FIRM CAPITAL PROPERTY TRUST

CAPITAL PRESERVATION • DISCIPLINED INVESTING

CONSOLIDATED FINANCIAL STATEMENTS

FIRST QUARTER 2023
MARCH 31, 2023

FIRM CAPITAL PROPERTY TRUST

For the Three Months Ended March 31, 2023 and March 31, 2022
(Unaudited)

The accompanying unaudited condensed consolidated interim financial statements of Firm Capital Property Trust for the three months ended March 31, 2023, have been prepared by and are the responsibility of management. These unaudited condensed consolidated interim financial statements, together with the accompanying notes, have been reviewed and approved by members of Firm Capital Property Trust's audit committee. In accordance with National Instrument 51-102, Firm Capital Property Trust discloses that these unaudited condensed consolidated interim financial statements have not been reviewed by Firm Capital Property Trust's auditors.

FIRM CAPITAL PROPERTY TRUST

Condensed Consolidated Interim Balance Sheets
(Unaudited)

	Notes	March 31, 2023	December 31, 2022
Assets			
Non-current Assets:			
Investment Properties	4	$ 620,649,516	$ 616,305,710
Mortgages Receivable	4	1,575,000	1,575,000
Total Non-Current Assets		622,224,516	617,880,710
Current Assets:			
Cash and Cash Equivalents		4,792,344	4,985,624
Accounts Receivable		1,974,726	1,179,618
Prepaid Expenses, Deposits and Other Assets		2,496,232	2,126,471
Restricted Cash		345,484	201,041
Mortgages Receivable	4	6,825,000	7,525,000
Total Current Assets		16,433,786	16,017,754
Total Assets		$ 638,658,302	$ 633,898,464
Liabilities and Unitholders' Equity			
Current Liabilities:			
Mortgages	7(a)	46,630,428	72,785,739
Bank Indebtedness	6	19,972,386	18,726,067
Credit facility	6	6,300,000	-
Accounts Payable and Accrued Liabilities	5	6,019,349	7,497,013
Land Lease Liability	7(b)	42,312	38,870
Distribution Payable		1,603,682	1,607,547
Tenant Rental Deposits		552,627	538,900
Total Current Liabilities		81,120,784	101,194,136
Non-current Liabilities:			
Mortgages	7(a)	258,706,776	233,995,575
Land Lease Liability	7(b)	183,128	183,128
Tenant Rental Deposits		2,062,976	2,011,729
Total Non-current Liabilities		260,952,880	236,190,432
Total Liabilities		342,073,664	337,384,568
Unitholders' Equity	8	296,584,638	296,513,896
Total Liabilities and Unitholders' Equity		$ 638,658,302	$ 633,898,464
Commitments and Contingencies	15		
Subsequent Events	20		

See accompanying Notes to the Condensed Consolidated Interim Financial Statements.

Approved by the Board of Trustees

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

FIRM CAPITAL PROPERTY TRUST

Condensed Consolidated Interim Statements of Income and Comprehensive Income

For the Three Months Ended March 31, 2023 and March 31, 2022
(Unaudited)

	Notes		March 31, 2023		March 31, 2022
Net Operating Income					
Rental Revenue	9	$	14,209,208	$	13,040,687
Property Operating Expenses	11		(4,986,192)		(4,736,863)
			9,223,016		8,303,824
Interest and Other Income			134,677		14,478
Expenses:					
Finance Costs	10		3,679,210		2,539,507
General and Administrative	11		1,341,379		1,322,516
			5,020,589		3,862,023
Income Before Fair Value Adjustments			4,337,104		4,456,279
Fair Value Adjustments - (Loss)/Gain:					
Investment Properties	4		910,752		1,139,849
Unit-based Compensation	8(c)		148,933		(258,111)
Net Income and Comprehensive Income		$	5,396,789	$	5,338,017

See accompanying Notes to the Condensed Consolidated Interim Financial Statements.

FIRM CAPITAL PROPERTY TRUST

Condensed Consolidated Interim Statements of Changes in Unitholders' Equity
For the Three Months Ended March 31, 2023 and March 31, 2022

	Notes	Trust Units (Note 8)	Retained Earnings	Unitholders' Equity
Unitholders' Equity, December 31, 2021		$ 198,065,763	$ 97,849,563	$ 295,915,326
Issuance Costs		(16,950)	-	(16,950)
Issuance of Units from Distribution Reinvestment Plan	8(d)	1,250	-	1,250
Net Income and Comprehensive Income		-	5,338,017	5,338,017
Distributions	8(e)	-	(4,418,065)	(4,418,065)
Unitholders' Equity, March 31, 2022		$ 198,050,063	$ 98,769,515	$ 296,819,578
Issuance of Units, Net of Issuance Costs	8(f)	21,440,211	-	21,440,211
Normal Course Issuer Bid		(2,624,635)	-	(2,624,635)
Options Exercised	8(g)	1,843,750	-	1,843,750
Issuance of Units from Distribution Reinvestment Plan	8(d)	1,250	-	1,250
Net loss and Comprehensive loss		-	(6,522,297)	(6,522,297)
Distributions	8(e)	-	(14,443,961)	(14,443,961)
Unitholders' Equity, December 31, 2022		$ 218,710,639	$ 77,803,257	$ 296,513,896
Normal Course Issuer Bid	8(h)	(509,853)	-	(509,853)
Net Income and Comprehensive Income		-	5,396,789	5,396,789
Distributions	8(e)	-	(4,816,194)	(4,816,194)
Unitholders' Equity, March 31, 2023		$ 218,200,786	$ 78,383,852	$ 296,584,638
Trust Units Outstanding	8(a)			37,010,897

See accompanying Notes to the Condensed Consolidated Interim Financial Statements.

