MANAGEMENT'S DISCUSSION AND ANALYSIS

(All dollar amounts in our tables are presented in thousands of Canadian dollars, except rental rates, unit, per unit and megawatt ("MW") amounts, unless otherwise stated)

1. OVERVIEW AND OVERALL FINANCIAL PERFORMANCE

1.1 OVERVIEW OF THE TRUST

Dream Hard Asset Alternatives Trust ("Dream Alternatives" or the "Trust") is an open-ended trust focused on hard asset alternative investments comprising real estate development, real estate lending, real estate, and renewable power. In the Trust's reportable operating segments, these investments are referred to as development and investment holdings, lending portfolio, income properties, and renewable power, respectively. The Trust is managed by Dream Asset Management Corporation ("DAM") or the "Asset Manager"), a subsidiary of Dream Unlimited Corp. ("Dream"), (TSX: DRM) which is one of Canada's leading real estate companies, with approximately $14 billion of assets under management in North America and Europe. The Trust is listed on the Toronto Stock Exchange ("TSX") under the symbol "DRA.UN". On January 1, 2018, Dream acquired control of the Trust, based on Dream's increased exposure to variable returns resulting from increased ownership through units held in the Trust and from new real estate joint venture agreements. Dream is the ultimate parent company of the Trust.

This Management's Discussion and Analysis ("MD&A") reflects all material events up to May 7, 2018, the date on which this MD&A was approved by the Board of Trustees. This MD&A should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the year ended December 31, 2017 and three months ended March 31, 2018, respectively, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Certain comparative results have been reclassified to conform to the presentation adopted in the current period.

The Basis of Presentation section of this MD&A includes important information concerning certain information found in this MD&A that contains or incorporates comments that constitute forward-looking information within the meaning of applicable securities laws. Readers are encouraged to read the Basis of Presentation and Risks and Risk Management sections of this MD&A for a discussion of the risks and uncertainties regarding this forward-looking information as there are a number of factors that could cause actual results to differ materially from those disclosed or implied by such forward-looking information.

Our operating segments consist of the following:

- **Development and investment holdings** — participating mortgages receivable and indirect investments in developments and income-producing properties and direct investments in development projects;
- **Lending portfolio** — interest-paying mortgages, mezzanine and corporate loans;
- **Income properties** — a portfolio of office, industrial and commercial real estate properties in Canada; and
- **Renewable power** — solar and wind power projects in Canada and the United Kingdom ("U.K.").

1.2 OUR OBJECTIVES

Our objectives are to:

- provide an opportunity to invest in hard asset alternative investments, including real estate development, real estate lending, real estate, and renewable power, managed by an experienced team with a successful track record in these areas;
- build and maintain a growth-oriented portfolio;
- provide predictable cash distributions to unitholders on a tax efficient basis; and
- grow and reposition the portfolio to increase cash flow and NAV per unit[1] over time.

[1] For the Trust's definition of the following non-IFRS measures: NAV and NAV per unit, please refer to the Non-IFRS measures and Other Disclosures section of this MD&A

1.3 PORTFOLIO SUMMARY

With the Trust's focus on development investments that will generate higher growth and cash flow over a period of time, growth in NAV per unit is considered to be a useful metric of value creation and unitholders return. The determination of NAV incorporates a market value[3] adjustment to equity accounted investments and the renewable power portfolio to take into consideration reduction in the risk profile as a result of various factors including progression to completion or becoming operational. For additional details on NAV per unit, please refer to page 32 of the MD&A. The table below provides a summary of the Trust's portfolio as at March 31, 2018, including Unitholders' equity, NAV and date of last appraisal:

	Location	Accounting Treatment[1]	Economic Ownership %	Asset Value	Debt	Total Unitholders' Equity[4]	NAV[3]	NAV per unit	Year acquired/Last External Appraisal
Development & Investment Holdings									
Empire Lakeshore	Toronto & GTA	Fair value	78.8%	$ 71,419	N/A	$ 74,073	$ 74,073	$ 1.02	N/A
Hard Rock/Virgin Hotels Las Vegas	United States	Fair value	10.0%	37,926	N/A	37,926	37,926	0.52	Acquired 2018
Zibi development	Other Ontario	Equity Accounted	40.0%	33,391	N/A	33,391	33,446	0.46	Acquired 2017
Port Credit development	Toronto & GTA	Equity Accounted	23.3%	30,971	N/A	30,971	35,247	0.49	Q4 2017
Frank Gehry development	Toronto & GTA	Equity Accounted	18.8%	19,559	N/A	19,559	19,559	0.27	Acquired 2017
Bayfield LP	Other Western Canada	Fair value	11.9% - 13.2%	14,799	N/A	14,799	14,799	0.20	Q4 2017
Lakeshore East	Toronto & GTA	Equity Accounted	37.5%	12,413	N/A	12,413	26,911	0.37	Q4 2017
Plaza Bathurst and Plaza Imperial development	Toronto & GTA	Equity Accounted	40.0%	8,419	N/A	8,419	8,420	0.12	Acquired 2017
Empire Brampton	Toronto & GTA	Fair value	80%	6,003	N/A	6,003	6,003	0.08	N/A
Seaton development[6]	Toronto & GTA	Equity Accounted	7.0%	4,047	N/A	4,047	4,047	0.07	Acquired 2018
Hotel Pur	Eastern Canada	Fair value	50%	3,652	N/A	3,652	3,652	0.05	N/A
IVY Condominiums	Toronto & GTA	Equity Accounted	50.0%	2,411	N/A	2,411	4,300	0.06	Q4 2017
Axis Condominiums	Toronto & GTA	Equity Accounted	28.0%	1,870	N/A	1,870	11,771	0.16	Q4 2017
				$ 246,880		**$ 249,534**	**$ 280,154**	**$ 3.87**	
Lending Portfolio									
Toronto development	Toronto & GTA	Amortized Cost[2]	N/A	$ 104,139	N/A	$ 102,699	$ 102,699	$ 1.42	N/A
Vancouver development	British Columbia	Amortized Cost	N/A	51,116	N/A	51,116	51,116	0.71	N/A
Other	Saskatchewan	Amortized Cost	N/A	14,600	N/A	14,600	14,600	0.20	N/A
				$ 169,855		**$ 168,415**	**$ 168,415**	**$ 2.33**	
Income Properties and Investments									
Toronto and GTA	Toronto & GTA	Fair value	50.1% - 100%	$ 169,113	$ 90,315	$ 80,966	$ 80,966	$ 1.12	Q4 2017
Investment in Dream Office REIT units	Toronto & other	Fair value	3.3%	58,845	N/A	58,845	58,845	0.81	Mark to market
Other	Other Ontario	Fair value	60.0%	42,190	26,830	15,419	15,419	0.21	Q3 2017
Industrial Portfolio	Saskatchewan	Fair value	50.0%	9,075	5,701	3,485	3,485	0.05	Q4 2017
				$ 279,223	**$ 122,846**	**$ 158,715**	**$ 158,715**	**$ 2.19**	
Renewable Power									
Canadian Solar	Toronto & GTA	Amortized Cost	100.0%	$ 82,540	$ 50,216	$ 37,665	$ 42,522	$ 0.59	Q4 2017
Canadian Wind	Eastern Canada	Amortized Cost	80.0%	31,765	26,240	7,512	10,452	0.14	Q4 2017
United Kingdom Wind	United Kingdom	Amortized Cost	100.0%	21,281	—	22,072	25,901	0.36	Q4 2017
				$ 135,586	**$ 76,456**	**$ 67,249**	**$ 78,875**	**$ 1.09**	
Cash, Working capital and Other									
Marketable Securities - other						$ 1,094	$ 1,094	$ 0.02	
Revolving credit facility						(22,000)	(22,000)	(0.30)	
Cash and other consolidated working capital[5], including tax						(16,285)	(20,747)	(0.30)	
						$ (37,191)	**$ (41,653)**	**$ (0.58)**	
Total Unitholders Equity / NAV						**$ 606,722**	**$ 644,506**	**—**	
Total Unitholders Equity / NAV per unit						**$ 8.38**		**$ 8.90**	

[1] Equity accounted investments are recognized initially at cost and subsequently adjusted for the Trust's share of the profit or loss
[2] Includes a loan of $15.3 million as at March 31, 2018 classified as fair value through profit and loss
[3] For the Trust's definition of the non-IFRS measures NAV and Market value, please refer to the Non-IFRS measures and Other Disclosures section of this MD&A
[4] Included in Total Unitholders' equity is working capital that is presented separately from its asset in the condensed consolidated statements of financial position
[5] Cash and other consolidated working capital includes Trust and other segment level cash and net working capital balances
[6] Seaton development total investment is $9.1 million, split between loan investments and equity investment under IFRS

DEVELOPMENT AND INVESTMENT HOLDINGS PARTNERS AND SUMMARY

With our partners and relationships, the Trust has access to unparalleled opportunities to invest in across North America. The table below provides an overview of some of the Trust's key partners within its development/re-development investments:

Project	Partners	Partner Since
Empire Lakeshore & Brampton	Empire Communities	2014
Axis Condominiums	CentreCourt Developments	2016
Lakeshore East development	Dream Unlimited, Great Gulf Residential	2016
Port Credit development	Dream Unlimited, Kilmer Van Nostrand Co. Ltd, Diamond Corp., FRAM + Slokker	2017
Plaza Bathurst and Plaza Imperial development	Plazacorp Properties Ltd.	2017
Zibi development	Dream Unlimited, Windmill Development	2017
Frank Gehry development	Dream Unlimited, Great Gulf Residential, Westdale Construction Co. Ltd	2017
Seaton development	Fieldgate Homes, Mattamy Homes, Paradise Developments, TACC Construction Ltd	2018
Hard Rock/Virgin Hotels Las Vegas	Juniper Capital Partners, Fengate Real Asset Investments, Virgin Hotels	2018
100 Steeles	Dream Unlimited, Westdale Construction Co. Ltd	2018
West Don Lands	Dream Unlimited, Kilmer van Nostrand Co. Ltd, Tricon Capital Group	2018

1.4 FINANCIAL OVERVIEW - FIRST QUARTER 2018

SUBSTANTIAL COMPLETION OF PORTFOLIO REPOSITIONING WITH SIGNIFICANT NEW INVESTMENTS & PARTNERSHIPS

For the three months ended March 31, 2018, the Trust reported net income of $5.8 million compared to a net loss of $18.6 million in the same quarter in the prior year. The year over year results are not comparable due to the sale of substantially all of the Trust's non-core legacy assets in 2017, which resulted in $28.1 million of fair value losses recorded in the same period in the prior year. The Trust has continued to identify and capitalize on key development and re-development opportunities and has substantially repositioned its portfolio into assets that are expected to increase the Trust's NAV per unit. During and subsequent to the first quarter of 2018, the Trust has or expects to successfully invest $87.1 million of equity primarily into new loans and development and investment holdings. The new loans have an average yield of over 10% and the new development and investment holdings were underwritten at IRR's between 20-30%. With these transactions, the repositioning of the Trust's portfolio into long term investments is now substantially completed. Significant new investments include: a 10% interest in the Hard Rock Hotel in Las Vegas, alongside a consortium of experienced equity partners; and a 25% partnership interest in 9 acres of lands in the West Don Lands that will be developed into 1,500 purpose-built multi-family units in Toronto's burgeoning downtown east district.

During the first quarter of 2018, the Trust completed the acquisition of the Hard Rock Hotel & Casino in Las Vegas, Nevada with a consortium of partners, led by Juniper Capital Partners ("Juniper") and Fengate Real Asset Investments ("Fengate"). On closing of the transaction, the Trust contributed US $29.0 million (CAD $37.9 million) for an approximate 10% equity investment, including transaction costs, in the partnership. The partnership plans to open a re-conceptualized and revitalized property, the Virgin Hotels Las Vegas, in the late fall of 2019. Virgin Hotels, the lifestyle brand established by Virgin Group founder Sir Richard Branson, is also part of the consortium of investing partners, alongside other private investors. The property is located in Las Vegas on 30 acres of land and is situated 1 mile east of the strip and 2 miles from McCarron airport. Located at 4455 Paradise Road, the property will continue full service operations under the Hard Rock flag until it opens as a Virgin Hotels hotel. Guest rooms, restaurants and public spaces will undergo a face lift with the final product being a showcase of Virgin's signature sleek and stylish design with an eclectic mix of social spaces. The hotel will feature 1504 well-appointed chambers, suites and penthouse, a 60,000 square foot, fully renovated casino, multiple pools over five acres, world-class restaurants, lounges and bars, including new nightlife venues and the Virgin brand's flagship space, the Commons Club, as well as numerous meeting and convention spaces.

Subsequent to the first quarter, the Trust formed a partnership to develop and manage a new residential rental apartment community in Toronto’s West Don Lands region ("West Don Lands"). The Partnership entered into 99-year land leases with Infrastructure Ontario ("IO") for land parcels that will be developed into approximately 1,500 rental units as well as ancillary retail and potential office space. Dream, together with the Trust and each of the residual equity partners which include Kilmer Van Nostrand ("Kilmer") and Tricon Capital Group ("Tricon") hold an equal ownership share of the Partnership. The lands are located in close proximity to the Distillery District, Canary District and Waterfront Toronto’s Quayside, Google’s 13-acre Sidewalk Labs neighborhood, forming an integral part of the ongoing revitalization and transformation of the east end. The current proposal, comprehensive of all five blocks, is expected to be built in stages and includes a total of approximately 1,500 purpose-built residential units, 30% of which will satisfy the Province's affordability requirement and 70% of which will be rented upon completion at market rates, as well as up to 75,000 square feet of retail amenity space and an opportunity for the future development of a 200,000 square foot office building. The first block slated for development features approximately 750 rental units and 26,000 square feet of retail amenity space which has been fully zoned and approved by the City of Toronto. The Partnership is targeting to commence construction on this first block as early as the second quarter of 2019 with initial residential occupancy targeted for 2021.

During the three months ended March 31, 2018, the Trust entered into a partnership, alongside several other experienced developers in the Greater Toronto Area ("GTA"), including Fieldgate Homes ("Fieldgate"), Mattamy Homes ("Mattamy"), Paradise Developments ("Paradise"), and TACC Construction Ltd. ("TACC"). The partnership invested in a fully-zoned 395-acre land and housing development located in Seaton, in the City of Pickering, Ontario ("Seaton Development"). During the first quarter of 2018, the Trust, along with Fieldgate, acquired a 14% equity investment in the partnership, of which the Trust owns 50%. The Trust invested a total of $9.1 million for its interest in the partnership through a combination of loans and equity investment. Initial servicing on the land and housing development is expected to begin in 2019 in phases, with expected completion slated for 2023. The combined IRR's expected on the debt and equity investment in the Seaton Development is in line with targeted returns for developments by the Trust. The larger community of Seaton is a proposed new urban development on approximately 3,100 acres of land in the City of Pickering. Upon all of the lands being developed, Seaton will be a mixed use, sustainable community which will be a workplace for 30,500 and home to 61,000 people by 2031.

Subsequent to the first quarter, the Trust, along with Dream, acquired a 33.3% leasehold interest in a retail shopping centre and residential mixed use development investment opportunity located at 100 Steeles Ave. West in Toronto, Ontario ("100 Steeles") for $7.8 million, including transaction costs. The Trust owns a 25% interest in this income property with Dream owning 8.3%. The investment is currently an income producing retail property with approximately one million square feet of residential and commercial mixed use density redevelopment potential in future years.

