u>2016</u>
Cedar Peaks	Residential	\$ 4,200,000
Centre Court	Residential	7,100,000
Forest Heights	Residential	2,650,000
Highland	Residential	2,525,000
Hudson	Residential	2,100,000
Luxemburg	Residential	4,350,000
Metropolitan	Residential	3,950,000
Newport	Residential	2,900,000
York	Residential	9,900,000
Prince George	Commercial	<u>2,800,000</u>
		<u>\$ 42,475,000</u>

InvestPlus Master Limited Partnership
Notes to the Interim Consolidated Financial Statements
(Unaudited – Prepared by Management)

For the three months ended March 31, 2016

5. Mortgages payable	March 31, 2016
First mortgage, payable in instalments of \$13,507 per month, blended principal and interest. Bearing interest at 3.787% per annum, due July 2018. Secured by land and building (Luxemburg), a general security agreement, assignment of rental revenue and leases, assignment of insurance and a personal guarantee from a director of a related party.	\$ 2,447,336
Mortgage, payable in instalments of \$16,591 per month, blended principal and interest. Bearing interest at 2.621% per annum, due December 2018. Secured by land and building (Centre Court).	4,041,439
First mortgage, payable in instalments of \$3,750 per month, blended principal and interest. Bearing interest at 2.937% per annum, due November 2017. Secured by land and building (Newport), a general security agreement, assignment of rental revenue and leases, and an assignment of insurance.	1,590,000
First mortgage, payable in instalments of \$12,450 per month, blended principal and interest. Bearing interest at 2.937% per annum, due November 2017. Secured by land and building (York), a general security agreement, assignment of rental revenue and leases, and an assignment of insurance.	5,300,800
Mortgage, payable in instalments of \$12,393 per month, blended principal and interest. Bearing interest at 2.72% per annum, due March 2020. Secured by land and building (Metropolitan).	2,623,367
First mortgage, payable in instalments of \$14,483 per month, blended principal and interest. Bearing interest at 3.2% per annum, due January 2021. Secured by land and building (Cedar Peaks), a general security agreement, assignment of rental revenue and leases, and an assignment of insurance.	2,981,885
First mortgage, payable in instalments of \$10,525 per month, blended principal and interest. Bearing interest at 4.0% per annum, due January 2026. Secured by land and building (Prince George), a general security agreement, assignment of rental revenue and leases, and an assignment of insurance.	1,992,160
Mortgage, payable in instalments of \$6,045 per month commencing February 1, 2016, blended principal and interest. Bearing interest at 3.2% per annum, due January 1, 2021. Secured by land and building (Hudson), and an assignment of rental revenue and leases.	1,250,000

For the three months ended March 31, 2016

**March 31,
2016**

Mortgage, interest only payments monthly
Bearing interest at 3.2%, due January 2021.
Secured by land and building (Highland),
and an assignment of rental revenue and leases.

1,637,797

Mortgage, payable in instalments of \$8,798 per month commencing May 1, 2016, blended principal and interest. Bearing interest at 3.3% per annum, due April 10, 2021. Secured by land and building (Forest Heights), an assignment of rental revenue and leases and an assignment of insurance.

1,800,000
25,664,784

Less unamortized transaction costs

(296,415)

Total mortgages payable

25,368,369

Less current portion

(3,303,386)

Long-term portion of mortgages payable

\$ 22,064,983

Estimated principal repayments are as follows:

2016	\$ 3,303,386
2017	7,174,363
2018	443,097
2019	457,282
2020	14,073,632

InvestPlus Master Limited Partnership

Notes to the Interim Consolidated Financial Statements

(Unaudited – Prepared by Management)

For the three months ended March 31, 2016

6. Partners' capital

The Partnership may issue an unlimited number of Class A, voting, limited partnership units ("Class A Units") and an unlimited number of Class B, non-voting limited partnership units ("Class B Units"). The holder of a Class B unit shall be entitled at any time to cause the exchange of a Class B Unit for a unit of the Trust on a one-for-one basis (Note 8).

The Trust was issued an initial Class A Unit for cash of \$10. The General Partner made a capital contribution of \$10 to each of the Partnership and Residential LP, but holds no partnership units in either the Partnership or Residential LP.

During the period ended December 31, 2015 1,166,818 Class A Units with a value of \$11,668,180, and 326,917 Class B Units with a value of \$3,269,170 were issued as consideration for the acquisition of investment properties (Note 5). The Partnership incurred \$277,546 of transaction costs related to the issuance of this capital, and recorded the amounts as transaction costs net against the equity.

During the three months ended December 31, 2015, the following transactions occurred:

- 59,504 Class A units were issued for cash consideration of \$565,287;
- 33,563 Class B units were exchanged for Class A units;
- 222,613 Class A units were redeemed for consideration of \$2,056,944;
- \$521,739 in distributions payable were repaid by issuing Class A units; and
- Distributions of \$99,382 were paid in cash.

Partners' capital consists of units held by the limited partners, capital contributions from the General Partner plus cumulative income (loss) allocations net of distributions.

Net income or net loss of the Partnership is allocated as follows:

- a) Firstly, 0.01% to the General Partner;
- b) Secondly, 99.99% to the limited partners in accordance with their proportionate shares

Net income or net loss for tax purposes is allocated to individual limited Partners based on their proportionate share of Units as at the end of the fiscal year, over the total units at the end of the fiscal year.

Distributable cash will be allocated to limited partners on a proportionate basis subject to the following conditions:

- Distribution on the Class B Units will be equal on a per unit basis, to the distributions made by the Trust to Trust unitholders on a per Trust unit basis, to ensure distributions by the Trust on a per Trust unit basis, and on the Class B Units on a per unit basis are equivalent;
- Distributions on the Class A Units may be an amount greater on a per unit basis than those on Class B Units

The Partnership shall not make any distribution on the Class A Units without making distribution on the Class B units, and vice versa.

InvestPlus Master Limited Partnership
Notes to the Interim Consolidated Financial Statements
(Unaudited – Prepared by Management)
For the three months ended March 31, 2016

6. Partners' capital (cont'd)

The Partnership holds all of the outstanding limited partnership units in the Residential LP and as such is entitled to net income or net loss and cash distributions as a limited partner under the terms of the Limited Partnership Agreement. The terms of the Limited Partnership Agreement for the Residential LP include the following:

- The Residential LP is authorized to issue an unlimited number of voting limited partnership units ("Units").
- Net income or net loss of the Residential LP is allocated as follows:
 - a) Firstly, 0.01% to the General Partner;
 - b) Secondly, 99.99% to the limited partners in accordance with their proportionate shares
- Net income or net loss for tax purposes of Residential LP is allocated to individual limited partners based on their proportionate share of Units as at the end of the fiscal year, over the total units at the end of the fiscal year.
- Distributable cash of Residential LP will be allocated to limited partners on a proportionate basis based on Unit ownership as of the distribution record date.

7. Capital management

The primary objectives of the Partnership's capital management are to invest, through Residential LP, or other investment vehicles, in a diversified portfolio of well-located quality investment properties with positive cash flows in order to generate positive returns for unitholders. The Partnership intends to maintain a flexible capital structure to maximize its ability to pursue additional investment opportunities and to sustain future development.

The Partnership will manage its capital structure and make changes to it in the light of changes in economic conditions and the risk characteristics of the nature of the business. The Partnership considers its capital structure to be partners' equity. In order to maintain or adjust the capital structure, the Partnership may from time to time issue partnership units, seek debt financing and adjust its capital spending to manage its current and projected capital structure.

The Partnership is not subject to externally imposed capital requirements.

8. Commitment

Exchange agreement

The Company, the Trust and the Partnership entered into an exchange agreement (the "Exchange Agreement") dated August 25, 2015. Pursuant to the terms of the Exchange Agreement, the Trust and the Partnership agree that Class B limited partnership unitholders in the Partnership will be provided with the right to exchange their Class B Units for Trust units on a one for one basis. The General Partner will act as exchange agent under the terms of the agreement.

Interim Financial Statements

InvestPlus GP Ltd.

Three months ended March 31, 2016

(Unaudited – Prepared by Management)

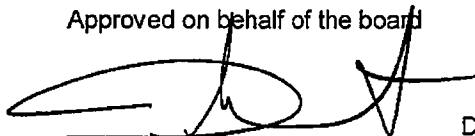
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InvestPlus GP Ltd.
Interim Statement of Financial Position
(Unaudited – Prepared by Management)

	March 31, 2016	December 31, 2015
Assets		
Current asset		
Cash	\$ 1	\$ 1
Investment in limited partnerships (Note 4)	<u>225</u>	<u>242</u>
	<u>\$ 226</u>	<u>\$ 243</u>
Liability		
Current liability		
Due from shareholder (Note 5)	\$ <u>20</u>	\$ <u>20</u>
Equity		
Share capital (Note 3)	1	1
Retained earnings	<u>205</u>	<u>222</u>
	<u>206</u>	<u>223</u>
Total liability and equity	<u>\$ 226</u>	<u>\$ 243</u>

Approved on behalf of the board


 _____ Director

See accompanying notes to the financial statements

InvestPlus GP Ltd.
Interim Statement of Net Income and Comprehensive
Income
(Unaudited – Prepared by Management)
For the three months ended March 31, 2016

Revenue	\$	-
Expenses		<u>-</u>
Net income before income attributable from the Partnership		-
Loss allocated from the Partnership		<u>(17)</u>
Net loss and comprehensive loss for the period	\$	<u>(17)</u>

See accompanying notes to the financial statements

InvestPlus GP Ltd.
Interim Statement of Changes in Equity
(Unaudited – Prepared by Management)
For the three months ended March 31, 2016

	<u>Share capital</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
Balance, beginning of period	\$ 1	\$ 222	\$ 223
Net loss for the period	<u>-</u>	<u>(17)</u>	<u>(17)</u>
Balance, end of period	<u>\$ 1</u>	<u>\$ 205</u>	<u>\$ 206</u>

See accompanying notes to the financial statements

InvestPlus GP Ltd.
Interim Statement of Cash Flows
(Unaudited – Prepared by Management)
For the three months ended March 31, 2016

Operating activity	
Net loss for the period	\$ (17)
Non-cash item:	
Loss allocated from the Partnership	<u>17</u>
	-
Net increase in cash for the period	-
Cash at beginning of period	<u>1</u>
Cash at end of period	<u>\$ 1</u>

See accompanying notes to the financial statements

InvestPlus GP Ltd.