FIRM CAPITAL PROPERTY TRUST

Condensed Consolidated Interim Statements of Cash Flows

For the Three Months Ended March 31, 2023 and March 31, 2022
(Unaudited)

	Notes		March 31, 2023		March 31, 2022
Cash Flows from Operating Activities					
Net Income		$	5,396,789	$	5,338,017
Fair Value Adjustments:					
Investment Properties	4		(910,752)		(1,139,849)
Unit-Based Compensation	8(c)		(148,933)		258,111
Finance Costs, Net of Interest and Other Income	10		3,326,589		2,350,863
Finance Fee Amortization	10		255,304		212,351
Non-cash Interest Expense	10		(37,359)		(38,186)
Land Lease Amortization	7(b)		3,442		3,850
Straight-line Rent Adjustment	4, 9		(69,933)		(168,462)
Change in Non-Cash Operating Working Capital:					
Accounts Receivable			(795,108)		1,440,570
Prepaid Expenses, Deposits and Other Assets			40,772		(4,945,725)
Restricted Cash			(144,443)		(144,443)
Accounts Payable and Accrued Liabilities	5		(1,108,103)		(687,472)
Tenant Rental Deposits			55,687		181,593
		$	5,863,952	$	2,661,218
Cash Flows from (used in) Financing Activities					
Issuance of Units, Net of Issuance Costs	8		-		(15,700)
Normal Course Issuer Bid	8		(509,853)		-
Increase in Bank Indebtedness	6		1,246,319		10,332,230
Mortgages, Repayments	7(a)		(1,662,055)		(1,720,723)
Mortgages, Issuances	7(a)		-		56,350,000
Increase in Credit facility			6,300,000		-
Finance Costs Paid			(428,756)		(125,438)
Cash Interest Paid, Net of Other Income			(3,547,217)		(2,371,538)
Cash Distributions Paid	8(e)		(4,820,059)		(4,390,849)
		$	(3,421,621)	$	58,057,982
Cash Flows from (used in) Investing Activities					
Mortgages Receivable	4		700,000		-
Acquisitions and Capital Expenditures	3,4		(3,335,611)		(61,323,722)
		$	(2,635,611)	$	(61,323,722)
Decrease in Cash and Cash Equivalents			(193,280)		(604,522)
Cash and Cash Equivalents, Beginning of Period			4,985,624		5,895,961
Cash and Cash Equivalents, End of Period		$	4,792,344	$	5,291,439

See accompanying Notes to the Condensed Consolidated Interim Financial Statements.

1. The Trust

Firm Capital Property Trust (the ''Trust'') is an unincorporated open-ended real estate investment trust established on August 30, 2012 under the laws of the Province of Ontario pursuant to an amended and restated Declaration of Trust dated November 20, 2012. The Trust is a "mutual fund trust" as defined in the Income Tax Act (Canada), but is not a "mutual fund" within the meaning of applicable Canadian securities legislation. The head office and registered office of the Trust is located at 163 Cartwright Avenue, Toronto, Ontario M6A 1V5. These condensed consolidated interim financial statements were approved by the Board of Trustees on May 11, 2023.

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

2. Summary of Significant Accounting Policies

(a) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and note disclosures normally included in the consolidated annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") have been omitted or condensed and accordingly, these condensed consolidated interim financial statements should be read in conjunction with the annual financial statements of the Trust as at and for the year ended December 31, 2022. These condensed consolidated interim financial statements have been prepared using the same accounting policies and methods as those used in the audited consolidated annual financial statements for the year ended December 31, 2022, except as outlined below.

(b) Basis of Consolidation

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

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

The condensed consolidated interim financial statements are prepared on a going concern basis and have been presented in Canadian dollars, which is the Trust's functional currency. The condensed consolidated interim financial statements are prepared on the historical cost basis with the exception of investment properties, cash and cash equivalents and the liabilities related to unit-based compensation expense, which are measured at fair value. The accounting policies set out below have been applied consistently to all periods as presented in the audited consolidated financial statements for the year ended December 31, 2022.

(d) Co-Ownership Arrangement

The Trust currently is a co-owner in seventeen joint arrangements. These arrangements are classified as joint operations because the parties involved have joint control of the assets and joint responsibility of the liabilities relating to the arrangement. As a result, the Trust includes its pro rata share of its assets, liabilities, revenues, expenses and cash flows in these consolidated financial statements. Management believes the assets of these joint arrangements are sufficient for the purpose of satisfying the associated obligations. The co-ownership interests as at March 31, 2023 are as outlined below:

Investment Properties	Joint Arrangement Interest
Centre Ice Retail Portfolio (1)	70%
Waterloo Industrial Portfolio (1)	70%
Edmonton Apartment Complex (1)	70%
Lower Sackville Apartment Complex (1)	70%
Montreal Industrial Portfolio (1)	50%
Edmonton Industrial Portfolio (1)	50%
Ottawa Apartment Complex (1)	50%
Crombie Retail Portfolio	50%
FCR Retail Portfolio	50%
Gateway Retail Property (1)	50%
Mountview Manufactured Home Communities (1)	50%
Hidden Creek Manufactured Home Communities (1)	50%
Parkhill Manufactured Home Communities(1)	50%
Skyview Manufactured Home Communities(1)	50%
The Whitby Mall (1)	40%
Thickson Place (1)	40%
Eglinton Ave West Commercial (1)	40%

(1) Pursuant to the Declaration of Trust, the asset manager (see note 12(a)) is only obligated to request the Trust to participate in up to 50% of a property acquisition. The above list the Trust's ownership interest in the respective properties. Entities that are related to and associated with the asset manager and Property Manager and Members of the Board of Trustees are invested along-side the Trust in those properties on the same terms as those applicable to the Trust.

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

(e) Estimates
The preparation of condensed consolidated interim financial statements requires management to make estimates that affect the reported amounts of certain assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements, and certain reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The critical accounting estimates have been set out in the Trust's audited consolidated financial statements for the year ended December 31, 2022.

(f) Critical Judgments
Critical judgments have been set out in the Trust's audited consolidated financial statements for the year ended December 31, 2022. The Trust has not identified critical judgements that are new to the interim period.

3. Acquisition of Investment Properties

On February 14, 2022, the Trust closed the acquisition of a 100% interest in a multi-residential building in Pointe Claire, Quebec for \$56,747,737 (including transaction costs). In addition, accounts receivable of \$3,250 were assumed as part of the transaction. The transaction was financed with a new \$39,500,000 mortgage with a Canadian Chartered Bank. Terms of the mortgage are at a floating rate of BA + 1.75%, interest only and due February 14, 2023. Subsequent to year end, the terms of this mortgage were extended to May 11, 2023.

On March 17, 2022, the Trust closed the acquisition of a 50% interest in a multi-tenant industrial property located in Saint Laurent, Quebec. The acquisition price for the Trust's portion of the portfolio was \$3,264,218 (including transaction costs). In addition, accounts receivable of \$9,302 and prepaid expenses of \$10,697 were assumed as part of the transactions.