As at March 31, 2018, the Trust had a cash balance of $22.6 million and funds available under its revolving credit facility of $21.3 million (net of $1.7 million of letters of credit). Including transactions closed subsequent to the first quarter of 2018, the Trust expects to fund approximately $38.3 million to its development and investments projects over the balance of 2018, which is comprised of $20.5 million related to future capital commitments to both the Port Credit and Zibi developments with the remainder representing management's estimate of future expected capital calls on various other development and investment projects.

For the three months ended March 31, 2018, development and investment holdings net income of $2.1 million remained relatively consistent compared to the same period in the prior year. During the first quarter, a fair value gain of $2.1 million was recognized relating to the Empire Lakeshore high-rise condominium development project as it continued to progress steadily to completion and payout. The Empire Lakeshore project continued to progress on schedule with construction above grade and currently on the 34th floor of the Water Tower and 35th floor of the Sky Tower. The Water Tower and Sky Tower are 49 storey's and 66 storey's respectively.

For the three months ended March 31, 2018, net income of $3.7 million from the lending portfolio increased from $3.0 million when compared to the same quarter in the prior year. The increase in net income resulted from new loan advances with a higher weighted average effective interest rate. During the quarter, the Trust advanced total gross proceeds of $28.7 million at a weighted average effective interest rate of 11.2%.

For the three months ended March 31, 2018, income properties and investments generated net income of $3.2 million compared to a net loss of $24.0 million in the same period in the prior year. The variance resulted primarily from $28.1 million in fair value losses recognized in the prior year relating to the sale of non-core co-owned income properties which have since been sold. In addition, during the three months ended March 31, 2018, the Trust recorded a fair value gain of $3.0 million on its investment in the publicly traded units of Dream Office REIT (TSX: D.UN) which was partially offset by $2.1 million of fair value losses in the income property portfolio.

Net income of $0.9 million for the three months ended March 31, 2018 from the renewable power portfolio decreased slightly from $1.1 million compared to the same quarter in the prior year. The decrease in net income was a result of an increase in depreciation and interest expense stemming from six Ground Mount Solar projects becoming operational and the closing of the financing with respect to these renewable power projects in the prior year.

Net loss of $4.1 million for the three months ended March 31, 2018, related to the Other segment, increased from a net loss of $0.9 million in the same period in the prior year. The increase in net loss was due to an income taxes expense position in the current period compared to an income tax recovery position in the same period in the prior year. The year over year change was primarily due to the net income position in the first quarter of 2018 compared to a net loss position resulting from the various dispositions in the same period in the prior year.

NET ASSET VALUE ("NAV"[1])

NAV per unit of $8.90 as at March 31, 2018 remained relatively stable to $8.89 per unit as at December 31, 2017, in line with expectations. During the first quarter of 2018, a fair value gain of $1.8 million was recognized on the Empire Lakeshore high-rise condominium development project. In addition, during the three months ended March 31, 2018, a market value gain of $1.3 million was recorded on the Axis Condominium development. These gains represent the continued steady progress to completion and payout on each of the above noted investments. Fair value adjustments are reflected in the Trust's condensed consolidated financial statements. Market value adjustments are reflected only in NAV, which is a non-GAAP measure. For details please refer to page 32 of the Management Discussion and Analysis ("MD&A"). As well, during the three months ended March 31, 2018, the Trust recorded a fair value gain of $3.0 million on its investment in the publicly traded units of Dream Office REIT (TSX: D.UN). Slightly offsetting the above noted increase were $2.1 million in fair value losses recorded in income properties due to changes in leasing assumptions in certain income properties.

The development and investment holdings NAV of $280.2 million (43.5% of total NAV) or $3.87 per unit increased compared to $206.0 million or $2.84 per unit as at December 31, 2017. The increase in NAV was primarily due to the aforementioned recent acquisitions, fair and market value gains during the first quarter. During the three months ended March 31, 2018, the Trust received approximately $2.0 million in cash as return of capital from the Axis Condominium development to the Trust and invested an additional $9.5 million of capital in the Frank Gehry, Port Credit and Zibi developments. In addition as at March 31, 2018, the development and investment holdings NAV included approximately $20.5 million of payables related to both the Port Credit and Zibi developments which represents the future commitments that are now classified within the Cash, Working capital and Other NAV balance.

The lending portfolio NAV of $168.4 million (26.1% of total NAV) or $2.33 per unit at March 31, 2018 increased compared to $158.8 million or $2.19 per unit as at December 31, 2017. The increase was the result of $28.7 million of loan advances during the three months ended March 31, 2018, offset by principal repayments of $17.2 million.

As at March 31, 2018, NAV of $78.9 million (12.2% of total NAV) or $1.09 per unit for the renewable power portfolio remained consistent compared to $78.8 million or $1.09 per unit as at December 31, 2017.

NAV per unit relating to cash, marketable securities and other Trust consolidated working capital decreased to a loss position of $0.58 per unit as at March 31, 2018 compared to $0.61 per unit as at December 31, 2017. This decrease is primarily a result of the Trust investing in the development and investment holdings portfolio during the quarter.

The Trust relies on growth in the NAV per unit as a measure of value creation including the market value adjustments on its equity accounted investments and renewable power projects. Please refer to page 11 and 21, respectively, of the MD&A for additional details on the Trust's equity investments and renewable power projects. The closest IFRS measure to NAV per unit is unitholders' equity per unit. Please refer to page 8 of the MD&A for a reconciliation between NAV and unitholders' equity.

UNITHOLDERS' EQUITY

As at March 31, 2018, total unitholders' equity per unit of $8.38 has remained relatively consistent compared to $8.39 per unit as at December 31, 2017. During the three months ended March 31, 2018, net income generated by the Trust (before depreciation) was effectively distributed during the quarter to unitholders.

CASH GENERATED FROM OPERATING ACTIVITIES

Cash generated from operating activities for the three months ended March 31, 2018 was $3.5 million compared to cash utilized in operating activities of $3.0 million for the same quarter in the prior year. The year over year increase was largely due to the Trust generating net income for the three months ended March 31, 2018 compared to incurring an $18.6 million net loss in the same period in the prior year.

INVESTMENT AND TRANSACTION HIGHLIGHTS

Income Properties and Investments

Subsequent to the first quarter, the Trust, along with Dream, acquired a 33.3% interest in an income property located at 100 Steeles Ave. West for $7.8 million, including transaction costs. The Trust owns a 25% interest in the income property with DAM owning the other 8.3%. The investment is currently an income producing retail property with redevelopment potential in future years.

Development and Investment Holdings

In the three months ended March 31, 2018, the Trust invested US $29.0 million (CAD $37.9 million) for an approximate 10% equity investment, including transaction costs, in the Hard Rock Hotel in Las Vegas, Nevada. The residual partners are led by Juniper and Fengate and include Virgin Hotels and other private investors. The property is located in Las Vegas on 30 acres of land and is situated 1 mile east of the strip and 2 miles from McCarron airport. Located at 4455 Paradise Road, the property will continue full service operations under the Hard Rock flag until it opens as a Virgin Hotels hotel. Guest rooms, restaurants and public spaces will undergo a face lift with the final product being a showcase of Virgin's signature sleek and stylish design with an eclectic mix of social spaces. The partnership plans to open a re-conceptualized and revitalized property, the Virgin Hotels Las Vegas, in the late fall of 2019. The hotel will feature 1504 well-appointed chambers, suites and penthouse, a 60,000 square foot, fully renovated casino, multiple pools over five acres, world-class restaurants, lounges and bars, including new nightlife venues and the Virgin brand's flagship space, the Commons Club, as well as numerous meeting and convention spaces.

In addition, during the three months ended March 31, 2018, the Trust entered into a partnership, with several other respected developers which include Fieldgate, Mattamy, Paradise, and TACC. The partnership has invested in Seaton Lands located in Pickering, Ontario. During the first quarter of 2018, the Trust, along with Fieldgate, acquired a 14% equity investment in the partnership, of which the Trust owns 50%. The Trust invested a total of $9.1 million for its 7% equity interest in the partnership through a combination of loans and equity investment.

During the three months ended March 31, 2018, approximately $2.0 million was distributed from the Axis Condominium project to the Trust. To date, a total return of capital of $3.4 million has been distributed back to the Trust. As at March 31, 2018, the project continued to progress steadily to completion and payout. The Axis Condominium sales programs were launched in late 2016/early 2017 and are 100% sold with an expected completion date in 2020. As at March 31, 2018, Axis Condominiums continued to progress on schedule and currently above grade on the 4th floor.

The Empire Lakeshore project continues to progress on schedule with construction above grade and currently on the 34th floor of the Water Tower and 35th floor of the Sky Tower. The Water Tower and Sky Tower are 49 storey's and 66 storey's respectively. The project is expected to be completed and occupied in phases from the fourth quarter of 2019 to the second quarter of 2020. The Trust recognized a further fair value gain of $2.1 million on the Empire Lakeshore project during the first quarter of 2018 as the project continues to advance steadily to completion and payout.

Lending Portfolio

The overall loan portfolio continues to be very liquid with a weighted average term to maturity of 1.32 years at March 31, 2018. During the quarter, the Trust advanced total gross proceeds of $28.7 million in loan advances with a weighted average effective interest rate of 11.2% and $17.2 million of the loan portfolio was repaid.

Renewable Power

During the three months ended March 31, 2018, the Trust acquired an additional wind turbine located in the United Kingdom ("U.K."). The additional turbine was acquired for approximately $0.3 million and brings the portfolio to a total of 46 turbines.

FINANCIAL HIGHLIGHTS OF THE TRUST

For the three months ended		**March 31, 2018**		March 31, 2017
Consolidated results of operations				
Net income (loss)	**$**	**5,784**	$	(18,572)
Net Income (loss) before depreciation[1]		**7,296**		(17,211)
Net operating income ("NOI")[1]		**9,780**		12,509
Cash generated from (utilized in) operating activities		**3,549**		(2,969)
Net income (loss) per unit		**0.08**		(0.26)
Net income (loss) per unit before depreciation [1]		**0.10**		(0.24)
Trust unit information				
Distributions declared and paid per unit		**0.10**		0.10
Units outstanding – end of period		**72,416,062**		72,354,151
Units outstanding – weighted average		**72,358,674**		72,353,192

[1] For the Trust's definition of the following non-IFRS measures: NOI, net income (loss) before depreciation, net income (loss) per unit before depreciation, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A

As at		**March 31, 2018**		**December 31, 2017**
Consolidated financial position				
Total Unitholders' Equity	**$**	**606,722**	$	607,278
Total Unitholders' Equity per unit		**8.38**		8.39
NAV		**644,506**		643,999
NAV per unit		**8.90**		8.89
Total contractual debt payable[1]		**224,748**		203,318
Total assets		**868,485**		853,265
Cash		**22,585**		60,927
Debt-to-gross asset value[1]		**25.9%**		23.8%

[1] For the Trust's definition of the following non-IFRS measures: debt-to-gross asset value, gross asset value and total contractual debt payable, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A

The Trust relies on growth in the NAV per unit as a measure of value creation including the market value adjustments on its equity accounted investments and renewable power projects. As part of its NAV calculation, a non-IFRS measure, the Trust recognized a cumulative market value adjustment of $30.6 million (December 31, 2017 - $29.2 million) in development and investment holdings and $11.6 million (December 31, 2017 - $11.8 million) in renewable power as at March 31, 2018. The Trust has included the above noted adjustments in its NAV calculation to address the reduction in risk profile as each project progresses toward completion and/or reflect information from recent market transactions that indicate a change in the equity investment market value subject to internal and external appraisals.

For the three months ended March 31, 2018, a market value loss of $0.2 million was recognized to the renewable power portfolio NAV. The NAV decrease was due to the amortization of the renewable power portfolio, primarily the market value gain, which is amortized over the term of the PPA. For the three months ended March 31, 2018, a market value gain of $1.4 million contributed to the NAV increase in development and investment holdings. This market value gain was recognized, primarily, in the Axis Condominium development attributed to the project continuing to progress steadily to completion.

Please refer to page 11 and 21, respectively, of the MD&A for additional details on the Trust's equity investments and renewable power projects.

The closest IFRS measure to NAV per unit is unitholders' equity per unit. The table below provides the reconciliation of NAV to total unitholders' equity:

As at March 31, 2018	Development and investment holdings[2]	Lending portfolio	Income properties	Renewable power[3]	Cash, working capital and other[1]	Total
TOTAL UNITHOLDERS' EQUITY	$ 249,534	$ 168,415	$ 158,715	$ 67,249	$ (37,191)	**$ 606,722**
Market value adjustment to renewable power assets[2]	—	—	—	11,626	—	**11,626**
Market value adjustment to equity accounted investments	30,620	—	—	—	—	**30,620**
Deferred income taxes adjustment	—	—	—	—	(4,462)	**(4,462)**
NAV	**$ 280,154**	**$ 168,415**	**$ 158,715**	**$ 78,875**	**$ (41,653)**	**$ 644,506**
NAV PER UNIT	**$ 3.87**	**$ 2.33**	**$ 2.19**	**$ 1.09**	**$ (0.58)**	**$ 8.90**

(1) Cash, working capital and other includes Trust and other segment level cash and net working capital balances
(2) For additional details on the Trust's equity accounted investments market value adjustment, please refer to page 13 of the MD&A
(3) For additional details on the Trust's renewable power assets market value adjustment, please refer to page 21 of the MD&A

As at December 31, 2017	Development and investment holdings[2]	Lending portfolio	Income properties	Renewable power[3]	Cash, working capital and other[1]	Total
TOTAL UNITHOLDERS' EQUITY	$ 176,826	$ 158,758	$ 156,462	$ 67,061	$ 48,171	**$ 607,278**
Market value adjustment renewable power assets	—	—	—	11,773	—	**11,773**
Market value adjustment to equity accounted investments	29,201	—	—	—	—	**29,201**
Deferred income taxes adjustment	—	—	—	—	(4,253)	**(4,253)**
NAV	**$ 206,027**	**$ 158,758**	**$ 156,462**	**$ 78,834**	**$ 43,918**	**$ 643,999**
NAV PER UNIT	**$ 2.84**	**$ 2.19**	**$ 2.16**	**$ 1.09**	**$ 0.61**	**$ 8.89**

(1) Cash, working capital and other includes Trust and other segment level cash and net working capital balances
(2) For additional details on the Trust's equity accounted investments market value adjustment, please refer to page 13 of the MD&A
(3) For additional details on the Trust's renewable power assets market value adjustment, please refer to page 21 of the MD&A

1.5 NORMAL COURSE ISSUER BID AND INSIDER ACTIVITY

Since the inception of the Trust's NCIB program in December 2014 to May 7, 2018, the Trust has purchased for cancellation 3.2 million units for a total cost of $19.5 million, which included 584,347 units purchased during and subsequent to the three months ended March 31, 2018.

The Trust received acceptance of its Notice of Intention to renew its prior normal course issuer bid ("NCIB") from the TSX on January 11, 2018. The bid commenced on January 15, 2018 and will remain in effect until the earlier of January 14, 2019 or the date on which the Trust has purchased the maximum number of units permitted under the bid. Under the bid, the Trust has the ability to purchase for cancellation up to a maximum of 6,273,601 units (representing 10% of the Trust's public float of 62,736,012 units at the time of entering the bid through the facilities of the TSX).

