FIRM CAPITAL PROPERTY TRUST

CAPITAL PRESERVATION • DISCIPLINED INVESTING

MD&A

MANAGEMENT DISCUSSION AND ANALYSIS

FIRST QUARTER 2020
MARCH 31, 2020

MANAGEMENT DISCUSSION & ANALYSIS

*The following management's discussion and analysis ("**MD&A**") of the financial condition and results of operations of Firm Capital Property Trust ("**FCPT**" or the "**Trust**") should be read in conjunction with the Trust's condensed consolidated interim financial statements for the three months ended March 31, 2020 and March 31, 2019. This MD&A has been prepared taking into account material transactions and events up to and including May 12, 2020. Additional information about the Trust has been filed with applicable Canadian securities regulatory authorities and is available at www.sedar.com or on our web site at www.firmcapital.com.*

Certain information included in this MD&A contains forward-looking statements within the meaning of applicable securities laws including, among others, statements concerning our 2020 objectives and our strategies to achieve those objectives, as well as statements with respect to management's beliefs, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "expect", "intent", "estimate", "anticipate", "believe", "should", "plans" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management.

These statements are not guarantees of future performance and are based on our estimates and assumptions that are subject to risks and uncertainties, including those described below in this MD&A under Risks and Uncertainties, which could cause our actual results to differ materially from the forward-looking statements contained in this MD&A. Such risk factors include, but are not limited to, risks associated with real property ownership, availability of cash flow, general uninsured losses, future property acquisitions, environmental matters, tax related matters, debt financing, unitholder liability, potential conflicts of interest, potential dilution, reliance on key personnel, changes in legislation and changes in the tax treatment of trusts. The Trust cannot assure investors that actual results will be consistent with any forward-looking statements and the Trust assumes no obligation to update or revise such forward-looking statements to reflect actual events or new circumstances. All forward-looking statements contained in this MD&A are qualified by this cautionary statement. Although the forward-looking information contained in this MD&A is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements.

Except as required by applicable law, the Trust undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

INTRODUCTION

Firm Capital Property Trust (TSXV: FCD.UN) is focused on creating long-term value for Unitholders through capital preservation and disciplined investing to achieve stable distributable income. In partnership with management and industry leaders, FCPT's plan is to own as well as co-own a diversified property portfolio of the following real estate asset classes:

- Industrial & Flex Industrial,
- Net Lease Convenience and Stand Alone Retail,
- Multi Residential, and
- Core Service Provider / Healthcare Professional Office.

In addition to stand alone accretive acquisitions, the Trust will make acquisitions, on a co-ownership basis with strong financial partners and will make joint acquisitions and the acquisition of partial interests from existing ownership groups, in a manner that provides liquidity to those selling owners and professional management for those remaining as partners. Firm Capital Realty Partners Inc., through a structure focused on an alignment of interests with the Trust sources, syndicates and manages investments on behalf of the Trust.

The Trust is a "mutual fund trust" as defined in the Tax Act as defined below, but is not a "mutual fund" within the meaning of applicable Canadian securities legislation. The head office and registered office of the Trust is located at 163 Cartwright Avenue, Toronto, Ontario, M6A 1V5.

MANAGEMENT DISCUSSION & ANALYSIS

The Trust is the reporting issuer trading on the TSX Venture Exchange under the ticker symbol FCD.UN.

Additional information on the Trust and its portfolio is available on the Firm Capital website at www.firmcapital.com or on the SEDAR website at www.sedar.com.

BASIS OF PRESENTATION

The Trust has adopted International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board as its basis of financial reporting. The Trust's reporting currency is the Canadian dollar.

Certain financial information presented in this MD&A reflects certain non-IFRS financial measures, which include Net Operating Income ("**NOI**"), Earnings Before Interest, Taxes, Depreciation & Amortization ("**EBITDA**"), Funds From Operations ("**FFO**") and Adjusted Funds From Operations ("**AFFO**"), AFFO Payout Ratio and Debt/Gross Book Value ("**GBV**") (each as defined below). These measures are commonly used by real estate investment trusts as useful metrics for measuring performance and/or cash flows, however, they do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other real estate investment trusts. The Trust believes that FFO is an important measure to evaluate operating performance, AFFO is an important measure of cash available for distribution and, NOI is an important measure of operating performance. "**GAAP**" means generally accepted accounting principles described by the Chartered Professional Accountants Canada ("**CPA**") Handbook - Accounting, which are applicable as at the date on which any calculation using GAAP is to be made. As a public entity, the Trust applies IFRS as described in Part I of the CPA Handbook - Accounting.

Occupancy rate represents the total square footage leased as a percentage of the total amount of square footage owned. Leased properties consist solely of those units that are occupied by a tenant at the given date.

NOI is a term used by industry analysts, investors, trusts, and management to measure operating performance of Canadian real estate investment trusts. NOI represents rental revenue from properties less repairs and maintenance, insurance, utilities, property management, property taxes, bad debt, and other property operating costs. NOI excludes certain expenses included in the determination of net income such as interest, amortization, corporate overhead and taxes.

Net income (loss) before other income (expenses) is a measure that the Trust uses in order to present the key operations and administration of the Trust, excluding special items. Items that are excluded from this total and are presented in other income include transaction costs, fair value adjustments of investment properties, and gain (loss) on dispositions.

Funds From Operations ("**FFO**") is a term used to evaluate operating performance, but is not indicative of funds available to meet the Trust's cash requirements. The Trust calculates FFO in accordance with the guidelines set out by the Real Property Association of Canada ("**RealPAC**"), as issued in February 2017 for entities adopting IFRS. FFO is defined as net income before fair value gains/losses on real estate properties, gains/losses on the disposition of real estate properties, deferred income taxes, and certain other non-cash adjustments.

Adjusted Funds from Operations ("**AFFO**") is a term used as a non-IFRS financial measure by most Canadian real estate investment trusts but should not be considered as an alternative to net income, cash flow from operations, or any other measure prescribed under IFRS. Unlike RealPac, who considers AFFO to be a useful measure of net income, the Trust considers AFFO to be a useful measure of cash available for distributions. AFFO is calculated largely in accordance with the guidelines set out by RealPAC and is defined as FFO less adjustments for non-cash items such as straight-line rent, free rent and noncash interest expense as well as normalized capital expenditures, tenant inducements and leasing charges. However, under RealPAC guidance, unit-based compensation expense is deducted from AFFO, but the Trust adds back this expense.

FFO Payout Ratio is defined as Distributions Declared divided by FFO. AFFO Payout Ratio is defined as Distributions Declared divided by AFFO.

NOI, EBITDA, FFO, AFFO, FFO Payout Ratio, AFFO Payout Ratio and Debt/GBV should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS. NOI, FFO and AFFO are not intended to represent operating profits for the period, or from a property, 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 NOI, EBITDA, FFO, AFFO, FFO Payout Ratio, AFFO Payout Ratio and Debt/GBV as calculated by the Trust may not be comparable to similar measures presented by other issuers.

("**TIs/LCs**") are defined as Tenant Inducements, Leasing Charges and Capital Expenditures. The Trust bases its calculation of TIs/LCs an estimated 2.5% of Net Operating Income or NOI, which is senior managements' best estimate in operating real estate of the type that the Trust owns and operates.

FIRST QUARTER HIGHLIGHTS

- Net loss for the three months ended March 31, 2020 was approximately $5.4 million, compared to the $20.4 million net income reported for the three months ended December 31, 2019, and the $2.3 million net income reported for the three months ended March 31, 2019. Excluding fair value and mark to market interest rate adjustments related to the Trust's various interest rate SWAP arrangements which are non-cash items (but are required to be recorded under IFRS), net income for the three months ended March 31, 2020 was approximately $5.1 million compared to the $3.1 million and $1.8 million reported for the three months ended December 31, 2019 and March 31, 2019, respectively;

- $7.17 Net Asset Value ("**NAV**") per Unit based on a IFRS book value of equity of approximately $219.6 million. This is a 4.0% decrease over the $7.47 NAV reported at December 31, 2019;

- On an IFRS basis, NOI for the three months ended March 31, 2020 was approximately $7.0 million, a 4% increase compared to the $6.8 million reported for the three months ended December 31, 2019 and an 83% increase in comparison to the $3.8 million reported for the three months ended March 31, 2019;

- On a cash basis ("**Cash NOI**"), for the three months ended March 31, 2020 was approximately $6.8 million, a 3% increase compared to the $6.7 million reported for the three months ended December 31, 2019 and an 80% increase over the $3.8 million reported for the three months ended March 31, 2019;

- Funds From Operations ("**FFO**") for the three months ended March 31, 2020 was approximately $2.5 million, a 28% decrease in comparison to the $3.4 million reported for the three months ended December 31, 2019, but a 39% increase over the $1.8 million reported for the three months ended March 31, 2019;

- Adjusted Funds From Operations ("**AFFO**") for the three months ended March 31, 2020 was approximately $3.6 million, a 6% increase over the $3.4 million reported for the three months ended December 31, 2019 and an 86% increase over the $1.9 million reported for the three months ended March 31, 2019;

- AFFO per Unit was $0.117 for the three months ended March 31, 2020, a 6% decrease in comparison to the $0.125 per Unit reported for the three months ended December 31, 2019, but a 6% increase over the $0.110 per Unit reported for the three months ended March 31, 2019;

- Commercial occupancy was 95.8% while residential occupancy was 98.2%. Further, average net rents increased 0.3% - 4.5% across all asset classes; and

- Conservative leverage profile with Debt / Gross Book Value ("**GBV**") at 51.0%.

							% Change Over	
	Three Months						Three Months	
		Mar 31, 2020		**Dec 31, 2019**		**Mar 31, 2019**	**Dec 31, 2019**	**Mar 31, 2019**
Rental Revenue	$	11,254,472	$	10,614,406	$	6,443,690	**6%**	**75%**
NOI								
- IFRS Basis	$	7,026,986	$	6,754,443	$	3,835,465	**4%**	**83%**
- Cash Basis	$	6,848,118	$	6,662,922	$	3,795,287	**3%**	**80%**
Net Income	$	(5,365,029)	$	20,435,016	$	2,287,088	**(126%)**	**(335%)**
FFO	**$**	**2,458,737**	**$**	**3,415,584**	**$**	**1,765,500**	**(28%)**	**39%**
AFFO	**$**	**3,587,261**	**$**	**3,399,387**	**$**	**1,929,209**	**6%**	**86%**
FFO Per Unit	**$**	**0.080**	**$**	**0.125**	**$**	**0.100**	**(36%)**	**(20%)**
AFFO Per Unit	**$**	**0.117**	**$**	**0.125**	**$**	**0.110**	**(6%)**	**6%**
Distributions Per Unit	**$**	**0.125**	**$**	**0.120**	**$**	**0.120**		**4%**
Payout Ratios								
- FFO		**156%**		**96%**		**119%**		
- AFFO		**107%**		**96%**		**109%**		

FINANCIAL HIGHLIGHTS

- **April and May Rent Collections:** The Trust is pleased to report that it has collected approximately 90% and 80% of April and May's expected gross rents from all of its tenants;

- **Acquisition of Two Industrial Buildings Located in Edmonton and Leduc, Alberta:** On March 18, 2020, the Trust closed on an acquisition of a 50% interest in two industrial properties located in Edmonton and Leduc, Alberta. The acquisition price for the Trust's portion of the portfolio was $5.4 million (including transaction costs);

- **Mortgage Repayment Activity:** On February 1, 2020, the Trust repaid $11.1 million of its existing mortgage, which represents the Trust's 50% interest in a mortgage fully secured against the Merivale Mall Property;

- **Mortgage Refinancings Generate $14.4 Million of Net Cash Flow:** On April 30, 2020, the Trust completed two upward financings of its Waterloo Industrial Portfolio and Whitby Mall Property. The result of these upward financings is an additional $14.4 million of net cash flow;

- **Normal Course Issuer Bid ("NCIB") Activity:** As at May 12, 2020, the Trust purchased through its NCIB 150,700 of its Trust Units for gross proceeds of approximately $0.7 million; and

- **Declaration of Monthly Distributions:** The Trust is pleased to announce declared and approved monthly distributions in the amount of $0.041667 per Trust Unit for Unitholders of record on May 29, 2020, June 30, 2020 and July 31, 2020 payable on or about June 15, 2020, July 15, 2020 and August 17, 2020, respectively.

PORTFOLIO HIGHLIGHTS

Based on the Trust's pro rata interests as at March 31, 2020, the portfolio consists of 76 commercial properties with a total gross leasable area ("GLA") of 2,350,448 square feet and two apartment complexes comprised of 204 apartment units.