On April 12, 2022, the Trust closed on a 50% interest in a multi-tenant industrial portfolio located in Edmonton, Alberta. The acquisition price for 50% of the portfolio was \$18,329,216 (including transaction costs). The acquisition of the Edmonton Industrial Portfolio was financed in part, with a new \$11,862,500 first mortgage from a Canadian Chartered Bank. Terms of the mortgage are a 4.41% interest rate, five year term, amortizing and due April 12, 2027. In addition, prepaid expenses of \$11,679, accounts payable of \$85,132 and tenant rental deposits of \$157,364 were assumed as part of the transaction.

On December 21, 2022, the Trust closed on a 50% interest in two multi-tenant industrial properties located in Edmonton, Alberta. The acquisition price of the portfolio was $3,152,048 (including transaction costs). The acquisition of the Edmonton Industrial Portfolio was financed through the assumption of a $1,198,034 mortgage and a new $887,657 mortgage. In addition, tenant rental deposits of $20,016 were assumed as part of the transaction.

On January 31, 2023, the Trust closed on the acquisition of a 50% interest in a 56 site Manufactured Housing Community ("MHC") called SunPark Parkhill Estates ("Parkhill") located in Peterborough, Ontario and a 58 site Manufactured Housing Community ("MHC") called SunPark Skyview Estates ("Skyview") located in Trenton, Ontario (collectively the "Properties"). The acquisition price for the Trust's portion was $2,954,973 (including transaction costs). In addition, tenant rental deposits of $9,287 were assumed as part of the transaction. The transaction was financed from cash on hand and existing credit facilities.

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

	Period Ended March 31, 2023	Year Ended December 31, 2022
Investment Properties, including Acquisition Costs	$ 2,954,973	$ 81,493,219
Accounts Receivable	-	12,552
Prepaid Expenses	-	22,376
Accounts Payable	-	(85,132)
Tenant Rental Deposits	(9,287)	(177,380)
Net Assets Acquired	$ 2,945,686	$ 81,265,635
Consideration Paid/Funded By:		
Cash and Bank Indebtedness	$ 2,945,686	$ 27,817,444
New Mortgages	-	53,448,191
	$ 2,945,686	$ 81,265,635

4. Investment Properties

	Retail and Commercial	**Core Service Provider Office**	**Industrial**	**Multi-residential**	**Manufactured Housing Communities**	**Total**
December 31, 2021	$ 321,430,138	$ 5,288,357	$ 171,451,490	$ 51,109,286	$ 14,072,347	$ 563,351,618
Acquisitions	-	-	3,138,038	56,335,237	-	59,473,275
Capital Expenditures	899,028	43,618	396,035	488,517	-	1,827,198
Straight-line Rents	139,129	312	67,835	-	-	207,276
Fair Value Adjustment	(671,883)	(43,930)	1,804,368	(335,625)	386,919	1,139,849
March 31, 2022	321,796,412	5,288,357	176,857,766	107,597,415	14,459,266	625,999,216
Acquisitions	-	-	21,607,444	412,500	-	22,019,944
Dispositions	(2,544,529)	(5,285,719)	-	-	-	(7,830,248)
Capital Expenditures	1,622,567	(43,618)	402,143	123,208	83,123	2,187,423
Straight-line Rents	173,351	(2,950)	105,014	-	-	275,415
Fair Value Adjustment	(18,204,387)	43,930	(2,684,464)	(9,203,488)	3,702,369	(26,346,040)
December 31, 2022	$ 302,843,414	$ -	$ 196,287,903	$ 98,929,635	$ 18,244,758	$ 616,305,710
Acquisitions	-	-	-	-	2,954,973	2,954,973
Capital Expenditures	144,216	-	210,029	35,680	-	389,925
Straight-line Rents	49,766	-	38,390	-	-	88,156
Fair Value Adjustment	(48,475)	-	1,230,875	(264,266)	(7,383)	910,752
March 31, 2023	$ 302,988,921	$ -	$ 197,767,197	$ 98,701,050	$ 21,192,348	$ 620,649,516

For the period ended March 31, 2023, 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 to which a capitalization rate is applied that is deemed appropriate for investment property. Capitalization rates are based on many factors, including but not limited to the asset location, type, size and quality of the asset and taking into account any available market data at the valuation date.

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

Capitalization rates used in the valuation of investment properties as of March 31, 2023 are based on current market data available and have been adjusted for interest rates and inflationary pressures (the “Factors”). Given the uncertainty around the Factors and the potential negative impact it may have on the real estate industry, it is not possible to fully predict the impact of capitalization rates in the future across all of our investment properties at this time. Note that the fair value adjustment is net of capital expenditures and straight-line rents.

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

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

	2023			2022		
	Number of investment properties	**Fair value at 100%**	**Fair value at Trust's share**	**Number of investment properties**	**Fair value at 100%**	**Fair value at Trust's share**
Q1	-	$ -	$ -	1	$ 57,000,000	$ 57,000,000
Total	-	$ -	$ -	1	$ 57,000,000	$ 57,000,000

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

March 31, 2023	**Retail & Commercial**	**Core Service Provider Office**	**Industrial**	**Multi-Residential**	**Manufactured Housing Communities**	**Weighted Average**
Capitalization Rate Range	4.50% - 8.00%	n.a.	3.05% - 9.03%	4.75% - 5.50%	5.00% - 6.75%	5.91%
Weighted Average Capitalization Rate	6.49%	n.a.	5.52%	5.02%	5.42%	5.91%

December 31, 2022	**Retail & Commercial**	**Core Service Provider Office**	**Industrial**	**Multi-Residential**	**Manufactured Housing Communities**	**Weighted Average**
Capitalization Rate Range	4.00% - 8.00%	n.a.	3.05% - 9.03%	4.75% - 5.00%	4.75% - 5.75%	5.84%
Weighted Average Capitalization Rate	6.48%	n.a.	5.41%	4.87%	5.07%	5.84%

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

Weighted Average		Change in Investment Valuation
Capitalization Rate	25 basis point increase	$ (25,747,000)
Capitalization Rate	25 basis point decrease	28,146,000

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

Sale of Investment Properties:

On May 18, 2022, the Trust completed the sale of a retail property from the Centre Ice Retail Portfolio, for gross proceeds of approximately $0.6 million. The Trust's pro-rata share of the gross proceeds was $0.4 million. The Trust recognized a loss on sale of $0.05 million.

On December 21, 2022, the Trust completed the sale of retail property in Pembroke, Ontario for gross proceeds of $2.7 million. The Trust recognized a gain on sale of approximately $0.2 million.

