FIRM CAPITAL PROPERTY TRUST

CAPITAL PRESERVATION • DISCIPLINED INVESTING

MD&A

MANAGEMENT DISCUSSION AND ANALYSIS

FIRST QUARTER 2021
MARCH 31, 2021

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 unaudited condensed consolidated interim financial statements for the three months ended March 31, 2021 and March 31, 2020. This MD&A has been prepared taking into account material transactions and events up to and including May 20, 2021. 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.

On January 30, 2020, the World Health Organization declared COVID-19 outbreak a global health emergency. The governments have likewise declared that the COVID-19 outbreak in their jurisdictions constitutes an emergency and enacted measures to contain the spread of the virus. Reactions to the spread of COVID-19 have led to, among other things, significant restrictions on travel, temporary business closures, quarantines, a general reduction in commercial activity due to reduced consumer spending related to job loss and other adverse economic effects attributable to COVID-19. Given the unprecedented and pervasive impact of changing circumstances surrounding COVID-19, there is inherently greater uncertainty related to the Trust's future operating assumptions as compared to the prior periods.

The duration of the business disruption due to government lockdown orders and their related financial impact cannot be reasonably estimated at this time and may be instituted, terminated and re-instituted from time to time due as the COVID-19 outbreak worsens or waves of COVID outbreaks may occur.

In the near-term, there have been no material signs of deterioration in the Trust's operations as a result of COVID-19.

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,

- Core Service Provider / Healthcare Professional Office, and
- Manufactured Home Communities

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. 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, Net Operating Income on a cash basis (“**Cash NOI**”) 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 flows 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 (recovery) is included as part of AFFO, but the Trust excludes this amount and the Trust includes gains and losses on the sale of real estate properties calculated as net proceeds less carrying value excluding fair value adjustments.

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 flows 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 income for the three months ended March 31, 2021 was approximately $10.2 million compared to the $13.4 million net income for the three months ended December 31, 2020, and the $5.4 million loss in net income reported for the three months ended March 31, 2020.

- $7.83 Net Asset Value ("**NAV**") per Unit based on a IFRS book value of equity of approximately $230.1 million;

- On an IFRS basis, NOI for the three months ended March 31, 2021 was approximately $7.1 million, inline with the $7.1 million reported for the three months ended December 31, 2020;

- On a cash basis ("**Cash NOI**"), for the three months ended March 31, 2021 was approximately $7.0 million, in line with the $7.0 million reported for the three months ended December 31, 2020;

- Funds From Operations ("**FFO**") for the three months ended March 31, 2021 was approximately $3.5 million, an 6% increase over the $3.3 million reported for the three months ended December 31, 2020, and a 41% increase over the $2.5 million reported for the three months ended March 31, 2020. Including gains on sales from the Centre Ice Retail Portfolio, FFO was approximately $6.8 million;

- Adjusted Funds From Operations ("**AFFO**") for the three months ended March 31, 2021 was approximately $3.4 million, inline with the $3.4 million reported for the three months ended December 31, 2020, and largely in line with the $3.6 million reported for the three months ended March 31, 2020. Including gains on sales from the Centre Ice Retail Portfolio, AFFO was approximately $6.7 million;

- FFO per Unit was $0.118 for the three months ended March 31, 2021 compared to the $0.111 per Unit reported for the three months ended December 31, 2020 and the $0.08 per Unit reported for the three months ended March 31, 2020. Including gains on sales from the Centre Ice Retail Portfolio, FFO per Unit was $0.230;

- AFFO per Unit was $0.117 for the three months ended March 31, 2021 compared to the $0.115 per Unit reported for the three months ended December 31, 2020 and the $0.117 per Unit reported for the three months ended March 31, 2020. Including gains on sales from the Centre Ice Retail Portfolio, AFFO per Unit was $0.229;

- FFO Payout Ratio was 108% for the three months ended March 31, 2021, compared to the 112% for the three months ended December 31, 2020 and the 156% reported for the three months ended March 31, 2020. Including gains on sales from the Centre Ice Retail Portfolio, FFO Payout Ratio was 55%;

- AFFO Payout Ratio was 109% for the three months ended March 31, 2021, compared to the 109% for the three months ended December 31, 2020 and the 107% reported for the three months ended March 31, 2020. Including gains on sales from the Centre Ice Retail Portfolio, AFFO Payout Ratio was 56%;

- Commercial occupancy was a solid 95.7%, while residential occupancy was 96.3%; and

- Conservative leverage profile with Debt / Gross Book Value ("**GBV**") at 51.2%.

	Three Months			% Change Over Three Months	
	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020	Dec 31, 2020	Mar 31, 2020
Rental Revenue	$ 11,337,581	$ 10,990,587	$ 11,254,472	**3%**	**1%**
NOI					
- IFRS Basis	$ 7,051,088	$ 7,087,092	$ 7,026,986	**(1%)**	**0%**
- Cash Basis	$ 6,948,767	$ 7,000,818	$ 6,848,118	**(1%)**	**1%**
Net Income / (Loss)	$ 10,159,514	$ 13,419,117	$ (5,365,029)	**(24%)**	**NM**
FFO	**$ 3,475,457**	**$ 3,268,721**	**$ 2,458,737**	**6%**	**41%**
AFFO	**$ 3,439,568**	**$ 3,375,880**	**$ 3,586,261**	**2%**	**(4%)**
Including Gain on Sale from real estate properties:					
FFO	**$ 6,770,826**	**-**	**-**		
AFFO	**$ 6,734,937**	**-**	**-**		
FFO Per Unit	**$ 0.118**	**$ 0.111**	**$ 0.080**	**7%**	**48%**
AFFO Per Unit	**$ 0.117**	**$ 0.115**	**$ 0.117**	**2%**	**0%**
Including Gain on Sale from real estate properties:					
FFO/Unit	**$ 0.230**	**-**	**-**	**-**	**-**
AFFO/Unit	**$ 0.229**	**-**	**-**	**-**	**-**
Distributions Per Unit	**$ 0.128**	**$ 0.125**	**$ 0.125**		**2%**
Payout Ratios					
- FFO	**108%**	**112%**	**156%**		
- AFFO	**109%**	**109%**	**107%**		
Including Gain on Sale from real estate properties:					
- FFO	**55%**	**-**	**-**		
- AFFO	**56%**	**-**	**-**		

NM = Not Meaningful

Q1/2021 FINANCIAL HIGHLIGHTS

- **Capital Recycling into Industrial and Multi Residential Sectors:** The Trust continues to focus its near-term acquisition efforts on the industrial and multi-residential sectors across Canada by reducing its exposure to its non-core retail assets. In this regard, the Trust completed sales of four retail properties from the Centre Ice Retail Portfolio during the quarter with proceeds of approximately $7.7 million. In addition, the Trust completed the sale of four additional Centre Ice Retail Portfolio assets after the quarter for approximately $6.2 million. In total, the Trust has identified and has remaining $15.8 million in Assets Held for Sale as at March 31, 2021. The program is ongoing and we expect the identification of further non-core retail assets for sale and redeployment into the industrial and multi-residential sectors as the year continues;

- **$8.5 Million Acquisition of Manufactured Home Community ("MHC") in Calgary, Alberta:** On March 16, 2021, the Trust closed the acquisition of a 50% interest in in a 181 site Manufactured Housing Community ("MHC") named Mountview Mobile Home Park ("Mountview") located in Calgary, Alberta. The acquisition price for 100% of Mountview was $16.9 million (excluding transaction costs). The acquisition price for the Trust's portion of the portfolio was $8.5 million; and

- **Declaration of Monthly Distributions:** The Trust is pleased to announce that it has declared and approved monthly distributions in the amount of $0.0425 per Trust Unit for Unitholders of record on July 30, 2021, August 31, 2021, and September 30, 2021 payable on or about, August 16, 2021, September 15, 2021 and October 15, 2021, respectively.