Notes to the Interim Financial Statements (Unaudited – Prepared by Management)

For the three months ended March 31, 2016

1. General business description

InvestPlus GP Ltd. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on June 26, 2015. The Company acts as general partner for the InvestPlus Master Limited Partnership (the "Partnership") and InvestPlus Residential Limited Partnership (the "Residential LP") pursuant to the terms of separate Limited Partnership Agreements (the "Agreements") dated August 25, 2015.

The Partnership is a limited partnership registered pursuant to the provisions of the Partnership Act (Alberta) on August 25, 2015. The Partnership was formed for the purposes of forming a subsidiary limited partnership, Residential LP, and to acquire future properties either directly or indirectly through Residential LP or other subsidiary limited partnerships. Residential LP is a limited partnership registered pursuant to the provision of the Partnership Act (Alberta) on August 25, 2015 and was formed to acquire the assets of three existing limited partnerships, which consist of residential real estate.

The Agreements govern the operations and business affairs of the Partnership and Residential LP. In accordance with the agreement, all operations are overseen by the Company. As the general partner of both the Partnership and Residential LP, the Company is entitled to allocations of net income or net loss and distributions of distributable cash from the Partnership and Residential LP.

If not terminated sooner, the terms of the Partnership and Residential LP shall continue until December 31, 2065.

The address of the registered office of the Company is 921 – 5 Avenue SW, Calgary, Alberta, T2P 0N9.

2. Basis of presentation and significant accounting policies

The unaudited interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting". They do not contain all necessary annual disclosures in accordance with IFRS.

These unaudited interim financial statements, in all material respects, follow the same accounting policies and method of application as the audited financial statements dated December 31, 2015. Accordingly these unaudited interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2015.

The financial statements of the Corporation are presented in Canadian dollars, which is the functional and reporting currency of the Corporation.

These interim financial statements were approved by the Board of Directors on June 30, 2016.

InvestPlus GP Ltd.

Notes to the Interim Financial Statements (Unaudited – Prepared by Management)

For the three months ended March 31, 2016

3. Share capital

Authorized:

Unlimited number of Class A voting common shares

Unlimited number of Class B non-voting common shares

Issued:

1 Class A common share

\$ 1

4. Investment in limited partnerships

The Company contributed \$10 to each of the Partnership, and the Residential LP as capital contributions under the terms of the respective limited partnership agreements. The General Partner is entitled to share in the net income or net loss of the Partnership and Residential LP as follows:

Net income or net loss of the Partnership and Residential LP is allocated as follows:

- a) Firstly, 0.01% to the General Partner;
- b) Secondly, 99.99% to the limited partners in accordance with their proportionate shares

For the three month period ended March 31, 2016 net loss allocated to the General Partner by the Partnership and Residential LP was \$17.

5. Related party transactions

The due to shareholder is unsecured, non-interest bearing, with no set terms of repayment.

6. Capital management

The primary objectives of the Company's capital management are to manage the operations of the Partnership and Residential LP to generate positive returns for shareholders.

The Company will manage its capital structure and make changes to it in the light of changes in economic conditions and the risk characteristics of the nature of the business. The Company considers its capital structure to be share capital. In order to maintain or adjust the capital structure, the Company may from time to time issue share capital, seek debt financing and adjust its capital spending to manage its current and projected capital structure. The Company is not subject to externally imposed capital requirements.

7. Commitment

Exchange agreement

The Company, the Trust and the Partnership entered into an exchange agreement (the "Exchange Agreement") dated August 25, 2015. Pursuant to the terms of the Exchange Agreement, the Trust and the Partnership agree that Class B limited partnership unitholders in the Partnership will be provided with the right to exchange their Class B limited partnership units for Trust units on a one for one basis. The Company will act as exchange agent under the terms of the agreement.

ITEM 13 - DATE AND CERTIFICATE

DATED August 25, 2016.

This Offering Memorandum does not contain a misrepresentation.

INVESTPLUS REAL ESTATE INVESTMENT TRUST, by its executive officers and trustees, DOMENIC MANDATO, DONALD LEITCH, RONALD GRATTON, RICHARD CARL AND MARK DELLER

(signed) "Domenic Mandato"
Trustee and President and Chief Executive Officer

(signed) "Donald Leitch"
Trustee

(signed) "Ronald Gratton"
Trustee

(signed) "Richard Carl"
Trustee

(signed) "Mark Deller"
VP Finance

INVESTPLUS MANAGEMENT GROUP INC.

Per: (signed) "Domenic Mandato"
Domenic Mandato,
Chief Executive Officer

**SCHEDULE "A" TO THE
OFFERING MEMORANDUM OF
INVESTPLUS REAL ESTATE INVESTMENT TRUST
SUBSCRIPTION AGREEMENT**

InvestPlus Real Estate Investment Trust

Subscription Agreement Instructions

In order to improve efficiency and turnaround time during the private placement of investor trust units of InvestPlus Real Estate Investment Trust, the following is a guide to the review and completion of the attached Subscription Agreement.

To be completed by all Subscribers:

- **Face Page of Subscription Agreement:** Please complete all applicable information on the face page of the Subscription Agreement, including the particulars of the Subscriber, the number and class of Units subscribed for and the aggregate subscription price.
- **Distribution Options:** Please select a method of receiving distributions from the Trust by marking an "X" by your chosen option.
- **Section 4(e) of Subscription Agreement:** Please initial beside the applicable category that describes the Subscriber. This information will be used to determine your eligibility to subscribe for and purchase Units.

To be completed by any Subscriber resident in Alberta, Manitoba, Prince Edward Island, Saskatchewan, British Columbia, New Brunswick, Nova Scotia, Ontario or Newfoundland and Labrador and subscribing for Units in reliance on the Offering Memorandum Exemption described in Section 4(e)(i) of the Subscription Agreement:

- **Exhibit 1-1 and Exhibit 1-2 to Subscription Agreement:** Please complete and sign the Risk Acknowledgement set forth in Exhibit 1-1 and Exhibit 1-2 to the Subscription Agreement, as applicable. All individual subscribers purchasing Units must also complete Schedule 1 and Schedule 2 to Exhibit 1-1 and Exhibit 1-2.
- **Exhibit 2 to Subscription Agreement:** Please complete and sign the Eligible Investor Representation Letter set forth in Exhibit 2 to the Subscription Agreement, including: (a) filling out the information in Section 6 of the Eligible Investor Representation Letter required to verify that an individual Subscriber's falls within the annual investment limits under the Offering Memorandum Exemption; and (b) initialing the applicable category of "eligible investor" set forth in Appendix "A" to Exhibit 2.

To be Completed by any Subscriber subscribing for Units in reliance on the Accredited Investor Exemption described in Section 4(e)(ii) of the Subscription Agreement:

Note: any individual subscriber resident in Québec must currently qualify under this exemption

- **Exhibit 3 to Subscription Agreement, including Appendix "A" and, if applicable, Appendix "B" thereto:** Please complete and sign the Accredited Investor Representation Letter set forth in Exhibit 3 to the Subscription Agreement, including initialing the applicable category of "accredited investor" set forth in Appendix "A" to Exhibit 3. If you initial any of the categories of "accredited investor" set forth in paragraphs (j), (k) or (l) of Appendix "A" to Exhibit 3, please also complete, initial and sign Appendix "B" to Exhibit 3.

To be Completed by any Subscriber subscribing for Units in reliance on the Minimum Amount of Investment Exemption as described in Section 4(e)(iii) of the Subscription Agreement:

Note: this exemption is not available for individual subscribers.

- **Exhibit 4 to Subscription Agreement:** Please complete and sign the Minimum Amount of Investment Status Certificate set forth in Exhibit 4 to the Subscription Agreement.

SUBSCRIPTION AGREEMENT FOR TRUST UNITS

TO: **INVESTPLUS REAL ESTATE INVESTMENT TRUST (the "Trust")**

The undersigned (hereinafter referred to as the "Subscriber") hereby irrevocably subscribes for and agrees to purchase the number and class of trust units in the Trust ("Units") set forth below (subject to a minimum subscription of \$5,000 per Subscriber), for the aggregate subscription price set forth below (the "Subscription Price"), representing a subscription price of \$8.50 per Unit, together with any commission and/or dealer fee, if applicable, upon and subject to the terms and conditions set forth in "Terms and Conditions of Subscription for Investor Units of InvestPlus Real Estate Investment Trust" attached hereto (collectively with this face page, the distribution selection on the following page and the Exhibits hereto, the "Subscription Agreement"). In addition to this face page, the Subscriber must select a distribution option on the following page and also complete Exhibits 1, 2, 3, and/or 4 attached hereto, if applicable. Any Subscriber that is subscribing under Section 2.9 of NI 45-106 is also required to comply with annual investment limits, as detailed in Section 4(g) of this Subscription Agreement.