On December 29, 2022, the Trust completed the sale of an office property in Barrie, Ontario for gross proceeds of $10.5 million. As part of the transaction, the Trust provided a first priority vendor take back mortgage of approximately $6.8 million for a one year term at an interest rate of 4.0% and a second priority vendor takeback mortgage of approximately $1.6 million for a five year term at an interest rate of 5.0% for the first two years, 6.0% for the third and fourth year and 7.0% for the final year. The Trust recognized a gain on sale of approximately $5.0 million.

Mortgages Receivable:

As part of one of the dispositions of the Centre Ice Retail Portfolio properties in 2021, a mortgage was taken back from the purchaser for $1.0 million. Terms are 5% interest only, two year term, fully open for repayment prior to maturity on March 1, 2023 and fully secured against the disposed property. The Trust's portion of the mortgage receivable is $0.7 million. During the three months ended March 31, 2023, $0.7 million mortgage receivable was fully repaid.

As noted in the Sale of Investments Properties section, two mortgage take backs occurred as the result of the sale of an office property in Barrie, Ontario for $8.4 million on December 29, 2022.

5. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities as at March 31, 2023 and as at December 31, 2022 were $5,981,013 and $7,497,013, respectively, and consist of the following:

	March 31, 2023	December 31, 2022
Utilities, Repairs and Maintenance, Other	$ 4,867,324	$ 5,149,235
Due to Asset Manager (notes 12(a) and 12(b))	51,385	953,067
Due to Property Manager (note 12(c))	119,353	105,540
Accrued Interest Expense	201,390	378,841
Option Liabilities (note 8(c))	686,029	835,359
Deferred Trust Units (note 8(c))	93,868	74,971
Accounts Payable and Accrued Liabilities	$ 6,019,349	$ 7,497,013

6. Bank Indebtedness and Credit Facility

(a) 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 that consists of credit facility and bank indebtedness. On March 31, 2023, the total amount available under the Facility was $19.0 million. Interest on the credit facility and bank indebtedness is predominantly charged at a rate that varies with bank prime and may have a component with a fixed interest rate established based on a formula linked to bankers' acceptance rates. Amounts drawn under the Facility are due to be repaid at the maturity date on October 31, 2024. Amounts drawn under the credit facility at March 31, 2023 was $6,300,000 (2022 – nil). Bank indebtedness at March 31, 2023 was $10,019,418 (December 2022 - $2,473,100).

(b) Lines of Credit

i. 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, 2023, 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, 2023 was $9,952,968 (December 31, 2022 – $16,252,967).

ii. Within the Montreal Industrial Portfolio, where the Trust is a 50% co-owner of the joint arrangement, an LOC with a Bank was established. The interest rate is based on a calculated formula using the Bank's prime lending rate. No amounts were drawn from this facility as at March 31, 2023 (December 31, 2022 – nil).

7. Non-current Liabilities

(a) Mortgages
As at March 31, 2023, total outstanding mortgages were $305,337,204 ($306,781,314 as at December 31, 2022), net of unamortized financing costs of $255,503 ($373,481 as at December 31, 2021), offset by a $184,767 ($222,125 as at December 31, 2022) mark to market adjustment with a weighted average interest rate of approximately 4.1% (3.8% as at December 31, 2022) and weighted average repayment term of approximately 2.7 years (3.0 years as at December 31, 2022). The mortgages are repayable as follows:

	Scheduled Principal Repayments	Debt Maturing During The Period	Total Mortgages Payable	Scheduled Interest Payments
2023	4,788,710	41,950,399	46,739,109	7,510,012
2024	4,765,931	92,142,683	96,908,614	7,489,001
2025	3,829,697	13,186,495	17,016,192	5,856,017
2026	3,084,905	41,935,043	45,019,948	5,588,262
2027	2,007,372	17,040,957	19,048,329	3,824,749
Thereafter	5,223,293	75,452,455	80,675,748	8,074,689
Face Value	$ 23,699,908	$ 281,708,032	$ 305,407,940	$ 38,342,730
Unamortized Financing Costs			(255,503)	
Mark to Market on Assumed Mortgages			184,767	
Total Mortgages			**$ 305,337,204**	

	March 31, 2023	December 31, 2022
Current:		
Mortgages	$ 46,739,109	$ 73,012,398
Unamortized Financing Costs	(255,503)	(373,481)
Mark to Market on Assumed Mortgages	146,822	146,822
	$ 46,630,428	$ 72,785,739
Non-Current:		
Mortgages	$ 258,668,831	$ 233,920,272
Mark to Market on Assumed Mortgages	37,945	75,303
	$ 258,706,776	$ 233,995,575
Total Mortgages	**$ 305,337,204**	**$ 306,781,314**

The following table sets out an analysis of net debt and the movements in net debt for the period ended March 31, 2023:

	Cash and Cash Equivalents	Bank Indebtedness	Credit Facility	Mortgages	Net Debt
As at December 31, 2022	$ 4,985,624	$ (18,726,067)	$ -	$ (306,781,314)	$ (320,521,757)
Cash Flows	1,757,915	(1,246,319)	(6,300,000)	1,662,055	(4,126,349)
Changes in Non-Cash Operating Working Capital	(1,951,195)	-	-	(217,945)	(2,169,140)
As at March 31, 2023	$ 4,792,344	$ (19,972,386)	$ (6,300,000)	$ (305,337,204)	$ (326,817,246)

(b) Land Lease Liability
On May 9, 2019, as part of the FCR Retail Portfolio 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 6.13% for the term of the lease. The Trust's pro-rata portion of the lease liability is as follows:

Lease Liability

	Opening Balance	Lease Payment	Imputed Interest Expense	Ending Balance
2023	$ 221,998	$ (50,520)	$ 11,650	$ 183,128
2024	183,128	(50,520)	9,220	141,828
2025	141,828	(50,520)	6,638	97,946
2026	97,946	(50,520)	3,896	51,322
2027	51,322	(46,109)	1,126	6,339

	March 31, 2023
Current	$ 42,312
Non-Current	183,128
Total	$ 225,440

8. Unitholders' Equity

(a) Issued and Outstanding

	Number of Units	Amount
Balance, December 31, 2021	34,011,117	$ 198,065,763
Issuance of Units from Distribution Reinvestment Plan (note 8(d))	163	1,250
Issuance costs	-	(16,950)
Balance, March 31, 2022	34,011,280	198,050,063
Options Exercised (note 8(g))	295,000	1,843,750
Issuance of Units from Distribution Reinvestment Plan (note 8(d))	217	1,250
Public Equity Offering (note 8(f))	3,243,000	21,440,211
Normal Course Issuer Bid (note 8(h))	(449,400)	(2,624,635)
Balance, December 31, 2022	37,100,097	218,710,639
Normal Course Issuer Bid (note8(h))	(89,200)	(509,853)
Balance, March 31, 2023	37,010,897	$ 218,200,786

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

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

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

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

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

(c) Unit-Based Liabilities

Option Plan
Under the Trust's unit option plan, the aggregate number of unit options reserved for issuance at any given time shall not exceed 10% of the number of outstanding Trust Units. As at March 31, 2023, the Trust has 3,350,000 Trust Unit options issued and outstanding at a fair market value of $686,029 consisting of the following issuances:

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. During the three months ended March 31, 2023, the remaining 220,000 options expired without being exercised.