Subsequent to the three months ended March 31, 2018, the Trust entered into an automatic securities repurchase plan (the "Plan") in order to facilitate purchases of its units under the NCIB. The Plan allows for purchases by the Trust of units at any time including, without limitation, when the Trust would ordinarily not be permitted to make purchases due to regulatory restrictions or self-imposed blackout periods. Purchases will be made by the Trust based upon the parameters prescribed by the Toronto Stock Exchange (the "TSX") and the terms of the parties' written agreement. Outside of such restricted or black-out periods, the Units may also be purchased in accordance with management's discretion. The Plan will terminate on January 14, 2019.

Since 2014 to May 7, 2018, the Trust's asset manager, DAM, purchased to date an aggregate of 10,669,664 of the Trust's units, which included 519,385 units issued under the Distribution Reinvestment and Unit Purchase Plan and the rest in the open market for its own account, representing approximately 14.8% of the total units outstanding.

2. REPORTABLE OPERATING SEGMENTS RESULTS OF OPERATIONS

2.1 HIGHLIGHTS BY REPORTABLE OPERATING SEGMENTS

The tables below summarize our consolidated net assets attributable to unitholders of the Trust[1] as at March 31, 2018 by operating segment and geographic allocation, excluding cash, marketable securities, and other Trust consolidated working capital, including tax.

OPERATING SEGMENT ALLOCATION

As at	**March 31, 2018**	December 31, 2017
Development and investment holdings[2]	**38.8%**	34.7%
Lending portfolio	**26.2%**	27.1%
Income properties	**24.6%**	26.8%
Renewable power	**10.4%**	11.4%
Total	**100.0%**	100.0%

(1) For the Trust's definition of net assets attributable to unitholders of the Trust, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A

(2) As at March 31, 2018, this segment includes under development and completed investments of 28.7% (December 31, 2017 - 31.5%) and income-producing investments of 10.1% (December 31, 2017 - 3.2%)

GEOGRAPHIC ALLOCATION

As at	**March 31, 2018**	December 31, 2017
Toronto & GTA	**65.2%**	70.5%
British Columbia	**8.7%**	10.6%
Eastern Canada	**1.9%**	2.2%
Other Ontario	**8.3%**	6.2%
United States	**6.5%**	—%
Saskatchewan	**3.1%**	3.5%
United Kingdom	**3.8%**	4.1%
Other Western Canada[1]	**2.5%**	2.9%
Total	**100.0%**	100.0%

(1) The Trust's investment in assets located in Alberta as at March 31, 2018 was less than 1% of consolidated assets

2.2 DEVELOPMENT AND INVESTMENT HOLDINGS, INCLUDING EQUITY ACCOUNTED INVESTMENTS

As at March 31, 2018, our development and investment holdings and equity accounted investments consisted of approximately $246.9 million of assets including:

						Asset Value		At 100% project-level	
Investment	Sector	Accounting Treatment	Status	Economic Ownership %	Expected Completion[1]	March 31, 2018	December 31, 2017	% Sold or Leased / Occupied[2]	Units (#) or sq. ft. (000s)
Investment holdings									
Bayfield	Retail	Fair Value[5]	Income Producing	11.9% - 13.2%	N/A	14,799	14,799	88.2%	1,126 sq.ft.
Hotel Pur	Hospitality	Fair Value	Income Producing	50%	N/A	3,652	3,652	63.2%	242 keys
Hard Rock/Virgin Hotels Las Vegas	Hospitality	Fair Value	Income Producing	10%	Q4 2019	37,926	—	N/A	1504 keys
Total investment holdings						**$ 56,377**	$ 18,451		
Development holdings									
Empire Brampton[4]	Residential	Fair Value	Substantially Completed	78.8%	Q3 2017	$ 6,003	$ 6,305	100.0%	685 units
Empire Lakeshore	Residential	Fair Value	Construction	80%	Q4 2019 - Q2 2020	71,419	69,363	99.1%	1,280 units
Total development holdings						**$ 77,422**	$ 75,668		
Total development and investment holdings						**$ 133,799**	$ 94,119		
Equity accounted investments - Development holdings									
Axis Condominiums	Residential	Equity Accounted	Construction	28.0%	2020	$ 1,870	$ 3,834	100.0%	572 units
IVY Condominiums	Residential	Equity Accounted	Pre-construction	50.0%	2021	2,411	2,425	100.0%	253 units
Lakeshore East	Residential	Equity Accounted	Pre-construction	37.5%	N/A	12,413	12,438	N/A	N/A
Port Credit	Residential	Equity Accounted	Pre-construction	23.3%	N/A	30,971	30,913	N/A	N/A
Plaza Bathurst	Other	Equity Accounted	Income Producing	40.0%	N/A	3,520	3,507	N/A	N/A
Plaza Imperial	Other	Equity Accounted	Income Producing	40.0%	N/A	4,899	4,902	N/A	N/A
Zibi development	Residential	Equity Accounted	Construction	40.0%	N/A	33,391	33,445	N/A	N/A
Frank Gehry	Residential	Equity Accounted	Pre-construction	18.8%	N/A	19,559	14,453	N/A	N/A
Seaton development	Residential	Equity Accounted	Pre-construction	7.0%	N/A	4,047	—	N/A	N/A
Total equity accounted investments - development holdings						**$ 113,081**	$ 105,917		
Total development and investment holdings and equity accounted investments						**$ 246,880**	$ 200,036		
Market value adjustments to equity accounted investments included in NAV[3]						**$ 30,620**	$ 29,201		
NAV per unit						**$ 3.87**	$ 2.84		

(1) The final completion dates are estimated by the Asset Manager based on information provided by the development project manager regarding the expected completion dates and development status as at March 31, 2018 and are subject to change
(2) % occupied based on quarterly average for the three months ended March 31, 2018
(3) For additional details on the Trust's equity accounted investments, please refer to page 11 of the MD&A
(4) The Empire Brampton low-rise project is considered substantially completed. The amount outstanding represents customary cash hold backs expected to be released over the next two years
(5) Upon the adoption of IFRS 9 this financial instrument previously recorded as AFS is now classified as FVTPL.

A summary of the development and investment holdings segment results follows:

For the three months ended	March 31, 2018	March 31, 2017
Net income-development holdings and equity accounted investments	**$ 1,974**	$ 2,280
Net income-investment holdings	**170**	(78)
Total net income	**$ 2,144**	$ 2,202

For the three months ended March 31, 2018, development and investment holdings net income of $2.1 million remained relatively consistent compared to the same period in the prior year. During the first quarter of 2018, a fair value gain of $2.1 million was recognized relating to the Empire Lakeshore high-rise condominium development project as it continued to progress steadily to completion and payout. A fair value gain of $2.1 million was recorded in the same period in the prior year which was also attributable to Empire Lakeshore.

DEVELOPMENT HOLDINGS AND EQUITY ACCOUNTED INVESTMENTS

The tables below provide a continuity of the development holdings and equity accounted investments balance for the periods indicated:

		Empire Brampton		Empire Lakeshore		Subtotal		Equity accounted investments		Total
Balance as at December 31, 2017	$	6,305	$	69,363	**$**	**75,668**	$	105,917	**$**	**181,585**
Advances/Investments/Share of Income		—		—		**—**		9,124		**9,124**
Fair value adjustments		(302)		2,056		**1,754**		—		**1,754**
Distribution/capital repayment		—		—		**—**		(1,960)		**(1,960)**
Balance as at March 31, 2018	**$**	**6,003**	**$**	**71,419**	**$**	**77,422**	**$**	**113,081**	**$**	**190,503**

DEVELOPMENT HOLDINGS - RESIDENTIAL

The Empire Lakeshore condominium development is comprised of two towers, the Water Tower and Sky Tower. Construction of the Empire Lakeshore condominium development continues to progress on schedule with construction currently on the 34th floor of the Water Tower and 35th floor of the Sky Tower. In total, the Water Tower and Sky Tower are expected to comprise of 49 and 66 storeys, respectively. With 99% of the 1,280 total projected condominium units sold, the project is expected to be completed and occupied in phases from the fourth quarter of 2019 to the second quarter of 2020. As at March 31, 2018, the Trust's IFRS value of its participating loan investment in Empire Lakeshore was $71.4 million, which is expected to continue appreciating over time to approximately $85-90 million as the project progresses towards completion and there is a reduction in risk profile of the asset as further major development milestones are met.

As at March 31, 2018, the Empire Brampton low-rise project was substantially completed with 99% of the units closed. The expected timing of the remaining cash distributions on the Empire Brampton project remains unchanged with the majority of the remaining balance to be released over the next two years.

The Trust continued to make progress in achieving its share of profitability from the Empire developments, which are expected to deliver an IRR[(1)] of approximately 13% to the Trust on a combined basis, based on the Trust's fair values as at March 31, 2018.

As at March 31, 2018, approximately $94.2 million of the Trust's total assets were advanced to Empire-related development projects or debt representing approximately 11.0% of the Trust's total assets.

EQUITY ACCOUNTED INVESTMENTS

The Trust participates in various partnerships with other parties for the purpose of investing in residential and investment property developments which are accounted for using the equity investment method. These partnerships are either considered joint ventures or investments in associates. A joint venture is an arrangement entered into in the form of jointly controlled entities whereby the parties have joint control and have rights to the net assets of the arrangement. Investments in associates are those in which the Trust has significant influence over the arrangement. As at March 31, 2018, the carrying value of these arrangements was $113.1 million (December 31, 2017 - $105.9 million).

During the three months ended March 31, 2018, the Trust entered into a partnership which included Fieldgate, Mattamy, Paradise, and TACC. The partnership invested in a fully-zoned 395-acre land and housing development located in Seaton, in the City of Pickering, Ontario. During the first quarter of 2018, the Trust, along with Fieldgate, acquired a 14% equity investment in the partnership, of which the Trust owns 50%. The Trust invested a total of $9.1 million for its interest in the partnership through a combination of loans and equity investment. As at March 31, 2018, $4.0 million represented the equity investment in Seaton Development with the remainder reflected in the lending portfolio.

During the first quarter of 2018, the Trust advanced $9.5 million towards certain equity investments including the Frank Gehry development, Port credit and the Zibi developments, of which $5.0 million was a settlement of payables. During the three months ended March 31, 2018, approximately $2.0 million was distributed from the Axis Condominium project to the Trust. To date, capital of $3.4 million has been distributed back to the Trust, representing a return of capital, with $1.9 million remaining in the Axis Condominium development.

Development projects are key drivers of future growth for the Trust and are expected to generate attractive returns and future cash flows as milestones are achieved. The Trust expects its development projects will provide attractive profits to the Trust upon their respective completion dates, and will contribute to growth in our NAV per unit. The Trust generally targets a pre-tax IRR[(2)]

of at least 15-20% on new equity investments in residential and mixed-use development projects. The following tables summarize the projects' assets and liabilities and the Trust's proportionate share of the net assets of the equity accounted investments:

	100% project level				
As at March 31, 2018	**Assets**	**Liabilities**	**Net assets**	**Ownership interest**	**Net assets**
Frank Gehry	$ 357,264	$ 252,949	$ 104,315	18.75%	$ 19,559
Port Credit	272,282	139,074	133,208	23.25%	30,971
Zibi	141,670	58,193	83,477	40.00%	33,391
Lakeshore East	63,152	30,050	33,102	37.50%	12,413
Other[1]	197,250	106,888	90,362	7.00% - 50.00%	16,747
Total	$ 1,031,618	$ 587,154	$ 444,464		$ 113,081

[1] Other equity accounted investments includes Axis Condominiums, IVY Condominiums, Plaza Bathurst, Plaza Imperial and Seaton development

	100% project level				
As at December 31, 2017	**Assets**	**Liabilities**	**Net assets**	**Ownership interest**	**Net assets**
Frank Gehry	$ 332,954	$ 255,871	$ 77,083	18.75%	$ 14,453
Port Credit	272,561	139,602	132,959	23.25%	30,913
Zibi	134,641	51,029	83,612	40.00%	33,445
Lakeshore East	63,193	30,025	33,168	37.50%	12,438
Other[1]	103,506	63,941	39,565	28.00% - 50.00%	14,668
Total	$ 906,855	$ 540,468	$ 366,387		$ 105,917

[1] Other equity accounted investments includes Axis Condominiums, IVY Condominiums, Plaza Bathurst and Plaza Imperial

The following tables summarize the projects' revenue and net income (loss) and the Trust's proportionate share of the net income (loss) in equity accounted investments:

	100% project level			
For the three months ended March 31, 2018	**Revenue**	**Net income (Loss)**	**Ownership interest**	**Net income (Loss)**
Frank Gehry	$ 1,612	$ 773	18.75%	$ 145
Port Credit	—	(82)	23.25%	(19)
Zibi	72	(497)	40.00%	(199)
Lakeshore East	21	(68)	37.50%	(26)
Other[1]	417	(55)	7.00% - 50.00%	(18)
Total	$ 2,122	$ 71		$ (117)

[1] Other equity accounted investments includes Axis Condominiums, IVY Condominiums, Plaza Bathurst, Plaza Imperial and Seaton development.

	100% project level			
For the three months ended March 31, 2017	**Revenue**	**Net income (Loss)**	**Ownership interest**	**Net income (Loss)**
Lakeshore East	20	(48)	37.50%	(18)
Other[1]	81	(156)	28.00% - 50.00%	(74)
Total	$ 101	$ (204)		$ (92)

[1] Other equity accounted investments includes Axis Condominiums and IVY Condominiums.

[2] For the Trust's definition of the non-IFRS measure of IRR, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A

EQUITY INVESTMENTS MARKET VALUE ADJUSTMENT INCLUDED IN NAV - METHODOLOGY

As part of its NAV calculation, a non-IFRS measure, the Trust recognized cumulative fair value gains of $30.6 million in equity accounted investments as at March 31, 2018, an important element that the Trust has included in its NAV calculation to address the reduction in risk profile as each project progresses toward completion and/or reflect information from recent market transactions that indicate a change in the equity investment market value subject to internal and external appraisals. Under IFRS and in the Trust's condensed consolidated financial statements these development investments are equity accounted, which are initially recognized at cost and subsequently include the Trust's share of profit or loss and other comprehensive income (loss). The Trust believes that incorporating a market value adjustment is a more useful measure to value these development assets that would not ordinarily be captured within IFRS and the Trust's condensed consolidated financial statements. In calculating the market value adjustment on the equity accounted development investments the Trust intends to obtain independent third party appraisals annually or as significant development milestones are achieved. For those projects in active development or construction, the Trust intends to use the discounted cash flow methodology in determining the market value adjustment on a quarterly basis. The discounted cash flow model utilizes various assumptions including, but not limited to, the following: the risk and timing of expected cash flows; and the successful completion of the projects on time and on budget. The overall projects, are expected to continue to generate market value increases on a quarterly basis, as they continue to advance closer to their completion dates.