(Name of Subscriber - please print (First Name/Middle Name/Last Name))

By: _____
(Authorized Signature)

(Official Capacity or Title - please print)

(Please print name of individual whose signature appears above if different than the name of the Subscriber printed above.)

(Subscriber's Address)

(Subscriber's Address)

(Subscriber's Telephone Number and Email Address)

(Social Insurance Number or Business Identification Number)

The Subscriber is ☐ or is not ☐ a "Registrant" (as defined under applicable securities laws)

The Subscriber is ☐ or is not ☐ an "insider" of the Corporation (as defined under applicable securities laws)

Number of Units: _____

Selection of Purchase Option (see Offering Memorandum (as defined herein) for Full Details)

Mark with an "X" below:

CLASS "A" Units (FundServ Code QWE801)

☐ Front Load Method

CLASS "B" Units (FundServ Code QWE802)

☐ Front Load Method with trailer fee

CLASS "F" Units (FundServ Code QWE803)

☐ Fee Based Accounts Only

(1) Gross Subscription Amount: \$ _____

(2) Dealer fees: \$ _____

(3) Commissions: \$ _____

(4) Net Subscription Price: \$ _____

(4) = (1) - (2) - (3)

If the Subscriber is signing as agent for a principal and is not deemed to be purchasing as principal pursuant to NI 45-106 (as defined herein) by virtue of being either (i) a trust company or trust corporation acting on behalf of a fully managed account managed by the trust company or trust corporation; or (ii) a person acting on behalf of a fully managed account managed by it, and in each case satisfying the criteria set forth in NI 45-106, complete the following and ensure that the attached Exhibits are completed in respect of each such principal, if applicable ("Disclosed Beneficial Principal"):

(Name of Disclosed Beneficial Principal)

(Disclosed Beneficial Principal's Address)

(Disclosed Beneficial Principal's Address)

(Disclosed Beneficial Principal's Telephone Number and Email Address)

Register the Units as set forth below:

(Name)

(Account reference, if applicable)

(Address)

Deliver the Units as set forth below:

(Name)

(Contact Name)

(Address)

Selection of Distributions Option*

Subscriber wishes to receive distributions in (mark with an "X"):

- ☐ All cash - Direct Deposit
- ☐ All Trust Units - DRIP (Distribution Reinvestment and Unit Purchase Plan)
- ☐ Part cash and part Trust Units. _____ Percent of total amount of distributions on the Trust Units should be in cash with the remainder in Trust Units.

***PARTICIPANTS ELECTING TO REINVEST CASH DISTRIBUTIONS IN TRUST UNITS PURSUANT TO THE DRIP WILL RECEIVE A FURTHER "BONUS" DISTRIBUTION EQUAL TO 3% OF CASH DISTRIBUTIONS WHICH ARE REINVESTED, WHICH FURTHER DISTRIBUTION WILL ALSO BE REINVESTED IN TRUST UNITS.**

ACCEPTANCE: The Trust hereby accepts the subscription as set forth above on the terms and conditions contained in this Subscription Agreement.

_____, 20____

INVESTPLUS REAL ESTATE INVESTMENT TRUST

Subscription No.

Per:

Authorized Signing Officer

THIS PAGE FOR ADVISOR USE ONLY

Dealer Name:

Dealer FundSERV Code (If Applicable):

Representative Name:

Representative Code:

Representative Phone:

Representative Email:

TERMS AND CONDITIONS OF SUBSCRIPTION FOR
INVESTOR UNITS OF INVESTPLUS REAL ESTATE INVESTMENT TRUST

Terms of the Offering

1. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that this subscription is subject to rejection or allotment by the Trust in whole or in part.
2. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that:
 - (a) the Units subscribed for by it form part of a larger issuance and sale by the Trust (the “Offering”) of up to \$10,000,000 in Units;
 - (b) the minimum subscription per subscriber under the Offering is \$5,000;
 - (c) the Subscriber’s subscription for Units pursuant hereto is conditional upon such sale being exempt from the prospectus requirements under applicable securities legislation; and
 - (d) the Closing (as defined herein) will occur on such date as may be determined by the Trust, following which there may be one or more subsequent Closings occurring on such later dates as may be determined by the Trust.
3. The Subscriber acknowledges (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting) that it has received a copy of the offering memorandum (the “Offering Memorandum”) of the Trust with respect to the Offering to which this Subscription Agreement is attached as Schedule A, it has carefully reviewed the Offering Memorandum and it has had an opportunity to ask questions and consult with its own legal counsel with respect to the Offering Memorandum and the Offering contemplated hereby and thereby. The Offering Memorandum contains important information about the Trust, the Units and the Offering.

Representations, Warranties, Covenants and Acknowledgments of the Subscriber

4. The Subscriber (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting and for the purpose of the following representations, warranties, acknowledgements and covenants, any reference to “Subscriber” or “it” includes the Subscriber and each person on whose behalf the Subscriber is contracting) represents, warrants, acknowledges and covenants, as applicable, to the Trust and its counsel (and acknowledges that the Trust and its counsel are relying thereon) that both at the date hereof and at the Closing Time (as defined herein) that:
 - (a) it has been advised as to restrictions with respect to trading in the Units imposed by applicable securities laws in the jurisdiction in which it resides; it confirms that no representation (written or oral) has been made to it by or on behalf of the Trust with respect thereto; it acknowledges that it is aware of the characteristics of the Units, the risks relating to an investment therein and of the fact that it may not be able to resell the Units except in accordance with limited exemptions under applicable securities laws and regulatory policy until expiry of the applicable hold period or restricted period and compliance with the other requirements of applicable securities laws; and it acknowledges that any certificates representing the Units may bear a legend indicating that the resale of such securities is restricted, and, the Subscriber further acknowledges that it is solely responsible and neither the Trust, nor any of its representatives is responsible whatsoever, for compliance with applicable resale restrictions and it has been advised to consult its own legal counsel in its jurisdiction of residence or to which it is otherwise subject for full particulars of the resale restrictions applicable to it;
 - (b) it acknowledges that the Trust is not a “reporting issuer” (or the equivalent thereof) in any jurisdiction and that the Units shall be subject to an indefinite “hold period” under applicable securities laws, the fact that it will not be able to resell the Units until expiration of the applicable “hold period” (which hold period may never expire as the Trust has no obligation to become and may never become a “reporting issuer” in any jurisdiction in Canada) except in accordance with limited exemptions under applicable securities laws, that none of the Units are listed on any stock exchange, that there is no market for any of the Units; and further acknowledges that it should consult its own legal counsel in its jurisdiction of residence for full particulars of applicable resale restrictions and that it is the Subscriber’s responsibility to comply with such restrictions before selling the Units;
 - (c) other than the Offering Memorandum and the marketing materials incorporated therein, it has not received or been provided with, nor has it requested, nor does it have any need to receive, any prospectus, sales or advertising literature, or any other document describing or purporting to describe the business and affairs of the Trust which has been prepared for delivery to, and review by, prospective purchasers in order to assist it in making an investment decision in respect of the Units;
 - (d) it has not become aware of and the purchase of the Units is not made through or as a result of any general solicitation or any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display, such as the Internet) with respect to the distribution of the Units;

- (e) unless it is purchasing under subsection 4(f), it is purchasing the Units as principal for its own account, not for the benefit of any other person, for investment only and not with a view to the resale or distribution of all or any of the Units, it is resident in or otherwise subject to applicable securities laws of the jurisdiction set out as the "Subscriber's Address" on the face page hereof, and it is a person who meets one or more of the following requirements [please initial beside the applicable category below]:

Offering Memorandum Exemption *(for Subscribers resident in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, or Newfoundland and Labrador)*

- _____ (i) (A) the Subscriber is a resident of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, or Newfoundland and Labrador, (B) the Subscriber has received a copy of the Offering Memorandum from the Trust, (C) the Subscriber has concurrently executed and delivered to the Trust a Risk Acknowledgement in the form attached hereto as **Exhibit 1-1 or Exhibit 1-2**, as applicable, and, if the Subscriber is an individual, the Subscriber has initialed in Schedule 1 to Exhibit 1-1 and Exhibit 1-2 indicating that the Subscriber satisfies one of the categories of "eligible investor" set forth therein or indicating that the Subscriber is not an "eligible investor" and the Subscriber has initialed in Schedule 2 to Exhibit 1-1 and Exhibit 1-2 indicating that the Subscriber is within the annual investment limits set forth therein, and (D) if the Subscriber is an "eligible investor" as such term is defined in National Instrument 45-106 – Prospectus Exemptions ("NI 45-106") and reproduced in Appendix "A" to **Exhibit 2** hereto, it was not created or used solely to purchase or hold securities as an "eligible investor" as described in paragraph (a) of the definition of "eligible investor" in NI 45-106 and it has concurrently executed and delivered to the Trust an Eligible Investor Representation Letter in the form attached as **Exhibit 2** to this Subscription Agreement and has initialed in Appendix "A" thereto indicating that the Subscriber satisfies one of the categories of "eligible investor" set forth in such definition; or

Accredited Investor Exemption *(for Subscribers resident in any province of Canada. Subscribers resident in Quebec must qualify under this exemption)*

- _____ (ii) the Subscriber (A) is a resident of a province of Canada, and (B) is an "accredited investor" as such term is defined in NI 45-106 and reproduced in Appendix "A" to **Exhibit 3** hereto, it was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106 and it has concurrently executed and delivered an Accredited Investor Representation Letter in the form attached as **Exhibit 3** to this Subscription Agreement and has initialed in Appendix "A" thereto indicating that the Subscriber satisfies one of the categories of "accredited investor" set forth in such definition and, if applicable, has completed Appendix "B" thereto; or