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, 2023 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, 2023 was 1,290,000 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. During the three months ended March 31, 2023, 10,000 options were cancelled. The balance as at March 31, 2023 was 340,000 Trust unit options.

On March 15, 2021, the Trust granted 10,000 Trust Unit options at a weighted average exercise price of $6.75 per Trust Unit. 3,333 unit options fully vest on the date of the grant with the remaining 6,667 vesting over the following 2 years and expire on March 15, 2026. The balance as at March 31, 2023 was 10,000 Trust unit options.

On June 14, 2022, the Trust granted 1,740,000 Trust Unit options at a weighted average exercise price of $7.10 per Trust Unit. 1,360,000 unit options fully vest on the date of the grant with the remaining 380,000 vesting over 3 years and expire on June 14, 2027. During the three months ended March 31, 2023, 30,000 options were cancelled. The balance as at March 31, 2023 was 1,650,000.

Unit-based compensation related to the aforementioned unit options was a recovery of $148,933 for the three months ended March 31, 2023 (2022 – expense of $258,111). Unit-based compensation was determined using the Black-Scholes option pricing model and based on the following assumptions:

	As at March 31, 2023	As at December 31, 2022
Expected Option Life (Years)	3.0	3.1
Risk Free Interest Rate	3.64%	3.70%
Distribution Yield	9.29%	9.14%
Expected Volatility	21.85%	21.83%

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

The estimated fair value of an option under the Trust's unit option plan at the date of grants were $0.40, $0.36, $0.34, $0.16 and $0.43 per unit option for March 26, 2018, November 8, 2018, August 14, 2019, December 1, 2020 and June 14, 2022 issuances, respectively.

Deferred Trust Units
On August 1, 2018, the Trust adopted a Deferred Trust Unit ("DTU") plan. Under the terms of the plan, any units issued must be issued at a unit price which is at the volume weighted average trading price of the units on the TSX for the five days trading immediately preceding the date on which DTUs are granted. Distributions equivalents are awarded in respect of the DTU holders on the same basis as unitholders and credited to the DTU holders account as additional DTUs. As at March 31, 2023, the outstanding liability was $93,868 (December 31, 2022 - $74.971).

(d) Distribution Reinvestment Plan ("DRIP") and Unit Purchase Plan ("UPP")
The Trust has both a DRIP and UPP currently in place. Under the terms of the DRIP, Unitholders may elect to automatically reinvest all or a portion of their regular monthly distributions in additional Trust Units, without incurring brokerage fees or commissions. Trust Units purchased through the DRIP are acquired at the weighted average closing price of Trust Units in the five trading days immediately prior to the distribution payment date. Trust Units purchased through the DRIP will be acquired either in the open market or be issued directly from the Trust's treasury based on a floor price to be set at the discretion of the Board of Trustees.

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

For the three months ended March 31, 2023 no shares were issued from treasury as a result of the DRIP and UPP (Three months ended March 31, 2022, 163 units were issued from treasury for gross proceeds of $1,250).

(e) Distributions
For the three months ended March 31, 2023, distributions of $0.0433 per unit were declared each month commencing in January 2023 through to March 2023, resulting in total distributions declared of $4,816,194. For the three months ended March 31, 2022, distributions of $0.0433 per unit were declared each month commencing in January 2022 through to March 2022 resulting in total distributions declared of $4,418,065.

(f) Public Equity Offering

On May 25, 2022 and May 31 2022, the Trust completed a public equity offering of 3,243,000 Trust Units at a price of $7.10 per Trust Unit for gross proceeds of approximately $23.0 million ($21.4 million, net of closing costs).

(g) Options Exercised

During the year ended December 31, 2022, 295,000 Trust unit options at a weighted average price of $6.25 per Trust Unit were exercised for gross proceeds of approximately $1,843,750.

No options were exercised during the three months ended March 31, 2023.

(h) Normal Course Issuer Bid

The Trust announced its intention to make a Normal Course Issuer Bid with respect to its outstanding Trust Units. During the 12 month period commencing July 18, 2022 and ending no later than July 17, 2023, the Trust may purchase through the facilities of the TSX, other designated exchanges and/or alternative Canadian Trading Systems up to 3,439,989 Trust Units in total, being 10% of the "public float" of trust units as of July 5, 2022. For the three months ended March 31, 2023, the Trust repurchased 89,200 units for net proceeds of approximately $0.5 million (449,000 units for $2.6 million for the twelve months ended December 31, 2022).

9. Rental Revenue

The Trust currently leases real estate to tenants under operating leases. Future minimum rental income on tenant operating leases over their remaining lease terms excluding renewal options (subject to collection) is as follows:

Revenue		
Within one year	$	31,521,024
Later than one year and not longer than five years		65,571,860
Thereafter		26,692,827
	$	123,785,711

Revenue for the period is comprised of the following:

	Three Months Ended			
		March 31, 2023		March 31, 2022
Base Rent	$	10,068,832	$	9,028,508
Operating Costs Recoveries		1,963,539		1,934,654
Tax Recoveries		2,106,904		1,909,063
Straight Line Rent		88,156		207,276
Free Rent		(18,223)		(38,814)
	$	14,209,208	$	13,040,687

10. Finance Costs

Finance costs for the period ended March 31, 2023 and March 31, 2022 are as follows:

	Three Months Ended			
		March 31, 2023		March 31, 2022
Mortgage Interest	$	3,306,671	$	2,277,805
Bank Indebtedness Interest		154,594		87,538
Finance Fee Amortization		255,304		212,351
Non-cash Interest Expense		(37,359)		(38,186)
Finance Costs	$	3,679,210	$	2,539,507

Finance fee amortization relates to fees paid on securing the Facility, the LOC and the Trust's various mortgages accounted for under the amortized cost method. Non-cash interest expense relates to the amortization of mark-to-market adjustment relating to the assumed mortgages from the Trust's various acquisitions.