POST QUARTER HIGHLIGHTS

Beyond the first quarter of 2021, the following transactions occurred in the Trust:

- **$11.3 Million Mortgage Financing:** On April 30, 2021, Mountview was financed with a $11.3 million first mortgage with a Canadian Chartered Bank. The interest only mortgage carries a 2.5% interest rate and a 1 year term. The Trust's portion of the mortgage is approximately $5.7 million;

- **$25.0 Million Multi-Residential Acquisition:** On May 3, 2021, the Trust closed the acquisition of 128 units in two multi-residential buildings located in Edmonton, Alberta (the “Edmonton Property”) for approximately $25.0 million (excluding transaction costs). The Edmonton Property has a strong 98% occupancy rate and was purchased for approximately $195,000 per unit or $180 per square foot. The Edmonton Property was financed with a new $17.0 million mortgage with a Canadian Chartered Bank for an interest rate of approximately 2.5%, term of five years and a 30 year amortization. The Trust acquired the Edmonton Property such that the Trust owns 70% and private clients affiliated with certain members of senior management and the board of trustees of the Trust owning the remaining 30%. The Trust's portion of the acquisition price was approximately $17.5 million (excluding transaction costs); and

- **$18.0 Million Multi-Residential Acquisition:** On May 5, 2021, the Trust closed the acquisition of 132 units in three multi-residential buildings located in Lower Sackville, Nova Scotia (the “Lower Sackville Property”) for approximately $18.0 million (excluding transaction costs). The Lower Sackville Property has enjoyed strong 98% occupancy rates or higher since 2018. The Lower Sackville Property was purchased for approximately $136,300 per unit or $113 per square foot. The Lower Sackville Property was financed with a new $13.7 million mortgage with a Canadian Chartered Bank for an interest rate of approximately 2.4%, term of five years and a 30 year amortization. The Trust acquired the Lower Sackville Property such that the Trust owns 70% and private clients affiliated with certain members of senior management and the board of trustees of the Trust owning the remaining 30%. The Trust's portion of the acquisition price was approximately $12.7 million (excluding transaction costs).

PORTFOLIO HIGHLIGHTS

Based on the Trust's pro rata interests as at March 31, 2021, the portfolio consists of 72 commercial properties with a total gross leasable area ("GLA") of 2,313,389 square feet, two multi-residential complexes comprised of 204 units and one Manufactured Homes Community comprised of 181 units.

		Occupancy				
Retail	**Gross Leaseable Area**	**Q1/2021**	**Q4/2020**	**Q3/2020**	**Q2/2020**	**Q1/2020**
Bridgewater, Nova Scotia	46,903	93.8%	97.1%	97.1%	86.3%	86.3%
Brampton, Ontario	36,137	86.0%	86.0%	86.0%	92.1%	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	116,236	92.6%	92.6%	92.6%	92.6%	92.6%
Centre Ice Retail Portfolio	73,501	93.3%	84.9%	84.9%	84.9%	93.1%
The Whitby Mall, Ontario	153,214	92.4%	93.1%	91.0%	91.0%	90.3%
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	511,248	96.4%	97.1%	96.9%	97.1%	97.1%
Gateway Village	52,748	93.8%	93.8%	93.8%	90.9%	91.5%
Total / Weighted Average	**1,227,610**	**95.5%**	**95.5%**	**94.9%**	**94.6%**	**95.6%**
Office						
Barrie, Ontario	39,495	47.9%	47.9%	47.9%	47.6%	47.6%
Total / Weighted Average	**39,495**	**47.9%**	**47.9%**	**47.9%**	**47.6%**	**47.6%**
Industrial						
Montreal, Quebec	594,643	100.0%	97.2%	97.8%	97.5%	97.5%
Waterloo, Ontario	358,174	96.9%	96.9%	99.0%	90.0%	99.1%
Edmonton, Alberta	93,469	82.7%	82.7%	79.7%	80.7%	91.0%
Total / Weighted Average	**1,046,285**	**97.4%**	**95.8%**	**96.6%**	**93.5%**	**97.5%**
Total / Wtd. Average	**2,313,389**	**95.7%**	**94.9%**	**95.0%**	**93.4%**	**94.2%**

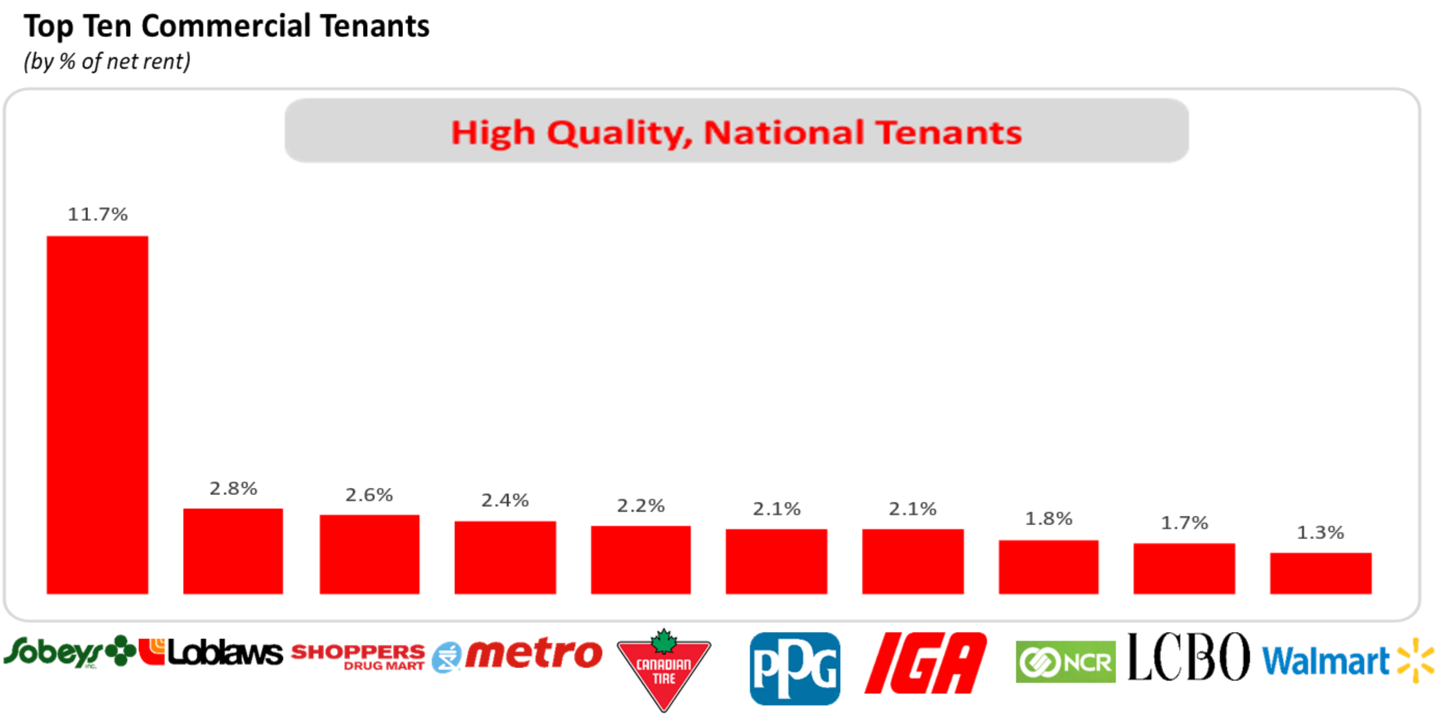
Multi-Residential	**Units**				**Occupancy**	
Ottawa, Ontario	135	92.6%	91.1%	91.9%	98.5%	96.3%
Dartmouth, Nova Scotia	69	100.0%	100.0%	100.0%	100.0%	100.0%
Residential Total / Wtd. Average	**204**	**96.3%**	**95.6%**	**96.0%**	**99.3%**	**98.2%**