Minimum Amount of Investment Exemption *(for Subscribers resident in any province of Canada. This exemption is not available to individual Subscribers)*

- _____ (iii) (A) the Subscriber is a resident of a Province of Canada, (B) the Subscriber is not an individual, (C) the Subscriber's Subscription Price is not less than \$150,000 and (D) the Subscriber has concurrently executed and delivered to the Trust a Minimum Amount of Investment Status Certificate in the form attached as **Exhibit 4** hereto;
- (f) if it is not purchasing the Units as principal, it is duly authorized to enter into this Subscription Agreement and to execute and deliver all documentation in connection with the purchase on behalf of each person for whom it is acting, each of whom is purchasing as principal for its own account, not for the benefit of any other person, for investment only, and not with a view to the resale or distribution of all or any of the Units, it acknowledges that the Trust may be required by law to disclose to certain regulatory authorities the identity of each person for whom it is acting, it is resident or otherwise subject to the applicable securities laws in the jurisdiction set out as the "Subscriber's Address" on the face page hereof and:

- (i) it is an “**accredited investor**” as such term is defined in paragraphs (p) or (q) of the definition of “accredited investor” in NI 45-106 and reproduced in Appendix “A” to **Exhibit 3** of this Subscription Agreement (provided, however, that it is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered or authorized under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction in Canada) and is therefore deemed to be purchasing as principal pursuant to NI 45-106 and it has concurrently executed and delivered an Accredited Investor Representation Letter in the form attached hereto as **Exhibit 3** and has initialed Appendix “A” thereto indicating that the Subscriber satisfies one of the categories of “**accredited investor**” set out in paragraphs (p) or (q) of Appendix “A” thereto; or
 - (ii) subject to securities laws applicable to the Subscriber, it is acting as agent for one or more Disclosed Beneficial Principals and each such Disclosed Beneficial Principal is resident or otherwise subject to the applicable securities laws in the jurisdiction set out as the “**Disclosed Beneficial Principal’s Address**” on the face page hereof and each such Disclosed Beneficial Principal complies with the criteria set forth in subsection 4(e);
- (g) if the Subscriber (and any person for whom it is acting) is an individual and is purchasing the Units under Section 4(e)(i) of this Subscription Agreement, it (and any person for whom it is acting) acknowledges that the acquisition costs of all securities acquired by an individual investor under Section 2.9 of NI 45-106 in the preceding 12 months shall not exceed the following amounts:
- (i) in the case of a purchaser that is not an eligible investor (as such term is defined in Section 1.1 of NI 45-106), \$10,000;
 - (ii) in the case of a purchaser that is an eligible investor, \$30,000; and
 - (iii) in the case of a purchaser that is an eligible investor and that received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable, \$100 000.
- (h) it (and any person for whom it is acting) acknowledges that:
- (i) no securities commission, stock exchange, governmental agency, regulatory body or similar regulatory authority has reviewed or passed on the merits of the Units;
 - (ii) there is no government or other insurance covering the Units;
 - (iii) there are risks associated with the purchase of the Units, including as disclosed in the Offering Memorandum, and the Subscriber has considered such risks in deciding to acquire the Units specifically including, but not limited to, the speculative nature of the investment and the risk of loss of the entire investment;
 - (iv) there are restrictions on the Subscriber’s ability to resell the Units and it is the responsibility of the Subscriber to find out what those restrictions are and to comply with them before selling the Units; and
 - (v) the Trust has advised the Subscriber that the Trust is relying on an exemption from the requirements to provide the Subscriber with a prospectus and, as a consequence of acquiring the Units pursuant to this exemption, certain protections, rights and remedies provided by the *Securities Act* (Alberta) and other applicable securities laws will not be available to the Subscriber;
- (i) it and, if applicable, each person for whom it is contracting hereunder, is aware that the Units have not been and will not be registered under the United States Securities Act of 1933, as amended (“**U.S. Securities Act**”) or the securities laws of any state of the United States and that these securities may not be offered or sold, directly or indirectly, in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and the applicable laws of all applicable states and acknowledges that the Trust has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Units;
- (j) the Units have not been offered to the Subscriber in the United States, and the individuals making the order to purchase the Units and executing and delivering this Subscription Agreement on behalf of the Subscriber were not in the United States when the order was placed and this Subscription Agreement was executed and delivered;
- (k) it is not a U.S. Person (as defined in Regulations under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) or a person in the United States and is not acquiring the Units on behalf of, or for the account or benefit of, a person in the United States or a U.S. Person;
- (l) it undertakes and agrees that it will not offer or sell the Units in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States or an exemption from such registration requirements is available and further it will not resell the Units except in accordance with the provisions of applicable securities legislation, regulations, rules, policies and stock exchange rules;

- (m) the Subscriber and, if applicable, any person for whom it is contracting hereunder, has not been created solely or primarily to use exemptions from the prospectus requirements under applicable securities laws and has a pre-existing purpose other than the use of such exemptions;
- (n) if it is not an individual, the Subscriber has the requisite power, authority, legal capacity and competence to execute and deliver and be bound by this Subscription Agreement and to undertake all actions required of the Subscriber hereunder, and all necessary approvals of its directors, trustees, fiduciaries, shareholders, partners, stakeholders, holders of voting securities or otherwise have been given and obtained;
- (o) if the Subscriber is a body corporate, partnership, unincorporated association or other entity, the Subscriber has been duly incorporated or created and is validly subsisting under the laws of its jurisdiction of incorporation or creation;
- (p) the entering into of this Subscription Agreement and the transactions contemplated hereby will not result in a violation of any of the terms or provisions of any law applicable to the Subscriber (or any person on whose behalf the Subscriber is contracting), or if the Subscriber (or any person on whose behalf the Subscriber is contracting) is not a natural person, any of such person's constating documents, or any agreement to which such person is a party or by which it is bound;
- (q) if an individual, it is of the full age of majority in the jurisdiction in which it is resident and is legally capable and competent to execute and deliver and be bound by this Subscription Agreement and take all actions pursuant hereto;
- (r) this Subscription Agreement has been duly and validly authorized, executed and delivered by and constitutes a legal, valid, binding and enforceable obligation of the Subscriber;
- (s) where it is acting as agent for a principal, it is duly authorized to execute and deliver this Subscription Agreement and all other necessary documentation in connection with such subscription on behalf of such principal and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of, and constitutes a legal, valid, binding and enforceable agreement of, such principal;
- (t) it has such knowledge of financial and business affairs as to be capable of evaluating the merits and risks of its investment and is able to bear the economic risk of loss of its investments or, where it is not purchasing as principal, each person for whom it is contracting hereunder is able to bear the economic risk of loss of its investment;
- (u) it acknowledges and agrees that neither this Subscription Agreement nor any offer to subscribe for Units made by the Trust constitutes financial advice and that the Trust has not had regard to the Subscriber's and, if applicable, any principal's particular objectives, financial situation or needs;
- (v) the Subscriber has evaluated the Trust and its investment in the Units independently and in no way has relied on any evaluation, review or diligence of any other subscriber, and is not relying upon any other person to conduct any due diligence investigations concerning the Trust's business, affairs, financial position, condition or prospects;
- (w) it confirms that neither the Trust nor any of its respective directors, officers, employees or representatives, have made any representations (oral or written) to the Subscriber:
 - (i) that any person will resell or repurchase the Units;
 - (ii) that any person will refund the purchase price of the Units;
 - (iii) as to the future price or value of any of the Units; or
 - (iv) that the Units will be listed and posted for trading on a stock exchange or that application has been made to list and post the Units for trading on a stock exchange;
- (x) it acknowledges that the Trust's counsel is acting as counsel to the Trust and not as counsel to the Subscriber;
- (y) it acknowledges that the Trust may complete additional financings in the future in order to develop the business of the Trust and to fund its ongoing development; that there is no assurance that such financings will be available and, if available, on reasonable terms; any such future financings may have a dilutive effect on current security holders, including the Subscriber; that if such future financings are not available, the Trust may be unable to fund its ongoing development;
- (z) if required by applicable securities laws, regulations, rules, policies or orders or by any securities commission, stock exchange or other regulatory authority, the Subscriber will, in a timely manner, execute, deliver, file and otherwise assist the Trust in filing such reports, undertakings and other documents with respect to the issue of the Units, as may be required;
- (aa) neither the Subscriber nor any party on whose behalf it is acting is an investment club;

- (bb) the Subscriber does not act jointly or in concert with any other person for the purposes of acquiring securities of the Trust;
 - (cc) the Subscriber acknowledges that it or the Trust may be required to provide the applicable securities regulatory authorities with a list setting forth the identities of each person for whom it is contracting hereunder and notwithstanding that the Subscriber may be purchasing the Units as agent for a principal, it will provide, on request, particulars as to the identity of such principal as may be required by the Trust (in order to comply with the foregoing); and
 - (dd) the Subscriber acknowledges that it has been encouraged to and has obtained independent legal, income tax and investment advice with respect to its subscription for the Units and accordingly, has had the opportunity to acquire an understanding of the meanings of all terms contained herein relevant to the Subscriber for purposes of giving representations, warranties, covenants and acknowledgments under this Subscription Agreement and the Trust shall not bear any responsibility whatsoever for such matters.
5. The Subscriber (for itself and, if applicable, on behalf of each person for whom it is contracting hereunder) agrees that the representations, warranties, acknowledgements and covenants of the Subscriber herein will be true and correct both as of the execution of this Subscription Agreement and as of the Closing Time and will survive the completion of the issuance of the Units. The representations, warranties, acknowledgements and covenants of the Subscriber herein are made with the intent that they be relied upon by the Trust and its counsel in determining the eligibility of a purchaser of Units and the Subscriber agrees to indemnify and hold harmless the Trust and its affiliates, shareholders, directors, officers, partners, employees and agents, (including their respective legal counsel) from and against all losses, claims, costs, expenses and damages or liabilities whatsoever which any of them may suffer or incur which are caused or arise from a breach thereof. The Subscriber undertakes to immediately notify the Trust at InvestPlus Real Estate Investment Trust, 404, 921 – 5th Avenue SW, Calgary, Alberta T2P 0N9, Attention: Domenic Mandato, of any change in any statement or other information relating to the Subscriber set forth herein which takes place prior to the Closing Time.