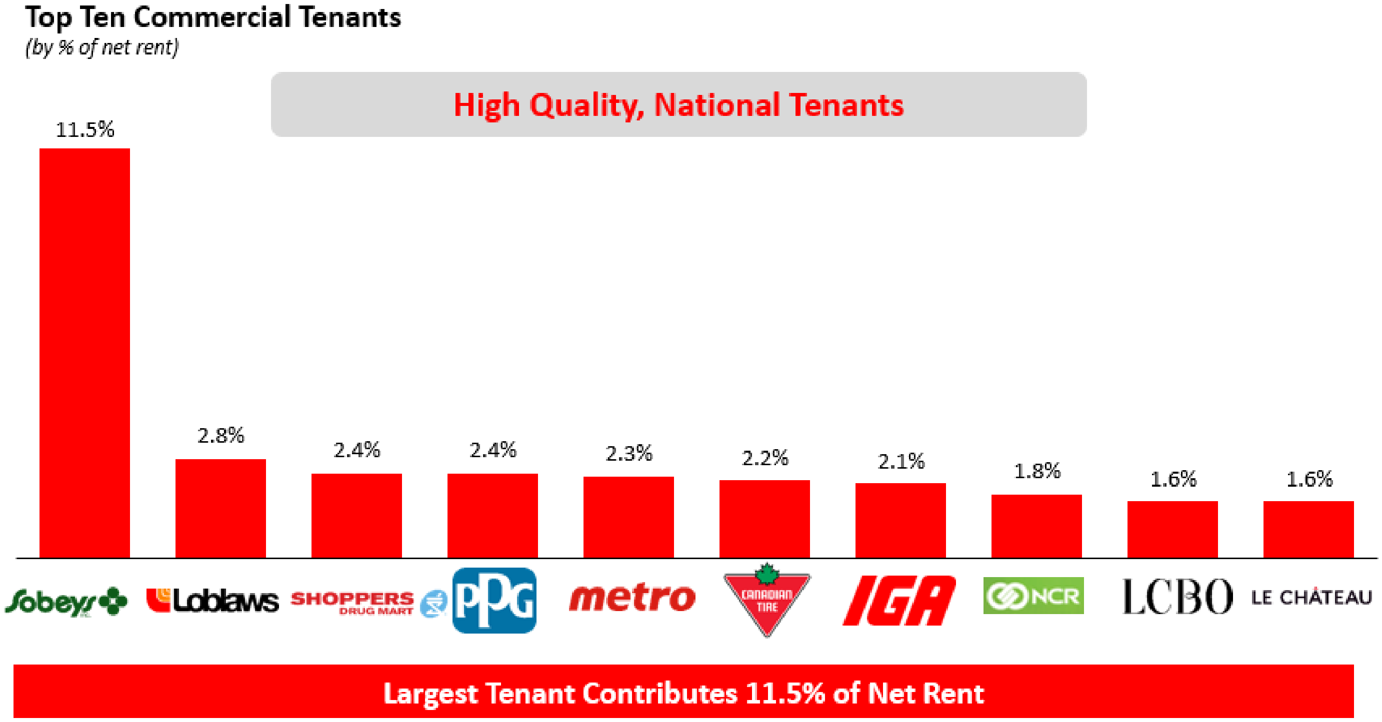
		Occupancy				
Retail	**Gross Leaseable Area**	**Q1/2020**	**Q4/2019**	**Q3/2019**	**Q2/2019**	**Q1/2019**
Bridgewater, Nova Scotia	46,707	86.3%	86.3%	86.3%	91.7%	91.7%
Brampton, Ontario	36,137	100.0%	100.0%	100.0%	100.0%	100.0%
Hanover, Ontario	19,874	100.0%	100.0%	100.0%	100.0%	100.0%
Pembroke, Ontario	11,247	100.0%	100.0%	100.0%	100.0%	100.0%
Moncton, New Brunswick	16,372	100.0%	100.0%	100.0%	100.0%	100.0%
Guelph, Ontario	115,744	92.6%	92.6%	92.6%	92.6%	92.6%
Centre Ice Retail Portfolio	111,740	93.1%	89.2%	91.6%	91.6%	94.4%
The Whitby Mall, Ontario	125,042	93.0%	94.4%	94.1%	93.1%	93.1%
Thickson Place, Ontario	41,942	100.0%	100.0%	100.0%	100.0%	100.0%
Crombie Retail Portfolio	148,188	100.0%	100.0%	100.0%	100.0%	100.0%
FCR Retail Portfolio	511,065	97.1%	97.0%	97.5%	97.3%	N/A
Gateway Village	52,748	91.5%	91.3%	93.8%	N/A	N/A
Total / Weighted Average	**1,236,806**	**96.0%**	**95.8%**	**96.1%**	**96.2%**	**95.9%**
Office						
Barrie, Ontario	39,495	47.6%	58.0%	58.0%	58.0%	58.0%
The Whitby Mall, Ontario	27,904	78.0%	78.0%	75.5%	75.6%	75.6%
Total / Weighted Average	**67,399**	**60.2%**	**66.3%**	**65.5%**	**65.6%**	**65.6%**
Industrial						
Montreal, Quebec	594,630	97.5%	97.8%	97.2%	97.8%	97.2%
Waterloo, Ontario	358,174	99.1%	97.1%	95.5%	98.0%	97.1%
Edmonton, Alberta	93,440	91.0%	100.0%	N/A	N/A	N/A
Total / Weighted Average	**1,046,243**	**97.5%**	**97.7%**	**96.5%**	**97.9%**	**97.1%**
Total / Wtd. Average	**2,350,448**	**95.8%**	**95.8%**	**95.5%**	**96.1%**	**95.5%**

Multi-Residential	**Units**	**Occupancy**				
Ottawa, Ontario	135	96.3%	97.8%	94.8%	98.5%	99.6%
Dartmouth, Nova Scotia	69	100.0%	100.0%	100.0%	98.6%	98.6%
Residential Total / Wtd. Average	**204**	**98.2%**	**98.9%**	**97.4%**	**98.5%**	**99.0%**

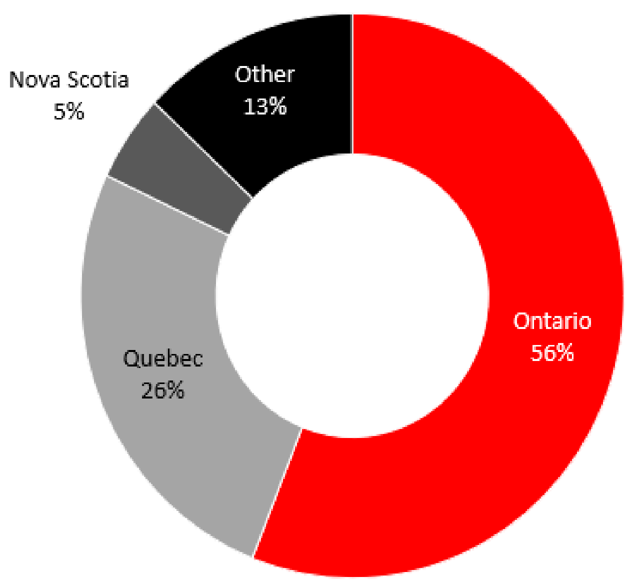
TENANT DIVERSIFICATION

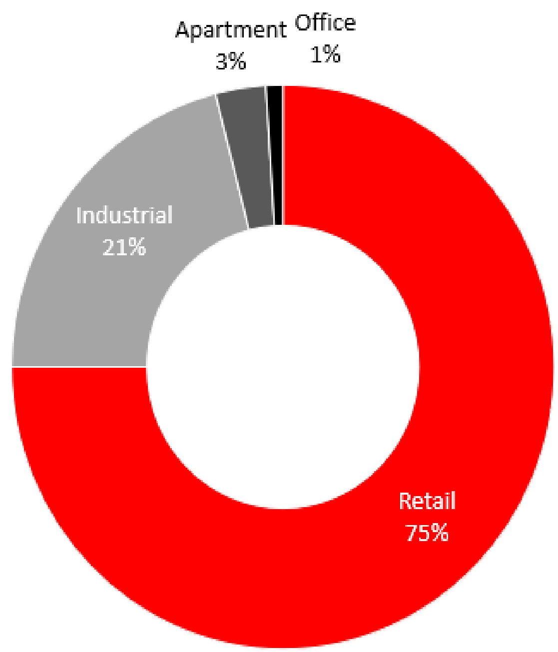
The portfolio is well diversified by tenant profile with no tenant currently accounting for more than 11.5% of total net rent. Further, the top 10 tenants are comprised of large national tenants and account for 30.7% of total net rent:

Tenant Diversification – March 31, 2020



Geographical and Asset Class Portfolio Diversification based on NOI





OCCUPANCY

As at March 31, 2020, commercial portfolio occupancy was 95.8%, in line with the 95.8% reported at December 31, 2019 and a 30 basis point increase over the 95.5% reported at March 31, 2019. The increase over March 31, 2019 was largely due to the various acquisitions of the Trust.

As at March 31, 2020, occupancy for the multi-residential portfolio was 98.2% compared to the 98.9% reported at December 31, 2019 and the 99.0% reported at March 31, 2019.

COMMERCIAL NET RENT AND MULTI-RESIDENTIAL AVERAGE MONTHLY RENT

Commercial net rent per occupied square foot and average multi-residential monthly rent per occupied unit for the past five quarters is as follows:

	Mar 31, 2020	Dec 31, 2019	Sept 30, 2019	June 30, 2019	Mar 31, 2019
Retail	$ 16.88	$ 16.83	$ 16.61	$ 16.40	$ 15.87
Industrial	$ 6.05	$ 5.79	$ 5.72	$ 5.67	$ 5.50
Office	$ 12.09	$ 11.72	$ 11.71	$ 11.69	$ 11.53
Multi-Residential	$ 1,043	$ 1,022	$ 1,014	$ 992	$ 977

	Q1 2020 vs. Q4 2019	Q1 2020 vs. Q1 2019
Retail	0.3%	6.4%
Industrial	4.5%	10.0%
Office	3.2%	4.8%
Multi-Residential	2.1%	6.8%

As at March 31, 2020, average monthly retail net rents increased by 0.3% over December 31, 2019 and 6.4% over March 31, 2019 largely due to the acquisitions of the Crombie and FCR Retail Portfolios along with an increase due to renewed and new leases. Average monthly industrial net rents increased 4.5% over December 31, 2019 and 10.0% over March 31, 2019 largely due to the Edmonton Industrial Portflio acquisition along with lease renewals and new leases upon expiries in the portfolio. Average monthly office net rents increased by 3.2% over December 31, 2019 and 4.8% over March 31, 2019 due to lease renewals and new leases upon expiries in the portfolio along with higher net rents in the FCR Retail Portfolio. Average multi-residential rents increased by 2.1% over December 31, 2019 and 6.8% over March 31, 2019 largely due to higher rent in Ottawa, ON.

RESULTS OF OPERATIONS

RENTAL REVENUE

Rental revenue for the three months ended March 31, 2020 was $11,254,472, a 6% increase over the $10,614,406 reported for the three months ended December 31, 2019 and a 75% increase over the $6,443,690 reported for the three months ended March 31, 2019. Rental revenue includes all amounts earned from tenants' lease agreements including rent, operating costs and realty tax recoveries.

	Three Months Ended		
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019
Base Rent	$ 7,254,448	$ 7,092,682	$ 4,212,431
Operating Cost Recoveries	1,775,388	1,626,088	1,126,581
Tax Recoveries	2,045,768	1,804,115	1,064,500
Straight Line Rent	196,380	107,092	54,965
Free Rent	(17,512)	(15,571)	(14,787)
Rental Revenue	**$ 11,254,472**	**$ 10,614,406**	**$ 6,443,690**

The variance in comparing the three months ended March 31, 2020 over the three months ended December 31, 2019 and March 31, 2019 is largely due to increased rental income from the Trust's various acquisitions during 2019 along with the net rent and occupancy increases as outlined above.

Free rent relates to rent free periods provided to certain new and renewal tenants at the Trust's properties. Under IFRS, the Trust is required to adjust rental revenue by the value of the rent free period and amortize this adjustment over the life of the individual lease as a reduction to income.

PROPERTY OPERATING EXPENSES

Property operating expenses for the three months ended March 31, 2020 were $4,227,486, a 10% increase in comparison to the $3,859,963 reported for the three months ended December 31, 2019 and a 62% increase over the $2,608,225 reported for the three months ended March 31, 2019. Property operating expenses include realty taxes as well as other costs related to maintenance, HVAC, insurance, utilities and property management fees. Property operating expenses consist of the following:

	Three Months Ended		
	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019
Realty Taxes	$ 2,221,372	$ 2,182,717	$ 1,306,073
Property Management	434,196	416,035	267,050
Operating Expenses	1,571,918	1,261,212	1,035,103
Property Operating Expenses	**$ 4,227,486**	**$ 3,859,963**	**$ 2,608,225**

The variance in comparing the three months ended March 31, 2020 over the three months ended December 31, 2019 and March 31, 2019 is largely due to the impact of the Trust's various acquisitions during 2019.