Manufactured Homes Communities		
Calgary, Alberta	**181**	**100.0%**

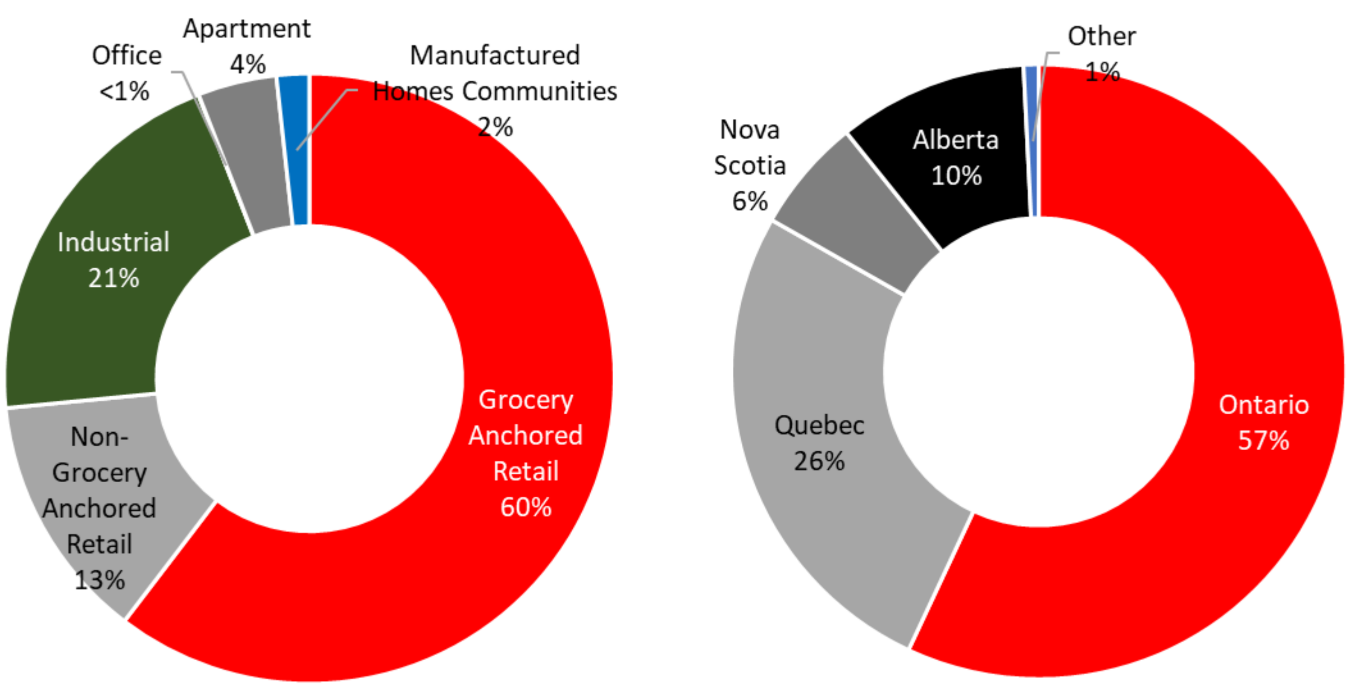
TENANT DIVERSIFICATION

The portfolio is well diversified by tenant profile with no tenant currently accounting for more than 11.7% of total net rent. Further, the top 10 tenants are comprised of large national tenants and account for 30.6% of total net rent:

Tenant Diversification – March 31, 2021



Geographical and Asset Class Portfolio Diversification based on NOI



MANAGEMENT DISCUSSION & ANALYSIS

OCCUPANCY

As at March 31, 2021, commercial portfolio occupancy was 95.7%, an 80 basis point increase over the 94.9% reported at December 31, 2020 and a 150 basis point increase over the 94.2% reported at March 31, 2020. The increase over both periods is due to increased industrial portfolio occupancy, offset by a decrease in the retail portfolio.

As at March 31, 2021, occupancy for the multi-residential portfolio was 96.3%, a 70 basis point increase with the 95.6% reported at December 31, 2020.

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, 2021	Dec 31, 2020	Sept 30, 2020	June 30, 2020	Mar 31, 2020
Retail	$ 17.27	$ 17.02	$ 16.89	$ 16.80	$ 16.88
Industrial	$ 6.50	$ 6.41	$ 6.38	$ 6.14	$ 6.05
Office	$ 11.94	$ 11.94	$ 11.94	$ 12.15	$ 12.09
Multi-Residential	$ 1,062	$ 1,074	$ 1,061	$ 1,054	$ 1,043
Manufactured Homes Communities	$ 535	$ -	$ -	$ -	$ -

	Q1 2021 vs. Q4 2020	Q1 2021 vs. Q1 2020
Retail	1.5%	2.3%
Industrial	1.4%	7.4%
Office	0.0%	-1.3%
Multi-Residential	-1.1%	1.8%
Manufactured Homes Communities	N/A	N/A

RESULTS OF OPERATIONS

RENTAL REVENUE

Rental revenue for the three months ended March 31, 2021 was $11,337,581, a 3% increase over the $10,990,587 reported for the three months ended December 31, 2020 and a 1% increase over the $11,254,472 reported for the three months ended March 31, 2020. Rental revenue includes all amounts earned from tenants' lease agreements including rent, operating costs and realty tax recoveries.

	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
Base Rent	$ 7,368,294	$ 7,381,872	$ 7,254,448
Operating Cost Recoveries	1,819,506	1,588,511	1,775,388
Tax Recoveries	2,047,459	1,933,928	2,045,768
Straight Line Rent	125,837	123,765	196,380
Free Rent	(23,516)	(37,491)	(17,512)
Rental Revenue	**$ 11,337,581**	**$ 10,990,587**	**$ 11,254,472**

The variance in comparing the three months ended March 31, 2021 over the three months ended December 31, 2020 and March 31, 2020 is largely due to increased rental income from the Trust's various acquisitions along with the occupancy and net rent 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, 2021 were $4,286,493 a 10% increase in comparison to the $3,903,495 reported for the three months ended December 31, 2020 and a 1% increase over the $4,227,486 reported for the three months ended March 31, 2020. 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:

	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
Realty Taxes	$ 2,199,379	$ 2,137,268	$ 2,221,372
Property Management	426,282	451,745	434,196
Operating Expenses	1,660,832	1,314,482	1,571,919
Property Operating Expenses	**$ 4,286,493**	**$ 3,903,495**	**$ 4,227,486**

The variance in comparing the three months ended March 31, 2021 over the three months ended December 31, 2020 and March 31, 2020 is largely due to the impact of the Trust's various acquisitions.

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

On an IFRS basis, NOI for the three months ended March 31, 2021 was $7,051,088 a 1% decrease compared to the $7,087,091 reported for the three months ended December 31, 2020, but a 1% increase in comparison to the $7,026,986 reported for the three months ended March 31, 2020.

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, 2021 was $6,948,767 a 1% decrease compared to the $7,000,818 reported for the three months ended December 31, 2020, but a 1% increase over the $6,848,118 reported for the three months ended March 31,2020.

	Three Months Ended		
	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
Rental Revenue	**$ 11,337,581**	**$ 10,990,587**	**$ 11,254,472**
Property Operating Expenses	(4,286,493)	(3,903,495)	(4,227,486)
NOI - IFRS Basis	**$ 7,051,088**	**$ 7,087,092**	**$ 7,026,986**
Less: Straight-Line Rent	(125,837)	(123,765)	(196,380)
Less: Free Rent	23,516	37,491	17,512
NOI - Cash Basis	**$ 6,948,767**	**$ 7,000,818**	**$ 6,848,118**

NOI - Cash Basis	
% Change vs. December 31, 2020	**-1%**
% Change vs. March 31, 2020	**1%**

FINANCE COSTS

Finance costs for the three months ended March 31, 2021 were $2,208,052, a 1% decrease in comparison to the $2,225,297 reported for the three months ended December 31, 2020 and a 54% decrease in comparison to the $4,748,603 reported for the three months ended March 31, 2020. Finance costs are comprised of the following:

	Three Months Ended		
	Mar 31, 2021	**Dec 31, 2020**	**Mar 31, 2020**
Mortgage Interest	$ 1,986,153	$ 2,247,505	$ 1,957,433
Bank Indebtedness Interest	62,860	111,700	93,213
Finance Fee Amortization	209,565	107,948	54,116
Non-cash Interest Expense	(50,530)	(241,410)	2,643,841
Finance Costs	**$ 2,208,052**	**$ 2,225,297**	**$ 4,748,603**

The variance in comparing the three months ended March 31, 2021 over the three months ended December 31, 2020 was mainly due to the repayment of mortgages as part of the Centre Ice Retail dispositions 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 outlined below, the weighted average interest rate of the mortgages as at March 31, 2021 stands at approximately 3.4%.

*GENERAL AND ADMINISTRATIVE ("**G&A**") EXPENSES*

G&A expenses for the three months ended March 31, 2021 were $1,664,105, a 68% increase in comparison to the $990,186 reported for the three months ended December 31, 2020 and a 65% increase in comparison to the $1,009,151 reported for the three months ended March 31, 2020. Public company expenses include trustee fees, transfer agent fees, press releases and print media.

