FIRM CAPITAL PROPERTY TRUST

CAPITAL PRESERVATION • DISCIPLINED INVESTING

CONSOLIDATED FINANCIAL STATEMENTS

FIRST QUARTER 2020
MARCH 31, 2020

FIRM CAPITAL PROPERTY TRUST

For the Three Months Ended March 31, 2020 and March 31, 2019
(Unaudited)

The accompanying unaudited condensed consolidated interim financial statements of Firm Capital Property Trust for the three months ended March 31, 2020 have been prepared by and are the responsibility of management. These unaudited condensed consolidated interim financial statements, together with the accompanying notes, have been reviewed and approved by members of Firm Capital Property Trust's audit committee. In accordance with National Instrument 51 – 102, Firm Capital Property Trust discloses that these unaudited condensed consolidated interim financial statements have not been reviewed by Firm Capital Property Trust's auditors

FIRM CAPITAL PROPERTY TRUST

Condensed Consolidated Interim Balance Sheets
(Unaudited)

	Notes		March 31, 2020		December 31, 2019
Assets					
Non-current Assets:					
Investment Properties	4	$	458,167,358	$	457,777,717
Current Assets:					
Accounts Receivable			1,730,679		2,782,608
Prepaid Expenses, Deposits and Other Assets			3,009,405		1,674,436
Restricted Cash			205,196		192,438
Cash and Cash Equivalents			-		12,746,594
Total Current Assets			4,945,280		17,396,076
Total Assets		$	463,112,638	$	475,173,793
Liabilities and Unitholders' Equity					
Current Liabilities:					
Mortgages	7(a)		51,757,441		51,998,471
Bank Indebtedness	6		8,939,290		-
Accounts Payable and Accrued Liabilities	5		4,223,535		6,383,961
Land Lease Liability	7(b)		32,882		32,366
Distribution Payable			1,276,869		1,225,775
Tenant Rental Deposits			371,383		377,543
Total Current Liabilities			66,601,401		60,018,116
Non-current Liabilities:					
Mortgages	7(a)		175,289,253		184,646,907
Land Lease Liability	7(b)		297,081		292,714
Tenant Rental Deposits			1,281,673		1,176,981
Total Non-current Liabilities			176,868,007		186,116,602
Total Liabilities			243,469,408		246,134,718
Unitholders' Equity	8		219,643,230		229,039,075
Total Liabilities and Unitholders' Equity		$	463,112,638	$	475,173,793
Commitments and Contingencies	16				
Subsequent Events	20				

See accompanying Notes to Condensed Consolidated Interim Financial Statements.

Approved by the Board of Trustees

(signed) "*Robert McKee*"	(signed) "*Sandy Poklar*"
Robert McKee	Sandy Poklar
CEO & Trustee	CFO & Trustee

FIRM CAPITAL PROPERTY TRUST

Condensed Consolidated Interim Statements of Income and Comprehensive Income
For the Three Months Ended March 31, 2020 and March 31, 2019
(Unaudited)

		Three Months Ended	
	Notes	March 31, 2020	March 31, 2019
Net Operating Income			
Rental Revenue	9	$ 11,254,472	$ 6,443,690
Property Operating Expenses	11	(4,227,486)	(2,608,225)
		$ 7,026,986	$ 3,835,465
Interest and Other Income		28,733	17,194
Expenses:			
Finance Costs	10	4,748,603	1,198,659
General and Administrative	11	1,009,151	582,057
Unit-based Compensation Expense/(Recovery)	8(i)	(1,160,771)	306,442
		$ 4,596,983	$ 2,087,158
Income Before Fair Value Adjustments		$ 2,458,736	$ 1,765,501
Fair Value Adjustment of Investment Properties	4	(7,823,765)	521,587
Net Income/(Loss) and Comprehensive Income/(Loss)		$ (5,365,029)	$ 2,287,088

See accompanying Notes to Condensed Consolidated Interim Financial Statements.

FIRM CAPITAL PROPERTY TRUST

Condensed Consolidated Interim Statements of Changes in Unitholders' Equity
For the Three Months Ended March 31, 2020 and March 31, 2019
(Unaudited)

	Notes	Trust Units (Note 8)	Retained Earnings	Unitholders' Equity
Unitholders' Equity, December 31, 2018		$ 93,333,539	$ 31,114,070	$ 124,447,609
Issuance of Units, Net of Issuance Costs	8(a)	8,502,361	-	8,502,361
Issuance of Units from Distribution Reinvestment Plan	8(j)	22,554	-	22,554
Net Income and Comprehensive Income		-	2,287,088	2,287,088
Distributions	8(k)	-	(2,159,613)	(2,159,613)
Unitholders' Equity, March 31, 2019		$ 101,858,454	$ 31,241,545	$ 133,099,999
Options Exercised	8(c)	1,234,900	-	1,234,900
Issuance of Units, Net of Issuance Costs	8(a)	70,903,312	-	70,903,312
Issuance of Units from Distribution Reinvestment Plan	8(j)	32,596	-	32,596
Net Income and Comprehensive Income		-	33,434,308	33,434,308
Distributions	8(k)	-	(9,666,040)	(9,666,040)
Unitholders' Equity, December 31, 2019		$ 174,029,265	$ 55,009,811	$ 229,039,075
Issuance Costs		(201,769)	-	(201,769)
Issuance of Units from Distribution Reinvestment Plan	8(j)	1,550	-	1,550
Net Income/(Loss) and Comprehensive Income/(Loss)		-	(5,365,029)	(5,365,029)
Distributions	8(k)	-	(3,830,598)	(3,830,598)
Unitholders' Equity, March 31, 2020		$ 173,829,046	$ 45,814,184	$ 219,643,230
Trust Units Outstanding	8(a)			30,644,613