*NET OPERATING INCOME ("**NOI**")*

On an IFRS basis, NOI for the three months ended March 31, 2020 was $7,026,986, a 4% increase over the $6,754,443 reported for the three months ended December 31, 2019 and an 83% increase in comparison to the $3,835,465 reported for the three months ended March 31, 2019.

On a cash basis (i.e. excluding straight-line and free rent which are non-cash items) ("**Cash NOI**"), NOI for the three months ended March 31, 2020 was $6,848,118, a 3% increase over the $6,662,922 reported for the three months ended December 31, 2019 and an 80% increase over the $3,795,287 reported for the three months ended March 31, 2019.

	Three Months Ended		
	Mar 31, 2020	**Dec 31, 2019**	**Mar 31, 2019**
Rental Revenue	**$ 11,254,472**	**$ 10,614,406**	**$ 6,443,690**
Property Operating Expenses	(4,227,486)	(3,859,963)	(2,608,225)
NOI - IFRS Basis	**$ 7,026,986**	**$ 6,754,443**	**$ 3,835,465**
Less: Straight-Line Rent	(196,380)	(107,092)	(54,965)
Less: Free Rent	17,512	15,571	14,787
NOI - Cash Basis	**$ 6,848,118**	**$ 6,662,922**	**$ 3,795,287**

NOI - Cash Basis			
% Change vs. December 31, 2019	**3%**		
% Change vs. March 31, 2019	**80%**		

The variance in comparing the three months ended March 31, 2020 over the three months ended December 31, 2019 and March 31, 2019 is largely due to the impact of the Trust's various acquisitions as well as net rent and occupancy increases during 2019.

FINANCE COSTS

Finance costs for the three months ended March 31, 2020 were $4,748,603, a 101% increase in comparison to the $2,359,520 reported for the three months ended December 31, 2019 and a 396% increase in comparison to the $1,198,659 reported for the three months ended March 31, 2019. Finance costs are comprised of the following:

	Three Months Ended		
	Mar 31, 2020	**Dec 31, 2019**	**Mar 31, 2019**
Mortgage Interest	$ 1,957,433	$ 2,025,876	$ 1,028,258
Bank Indebtedness Interest	93,213	206,791	134,921
Finance Fee Amortization	54,116	99,755	52,038
Non-cash Interest Expense	2,643,839	27,096	(16,558)
Finance Costs	**$ 4,748,603**	**$ 2,359,520**	**$ 1,198,659**

The variance in comparing the three months ended March 31, 2020 over the three months ended December 31, 2019 and March 31, 2019 was mainly due to the increase in the non-cash mark to market interest adjustments from the decrease in interest rates as outlined below.

Finance fee amortization relates to fees paid on securing the Facility as defined below on the Trust's various mortgages. Non-cash interest expense relates to the fair value adjustment to interest expense required under IFRS as a result of the assumed mortgages from the Trust's various acquisitions as well as the mark-to-market adjustments from the Trust's various SWAP loans. The Trust is required under IFRS to provide a mark-to-market amount that is added to finance costs for mortgages that have a SWAP component to them (based on current interest rates in place for similar type mortgages) of which this cost would only be realized if the Trust repaid the mortgage prior to maturity at that specific point in time. These mark-to-market adjustments will fluctuate over time as interest rates change.

As outlined below, the weighted average interest rate of the mortgages as at March 31, 2020 stands at approximately 3.4%.

*GENERAL AND ADMINISTRATIVE (“**G&A**”) EXPENSES*

G&A expenses for the three months ended March 31, 2020 were $1,009,884, a 5% decrease in comparison to the $1,062,145 reported for the three months ended December 31, 2019 and a 74% increase in comparison to the $582,057 reported for the three months ended March 31, 2019. Public company expenses include trustee fees, transfer agent fees, press releases and print media.

	Three Months Ended		
	Mar 31, 2020	**Dec 31, 2019**	**Mar 31, 2019**
Asset Management Fees	$ 767,347	$ 798,161	$ 439,286
Public Company Expenses	65,819	72,038	62,524
Office & General	175,985	191,946	80,247
General & Administrative	**$ 1,009,151**	**$ 1,062,145**	**$ 582,057**

The variance in comparing the three months ended March 31, 2020 over the three months ended March 31, 2019 is largely due to an increase in asset management fees due to the Trust’s various acquisitions along with higher public company costs associated with those acquisitions.

*NET INCOME & COMPREHENSIVE NET INCOME (“**NET INCOME**”)*

Net loss for the three months ended March 31, 2020 was $5,365,761, in comparison to the $20,435,016 net income reported for the three months ended December 31, 2019 and the $2,287,088 net income reported for the three months ended March 31, 2019.

The variance in comparing the three months ended March 31, 2020 over the three months ended December 31, 2019 and March 31, 2019 is largely due to a large decrease in the fair market value adjustment due to higher capitalization rates as well as an increase in the non-cash market to market interest expense.

SUMMARIZED OPERATING RESULTS

Rental revenue, other income, total revenue, NOI and net income for the past eight quarters for the Trust are as follows:

	Rental Revenue	Other Income	Total Revenue	NOI	Net Income
Q1/2020	$ 11,254,472	$ 28,733	$ 11,283,205	$ 7,026,986	$ (5,365,029)
Q4/2019	$ 10,614,406	$ 16,671	$ 10,631,077	$ 6,754,443	$ 20,435,016
Q3/2019	$ 10,432,798	$ 17,486	$ 10,450,284	$ 6,788,600	$ 3,815,843
Q2/2019	$ 8,664,867	$ 44,750	$ 8,709,617	$ 5,612,287	$ 9,183,443
Q1/2019	$ 6,443,690	$ 17,194	$ 6,460,884	$ 3,835,465	$ 2,287,088
Q4/2018	$ 5,626,549	$ 19,365	$ 5,645,914	$ 3,370,036	$ 2,764,361
Q3/2018	$ 5,423,802	$ 29,027	$ 5,452,829	$ 3,269,870	$ 3,117,455
Q2/2018	$ 5,546,678	$ 14,863	$ 5,561,541	$ 3,411,330	$ 3,715,744

CONSOLIDATED INTERIM STATEMENTS OF INCOME & COMPREHENSIVE INCOME AND CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES.

Outlined below are the Consolidated Interim Statements of Income and Comprehensive Income and cashflows from operating activities for the three month period ended March 31, 2020, December 31, 2019 and March 31, 2019:

	Three Months Ended		
Net Operating Income	**Mar 31, 2020**	**Dec 31, 2019**	**Mar 31, 2019**
Rental Revenue	$ 11,254,472	$ 10,614,406	$ 6,443,690
Property Operating Expenses	(4,227,486)	(3,859,963)	(2,608,225)
	7,026,986	6,754,443	3,835,465
Interest and Other Income	28,733	16,671	17,194
Expenses			
Finance Costs	4,748,604	2,359,520	1,198,659
General and Administrative	1,009,151	1,062,145	582,057
Unit-Based Compensation Expense/(Recovery)	(1,160,771)	217,090	306,442
	4,596,984	3,638,755	2,087,158
Income Before Fair Value Adjustments			
	2,458,736	3,132,360	1,765,502
Gain on Sale of Investment Properties	-	283,221	-
Fair Value Adjustments on Investment Properties	(7,823,765)	17,019,435	521,587
Net Income/(Loss) and Comprehensive Income	**$ (5,365,029)**	**$ 20,435,016**	**$ 2,287,088**

	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019
Net Income & Comprehensive Income	**(5,365,029)**	**20,435,016**	**2,287,088**
Fair Value Adjustments:			
Investment Properties	7,823,765	(17,019,435)	(521,587)
Gain on Sale of Investment Properties	-	(283,221)	-
Unit-Based Compensation Expense/(Recovery)	(1,160,771)	217,090	306,442
Finance Costs, Net of Interest and Dividends	2,021,913	2,342,848	777,433
Finance Fee Amortization	54,116	99,755	52,038
Non-cash Interest Expense	2,643,839	27,096	(16,558)
Land Lease Amortization	17,513	-	-
Straight-line Rent Adjustment	(196,380)	(107,092)	(54,964)
Free Rent, Net of Amortization	17,512	15,571	14,787
Change in Working Capital			
Accounts Receivable	1,053,962	536,422	(179,293)
Prepaid Expenses, Deposits and Other Assets	(1,333,556)	852,439	164,267
Restricted Cash	(12,758)	(155,768)	(147,137)
Accounts Payable and Accrued Liabilities	(2,141,329)	397,966	1,170,581
Tenant Rental Deposits	59,864	(733,004)	110,204
Cash Flows From Operating Activities	**$ 3,482,664**	**$ 6,625,683**	**$ 3,963,300**

FFO AND AFFO

FFO for the three months ended March 31, 2020 was $2,458,737, a 28% decrease compared to the $3,415,584 reported for the three months ended December 31, 2019 and a 39% increase over the $1,765,500 reported for the three months ended March 31, 2019.

AFFO for the three months ended March 31, 2020 was $3,587,261, a 6% increase over the $3,399,387 reported for the three months ended December 31, 2019 and an 86% increase in comparison to the $1,929,209 reported for the three months ended March 31, 2019.

FFO per Unit for the three months ended March 31, 2020 was $0.080 while AFFO per Unit was $0.117 compared to the $0.125 FFO per Unit and $0.125 AFFO per Unit as at December 31, 2019.

For the three months ended March 31, 2020, FFO and AFFO payout ratios were 156% and 107% respectively compared to the 96% and 96% as at December 31, 2019 and the 119% and 109% as at March 31, 2019.

For the three months ended March 31, 2020, the Trust had TIs/LCs and capital expenditures of approximately $1.4 million (2019 - $0.4 million).

As the Trust considers AFFO to be a useful measure of cash flow available for distributions, the following table is a reconciliation from IFRS Cash Flow from Operating Activities to FFO and AFFO:

		Three Months Ended		
		Mar 31, 2020	Dec 31, 2019	Mar 31, 2019
Cash Flows from Operating Activities (including gain on sale of investment properties)	$	**3,482,663**	**$6,908,904**	**$ 3,963,300**
Add (deduct):				
Tenant Rental Deposits		(59,864)	733,004	(110,204)
Accounts Payable and Accrued Liabilities		2,141,329	(397,966)	(1,170,581)
Restricted Cash		12,758	155,768	147,137
Prepaid Expenses, Deposits & Other Assets		1,333,556	(852,439)	(164,267)
Accounts Receivable		(1,053,962)	(536,422)	179,293
Finance Fee Amortization		(54,116)	(99,755)	(52,038)
Land Lease Amortization		(17,513)	-	-
Finance Costs, Net of Interest & Dividends		(2,021,913)	(2,342,848)	(777,433)
Unit Based Compensation Expense		1,160,771	(217,090)	(306,442)
Straight-Line Rent Adjustment		196,380	107,092	54,964
Free Rent, Net of Amortization		(17,512)	(15,571)	(14,787)
Non-Cash Interest Expense		(2,643,839)	(27,096)	16,558
FFO	$	**2,458,737**	**$3,415,584**	**$ 1,765,500**
Straight Line Rent Adjustment		(196,380)	(107,092)	(54,964)
Free Rent, Net of Amortization		17,512	15,571	14,787
Tenant Inducements, Leasing Costs & Capex		(175,675)	(168,861)	(85,997)
Non-Cash Interest Expense		2,643,839	27,096	(16,558)
Unit Based Compensation Expense		(1,160,771)	217,090	306,442
AFFO	$	**3,587,261**	**$3,399,387**	**$ 1,929,209**
FFO Per Unit	$	**0.080**	**$ 0.125**	**$ 0.100**
AFFO Per Unit	$	**0.117**	**$ 0.125**	**$ 0.110**
Distributions Per Unit	$	**0.125**	**$ 0.120**	**$ 0.120**
FFO Payout Ratio		**156%**	**96%**	**119%**
AFFO Payout Ratio		**107%**	**96%**	**109%**

The differences between the add back of FFO and AFFO is the deduction for straight-line rent, free rent, reserves for TIs/LCs, capital expenditures and the non-cash interest expense component for all assumed mortgages, offset by the deduction for unit-based compensation expense. Under RealPAC and the Trust, unit-based compensation expense is deducted for reporting FFO. However, the Trust adds back this expense for the purpose of calculating AFFO.