	Three Months Ended		
	Mar 31, 2021	**Dec 31, 2020**	**Mar 31, 2020**
Asset Management & Performance Incentive Fees	$ 1,354,546	$ 763,810	$ 767,347
Public Company Expenses	59,110	66,057	65,819
Office & General	250,449	160,319	175,985
General & Administrative	**$ 1,664,105**	**$ 990,186**	**$ 1,009,151**

The variance in comparing the three months ended March 31, 2021 over the three months ended December 31, 2020 is largely due to an increase in asset management and performance incentive fees due to the Trust's various acquisitions and gain on sale of real estate properties.

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

Net Income for the three months ended March 31, 2021 was $10,159,514, in comparison to the 13,419,177 in net income reported for the three months ended December 31, 2020 and the ($5,365,029) net loss reported for the three months ended March 31, 2020.

The variance in comparing the three months ended March 31, 2021 over the three months ended December 31, 2020 and March 31, 2020 is largely due to an increase in the fair market value adjustment of investment properties and higher cash flows from rental operations, offset by higher G&A.

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
Q1/2021	$ 11,337,581	$ 8,226	$ 11,345,807	$ 7,051,088	$ 10,159,514
Q4/2020	$ 10,990,587	$ 9,127	$ 10,999,714	$ 7,087,092	$ 13,419,177
Q3/2020	$ 11,313,104	$ 8,376	$ 11,321,480	$ 7,558,421	$ 3,933,363
Q2/2020	$ 10,978,178	$ 5,726	$ 10,983,904	$ 6,832,758	$ 3,843,611
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

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

MANAGEMENT DISCUSSION & ANALYSIS

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, 2021, December 31, 2020 and March 31, 2020:

	Three Months Ended		
Net Operating Income	**Mar 31, 2021**	**Dec 31, 2020**	**Mar 31, 2020**
Rental Revenue	$ 11,337,581	$ 10,990,587	$ 11,254,472
Property Operating Expenses	(4,286,493)	(3,903,495)	(4,227,486)
	7,051,088	7,087,092	7,026,986
Interest and Other Income	8,226	9,127	28,733
Expenses			
Finance Costs	2,208,052	2,225,297	4,748,603
General and Administrative	1,664,105	990,186	1,009,151
	3,872,157	3,215,483	5,757,754
Income Before Fair Value Adjustments	3,187,157	3,880,737	1,297,965
Fair Value Adjustments:			
Investment Properties	7,529,486	10,150,458	(7,823,765)
Loss on Sale of Investment Properties	(263,891)	-	-
	(293,239)	(612,019)	1,160,771
Net Income/(Loss) and Comprehensive Income	**$ 10,159,514**	**$ 13,419,177**	**$ (5,365,029)**

	Three Months Ended		
	Mar 31, 2021	**Dec 31, 2020**	**Mar 31, 2020**
Net Income & Comprehensive Income	**10,159,514**	**13,419,177**	**(5,365,029)**
Fair Value Adjustments:			
Investment Properties	(7,529,486)	(10,150,458)	7,823,765
Loss on Sale of Investment Properties	263,891	-	-
Unit-Based Compensation Expense/(Recovery)	293,239	612,019	(1,160,771)
Finance Costs, Net of Interest and Other Income	2,040,788	2,350,078	2,021,913
Finance Fee Amortization	209,565	107,498	54,116
Non-cash Interest Expense	(50,530)	(241,410)	2,643,839
Land Lease Amortization	16,996	16,996	17,513
Straight-line Rent Adjustment	(125,837)	(123,765)	(196,380)
Free Rent, Net of Amortization	23,516	37,491	17,512
Change in Working Capital			
Accounts and Note Receivable	(1,234,232)	(377,704)	1,053,962
Prepaid Expenses, Deposits and Other Assets	(1,228,525)	538,486	(1,333,556)
Restricted Cash	(2,183)	(154,904)	(12,758)
Accounts Payable and Accrued Liabilities	839,220	1,049,733	(2,140,597)
Tenant Rental Deposits	96,184	(51,383)	59,864
Cash Flows From Operating Activities	**$ 3,772,123**	**$ 7,031,857**	**$ 3,482,664**

FFO AND AFFO

FFO for the three months ended March 31, 2021 was approximately $3.5 million, an 6% increase over the $3.3 million reported for the three months ended December 31, 2020, and a 41% increase over the $2.5 million reported for the three months ended March 31, 2020. Including gains on sales from the Centre Ice Retail Portfolio, FFO was approximately $6.8 million.

AFFO for the three months ended March 31, 2021 was approximately $3.4 million, inline with the $3.4 million reported for the three months ended December 31, 2020, and largely in line with the $3.6 million reported for the three months ended March 31, 2020. Including gains on sales from the Centre Ice Retail Portfolio, AFFO was approximately $6.7 million.

FFO per Unit was $0.118 for the three months ended March 31, 2021 compared to the $0.111 per Unit reported for the three months ended December 31, 2020 and the $0.08 per Unit reported for the three months ended March 31, 2020. Including gains on sales from the Centre Ice Retail Portfolio, FFO per Unit was $0.230.

AFFO per Unit was $0.117 for the three months ended March 31, 2021 compared to the $0.115 per Unit reported for the three months ended December 31, 2020 and the $0.117 per Unit reported for the three months ended March 31, 2020. Including gains on sales from the Centre Ice Retail Portfolio, AFFO per Unit was $0.229.

FFO Payout Ratio was 108% for the three months ended March 31, 2021, compared to the 112% for the three months ended December 31, 2020 and the 156% reported for the three months ended March 31, 2020. Including gains on sales from the Centre Ice Retail Portfolio, FFO Payout Ratio was 55%.

AFFO Payout Ratio was 109% for the three months ended March 31, 2021, compared to the 109% for the three months ended December 31, 2020 and the 107% reported for the three months ended March 31, 2020. Including gains on sales from the Centre Ice Retail Portfolio, AFFO Payout Ratio was 56%.

For the three months ended March 31, 2021, the Trust had TIs/LCs and capital expenditures of approximately $1.1 million (2020 - $1.4 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, 2021	Dec 31, 2020	Mar 31, 2020
Cash Flows from Operating Activities	**$ 3,772,123**	**$ 7,031,857**	**$ 3,482,664**
Add (deduct):			
Tenant Rental Deposits	(96,184)	51,383	(59,864)
Accounts Payable and Accrued Liabilities	(839,220)	(1,049,733)	2,141,329
Restricted Cash	2,183	154,904	12,758
Prepaid Expenses, Deposits & Other Assets	1,228,525	(538,486)	1,333,556
Accounts Receivable	1,234,232	377,704	(1,053,962)
Finance Fee Amortization	(209,565)	(107,498)	(54,116)
Land Lease Amortization	(16,996)	(16,996)	(17,513)
Finance Costs, Net of Interest & Dividends	(2,040,788)	(2,350,078)	(2,021,913)
Unit Based Compensation (Expense/Recovery)	(293,239)	(612,019)	1,160,771
Straight-Line Rent Adjustment	125,837	123,765	196,380
Free Rent, Net of Amortization	(23,516)	(37,491)	(17,512)
Non-Cash Interest Expense	50,530	241,410	(2,643,839)
Add: Performance Fee Attributable to Gain from Sale of Real Estate	581,536	-	-
FFO	**$ 3,475,457**	**$ 3,268,721**	**$ 2,458,737**
Straight Line Rent Adjustment	(125,837)	(123,765)	(196,380)
Free Rent, Net of Amortization	23,516	37,491	17,512
Tenant Inducements, Leasing Costs & Capex	(176,277)	(177,177)	(175,675)
Non-Cash Interest Expense	(50,530)	(241,410)	2,643,839
Unit Based Compensation Expense	293,239	612,019	(1,160,771)
AFFO	**$ 3,439,568**	**$ 3,375,880**	**$ 3,587,261**
Gain on Sale from Real Estate Properties	3,876,905	-	-
Performance Fee Attributable To Gain from Sale of Real Estate	(581,536)	-	-
FFO (Includes Gain on Sale from real estate)	**$ 6,770,826**	**$ 3,268,721**	**$ 2,458,737**
AFFO (Includes Gain on Sale from real estate)	**$ 6,734,937**	**$ 3,375,880**	**$ 3,587,261**
FFO Per Unit	**$ 0.118**	**$ 0.111**	**$ 0.080**
AFFO Per Unit	**$ 0.117**	**$ 0.115**	**$ 0.117**
FFO Per Unit*	**$ 0.230**	**$ -**	**$ -**
AFFO Per Unit*	**$ 0.229**	**$ -**	**$ -**
Distributions Per Unit	**$ 0.128**	**$ 0.125**	**$ 0.125**
FFO Payout Ratio	**108%**	**112%**	**156%**
AFFO Payout Ratio	**109%**	**109%**	**107%**
FFO Payout Ratio*	**55%**	**-**	**-**
AFFO Payout Ratio*	**56%**	**-**	**-**

*** = Includes gain on sale from real estate**

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, 2021 over the three months ended March 31, 2020 is largely due to the positive impact from the Trust’s acquisitions and increased occupancy and net rents, offset by higher operating and G&A expenses.