For the three months ended March 31, 2018, an additional market value gain of $1.3 million was recognized in Axis Condominiums, resulting in a cumulative $9.9 million market value gain to NAV as at March 31, 2018. This represents a 189.6% increase relative to the Trust's aggregate investment of $5.2 million as at March 31, 2018. The increase in the market value is attributed to the project continuing to progress steadily to completion and payout, under the discounted cash flow approach. As at March 31, 2018, Axis Condominiums continued to progress on schedule and is currently above grade on the 4th floor. During the three months ended March 31, 2018, a return of capital of $2.0 million from the project was distributed back to the Trust. The Axis Condominium sales programs were launched in late 2016/early 2017 and are 100% sold with an expected completion date in 2020. Axis Condominiums is currently being developed by CentreCourt Developments, a well-established Toronto developer with eight high-rise residential projects in various stages of development, representing over 5,000 homes and $1.5 billion of development value.

INVESTMENT HOLDINGS

The tables below provide a continuity of the investment holdings balance for the periods indicated:

For the three months ended March 31, 2018	**Bayfield Retail and Mill Wood**	**Hotel Pur**	**Hard Rock/ Virgin Hotels Las Vegas**	**Total**
Balance as at December 31, 2017	$ 14,799	$ 3,652	$ —	**$ 18,451**
Advances	—	—	37,926	**37,926**
Balance as at March 31, 2018	**$ 14,799**	**$ 3,652**	**$ 37,926**	**$ 56,377**

During the first quarter of 2018, the Trust completed the acquisition of the Hard Rock Hotel & Casino in Las Vegas, Nevada with a consortium of partners, led by Juniper and Fengate. On closing of the transaction, the Trust contributed US $29.0 million (CAD $37.9 million) for an approximate 10% equity investment, including transaction costs, in the partnership. The partnership plans to open a re-conceptualized and revitalized property, the Virgin Hotels Las Vegas, in the late fall of 2019. Virgin Hotels, the lifestyle brand established by Virgin Group founder Sir Richard Branson, is also part of the consortium of investing partners, alongside other private investors. The property is located in Las Vegas on 30 acres of land and is situated 1 mile east of the strip and 2 miles from McCarron airport. Located at 4455 Paradise Road, the property will continue full service operations under the Hard Rock flag until it opens as a Virgin Hotels hotel. Guest rooms, restaurants and public spaces will undergo a face lift with the final product being a showcase of Virgin's signature sleek and stylish design with an eclectic mix of social spaces. The hotel will feature 1504 well-appointed chambers, suites and penthouse, a 60,000 square foot, fully renovated casino, multiple pools over five acres, world-class restaurants, lounges and bars, including new nightlife venues and the Virgin brand's flagship space, the Commons Club, as well as numerous meeting and convention spaces.

2.3 LENDING PORTFOLIO

The Trust invests in mortgages and loans secured by all types of residential and commercial real estate property that represent an acceptable underwriting risk. Working within these risk parameters, the Trust also invests in higher-yielding development and construction loans, bridge loans and mezzanine loans, where we are comfortable with the underlying security, guarantees and covenants of the borrower.

The Trust classifies all loan investments that give rise to specified payments of principal and interest as amortized cost. All other loan investments are classified as FVTPL. For those loan investments classified as amortized cost, subsequent to initial recognition, the lending portfolio investments are measured at amortized cost using the effective interest rate method, less any provision for impairment, if applicable.

The Trust updated its methodology for determining a provision for loan impairment in line with the recent IFRS standards effective January 1, 2018. The Trust applied an expected credit loss ("ECL") model that focused on the risk that a loan will default. The ECL model at any reporting period considers possible default scenarios either for the next 12 months or for the entire remaining life of the asset. The provision for impairment on the lending portfolio is established based on the general approach ECL model. Under the general approach ECL model, the Trust estimated possible default scenarios for the next 12 months on its lending portfolio investments. The Trust established a provision matrix that considers various factors including the borrower's credit risk, term to maturity, status of the underlying project and market risk. The results of the general approach ECL model are used to reduce the carrying amount of the financial asset through an allowance account, and the changes in the measurement of the allowance account are recognized in the consolidated statements of comprehensive income (loss). If a significant increase in credit risk occurs on a loan investment, an estimate of default is considered over the entire remaining life of the assets under the general approach ECL model. In circumstances when an entity acquires a loan investment that is credit impaired at the date of initial recognition the credit adjusted approach will be applied. The credit adjusted approach results in expected credit losses calculated considering an estimate of default over the life of the asset. The Trust assessed its financial assets classified as amortized cost under the ECL model and there was no change to the loss provision recorded by the Trust for the lending portfolio. During the three months ended March 31, 2018, the Trust did not record a provision for the lending portfolio compared to $0.1 million recorded in the same period in the prior year.

A summary of the lending portfolio segment results follows:

For the three months ended	**March 31, 2018**	March 31, 2017
Net income	**3,676**	2,979

As at	**March 31, 2018**	December 31, 2017
Number of loans outstanding	**13**	11
Lending portfolio balance at amortized cost[1]	**$ 169,855**	$ 161,432
NAV	**168,415**	158,758
NAV per unit	**2.33**	2.19
Security allocation (1st mortgages/other)	**67.0% / 33.0%**	70.9% / 29.1%
Weighted average effective interest rate (period-end)	**9.4%**	9.0%
Weighted average face interest rate (period-end)	**8.8%**	8.7%
Weighted average remaining term to maturity (period-end) (years)	**1.32**	1.22

(1) Lending portfolio balance included a loan of $15.3 million that is classified as FVTPL. As at March 31, 2018, fair value approximates amortized cost.

For the three months ended March 31, 2018, net income of $3.7 million from the lending portfolio increased from $3.0 million when compared to the same quarter in the prior year. The increase in net income resulted from new loan advances with a higher weighted average effective interest rate. During the quarter, the Trust advanced total gross proceeds of $28.7 million at a weighted average effective interest rate of 11.2%. The overall loan portfolio continues to be very liquid with a weighted average term to maturity of 1.3 years at March 31, 2018.

The ECL model is assessed on a quarterly basis, taking into consideration factors such as:

- Delays in the collection of principal and interest;
- Value of the underlying security;
- The amount expected to be ultimately recovered, taking into account the probability of different outcomes and any legal or third party costs that may be incurred in the recovery process;
- Factors specific to the property, the borrower and economic and real estate market conditions relevant to the loan; and

- Any other specific factors that may apply to the particular loan based on our judgment and/or historical experience.

As at March 31, 2018, the lending portfolio consisted of 13 mortgages, real property loans and a corporate loan, aggregating to a total outstanding lending portfolio balance of $169.9 million.

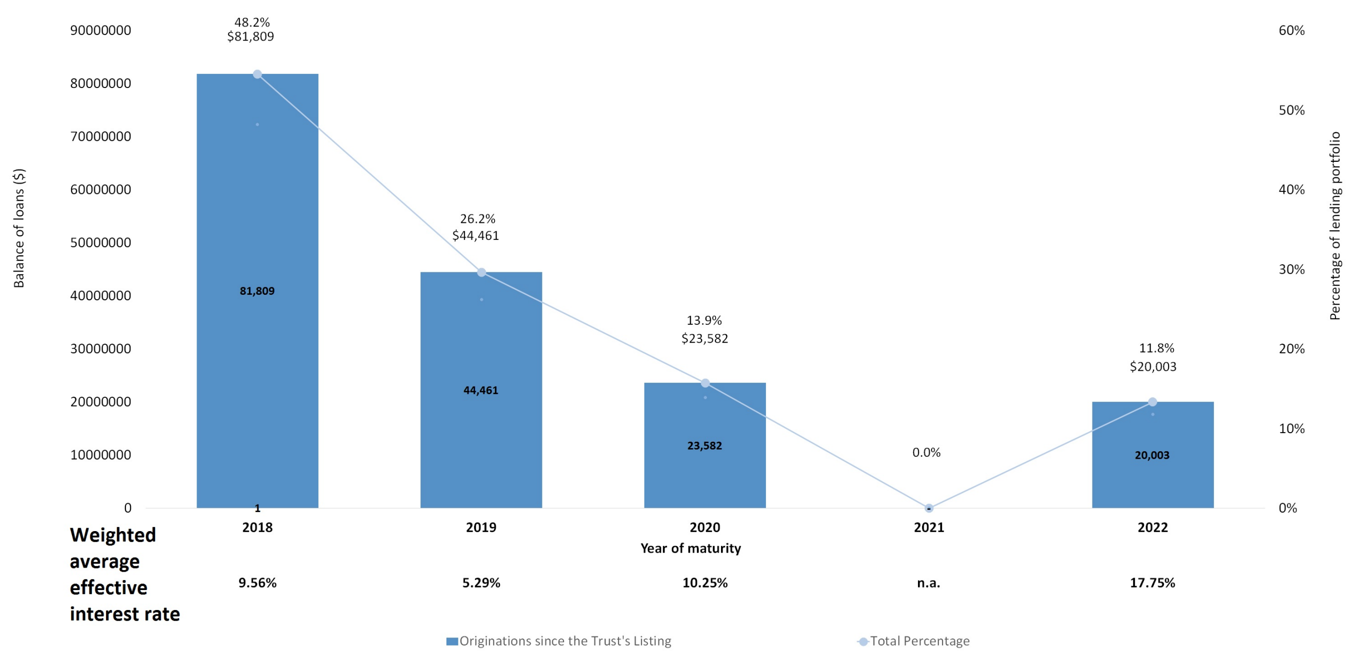
The table below provides a continuity of the lending portfolio balance at amortized cost for the periods indicated:

	For the three months ended March 31, 2018[1]
Balance, beginning of period	**$ 161,432**
Add (deduct):	
Lending portfolio advances	**28,655**
Changes in accrued interest receivable	**(75)**
Interest capitalized to lending portfolio balance	**819**
Discount on lending portfolio, net of amortization	**(4,047)**
Lender fees and extension fees received, net of amortization	**225**
Principal repayments at maturity and contractual repayments and prepayments	**(17,154)**
Balance, end of period	**$ 169,855**

[1] Lending portfolio balance includes a loan of $15.3 million that is classified as FVTPL. As at March 31, 2018, fair value approximates amortized cost.

During the three months ended March 31, 2018, the Trust advanced $28.7 million at a weighted average effective interest rate of 11.2%, compared to a weighted average effective interest rate of 8.3% on $17.2 million of principal repayments and contractual repayments and prepayments.

We continue to leverage our relationships and expertise to identify opportunities with attractive yields to balance the returns within the lending portfolio and our future expected capital requirements on our development projects. The Asset Manager actively manages the lending portfolio and may decide to renew and extend loans, including those with a maturity date of 12 months from the balance sheet date, in the normal course of business. Subsequent to the three months ended March 31, 2018, the Trust expects to provide a one year extension on two loans for a total amount of $31.8 million included within 2018 maturities at a weighted average interest rate of 9.0%. The chart below summarizes the maturity profile dates of the lending portfolio at amortized cost:



The following table illustrates the number and proportion of the lending portfolio investments by property type:

	March 31, 2018			December 31, 2017		
	No. of individual mortgages outstanding	**% of Total**	**Weighted average effective interest rate**	No. of individual mortgages outstanding	% of Total	Weighted average effective interest rate
Loans secured by development assets:						
Residential development	**6**	**34.3%**	**9.4%**	5	43.1%	8.9%
Corporate loan/other[1]	**1**	**8.9%**	**17.8%**	1	6.2%	17.8%
Land	**4**	**46.1%**	**9.4%**	3	39.4%	9.7%
Loans secured by income-producing assets:						
Industrial	**1**	**8.6%**	**—%**	1	9.1%	—%
Office	**1**	**2.1%**	**9.5%**	1	2.2%	9.5%
Total	**13**	**100.0%**	**9.4%**	11	100.0%	9.0%

[1] Includes a corporate loan of $15.3 million as at March 31, 2018

Since the Trust's inception, the strategic focus of the Asset Manager has been to diversify and reduce the risk profile of the Trust’s original portfolio. Development loans have historically provided very attractive returns. We believe that we benefit from the Asset Manager's position as an active developer, such that our risk associated with originating development loans is reduced to a certain extent. As a result, the Trust's exposure to residential development and land loans located within the Vancouver area and the GTA has increased since inception. We continue to believe that real estate lending continues to be valuable by providing a base return while also supporting the overall liquidity objectives of the Trust.

2.4 INCOME PROPERTIES AND INVESTMENTS

Revenue from income properties includes base rents, operating expenses and property tax recoveries, lease termination fees, parking income and ancillary income. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. The total amount of contractual rent to be received from operating leases is recognized on a straight-line basis over the term of the lease; a straight-line rent receivable is recorded for the difference between the rental revenue recognized and the contractual amount received. Recoveries from tenants are recognized as revenues in the period that the corresponding costs are incurred and collectability is reasonably assured. Other revenues are recorded as earned. Included in income properties and investments is the Trust's investment in Dream Office Real Estate Investment Trust ("Dream Office REIT") units, as the underlying assets are income properties.

As at March 31, 2018, the total income properties is comprised of two office properties co-owned with Dream Office REIT, three wholly-owned properties and six industrial real estate properties co-owned with Dream Industrial REIT (TSX: DIR.UN). Michael Cooper, the Portfolio Manager of the Trust, who is also an officer and director of Dream Alternatives Master GP Inc., is a director of and is the Chief Responsible Officer of DAM, our Asset Manager. He is also the a Trustee of and the Chair and CEO of Dream Office REIT, and is a Trustee of Dream Industrial REIT. DAM also acts as an asset manager for Dream Industrial REIT and provides management services to Dream Office REIT.

A summary of income properties and investments is included in the table below:

As at		**March 31, 2018**		December 31, 2017
NAV	**$**	**158,715**	$	156,462
NAV per unit		**2.19**		2.16
Income properties at IFRS fair value		**220,378**		219,656
Investment in Dream Office REIT units		**58,845**		55,846
Amortized balance of mortgages payable		**123,483**		123,056
Debt-to-gross asset value[1] (income properties)		**42.7%**		43.0%

[1] For the Trust's definition of the non-IFRS measure of Debt-to-gross asset value, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A

NAV as at March 31, 2018 was $158.7 million, an increase of $2.3 million from December 31, 2017. This increase was due primarily to a fair value gain of $3.0 million relating to the investment in Dream Office REIT units as well as leasing costs and building improvements of $2.8 million, net of amortization, incurred during the quarter. Primarily offsetting the increase were $2.1 million in fair value losses recorded in income properties due to changes in leasing assumptions.