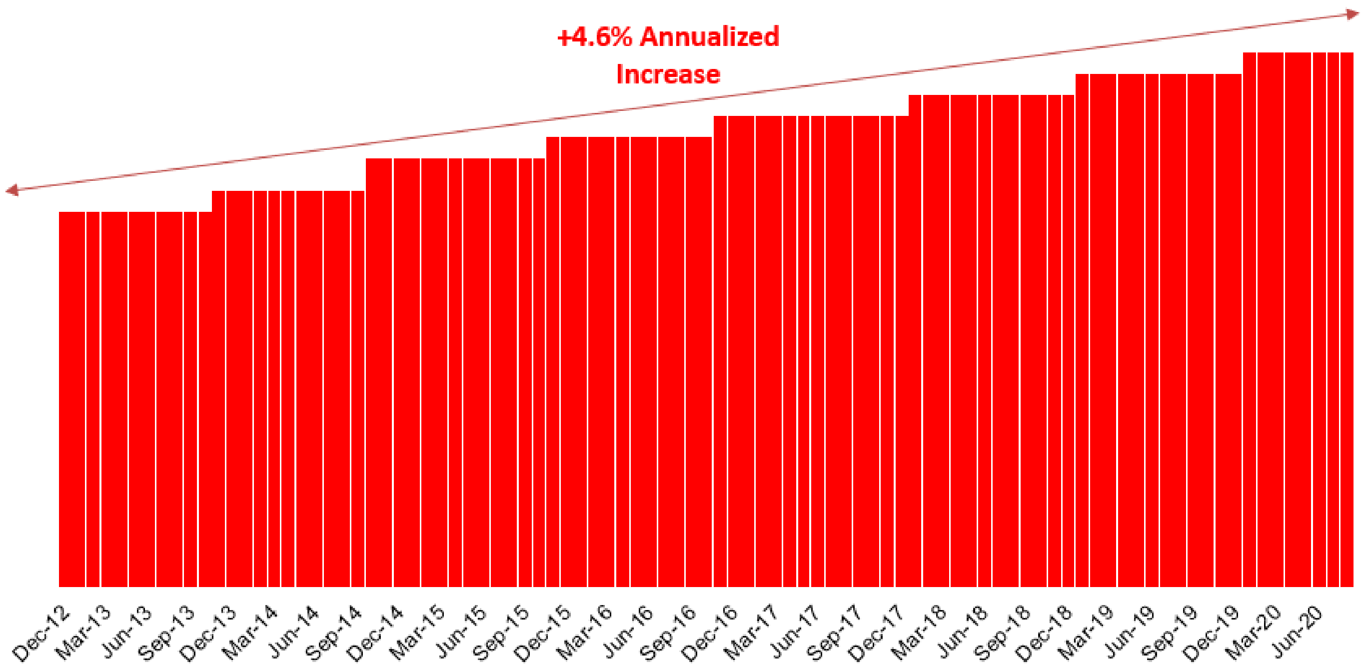
The variance in comparing AFFO for the three months ended March 31, 2020 over the three months ended March 31, 2019 is largely due to the positive impact from the Trust's acquisitions as outlined above.

AFFO is calculated largely in accordance with the guidelines set out by RealPAC and is defined as FFO less adjustments for non-cash items such as straight-line rent, free rent and noncash interest expense as well as normalized capital expenditures, tenant inducements and leasing charges. However, under RealPAC, unit-based compensation expense is deducted for reporting AFFO, but the Trust adds back this expense.

DISTRIBUTIONS

For the three months ended March 31, 2020, distributions of $0.041667 per unit were declared each month commencing in January 2020 through to March 2020, resulting in total distributions declared of $3,830,598. For the three months ended March 31, 2019, distributions of $0.04 per unit were declared each month commencing in January 2019 through to March 2019 resulting in total distributions declared of $2,159,613.

Since the Trust's inception in Q4/2012, distributions have been raised seven times in seven years and represents a cumulative increase of 42.9% or 4.6% on an annualized basis since the Trust's inception in 2012:



The policy of the Trust is to pay cash distributions on or about the 15th day of each month to Unitholders of record on the last business day of the preceding month. Distributions paid to Unitholders who are non-residents of Canada will be subject to Canadian withholding tax.

The excess/(shortfall) of cash flow from operating activities over distributions and net income and comprehensive income over distributions for the three months ended March 31, 2020, December 31, 2019 and March 31, 2019 are outlined below:

	Three Months Ended		
	Mar 31, 2020	**Dec 31, 2019**	**Mar 31, 2019**
Cash Flow From Operating Activities (including gain on sale of investment properties) (A)	**$ 3,482,664**	**$ 6,908,904**	**$ 3,963,300**
Net Cash Interest Expense			
Less: Mortgage Interest	$ (1,957,433)	$ (2,025,876)	$ (1,028,258)
Less: Bank Indebtedness Interest	(93,213)	(206,791)	(134,921)
Add: Interest and Other Income	28,733	16,671	17,194
Net Cash Interest Expense (B)	**$ (2,021,913)**	**$ (2,215,996)**	**$ (1,145,985)**
Net Cash Flows from Operating Activities (A-B) = (C)	**$ 1,460,749**	**$ 4,692,908**	**$ 2,817,315**
Net Income & Comprehensive Income (D)	**$ (5,365,029)**	**$ 20,435,016**	**$ 2,287,088**
Distributions (E)	**$ 3,830,598**	**$ 3,371,767**	**$ 2,159,613**
Excess / (Shortfall) of Net Cash Flow From Operating Activities Over Distributions (C-E)	**$ (2,369,850)**	**$ 1,321,141**	**$ 657,701**
Excess / (Shortfall) of Net Income & Comprehensive Income Over Distributions (D-E)	**$ (9,195,627)**	**$ 17,063,249**	**$ 127,475**

For the three months ended March 31, 2020, the Trust had distributions in excess of net cash flow from operating activities. These distributions were funded from the Trust's cash on hand/bank indebtedness. The excess distributions were paid in the normal course and had no impact on the sustainability of distributions.

SEGMENT INFORMATION AND CO-OWNERSHIP INTERESTS

SEGMENT INFORMATION

The Trust operates in four reportable segments: retail, industrial, multi-residential and core service office provider as outlined below:

	Retail	Industrial	Multi-Residential	Core Service Office Provider	Corporate	Period Ended March 31, 2020
Net Operating Income						
Rental Revenue	$ 8,313,978	$ 2,368,503	$ 430,591	$ 141,400	-	$ 11,254,472
Property Operating Expenses	(3,006,043)	(900,276)	(193,133)	(128,035)	-	(4,227,486)
	5,307,935	1,468,228	237,458	13,366	-	7,026,986
Interest and Other Income	10,482	243	19	-	17,989	28,733
Expenses:						
Finance Costs	2,960,756	1,660,536	94,958	32,353	-	4,748,603
General and Administrative	155,408	126,787	27,394	224	699,339	1,009,151
Unit-based Compensation Expense/(Recovery)	-	-	-	-	(1,160,771)	(1,160,771)
	3,116,163	1,787,323	122,352	32,577	(461,432)	4,596,983
Income Before Fair Value Adjustments	2,202,254	(318,852)	115,125	(19,211)	479,421	2,458,736
Fair Value Adjustment of Investment Properties	(8,375,102)	3,498	559,420	(11,580)	-	(7,823,765)
Net Income/(Loss) and Comprehensive Income/(Loss)	$ (6,172,848)	$ (315,355)	$ 674,545	$ (30,791)	$ 479,421	$ (5,365,029)

	Retail	Industrial	Multi-Residential	Core Service Office Provider	Corporate	Period Ended March 31, 2019
Net Operating Income						
Rental Revenue	$ 3,862,321	$ 2,015,447	$ 402,918	$ 163,005	-	$ 6,443,690
Property Operating Expenses	(1,501,325)	(788,253)	(174,302)	(144,346)	-	(2,608,225)
	2,360,996	1,227,194	228,616	18,659	-	3,835,465
Interest and Other Income	3,266	6,245	2,741	-	4,943	17,194
Expenses:						
Finance Costs	713,032	369,713	81,558	34,357	-	1,198,659
General and Administrative	156,935	111,072	31,112	-	282,938	582,057
Unit-based Compensation Expense/(Recovery)	-	-	-	-	306,442	306,442
	869,967	480,785	112,670	34,357	589,380	2,087,158
Income Before Fair Value Adjustments	1,494,295	752,654	118,687	(15,698)	(584,437)	1,765,501
Fair Value Adjustment of Investment Properties	307,431	(107,985)	336,283	(14,142)	-	521,587
Net Income/(Loss) and Comprehensive Income/(Loss)	$ 1,801,725	$ 644,669	$ 454,970	$ (29,840)	$ (584,437)	$ 2,287,088

CO-OWNERSHIP INTERESTS

The Trust's Properties has the following property interests and includes its proportionate share of the related assets, liabilities, revenue and expenses of these properties:

	As at March 31, 2020			
	Trust Wholly Owned	**Co-Owned at Proportionate Ownership**	**Total**	**Co-Owned at 100%**
Current Assets	$ 1,409,309	$ 3,535,972	$ 4,945,280	$ 6,560,894
Non-Current Assets	80,950,794	377,216,564	458,167,358	725,506,874
Total Assets	**$ 82,360,103**	**$ 380,752,535**	**$ 463,112,638**	**$ 732,067,768**
Current Liabilities	15,799,439	50,801,962	66,601,401	89,006,972
Non-Current Liabilities	22,144,772	154,723,235	176,868,007	$ 323,346,350
Total Liabilities	**$ 37,944,211**	**$ 205,525,197**	**$ 243,469,408**	**$ 412,353,322**
Total Owners' Equity	**$ 44,415,891**	**$ 175,227,339**	**$ 219,643,230**	**$ 319,714,447**

	As at December 31, 2019			
	Trust Wholly Owned	**Co-Owned at Proportionate Ownership**	**Total**	**Co-Owned at 100%**
Current Assets	$ 9,032,347	$ 8,363,730	$ 17,396,076	$ 14,278,161
Non-Current Assets	87,644,782	370,132,934	457,777,717	722,976,376
Total Assets	**$ 96,677,129**	**$ 378,496,664**	**$ 475,173,793**	**$ 737,254,537**
Current Liabilities	4,436,209	55,581,907	60,018,116	105,934,347
Non-Current Liabilities	22,205,506	163,911,097	186,116,602	$ 325,705,503
Total Liabilities	**$ 26,641,715**	**$ 219,493,003**	**$ 246,134,718**	**$ 431,639,850**
Total Owners' Equity	**$ 70,035,415**	**$ 159,003,660**	**$ 229,039,075**	**$ 305,614,687**

	Period Ended March 31, 2020			
	Trust Wholly Owned	Co-Owned at Proportionate Ownership	Total	Co-Owned at 100%
Net Operating Income				
Rental Revenue	$ 2,074,058	$ 9,180,414	$ 11,254,472	$ 17,970,728
Property Operating Expenses	(878,635)	(3,348,851)	(4,227,486)	(6,756,864)
	1,195,423	5,831,563	7,026,986	11,213,864
Interest and Other Income	18,043	10,690	28,733	22,740
Expenses:				
Finance Costs	259,202	4,489,401	4,748,603	8,896,299
General and Administrative	582,868	426,283	1,009,151	858,994
Unit-based Compensation Expense/(Recovery)	(1,160,771)	-	(1,160,771)	-
	(318,701)	4,915,684	4,596,983	9,755,293
Income Before Fair Value Adjustments	1,532,167	926,569	2,458,736	1,481,311
Fair Value Adjustment of Investment Properties	(1,608,996)	(6,214,769)	(7,823,765)	(11,441,175)
Net Income/(Loss) and Comprehensive Income/(Loss)	$ (76,828)	$ (5,288,201)	$ (5,365,029)	$ (9,959,864)

	Period Ended March 31, 2019			
	Trust Wholly Owned	Co-Owned at Proportionate Ownership	Total	Co-Owned at 100%
Net Operating Income				
Rental Revenue	$ 2,035,629	$ 4,408,061	$ 6,443,690	$ 8,389,716
Property Operating Expenses	(923,468)	(1,684,757)	(2,608,225)	(3,324,619)
	1,112,162	2,723,303	3,835,465	5,065,097
Interest and Other Income	7,683	9,511	17,194	20,101
Expenses:				
Finance Costs	383,365	815,294	1,198,659	1,359,454
General and Administrative	310,769	271,288	582,057	418,655
Unit-based Compensation Expense/(Recovery)	306,442	-	306,442	-
	1,000,576	1,086,582	2,087,158	1,778,109
Income Before Fair Value Adjustments	119,269	1,646,232	1,765,501	3,307,089
Fair Value Adjustment of Investment Properties	23,518	498,069	521,587	874,438
Net Income and Comprehensive Income	$ 142,787	$ 2,144,301	$ 2,287,088	$ 4,181,527

COMPARABLE CASH FLOWS

Comparable operating, investing and financing cash flows for the three months ended March 31, 2020 and March 31, 2019 are outlined below:

	Three Months Ended	
	Mar 31, 2020	Mar 31, 2019
Operating Activities	$ 3,482,664	$ 3,963,300
Investing Activities	(6,779,368)	(41,018,810)
Financing Activities	(18,389,180)	30,658,740
Increase/(Decrease) in Cash & Cash Equivalents	**$ (21,685,884)**	**$ (6,396,769)**
Cash & Cash Equivalents / (Bank Indebtedness), Beginning of Period	12,746,594	3,415,075
Cash & Cash Equivalents / (Bank Indebtedness), End of Period	**$ (8,939,290)**	**$ (2,981,697)**

Cash provided by operating activities decreased for the three months ended March 31, 2020 in comparison to the three months ended March 31, 2019 largely due to changes in working capital.