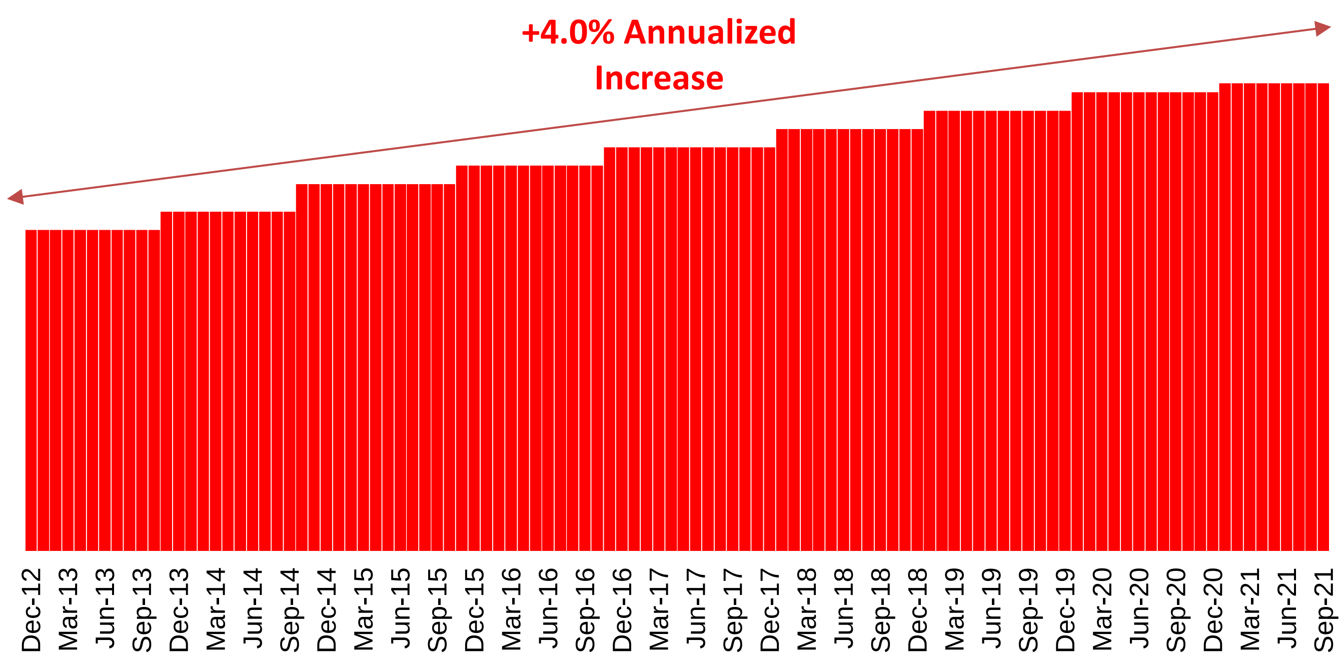
AFFO is calculated largely in accordance with the guidelines set out by RealPAC and is defined as FFO less adjustments for non-cash items such as straight-line rent, free rent and noncash interest expense as well as normalized capital expenditures, tenant inducements and leasing charges. However, under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

AFFO, but the Trust adds back this expense and includes gains on the sale of real estate properties calculated as net proceeds less carrying value excluding fair value adjustments.

DISTRIBUTIONS

For the three months ended March 31, 2021, distributions of $0.0425 per unit were declared each month commencing in January 2021 through to March 2021, resulting in total distributions declared of $3,770,715. 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.

Since the Trust's inception in Q4/2012, distributions have been raised nine times in nine years and represents a cumulative increase of 45.7% or 4.0% on an annualized basis since the Trust's inception in 2012. For 2020, distributions were 100% Return of Capital.



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, 2021, December 31, 2020 and March 31, 2020 are outlined below:

	Three Months Ended		
	Mar 31, 2021	**Dec 31, 2020**	**Mar 31, 2020**
Cash Flow From Operating Activities (A)	**$ 3,772,123**	**$ 7,031,857**	**$ 3,482,664**
Net Cash Interest Expense			
Less: Mortgage Interest	$ (1,986,153)	$ (2,247,505)	$ (1,957,443)
Less: Bank Indebtedness Interest	(62,860)	(111,700)	(93,213)
Add: Interest and Other Income	8,226	9,127	28,733
Net Cash Interest Expense (B)	**$ (2,040,787)**	**$ (2,350,078)**	**$ (2,021,923)**
Net Cash Flows from Operating Activities (A-B) = (C)	**$ 1,731,336**	**$ 4,681,777**	**$ 1,460,741**
Net Income & Comprehensive Income (D)	**$ 10,159,514**	**$ 13,419,177**	**$ (5,365,029)**
Distributions (E)	**$ 3,770,715**	**$ 3,668,741**	**$ 3,830,598**
Excess / (Shortfall) of Net Cash Flow From Operating Activities Over Distributions (C-E)	**$ (2,039,379)**	**$ 1,013,036**	**$ (2,369,850)**
Excess / (Shortfall) of Net Income & Comprehensive Income Over Distributions (D-E)	**$ 6,388,799**	**$ 9,750,436**	**$ (9,195,620)**

For the three months ended ended March 31, 2020 and March 31, 2021, 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 distributions were paid in the normal course from recurring cash flow and had no impact on the sustainability of distributions given that the distributions were covered from ongoing cash flows generated from the trust's investment portfolio.

SEGMENT INFORMATION AND CO-OWNERSHIP INTERESTS

SEGMENT INFORMATION

The Trust operates in six reportable segments: grocery anchored retail, non-grocery anchored retail, industrial, multi-residential, manufactured home communities and core service office provider and evaluates performance based on net income and comprehensive income which is presented by segment as outlined below:

	Grocery Anchored Retail	Non-Grocery Anchored Retail	Industrial	Multi-Residential	Core Service Office Provider	Manufactured Homes Communities	Corporate	Period Ended March 31, 2021
Net Operating Income								
Rental Revenue	$ 6,511,358	$ 1,534,319	$ 2,678,737	$ 426,534	$ 158,095	$ 28,538	-	$ 11,337,581
Property Operating Expenses	(2,350,453)	(586,929)	(973,834)	(198,915)	(159,000)	(16,883)	(480)	(4,286,493)
	4,160,905	947,390	1,704,903	227,619	(905)	11,655	(480)	7,051,088
Interest and Other Income	-	-	-	-	-	-	8,226	8,226
Expenses:								
Finance Costs	1,328,476	29,278	484,715	79,604	30,241	-	255,738	2,208,052
General and Administrative	462,593	67,714	139,412	31,474	-	4,843	958,069	1,664,105
	1,791,069	96,992	624,127	111,078	30,241	4,843	1,213,807	3,872,157
Income Before Fair Value Adjustments	2,369,836	850,398	1,080,776	116,541	(31,146)	6,812	(1,206,060)	3,187,157
Fair Value Adjustments:								
Investment Properties	325,162	1,235,979	5,969,593	43,448	(44,696)	-	-	7,529,486
Loss on Sale of Investment Properties	-	(263,891)	-	-	.	-	-	(263,891)
Unit-based Compensation Recovery/(Expense)	-	-	-	-	-	-	(293,239)	(293,239)
Net Income/(Loss) and Comprehensive Income/(Loss)	$ 2,694,998	$ 1,822,486	$ 7,050,369	$ 159,989	$ (75,842)	$ 6,812	$ (1,499,299)	$ 10,159,514