See accompanying Notes to Condensed Consolidated Interim Financial Statements.

FIRM CAPITAL PROPERTY TRUST

Condensed Consolidated Interim Statements of Cash Flows
For the Three Months Ended March 31, 2020 and March 31, 2019
(Unaudited)

	Notes	Three Months Ended March 31, 2020	March 31, 2019
Cash Flows from (used in) Operating Activities			
Net Income/(Loss) and Comprehensive Income/(Loss)		$ (5,365,031)	$ 2,287,088
Fair Value Adjustments:			
Investment Properties	4	7,823,765	(521,587)
Unit-Based Compensation Expense/(Recovery)	8(i)	(1,160,771)	306,442
Finance Costs, Net of Interest and Dividends		2,021,913	777,433
Finance Fee Amortization	10	54,116	52,038
Non-cash Interest Expense	10	2,643,839	(16,558)
Land Lease Amortization	7(b)	17,513	-
Straight-line Rent Adjustment	9	(196,380)	(54,964)
Free Rent, Net of Amortization	9	17,512	14,787
Change in Non-Cash Operating Working Capital:			
Accounts Receivable		1,053,962	(179,293)
Prepaid Expenses, Deposits and Other Assets		(1,333,556)	164,267
Restricted Cash		(12,758)	(147,137)
Accounts Payable and Accrued Liabilities	5	(2,141,329)	1,170,581
Tenant Rental Deposits		59,864	110,204
		$ 3,482,664	$ 3,963,300
Cash Flows from (used in) Financing Activities			
Issuance of Units, Net of Issuance Costs	8	(200,219)	8,524,915
Mortgages, Repayments	7(a)	(12,296,641)	(7,648,664)
Mortgages, Issuances	7(a)	-	32,708,014
Finance cost paid		(55,162)	497,344
Cash Interest Paid, Net of Other Income		(2,057,654)	(1,274,778)
Cash Distributions Paid		(3,779,504)	(2,148,091)
		$ (18,389,180)	$ 30,658,740
Cash Flows from (used in) Investing Activities			
Acquisitions and Capital Expenditures	3,4	(6,779,368)	(41,018,810)
		$ (6,779,368)	$ (41,018,810)
Increase/(Decrease) in Cash and Cash Equivalents		(21,685,884)	(6,396,769)
Cash and Cash Equivalents / (Bank Indebtedness), Beginning of Period		12,746,594	3,415,075
Cash and Cash Equivalents / (Bank Indebtedness), End of Period		$ (8,939,290)	$ (2,981,697)

See accompanying Notes to Condensed Consolidated Interim Financial Statements

1. The Trust

Firm Capital Property Trust (the ''Trust'') is an unincorporated open-ended real estate investment trust established on August 30, 2012 under the laws of the Province of Ontario pursuant to an amended and restated Declaration of Trust dated November 20, 2012. The Trust is a "mutual fund trust" as defined in the Income Tax Act (Canada), 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. These consolidated financial statements were approved by the Board of Trustees on May 12, 2020.

The Trust owns 100% of the outstanding Class A Limited Partnership Units of Firm Capital Property Limited Partnership ("FCPLP"), a limited partnership created under the laws of the Province of Ontario. FCPLP ultimately owns the investment properties through various subsidiaries. The Trust is the reporting issuer trading on the TSX Venture Exchange under the ticker symbol FCD.UN.

2. Summary of Significant Accounting Policies

(a) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and note disclosures normally included in the consolidated annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed and accordingly, these condensed consolidated interim financial statements should be read in conjunction with the annual financial statements of the Trust as at and for the year ended December 31, 2019. These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods as those used in the audited consolidated annual financial statements for the year ended December 31, 2019 except as outlined below.

(b) Basis of Consolidation

The condensed consolidated interim financial statements comprise the financial statements of the Trust and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting periods as the Trust, using consistent accounting policies. All intercompany balances, transactions and unrealized gains and losses arising from intercompany transactions are eliminated on consolidation.

(c) Basis of Presentation, Measurement and Significant Accounting Policies

The condensed consolidated interim financial statements are prepared on a going concern basis and have been presented in Canadian dollars, which is the Trust's functional currency. The condensed consolidated interim financial statements are prepared on the historical cost basis with the exception of investment properties, cash and cash equivalents and the liabilities related to unit-based compensation expense, which are measured at fair value. The accounting policies set out below have been applied consistently to all periods as presented in the audited consolidated financial statements as at December 31, 2019. Standards issued and adopted for the period are described in note 2(g).