Cash provided by investing activities increased for the three months ended March 31, 2020 in comparison to the three months ended March 31, 2019 largely due to higher acquisition activity in 2019 as compared to 2020.

Cash provided by financing activities decreased for the three months ended March 31, 2020 in comparison to the three months ended March 31, 2019 largely due to a combination of new mortgages from the Trust's various acquisitions as well as the issuance of Trust Units in 2019, offset by a mortgage repayment in 2020.

INVESTMENT PROPERTIES

As at March 31, 2020, the Trust's property portfolio consisted of 76 properties with a fair value of $458.2 million, in comparison to the $267.4 million reported as at March 31, 2019. The variance is largely due to the impact of the Trust's acquisitions of the FCR Retail Portfolio, Gateway Village and the Edmonton Industrial Portfolio offset by an overall lower net fair market value adjustment due to higher capitalization rates. The investment portfolio valuation is allocated by property type as follows:

	Retail and Commercial	Core Service Provider Office	Industrial	Multi-Residential	Total
Balance, December 31, 2018	$ 125,166,617	$ 6,060,837	$ 75,401,004	$ 6,262,027	$ 212,890,480
Acquisitions	42,409,350	-	-	11,190,100	53,599,450
Capital Expenditures	194,949	14,142	194,503	20,193	423,786
Fair Value Adjustment	307,430	(14,142)	(107,985)	336,283	521,587
Balance, March 31, 2019	$ 168,078,346	$ 6,060,837	$ 75,487,521	$ 17,808,603	$ 267,435,304
Acquisitions	160,399,965	-	5,757,885	-	166,157,850
Dispositions	(2,709,000)	-	(104,682)	-	(2,813,682)
Capital Expenditures	1,147,094	44,411	1,930,919	118,690	3,241,113
Fair Value Adjustment	9,375,966	(765,648)	14,666,360	480,454	23,757,131
Balance, December 31, 2019	$ 336,292,371	$ 5,339,600	$ 97,738,004	$ 18,407,747	$ 457,777,717
Acquisitions	-	-	5,421,503	-	5,421,503
Capital Expenditures	1,218,199	11,580	155,301	29,800	1,414,883
Straight-line Rents	1,127,735	848	248,438	-	1,377,022
Fair Value Adjustment	(8,129,019)	(12,428)	(241,736)	559,419	(7,823,765)
Balance, March 31, 2020	**$ 330,509,286**	**$ 5,339,600**	**$ 103,321,511**	**$ 18,996,966**	**$ 458,167,358**

For the period ended March 31, 2020, senior management of the Trust valued the Investment Properties using the overall capitalization method and independent third party appraisals. Investment properties are valued on a highest and best use basis. For all of the Trust's investment properties, the current use is considered the best use. Fair value was determined by applying a capitalization rate to stabilized net operating income ("Stabilized NOI"). Stabilized NOI incorporates allowances for vacancy, management fees and structural reserves for tenant inducements and capital expenditures and is capped at a rate deemed appropriate for each investment property. Capitalization rates are based on many factors, including but not limited to the asset location, type, size and quality of the asset and taking into account any available market data at the valuation date.

Investment Properties measured at fair value are categorized by level according to the inputs used. The Trust has classified these inputs as Level 3. With the exception of the acquisition and dispositions of investment properties as further described in note 4 of the condensed consolidated interim financial statements, there have been no transfers into or out of Level 3 in the current year. Significant unobservable inputs in Level 3 valuations are as follows:

March 31, 2020	**Retail and Commercial**	**Core Service Provider Office**	**Industrial**	**Multi-Residential**	**Weighted Average**
Capitalization Rate Range	5.00% - 7.75%	7.00%	5.54% - 7.00%	5.00%-5.13%	6.18%
Weighted Average Cap. Rate	6.33%	7.00%	5.91%	5.08%	6.18%

December 31, 2019	**Retail & Commercial**	**Core Service Provider Office**	**Industrial**	**Multi-Residential**	**Weighted Average**
Capitalization Rate Range	5.00% - 7.25%	7.00%	5.54% - 7.00%	5.00%-5.30%	6.09%
Weighted Average Cap. Rate	6.19%	7.00%	5.90%	5.18%	6.09%

Gain On Sale of Investment Properties: On April 30, 2019, the Trust completed the sale of an interest in one property from the Centre Ice Retail Portfolio totaling 12,894 square feet to a third party for gross proceeds of approximately $2.2 million ($2.1 million net of closing costs). The Trust's pro-rata share of the gross proceeds was $1.5 million ($1.4 million net of closing costs). The Trust recognized a gain on sale of approximately $0.1 million.

On October 31, 2019, the Trust completed the sale of an interest in one property from the Centre Ice Retail Portfolio totaling 15,752 square feet with gross proceeds of approximately $4.0 million ($3.9 million net of closing costs). The Trust's pro-rate share of the gross proceeds is $2.8 million ($2.7 million net of closing costs). The Trust recognized a gain on sale of approximately $0.2 million.

On December 6, 2019, the Trust completed the sale of an interest in a portion of land from the Waterloo Industrial Portfolio with gross proceeds of approximately $0.3 million. The Trust's pro-rata share of the gross proceeds is $0.2 million. The Trust recognized a gain on sale of approximately $0.1 million.

CURRENT ASSETS

Current assets as at March 31, 2020, December 31, 2019 and March 31, 2019 consisted of the following:

	Mar 31, 2020	**Dec 31, 2019**	**Mar 31, 2019**
Accounts Receivable	$ 1,730,679	$ 2,782,608	$ 1,988,801
Prepaid Expenses, Deposits & Other Assets	3,009,405	1,674,436	1,765,451
Cash & Cash Equivalents	-	12,746,594	-
Restricted Cash	205,196	192,438	357,982
Assets Held For Sale	-	-	1,548,680
	$ 4,945,280	**$ 17,396,076**	**$ 5,660,914**

Accounts receivable consist mainly of tenant receivables, straight line rent adjustments and Harmonized Sales Tax ("**HST**") and Quebec Sales Tax ("**QST**") recoveries from the Canada Revenue Agency and Revenue Quebec, respectively. Prepaid expenses, deposits and other assets consist mainly of prepaid property taxes, insurance, utility deposits, deferred financing costs related to the Facility and the capitalization of free rent provided to tenants as required under IFRS. Restricted Cash represents realty tax escrows requested by the lender on the Guelph Retail Portfolio mortgage. Assets Held For Sale consists of the fair market value of an asset that is under contract to be sold.

BANK INDEBTEDNESS

The Trust has entered into a Revolving Operating Facility (the "Facility") with a Canadian Chartered Bank (the "Bank") fully secured by first charges against certain investment properties. The total amount available under the Facility is $22.0 million. The interest rate is based on a calculated formula using the Canadian Chartered Bank's Prime Lending Rate. Amounts drawn under the Facility are due to be repaid at the maturity date on October 31, 2020. Bank Indebtedness as at March 31, 2020 and December 31, 2019 was $8.9 and $nil respectively.

MORTGAGES

As at March 31, 2020, total outstanding mortgages were $227,046,694 ($236,645,378 as at December 31, 2019), net of unamortized financing costs of $946,552 ($996,831 as at December 31, 2019), offset by a $736,203 ($786,600 as at December 31, 2019) mark to market adjustment and a $2,703,773 ($nil as at December 31, 2019) fair value adjustment on interest rate SWAPS with a weighted average interest rate of approximately 3.4% (3.5% as at December 31, 2019) and weighted average repayment term of approximately 4.0 years (4.0 years as at December 31, 2019). The mortgages are repayable as follows:

	Scheduled Principal Repayments	Debt Maturing During The Period	Total Mortgages Payable	Scheduled Interest Payments
2020	3,288,464	36,426,664	39,715,128	5,178,159
2021	3,952,092	13,194,111	17,146,203	6,173,343
2022	4,388,564	3,845,582	8,234,146	4,993,188
2023	4,231,357	24,054,388	28,285,745	5,289,084
2024	2,116,909	87,293,847	89,410,756	2,709,714
Thereafter	4,856,354	36,904,937	41,761,291	5,367,356
Face Value	$ 22,833,739	$ 201,719,530	$ 224,553,270	$29,710,845
Unamortized Financing Costs			(946,552)	
Mark to Market on Assumed Mortgages			736,203	
Fair Value Adjustment on Interest Rate SWAPS			2,703,773	
Total Mortgages			**$ 227,046,694**	

	March 31, 2020	December 31, 2019
Current:		
Mortgages	$ 51,715,064	$ 52,017,468
Unamortized Financing Costs	(100,265)	(111,829)
Mark to Market on Assumed Mortgages	109,191	92,833
Fair Value Adjustment on Interest Rate SWAPS	33,452	-
	$ 51,757,441	$ 51,998,472
Non-Current:		
Mortgages	$ 172,838,206	$184,838,141
Unamortized Financing Costs	(846,287)	(885,001)
Mark to Market on Assumed Mortgages	627,012	693,767
Fair Value Adjustment on Interest Rate SWAPS	2,670,321	-
	$ 175,289,253	$184,646,907
	$ 227,046,694	**$236,645,378**

On January 4, 2019, the Trust assumed a $7.1 million first mortgage as part of a 69 unit multi-residential apartment acquisition located in Dartmouth, Nova Scotia as part of an acquisition further described in note 3 of the condensed consolidated interim financial statements. The mortgage matured February 28, 2019. On February 28, 2019, the Trust refinanced this mortgage with a new $7.0 million first mortgage fixed at a 2.65% interest rate with a 25 year amortization and matures June 1, 2024.

On January 14, 2019, the Trust completed an upward financing of its Montreal Industrial Portfolio with the Bank. The new principal balance is $49.0 million. The Trust's portion of this financing is $24.5 million. The terms are unchanged from the original loan as described above.

On February 5, 2019, the Trust assumed two first mortgages totaling $6.2 million ($6.4 million fair value) as part of the Crombie Retail Portfolio acquisition. The mortgages have a 4.14% weighted average interest rate, amortizes and mature between December 1, 2023 and February 5, 2024 with an weighted average term to maturity of 4.8 years. The Trust also financed five new mortgages totaling $21.0 million and supplemented one assumed mortgage by $1.0 million as part of this acquisition. The new mortgages have a 3.55% weighted average interest rate with interest rate ranges of 3.29% to 3.59%, amortize and mature on February 5, 2024.

On May 9, 2019, the Trust assumed $30.4 million of first mortgages on four of the properties as part of the FCR Retail Portfolio acquisition. The mortgages have a 3.99% weighted average interest rate, amortizes and mature between February 1, 2020 and January 1, 2031 with a weighted average term to maturity of 12.1 years. The Trust also financed two new mortgages totaling $62.5 million as part of this acquisition. The new mortgages have a 3.30% weighted average interest rate, amortize and mature between February 1, 2020 and May 9, 2024 with a weighted average term to maturity of 4.2 years.

On July 9, 2019, the Trust financed a new mortgage of $15.5 million as part of the acquisition of the 105,358 square foot grocery anchored shopping centre located in St. Albert, Alberta. The mortgage has a 3.28% interest rate, amortizes and matures on July 9, 2026.

On December 17, 2019, the Trust financed a new mortgage of $3.7 million on its Edmonton Industrial Portfolio. The mortgage has a 3.46% interest rate, amortizes and matures on December 17, 2029.

On February 1, 2020, the Trust repaid an $11.1 million mortgage fully secured against the Merivale Mall property in the FCR Retail Portfolio.