	Grocery Anchored Retail	Non-Grocery Anchored Retail	Industrial	Multi-Residential	Core Service Office Provider	Manufactured Homes Communities	Corporate	Period Ended March 31, 2020
Net Operating Income								
Rental Revenue	$ 6,409,649	$ 1,904,329	$ 2,368,503	$ 430,591	$ 141,400	$ -	-	$ 11,254,472
Property Operating Expenses	(2,265,949)	(740,093)	(900,276)	(193,133)	(128,035)	-	-	(4,227,486)
	4,143,700	1,164,235	1,468,227	237,458	13,366		-	7,026,986
Interest and Other Income	10,482	-	243	19	-	-	17,989	28,733
Expenses:								
Finance Costs	2,800,423	160,334	1,660,536	94,958	32,353	-	-	4,748,603
General and Administrative	106,139	49,269	126,787	27,394	224	-	700,072	1,009,151
	2,906,562	209,603	1,787,323	122,352	32,577		700,072	5,757,754
Income Before Fair Value Adjustments	1,247,620	954,633	(318,853)	115,125	(19,211)	-	(682,083)	1,297,965
Fair Value Adjustments:								
Investment Properties	(7,678,139)	(696,964)	3,498	559,420	(11,580)	-	-	(7,823,765)
Unit-based Compensation Recovery/(Expense)	-	-	-	-	-	-	1,160,771	1,160,771
Net Income/(Loss) and Comprehensive Income/(Loss)	$ (6,430,519)	$ 257,670	$ (315,355)	$ 674,545	$ (30,791)	$ -	$ 478,688	$ (5,365,029)

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, 2021			
	Trust Wholly Owned	Co-Owned at Proportionate Ownership	Trust Investment Total	Co-owned at 100%
Current Assets	$ 1,639,179	$ 26,370,115	$ 28,009,294	$ 62,113,234
Non-Current Assets	97,194,678	366,781,009	463,975,688	744,213,576
Total Assets	**$ 98,833,857**	**$ 393,151,124**	**$ 491,984,982**	**$ 806,326,810**
Current Liabilities	26,625,348	30,269,131	56,894,479	50,773,099
Non-Current Liabilities	19,343,477	185,659,773	205,003,250	$ 370,795,832
Total Liabilities	**$ 45,968,825**	**$ 215,928,903**	**$ 261,897,729**	**$ 421,568,930**
Total Owners' Equity	**$ 52,865,032**	**$ 177,222,222**	**$ 230,087,253**	**$ 384,757,880**

	As at December 31, 2020			
	Trust Wholly Owned	Co-Owned at Proportionate Ownership	Trust Investment Total	Co-owned at 100%
Current Assets	$ 878,687	$ 30,214,587	$ 31,093,275	$ 67,242,086
Non-Current Assets	87,017,187	362,410,206	449,427,393	710,048,124
Total Assets	**$ 87,895,874**	**$ 392,624,793**	**$ 480,520,668**	**$ 777,290,210**
Current Liabilities	16,679,315	29,621,856	46,301,171	51,360,944
Non-Current Liabilities	19,496,475	191,271,068	210,767,543	$ 379,511,549
Total Liabilities	**$ 36,175,790**	**$ 220,892,924**	**$ 257,068,714**	**$ 430,872,493**
Total Owners' Equity	**$ 51,720,085**	**$ 171,731,869**	**$ 223,451,954**	**$ 346,417,717**

	Period Ended March 31, 2021			
	Trust Wholly Owned	Co-Owned at Proportionate Ownership	Total	Co-Owned at 100%
Net Operating Income				
Rental Revenue	$ 1,969,627	$ 9,367,954	$ 11,337,581	$ 18,254,661
Property Operating Expenses	(882,130)	(3,404,363)	(4,286,493)	(6,883,446)
	1,087,497	5,963,591	7,051,088	11,371,215
Interest and Other Income	-	8,226	8,226	16,221
Expenses:				
Finance Costs	229,367	1,978,685	2,208,052	3,590,028
General and Administrative	1,060,022	604,083	1,664,105	488,949
	1,289,389	2,582,768	3,872,157	4,078,977
Income Before Fair Value Adjustments	(201,891)	3,389,048	3,187,157	7,308,459
Fair Value Adjustments:				
Investment Properties	(21,742)	7,551,228	7,529,486	18,104,000
Loss on Sale of Investment Properties	-	(263,891)	(263,891)	(376,987)
Unit-based Compensation Recovery/(Expense)	(293,239)	-	(293,239)	-
Net Income/(Loss) and Comprehensive Income/(Loss)	$ (516,872)	$ 10,676,386	$ 10,159,514	$ 25,035,472

	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 Recovery/(Expense)	(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 Adjustments:				
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)

COMPARABLE CASH FLOWS

Comparable operating, investing and financing cash flows for the three months ended March 31, 2021 and March 31, 2020 are outlined below:

		Three Months Ended		
		Mar 31, 2021		Mar 31, 2020
Operating Activities	$	3,772,123	$	3,482,659
Investing Activities		(2,370,652)		(6,779,368)
Financing Activities		(2,031,687)		(18,389,178)
Increase/(Decrease) in Cash & Cash Equivalents	**$**	**(630,216)**	**$**	**(21,685,886)**
Cash & Cash Equivalents / (Bank Indebtedness), Beginning of Period		5,685,951		12,746,594
Cash & Cash Equivalents / (Bank Indebtedness), End of Period	**$**	**5,055,736**	**$**	**(8,939,292)**

Cash provided by operating activities increased for the three months ended March 31, 2021 in comparison to the three months ended March 31, 2020 largely due to changes in working capital.

Cash provided by investing activities increased for the three months ended March 31, 2021 in comparison to the three months ended March 31, 2020 largely due to the proceeds received from the Centre Ice dispositions, offset by the Mountview acquisition.

Cash provided by financing activities increased for the three months ended March 31, 2021 in comparison to the three months ended March 31,2020 due to lower mortgage repayment activity, offset by higher bank indebtedness draws due to in large part the Mountview acquistion.

INVESTMENT PROPERTIES

As at March 31, 2021, the Trust’s property portfolio consisted of 74 properties with a fair value of $463.3 million, in comparison to the $449.4 million reported as at December 31, 2020. The variance is largely due to assets reclassed to Assets Held for Sale, offset by a higher net fair market value adjustment due to lower capitalization rates and the Mountview acquisition. The investment portfolio valuation is allocated by property type as follows:

		Retail and Commercial		Core Service Provider Office		Industrial		Multi-Residential		Manufactured Home Communities		Total
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		-		-		1,377,021
Fair Value Adjustment		(8,129,019)		(12,428)		(241,736)		559,419		-		(7,823,764)
Balance, March 31, 2020	$	330,509,286	$	5,339,600	$	103,321,511	$	18,996,966	$	-	$	458,167,358
Dispositions		-		-		(34,024)		-		-		(34,024)
Capital Expenditures		2,203,559		53,420		1,469,142		84,772		-		3,810,892
Straight-line Rents		277,156		577		7,074		-		-		284,807
Transfers to Assets Held for Sale		(20,043,100)		-		-		-		-		(20,043,100)
Fair Value Adjustment		(307,417)		(61,321)		6,663,439		946,759		-		7,241,460
Balance, December 31, 2020	$	312,639,484	$	5,332,276	$	111,427,142	$	20,028,497	$	-	$	449,427,393
Acquisitions		-		-		-		-		8,653,157		8,653,157
Capital Expenditures		974,200		14,335		135,271		-		-		1,123,806
Straight-line Rents		120,195		349		5,293		-		-		125,837
Transfers to Assets Held for Sale		(3,584,000)		-		-		-		-		(3,584,000)
Fair Value Adjustment		1,561,141		(44,696)		5,969,593		43,448		-		7,529,486
Balance, March 31, 2021	$	311,711,020	$	5,302,267	$	117,537,299	$	20,071,945		8,653,157	$	463,275,688

For the period ended March 31, 2021, 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, 2021	Retail & Commercial	Core Service Provider Office	Industrial	Multi-Residential	Manufactured Housing Communities	Weighted Average
Capitalization Rate Range	4.16% - 7.75%	7.00%	4.75% - 7.00%	5.00%-5.10%	5.75%	5.93%
Weighted Average Capitalization Rate	6.20%	7.00%	5.27%	5.06%	5.75%	5.93%

December 31, 2020	Retail & Commercial	Core Service Provider Office	Industrial	Multi-Residential	Manufactured Housing Communities	Weighted Average
Capitalization Rate Range	4.16% - 7.75%	7.00%	5.25% - 7.00%	5.00%-5.10%	-	6.02%
Weighted Average Capitalization Rate	6.24%	7.00%	5.54%	5.06%	-	6.02%

Assets Held For Sale: The Trust has entered into purchase and sale agreements for nine assets from the Centre Ice Retail Portfolio with gross proceeds of approximately $22.6 million. These condensed consolidated interim financial statements carry these properties as an asset held for sale at its fair market value as at March 31, 2021 for approximately $15.8 million at its proportionate consolidated basis ($20 million as of December 31, 2020).