(d) Co-Ownership Arrangement

The Trust currently is a co-owner in seven joint arrangements. These arrangements are classified as joint operations because the parties involved have joint control of the assets and joint responsibility of the liabilities relating to the arrangement. As a result, the Trust includes its pro rata share of its assets, liabilities, revenues, expenses and cash flows in these condensed consolidated interim financial statements. Management believes the assets of these joint arrangements are sufficient for the purpose of satisfying the associated obligations. The co-ownership schedule is laid out below:

Investment Properties	Joint Arrangement Interest
Centre Ice Retail Portfolio	70%
Waterloo Industrial Portfolio	70%
Montreal Industrial Portfolio	50%
Edmonton Industrial Portfolio	50%
Ottawa Apartment Complex	50%
Crombie Retail Portfolio	50%
FCR Retail Portfolio	50%
Gateway Retail Portfolio	50%
The Whitby Mall	40%
Thickson Place	40%

Certain Trustees and Officers of the Trust directly and/or indirectly have interests in certain of these Joint Arrangements.

(e) Estimates

The preparation of condensed consolidated interim financial statements requires management to make estimates that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The critical accounting estimates have been set out in the Trust's audited consolidated financial statements for the year ended December 31, 2019.

(f) Critical Judgments

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

(g) New Changes in Accounting Policies

i. 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 January 1, 2020 and the amendments did not have an impact on the condensed consolidated interim financial statements.

ii. 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.

iii. 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.

3. Acquisition of Investment Properties

On January 4, 2019, the Trust closed on an acquisition of a 100% interest in a 69 unit multi-residential property located in Dartmouth, Nova Scotia. The acquisition price for the property was $11,190,100 (including transaction costs). In addition, accounts receivable of $38,986, net of tenant rental deposits of $34,453 were assumed as part of the acquisition. The Trust also assumed a $7,060,283 first mortgage as part of the acquisition.

On February 5, 2019, the Trust closed on an acquisition of a 50% interest in a seven retail property portfolio (the “Crombie Retail Portfolio”). The properties are located in Alberta, Nova Scotia, Saskatchewan, Ontario and Quebec. The acquisition price for the Trust’s portion of the portfolio was $42,409,350 (including transaction costs). In addition, accounts receivable of $1,500, prepaid expenses of $124,568 were assumed. The Trust also assumed $6,408,687 of first mortgages on two of the properties as part of the acquisition. The Trust also financed five new mortgages totaling $20,975,000 and supplemented one assumed mortgage by $1,026,126 as part of the acquisition.

On May 9, 2019, the Trust closed on an acquisition of a 50% interest in a six retail property portfolio (the “FCR Retail Portfolio”). The acquisition price for the Trust’s portion of the portfolio was $136,917,443 (including transaction costs). In addition, accounts receivable of $43,211, prepaid expenses of $488,424, net of tenant rental deposits of $226,818 and land lease of $312,530 were assumed as part of the acquisition. The Trust also assumed $30,369,904 of first mortgages on four of the properties as part of the acquisition. The Trust also financed one new mortgage totaling $52,850,000 and a vendor take back loan of $9,600,000 as part of this acquisition.

On July 9, 2019, the Trust closed on an acquisition of a 50% interest in a grocery-anchored shopping centre located in St. Albert, Alberta. The acquisition price for the Trust’s portion of the portfolio was

$23,482,521 (including transaction costs). In addition, accounts receivable of $9,856, prepaid expenses of $2,934, net of accounts payable of $24,988 and tenant rental deposits of $37,484 were assumed as part of the acquisition. The Trust also financed a new mortgage of $15,500,000 as part of this acquisition.

On October 29, 2019, the Trust closed on an acquisition of a 50% interest in two industrial properties located in Edmonton, Alberta. The acquisition price for the Trust's portion of the portfolio was $5,757,885 (including transaction costs). In addition, accounts receivable of $1,257, prepaid expenses of $1,183, net of accounts payable of $506 and tenant rental deposits of $110,381 were assumed as part of the acquisition.

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 $5,421,503 (including transaction costs). In addition, accounts receivable of $2,034, prepaid expenses of $1,413, net of accounts payable of $21,797 and tenant rental deposits of $38,668 were assumed as part of the acquisition.