LAND LEASE LIABILITY

On May 9, 2019, as part of the FCR Retail Portfolio acquisition, the joint arrangement assumed a land lease on a retail property located in Ottawa, Ontario. The terms of the land lease are gross annual payments of $101,040 per annum that mature on April 1, 2027. The land lease liability is calculated in accordance with IFRS 16, using a present value of the remaining lease payments, discounted using the incremental borrowing rate at May 9, 2019 of 6.25% for the term of the lease. The Trust's pro-rata portion of the lease liability is as follows (at 50%):

	Opening Balance	Lease Payment	Imputed Interest Expense	Ending Balance
2020	325,080	(50,520)	18,155	292,714
2021	293,014	(50,520)	16,088	258,582
2022	258,582	(50,520)	13,936	221,998
2023	221,998	(50,520)	11,650	183,128
Thereafter	183,128	(197,669)	20,880	6,339

	March 31, 2020
Current	$ 32,882
Non-Current	297,081
Total	$ 329,963

ACCOUNTS PAYABLE & ACCRUED LIABILITIES

Accounts payable and accrued liabilities as at March 31, 2020, December 31, 2019, and March 31, 2019 consist of the following:

	Mar 31, 2020	Dec 31, 2019	Mar 31, 2019
Utilities, Repairs & Maintenance, Other	3,688,983	4,386,700	2,889,858
Due to Asset & Property Manager	160,329	421,643	96,010
Accrued Interest Expense	362,160	402,784	235,943
Option Liabilities	12,064	1,172,835	764,617
	$ 4,223,535	**$ 6,383,961**	**$ 3,986,427**

Professional fees represent amounts payable for legal, audit and advisory fees. Utilities, Repairs & Maintenance, Other consist of utility costs, property taxes, repairs and maintenance, GST/HST payables to CRA and QST payables to Revenue Quebec. Due to Asset & Property Manager represent amounts payable to Firm Capital Realty Partners Inc. (“**FCRPI**”) and Firm Capital Property Management Corp. (“**FCPMC**”) as outlined below. Option liabilities relate to the unit option plan as outlined below.

UNIT OPTION PLAN & OPTION LIABILITIES

Under the Trust's unit option plan, the aggregate number of unit options reserved for issuance at any given time shall not exceed 10% of the number of outstanding Trust Units. As at March 31, 2020, the Trust has 2,455,000 Trust unit options issued and outstanding consisting of the following issuances:

- On August 15, 2016, the Trust granted 535,000 Trust unit options at a weighted average exercise price of $6.05 per Trust Unit. The unit options fully vested on the date of grant and expire on August 15, 2021. The balance as at March 31, 2020 was 465,000 Trust unit options.

- On March 26, 2018, the Trust granted 600,000 Trust unit options at a weighted average exercise price of $6.25 per Trust Unit. 525,000 unit options fully vested on the date of the grant with the remaining 75,000 vesting at one third each year for the next three years and expire on March 26, 2023. The balance as at March 31, 2020 was 530,000 Trust unit options.

- On November 8, 2018, the Trust granted 60,000 Trust unit options at a weighted average exercise price of $6.35 per Trust Unit. The unit options fully vested on the date of grant and expire on November 8, 2023. The balance as at March 31, 2020 was 60,000 Trust unit options.

- On August 14, 2019, the Trust granted 1,400,000 Trust unit options at a weighted average exercise price of $6.40 per Trust Unit. 1,290,000 unit options fully vested on the date of the grant with the remaining 110,000 vesting at one-third each year for the next three years and expire on August 14, 2024. The balance as at March 31, 2020 was 1,400,000 Trust unit options.

Unit-based compensation related to the aforementioned unit options stands at a recovery of $1,160,771 for the three months ended March 31, 2020 ($306,442 expense for the three months ended March 31, 2019). Unit-based compensation was determined using the Black-Scholes option pricing Model and based on the following assumptions:

	As at March 31, 2020	**As at December 31, 2019**
Expected Option Life (Years)	1.0	1.0
Risk Free Interest Rate	1.65%	1.65%
Distribution Yield	11.24%	7.11%
Expected Volatility	20.00%	20.00%

Expected volatility is based in part on the historical volatility of the Trust Units. The risk free interest rate of return is the yield on zero-coupon Government of Canada bonds of a term consistent with the expected option life.

UNITHOLDERS' EQUITY

Unitholders' equity as at March 31, 2020 was $219,643,230 and consists of the following:

	Number of Units		Unitholder's Equity
Unitholders' Equity, December 31, 2018	**17,542,563**	**$**	**124,447,609**
Issuance of Units from DRIP	3,436		22,554
Non-Brokered Private Placement - March 2019	1,355,726		8,676,640
Less: Issue Costs	-		(174,279)
Add: Net Income	-		2,287,088
Less: Distributions	-		(2,159,613)
Unitholders' Equity, March 31, 2019	**18,901,725**	**$**	**133,099,999**
Options Exercised	233,000		1,234,900
Issuance of Units from DRIP	4,763		32,596
Non-Brokered Private Placement - April 2019	4,421,145		28,295,328
Fully Marketed Public Offering - April 2019	2,696,252		17,256,013
Non-Brokered Private Placement - November 2019	937,500		6,000,000
Fully Marketed Public Offering - December 2019	3,450,000		23,287,500
Less: Issue Costs	-		(3,935,528)
Add: Net Income	-		33,434,308
Less: Distributions	-		(9,666,040)
Unitholders' Equity, December 31, 2019	**30,644,385**	**$**	**229,039,075**
Issuance of Units from DRIP	228		1,550
Less: Issue Costs	-		(201,769)
Add: Net Income	-		(5,365,029)
Less: Distributions	-		(3,830,598)
Unitholders' Equity, March 31, 2020	**30,644,613**	**$**	**219,643,230**

- **Non-Brokered Private Placement – March, 2019:** On March 28, 2019, the Trust completed a non-brokered private placement of Trust Units. 1,355,726 Trust Units were issued at a price of $6.40 per Trust Unit for gross proceeds of approximately $8.7 million.

- **Options Exercised:** On April 18, 2019, 233,000 Trust unit options at a weighted average price of $5.30 per Trust Unit were exercised for gross proceeds of approximately $1.2 million.

- **Non-Brokered Private Placement – April, 2019:** On April 24, 2019, the Trust completed a non-brokered private placement of Trust Units. 2,461,877 Trust Units were issued at a price of $6.40 per Trust Unit for gross proceeds of approximately $15.8 million. On May 1, 2019, the Trust closed an additional issuance of 234,375 Trust Units at a price of $6.40 per Trust Unit for aggregate gross proceeds of $1.5 million as part of the non-brokered private placement.

- **Fully Marketed Public Offering – April, 2019:** On April 24, 2019, the Trust completed a fully marketed offering of Trust Units. 4,100,000 Trust Units were issued at a price of $6.40 per Trust Unit for gross proceeds of approximately $26.2 million. On April 30, 2019, the

Trust closed an additional issuance of 321,145 Trust Units at a price of $6.40 per Trust Unit for aggregate gross proceeds of $2.1 million as part of the fully marketed offering.

- **Non-Brokered Private Placement – November, 2019:** On October 29, 2019, the Trust completed a non-brokered private placement of Trust Units. 203,126 Trust Units were issued at a price of $6.40 per Trust Unit for gross proceeds of approximately $1.3 million. On November 21, 2019, the Trust closed an additional 734,375 Trust Units at a price of $6.40 per Trust Unit for aggregate gross proceeds of approximately $4.7 million as part of the non-brokered private placement.

- **Fully Marketed Public Offering – December, 2019:** On December 18, 2019, the Trust completed a public equity offering of Trust Units. 3,450,000 Trust Units were issued at a price of $6.75 per Trust Unit for gross proceeds of approximately $23.3 million.

As at May 12, 2020 there were 30,566,513 Trust Units issued and outstanding.

RELATED PARTY TRANSACTIONS

Transactions with related parties are in the normal course of business and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties, and are measured at fair value.

ASSET MANAGEMENT AGREEMENT

The Trust has entered into an Asset Management Agreement with FCRPI, an entity indirectly related to certain trustees and management of the Trust. The term of the contract is initially ten years and automatically renews for successive five year periods. Details of the Asset Management Agreement are posted on SEDAR (www.SEDAR.com) and in the notes to the financial statements.

On October 20, 2016, the terms of the Asset Management and Acquisition Fees changed. For further information, please refer to the notes to the financial statements.

For the three months ended March 31, 2020 and March 31, 2019, Asset Management Fees were $675,087 and $409,002; Acquisition Fees were $40,219 and $393,958; Placement Fees were $nil and $112,278 and Performance Incentive Fees were $92,260 and $30,284, respectively.

For the three months ended March 31, 2020, Asset Management Fees were higher than the amount reported at March 31, 2019 due to the acquisition activity that occurred during 2019. For the three months ended March 31, 2020, Acquisition Fees were lower than the amount reported at March 31, 2019 due to lower acquisition activity during the reporting period.

For the three months ended March 31, 2020, Placement Fees were lower due to the completion of the fully marketed public offering and non-brokered private placement as well as the various loans as discussed above in 2019.

Asset Management and Performance Incentive Fees are recorded in General and Administrative Expenses while Acquisition and Placement Fees are capitalized to Investment Properties, Mortgages and Unitholders' Equity on the Consolidated Balance

Sheet.

PROPERTY MANAGEMENT AGREEMENT

The Trust has entered into a Property Management Agreement with FCPMC, an entity indirectly related to certain trustees and management of the Trust. The term of the contract is initially ten years and automatically renews for successive five year periods. Details of the Property Management Agreement are posted on SEDAR (www.SEDAR.com) and in the notes to the financial statements.

For the three months ended March 31, 2020 and March 31, 2019, Property Management Fees were $203,429 and $189,924 and Commercial Leasing Fees were $32,746 and $23,632, respectively.

For the three months ended March 31, 2020, Property Management Fees were higher than the amount reported at March 31, 2019 largely due to various acquisitions as discussed above.

Property Management Fees are charged monthly. Commercial leasing and renewal fees are charged on a per lease basis.

INCOME TAXES

The Trust is a mutual fund trust and a real estate investment trust (a "**REIT**") pursuant to the Income Tax Act (Canada) (the "**Tax Act**"). Under current tax legislation, a REIT is entitled to deduct distributions of taxable income such that it is not liable to pay income taxes provided that its taxable income is fully distributed to Unitholders each year. The Trust is a REIT if it meets prescribed conditions under the Tax Act relating to the nature of its assets and revenue (the "**REIT Conditions**"). The Trust has reviewed the REIT Conditions and has assessed their interpretation and application.

The Trust intends to qualify as a REIT under the Tax Act and to make distributions not less than the amount necessary to ensure that the Trust will not be liable to pay income taxes. Accordingly, no current or deferred income taxes have been recorded in the condensed consolidated interim financial statements.

CAPITAL MANAGEMENT

The Trust's objectives when managing capital are to safeguard the ability to continue as a going concern, and to generate sufficient returns to provide unitholders with stable cash distributions. The Trust's capital currently consists of Bank Indebtedness, Mortgages and Unitholders' equity.

The Trust's Declaration of Trust permits the Trust to incur or assume indebtedness, provided that after giving effect to incurring or assuming any indebtedness (as defined in the Declaration of Trust), the amount of such indebtedness of the Trust is not more than 75% of the gross book value of the Trust's total assets. Gross Book Value ("GBV") is defined in the Declaration of Trust as "at any time, the book value of the assets of the Trust and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet, plus the amount of accumulated depreciation and amortization in respect of such assets (and related intangible assets) shown thereon or in the notes thereto plus the amount of future income tax liability arising out of indirect acquisitions and excluding the amount of any receivable reflecting interest rate subsidies on any debt assumed by the Trust shown thereon or in the notes thereto, or if approved by a majority of the Trustees at any time, the appraised value of the assets of the Trust and its consolidated subsidiaries may be used instead of book value." As at March 31, 2020 and March 31, 2019, the ratio of such indebtedness was 51.0% and 49.1%, respectively, which complies with the requirement in the Declaration of Trust and is consistent with the Trust's objectives.

With respect to the Bank Indebtedness, the Trust must maintain ratios including minimum unitholders' equity, maximum debt/GBV, minimum interest service and debt service coverage ratios. The Trust monitors these ratios and is in compliance with these requirements throughout the three months ended March 31, 2020 and March 31, 2019.

CONTRACTUAL OBLIGATIONS

The Trust's contractual obligations over the next few years are as follows:

	Less than 1 Year	1 - 2 Years	> 2 Years	Total
Mortgages	$ 51,715,064	$ 13,380,413	$ 159,457,792	$ 224,553,270
Bank Indebtedness	8,939,290	-	-	8,939,290
Tenant Rental Deposits	371,383	213,520	1,068,153	1,653,056
Distribution Payable	1,276,869	-	-	1,276,869
Land Lease Liability	32,882	34,970	262,111	329,963
Accounts Payable & Accrued Liabilities	4,223,535	-	-	4,223,535
	$ 66,559,023	**$ 13,628,903**	**$ 160,788,056**	**$ 240,975,983**

DISTRIBUTION REINVESTMENT PLAN & UNIT PURCHASE PLAN

On February 5, 2013, the Trust announced the commencement of its Distribution Reinvestment Plan ("**DRIP**") and Unit Purchase Plan (the "**UPP**").

DISTRIBUTION REINVESTMENT PLAN ("DRIP")

Under the terms of the DRIP, FCPT's Unitholders may elect to automatically reinvest all or a portion of their regular monthly distributions in additional Trust Units, without incurring brokerage fees or commissions.

Units purchased through the DRIP are acquired at the weighted average closing price of Trust Units in the five trading days immediately prior to the distribution payment date. Units purchased through the DRIP will be acquired either in the open market or be issued directly from FCPT's treasury based on a floor price to be set at the discretion of the board of trustees. Currently, there are 257,075 units reserved under the DRIP.