Gain On Sale of Investment Properties: On June 30, 2020, the Trust completed the sale of its interest in a portion of land from the Waterloo Industrial Portfolio with gross proceeds of approximately $0.06 million. The Trust's pro-rata share of the gross proceeds is $0.04 million. The Trust recognized a gain on sale of approximately $0.01 million.

During the three months ended March 31, 2021, the Trust completed sales of four retail properties from the Centre Ice Retail Portfolio with gross proceeds of approximately $11 million. The Trust's pro-rata share of the gross proceeds was $7.7 million. The Trust recogizied a loss on sale of $0.3 million.

Note Receivable: As part of one of the dispositions, the Centre Ice Retail Portfolio co-tenancy assumed a note receivable from the purchaser for $1.0 million. Terms are 5% interest only, two year term, fully open for repayment prior to maturity and fully secured against the disposed property. The Trust's portion of the note receivable is $0.7 million as at March 31, 2021.

CURRENT ASSETS

Current assets as at March 31, 2021, December 31, 2020 and March 31, 2020 consisted of the following:

	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
Accounts Receivable	3,501,271	2,959,845	1,730,679
Prepaid Expenses, Deposits & Other Assets	3,428,716	2,200,191	3,009,405
Cash & Cash Equivalents	5,055,736	5,685,951	-
Restricted Cash	206,371	204,188	205,196
Assets Held For Sale	15,817,200	20,043,100	-
	$ 28,009,294	**$ 31,093,275**	**$ 4,945,280**

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 assets that is under contract to be sold as outlined above.

BANK INDEBTEDNESS

Revolving Operating Facility: 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, 2021, 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, 2022. Amounts drawn under the Facility as at March 31, 2021 and December 31, 2020 were $11,839,476 and $2,038,051, respectively.

Line of Credit: The Trust has entered into a Line of Credit (the "LOC") with a Canadian Chartered Bank (the "Bank") fully secured by first charges against the Merivale Mall Property. On March 31, 2021, the total amount available under the LOC 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 November 30, 2025. Amounts drawn under the LOC as at March 31, 2021 and December 31, 2020 were $18,500,000 and $nil, respectively.

MORTGAGES

As at March 31, 2021, total outstanding mortgages were $221,536,818 ($227,519,621 as at December 31, 2020), net of unamortized financing costs of $1,185,944 ($1,303,922 as at December 31, 2020), offset by a $495,467 ($545,996 as at December 31, 2020) mark to market adjustment with a weighted average interest rate of approximately 3.4% (3.4% as at December 31, 2020) and weighted average repayment term of approximately 3.7 years (3.9 years as at December 31, 2020). The mortgages are repayable as follows:

	Scheduled Principal Repayments	Debt Maturing During The Period	Total Mortgages Payable	Scheduled Interest Payments
2021	4,062,324	8,514,437	12,576,761	5,617,579
2022	5,902,511	6,268,275	12,170,786	6,811,360
2023	5,120,438	48,413,617	53,534,055	5,840,692
2024	2,593,251	87,293,847	89,887,098	2,975,981
2025	1,513,699	12,095,829	13,609,528	1,565,683
Thereafter	3,544,128	36,904,937	40,449,066	5,140,098
Face Value	$ 22,736,352	$ 199,490,942	$ 222,227,295	$27,951,393
Unamortized Financing Costs			(1,185,944)	
Mark to Market on Assumed Mortgages			495,467	
Total Mortgages			**$ 221,536,818**	

	March 31, 2021	December 31, 2020
Current:		
Mortgages	$ 18,539,826	$ 18,627,014
Unamortized Financing Costs	(471,909)	(485,287)
Mark to Market on Assumed Mortgages	154,913	173,609
	$ 18,222,830	$ 18,315,336
Non-Current:		
Mortgages	$ 203,687,469	$209,650,534
Unamortized Financing Costs	(714,035)	(818,635)
Mark to Market on Assumed Mortgages	340,554	372,387
	$ 203,313,988	$209,204,286
	$ 221,536,818	**$227,519,621**

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

On April 30, 2020, the Trust refinanced its existing mortgage on its Waterloo Industrial Portfolio with a Canadian Chartered Bank. The principal balance of the mortgage at maturity was $24.8 million, while the Trust's portion was $17.3 million. The new mortgage is a $39.0 million first mortgage with an interest rate of prime plus 25 basis points with a 21.5 year amortization. The Trust's portion of this new mortgage is $27.3 million.

On April 30, 2020, the Trust refinanced its existing mortgage on its Whitby Mall Property with a Canadian Chartered Bank. The principal balance of the mortgage at maturity was $23.8 million, while the Trust's portion was $9.5 million. The new mortgage is an $18.0 million first mortgage fixed at an interest rate of 2.1% with a 25 year amortization. The Trust's portion of this new mortgage is $14.4 million.

On November 9, 2020, the Trust financed two new mortgages totaling $5.1 million on its Edmonton Industrial Portfolio. The Trust's portion of these financings are $2.5 million. The mortgages have a 3.45% interest rate, amortizes and matures on December 5, 2022.

During the three months ended March 31, 2021, the Trust completed sales of four retail properties from the Centre Ice Retail Portfolio for gross proceeds of approximately $7.7 million. The Trust used these proceeds to reduce the current mortgage balance on the portfolio by $4.6 million encumbering the Centre Ice 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%):

	Lease Liability			
	Opening Balance	**Lease Payment**	**Imputed Interest Expense**	**Ending Balance**
2021	331,340	(50,520)	16,088	296,908
2022	296,908	(50,520)	13,936	260,324
2023	260,324	(50,520)	11,650	221,453
2024	221,453	(50,520)	9,220	180,153
2025	180,153	(50,520)	6,639	136,272
Thereafter	136,272	(50,520)	5,022	90,773

		March 31, 2021
Current	$	34,970
Non-Current		261,938
Total	$	296,908

ACCOUNTS PAYABLE & ACCRUED LIABILITIES

Accounts payable and accrued liabilities as at March 31, 2021, December 31, 2020, and March 31, 2020 consist of the following:

	Mar 31, 2021	Dec 31, 2020	Mar 31, 2020
Utilities, Repairs & Maintenance, Other	4,533,945	4,199,074	3,688,983
Due to Asset & Property Manager	745,169	533,058	160,329
Accrued Interest Expense	380,781	376,541	362,160
Option Liabilities	1,038,465	745,226	12,064
	$ 6,698,360	**$ 5,853,899**	**$ 4,223,535**

Utilities, Repairs & Maintenance, Other consist of utility costs, property taxes, repairs and maintenance, GST/HST payables to CRA, QST payables to Revenue Quebec and professional fees. 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, 2021, the Trust has 2,785,000 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, 2021 was 435,000 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, 2021 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, 2021 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, 2021 was 1,360,000 Trust unit options.

- On December 1, 2020, the Trust granted 400,000 Trust Unit options at a weighted average exercise price of $6.75 per Trust Unit. 360,000 unit options fully vested on the date of the grant with the remaining 40,000 vesting at one-third each year for the next three years and expire on December 1, 2025. The balance as at March 31, 2021 was 400,000 Trust unit options.

- No options were grated during the priod that ended March 31, 2021.