11. Property Operating and General and Administrative Expenses

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

Property operating and general and administrative expenses for the period ended March 31, 2023 and March 31, 2022 are as follows:

	Three Months Ended			
		March 31, 2023		March 31, 2022
Realty Taxes	$	2,388,277	$	2,079,035
Property Management Fees (note 12(c))		551,349		465,911
Operating Expenses		2,046,566		2,191,917
Property Operating Expenses	$	4,986,192	$	4,736,863

	Three Months Ended	
	March 31, 2023	**March 31, 2022**
Asset Management Fees (note 12(a))	$ 847,083	$ 874,105
Performance Incentive Fees (note 12(a))	51,385	133,717
Public Company Expenses	120,944	83,272
Office and General	321,967	231,422
General and Administrative	$ 1,341,379	$ 1,322,516

12. Related Party Transactions

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

(a) Asset Management Agreement

The Trust has entered into an Asset Management Agreement with Firm Capital Realty Partners Inc. (“FCRPI”), an entity indirectly related to certain trustees and management of the Trust. The term of the contract is initially ten years and automatically renews for successive five-year periods. On August 12, 2021, the contract was extended for a further ten year term with successive five year renewal periods.

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

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

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

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

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

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

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

iv. Disposition Fees: The Trust pays with respect to a disposition by the Trust at a price that is excess of the average IFRS carrying value of the Property over the preceding four quarters in which the sale occurred, a fee (the “Disposition Fee”) equal to 0.5% of the sale price to FCRPI.

(b) Incentive Fee Agreement

FCPLP has entered into an Incentive Fee Agreement with FCRPI to pay a Performance Incentive Fee. FCPLP pays a fee equivalent to 15% of Adjusted Funds From Operations ("AFFO") as defined in the Limited Partnership Agreement once AFFO exceeds $0.40 per Unit (including any gains and losses on the disposition of real estate properties calculated as gross proceeds less the actual cost of real estate including capitalized additions).

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

For the three months ended March 31, 2023 and March 31, 2022, Asset Management Fees were $847,083 and $874,105; Acquisition Fees were $21,977 and $436,125; Placement fees were $62,847 and $132,000; and Performance Incentive Fees were $51,385 and $133,717, respectively.

Asset Management and Performance Incentive Fees are recorded in General and Administrative expenses while Acquisition and Placement Fees are capitalized to Investment Properties, Mortgages and Unitholders' Equity on the consolidated balance sheet.

As at March 31, 2023, $51,385 ($953,067 as at December 31, 2022) was due on demand to FCRPI and has been accounted for in accounts payable and accrued liabilities.

(c) Property Management Agreement

The Trust has entered into a Property Management Agreement with Firm Capital Property Management Corp. ("FCPMC"), formerly Firm Capital Properties Inc., an entity indirectly related to certain trustees and management of the Trust. The term of the contract is initially ten years and automatically renews for successive five-year periods.

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

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

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

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

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

(b) Commercial Leasing Fees: Where FCPMC leases a rental space on commercial terms, FCPMC shall be entitled to receive a leasing commission equal to three percent (3.0%) of the net rental payments for the first year of the lease, and one and one-half percent (1.5%) of the net rental payments for each year during the balance of the duration of

the lease; provided, however, that where a third party broker arranges for the lease of any such property that is not

subject to a long-term listing agreement, FCPMC shall be entitled to a reduced commission equal to 50% of the foregoing amounts with respect to such property. No leasing fees will be paid for relocating existing tenants, rewriting leases or expenditures, including the cost of all permits, materials, labour, contracts, and holding over without a lease unless the area or length of term has increased.

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

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

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

For the three months ended March 31, 2023 and March 31, 2022, Property Management Fees were $329,227 and $271,854 and Commercial Leasing Fees were $23,765 and $3,101, respectively.

As at March 31, 2023, $119,353 ($105,539 as at December 31, 2022) was due to FCPMC and has been accounted for in accounts payable and accrued liabilities.

(d) Lease Agreement

On August 1, 2013, FCPMC entered into a lease agreement with the entity that owns the Montreal Industrial Portfolio which the Trust accounts for as a joint control arrangement, to lease office space on commercially available terms. For the three months ended March 31, 2023, $5,580 ($5,580 for the three months ended March 31, 2022) of base rent was paid on this lease.

(e) Co-Ownership Arrangement

The Trust currently is a co-owner in fifteen joint arrangements. These arrangements are classified as joint operations because the parties involved have joint control of the assets and joint responsibility of the liabilities relating to the arrangement. As a result, the Trust includes its pro rata share of its assets, liabilities, revenues, expenses and cash flows in these consolidated financial statements. Management believes the assets of these joint arrangements are sufficient for the purpose of satisfying the associated obligations. Please refer to Note 2(d) - Summary of Significant Accounting Policies for details over the co-ownership schedule.

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

(f) Key management compensation:

For the period ended March 31, 2023, total trustee’s fee expenses were $56,625 (2022 - $41,849) and included in general and administrative expenses (office and general). Certain key management personnel are also trustees of the Trust and receive compensation from FCRPI.

The trustees and officers participate in the Trust’s unit based compensation plans and are disclosed in note 8(c).

13. Co-Ownership Property Interests

The Trust includes its proportionate share of the related assets, liabilities, revenue and expenses of the co-owned properties in the consolidated financial statements.

				As at March 31, 2023
	Trust Wholly Owned	Co-Owned at Proportionate Ownership	Total	Co-Owned at 100%
Current Assets	$ 9,137,739	$ 7,296,047	$ 16,433,786	$ 32,776,299
Non-Current Assets	137,283,983	484,940,533	622,224,516	1,081,958,720
Total Assets	**$ 146,421,722**	**$ 492,236,580**	**$ 638,658,302**	**$ 1,114,735,019**
Current Liabilities	60,559,129	20,561,655	81,120,784	154,499,944
Non-Current Liabilities	28,200,893	232,751,987	260,952,880	$ 428,273,443
Total Liabilities	**$ 88,760,022**	**$ 253,313,642**	**$ 342,073,664**	**$ 582,773,387**
Total Owners' Equity	**$ 57,661,700**	**$ 238,922,938**	**$ 296,584,638**	**$ 531,961,632**