Closing

6. The Subscriber agrees to deliver to the Trust or its third party dealer or broker, as applicable (a) this duly completed and executed Subscription Agreement; (b) if the Subscriber is purchasing the Units on the basis of the representations set forth in Section 4(e)(i), a fully executed and completed Risk Acknowledgement in the form of **Exhibit 1-1** or **Exhibit 1-2** hereto, as applicable; (c) if the Subscriber is purchasing the Units on the basis of the representations set forth in Section 4(e)(i), a fully executed and completed Eligible Investor Representation Letter in the form of **Exhibit 2** hereto; (d) if the Subscriber is purchasing the Units on the basis of the representations set forth in Section 4(e)(ii), a fully executed and completed Accredited Investor Representation Letter in the form of **Exhibit 3** hereto; (e) if the Subscriber is purchasing the Units on the basis of the representations set forth in Section 4(e)(iii), a fully executed and completed Minimum Amount of Investment Status Certificate in the form of **Exhibit 4** hereto; (f) payment of the Subscription Price, together with any commission and/or dealer fee, if applicable, by way of: (i) a certified cheque or bank draft payable to InvestPlus Real Estate Investment Trust; (ii) by direct debit from the Subscriber's brokerage account with funds then sent via FundSERV to SGGG Fund Services Inc.; or (iii) such other manner as may be accepted by InvestPlus Real Estate Investment Trust; and (g) any other documents required by applicable securities laws which the Trust may request. If this Subscription Agreement is rejected in whole or in part, or the Subscriber exercises the right to cancel its agreement to purchase the Units as described in the Offering Memorandum, the unused portion of the Subscription Price, together with any applicable commission and/or dealer fee, will be promptly returned to the Subscriber without interest.
7. The sale of the Units pursuant to this Subscription Agreement will be completed (the "Closing") at the offices of Dentons Canada LLP, legal counsel of the Trust, in Calgary, Alberta, at such time or times as the Trust may determine (the "Closing Time") on such date or dates as the Trust may determine (the "Closing Date").
8. The Trust shall be entitled to rely on delivery of a facsimile copy or portable document format (PDF) of executed Subscription Agreements, and acceptance by the Trust of such facsimile or PDF subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the Trust in accordance with the terms hereof. In addition, this Subscription Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same document. If less than a complete copy of this Subscription Agreement is delivered to the Trust at the Closing Time, the Trust shall be entitled to assume that the Subscriber accepts and agrees with all of the terms and conditions of this Subscription Agreement on the pages not delivered at the Closing Time unaltered.

General

9. Whether or not explicitly stated in this Subscription Agreement, any acknowledgement, representation, warranty, undertaking, covenant or agreement made by the Subscriber in this Subscription Agreement, including the Exhibits hereto, will be treated as if, and be deemed to have been, also made by each person for whom the Subscriber is contracting.
10. The Subscriber acknowledges, authorizes, and represents and warrants that (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting hereunder):
- (a) this Subscription Agreement and the Exhibits attached hereto require the Subscriber to provide certain personal information (the "Personal Information") to the Trust and its counsel. Such information is being collected by the Trust and its counsel for the purposes of completing the Offering, which includes, without limitation, determining the Subscriber's eligibility to purchase Units under applicable securities laws, preparing and registering certificates representing Units to be issued to the Subscriber and

completing filings required by any stock exchange or securities regulatory authority. In certain jurisdictions, the Personal Information disclosed in such filings may be available to the public;

- (b) the Subscriber's (and, if applicable, each person for whom the Subscriber is contracting) Personal Information may be disclosed by the Trust or its counsel to: (a) stock exchanges or securities regulatory authorities (as more specifically set out in Section 10(e) of this Subscription Agreement); (b) the Trust's registrar and transfer agent; (c) Canada Revenue Agency; and (d) any of the other parties involved in the Offering, and may be included in record books in connection with the Offering. By executing this Subscription Agreement, the Subscriber (on its own behalf and, if applicable, on behalf of each person for whom it is contracting) is deemed to be consenting to the foregoing collection, use and disclosure of the Subscriber's Personal Information. The Subscriber also consents to the filing of copies or originals of any of the Subscriber's documents described in Section 6 hereof as may be required to be filed with any stock exchange or securities regulatory authority in connection with the transactions contemplated hereby;
- (c) that the Subscriber has the authority to provide the consents and acknowledgements set out in this Section 10 on behalf of each Disclosed Beneficial Principal, if applicable;
- (d) that Personal Information disclosed to a securities regulatory authority (or authorities) or regulator in Canada is collected by such body or bodies under the authority granted in securities legislation, and that such Personal Information is being collected for the purposes of the administration and enforcement of the securities legislation of the applicable jurisdiction; and
- (e) the Subscriber authorizes the indirect collection of the Personal Information by the applicable securities regulatory authority (or authorities) or regulator; and the Subscriber acknowledges that it may contact the official at the applicable authority or regulator as set out below, who can answer questions about the indirect collection of Personal Information by such authority or regulator:
 - (i) British Columbia Securities Commission, P.O. Box 10142, Pacific Centre 701 West Georgia Street, Vancouver, British Columbia V7Y 1L2, Attention: FOI Inquiries, Tel: (604) 899-6854, Toll free in Canada: 1-800-373-6393;
 - (ii) Alberta Securities Commission, Suite 600, 250 – 5th Street SW, Calgary, Alberta T2P 0R4, Attention: Corporate Secretary and Senior Legal Counsel, Tel: (403) 297-6454, Toll free in Canada: 1-877-355-0585;
 - (iii) Financial and Consumer Affairs Authority of Saskatchewan, Suite 601 - 1919 Saskatchewan Drive, Regina, Saskatchewan S4P 4H2, Attention: Deputy Director, Legal, Tel: (306) 787-5879;
 - (iv) The Manitoba Securities Commission, 500 – 400 St. Mary Avenue, Winnipeg, Manitoba R3C 4K5, Attention: Director, Tel: (204) 945-2548, Toll free in Manitoba 1-800-655-5244;
 - (v) Ontario Securities Commission, 20 Queen Street West, 22nd Floor, Toronto, Ontario M5H 3S8, Attention: Inquiries Officer, Tel: (416) 593- 8314, Toll free in Canada: 1-877-785-1555;
 - (vi) Autorité des marchés financiers, 800, Square Victoria, 22e étage, C.P. 246, Tour de la Bourse, Montréal, Québec H4Z 1G3, Attention: Secrétaire Générale, Tel: (514) 395-0337 or 1-877-525-0337;
 - (vii) Financial and Consumer Services Commission (New Brunswick), 85 Charlotte Street, Suite 300, Saint John, New Brunswick E2L 2J2, Attention: Privacy Officer, Tel: (506) 658-3060, Toll free in Canada: 1-866-933-2222;
 - (viii) Nova Scotia Securities Commission, Suite 400, 5251 Duke Street, Duke Tower, P.O. Box 458, Halifax, Nova Scotia B3J 2P8, Attention: Director of Corporate Finance, Tel: (902) 424-7768;
 - (ix) Prince Edward Island Securities Office, 95 Rochford Street, 4th Floor Shaw Building, P.O. Box 2000, Charlottetown, Prince Edward Island C1A 7N8, Tel: (902) 368-4569;
 - (x) Government of Newfoundland and Labrador, Financial Services Regulation Division, P.O. Box 8700, Confederation Building, 2nd Floor, West Block, Prince Philip Drive, St. John's, Newfoundland and Labrador A1B 4J6, Attention: Director of Securities, Tel: (709) 729-4189;
 - (xi) Government of Yukon, Department of Community Services, Law Centre, 3rd Floor, 2130 Second Avenue, Whitehorse, Yukon Y1A 5H6, Attention: Superintendent of Securities, Tel: (867) 667-5314;
 - (xii) Government of the Northwest Territories, Office of the Superintendent of Securities, P.O. Box 1320, Yellowknife, Northwest Territories X1A 2L9, Attention: Deputy Superintendent, Legal & Enforcement, Tel: (867) 920-8984;
 - (xiii) Government of Nunavut, Department of Justice, Legal Registries Division, P.O. Box 1000, Station 570, 1st Floor, Brown Building, Iqaluit, Nunavut X0A 0H0, Attention: Superintendent of Securities, Tel: (867) 975-6590.