The above noted acquisitions have been accounted for as asset acquisitions using the acquisition method, with the results of operations included in the Trust's accounts from the date of acquisition. Net assets acquired during the respective periods are as follows:

		Period Ended March 31, 2020		Year Ended December 31, 2019
Investment Properties, including Acquisition Costs	$	5,421,503	$	219,757,300
Accounts Receivable		2,034		94,811
Prepaid Expenses		1,413		611,240
Accounts Payable		(21,797)		(25,494)
Tenant Rental Deposits		(38,668)		(409,136)
Assumed Land Lease at Fair Value		-		(312,530)
Assumed Mortgages at Fair Value		-		(43,838,874)
Net Assets Acquired	$	5,364,485	$	175,877,317
Consideration Paid, Funded By:				
Cash and Bank Indebtedness	$	5,364,485	$	76,580,363
Vendor Take Back Loan (1)		-		9,600,000
New Mortgages, net of financing costs		-		89,696,953
	$	5,364,485	$	175,877,317

(1) Vendor Take Back Loan is included in mortgages payable (note 7a)

4. Investment Properties

	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.

Properties are typically independently appraised at the time of acquisition or refinancing. When an independent appraisal is obtained, the internal valuation team assesses all major inputs used by the independent valuators in preparing their reports and holds discussions with them on the reasonableness of their assumptions. The reports are then used by the internal valuation team for consideration in preparing the valuations as reported in these consolidated financial statements.

The properties independently appraised each year represent a subset of the property types and geographic distribution of the overall portfolio. A breakdown of the aggregate fair value of investment properties independently appraised each quarter, in accordance with the Trust's policy, is as follows:

2020			2019		
Number of investment properties	**Fair value at 100%**	**Fair value at Trust's share**	**Number of investment properties**	**Fair value at 100%**	**Fair value at Trust's share**
-	**$ -**	**$ -**	**15**	**$ 238,630,000**	**$ 141,202,000**

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 well as transfers into assets held for sale as further described in note 4 of these consolidated 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 & 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 Capitalization 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 Capitalization Rate	6.19%	7.00%	5.90%	5.18%	6.09%

The fair value of the Trust's investment properties is sensitive to changes in the significant unobservable inputs. Changes in certain inputs would result in a change to the fair value of the Trust's investment properties as set out in the following table:

			March 31, 2020
Weighted Average			**Increase/(Decrease) in Valuation**
- Capitalization Rate	25 basis point increase	$	(18,024,000)
- Capitalization Rate	25 basis point decrease		19,595,000

Generally, an increase in stabilized NOI will result in an increase to the fair value of an investment property. An increase in the capitalization rate will result in a decrease to the fair value of an investment property. The capitalization rate magnifies the effect of a change in stabilized NOI.

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 to a third party for gross proceeds of approximately $2.3 million ($2.2 million net of closing costs). The Trust's 70% pro-rata share of the gross proceeds is $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 with gross proceeds of approximately $4.0 million ($3.9 million net of closing costs). The Trust's pro-rata 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.

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities as at March 31, 2020 and as at December 31, 2019 were $4,223,535 and $6,383,961, respectively, and consist of the following:

	March 31, 2020	December 31, 2019
Utilities, Repairs and Maintenance, Other	3,688,983	4,386,700
Due to Asset and Property Manager (notes 12(a) and 12(b))	160,329	421,643
Accrued Interest Expense	362,160	402,784
Option Liabilities (note 8(i))	12,064	1,172,835
Accounts Payable and Accrued Liabilities	$ 4,223,535	$ 6,383,961

6. 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. On March 31, 2020, the total amount available under the Facility was $22.0 million. The interest rate is based on a calculated formula using the 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 $8,939,290 and $nil, respectively.

7. Non-current Liabilities

(a) 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 Year	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		51,998,471
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
Total Mortgages	$	227,046,694	$	236,645,378

The following table sets out an analysis of net debt and the movements in net debt for the period ended March 31, 2020:

		Cash and Cash Equivalents	Mortgages		Net Debt
As at December 31, 2019	$	12,746,594	$ (236,645,378)	$	(223,898,784)
Cash Flows		(19,312,800)	12,296,640		(7,016,160)
Non-cash Changes		(2,373,084)	(2,697,956)		(5,071,040)
As at March 31, 2020	$	(8,939,290)	$ (227,046,694)	$	(235,985,984)

(b) Land Lease Liability

On May 9, 2019, as part of the FCR Retail Portfolio acquisition as further disclosed in Notes 2(p) and 3 of these consolidated financial statements, 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:

	Lease Liability			
	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

8. Unitholders' Equity

(a) Issued and Outstanding

	Number of Units	Amount
Balance, December 31, 2018	17,542,563	93,333,539
Non-brokered Private Placement (note 8(d))	1,355,726	8,676,640
Less: Issuance Costs	-	(174,279)
Issuance of Units from Distribution Reinvestment Plan (note 8(j))	3,436	22,554
Balance, March 31, 2019	18,901,725	101,858,454
Options Exercised (note 8(c))	233,000	1,234,900
Public Equity Offering (note 8(e))	4,421,145	28,295,328
Non-brokered Private Placement (note 8(f))	2,696,252	17,256,013
Non-brokered Private Placement (note 8(g))	937,500	6,000,000
Public Equity Offering (note 8(h))	3,450,000	23,287,500
Less: Issuance Costs	-	(3,935,528)
Issuance of Units from Distribution Reinvestment Plan (note 8(j))	4,763	32,596
Balance, December 31, 2019	30,644,385	174,029,265
Less: Issuance Costs	-	(201,769)
Issuance of Units from Distribution Reinvestment Plan (note 8(j))	228	1,550
Balance, March 31, 2020	30,644,613	173,829,046

(b) Authorized

In accordance with the Declaration of Trust, the Trust may issue an unlimited number of units (the "Trust Units"). The Board of Trustees of the Trust has discretion with respect to the timing and amount of distributions. Each Unitholder is entitled on demand to redeem all or any part of the Trust Units registered in the name of the Unitholder at prices determined and payable in accordance with the conditions provided for in the Declaration of Trust.