INCOME PROPERTIES

Summary of income properties as at March 31, 2018, excluding Investments:

Property	**Classification[1]**	**Property type**	**City**	**Trust's ownership**	**Total GLA (in sq.ft.)**	**Owned share of total GLA (in sq.ft.)**	**Average tenant size (in sq.ft.)**		**Asset value**
GTA and Southwestern Ontario									
London City Centre	Non core	Office	London	60.0%	540,902	324,541	19,895		
Sussex Centre	Core	Office	Mississauga	50.1%	654,388	327,848	9,758		
10 Lower Spadina Ave.	Core	Office	Toronto	100.0%	60,652	60,652	5,460		
49 Ontario St.	Core	Office	Toronto	100.0%	87,105	87,105	43,553		
349 Carlaw Ave.	Core	Office	Toronto	100.0%	33,894	33,894	4,488		
Total GTA and Southwestern Ontario					**1,376,941**	**834,040**	**11,347**	**$**	**211,303**
Western Canada									
1802 Stock Rd.	Core	Industrial	Regina	50.0%	46,157	23,079	46,157		
1105 Pettigrew Ave.	Core	Industrial	Regina	50.0%	12,234	6,117	12,234		
363 Maxwell Cres.	Core	Industrial	Regina	50.0%	23,415	11,708	23,415		
1640 Broder St.	Core	Industrial	Regina	50.0%	11,169	5,585	11,169		
2190 Industrial Dr.	Core	Industrial	Regina	50.0%	11,677	5,839	11,677		
125 McDonald St.	Core	Industrial	Regina	50.0%	14,080	7,040	5,062		
Total Western Canada					**118,732**	**59,368**	**16,396**	**$**	**9,075**
Total income properties					**1,495,673**	**893,408**	**11,678**	**$**	**220,378**

[1] Core income properties are considered those the Trust plans to hold for the long term. Non core income properties are considered non-strategic to management's long-term business plan

For the three months ended		March 31, 2018	March 31, 2017
Total income	$	**5,862**	$ 13,662
NOI		**2,718**	6,131
Net income (loss)[1]		**(537)**	(23,950)
Core Income properties			
Total income	$	**5,605**	$ 5,759
NOI		**2,005**	2,222
Net income (loss)		**179**	2,311

(1) Excludes fair value adjustment to investment in Dream Office REIT units of $3.0 million and dividend income of $0.7 million for three months ended March 31, 2018

For the three months ended March 31, 2018, the Trust recorded a net loss of $0.5 million which incorporates the aforementioned fair value losses. Results increased from a net loss position of $24.0 million recorded in the same period in the prior year, which included approximately $28.1 million of fair value losses as a result of the disposition of non-core income properties.

During the three months ended March 31, 2018, the Trust recorded net income from its core income properties of $0.2 million down from $2.3 million in the same period in the prior year. The decrease was due to a fair value loss of $2.1 million recorded in the three months ended March 31, 2018 as a result of changes in leasing assumptions.

Operating statistics for core income properties portfolio are as follows:

As at	March 31, 2018	December 31, 2017[1]	March 31, 2017[1]
Total core income properties portfolio			
Number of properties	**10**	10	10
Owned GLA (in millions of sq.ft.)	**0.6**	0.6	0.6
Occupancy rate (period-end) — including committed	**92.3%**	91.3 %	91.3 %
Occupancy rate (period-end) — in-place	**87.1%**	88.6 %	88.6 %
Average tenant size (in sq.ft.)	**9,671**	10,565	10,565
Average in-place and committed base rent per sq.ft. (period-end)	**16.42**	16.67	16.67
Weighted average remaining lease term (years)	**5.5**	4.5	4.5

(1) Excludes non-core income properties, including co-owned non-core income properties disposed during the year ended December 31, 2017

The committed occupancy rate for the core income properties, which includes committed leases, remained relatively consistent at 92.3% as at March 31, 2018 compared to 91.3% as at December 31, 2017. The weighted average remaining lease term increased to 5.5 years at March 31, 2018, compared to 4.5 years at December 31, 2017. The increase in both the committed occupancy rate and the weighted average remaining lease term since December 31, 2017 is due to the Trust renegotiating longer lease terms.

LEASING ACTIVITY AND INITIAL DIRECT LEASING COST AND LEASE INCENTIVES

Initial direct leasing costs include leasing fees and related costs and broker commissions incurred in negotiating and arranging tenant leases. Lease incentives include costs incurred to make leasehold improvements to tenant spaces and cash allowances paid to tenants. Initial direct leasing costs and lease incentives incurred by the Trust are influenced by asset type, lease terminations and expiries, the mix of new leasing activity compared to renewals, portfolio growth and general market conditions. Short-term leases generally have lower costs than long-term leases, and leasing costs associated with office space are generally higher than costs associated with industrial and retail spaces. Due to the nature of these costs, actuals will vary widely from quarter to quarter depending on the above noted factors.

During the three months ended March 31, 2018, initial direct leasing costs and lease incentives incurred were $2.5 million compared to $4.6 million in the same period in the prior year. Recorded in the same period in the prior year were $4.4 million of initial direct leasing costs and lease incentives related to assets that have since been sold as well as assets that were considered non-core income properties. The initial direct leasing costs and lease incentives for the three months ended March 31, 2018 included $0.6 million of cost relating to assets that are considered non-core income properties.

The following are expiries net of committed renewals of the Trust's core income properties, in thousands of sq. ft. and as a percentage of total in-place and committed occupancy as at March 31, 2018:

(GLA in sq.ft.)	2018	2019	2020	2021	2022	2023+	Total
Expiries[(1)]	(152,119)	(42,167)	(34,930)	(68,392)	(22,834)	(308,393)	**(628,835)**
Expiries committed for occupancy[(1)(2)]	97,646	—	—	—	7,441	—	**105,087**
Expiries, net of committed renewals	**(54,473)**	**(42,167)**	**(34,930)**	**(68,392)**	**(15,393)**	**(308,393)**	**(523,748)**
Vacancies committed for new leases	2,165	—	—	—	—	15,807	**17,972**
Expiries, net of committed occupancy	**(52,308)**	**(42,167)**	**(34,930)**	**(68,392)**	**(15,393)**	**(292,586)**	**(505,776)**
Percentage of total in-place and committed occupancy	10.0%	8.0%	7.0%	13.0%	3.0%	59.0%	**100.0%**

(1) Expiries include current in-place expiries and future expiries committed for renewals
(2) Expiries committed for occupancy include renewals and relocation of tenants

INCOME PROPERTIES FAIR VALUES AND CONTINUITY

The table below provides a continuity of the income properties balance for the period indicated:

	For the three months ended March 31, 2018
Balance, beginning of period	**$ 219,656**
Add (deduct):	
Building improvements – recoverable	**393**
Building improvements – non-recoverable	**131**
Lease incentives and initial direct leasing costs	**2,503**
Amortization of lease incentives	**(195)**
Fair value adjustments to income properties	**(2,110)**
Balance, end of period	**$ 220,378**

Subsequent to the first quarter, the Trust, along with Dream, acquired a 33.3% leasehold interest in a retail shopping centre and residential mixed use development investment opportunity located at 100 Steeles Ave. West in Toronto, Ontario for $7.8 million, including transaction costs. The Trust owns a 25% interest in this income property with DAM owning 8.3%. The investment is currently an income producing retail property with approximately one million square feet of residential and commercial mixed use density redevelopment potential in future years.

As at March 31, 2018, the Trust had no income properties classified as assets held-for-sale:

For the periods ended	**March 31, 2018**	December 31, 2017
Balance, beginning of period	**$ —**	$ 4,055
Add (deduct):		
Lease incentives and initial direct leasing costs	**—**	601
Amortization of lease incentives	**—**	(61)
Fair value adjustments to income properties	**—**	1,974
Disposition of properties	**—**	(269,196)
Reclassified from income properties	**—**	262,627
Balance, end of period	**$ —**	$ —

During the three months ended March 31, 2018, the Trust recorded a fair value loss of $2.1 million primarily as a result of changes in leasing assumptions in certain income properties. Income properties are measured at fair value using the income approach, which is derived from the overall capitalization rate method or discounted cash flow method. If applicable, the Trust determines the fair value of income properties classified as assets held-for-sale by considering the current contracted sale prices, as management has committed to a plan of sale of the underlying properties and the sale of these properties is considered highly probable. The fair values of income properties, excluding assets held-for-sale, were determined by using capitalization rates ("cap rates") of 4.3% to 8.0% (December 31, 2017 – 4.3% to 8.0%), resulting in a weighted average cap rate of 6.1% (December 31, 2017 – 6.1%) and discount rates of 5.8% to 9.3% (December 31, 2017 – 5.8% to 9.3%).

Income properties with a fair value of $220.4 million as at March 31, 2018 (December 31, 2017 – $219.7 million) are pledged as security for related mortgages.

TENANT BASE PROFILE

Our core portfolio tenant base includes a wide range of high-quality large international corporations and various recognizable businesses operating across Canada. As at March 31, 2018, the Trust's core portfolio has 86 tenants and an average tenant size at the Trust's share of 9,671 sq.ft. (December 31, 2017 - 9,841 sq.ft.).

The following table outlines the top five tenants, within the core income properties, based on the percentage of total core GLA sq. ft. they represent:

Top five tenants	Number of buildings	GLA (in sq.ft.)[1]	% of Total core GLA	% of Total core income properties revenue[2]	Remaining lease term (years)
Technicolor Creative Services	1	83,770	10.2%	14.0%	5.0
Edward D. Jones & Co.	1	39,256	4.8%	6.0%	11.8
Community Door Network Service	2	27,485	3.3%	3.7%	3.5
Rexel Canada Electrical Inc.	1	23,079	2.8%	1.4%	5.2
MNP LLP	1	17,694	2.2%	2.5%	9.1
Total		**191,284**	**23.3%**	**27.6%**	**6.6**

(1) GLA is stated at the Trust's owned share
(2) Annualized based on billing rates as of March 31, 2018

INVESTMENTS IN MARKETABLE SECURITIES

As at March 31, 2018, the Trust owned a total of 2,520,147 publicly traded units in Dream Office REIT (December 31, 2017 – 2,520,147 units), recorded as FVTPL. Dream Office REIT is focused on owning, leasing and managing well-located high quality office properties. The portfolio comprises central business district and suburban office properties predominantly located in major urban centres across Canada, a majority of the core portfolio being in downtown Toronto and GTA area. During the three months ended March 31, 2018, the Trust recorded a fair value gain of $3.0 million related to this investment (three months ended March 31, 2017 - $nil). Since initial investment in the Dream Office REIT units, the Trust has recorded cumulative fair value gains of $6.3 million. As of May 7, 2018, the Trust's investment in Dream Office REIT represents 3.9% of total units outstanding. Together with DAM, the Trust's Asset Manager and the Trust's Portfolio Manager, the total joint ownership of Dream Office REIT was approximately 24.0% as at May 7, 2018.

2.5 RENEWABLE POWER

Our renewable power segment includes a solar rooftop portfolio, a solar ground-mount portfolio and two wind power portfolios. All projects within these portfolios have an initial 20-year term with the government or regulated utility Power Purchase Agreements ("PPA"), allowing the sale of generated electricity at a fixed contract rate above the market rate, resulting in stable and predictable rates for all electricity generated.

The operating results of the renewable power segment are subject to seasonal variations. Wind production typically is best in the winter months while solar production tends to generate higher output in the summer months.

A summary of the renewable power segment results follows:

For the three months ended		**March 31, 2018**		March 31, 2017
Total income	**$**	**4,264**	$	3,990
Net income		**886**		1,084

As at		**March 31, 2018**		December 31, 2017
Renewable power assets	**$**	**135,586**	$	135,514
NAV		**78,875**		78,834
NAV per unit		**1.09**		1.09
Installed capacity (operational) (MW)[(1)(2)]		**22.4**		22.4

(1) Installed capacity (MW) is the maximum amount of electrical power in megawatts that the renewable power projects held by the Trust are capable of generating once operational

(2) Prorated based on the Trust's ownership percentage or economic interest

Net income of $0.9 million for the three months ended March 31, 2018 from the renewable power portfolio decreased slightly from $1.1 million compared to the same quarter in the prior year. The decrease in net income was a result of an increase in depreciation and interest expense stemming from six Ground Mount Solar projects becoming operational and the closing of the financing with respect to these renewable power projects in the prior year.

The table below provides a continuity of the renewable power asset balance for the period indicated:

For the three months ended March 31, 2018		Solar power		Wind power		Total
Balance as at December 31, 2017	**$**	**83,381**	**$**	**52,133**	**$**	**135,514**
Additions		25		277		**302**
Depreciation		(866)		(622)		**(1,488)**
Foreign currency gain (loss)		—		1,258		**1,258**
Balance as at March 31, 2018	**$**	**82,540**	**$**	**53,046**	**$**	**135,586**

As at March 31, 2018, NAV of $78.9 million remained relatively consistent compared to $78.8 million as at December 31, 2017.

RENEWABLE POWER MARKET VALUE ADJUSTMENT INCLUDED IN NAV - METHODOLOGY

The Trust records its renewable power wind and solar assets at cost less accumulated depreciation and impairment charges, if any, within its condensed consolidated financial statements. In determining NAV, a non IFRS measure, the Trust reflects a market value adjustment, which takes into consideration any reduction in the risk profile of the renewable power projects developed by the Trust once they become operational and long-term financing is arranged as well reflects recent market information that would indicate a change in the renewable power portfolio market value (subject to appraisals). The Trust believes that incorporating a market value adjustment is a more useful measure to value the renewable power portfolio that would not ordinarily be captured within IFRS and the Trust's condensed consolidated financial statements.

The Trust intends to obtain independent third party appraisals annually or as significant events impacting the renewable portfolio have occurred or been achieved. Internal revaluations are made on a quarterly basis to reflect up to date inputs and the remaining power purchase agreement term. The market value for each operational renewable power project is determined using a discounted cash flow model. The model incorporates assumptions, which include future cash flows from in-place PPAs, estimates of anticipated long-term average electricity generation, and estimated operating and capital expenditures.

For the three months ended March 31, 2018, a market value loss of $0.2 million was recognized, totaling to a cumulative $11.6 million market value gain to NAV. The market value loss was due to the amortization of the renewable portfolio, stemming from the market value gain that is amortized over the term of the PPA. The total net market value gain, as at March 31, 2018, was primarily attributable to yield compression with respect to both the Ontario Rooftop Solar portfolio and the U.K. wind portfolio. In addition a decline in the risk profile of both the Ontario Ground Mount Solar portfolio and the Nova Scotia Wind project due to the shift from pre-development/construction to operating phase contributed to the positive market value adjustment.

This methodology is generally consistent with industry practices. As at March 31, 2018, the cumulative market value gain to NAV of $11.6 million represented a 9% market value increase to the carrying value of the projects including debt and will be amortized over the term of the respective PPAs. Based on comparable assets and trading valuation of public wind and solar companies, management believes the implied valuation is within a reasonable range, with consideration to a discount for smaller scale projects.

RENEWABLE POWER PROJECTS

Below is a summary of our renewable power projects:

	Number of projects	Economic interest	Installed capacity (MW)(1)	Weighted average remaining PPA (years)	Commercial operational date(2)	Carrying value(3)	Market value adjustments included in NAV	Debt, net of unamortized financing fees
Operational projects								
Ontario Rooftop Solar	10	100%	3.2	16.7	Q2 2014 – Q3 2015	$ 12,914	$ 3,719	$ —
United Kingdom Wind	46	100%	3.8	16.5	Q2 2013 – Q3 2016	21,281	3,829	—
Nova Scotia Wind	3	80%	10.6	17.5	Q4 2015	31,765	2,953	26,240
Ontario Ground Mount Solar	10	100%	4.8	18.3	Q4 2015 - Q4 2016	69,626	1,125	50,216
Total as at March 31, 2018			22.4	17.4		$ 135,586	$ 11,626	$ 76,456
Total as at December 31, 2017			22.4	17.7		$ 135,514	$ 11,773	$ 76,720

(1) Prorated based on the Trust's ownership percentage or economic interest

(2) Commercial operational date is based on the commencement of the PPA agreement

(3) Carrying value represents the renewable power assets as reflected on the condensed consolidated statement of financial position and therefore is presented, including the non-controlling interest, net of accumulated amortization where applicable

2.6 CONSOLIDATED TRUST REVIEW OF TOTAL COMPREHENSIVE INCOME (LOSS)

The table below presents a summarized condensed consolidated statement of comprehensive income (loss) for the periods indicated:

For the three months ended		March 31, 2018		March 31, 2017
TOTAL INCOME	**$**	**15,619**	$	22,573
TOTAL EXPENSES		**(11,450)**		(16,960)
Fair value adjustments to income properties		**(2,110)**		(28,088)
OPERATING INCOME (LOSS)		**2,059**		(22,475)
Other interest income		**1,235**		387
Transaction costs		**(77)**		—
Fair value adjustments to marketable securities		**2,751**		—
EARNINGS (LOSS) BEFORE INCOME TAX EXPENSE		**5,968**		(22,088)
INCOME TAX (EXPENSE) RECOVERY				
Current		**—**		—
Deferred		**(184)**		3,516
TOTAL INCOME TAX (EXPENSE) RECOVERY		**(184)**		3,516
NET INCOME (LOSS)		**5,784**		(18,572)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)		**1,239**		38
			$	—
TOTAL COMPREHENSIVE INCOME (LOSS)	**$**	**7,023**	$	(18,534)

TOTAL INCOME

Total income for the three months ended March 31, 2018 of $15.6 million decreased by $7.0 million when compared to the same period in the prior year. The decrease resulted primarily from the sale of the non-core co-owned income properties which closed in the second and third quarters of 2017 and was partially offset by an increase in revenues generated from the renewable power portfolio due to the projects being fully operational and the acquisition of additional wind turbines located in the U.K.