11. The Subscriber, on its own behalf and, if applicable, on behalf of each person for whom it is contracting hereunder, represents and warrants that the funds representing the aggregate Subscription Price which will be advanced by the Subscriber to the Trust hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "PCMLTFA") and the Subscriber acknowledges that the Trust may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of the Subscriber's knowledge none of the subscription funds to be provided by the Subscriber (a) have been or will be derived from or related to any activity that is deemed criminal under the laws of Canada, the United States of America, or any other jurisdiction, or (b) are being tendered on behalf of a person or entity who has not been identified to the Subscriber. The Subscriber shall promptly notify the Trust if it discovers that any of such representations ceases to be true, and will provide the Trust with appropriate information in connection therewith.
12. The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (including any fees and disbursements of any counsel retained by the Subscriber) relating to the sale of the Units to the Subscriber shall be borne by the Subscriber.
13. The contract arising out of this Subscription Agreement and all documents relating thereto shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta.
14. Time shall be of the essence hereof.
15. This Subscription Agreement represents the entire agreement of the parties hereto relating to the subject matter hereof and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.
16. The terms and provisions of this Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber and the Trust and their respective heirs, executors, administrators, successors and assigns; provided that, except for the assignment by a Subscriber who is acting as nominee or agent for the beneficial owner and as otherwise herein provided, this Subscription Agreement shall not be assignable by any party without prior written consent of the other parties.
17. The Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder, agrees that this subscription is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is contracting hereunder.
18. The Subscriber hereby irrevocably authorizes the Trust, in its sole discretion and appoints the Trust as an attorney of the Subscriber with the power to complete or correct any errors, revisions or omissions in any form or document provided by the Subscriber, including this Subscription Agreement and the Exhibits. The foregoing power of attorney is irrevocable, is coupled with an interest and has been given for valuable consideration, the receipt and adequacy of which are acknowledged. Such power of attorney and other rights and privileges granted under this Section 18 will survive any legal or mental incapacity, dissolution, bankruptcy or death of the Subscriber and extends to the heirs, executors, administrators, other legal representatives and successors, transferees and assigns of the Subscriber (as the case may be). Any person dealing with the Trust may conclusively presume and rely upon the fact that any document, instrument or agreement executed by an attorney acting pursuant to this Section 18 or any action taken by an attorney acting pursuant to this Section 18, is authorized and binding on the Subscriber, without further inquiry. The Subscriber agrees (on its own behalf and, if applicable, on behalf of each person on whose behalf the Subscriber is contracting hereunder on whose behalf it is contracting) to be bound by any representations or actions properly made or taken by such attorney and waives any and all defences that may be available to contest, negate or disaffirm any action of such attorney taken under the foregoing power of attorney.
19. Subject to Section 18, neither this Subscription Agreement nor any provision hereof shall be modified, changed, discharged or terminated except by an instrument in writing signed by the party against whom any waiver, change, discharge or termination is sought.
20. The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.
21. The headings used in this Subscription Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Subscription Agreement or any provision hereof.
22. The covenants, representations and warranties contained herein shall survive the Closing of the transactions contemplated hereby.
23. In this Subscription Agreement (including the Exhibits), unless otherwise indicated, references to "\$" are to Canadian dollars.
24. The parties hereto acknowledge and confirm that they have requested that this Subscription Agreement as well as all notices and other documents contemplated hereby be drawn up in the English language. **Les parties aux presentes reconnaissent et conferment qu'elles ont convenu que la presente convention de souscription ainsi que tous les avis et documents qui s'y rattachent soient rédigés dans la langue anglaise.**

EXHIBIT 1-1

OFFERING MEMORANDUM

RISK ACKNOWLEDGEMENT

To be executed where the party selling the Units is not registered under National Instrument 31-103

Risk Acknowledgement

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- The person selling me these securities is not registered with a securities regulatory authority or regulator and has no duty to tell me whether this investment is suitable for me.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing \$_____ [total consideration] in total; this includes any amount I am obligated to pay in the future. InvestPlus Real Estate Investment Trust will pay _____% of this to _____ [insert name of your third party dealer or broker, if any] as a fee or commission.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records

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EXHIBIT 1-2

OFFERING MEMORANDUM

RISK ACKNOWLEDGEMENT

To be executed where the party selling the Units is registered under National Instrument 31-103

Risk Acknowledgement

- I acknowledge that this is a risky investment.
- I am investing entirely at my own risk.
- No securities regulatory authority or regulator has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.
- I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.
- I could lose all the money I invest.

I am investing \$_____ [total consideration] in total; this includes any amount I am obligated to pay in the future. InvestPlus Real Estate Investment Trust will pay _____% of this to _____ [insert name of your third party dealer or broker, if any] as a fee or commission.

I acknowledge that this is a risky investment and that I could lose all the money I invest.

Date

Signature of Purchaser

Print name of Purchaser

Sign 2 copies of this document. Keep one copy for your records

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You have 2 business days to cancel your purchase

To do so, send a notice to InvestPlus Real Estate Investment Trust stating that you want to cancel your purchase. You must send the notice before midnight on the 2nd business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to InvestPlus Real Estate Investment Trust at its business address. Keep a copy of the notice for your records.

Issuer Name and Address: InvestPlus Real Estate Investment Trust
404, 921 – 5th Ave SW
Calgary, Alberta T2P 0N9

Fax: (403) 663-8773 E-mail slefebvre@investplusreit.com

You are buying Exempt Market Securities

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority or regulator.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

You will receive an offering memorandum Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

You will not receive advice

You will not get professional advice about whether the investment is suitable for you. But you can still seek that advice from a registered adviser or registered dealer. In Alberta, Manitoba, Northwest Territories, Nunavut, Prince Edward Island, Québec, Saskatchewan and Yukon to qualify as an eligible investor, you may be required to obtain that advice.

The securities you are buying are not listed

The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

The issuer of your securities is a non-reporting issuer

A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority or regulator.

British Columbia: British Columbia Securities Commission
604-899-6500
www.bcsc.bc.ca

Alberta: Alberta Securities Commission
403-297-6454
www.albertasecurities.com

Saskatchewan Financial and Consumer Affairs Authority
306-787-5645

www.fcaa.gov.sk.ca

Manitoba:

The Manitoba Securities Commission
204-945-2548
www.mbsecurities.ca

Ontario

Ontario Securities Commission
1-877-785-1555
www.osc.gov.on.ca

New Brunswick:

Financial and Consumer Services Commission
1-866-933-2222
fcnb.ca

Nova Scotia:

Nova Scotia Securities Commission
1-855-424-2499
nssc.novascotia.ca

Prince Edward Island:

Office of the Superintendent of Securities
902-368-4569
www.gov.pe.ca/securities

Newfoundland and Labrador:

Office of the Superintendent of Securities, Service Newfoundland and
Labrador
709-729-4189
www.servicenl.gov.nl.ca/securities

[Instruction: The purchaser must sign 2 copies of this form. The purchaser and the issuer must each receive a signed copy.]

SCHEDULE 1 TO EXHIBIT 1-1 AND EXHIBIT 1-2
CLASSIFICATION OF INVESTORS UNDER THE OFFERING MEMORANDUM EXEMPTION

Instructions: This schedule must be completed together with the Risk Acknowledgement Form and Schedule 2 by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 *Prospectus Exemptions* (NI 45-106) in Alberta, New Brunswick, Nova Scotia, Ontario and Saskatchewan.

How you qualify to buy securities under the offering memorandum exemption

Initial the statement under A, B, C or D containing the criteria that applies to you. (You may initial more than one statement.) If you initial a statement under B or C, you are not required to complete A.

A. You are an eligible investor because:		Your initials
Eligible Investor	Your net income before taxes was more than \$75,000 in each of the 2 most recent calendar years, and you expect it to be more than \$75,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Your net income before taxes combined with your spouse's was more than \$125,000 in each of the 2 most recent calendar years, and you expect your combined net income to be more than \$125,000 in this calendar year. (You can find your net income before taxes on your personal income tax return.)	
	Either alone or with your spouse, you have net assets worth more than \$400,000. (Your net assets are your total assets, including real estate, minus your total debt including any mortgage on your property.)	

B. You are an eligible investor, as a person described in section 2.3 [<i>Accredited investor</i>] of NI 45-106 or, as applicable in Ontario, subsection 73.3(3) of the <i>Securities Act</i> (Ontario), because:		Your initials
Accredited Investor	Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in this calendar year. (You can find your net income before taxes on your personal income tax return)	
	Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year.	
	Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities.	
	Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.)	

C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI 45-106, because:		Your initials
Family, Friends and Business Associates	<p>You are:</p> <p>12.2 <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a director of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> an executive officer of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a control person of the issuer or an affiliate of the issuer</p> <p><input type="checkbox"/> a founder of the issuer</p> <p>OR</p> <p>12.3 <i>[check all applicable boxes]</i></p> <p><input type="checkbox"/> a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p> <p><input type="checkbox"/> a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are (i) individuals listed in (1) above and/or (ii) family members, close personal friends or close business associates of individuals listed in (1) above</p>	
	<p>You are a family member of _____</p> <p><i>[Instruction: Insert the name of the person who is your relative either directly or through his or her spouse], who holds the following position at the issuer</i></p> <p>or an affiliate of the issuer: _____.</p> <p>You are the _____ of that person or that person's spouse.</p> <p><i>[Instruction: To qualify for this investment, you must be (a) the spouse of the person listed above or (b) the parent, grandparent, brother, sister, child or grandchild of that person or that person's spouse.]</i></p>	
	<p>You are a close personal friend of _____ <i>[Instruction: Insert the name of your close personal friend]</i>, who holds the following position at the issuer or an affiliate of the issuer:</p> <p>_____.</p> <p>You have known that person for _____ years.</p>	
	<p>You are a close business associate of _____ <i>[Instruction: Insert the name of your close business associate]</i>, who holds the following position at the issuer or an affiliate of the issuer:</p> <p>_____.</p> <p>You have known that person for _____ years.</p>	

D. You are not an eligible investor.		Your initials
Not an Eligible Investor	You acknowledge that you are not an eligible investor.	