Trust Units are redeemable at any time, in whole or in part, on demand by the Unitholders. On receipt of the redemption notice by the Trust, all rights to and under the Trust Units tendered for redemption shall be surrendered and the Unitholders shall be entitled to receive a price per Trust Unit equal to the lesser of:

i. 90% of the "market price" of the Trust Units on the exchange or market on which the Units are listed or quoted for trading during the ten consecutive trading days ending immediately prior to the date on which the Trust Units were surrendered for redemption; and

ii. 100% of the "closing market price" on the exchange or market or on which the Trust Units are listed or quoted for trading on the redemption date.

The total amount payable by the Trust, in respect of any Trust Units surrendered for redemption during any calendar month, shall not exceed $50,000 unless waived at the discretion of the Trustees and be satisfied by way of a cash payment in Canadian dollars within 30 days after the end of the calendar month in which the Trust Units were tendered for redemption. To the extent the redemption price payable in respect of Trust Units surrendered for redemption exceeds $50,000 in any given month, such excess will be redeemed for cash, and by a distribution in specie of assets held by the Trust on a pro rata basis.

(c) Options Exercised
During the year ended December 31, 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.

(d) Non-Brokered Private Placement
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.

(e) Public Equity Offering
On April 24, 2019, the Trust completed a public equity 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. In addition on April 30, 2019, as part of an overallotment option, the Trust closed an additional 321,145 Trust Units at a price of $6.40 per Trust Unit for aggregate gross proceeds of approximately $2.1 million.

(f) Non-Brokered Private Placement
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 234,375 Trust Units at a price of $6.40 per Trust Unit for aggregate gross proceeds of approximately $1.5 million as part of the non-brokered private placement.

(g) Non-Brokered Private Placement
On October 29, 2019, the Trust completed a non-brokered private placement of Trust Units. 203,125 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.

(h) Public Equity Offering

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.

(i) Unit-Based Compensation Plan

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 for the three months ended March 31, 2020 stands at a recovery of $1,160,771 ($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 consistent with the expected life of the option. 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.

The estimated fair value of an option under the Trust's unit option plan at the date of grant was $0.49, $0.40, $0.36 and $0.34 per unit option for the August 15, 2016, March 26, 2018, November 8, 2018 and August 14, 2019 issuances, respectively.

(j) Distribution Reinvestment Plan ("DRIP") and Unit Purchase Plan ("UPP")

The Trust has both a DRIP and UPP currently in place. Under the terms of the DRIP, 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. Trust 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. Trust Units purchased through the DRIP will be acquired either in the open market or be issued directly from the Trust's treasury based on a floor price to be set at the discretion of the Board of Trustees.

The UPP gives each Unitholder resident in Canada the right to purchase additional Trust Units. Unitholders who elect to receive Trust Units under the DRIP may also enroll in the Trust's UPP. Under the terms of the UPP, Trust 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 Trust Units that may be issued may not exceed 2% of the Trust Units of the Trust per annum.

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 but received units under the DRIP.

(k) 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.

9. Rental Revenue

The Trust currently leases real estate to tenants under operating leases. Future minimum rental income on tenant operating leases over their remaining lease terms is as follows:

Revenue		
Within one year	$	24,501,020
Later than one year and not longer than five years		72,496,963
Thereafter		25,057,551
	$	122,055,533

Revenue is comprised of the following:

	Three Months Ended			
		March 31, 2020		**March 31, 2019**
Base Rent	$	7,254,448	$	4,212,431
Operating Costs Recoveries		1,775,388		1,126,581
Tax Recoveries		2,045,768		1,064,500
Straight Line Rent		196,380		54,965
Free Rent		(17,512)		(14,787)
	$	11,254,472	$	6,443,690

10. Finance Costs

Finance costs for the three months ended March 31, 2020 and March 31, 2019 are as follows:

	Three Months Ended	
	March 31, 2020	**March 31, 2019**
Mortgage Interest	$ 1,957,433	$ 1,028,258
Bank Indebtedness Interest	93,213	134,921
Finance Fee Amortization	54,116	52,038
Non-cash Interest Expense	2,643,839	(16,558)
Finance Costs	$ 4,748,603	$ 1,198,659

Finance fee amortization relates to fees paid on securing the Facility and the Trust's various mortgages accounted for under the amortized cost method. Non-cash interest expense relates to the amortization of mark to market adjustments relating to the assumed mortgages from the Trust's various acquisitions as well as the fair value adjustments from the Trust's various interest rate SWAP arrangement on mortgages payable.