TOTAL EXPENSES

Total expenses in the condensed consolidated statement of comprehensive income (loss) include income properties operating expenses, renewable power operating expenses, interest expense, provision for lending portfolio losses and general and administrative expenses.

During the three months ended March 31, 2018 total expenses of $11.5 million decreased by $5.5 million compared to the same period in the prior year. The decrease was primarily due to lower income property operating expenses resulting from the sale of the non-core co-owned income properties as discussed above. This was partially offset by an increase in renewable power operating expenses as discussed above.

The change in total expenses can be further explained by the change in the various components as follows:

INTEREST EXPENSE

Interest expense for the three months ended March 31, 2018 of $2.1 million decreased by $0.8 million compared to the same period in the prior year. The decrease was primarily a result of the discharge or assumption on the sale of mortgages payable associated with the sale of the non-core co-owned income properties.

PROVISION FOR LENDING PORTFOLIO LOSSES

During the three months ended March 31, 2018, no provision for lending portfolio losses was recorded, compared to $0.1 million recorded in the same period in the prior year.

GENERAL AND ADMINISTRATIVE EXPENSES

For the three months ended March 31, 2018, general and administrative expenses of $3.8 million decreased by $0.5 million when compared to the same period in the prior year. This is primarily as a result of a decrease in asset management fees resulting from the sale of substantially all of the Trust's non-core legacy assets in the prior year.

FAIR VALUE ADJUSTMENTS TO INCOME PROPERTIES

For the three months ended March 31, 2018 the Trust recorded a fair value loss of $2.1 million compared to a fair value loss of $28.1 million for the same period in the prior year. For additional details, refer to the Reportable Operating Segments Results of Operations - Income Properties and Investments section of this MD&A.

TRANSACTION COSTS

Transaction costs during the three months ended March 31, 2018 were minimal and consistent with the same period in the prior year and in line with the activity in the respective quarters.

INCOME TAX EXPENSE (RECOVERY)

For the three months ended March 31, 2018, income tax expense was $0.2 million compared to income tax recovery of $3.5 million for the same period in the prior year. The year over year change was primarily due the net income position in the first quarter of 2018, compared to a net loss position resulting from the various dispositions in the same period in the prior year.

Due to the Trust's diversified asset mix and active asset management strategy, we expect some degree of variability in current and deferred income tax expense recognized each quarter through the condensed consolidated statement of comprehensive income (loss) resulting in an income tax expense (recovery) position. The Trust intends to actively manage the portfolio in a tax efficient manner.

We are subject to income taxes both federally and provincially in Canada. Significant judgments and estimates are required in the determination of the Company's tax balances. Our income tax expense and deferred tax liabilities reflect management's best estimate of current and future taxes to be paid. The Company is subject to tax audits from various government and regulatory agencies on an ongoing basis. As a result, from time to time, taxing authorities may disagree with the interpretation and application of tax laws taken by the Company in its tax filings.

TAX ATTRIBUTES

INCOME PROPERTIES

We deduct mortgage interest and available tax depreciation on our buildings from our Canadian income properties that generate taxable net operating income. These deductions contribute to the overall tax efficiency of our structure and, in particular, the tax depreciation helps provide the Trust with tax-sheltered cash flow. Any change in the fair value of income properties is not recognized in the determination of current taxes until the sale of the asset.

RENEWABLE POWER

The *Income Tax Act* (Canada) makes available "green" energy tax incentives to the renewable energy sector. Certain pre-development and soft costs that are not normally deductible, known as Canadian renewable and conservation expenses ("CRCE"), are deductible against other sources of income in the year they are incurred. Non-CRCE project costs that are not otherwise currently deductible are included in the cost of the depreciable property and are eligible for maximum tax depreciation rates of between 30% and 50%, which can be used to help offset income for approximately eight to 12 years once the project becomes operational.

TOTAL OTHER COMPREHENSIVE INCOME (LOSS)

During the three months ended March 31, 2018, total other comprehensive income was $1.2 million compared to a nominal balance in the same period in the prior year. This was primarily due to unrealized foreign currency gains incurred on the renewable power net investment in the U.K. as a devaluation of the British pound relative to the Canadian dollar occurred in the same period of the prior year.

2.7 RELATED PARTY TRANSACTIONS

The Trust and its subsidiaries enter into transactions with related parties that are disclosed in Note 24 to the condensed consolidated financial statements.

3. DISTRIBUTION MEASURES

In any given period, the Trust anticipates that actual distributions paid and payable may differ from cash generated from operating activities. This difference is driven by a number of factors including the impact of leasing incentives and initial direct leasing costs which can fluctuate with lease maturities, renewal terms and the type of asset being leased; changes in non-cash working capital; cash flow from certain development holdings; and the longer term nature and investment return profile of development holdings. Because of this variability, the Trust evaluates its distribution policy considering these factors, among others.

As we continue to implement our longer term strategy, which includes expanding the development and investment holdings segment of our portfolio, the Trust expects that for the foreseeable future cash generated from operating activities will fluctuate from period to period and may differ from distributions paid and payable. Because of the long term nature of the projects in the development and investment holdings segment, cash generated from operating activities from this segment generally does not occur until later in the operating life cycle of the development holdings. However, these cash flows are relevant in the determination of distributions as cash flows relating to the project will ultimately be fully received at project completion. The Trust considers these factors in evaluating its distribution policy as well as its assessment of cash generated from operating activities over the longer term.

As required by National Policy 41-201, "Income Trusts and Other Indirect Offerings", the following tables outline the differences between cash generated from operating activities and distributions paid and payable in accordance with the guidelines.

For the three months ended		**March 31, 2018**		March 31, 2017
Cash generated from (utilized in) operating activities	**$**	**3,549**	$	(2,969)
Distributions paid and payable		**7,309**		6,916
Excess (Shortfall) of cash generated from (utilized in) operating activities over distributions paid and payable		**(3,760)**		(9,885)

For the three months ended March 31, 2018, distributions paid and payable exceeded cash generated from operating activities by $3.8 million (three months ended March 31, 2017 – $9.9 million shortfall position).

The following table summarizes net income (loss) and total distributions paid and payable for the periods indicated:

For the three months ended		**March 31, 2018**		**March 31, 2017**
Net Income (Loss)	**$**	**5,784**	$	(18,572)
Net Income (Loss) before depreciation		**7,296**		(17,211)
Distributions paid and payable		**7,309**		6,916
Excess (Shortfall) of net income (loss) over distributions paid and payable		**(1,525)**		(25,488)
Excess (Shortfall) of net income (loss) before depreciation over distributions paid and payable		**(13)**		(24,127)

For the three months ended March 31, 2018, distributions paid and payable exceeded the Trust’s net income by $1.5 million (three months ended March 31, 2017 – shortfall of $25.5 million). For the three months ended March 31, 2018, distributions paid and payable was in line with the Trust's net income before depreciation (three months ended March 31, 2017 - shortfall of $24.1 million)

Certain assets and liabilities are recognized at fair value in the condensed consolidated financial statements. Unrealized fair value adjustments and other non-cash items are included in net income (loss) and can fluctuate from period to period. As a result, the Trust anticipates that distributions declared will, in the foreseeable future, continue to vary from net income (loss). The total unrealized fair value adjustments and other non-cash items included in net income (loss) in the condensed consolidated financial statements for the periods indicated are summarized in the table below:

For the three months ended		**March 31, 2018**		**March 31, 2017**
Total adjustments to fair values and other non-cash items included in net income (loss)	**$**	**(2,395)**	$	23,000

The total adjustments to fair values and other non-cash items included in net income (loss) are comprised of: deferred income tax expense, fair value adjustments on income properties, provision for lending portfolio losses, fair value adjustments in development and investment holdings, fair value adjustments to marketable securities, share of income (loss) from equity accounted investments, and other non-cash items.

The Trust funds its working capital needs and investment in lease incentives and initial direct leasing costs with cash on hand and its existing revolving credit facility. As at March 31, 2018, the Trust had cash on hand of $22.6 million and $21.3 million of undrawn credit capacity on its revolving credit facility. To the extent that there are shortfalls in cash flow relative to distributions paid and payable, the Trust may use the existing revolving credit facility as a source of funding. The use of the Trust's revolving credit facility may involve risks as compared with using cash on hand as a source of funding, such as the risk that interest rates may rise in the future which may make it more expensive for the Trust to borrow under its revolving credit facility, and the risk associated with increasing the overall indebtedness of the Trust. The Trust does not anticipate cash distributions will be suspended in the foreseeable future but does expect that there could be timing differences as a result of the development holdings as discussed above which do not contribute to cash flow from operating activities until they are completed. Accordingly, distributions are considered an economic return of capital until cash distributions from completed development projects are received in future years. The Asset Manager reviews the estimated annual distributable cash flow with the Board of Trustees to assist the Board in determining the targeted distribution amount, taking into consideration the duration of the current assets within the Trust's portfolio and the future investment strategy.

Our DRIP entitles unitholders to reinvest all cash distributions into additional units. Of the distributions paid and payable, for the three months ended March 31, 2018, $1.9 million was reinvested into the DRIP. Over time, reinvestments pursuant to the DRIP will increase the number of units outstanding, which may result in an increase in the total amount of cash distributions. Our Declaration of Trust provides our Trustees with the discretion to determine the percentage payout of income that would be in the best interest of the Trust, which allows for any unforeseen expenditures and the variability in cash distributions as a result of additional units issued pursuant to the Trust's DRIP.

4. CAPITAL RESOURCES AND LIQUIDITY

Our financial position is summarized below:

As at	March 31, 2018	December 31, 2017
Consolidated financial position		
Total Unitholders' Equity	**$ 606,722**	$ 607,278
Total Unitholders' Equity per unit	**8.38**	8.39
NAV	**644,506**	643,999
NAV per unit	**8.90**	8.89
Total contractual debt payable(1)	**224,748**	203,318
Total assets	**868,485**	853,265
Cash	**22,585**	60,927

(1) Includes a revolving credit facility that matures July 31, 2019. As at March 31, 2018, $22.0 million was drawn on the facility.

The Trust's primary sources of financing are cash generated from operating activities, lending activities, debt financing and refinancing, and project financing. Our primary uses of capital include: investments in development and investment holdings, equity accounted investments and renewable power assets, debt principal repayments, interest payments, property acquisitions, mortgage lending, distributions, costs of attracting and retaining tenants, recurring property maintenance and major property improvements. It is the Trust's objective to meet all of our ongoing obligations with current cash, cash flows generated from operating activities, cash from maturing lending portfolio investments, cash from financing and refinancing activities. The Trust's revolving credit facility provides additional liquidity and flexibility in support of operations.

SUMMARY OF DEBT

As at March 31, 2018 and December 31, 2017, total debt was comprised of the following:

As at	March 31, 2018	December 31, 2017
Mortgages payable	**$ 123,483**	$ 123,750
Term loans	**79,265**	79,568
Revolving loan facility	**22,000**	—
Total contractual debt payable	**$ 224,748**	$ 203,318
Unamortized balance of deferred financing costs	**(3,446)**	(3,541)
Total debt	**$ 221,302**	$ 199,777

As at March 31, 2018, total debt increased by $21.5 million from $199.8 million as at December 31, 2017 as a result of the funds drawn on the revolving credit facility partially offset by regular principal repayments.

We use the following cash flow performance and debt level indicators to assess our ability to meet or refinance our debt obligations:

As at	March 31, 2018	December 31, 2017
Weighted average effective interest rate (period-end)(1)	**3.7%**	3.8%
Weighted average face rate of interest (period-end)(1)	**3.8%**	3.6%
Debt due within one year	**$ 4,697**	$ 4,683
Interest coverage ratio(2)(3) (times)	**2.31**	3.05
Debt-to-gross asset value(2)	**25.9%**	23.8%
Debt – average term to maturity (years)	**8.97**	9.50

(1) Weighted average effective interest rate is calculated as the weighted average face rate of interest, net of financing costs of interest bearing debt, weighted by the size of the respective interest bearing debt instruments in the portfolio

(2) For the Trust's definition and reconciliation of the non-IFRS measure of interest coverage ratio and debt-to-gross asset value, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A

(3) Calculated for the rolling four fiscal quarter basis as at March 31, 2018 and December 31, 2017

The Trust expects to refinance the debt due within one year, if any, in the normal course as the underlying mortgages and the credit facility mature.

The debt-to-gross asset value as at March 31, 2018 increased to 25.9% when compared to December 31, 2017, primarily as a result of the funds drawn on the revolving credit facility of $22.0 million. Management believes this is a conservative position. Principal repayments and maturity balances on total debt to be repaid each year are as follows:

Debt maturities		Outstanding balance due at maturity		Scheduled principal repayments		Total maturity balance and principal repayments	% of Total debt maturities and principal repayments	Weighted average effective interest rate on balance due at maturity	Weighted average face rate on balance due at maturity
Mortgages payable and term loans									
2018	$	—	$	4,113	$	4,113	2.0%	—%	—%
2019		27,000		5,627		32,627	16.1%	3.4%	3.4%
2020		5,043		6,594		11,637	5.8%	3.5%	3.3%
2021		10,329		6,182		16,511	8.1%	3.1%	3.1%
2022		71,993		5,005		76,998	38.0%	3.2%	3.4%
2023 and thereafter		—		60,862		60,862	30.0%	4.4%	4.4%
Subtotal before undernoted	$	114,365	$	88,383	$	202,748	100.0%	3.7%	3.8%
Revolving Credit Facility[1]		22,000		—		22,000			
Unamortized balance of deferred financing costs (net)		(3,446)				(3,446)			
Total debt	**$**	**132,919**	**$**	**88,383**	**$**	**221,302**			

(1) This revolving credit facility matures on July 31, 2019.

During the three months ended March 31, 2018 the revolving credit facility was drawn for a total amount of $22.0 million, and regular repayments of mortgages payable and term loans totaled $0.6 million. During the three months ended March 31, 2018, there were no lump sum repayments of mortgage payable.