SCHEDULE 2 TO EXHIBIT 1-1 AND EXHIBIT 1-2
INVESTMENT LIMITS FOR INVESTORS UNDER THE OFFERING MEMORANDUM EXEMPTION

Instructions: This schedule must be completed together with the Risk Acknowledgement Form and Schedule 1 by individuals purchasing securities under the exemption (the offering memorandum exemption) in subsection 2.9(2.1) of National Instrument 45-106 Prospectus Exemptions (NI 45-106) in Alberta, New Brunswick, Nova Scotia, Ontario and Saskatchewan.

SECTION 1 TO BE COMPLETED BY THE PURCHASER

1. Investment limits you are subject to when purchasing securities under the offering memorandum exemption

You may be subject to annual investment limits that apply to all securities acquired under the offering memorandum exemption in a 12 month period, depending on the criteria under which you qualify as identified in Schedule 1. Initial the statement that applies to you.

A. You are an eligible investor.		Your initials
Eligible Investor	As an eligible investor that is an individual, you cannot invest more than \$30,000 in all offering memorandum exemption investments made in the previous 12 months, unless you have received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule, that your investment is suitable.	
	Initial one of the following statements:	
	You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$30,000 in all offering memorandum exemption investments made in the previous 12 months.	
	You confirm that you received advice from a portfolio manager, investment dealer or exempt market dealer, as identified in section 2 of this schedule that the following investment is suitable.	
	You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit in all offering memorandum exemption investments made in the previous 12 months of \$100,000.	

B. You are an eligible investor, as a person described in section 2.3 [Accredited investor] of NI 45-106 or, as applicable in Ontario, subsection 73.3(3) of the Securities Act (Ontario).		Your initials
Accredited Investor	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.3 [Accredited investor], you are not subject to investment limits.	

C. You are an eligible investor, as a person described in section 2.5 [Family, friends and business associates] of NI 45-106.		Your initials
Family, Friends and Business Associates	You acknowledge that, by qualifying as an eligible investor as a person described in section 2.5 [Family, friends and business associates], you are not subject to investment limits.	

D. You are not an eligible investor.		Your initials
Not an Eligible Investor	<p>You acknowledge that you cannot invest more than \$10,000 in all offering memorandum exemption investments made in the previous 12 months.</p> <p>You confirm that, after taking into account your investment of \$_____ today in this issuer, you have not exceeded your investment limit of \$10,000 in all offering memorandum exemption investments made in the previous 12 months</p>	

<i>[Instruction: this section must only be completed if an investor has received advice from a portfolio manager, investment dealer or exempt market dealer concerning his or her investment.]</i>	
First and last name of registrant (please print):	
Registered _____ as: <i>[Instruction: indicate whether registered as a dealing representative or advising representative]</i>	
Telephone:	Email:
Name _____ of _____ firm: <i>[Instruction: indicate whether registered as an exempt market dealer, investment dealer or portfolio manager.]</i>	
Date:	

EXHIBIT 2

ELIGIBLE INVESTOR REPRESENTATION LETTER

TO: InvestPlus Real Estate Investment Trust (the "Trust")

(Capitalized terms not specifically defined in this Exhibit 2 have the meaning ascribed to them in the Subscription Agreement to which this Exhibit 2 is attached.)

In connection with the execution by the undersigned Subscriber of the Subscription Agreement which this Exhibit 2 forms a part of, the undersigned Subscriber hereby represents, warrants, covenants and certifies to the Trust that:

1. the undersigned Subscriber is resident in Alberta, Manitoba, Prince Edward Island, Saskatchewan, British Columbia, New Brunswick, Nova Scotia, Ontario or Newfoundland and Labrador and if the undersigned Subscriber is purchasing as agent for a Disclosed Beneficial Principal, the Disclosed Beneficial Principal is resident in Alberta, Manitoba, Prince Edward Island, Saskatchewan, British Columbia, New Brunswick, Nova Scotia, Ontario or Newfoundland and Labrador;
2. the undersigned Subscriber (or if the undersigned Subscriber is purchasing as agent for a Disclosed Beneficial Purchaser, the Disclosed Beneficial Purchaser) is an "eligible investor" within the meaning of NI 45-106 by virtue of satisfying the indicated criterion as set out in Appendix A to this Exhibit 2;
3. the undersigned Subscriber (or if the undersigned Subscriber is purchasing as agent for a Disclosed Beneficial Purchaser, the Disclosed Beneficial Purchaser) was not created, and is not used, solely to purchase or hold securities as an eligible investor as described in paragraph (a) of the definition of "eligible investor" in NI 45-106;
4. upon execution of this Exhibit 2 by the undersigned Subscriber, this Exhibit 2, including Appendix A hereto, shall be incorporated into and form a part of the Subscription Agreement;
5. if the undersigned Subscriber is an individual, the acquisition cost of all securities acquired by such Subscriber under Section 2.9 of NI 45-106 (the "**Offering Memorandum Exemption**") in the preceding 12 months has not exceeded the following amounts: (i) \$30,000; or (ii) if the undersigned Subscriber has received advice from a portfolio manager, investment dealer or exempt market dealer that the investment is suitable, \$100,000; and
6. if the undersigned Subscriber is an individual, the undersigned Subscriber has made the following investments under the Offering Memorandum Exemption of NI 45-106 in the 12 months preceding the date of this Exhibit 2 [*Please fill out the below table*]:

Acquisition cost of all securities <u>in the Trust</u> under the Offering Memorandum Exemption in the preceding 12 months:	
Acquisition cost of all securities <u>in any Issuer other than the Trust</u> under the Offering Memorandum Exemption in the preceding 12 months:	

Dated: _____, 20__

Print name of Subscriber

By: _____
Signature

Print name of Signatory (if different from Subscriber)

Title

APPENDIX "A"

TO EXHIBIT 2

NOTE: THE SUBSCRIBER MUST INITIAL BESIDE THE APPLICABLE PORTION OF THE DEFINITION BELOW.

Eligible Investor - (defined in National Instrument 45-106) means:

- _____ (a) a person whose:

 - _____ (i) net assets, alone or with a spouse, in the case of an individual, exceed \$400,000;
 - _____ (ii) net income before taxes exceeded \$75,000 in each of the 2 most recent calendar years and who reasonably expects to exceed that income level in the current calendar year; or
 - _____ (iii) net income before taxes, alone or with a spouse, in the case of an individual, exceeded \$125,000 in each of the 2 most recent calendar years and who reasonably expects to exceed that income level in the current calendar year; or
- _____ (b) a person of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors; or
- _____ (c) a general partnership of which all of the partners are eligible investors; or
- _____ (d) a limited partnership of which the majority of the general partners are eligible investors; or
- _____ (e) a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are eligible investors; or
- _____ (f) an "accredited investor" as defined in NI 45-106 (see Exhibit 3); or
- _____ (g) a person who is:

 - (i) a director, executive officer or control person of the Trust, or of an affiliate of the Trust,
 - (ii) a spouse, parent, grandparent, brother, sister, child or grandchild of a director, executive officer or control person of the Trust, or of an affiliate of the Trust,
 - (iii) a parent, grandparent, brother, sister, child or grandchild of the spouse of a director, executive officer or control person of the Trust, or of an affiliate of the Trust,
 - (iv) a close personal friend of a director, executive officer or control person of the Trust, or of an affiliate of the Trust,
 - (v) a close business associate of a director, executive officer or control person of the Trust, or of an affiliate of the Trust,
 - (vi) a founder of the issuer or a spouse, parent, grandparent, brother, sister, child or grandchild, close personal friend or close business associate of a founder of the Trust,
 - (vii) a parent, grandparent, brother, sister, child or grandchild of a spouse of a founder of the Trust,
 - (viii) a person of which a majority of the voting securities are beneficially owned by, or a majority of the directors are, persons described in paragraphs (i) to (vii), or
 - (ix) a trust or estate of which all of the beneficiaries or a majority of the trustees or executors are persons

described in paragraphs (i) to (vii), or

- _____ (h) a person that has obtained advice regarding the suitability of the investment and, if the person is resident in a jurisdiction of Canada, that advice has been obtained from an eligibility adviser.

“eligibility adviser” means:

- (a) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (b) in Saskatchewan or Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
- (i) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders, or control persons, and
- (ii) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months.

EXHIBIT 3

ACCREDITED INVESTOR REPRESENTATION LETTER

TO: InvestPlus Real Estate Investment Trust (the "Trust")

(Capitalized terms not specifically defined in this Exhibit 3 have the meaning ascribed to them in the Subscription Agreement to which this Exhibit 3 is attached.)

In connection with the execution by the undersigned Subscriber of the Subscription Agreement which this Exhibit 3 forms a part of, the undersigned Subscriber hereby represents, warrants, covenants and certifies to the Trust that:

1. the undersigned Subscriber is resident in the jurisdiction set out as the "Subscriber's Address" on the face page of the Subscription Agreement and if the undersigned Subscriber is purchasing as agent for a Disclosed Beneficial Principal, the Disclosed Beneficial Principal is resident in the jurisdiction set out as the "Disclosed Beneficial Principal's Address" on the face page of the Subscription Agreement;
2. the undersigned Subscriber is either (a) purchasing the Units as principal for its own account, (b) deemed to be purchasing the Units as principal in accordance with section 2.3(2) or (4) of NI 45-106, or (c) acting as agent for a Disclosed Beneficial Purchaser who is purchasing the Units as principal for its own account;
3. the undersigned Subscriber (or if the undersigned Subscriber is purchasing as agent for a Disclosed Beneficial Purchaser, the Disclosed Beneficial Purchaser) is an "accredited investor" within the meaning of NI 45-106 by virtue of satisfying the indicated criterion as set out in Appendix A to this Exhibit 3;
4. the undersigned Subscriber (or if the undersigned Subscriber is purchasing as agent for a Disclosed Beneficial Purchaser, the Disclosed Beneficial Purchaser) was not created, and is not used, solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106; and
5. upon execution of this Exhibit 3 by the undersigned Subscriber, this Exhibit 3, including Appendix A and, if applicable, Appendix B hereto, shall be incorporated into and form a part of the Subscription Agreement.