For the three months ended March 31, 2020 and March 31, 2019, 228 and 3,436 Trust Units were issued, respectively, from treasury for total gross proceeds of $1,550 and $22,554, respectively, to Unitholders who elected to receive their distributions and received Units under the DRIP.

UNIT PURCHASE PLAN ("UPP")

Unitholders who elect to receive Trust Units under the DRIP may also enroll in the Trust's Unit Purchase Plan. The UPP gives each Unitholder who is resident in Canada the right to purchase additional units of the Trust monthly. Under the terms of the UPP, FCPT's Unitholders may purchase a minimum of $1,000 of Units on each Monthly Purchase Date and maximum purchases of up to $12,000 per annum. The aggregate number of Units that may be issued may not exceed 2% of the Units of the Trust per annum.

Registered Unitholders may enroll in the DRIP and the UPP by completing a form and submitting to Equity Financial Trust Company at the address set out in the form, or contact the Trust for copies of the forms. Beneficial Unitholders are encouraged to see their broker or other intermediary for enrolment information. The expected level of insider participation by management and trustees of the Trust under the DRIP and the UPP is currently not known. The DRIP and the UPP are subject to certain limitations and restrictions; interested participants are encouraged to review the full text of the DRIP and UPP at www.firmcapital.com.

RESPONSIBILITY OF MANAGEMENT AND THE BOARD OF TRUSTEES

Management is responsible for the information disclosed in this MD&A, and has in place the appropriate information systems, procedures and controls to ensure that the information used internally by management and disclosed externally is materially complete and reliable. In addition, the Trust's Audit Committee and Board of Trustees provide an oversight role with respect to all public financial disclosures by the Trust, and have reviewed and approved this MD&A and the condensed consolidated interim financial statements as at March 31, 2020 and March 31, 2019.

CONTROLS AND PROCEDURES

The Trust maintains appropriate information systems, procedures and controls to ensure that information disclosed externally is complete, reliable, and timely. The Trust's Chief Executive Officer and Chief Financial Officer evaluated, or caused an evaluation under their direct supervision of, the design and operating effectiveness of the Trust's disclosure controls and procedures (as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings) as at March 31, 2020 and have concluded that such disclosure controls and procedures were appropriately designed and were operating effectively.

The Trust has also established adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of the Trust's financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS. The Trust's Chief Executive Officer and the Chief Financial Officer assessed, or caused an assessment under their direct supervision, of the design and operating effectiveness of the Trust's internal controls over financial reporting (as defined in National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings) as at March 31, 2020. Based on that assessment, it was determined that the Trust's internal controls over financial reporting were appropriately designed and were operating effectively. In addition, the Trust did not make any changes to the design of the Trust's internal controls over financial reporting during the three months ended March 31, 2020 that would have materially affected or would be reasonably likely to materially affect the Trust's internal controls over financial reporting.

It should be noted that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, among other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; (ii) the impact of any undetected errors; and (iii) controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies applied by the Trust are described in note 2 of the Trust's consolidated financial statements for the year ended December 31, 2019 and accordingly should be read in conjunction with them.

ESTIMATES

The critical accounting estimates have been set out in the Trust's consolidated financial statements for the year ended December 31, 2019 and accordingly should be read in conjunction with them.

CRITICAL JUDGEMENTS

Critical judgments have been set out in the consolidated financial statements for the year ended Decmember 31, 2019 and accordingly should be read in conjunction with them.

NEW CHANGE IN ACOUNTING POLICIES

- Amendments to IFRS 3, Business Combinations. The IASB published amendments to IFRS 3 in relation to whether a transaction meets the definition of a business combination. The amendments clarify the definition of a business, as well as provide additional illustrative examples, including those relevant to the real estate industry. A significant change in the amendment is the option for an entity to assess whether substantially all of the fair value of the gross assets acquired is concentrated in a single asset or group of similar assets. If such a concentration exists, the transaction is not viewed as an acquisition of a business and no further assessment of the business combination guidance is required. This will be relevant where the value of the acquired entity is concentrated in one property, or a group of similar properties. The amendments are effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020, and to asset acquisitions that occur on or after the beginning of that period. Early application is permitted. The Trust adopted the amendments to IFRS 3 on the required effective date of January 1, 2020 and the amendments did not have an impact on the condensed consolidated interim financial statements.

- Amendments to Reference to the Conceptual Framework in IFRS Standards. On March 29, 2018 the IASB issued a revised version of its Conceptual Framework for Financial Reporting (the Framework), that underpins IFRS Standards. The IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards to update references in IFRS Standards to previous versions of the Conceptual Framework. Both documents are effective from January 1, 2020 with earlier application permitted. The Trust adopted the amendments in its condensed consolidated interim financial statements for the period beginning on January 1, 2020. The amendments do not have a material impact on the condensed consolidated interim financial statements.

- Definition of Material (Amendments to IAS 1 and IAS 8). On October 31, 2018, the IASB refined its definition of material and removed the definition of material omission or misstatements from IAS 8. The amendments are effective for annual periods beginning on or after January 1, 2020. Early adoption is permitted. The definition of material has been aligned across IFRS Standards and the Framework. The amendments provide a definition and explanatory paragraphs in one place. Pursuant to the amendments, information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The Trust adopted the amendments to IAS 1 and IAS 8 in its condensed consolidated interim financial statements for the period beginning on January 1, 2020. The amendments do not have a material impact on the condensed consolidated interim financial statements.

SUBSEQUENT EVENTS

The following are events that occurred subsequent to March 31, 2020:

- On April 30, 2020, the Trust completed an upward financing of its Waterloo Industrial Portfolio with a Canadian Chartered Bank. The principal balance at maturity was $24.8 million, at which the Trust's portion was $17.3 million. The new mortgage is a $39.0 first mortgage with a 2.7% interest rate with a 1.0% cushion, amortizes and matures May 31, 2023. The Trust's portion of this new mortgage is $27.3 million.

- On April 30, 2020, the Trust completed an upward financing of its Whitby Mall Property with a Canadian Chartered Bank. The principal balance at maturity was $23.7 million, at which the Trust's portion was $9.5 million. The new mortgage is an $18.0 first mortgage with a 2.13% interest rate, amortizes and matures May 31, 2025. The Trust's portion of this new mortgage is $14.4 million.

- Subsequent to the quarter ended March 31, 2020, the Trust purchased for consideration through its Normal Course Issuer Bid or NCIB 150,700 Trust Units for gross proceeds of approximately $0.7 million.

- On May 12, 2020, the Trust announced that it has declared and approved monthly distributions in the amount of $0.041667 per Trust Unit for Unitholders of record on May 29, 2020, June 30, 2020 and July 31, 2020 payable on or about June 15, 2020, July 15, 2020 and August 17, 2020, respectively.

- The duration and impact of the COVID-19 pandemic is currently unknown with federal and provincial governments providing various stimulus measures to stabilize economic conditions. As of May 12, 2020, the Trust has received approximately 90% and 80% of April and May rents, respectively, and is actively either collecting the remaining rent or working with tenants who require assistance. However, it is too early to determine if the Trust will be able to maintain its collection efforts in the months ahead.

  Capitalization rates used in the valuation of investment properties as of March 31, 2020 are based on current market data available and have been adjusted for our enclosed mall and non-anchored retail portfolio to reflect market uncertainty related to COVID-19. Currently there is little actual evidence of material capitalization rate expansion. Given the uncertainty around the duration of COVID-19 and the potential negative impact it may have on the real estate industry, it is not possible to predict the impact of capitalization rates across all of our investment properties at this time.

The Trust continues to review its cash flow projections, liquidity and the fair value of its real estate portfolio in these challenging times. Capitalization rates could change materially as additional market data becomes available. As such, significant changes in assumptions concerning rental income, occupancy rates, tenant inducements and future market rents could negatively impact future real estate valuations and the Trust's overall operations as COVID-19 pandemic continues.

RISKS AND UNCERTAINTIES

The Trust is faced with the following ongoing risk factors, among others, that would affect Unitholders' equity and the Trust's ability to generate returns. All real property investments are subject to elements of risk. General economic conditions, local real estate markets, supply and demand for leased premises, competition from other available premises and various other factors affect such investments. The Trust's properties are located across Canada. As a result, our properties are impacted by factors specifically affecting their respective real estate markets. These factors may differ from those affecting the real estate markets in other regions of Canada.

- *LIQUIDITY & GENERAL MARKET CONDITIONS*
  The Trust faces the risk associated with general market conditions and their potential consequent effects. Current general market conditions may include, among other things, the insolvency of market participants, tightening lending standards and decreased availability of cash, and changes in unemployment levels, retail sales levels, and real estate values along with access to capital. These market conditions may affect occupancy levels and FCPT's ability to obtain credit on favorable terms or to conduct financings through the public market.
- *REAL PROPERTY OWNERSHIP AND TENANT RISKS*
  Real property investments are relatively illiquid. This illiquidity will tend to limit the ability of the Trust to respond to changing economic or investment conditions. If the Trust were to be required to liquidate assets quickly, there is a risk the proceeds realized from such sale would be less than the book value of the assets or less than what could be expected to be realized under normal circumstances. By specializing in certain types of real estate, the Trust is exposed to adverse effects on that segment of the real estate market and does not benefit from a broader diversification of its portfolio by property class.

  All real property investments are subject to elements of risk. The value of real property and any improvements thereto depend on the credit and financial stability of tenants and upon the vacancy rates of the properties. The properties generate revenue through rental payments made by the tenants thereof. The ability to rent unleased space in properties will be affected by many factors, including changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, changing demographics, competition from other available properties, and various other factors. Cash available for distribution will be adversely affected if a significant number of tenants are unable to meet their obligations under their leases or if a significant amount of available space in the properties becomes vacant and cannot be leased on economically favorable lease terms. If properties do not generate revenues sufficient to meet operating expenses, including debt service and capital expenditures, this could have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Trust Units.

Historical occupancy rates and revenues are not necessarily an accurate prediction of the future occupancy rates for the Trust's properties or revenues to be derived therefrom. Reported estimates of market rent can be seasonal and the significance of any variations from quarter to quarter would materially affect the Trust's annualized estimated gain-to-lease amount. There can be no assurance that upon the expiry or termination of existing leases, the average occupancy rates and revenues will be higher than historical occupancy rates and revenues and it may take a significant amount of time for market rents to be recognized by the Trust due to internal and external limitations on its ability to charge these new market-based rents in the short term.

- *COMPETITION*

  Many of the sectors in which the Trust operates are highly competitive. The Trust faces competition from many sources, including from other buildings in the immediate vicinity of the properties and the broader geographic areas where the Trust's properties are and will be located. In addition, overbuilding in the geographic areas where the Trust's properties are located may increase the supply of competing properties and may reduce occupancy rates and rental revenues of the Trust and could have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Trust Units.

  The Trust's ability to make real estate investments in accordance with the Trust's objectives and investment policies depends upon the availability of suitable investments and the general economy and marketplace. Increased competition for acquisitions in the geographies in which the Trust operates from other acquirers of real estate may impact the availability of suitable investments and achievable investment yields for the Trust.

- *CHANGES IN APPLICABLE LAWS*

  The Trust's operations will have to comply with numerous federal, provincial and local laws and regulations, some of which may conflict with one another or be subject to limited judicial or regulatory interpretations. These laws and regulations may include zoning laws, building codes, landlord tenant laws and other laws generally applicable to business operations. Non-compliance with laws could expose the Trust to liability.

  Lower revenue growth or significant unanticipated expenditures may result from the Trust's need to comply with changes in applicable laws, including (i) laws imposing environmental remedial requirements and the potential liability for environmental conditions existing on properties or the restrictions on discharges or other conditions, (ii) rent control or rent stabilization laws or other landlord/tenant laws, or (iii) other governmental rules and regulations or enforcement policies affecting the development, use and operation of the Trust's properties, including changes to building codes and fire and life-safety codes.

- *UNEXPECTED COSTS OR LIABILITIES RELATED TO ACQUISITIONS*

  Risks associated with real property acquisitions are that there may be an undisclosed or unknown liability concerning the acquired properties, and the Trust may not be indemnified for some or all of these liabilities. Following an acquisition, the Trust may discover that it has acquired undisclosed liabilities, which may be material. The Trust conducts what it believes to be an appropriate level of investigation in connection with its acquisition of properties and seeks through contract to ensure that risks lie with the appropriate party.

- *ACCESS TO CAPITAL*

  The real estate industry is highly capital intensive. The Trust will require access to capital to maintain its properties, as well as to fund its growth strategy and significant capital expenditures from time to time. There can be no assurance that the Trust will have access to sufficient capital or access to capital on terms favorable to the Trust for future property acquisitions, financing or refinancing of properties, funding operating expenses or other purposes. Further, in certain circumstances, the Trust may not be able to borrow funds due to the limitations set forth in the Declaration of Trust.