Unit-based compensation related to the aforementioned unit options stands at a recovery of $293,239 for the three months ended March 31, 2021 ($1,160,771 recovery for the three months ended March 31, 2020). Unit-based compensation was determined using the Black-Scholes option pricing model and based on the following assumptions:

	As at March 31, 2021	As at December 31, 2020
Expected Option Life (Years)	1.0	1.0
Risk Free Interest Rate	0.17%	0.17%
Distribution Yield	7.77%	7.96%
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, 2021 was $230,087,253 and consists of the following:

	Number of Units		Unitholder's Equity
Unitholders' Equity, March 31, 2020	**30,644,385**	**$**	**219,643,230**
Normal Course Issuer Bid	(795,200)		(4,146,879)
Redemption	(500,000)		(2,115,000)
Issuance of Units from DRIP	509		1,500
Less: Issue Costs	-		54,438
Add: Net Income	-		21,196,156
Less: Distributions	-		(11,181,490)
Unitholders' Equity, December 31, 2020	**29,349,694**	**$**	**223,451,954**
Options Exercised	40,000		245,500
Issuance of Units from DRIP	153		1,000
Add: Net Income	-		10,159,514
Less: Distributions	-		(3,770,715)
Unitholders' Equity, December 31, 2020	**29,389,847**	**$**	**230,087,253**

- **Normal Course Issuer Bid:** On April 3, 2020, the Trust received approval from the TSXV to commence a Normal Course Issuer Bid ("NCIB") to purchase up to 2,829,746 Trust Units, being equal to 10% of the public float. The bid commenced on April 8, 2020 and ends on the earlier of April 7, 2021, or at such time as the NCIB has been completed or terminated at the Trust's discretion. Up to March 31, 2021, the Trust has repurchased

795,200 Trust Units for cancellation through its NCIB for gross proceeds of approximately $4.1 million.

- **Redemption:** In accordance with the Declaration of Trust as further described in note 8(b) of the condensed consolidated interim financial statements, a Unitholder redeemed their Trust Units. On July 29, 2020, a unitholder redeemed 500,000 Trust Units for $4.23 per Trust Unit for gross proceeds of approximately $2.1 million. No redemptions occuried during the period ended March 31, 2021

- **Options Exercised:** During the period ended March 31, 2021, 40,000 Trust unit options at a weighted average price of $6.14 per Trust Unit were exercised for gross proceeds of approximately $245,500

As at May 20, 2021, there were 29,389,847 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, 2021 and March 31, 2020, Asset Management Fees were $684,562 and $675,087; Acquisition Fees were $64,913 and $40,219; Placement Fees were nil and Performance Incentive Fees were $669,984 and $92,993, respectively.

For the year three months ended March 31, 2021, Asset Management Fees were higher than the amount reported at March 31, 2020 due to the acquisition activity that occurred during 2020 and 2021. For the period ended March 31, 2021, Acquisition Fees are higher than the amount reported at March 31, 2020 due to higher acquisition activity during the reported period. Performance Fees increase is due to the cash gain from the sale of the Centre Ice Portfolio assets.

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 $211,853 and $203,429 and Commercial Leasing Fees were $12,573 and $32,746, respectively.

For the three months ended March 31, 2021, Property Management Fees were higher than the amount reported at March 31, 2020 largely due to the 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 consolidated 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, 2021 and March 31, 2020, the ratio of such indebtedness was 51.2% and 51.0%, 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 years ended March 31, 2021 and March 31, 2020.

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	$ 12,576,761	$ 65,704,841	$ 143,255,215	$ 221,536,818
Bank Indebtedness	30,339,476	-	-	30,339,476
Tenant Rental Deposits	349,774	341,285	1,086,039	1,777,098
Distribution Payable	1,249,069	-	-	1,249,069
Land Lease Liability	34,970	35,508	226,430	296,908
Accounts Payable & Accrued Liabilities	6,698,360	-	-	6,698,360
	$ 51,248,409	**$ 66,081,634**	**$ 144,567,684**	**$ 261,897,728**

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, 2021 and March 31, 2020, 153 and 228 Trust Units were issued, respectively, from treasury for total gross proceeds of $1,000 and $1,550, respectively, to Unitholders who elected to receive their distributions but 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 consolidated financial statements as at March 31, 2021 and March 31, 2020.

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, 2021 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, 2021. 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 period ended March 31, 2021 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, 2020 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, 2020 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, 2020 and accordingly should be read in conjunction with them.

SUBSEQUENT EVENTS

- Subsequent to March 31, 2021 the Trust completed the sales of four retail properties from the Centre Ice Retail Portfolio for gross proceeds of approximately $8.9 million (excluding closing costs). The Trust's pro-rata share of the gross proceeds is $6.2 million (excluding closing costs)

- On April 30, 2021, the Mountview Manufactured Home Community was financed with an $11.3 million first mortgage from a Canadian Chartered Bank. The interest only mortgage carries a 2.5% interest rate and a 1 year term. The Trust's pro rata share of the mortgage is $5.7 million.

- On May 3, 2021 the Trust closed an acquisition of 128 units in two multi-residential buildings located in Edmonton, Alberta (the "Edmonton Property") for approximately $25.0 million (excluding transaction costs). The Edmonton Property was financed with a new $17.0 million mortgage with a Canadian Chartered Bank for an interest rate of approximately 2.5%, term of five years and a 30 year amortization. The Trust acquired the Edmonton Property such that the Trust owns 70% and private clients affiliated with certain members of senior management and the board of trustees of the Trust owning the remaining 30%. The Trust's pro rata share of the acquisition is $17.5 million (excluding transaction costs).

- On May 5, 2021 the Trust closed the acquisition of 132 units in three multi-residential buildings located in Lower Sackville, Nova Scotia (the "Lower Sackville Property") for approximately $18.0 million (excluding transcation costs). The Lower Sackville Property was financed with a new $13.7 million mortgage with a Canadian Chartered Bank for an interest rate of approximately 2.4%, term of five years and a 30 year amortization. The Trust acquired the Lower Sackville Property such that the Trust owns 70% and private clients affiliated with certain members of senior management and the board of trustees of the Trust owning the remaining 30%. The Trust's portion of the acquisition price was approximately $12.7 million (excluding transaction costs).

- On May 5, 2021 the Trust repaid in full the mortgage encumbering its Core Service Provider property. The amount of the repayment was $2.2 million.

- On May 20, 2021, the Trust announced that it has declared and approved monthly distributions in the amount of $0.0425 per Trust Unit for Unitholders of record on July 30, 2021, August 31, 2021, and September 30, 2021 payable on or about, August 16, 2021, September 15, 2021 and October 15, 2021, respectively.

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.

- *CO-OWNERSHIP INTEREST IN PROPERTIES*
  In certain situations, the Trust may be adversely affected by a default by a co-owner of a property under the terms of a mortgage, lease or other agreement. Although all co-owners' agreements entered into by Trust provide for remedies to Trust in such circumstances, such remedies may not be exercisable in all circumstances, or may be insufficient or delayed, and may not cure a default in the event that such default by a co-owner is deemed to be a default of Trust.

OUTLOOK

Moving forward, it continues to be difficult to fully evaluate the economic impact of COVID19 on our tenants, until the economy has stabilized, and the government stimulus measures have ceased. During Q1, 2021, we collected approximately 98% of gross rents. We continue to see strong demand and increasing rental rates across our Ontario and Quebec industrial portfolio and demand for space across our convenience retail portfolio that has allowed us to continue our occupancy levels and replace any bankruptcies. Finally, we expect interest rates to remain low into 2022 and are monitoring the economy for signs of weakness to be prepared to take advantage of investment opportunities.

The Trust has sufficient liquidity not only to meet our operational needs through 2021, but to fund our acquisition and development projects through the second quarter of 2021 with no significant debt maturities in 2021. We believe that the Trust is well positioned for growth with our leverage below our target range of 55% to 65%.

As such, management is always looking to assess and evolve its portfolio of assets The Trust will focus its near-term acquisition efforts on the industrial and multi-residential sectors across Canada as well as continue to reduce its exposure to its non-core retail assets to create a more balanced property portfolio demonstrated by the sales and acquisitions completed in 2021. The Trust expects to grow predominately through acquisitions during 2021 with residential intensification efforts beginning to generate income in 2022. As always, we will continue to assess each acquisition to ensure they meet our disciplined investment objectives but will not grow the portfolio only for the sake of growth.