11. Property Operating and General and Administrative Expenses

Property operating expenses include realty taxes as well as other costs related to maintenance, HVAC, insurance, utilities and property management fees. General and administrative expenses include professional fees, public company expenses, office and general, insurance and asset management fees.

Property operating and general and administrative expenses for the three months ended March 31, 2020 and March 31, 2019 are as follows:

	Three Months Ended	
	March 31, 2020	**March 31, 2019**
Realty Taxes	$ 2,221,372	$ 1,306,073
Property Management Fees (note 12(b))	434,196	267,050
Operating Expenses	1,571,918	1,035,103
Property Operating Expenses	$ 4,227,486	$ 2,608,225

	Three Months Ended	
	March 31, 2020	**March 31, 2019**
Asset Management Fees (note 12(a))	$ 767,347	$ 439,286
Public Company Expenses	65,819	62,524
Office and General	175,985	80,247
General and Administrative	$ 1,009,151	$ 582,057

12. 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.

(a) Asset Management Agreement

The Trust has entered into an Asset Management Agreement with Firm Capital Realty Partners Inc. ("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.

As part of the Agreement, FCRPI agrees to provide the following services, which include but are not limited to the following: (i) arrange financing, refinancings and structuring of financings for the Trust's investment properties and future acquisitions; (ii) identify, recommend and negotiate the purchase price for acquisitions and dispositions; (iii) prepare budgets and financial forecasts for the Trust and future acquisitions; (iv) provider of services of senior management including the CEO and CFO; (v) assist in investor relations for the Trust; (vi) assist the Trust with regulatory and financial reporting requirements (other than services provided by the CFO of the Trust); (vii) assist the Trust with the preparation of all documents, report data and analysis required by the Trust for its filings and documents necessary for its continuous disclosure requirements pursuant to applicable stock exchange rules and securities laws; (viii) attend meetings of Trustees or applicable committees, as requested by the Trust, to present financing opportunities, acquisition opportunities and disposition opportunities; and (ix) arrange and coordinate advertising, promotional, marketing and related activities on behalf of the Trust.

As compensation for the services, FCRPI is paid the following fees:

i. Asset Management Fees: The Trust pays the following fees annually:

   I. 0.75% of the first $300 million of the Gross Book Value of the Properties; and
   II. 0.50% of the Gross Book Value of the investment properties in excess of $300 million.

ii. Acquisition Fees: The Trust pays the following acquisition fees:

   I. 0.75% of the first $300 million of aggregate Gross Book Value in respect of new properties acquired in a particular year;
   II. 0.65% of the next $200 million of aggregate Gross Book Value in respect of new properties acquired in such year; and thereafter
   III. 0.50% of the aggregate Gross Book Value of new properties acquired in such year.

iii. Performance Incentive Fees: The Trust pays a fee equivalent to 15% of Adjusted Funds From Operations ("AFFO") once AFFO exceeds $0.40 per Unit.

iv. Placement Fees: The Trust pays a fee equivalent to 0.25% of the aggregate value of all debt and equity financing arranged by FCRPI.

In addition to the fees outlined above, FCRPI is entitled to reimbursement of all actual expenses incurred in performing its responsibilities under the Asset Management Agreement.

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.

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.

As at March 31, 2020, $92,260 ($286,328 as at December 31, 2019) was due to FCRPI and has been accounted for in accounts payable and accrued liabilities.

(b) Property Management Agreement

The Trust has entered into a Property Management Agreement with Firm Capital Property Management Corp. ("FCPMC"), formerly Firm Capital Properties Inc., 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.

As part of the Agreement, FCPMC agrees to provide the following services which include but are not limited to, the following: (i) lease the Properties and to obtain tenants from time to time as vacancies occur; (ii) to establish the rent, the duration, the terms and conditions of all leases and renewals thereof; (iii) to enter into agreements to lease and offers to lease in respect of the properties; (iv) collect all rents, including parking revenues, tenant recoveries, leasehold recoveries and any other revenues or monies accruing to the properties, or sums which may be receipts due and payable in connection with or incidental to the properties; (v) maintain the properties in reasonable operating condition and repair, (vi) arrange for and supervise the making or installation of such maintenance, repairs, improvements (including tenant improvements) and alterations as may be required; (vii) maintain all licenses and permits as required; (viii) collect all rents; (ix) recover all operating costs as required under various tenant lease arrangements; (x) prepare all property operating and capital expenditure budgets; and (xi) undertake, supervise and budget all tenant improvements, construction projects and alterations.

As compensation for the services, FCPMC is paid the following fees:

(a) Property Management Fees: The Trust pays the following fees annually:

I. Multi-unit Residential Properties: For each multi-unit residential property with 120 units or less, a fee equal to four percent (4.0%) of Gross Revenues and for each multi-unit residential property with more than 120 units, a fee equal to three and one-half percent (3.5%) of Gross Revenues.