				As at December 31, 2022
	Trust Wholly Owned	Co-Owned at Proportionate Ownership	Total	Co-Owned at 100%
Current Assets	$ 8,720,978	$ 7,296,776	$ 16,017,754	$ 13,912,586
Non-Current Assets	137,287,469	480,593,241	617,880,710	936,025,467
Total Assets	**$ 146,008,447**	**$ 487,890,017**	**$ 633,898,464**	**$ 949,938,053**
Current Liabilities	48,679,740	52,514,396	101,194,136	89,420,786
Non-Current Liabilities	28,227,572	207,962,860	236,190,432	393,737,920
Total Liabilities	**$ 76,907,312**	**$ 260,477,256**	**$ 337,384,568**	**$ 483,158,706**
Total Owners' Equity	**$ 69,101,135**	**$ 227,412,761**	**$ 296,513,896**	**$ 466,779,347**

				Three Months Ended March 31, 2023
	Trust Wholly Owned	Co-Owned at Proportionate Ownership	Total	Co-Owned at 100%
Net Operating Income				
Rental Revenue	$ 2,705,207	$ 11,504,001	$ 14,209,208	$ 24,894,401
Property Operating Expenses	(915,773)	(4,070,419)	(4,986,192)	(8,758,780)
	1,789,434	7,433,582	9,223,016	16,135,621
Interest and Other Income	82,717	51,960	134,677	185,205
Expenses:				
Finance Costs	911,497	2,767,713	3,679,210	5,934,669
General and Administrative	381,665	959,714	1,341,379	1,774,286
	1,293,162	3,727,427	5,020,589	7,708,955
Income Before Fair Value Adjustments	578,989	3,758,115	4,337,104	8,611,871
Fair Value Adjustments:				
Investment Properties	(11,165)	921,917	910,752	2,257,757
Unit-based Compensation Recovery	148,933	-	148,933	148,933
Net Income (Loss) and Comprehensive Income (Loss)	$ 716,757	$ 4,680,032	$ 5,396,789	$ 11,018,561

				Three Months Ended March 31, 2022
	Trust Wholly Owned	**Co-Owned at Proportionate Ownership**	**Total**	**Co-Owned at 100%**
Net Operating Income				
Rental Revenue	$ 2,673,889	$ 10,366,798	$ 13,040,687	$ 19,930,898
Property Operating Expenses	(734,778)	(4,002,085)	(4,736,863)	(7,897,913)
	1,939,111	6,364,713	8,303,824	12,032,985
Interest and Other Income	113	14,365	14,478	24,162
Expenses:				
Finance Costs	424,003	2,115,504	2,539,507	4,016,041
General and Administrative	988,571	333,945	1,322,516	767,339
	1,412,574	2,449,449	3,862,023	4,783,380
Income Before Fair Value Adjustments	526,650	3,929,629	4,456,279	7,273,767
Fair Value Adjustments:				
Investment Properties	176,989	962,860	1,139,849	3,992,839
Unit-based Compensation Recovery	(258,111)	-	(258,111)	(258,111)
Net Income and Comprehensive Income	$ 445,528	$ 4,892,489	$ 5,338,017	$ 11,008,495

14. Income Taxes

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

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

Under the SIFT Rules, certain distributions from a SIFT are not deductible in computing a SIFT's taxable income, and a SIFT is subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to a Canadian corporation. However, distributions paid by a SIFT as returns of capital should generally not be subject to tax.

The SIFT Rules do not apply to a REIT that meets prescribed conditions relating to the nature of its assets and revenue (the "REIT Conditions"). The REIT has reviewed the REIT Conditions and has assessed their interpretation and application to the REIT's assets and revenues. The REIT believes it has met the REIT Conditions throughout the periods ended March 31, 2023 and March 31, 2022. As a result, the REIT does not recognize any deferred income tax assets or liabilities for income tax purposes.

15. Commitments and Contingencies

The Trust is subject to legal and other claims in the normal course of business. Although such matters cannot be predicted with certainty, management believes that any liability from such claims would not have a significant effect on the Trust's consolidated financial statements.

For the three months ended March 31, 2023 and March 31, 2022, the Trust had no material commitments and contingencies other than those outlined above and in notes 12.

16. Capital Management

The Trust's objectives when managing capital are to safeguard its ability to continue as a going concern and to generate sufficient returns to provide unitholders with stable cash distributions. The Trust's capital currently consists of bank indebtedness, mortgages and unitholders' equity.

The Trust's Declaration of Trust permits the Trust to incur or assume indebtedness, provided that after giving effect to incurring or assuming any indebtedness (as defined in the Declaration of Trust), the amount of such indebtedness of the Trust is not more than 75% of the gross book value of the Trust's total assets. Gross Book Value ("GBV") is defined in the Declaration of Trust as "at any time, the book value of the assets of the Trust and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet, plus the amount of accumulated depreciation and amortization in respect of such assets (and related intangible assets) shown thereon or in the notes thereto plus the amount of future income tax liability arising out of indirect acquisitions and excluding the amount of any receivable reflecting interest rate subsidies on any debt assumed by the Trust shown thereon or in the notes thereto, or if approved by a majority of the Trustees at any time, the appraised value of the assets of the Trust and its consolidated subsidiaries may be used instead of book value." As at March 31, 2023 and March 31, 2022, the ratio of such indebtedness to gross book value was 51.9% and 51.2% respectively, which complies with the requirement in the Declaration of Trust and is consistent with the Trust's objectives.

With respect to the bank indebtedness, the Trust must maintain ratios including minimum Unitholders' equity, maximum debt/GBV, minimum interest service and debt service coverage ratios. The Trust monitors these ratios and was in compliance with these requirements throughout the periods ended March 31, 2023 and March 31, 2022.

In addition to the above key ratios, the Trust's mortgages has various covenants calculated as defined within these agreements. The Trust monitors these covenants and was in compliance as at March 31, 2023 and March 31, 2022.

17. Risk Management and Fair Value of Financial Instruments

A. Risk Management:

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

I. Market Risk

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

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

Impact on Interest Expense	March 31, 2023	December 31, 2022
Bank Indebtedness	$ 199,724	$ 187,246
Mortgages	395,000	395,000
	$ 594,724	$ 582,246

II. Credit Risk

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

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

In determining the expected credit losses, the Trust takes into account the payment history and future expectations of likely default events (i.e. asking for rental concessions, applications for rental relief through government programs such as the CECRA program, or stating they will not be making rental payments on the due date) based on actual or expected insolvency filings or voluntary arrangements. These assessments are made on a tenant-by-tenant basis.