REVOLVING CREDIT FACILITY

A demand revolving credit facility (the "facility") is available up to a formula-based maximum not to exceed $50.0 million. The available credit under the facility, as determined by the formula, was $45.0 million as at March 31, 2018 (December 31, 2017- $45.0 million). The facility is in the form of a rolling one-month Bankers' Acceptance ("BA"), and bears interest at the BA rate plus 2.0% or at the bank's prime rate plus 1.0% (3.45% as at March 31, 2018, 3.2% as at December 31, 2017), payable monthly. During the year ended December 31, 2017, the revolving credit facility was renewed and the maturity date was extended to July 31, 2019.

As at March 31, 2018, $22.0 million was drawn on the revolving credit facility (December 31, 2017 – $nil) and remaining funds available under this facility were $21.3 million (December 31, 2017 – $43.3 million), as determined by the formula-based maximum calculation, net of $1.7 million (December 31, 2017 – $1.7 million) of letters of credit issued against the facility.

TOTAL EQUITY

As at March 31, 2018, the Trust had 72,416,062 units outstanding and a unitholders' equity balance of $606.7 million. The number of units outstanding decreased from December 31, 2017 as a result of deferred units exchanged for Trust units and units issued under the Distribution Reinvestment and Unit Purchase Plan ("DRIP") partially offset by the repurchase of units pursuant to the normal course issuer bid as more fully discussed below.

	March 31, 2018			December 31, 2017		
As at	**Number of units**		**Amount**	Number of units		Amount
Unitholders' equity	**72,416,062**	**$**	**591,564**	72,417,786	$	592,269
Retained earnings			**18,464**			19,259
Accumulated other comprehensive income (loss)			**(3,306)**			(4,250)
Total Unitholders' equity	**72,416,062**	**$**	**606,722**	72,417,786	$	607,278
Non-controlling interests			**1,925**			1,948
Total equity		**$**	**608,647**		$	609,226

The following table summarizes the changes in the outstanding units:

	Units
Total units outstanding on December 31, 2017	72,417,786
Units issued pursuant to the DRIP	293,323
Deferred units exchanged for Trust units	41,935
Cancellation of Trust's units	(336,982)
Total units outstanding on March 31, 2018	**72,416,062**

As at May 7, 2018, 72,287,414 Trust units were outstanding.

The deferred unit incentive plan ("DUIP") provides for the grant of deferred trust units ("DTUs") to trustees of the Trust, officers and employees as well as affiliates, including the Asset Manager. DTUs are granted at the discretion of the trustees of the Trust and receive distributions in the form of income deferred trust units as they are declared and paid by the Trust. As at March 31, 2018, up to a maximum of 3.0 million DTUs were issuable under the DUIP. Distributions on the unvested DTUs are paid in the form of units converted at the market price on the date of distribution. As at March 31, 2018, there were 396,700 deferred trust units and income deferred trust units outstanding (December 31, 2017 – 347,308 units outstanding). As at May 7, 2018, 398,734 deferred trust units and income deferred trust units were outstanding.

DISTRIBUTION REINVESTMENT AND UNIT PURCHASE PLAN

The DRIP entitles unitholders to reinvest all cash distributions into additional units. Participants electing to reinvest cash distributions in units pursuant to the DRIP will receive a further "bonus" distribution equal to 4% of the amount of each cash distribution they reinvest, on which further distributions are also reinvested in units. Participants may also purchase additional units pursuant to the optional cash purchase feature of the DRIP, subject to a minimum investment amount of one thousand dollars and a maximum investment amount of two hundred and fifty thousand dollars per calendar year. Participants in the DRIP will not receive a bonus distribution of units in connection with any optional cash purchases. The Trust may amend, suspend or terminate the DRIP at any time.

DISTRIBUTIONS

The distributable cash flow and amount of monthly distributions to unitholders are determined by the Board of Trustees of the Trust based on distributions received from Dream Alternatives Master LP, net of general and administrative expenses, operating and other expenses and income tax expenses. The Asset Manager forecasts the annual distributable cash flow from the Trust's operating segments to assist the Board of Trustees in determining the targeted distribution amount.

Our Declaration of Trust provides our trustees with the discretion to determine the percentage payout of income that would be in the best interest of the Trust, which allows for any unforeseen expenditures. As at March 31, 2018, our monthly distribution rate was $0.033 per unit. Approximately 16.5% (December 31, 2017 - 16.0%) of total units were enrolled in the DRIP. Total DRIP units issued during the three months ended March 31, 2018 was 293,323 units, an increase of 54,769 units when compared to the three months ended December 31, 2017. The change is a result of a decrease in holders of units electing to have their cash distributions reinvested in additional units.

	2018	2017				2016		
As at	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Annualized distribution amount	**$ 0.400**	$ 0.400	$ 0.400	$ 0.400	$ 0.400	$ 0.400	$ 0.400	$ 0.400
Monthly distribution amount	**0.033**	0.033	0.033	0.033	0.033	0.033	0.033	0.033
Annualized distribution rate of return[1]	**6.4%**	6.3%	6.6%	6.7%	6.3%	6.4%	6.7%	6.7%
DRIP units issued during the quarter	**293,323**	238,554	223,251	179,219	132,708	79,102	73,846	72,894

[1] Annualized distribution rate of return is calculated as the annualized distribution amount divided by the closing price per unit on the TSX at the date specified

NORMAL COURSE ISSUER BID

The Trust received acceptance of its Notice of Intention to renew its prior NCIB from the TSX on January 11, 2018. The bid commenced on January 15, 2018 and will remain in effect until the earlier of January 14, 2019 or the date on which the Trust has purchased the maximum number of units permitted under the bid. Under the bid, the Trust has the ability to purchase for cancellation up to a maximum of 6,273,601 units (representing 10% of the Trust's public float of 62,736,012 units at the time of entering the bid through the facilities of the TSX).

Subsequent to the three months ended March 31, 2018, the Trust entered into an automatic securities repurchase plan (the "Plan") in order to facilitate purchases of its units under the NCIB. The Plan allows for purchases by Dream Alternatives of units at any time including, without limitation, when the Trust would ordinarily not be permitted to make purchases due to regulatory restrictions or self-imposed blackout periods. Purchases will be made by the Trust based upon the parameters prescribed by the Toronto Stock Exchange (the "TSX") and the terms of the parties' written agreement. Outside of such restricted or black-out periods, the Units may also be purchased in accordance with management's discretion. The Plan will terminate on January 14, 2019.

From January 1, 2018 to May 7, 2018, 584,347 units were purchased at a cost of $3.7 million inclusive of transaction costs.

The following table summarizes the Trust's activity under its NCIB program for the periods ended as indicated:

For the three months ended		**March 31, 2018**		March 31, 2017
Units repurchased (number of units)		**293,323**		156,000
Total cash consideration	**$**	**1,852**	$	994

As at May 7, 2018, 3,218,623 units have been purchased under the prior and current bids at a total cost of $19.5 million.

LIQUIDITY

For the three months ended		**March 31, 2018**		March 31, 2017
Cash generated from (utilized in) operating activities	**$**	**3,549**	$	(2,969)
Cash generated from (utilized in) investing activities		**(55,497)**		(24,510)
Cash generated from (utilized in) financing activities		**13,524**		32,933

Cash generated from operating activities for the three months ended March 31, 2018 was $3.5 million compared to cash utilized in operating activities of $3.0 million for the same quarter in the prior year. The year over year increase is due to the Trust recording net income for the three months ended March 31, 2018 compared to a net loss in the same period in the prior year. As well, as a result of the sale of the non-core income properties the Trust invested less towards lease incentives and initial direct leasing costs compared to the same period in the prior year. Lastly, the year over year increase to cash generated from operating activities was also impacted by changes in non cash working capital.

Cash utilized in investing activities for the three months ended March 31, 2018 was $55.5 million (three months ended March 31, 2017 - utilized in $24.5 million). The year over year increase in cash utilized was primarily due to the acquisition of Hard Rock Hotel & Casino in Las Vegas and the Seaton Development during the three months ended March 31, 2018. In addition, the year over year increase resulted from an increase in loan advances during the first quarter of 2018 compared to the same period in the prior year.

Cash generated from financing activities for the three months ended March 31, 2018 was $13.5 million (three months ended March 31, 2017 - generated from $32.9 million). The year over year decrease was due to the Trust closing financing on term loans on the renewable power projects as well as the refinancing of a mortgage payable in the prior year.

COMMITMENTS AND CONTINGENCIES

During the year ended December 31, 2016, the Trust, through a subsidiary, committed to provide a guarantee for up to $45.0 million pursuant to the requirements of a senior construction loan associated with the Empire Lakeshore residential project. As at March 31, 2018, this guarantee balance is $19.7 million. The guarantee will be in place for the term of the construction loan and will proportionately scale down as the construction loan is repaid and unit closings begin to occur. As at March 31, 2018, the Trust is contingently liable under guarantees that are issued on certain debt assumed by purchasers of income properties up to an amount of $54.0 million.

As at March 31, 2018, guarantees of the other underlying development project loan amounts of third parties are $7.5 million.

As at March 31, 2018, the Trust is contingently liable for letters of credit in the amount of $1.7 million that have been provided to support third party performance.

The Trust may also be contingently liable for certain obligations of joint venture partners. However, the Trust would have available to it the other joint venture partners' share of assets to satisfy any obligations that may arise.

FINANCIAL COVENANTS

The revolving credit facility, the financial guarantees, certain mortgages on income properties and the renewable power term debt contain financial covenants that require the Trust to meet certain financial ratios and financial condition tests. A failure to meet these tests could result in default and, if not cured or waived, could result in an acceleration of the repayment in the underlying financing. For the three months ended March 31, 2018, the Trust was in compliance with these financial covenants.

5. QUARTERLY FINANCIAL INFORMATION

	2018	2017				2016		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
TOTAL INCOME	$ 15,619	$ 14,471	$ 16,056	$ 14,424	$ 22,573	$ 26,338	$ 24,858	$ 25,076
TOTAL EXPENSES	(11,450)	(13,842)	(13,169)	(18,349)	(16,960)	(19,345)	(15,938)	(15,714)
Fair value adjustments to income properties	(2,110)	10,956	(814)	(4,921)	(28,088)	(26,671)	(1,874)	(6,124)
OPERATING INCOME (LOSS)	2,059	11,585	2,073	(8,846)	(22,475)	(19,678)	7,046	3,238
Other interest income	1,235	1,300	536	424	387	523	546	373
Transaction costs	(77)	(45)	(855)	(1,917)	—	—	—	—
Fair value adjustments to marketable securities	2,751	2,844	433	—	—	—	—	—
EARNINGS (LOSS) BEFORE INCOME TAX EXPENSE	5,968	15,684	2,187	(10,339)	(22,088)	(19,155)	7,592	3,611
INCOME TAX (EXPENSE) RECOVERY								
Current	—	15	(4)	(4)	—	2	646	(654)
Deferred	(184)	678	(2,219)	3,102	3,516	3,774	(5,437)	(110)
TOTAL INCOME TAX (EXPENSE) RECOVERY	(184)	693	(2,223)	3,098	3,516	3,776	(4,791)	(764)
NET INCOME (LOSS)	$ 5,784	$ 16,377	$ (36)	$ (7,241)	$ (18,572)	$ (15,379)	$ 2,801	$ 2,847
NET INCOME (LOSS) BEFORE DEPRECIATION[(1)]	$ 7,296	$ 17,906	$ 1,467	$ (5,776)	$ (17,211)	$ (14,244)	$ 3,852	$ 3,945
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	1,239	370	483	9	38	685	(273)	(2,120)
TOTAL COMPREHENSIVE INCOME (LOSS)	$ 7,023	$ 16,747	$ 447	$ (7,232)	$ (18,534)	$ (14,694)	$ 2,528	$ 727
NET INCOME (LOSS) PER UNIT	$ 0.08	$ 0.23	$ —	$ (0.10)	$ (0.26)	$ (0.21)	$ 0.04	$ 0.04
NET INCOME (LOSS) PER UNIT BEFORE DEPRECIATION[(1)]	$ 0.10	$ 0.25	$ 0.02	$ (0.08)	$ (0.24)	$ (0.20)	$ 0.05	$ 0.05
TOTAL UNITHOLDERS' EQUITY PER UNIT	$ 8.38	$ 8.39	$ 8.26	$ 8.36	$ 8.57	$ 8.92	$ 9.23	$ 9.30
TOTAL NAV PER UNIT[(2)]	$ 8.90	$ 8.89	$ 8.64	$ 8.80	$ 8.66	$ 9.02	$ 9.32	$ 9.40

(1) For the Trust's definition of the following non-IFRS measures; Net income (loss) before depreciation, Net income (loss) per unit before depreciation, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A

(2) NAV and NAV per unit have been restated in the comparative periods to conform to current period presentation. Please refer to the Non-IFRS Measures and Other Disclosure section of the MD&A

As a result of the Trust's implementation of its long term strategy to expand the development and investment holdings segment, the Trust expects that the quarterly/yearly results of operation will fluctuate from period to period. This is due to the long term nature of the projects in the development and investment holdings segment. In addition, the underlying seasonal nature of the renewable power portfolio with solar irradiation highest during the summer months and wind production generally best during the winter months would result in fluctuation in the quarterly results of operations. While weather and seasonal related quarter to quarter fluctuations may occur from time to time, these renewable power investments were undertaken with a long term view, as such they are expected to achieve annual production in line with expected long term averages.

6. NON-IFRS MEASURES AND OTHER DISCLOSURES

We have presented certain Non-IFRS Measures because we believe these non-IFRS measures are important in evaluating the Trust's underlying operating performance, debt management and our ability to earn and pay cash distributions to unitholders. These non-IFRS measures do not have standardized meanings prescribed by IFRS and may not be comparable with similar measures presented by other issuers. Investors are cautioned not to view Non-IFRS Measures as alternatives to financial measures calculated in accordance with IFRS.

"Debt-to-gross asset value" represents the total contractual debt payable for the Trust or operating segment divided by gross asset value, excluding assets held-for-sale, of the Trust or operating segment as at the applicable reporting date. This non-IFRS measure is an important measure in evaluating the amount of debt leverage; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. A calculation of debt-to-gross asset value can be found in the Capital Resources and Liquidity section of this MD&A under the heading "Summary of Debt".

"Interest coverage ratio" is a non-IFRS measure the Trust believes to be an important measure in determining our ability to cover interest expense based on our operating performance; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. Interest coverage ratio is calculated on a rolling four fiscal quarter basis as net operating income less general and administrative expenses, less gain on disposition of development and investment holdings; all divided by interest expense excluding unamortized balance of mortgages payable premiums. A reconciliation of net income (loss) to NOI can be found in this Non-IFRS Measures and Other Disclosures section of this MD&A under the heading "Reconciliation of Net Income (Loss) to Net Operating Income". The table below calculates the interest coverage ratio for the periods indicated.

		March 31, 2018		December 31, 2017
Net operating income	**$**	**42,034**	$	44,763
General administration expenses		**(14,815)**		(15,316)
Total	**$**	**27,219**	$	29,447
Interest expense incurred, at contractual rate		**10,771**		9,668
Interest coverage ratio (times)[1]		**2.53**		3.05

[1] Calculated for the rolling four fiscal quarter basis as at March 31, 2018 and December 31, 2017

"Internal rate of return ("IRR")" for residential development projects is calculated based on the estimated net pre-tax cash flow expected to be generated from each project considering real estate development revenues, expenditures, construction time-line and sale dates; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. This non-IFRS measure is an important measure used by the Trust in evaluating the performance of its investments.