II. Industrial and Commercial Properties: Fee equal to four and one-quarter percent (4.25%) of Gross Revenues from the property; provided, however, that for such properties with a single tenant, the fee shall be equal to three percent (3.0%) of Gross Revenues.

(b) Commercial Leasing Fees: Where FCPMC leases a rental space on commercial terms, FCPMC shall be entitled to receive a leasing commission equal to three percent (3.0%) of the net rental payments for the first year of the lease, and one and one-half percent (1.5%) of the net rental payments for each year during the balance of the duration of the lease; provided, however, that where a third party broker arranges for the lease of any such property that is not subject to a long-term listing agreement, FCPMC shall be entitled to a reduced commission equal to 50% of the foregoing amounts with respect to such property. No leasing fees will be paid for relocating existing tenants, rewriting leases or expenditures, including the cost of all permits, materials, labour, contracts, and holding over without a lease unless the area or length of term has increased.

(c) Commercial Leasing Renewal Fees: Renewals of space leased on commercial terms (including lease renewals at the option of the tenant) which are handled exclusively by FCRPI shall be subject to a commission payable to FCPMC of one-half of one percent (0.50%) of the net rental payments for each year of the renewed lease.

(d) Construction Development Property Management Fees: Where FCPMC is requested by the Trust to construct tenant improvements or to renovate same, or where FCPMC is requested by the Trust to construct, modify, or reconstruct improvements to, or on, the Properties (collectively, "Capital Expenditures"), FCPMC shall receive as compensation for its services with respect thereto a fee equal to five percent (5.0%) of the cost of such Capital Expenditures, including the cost of all permits, materials, labour, contracts, and subcontracts; provided, however, that no such fee shall be payable unless the Capital Expenditures are undertaken following a tendering or procurement process where the total cost of Capital Expenditures exceeds $50,000.

In addition to the fees outlined above, FCPMC is entitled to reimbursement of all actual expenses incurred in performing its responsibilities under the Property Management Agreement.

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.

As at March 31, 2020, $68,070 ($135,315 as at December 31, 2019) was due to FCPMC and has been accounted for in accounts payable and accrued liabilities.

(c) Lease Agreement

On August 1, 2013, FCPMC entered into a lease agreement with the entity that owns the Montreal Industrial Portfolio which the Trust accounts for as a joint venture agreement, to lease office space on commercially available terms. For the three months ended March 31, 2020, $5,580 ($5,580 for the three months ended March 31, 2019) of base rent was paid on this lease.

(d) Co-Ownership Arrangement

The Trust currently is a co-owner in ten joint arrangements. These arrangements are classified as joint operations because the parties involved have joint control of the assets and joint responsibility of the liabilities relating to the arrangement. As a result, the Trust includes its pro rata share of its assets, liabilities, revenues, expenses and cash flows in these consolidated financial statements. Management believes the assets of these joint arrangements are sufficient for the purpose of satisfying the associated obligations. The co-ownership schedule is laid out below:

Investment Properties	Joint Arrangement Interest
Centre Ice Retail Portfolio	70%
Waterloo Industrial Portfolio	70%
Montreal Industrial Portfolio	50%
Edmonton Industrial Portfolio	50%
Ottawa Apartment Complex	50%
Crombie Retail Portfolio	50%
FCR Retail Portfolio	50%
Gateway Retail Portfolio	50%
The Whitby Mall	40%
Thickson Place	40%

Certain Trustees and Officers of the Trust directly and/or indirectly have interests in certain of these Joint Arrangements.

13. Co-Ownership Property 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 in the condensed consolidated interim financial statements.

	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

14. Income Taxes

The Trust currently qualifies as a mutual fund trust and a real estate investment trust ("REIT") for Canadian income tax purposes. Under current tax legislation, income distributed annually by the Trust to unitholders is a deduction in the calculation of its taxable income. As the Trust intends to distribute all of its taxable income to its unitholders, the Trust does not record a provision for current Canadian income taxes.

The Tax Act contains legislation affecting the tax treatment of a specified investment flow-through ("SIFT") trust or partnership (the "SIFT Rules"). A SIFT includes a publicly listed or traded partnership or trust, such as an income trust.

Under the SIFT Rules, certain distributions from a SIFT are not deductible in computing a SIFT's taxable income, and a SIFT is 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 tax.

The SIFT Rules do not apply to a REIT that meets prescribed conditions relating to the nature of its assets and revenue (the "REIT Conditions"). The REIT has reviewed the REIT Conditions and has assessed their interpretation and application to the REIT's assets and revenues. The REIT believes it has met the REIT Conditions throughout the three months ended March 31, 2020 and March 31, 2019. As a result, the REIT does not recognize any deferred income tax assets or liabilities for income tax purposes.

15. Key Management Personnel

Key management personnel include all senior management of the Trust employed by FCRPI and FCPMC and Trustees of the Trust. Management salaries are payable by FCRPI under the Asset Management Agreement as reflected in note 12(a).

16. Commitments and Contingencies

For the three months ended March 31, 2020 and March 31, 2019, the Trust had no material commitments and contingencies other than those outlined in notes 12(a) and 12(b).