Accounts receivable balance is net of expected credit losses of $537,495 (December 31, 2021 - $510,947).

As at March 31, 2023, the Trust had one tenant comprising 10.5% of rental revenues (12.1% as at March 31, 2022).

III. Liquidity Risk

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

The following are the maturities of the Trust's financial liabilities as at March 31, 2023 including bank indebtedness, mortgages, tenant rental deposits, distribution payable and accounts payable and accrued liabilities:

	Less than 1 Year	1 - 2 Years	>2 Years	Total
Mortgages (note 7a)	$ 46,739,109	$ 96,908,614	$ 161,760,217	$ 305,407,940
Bank Indebtedness (note 6)	19,972,386	-	-	19,972,386
Credit facility (note 6)	6,300,000	-	-	6,300,000
Tenant Rental Deposits	552,627	413,737	1,649,239	2,615,603
Distribution Payable	1,603,682	-	-	1,603,682
Land Lease Liability (note 7b)	42,312	85,183	97,945	225,440
Accounts Payable and Accrued Liabilities (note 5)	6,019,349	-	-	6,019,349
	$ 81,229,465	$ 97,407,534	$ 163,507,401	$ 342,144,400

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

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

	March 31, 2023		December 31, 2022
	Amortized Cost	FVTPL	FVTPL
Financial Assets			
Mortgages Receivable	$ 8,400,000	$ 8,400,000	$ 9,100,000
Accounts Receivable	1,974,726	1,974,726	1,179,618
Deposits and Other Assets	1,101,710	1,101,710	1,260,225
Restricted Cash	345,484	345,484	201,041
Cash and Cash Equivalents	4,792,344	4,792,344	4,985,624
Financial Liabilities			
Distribution Payable	$ 1,603,682	$ 1,603,682	$ 1,607,547
Accounts Payable and Accrued Liabilities (except Option and DSU Liabilities)	5,239,452	5,239,452	6,586,683
Land Lease Liability	225,440	225,440	221,998
Bank Indebtedness	19,972,386	19,972,386	18,726,067
Credit facility	6,300,000	6,300,000	-
Tenant Rental Deposits	2,615,603	2,615,603	2,550,629
Mortgages	305,337,204	294,269,392	291,219,329
Option Liabilities	-	686,029	835,359
DTU	-	93,868	13,571

I. Fair Value Hierarchy

The fair value of the mortgages is estimated based on the present value of future payments, discounted at a yield on a Government of Canada bond with the nearest maturity date to the underlying mortgage, plus an estimated credit spread at the reporting date for a comparable mortgage (Level 2). The estimated fair value of the mortgages is approximately $294.3 million (December 31, 2022 - $291.2 million).

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

19. Segmented Information

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

	Grocery Anchored Retail	Non-Grocery Anchored Retail	Industrial	Multi-Residential	Core Service Office Provider	Manufactured Homes Communities	Corporate	Three Months Ended March 31, 2023
Net Operating Income								
Rental Revenue	$ 7,322,119	$ 1,045,837	$ 3,655,349	$ 1,741,452	$ -	$ 444,451	$ -	$ 14,209,208
Property Operating Expenses	(2,700,335)	(244,498)	(1,203,684)	(602,382)	(67,382)	(167,911)	-	(4,986,192)
	4,621,784	801,339	2,451,665	1,139,070	(67,382)	276,540	-	9,223,016
Interest and Other Income	39,656	9,326	3,598	-	81,966	131	-	134,677
Expenses:								
Finance Costs	1,711,404	56,337	880,970	750,093	-	115,074	165,332	3,679,210
General and Administrative	475,788	33,769	185,532	173,565	5,044	31,129	436,552	1,341,379
	2,187,192	90,106	1,066,502	923,658	5,044	146,203	601,884	5,020,589
Income Before Fair Value Adjustments	2,474,248	720,559	1,388,761	215,412	9,540	130,468	(601,884)	4,337,104
Fair Value Adjustments:								
Investment Properties	(40,718)	(7,756)	1,230,875	(264,266)	-	(7,383)	-	910,752
Unit-based Compensation Expense	-	-	-	-	-	-	148,933	148,933
Net Income/(Loss) and Comprehensive Income/(Loss)	$ 2,433,530	$ 712,803	$ 2,619,636	$ (48,854)	$ 9,540	$ 123,085	$ (452,951)	$ 5,396,789

	Grocery Anchored Retail	Non-Grocery Anchored Retail	Industrial	Multi-Residential	Core Service Office Provider	Manufactured Homes Communities	Corporate	Three Months Ended March 31, 2022
Net Operating Income								
Rental Revenue	$ 6,663,170	$ 1,056,058	$ 3,361,459	$ 1,482,496	$ 124,965	$ 352,539	$ -	$ 13,040,687
Property Operating Expenses	(2,317,133)	(362,755)	(1,256,375)	(535,084)	(131,773)	(133,743)	-	(4,736,863)
	4,346,037	693,303	2,105,084	947,412	(6,808)	218,796	-	8,303,824
Interest and Other Income	5,134	8,333	929	82	-	-	-	14,478
Expenses:								
Finance Costs	1,396,617	21	616,982	278,794	-	27,459	219,634	2,539,507
General and Administrative	110,763	34,926	131,767	55,093	6,868	26,395	956,704	1,322,516
	1,507,380	34,947	748,749	333,887	6,868	53,854	1,176,338	3,862,023
Income Before Fair Value Adjustments	2,843,791	666,689	1,357,264	613,607	(13,676)	164,942	(1,176,338)	4,456,279
Fair Value Adjustments:								
Investment Properties	(418,622)	(253,261)	1,804,368	(335,625)	(43,930)	386,919	-	1,139,849
Unit-based Compensation Expense	-	-	-	-	-	-	(258,111)	(258,111)
Net Income/(Loss) and Comprehensive Income/(Loss)	$ 2,425,169	$ 413,428	$ 3,161,632	$ 277,982	$ (57,606)	$ 551,861	$ (1,434,449)	$ 5,338,017

20. Subsequent Events

a) On April 26, 2023, the Trust locked in a fixed rate mortgage for $38 million on a multi-residential building in Pointe-Claire, Quebec at an interest rate of 3.69% for 10 years which is expected to close by the end of Q2 2023.

b) On May 11, 2023, the Trust declared and approved monthly distributions in the amount of $0.04333 per Trust Unit for Unitholders of record on July 31, 2023, August 31, 2023 and September 29, 2023, payable on or about August 15, 2023, September 15, 2023, and October 16, 2023, respectively.