  In addition, global financial markets have experienced a sharp increase in volatility during recent years. This has been, in part, the result of the re-valuation of assets on the balance sheets of international financial institutions and related securities. This has contributed to a reduction in liquidity among financial institutions and has reduced the availability of credit to those institutions and to the issuers who borrow from them. While central banks as well as governments continue attempts to restore liquidity to the global economy, no assurance can be given that the combined impact of the significant re-valuations and constraints on the availability of credit will not continue to materially and adversely affect economies around the world in the near to medium term. These market conditions and unexpected volatility or illiquidity in financial markets may inhibit the Trust's access to long-term financing in the Canadian capital markets. As a result, it is possible that financing which the Trust may require in order to grow and expand its operations, upon the expiry of the term of financing, on refinancing any particular property owned by the Trust or otherwise, may not be available or, if it is available, may not be available on favorable terms to the Trust. Failure by the Trust to access required capital could have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Trust Units.

- *INTEREST RATE & DEBT FINANCING RISK*

  The Trust will be subject to the risks associated with debt financing. There can be no assurance that the Trust will be able to refinance its existing indebtedness on terms that are as or more favorable to the Trust as the terms of existing indebtedness. The inability to replace financing of debt on maturity would have an adverse impact on the financial condition and results of FCPT.

- *ENVIRONMENTAL RISK*

  Environmental and ecological related policies have become increasingly important in recent periods. Under various federal, provincial and municipal laws, an owner or operator of real property could become liable for the cost of removal or remediation of certain hazardous or toxic substances released on or in its properties or disposed of at other locations. The existence of such a liability can have a negative impact on the value of the underlying real property.

  It is our policy to obtain a Phase I environmental audit conducted by a qualified environmental consultant prior to acquiring any additional property, who has the appropriate insurance coverage. In addition, where appropriate, tenant leases generally specify that the tenant will conduct its business in accordance with environmental regulations and be responsible for any liabilities arising out of infractions to such regulations.

- *LEGAL RISK*
  In the normal course of the Trust's operations, whether directly or indirectly, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Trust and as a result, could have a material adverse effect on the Trust's assets, liabilities, business, financial condition and results of operations. Even if the Trust prevails in any such legal proceeding, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from the Trust's business operations, which could have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Trust Units.
- *LEASE ROLLOVER RISK*
  The value of investment properties and the stability of cash flows derived from those properties are dependent upon the level of occupancy and lease rates in those properties. Upon expiry of any lease, there is no assurance that a lease will be renewed on favorable terms, or at all; nor is there any assurance that a tenant can be replaced. A contraction in the Canadian economy would negatively impact demand for space in our properties, consequently increasing the risk that leases expiring in the near term will not be renewed.
- *INCOME TAX RISK*
  On December 22, 2007, the SIFT Rules were enacted. Under the SIFT Rules, certain distributions from a SIFT will no longer be deductible in computing a SIFT's taxable income, and a SIFT will be subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to a Canadian corporation. However, distributions paid by a SIFT as returns of capital should generally not be subject to the tax.

  The SIFT Rules do not apply to a “real estate investment trust" that meets prescribed conditions relating to the nature of its assets and revenue (the "REIT Conditions”). The Trust has reviewed the REIT Conditions and has assessed their interpretation and application to the Trust's assets and liabilities. The Trust believes that it has met the REIT Conditions throughout the relevant periods ended. There can be no assurances, however, that the Trust will continue to be able to satisfy the REIT Conditions in the future such that the Trust will not be subject to the tax imposed by the SIFT Rules.
- *FIXED COSTS AND INCREASED EXPENSES*
  The failure to maintain stable or increasing average monthly rental rates combined with acceptable occupancy levels would likely have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Trust Units. Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made throughout the period of ownership of real property regardless of whether a property is producing any income. If the Trust is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale.

  The Trust is also subject to utility and property tax risk relating to increased costs that the Trust may experience as a result of higher resource prices as well as its exposure to significant increases in property taxes. There is a risk that property taxes may be raised as a result of re-valuations of properties and their adherent tax rates. In some instances, enhancements to properties may result in significant increases in property assessments following a re-valuation. Additionally, utility expenses, mainly consisting of natural gas and electricity service charges, have been subject to considerable price fluctuations over the past several years. Any significant increase in these resource costs that the Trust cannot charge back to the tenant may have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Trust Units.

The timing and amount of capital expenditures by the Trust will affect the amount of cash available for distributions to holders of Trust Units. Distributions may be reduced, or even eliminated, at times when the Trust deems it necessary to make significant capital or other expenditures.

- *UNITHOLDER RISK*
  There is a risk that FCPT's Unitholders could become subject to liability. The Declaration of Trust provides that no Unitholder or annuitant under a plan of which a Unitholder acts as Trustee or carrier shall be held to have any personal liability as such, and no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any Unitholder or annuitant for any liability whatsoever, in tort, contract or otherwise, to any person in connection with the Trust property or the affairs of the Trust, including, without limitation, for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Trust or of the Trustees or any obligation which a Unitholder or annuitant would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such, but rather the assets of the Trust only are intended to be liable and subject to levy or execution for satisfaction of such liability. Each Unitholder and annuitant under a plan of which a Unitholder acts as Trustee or carrier shall be entitled to be reimbursed out of the assets of the Trust in respect of any payment of a Trust obligation made by such Unitholder or annuitant. The Declaration of Trust further provides that, whenever possible, any written instrument creating an obligation which is or includes the granting by the Trust of a mortgage, and to the extent management of the Trust determines to be practicable, any written instrument which is, in the judgment of management of the Trust, a material obligation, shall contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort shall not be had to, nor shall recourse or satisfaction be sought from, the private property of any of the Trustees, Unitholders, annuitants under a plan of which a Unitholder acts as a Trustee or carrier, or Officers, employees or agents of the Trust, but that only property of the Trust or a specific portion thereof shall be bound; the Trust, however, is not required, but shall use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of real property.

  Certain provinces have legislation relating to Unitholder liability protection, including British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec. To FCPT's knowledge, certain of these statutes have not yet been judicially considered and it is possible that reliance on such statute by a Unitholder could be successfully challenged on jurisdictional or other grounds.
- *DEPENDENCE ON FCRPI AND FCPMC*
  The Trust's earnings and operations are impacted by FCRPI's ability to source appropriate real estate investments that provide sufficient yields for investors and FCPMC to maintain these real estate investments. The Trust has also entered into long-term contracts with FCRPI and FCPMC, as more particularly described in the "Asset Management Agreement"

and "Property Management Agreement" both dated November 20, 2012 as posted on SEDAR (www.SEDAR.com). The Trust is exposed to adverse developments in the business and affairs of FCRPI and FCPMC, since the day to day activities of the Trust are run by FCRPI and FCPMC and since all of the Trust's real estate investments are originated by FCRPI.

- *RETURN RISK*
  There is no guarantee as to the return an investment in Trust Units of the Trust will generate.
- *POTENTIAL CONFLICTS OF INTEREST*
  The Trust is subject to various potential conflicts of interest because the Asset Manager and Property Manager are entities indirectly related to certain trustees and management of the Trust. Further, the Trustees and Officers may co-invest in property acquisitions and investments alongside the Trust. In addition, the Trustees and Officers of the Trust may from time to time deal with parties with whom the Trust may be dealing with, or may be seeking investments similar to those desired by the Trust. Certain Trustees and Officers of the Trust are also employed by entities directly and/or indirectly related to the Asset Manager and Property Manager and are involved in varying real estate related activities including, but not limited to acquisitions, divestitures and management of real estate and real estate related debt and equity.

  The Declaration of Trust does not restrict Trustees or Officers of the Trust, the Asset Manager, the Property Manager and/or its affiliates from being engaged (directly or indirectly) in real estate and business transactions in which their individual interests are actually, or are perceived to be, in conflict with the interests of the Trust. Accordingly, there can be no guarantee that the Trustees and Officers of the Trust, when acting in a capacity other than a Trustee or Officer of the Trust will act in the best interests of the Trust.
- *RELIANCE ON KEY PERSONNEL AND TRUSTEES*
  In assessing the risk of an investment in the Trust Units, potential investors should be aware that they will be relying on the good faith, experience and judgment of the Trustees. Although investments made by the Trust are carefully chosen by the Trustees, there can be no assurance that such investments will earn a positive return in the short or long-term or that losses may not be suffered by the Trust from such investments.
- *DILUTION*
  The number of Trust Units the Trust is authorized to issue is unlimited. The Trustees have the discretion to issue additional Trust Units in other circumstances, including under the Unit Option Plan. Any issuance of Trust Units may have a dilutive effect to existing Unitholders.
- *OPERATIONAL RISKS*
  Operational risk is the risk that a direct or indirect loss may result from an inadequate or failed technology, from a human process or from external events. The impact of this loss may be financial loss, loss of reputation or legal and regulatory proceedings. Management endeavors to minimize losses in this area by ensuring that effective infrastructure and controls exist. These controls are reviewed and if deemed necessary improvements are implemented.
- *RISK RELATED TO INSURANCE RENEWALS*
  Certain events could make it more difficult and expensive to obtain property and casualty insurance, including coverage for catastrophic risks. When the Trust's current and future insurance policies expire, the Trust may encounter difficulty in obtaining or renewing property or casualty insurance on its properties at the same levels of coverage and under similar terms. Such insurance may be more limited and, for catastrophic risks (e.g.,

earthquake, hurricane, flood and terrorism), may not be generally available to fully cover potential losses. Even if the Trust is able to renew its policies at levels and with limitations consistent with its current policies, the Trust cannot be sure that it will be able to obtain such insurance at premiums that are reasonable. If the Trust is unable to obtain adequate insurance on its properties for certain risks, it could cause the Trust to be in default under specific covenants on certain of its indebtedness or other contractual commitments that it has which require the Trust to maintain adequate insurance on its properties to protect against the risk of loss. If this were to occur, or if the Trust were unable to obtain adequate insurance, and its properties experienced damages that would otherwise have been covered by insurance, it could have a material adverse effect on the Trust's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Trust Units.

- *COVID-19*

  The duration and impact of the COVID-19 pandemic is currently unknown with federal and provincial governments providing various stimulus measures to stabilize economic conditions. As of May 12, 2020, the Trust has received approximately 90% and 80% of April and May rents, respectively, and is actively either collecting the remaining rent or working with tenants who require assistance. However, it is too early to determine if the Trust will be able to maintain its collection efforts in the months ahead.

  Capitalization rates used in the valuation of investment properties as of March 31, 2020 are based on current market data available and have been adjusted for our enclosed mall and non-anchored retail portfolio to reflect market uncertainty related to COVID-19. Currently there is little actual evidence of material capitalization rate expansion. Given the uncertainty around the duration of COVID-19 and the potential negative impact it may have on the real estate industry, it is not possible to predict the impact of capitalization rates across all of our investment properties at this time.

  The Trust continues to review its cash flow projections, liquidity and the fair value of its real estate portfolio in these challenging times. Capitalization rates could change materially as additional market data becomes available. As such, significant changes in assumptions concerning rental income, occupancy rates, tenant inducements and future market rents could negatively impact future real estate valuations and the Trust's overall operations as COVID-19 pandemic continues.

OUTLOOK

We are still in the lockdown phase of COVID-19 virus and the oil price decline. We expect that it will be difficult to evaluate the full impact of these extreme social isolation measures and the long term impact on our tenants until the economy has resumed normal operations. The Bank of Canada has cut rates three times by 50 basis points during the quarter and the view is that further rate cuts and stimulus packages are imminent to offset the economic impact of recent events. We expect interest rates to remain low through 2020 and we are closely monitoring the economy for signs of weakness.

We believe that the Trust is well positioned for growth with our leverage below our target range of 55% to 65%. During the first quarter of 2020, the Trust acquired a 50% interest in a second Alberta portfolio valued at $10.7 million and paid off the maturing fixed term debt on its Merivale Mall JV property in Ottawa. These transactions utilized a portion of the Trust's liquidity and will provide immediate cash flow to the Trust to create a larger stable platform for future growth. The Trust completed two debt financings at the end of April, 2020 for $14.9 million of additional proceeds and has two unencumbered properties that it is in the process of raising additional mortgage financing to raise additional liquidity for the Trust.

The Trust continues to target industrial, flex industrial, net lease convenience retail, multi-residential, core service provider and healthcare professional office assets across Canada. The Trust expects to grow predominately through external acquisitions through 2020 once we have visibility as to the full economic impact of the COVID-19 virus, with a focus on wholly-owned multi-tenant industrial and residential and convenience retail with joint venture partners. We will continue to assess each acquisition to ensure they meet our investment objectives but will not grow the portfolio only for the sake of growth.