17. Capital Management

The Trust's objectives when managing capital are to safeguard its 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 to gross book value 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 was in compliance with these requirements throughout the three months ended March 31, 2020 and March 31, 2019.

18. Risk Management and Fair Value of Financial Instruments

A. Risk Management:

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

I. Market Risk

Interest Rate Risk:

The Trust is exposed to interest rate risk on its borrowings. It minimizes the risk by restricting debt to 75% of the GBV of the Trust's GBV of its assets. The Trust has its bank indebtedness and two mortgage financings under variable rate terms.

The following table outlines the impact on interest expense of a 100 basis point increase or decrease in interest rates on the Trust's variable rate debt:

Impact on Interest Expense	**March 31, 2020**	**December 31, 2019**
Bank Indebtedness	$ 89,393	$ -
Mortgages	112,500	112,500
	$ 201,893	$ 112,500

II. Credit Risk

The Trust's maximum exposure to credit risk is equivalent to the carrying value of accounts receivable.

The Trust is exposed to credit risk as an owner of real estate in that tenants may become unable to pay the contracted rents. Management mitigates this risk by carrying out appropriate credit checks and related due diligence on the significant tenants. The Trust's properties are diversified across a number of Canadian provinces and numerous tenants. The receivable balance consists largely of tenant receivables and Harmonized Sales Tax and Quebec Sales Tax receivables. These receivable balances are expected to be collected in due course.

As at March 31, 2020, the Trust had one tenant comprising 11.5% of rental revenues (16.0% as at March 31, 2019).

III. Liquidity Risk

Liquidity risk is the risk the Trust will not be able to meet its financial obligations as they come due. The Trust manages liquidity by maintaining adequate cash and by having appropriate credit facilities available. The Trust currently has the ability to access the debt capital markets and is able to receive debt capital as and when required. In addition, the Trust continuously monitors and reviews both actual and forecasted cash flows.

The following are the estimated maturities of the Trust's non-derivative financial liabilities as at March 31, 2020 including bank indebtedness, mortgages, tenant rental deposits, distribution payable and accounts payable and accrued liabilities:

	Less than 1 Year	1 - 2 Years	>2 Years	Total
Mortgages (note 7a)	$ 51,715,064	$ 13,380,413	$ 159,457,792	$ 224,553,270
Bank Indebtedness (note 6)	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 (note 7b)	32,882	34,970	262,111	329,963
Accounts Payable and Accrued Liabilities (note 5)	4,223,535	-	-	4,223,535
	$ 66,559,023	$ 13,628,903	$ 160,788,056	$ 240,975,983

IV. 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 the 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.

B. Fair Value of Financial Instruments:

The Trust uses a three-level hierarchy that reflects the significance of the inputs used in making fair value measurements of financial instruments carried at fair value. Level 1 of the fair value hierarchy uses quoted market prices in active markets for identical assets or liabilities to determine the fair value of assets and liabilities. Level 2 includes valuations using inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 valuations are based on input for the asset or liability that are not based on observable market data.

The fair value of the Trust's cash and cash equivalents, restricted cash, accounts receivable, deposits, other assets, distribution payable, tenant rental deposits and accounts payable and accrued liabilities approximates their carrying amounts due to the relatively short periods to maturity of these financial instruments. The carrying value of the Trust's financial instruments is summarized in the following table:

	March 31, 2020		December 31, 2019
	Amortized Cost	FVTPL	
Financial Assets			
Accounts Receivable	$ 1,730,679	$ -	$ 2,782,608
Deposits and Other Assets	1,575,096	-	1,058,025
Retricted Cash	205,196	-	192,438
Cash and Cash Equivalents	-	-	12,746,594
Financial Liabilities			
Distribution Payable	$ 1,276,869	$ -	$ 1,225,775
Accounts Payable and Accrued Liabilities (except Option Liabilities)	4,211,471	-	5,211,126
Land Lease Liability	329,963	-	325,080
Bank Indebtedness	8,939,290	-	-
Tenant Rental Deposits	1,653,056	-	1,554,524
Mortgages	227,046,694	-	236,645,378
Option Liabilities	-	12,064	1,172,835

I. Fair Value Hierarchy

The fair value of the marketable securities is based on quoted market prices (Level 1). The fair value of the mortgages is estimated based on the present value of future payments, discounted at a yield on a Government of Canada bond with the nearest maturity date to the underlying mortgage, plus an estimated credit spread at the reporting date for a comparable mortgage (Level 2). The estimated fair value of the mortgages is approximately $230.5 million.

The fair value of unit-based compensation relates to unit options granted which are carried at fair value, estimated using the Black-Scholes option pricing model for option valuation (Level 3) as outlined in note 8(i).

19. Segmented Information

The Trust operates in four reportable segments: retail, industrial, multi-residential and core service office provider and evaluates performance based on net income and comprehensive income which is presented by segment 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

20. Subsequent Events

a) 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.

b) 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.

c) 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.

d) 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.

e) 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.