Dated: _____, 20____.

Print name of Subscriber

By: _____
Signature

Print name of Signatory (if different from Subscriber)

Title

IMPORTANT: PLEASE INITIAL THE APPLICABLE PROVISION IN
APPENDIX "A" ON THE NEXT PAGES

APPENDIX "A"

TO EXHIBIT 3

NOTE: THE SUBSCRIBER MUST INITIAL BESIDE THE APPLICABLE PORTION OF THE DEFINITION BELOW.

Accredited Investor - (defined in National Instrument 45-106 or the *Securities Act* (Ontario), as applicable) means:

- _____ (a) (i) except in Ontario, a Canadian financial institution, or a Schedule III bank; or
- _____ (ii) in Ontario, a financial institution described in paragraph 1, 2 or 3 of subsection 73.1(1) of the *Securities Act* (Ontario) (as detailed below); or
- _____ (a) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- _____ (b) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary; or
- _____ (c) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, and in Ontario, except as otherwise prescribed by applicable regulations; or
- _____ (e.1) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d); or
- _____ (d) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);
- _____ (e) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly-owned entity of the Government of Canada or a jurisdiction of Canada; or
- _____ (f) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montreal or an intermunicipal management board in Québec; or
- _____ (g) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government; or
- _____ (h) a pension fund that is regulated by the Office of the Superintendent of Financial Institutions (Canada), a pension commission or similar regulatory authority of a jurisdiction of Canada; or
- _____ (i) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1,000,000; or

[Note: any individual purchasing Units pursuant to this category of "accredited investor" must complete Appendix "B" to Exhibit 3 – Form 45-106F9 Risk Acknowledgement Form for Certain Accredited Investors]

_____ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000;

_____ (i) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year; or

[Note: any individual purchasing Units pursuant to this category of “accredited investor” must complete Appendix “B” to Exhibit 3 – Form 45-106F9 Risk Acknowledgement Form for Certain Accredited Investors]

_____ (k) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000; or

[Note: any individual purchasing Units pursuant to this category of “accredited investor” must complete Appendix “B” to Exhibit 3 – Form 45-106F9 Risk Acknowledgement Form for Certain Accredited Investors]

_____ (l) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements; or

_____ (m) an investment fund that distributes or has distributed its securities only to:

(i) a person that is or was an accredited investor at the time of the distribution,

(ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 or 2.19 of National Instrument 45-106, or

(iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of National Instrument 45-106; or

_____ (n) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt; or

_____ (o) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be; or

_____ (p) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction;

_____ (q) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded; or

_____ (r) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in

paragraphs (a) to (d) or paragraph (i) in form and function; or

- _____ (s) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors; or
- _____ (t) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser; or
- _____ (u) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor; or
- _____ (v) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse.

For the purposes hereof:

(a) **"Canadian financial institution"** means

- (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
- (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(b) **"eligibility adviser"** means

- (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
- (ii) in Saskatchewan and Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not
 - A. have a professional, business or personal relationship with the issuer, or any of its directors, executive officer, founders, or control persons, and
 - B. have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;

(c) **"financial assets"** means

- (i) cash,
- (ii) securities, or
- (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

- (d) a “**financial institution**” described in paragraph 1, 2 or 3 of subsection 73.1(1) of the *Securities Act* (Ontario) means
- (i) a bank listed in Schedule I, II or III to the *Bank Act* (Canada),
 - (ii) an association to which the *Cooperative Credit Associations Act* (Canada) applies or a central cooperative credit society for which an order has been made under subsection 473(1) of that Act; or
 - (iii) a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, a caisse populaire, financial services cooperative or credit union league or federation that is authorized by a status of Canada or Ontario to carry on business in Canada or Ontario, as the case may be;
- (e) “**foreign jurisdiction**” means a country other than Canada or a political subdivision of a country other than Canada;
- (f) “**fully managed account**” means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction;
- (g) “**investment fund**” has the same meaning as in National Instrument 81-106 Investment Fund Continuous Disclosure;
- (h) “**related liabilities**” means
- (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets, or
 - (ii) liabilities that are secured by financial assets;
- (i) “**Schedule III bank**” means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

All monetary references are in Canadian Dollars

APPENDIX "B"

TO EXHIBIT 3

RISK ACKNOWLEDGEMENT FORM (FORM 45-106F9) FOR CERTAIN ACCREDITED INVESTORS

This form must be completed by “accredited investors” who have checked boxes (j), (k) or (l) of Appendix "A" to Exhibit 3, and by any other accredited investors that the Trust directs to complete this form.

WARNING!

This investment is risky. Do not invest unless you can afford to lose all the money you pay for this investment

Section 1 – TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
1. About your investment	
Type of Securities: Investor Units	Issuer: InvestPlus Real Estate Investment Trust (the “Issuer”)
Purchased from: The Issuer	
Sections 2 to 4 – TO BE COMPLETED BY THE PURCHASER	
2. Risk acknowledgement	
This investment is risky. Initial that you understand that:	Your Initials
Risk of loss – You could lose your entire investment of \$ _____ [Insert total dollar amount of the Investment]	
Liquidity risk – You may not be able to sell your investments quickly – or at all.	
Lack of information – You may receive little or no information about your investment.	
Lack of advice – You will not receive advice from the salesperson about whether this investment is suitable for you unless the salesperson is registered. The salesperson is the person who meets with, or provides information to, you about making this investment. To check whether the salesperson is registered, go to www.aretheyregistered.ca .	
3. Accredited investor status	
You must meet at least one of the following criteria to be able to make this investment. Initial the statement that applies to you. (You may initial more than one statement.) The person identified in section 6 is responsible for ensuring that you meet the definition of accredited investor. That person, or the salesperson identified in section 5, can help you if you have questions about whether you meet these criteria.	Your Initials
<ul style="list-style-type: none">Your net income before taxes was more than \$200,000 in each of the 2 most recent calendar years, and you expect it to be more than \$200,000 in the current calendar year. (You can find your net income before taxes on your personal income tax return.)	

<ul style="list-style-type: none"> Your net income before taxes combined with your spouse's was more than \$300,000 in each of the 2 most recent calendar years, and you expect your combined net income before taxes to be more than \$300,000 in the current calendar year. 	
<ul style="list-style-type: none"> Either alone or with your spouse, you own more than \$1 million in cash and securities, after subtracting any debt related to the cash and securities. 	
<ul style="list-style-type: none"> Either alone or with your spouse, you have net assets worth more than \$5 million. (Your net assets are your total assets (including real estate) minus your total debt.) 	
4. Your name and signature	
By signing this form, you confirm that you have read this form and you understand the risks of making this investment as identified in this form.	
First and Last Name (please print):	
Signature:	
Date:	
Section 5 – TO BE COMPLETED BY THE SALESPERSON	
5. Salesperson information	
<i>[Instruction: The salesperson is the person who meets with, or provides information to, the purchaser with respect to making this investment. That could include a representative of the issuer or selling security holder, a registrant or a person who is exempt from the registration requirement.]</i>	
First and Last Name of Salesperson (please print):	
Telephone:	Email:
Name of Firm (if registered):	
Section 6 – TO BE COMPLETED BY THE ISSUER OR SELLING SECURITY HOLDER	
6. For more information about this investment	
For more information about this investment / the Issuer: InvestPlus Real Estate Investment Trust 404, 921 – 5 th Avenue SW Calgary, Alberta T2P 0N9 Domenic Mandato telephone: (403) 663-8772 email: ltoth@investplusproperties.com website: www.investplusproperties.com	
For more information about prospectus exemptions, contact your local securities regulator. You can find contact information at www.securities-administrators.ca.	

EXHIBIT 4

MINIMUM AMOUNT INVESTMENT STATUS CERTIFICATE

TO BE COMPLETED BY SUBSCRIBERS RESIDENT IN OR SUBJECT TO THE LAWS OF A JURISDICTION OF CANADA THAT ARE SUBSCRIBING UNDER THE "MINIMUM AMOUNT INVESTMENT" EXEMPTION

TO: *InvestPlus Real Estate Investment Trust (the "Trust")*

In connection with the purchase by the undersigned Subscriber of the Units, the Subscriber, on its own behalf and on behalf of each Disclosed Principal for whom the Subscriber is acting, hereby represents, warrants, covenants and certifies to the Trust (and acknowledges that the Trust and its counsel are relying thereon) that:

- (A) the Subscriber is resident in or subject to the securities laws of a jurisdiction of Canada;
- (B) the Subscriber is not an individual;
- (C) the Subscriber is purchasing the Units as principal for its own account and not for the benefit of any other person;
- (D) the Units have an acquisition cost to the Subscriber of not less than \$150,000, payable in cash at the Closing;
- (E) the Subscriber was not created and is not being used solely to purchase or hold securities in reliance on the registration and prospectus exemptions provided under Section 2.10 of NI 45-106, it pre-existed the Offering and has a bona fide purpose other than investment in the Units; and
- (F) upon execution of this Exhibit by the Subscriber, this Exhibit shall be incorporated into and form a part of the Subscription Agreement.

The foregoing representations contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing Time. If any such representations shall not be true and accurate prior to the Closing Time, the undersigned shall give immediate written notice of such fact to the Trust prior to the Closing Time.

Dated: _____

Signed: _____

Witness

Print the name of Subscriber

Print Name of Witness

Print name and title of
Authorized Signing Officer