"Net assets attributable to Unitholders of the Trust" refers to the net difference between total assets and total liabilities less the amount of assets and liabilities attributable to non-controlling interests. This non-IFRS measure is an important measure in evaluating the Trust’s and Asset Manager’s performance. It is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

"Market value" represents the carrying value as per the condensed consolidated statements of financial position adjusted for external appraisal values or a discounted cash flow methodology, incorporating expected future cash flows, discount rates, other applicable market information and the reduction in the risk profile of the renewable power projects and equity accounted investments as they are developed or achieve completion milestones by the Trust. The Trust believes that incorporating this adjustment in determining the market value of the asset is a more useful measure to value the renewable power portfolio and equity investments that would not ordinarily be captured within IFRS and the Trust's condensed consolidated financial statements. This non-IFRS measure is an important measure used by the Trust in evaluating the Trust’s and Asset Manager’s performance as it is an indicator of the intrinsic value of the Trust; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

"Net asset value ("NAV") per unit" represents the net asset value attributable to unitholders of the Trust divided by the number of units outstanding at the end of the period. This non-IFRS measure is an important measure used by the Trust in evaluating the Trust’s performance as it is an indicator of the intrinsic value of the Trust; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. A reconciliation of net asset value per unit can be found in this Non-IFRS Measures and Other Disclosures section of this MD&A under the heading "Reconciliation of Net Asset Value to Total Unitholders' Equity".

"Net asset value ("NAV")" a non IFRS measure, represents total unitholders' equity per the condensed consolidated financial statements, adjusted for market value adjustments for both renewable power projects and equity accounted investments (including applicable deferred income tax adjustment) and the unamortized balance of the mortgages payable premiums. The mortgages payable premiums represent current unamortized balance of fair value adjustments recorded for these instruments at the Trust's listing date. Since the Trust intends to repay the mortgages at maturity, this historical fair value adjustment is removed for the calculation of the NAV. A market value adjustment for renewable power projects developed by the Trust is reflected once they become operational and long term financing is arranged as well as reflecting recent market information that would indicate a change in the renewable power portfolio market value (subject to appraisals). A market value adjustment for equity accounted investments is included to address the reduction in risk profile as each project progresses toward completion and/or reflect information from recent market transactions that indicate a change in the equity investment market value (subject to appraisals). The Trust believes that incorporating a market value adjustment is a more useful measure to value the renewable power portfolio and equity accounted investments that would not ordinarily be captured within IFRS and the Trust's condensed consolidated financial statements. The market value adjustments account for the applicable deferred income taxes considering the timing of their realization and, if appropriate, will be incorporated into the determination of the NAV. Excluded from the NAV calculation are any market value adjustment with respect to liabilities as well as commitments/contracts that are not otherwise recorded as liabilities on the Trust's balance sheet. The Trust has not appraised the lending portfolio, as the Trust intends to hold the investments in the lending portfolio until maturity and its term to maturity is within one year, as such this portfolio is considered fairly liquid and fair value approximates amortized cost. The NAV calculation has been amended from previous periods to more closely align it with the Trust's strategy and focus. As a result, the NAV calculation will no longer reflect an adjustment for deferred unit incentive plan payable and deferred income taxes payable or receivable. This non-IFRS measure is an important measure used by the Trust in evaluating the Trust’s and Asset Manager’s performance as it is an indicator of the intrinsic value of the Trust; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. A reconciliation of net asset value can be found in this Non-IFRS Measures and Other Disclosures section of this MD&A under the heading "Reconciliation of Net Asset Value to Total Unitholders' Equity".

"Net income (loss) per unit" represents net income (loss) of the Trust divided by the number of units outstanding at the end of the period.

"Net income (loss) before depreciation" represents net income (loss) excluding depreciation on renewable power assets and amortization of intangible assets. This non-IFRS measure is an important measure used by the Trust in evaluating the performance of its investments; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

"Net income (loss) per unit before depreciation" represents net income (loss) excluding depreciation on renewable power assets and amortization of intangible assets divided by the number of units outstanding at the end of the period. This non-IFRS measure is an important measure used by the Trust in evaluating the performance of its investments; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

"Net operating income ("NOI")" is defined by the Trust as net income (loss) per the condensed consolidated financial statements adjusted for: income tax expense (recovery), interest expense net of other interest income, depreciation and amortization, transaction costs, debt settlement costs, provision for lending portfolio losses, general and administrative expenses, fair value adjustments to income properties, development and investment holdings and marketable securities. This non-IFRS measure is an important measure used by the Trust in evaluating operating performance; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. Reconciliations of NOI to net income (loss) can be found in this Non-IFRS Measures and Other Disclosures section of this MD&A under the heading "Reconciliation of Net Income (Loss) to Net Operating Income".

"Total contractual debt payable" represents total debt per the condensed consolidated statements of financial position less note payable, unamortized balance of mortgages payable premiums and unamortized balance of deferred financing costs. This non-IFRS measure is an important measure used in the management of our debt levels as an indicator of principal amounts outstanding; however, it is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers. A reconciliation of total contractual debt payable to debt per the condensed consolidated financial statements can be found in the Capital Resources and Liquidity section of this MD&A under the heading "Summary of Debt"

"Total Unitholders' equity per unit" represents the Total Unitholders equity of the Trust divided by the number of units outstanding at the end of the period.

RECONCILIATION OF NET INCOME (LOSS) TO NET OPERATING INCOME

For the three months ended March 31, 2018	Development and investment holdings	Lending portfolio	Income properties	Renewable power	Other[1]	Total
NET INCOME (LOSS)	$ 2,144	$ 3,676	$ 3,182	$ 886	$ (4,104)	**$ 5,784**
Add (Deduct):						
Income tax expense (recovery)	—	—	—	—	184	**184**
Interest expense net of other interest income	(337)	—	358	925	(78)	**868**
Fair value adjustments to income properties	—	—	2,110	—	—	**2,110**
Depreciation and Amortization	—	—	—	1,512	—	**1,512**
Transaction costs	—	10	67	—	—	**77**
Fair value adjustments to marketable securities	—	—	(2,999)	—	248	**(2,751)**
General and administrative expenses	—	—	—	—	3,750	**3,750**
Fair value adjustments to development and investment holdings	(1,754)	—	—	—	—	**(1,754)**
NET OPERATING INCOME	**$ 53**	**$ 3,686**	**$ 2,718**	**$ 3,323**	**$ —**	**$ 9,780**

For the three months ended March 31, 2017	Development and investment holdings	Lending portfolio	Income properties	Renewable power	Other[1]	Total
NET INCOME (LOSS)	$ 2,202	$ 2,979	$ (23,950)	$ 1,084	$ (887)	**$ (18,572)**
Add (Deduct):						
Income tax expense (recovery)	—	—	—	—	(3,516)	**(3,516)**
Interest expense net of other interest income	(338)	(4)	1,993	705	152	**2,508**
Fair value adjustments to income properties	—	—	28,088	—	—	**28,088**
Depreciation and Amortization	—	—	—	1,361	—	**1,361**
Provision for lending portfolio losses	—	82	—	—	—	**82**
General and administrative expenses	—	—	—	—	4,251	**4,251**
Fair value adjustments to development and investment holdings	(1,693)	—	—	—	—	**(1,693)**
NET OPERATING INCOME	**$ 171**	**$ 3,057**	**$ 6,131**	**$ 3,150**	**$ —**	**$ 12,509**

(1) Includes other Trust amounts not specifically related to the segments

RECONCILIATION OF NET ASSET VALUE TO TOTAL UNITHOLDERS' EQUITY

As at March 31, 2018	Development and investment holdings[2]	Lending portfolio	Income properties	Renewable power[3]	Cash, working capital and other[1]	Total
TOTAL UNITHOLDERS' EQUITY	$ 249,534	$ 168,415	$ 158,715	$ 67,249	$ (37,191)	**$ 606,722**
Market value adjustment to renewable power assets[2]	—	—	—	11,626	—	**11,626**
Market value adjustment to equity accounted investments	30,620	—	—	—	—	**30,620**
Deferred income taxes adjustment	—	—	—	—	(4,462)	**(4,462)**
NAV	**$ 280,154**	**$ 168,415**	**$ 158,715**	**$ 78,875**	**$ (41,653)**	**$ 644,506**
NAV PER UNIT	**$ 3.87**	**$ 2.33**	**$ 2.19**	**$ 1.09**	**$ (0.58)**	**$ 8.90**

(1) Cash, working capital and other includes Trust and other segment level cash and net working capital balances
(2) For additional details on the Trust's equity accounted investments market value adjustment, please refer to page 13 of the MD&A
(3) For additional details on the Trust's renewable power assets market value adjustment, please refer to page 21 of the MD&A

As at December 31, 2017	Development and investment holdings[2]	Lending portfolio	Income properties	Renewable power[3]	Cash, working capital and other[1]	Total
TOTAL UNITHOLDERS' EQUITY	$ 176,826	$ 158,758	$ 156,462	$ 67,061	$ 48,171	**$ 607,278**
Market value adjustment renewable power assets	—	—	—	11,773	—	**11,773**
Market value adjustment to equity accounted investments	29,201	—	—	—	—	**29,201**
Deferred income taxes adjustment	—	—	—	—	(4,253)	**(4,253)**
NAV	**$ 206,027**	**$ 158,758**	**$ 156,462**	**$ 78,834**	**$ 43,918**	**$ 643,999**
NAV PER UNIT	**$ 2.84**	**$ 2.19**	**$ 2.16**	**$ 1.09**	**$ 0.61**	**$ 8.89**

(1) Cash, working capital and other includes Trust and other segment level cash and net working capital balances
(2) For additional details on the Trust's equity accounted investments market value adjustment, please refer to page 13 of the MD&A
(3) For additional details on the Trust's renewable power assets market value adjustment, please refer to page 21 of the MD&A

7. DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

The Trust does not have a Chief Executive Officer or a Chief Financial Officer. At March 31, 2018, the President and Chief Responsible Officer and Chief Financial Officer of DAM (the "Certifying Officers"), along with the assistance of senior management of the Asset Manager, have designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Trust is made known to the Certifying Officers in a timely manner and information required to be disclosed by the Trust is recorded, processed, summarized and reported within the time periods specified in securities legislation, and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the condensed consolidated financial statements in accordance with IFRS.

During the three months ended March 31, 2018, there have not been any changes that have materially affected, or are reasonably likely to materially affect, the internal controls over financial reporting.

8. RISKS AND RISK MANAGEMENT

For information concerning Risks and Risk Management please refer to the 2017 Annual Report and the 2017 Annual Information Form, which are found on our website at www.dreamalternatives.ca and filed electronically on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Although we believe that the risk factors described in our 2017 Annual Report and in our 2017 Annual Information Form are the most material risks that we will face, they are not the only risks. Additional risk factors not presently known to us or that we currently believe are immaterial could also materially adversely affect our investments, future prospects, cash flows, results of operations or financial condition and our ability to make cash distributions to unitholders and thereby adversely affect the value of our units. The occurrence of any of such risks could materially and adversely affect our investments, future prospects, cash flows, results of operations or financial condition and our ability to make cash distributions to unitholders.

9. SIGNIFICANT ACCOUNTING POLICIES

9.1 CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. Management bases its judgments and estimates on historical experience and other factors it believes to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying amounts of assets and liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future. Dream Alternatives' critical accounting judgments, estimates and assumptions in applying accounting policies are described in Note 4 to the condensed consolidated financial statements.

9.2 FUTURE CHANGES TO SIGNIFICANT ACCOUNTING POLICIES

Standards issued but not yet effective up to the date of issuance of the Trust's condensed consolidated financial statements that are likely to have an impact on the Trust are listed below. This listing is of standards and interpretations issued that the Trust reasonably expects to be applicable at a future date. The Trust intends to adopt those standards when they become effective.

LEASES

IFRS 16, "Leases" ("IFRS 16"), sets out the principles for the recognition, measurement and disclosure of leases. IFRS 16 provides revised guidance on identifying a lease and for separating lease and non-lease components of a contract. IFRS 16 introduces a single accounting model for all lessees and requires a lessee to recognize right-of-use assets and lease liabilities for leases with terms of more than 12 months, unless the underlying asset is of low value. Under IFRS 16, lessor accounting for operating and finance leases will remain substantially unchanged. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier application permitted for entities that apply IFRS 15. The Trust does not intend to early adopt IFRS 16 and is currently evaluating the impact of adopting this standard on the condensed consolidated financial statements.

INCOME TAXES

IFRIC 23, "Uncertainty over Income Tax Treatments" ("IFRIC 23"), clarifies the application of the recognition and measurement requirements in IAS 12, "Income Taxes" ("IAS 12") for situations where there is uncertainty over income tax treatments. IFRIC 23 specifically addresses whether an entity considers income tax treatments separately; assumptions that an entity makes regarding the examination of tax treatments by taxation authorities; how an entity determines taxable income or loss, tax bases, unused tax losses or credits and tax rates; and how an entity considers changes in facts and circumstances. IFRIC 23 does not apply to taxes or levies outside the scope of IAS 12. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. The Trust is currently evaluating the impact of adopting this interpretation on the condensed consolidated financial statements.

9.3 ADOPTION OF ACCOUNTING STANDARDS

CURRENT ACCOUNTING POLICY CHANGES

The Trust has adopted the following revised standards, along with any consequential amendments, effective January 1, 2018. This change was made in accordance with the applicable transitional provisions.

REVENUE RECOGNITION

Effective January 1, 2018, the Trust has applied IFRS 15, "Revenue from Contracts with Customers" ("IFRS 15"). The IFRS 15 revenue recognition model requires management to exercise significant judgment and make estimates that affect revenue recognition. The Trust exercised judgment in determining which of its revenue streams that arise from lease agreements are in scope of IFRS 15 and which were not. Specifically, the Trust considered whether a revenue stream related to a lease agreement is for the lease of an asset or is for the provision of a distinct service. Revenues of the latter type are determined to be in scope of IFRS 15, while the former are excluded. In accordance with this new standard, the Trust adopted IFRS 15 using the modified retrospective method. In applying IFRS 15, the Trust used the practical expedient that permits contracts which were completed prior to the transition date to not be assessed. As a result of adopting IFRS 15, there were no adjustments to the balance sheet as at January 1, 2018.

FINANCIAL INSTRUMENTS

The Trust adopted IFRS 9, "Financial Instruments" ("IFRS 9"), effective January 1, 2018, retrospectively, but without restatement of comparatives. The adoption of IFRS 9 has resulted in the Trust continuing to carry its financial assets as previously classified except for those financial assets classified as Available For Sale ("AFS"). Those financial assets previously classified as AFS have been classified as FVTPL under IFRS 9, as they are investments in listed equity instruments. The impact to the Trust's condensed consolidated financial statements on January 1, 2018 was $295, net of tax, of unrealized fair value adjustments previously reflected in Other Comprehensive Income ("OCI") which was recorded as an opening retained earnings adjustment. The Trust assessed its financial assets classified as amortized cost under 'expected loss' impairment model known as the Expected Credit Loss ("ECL") model. There was no change to the loss provision recorded by the Trust for the lending portfolio or amounts receivable as a result.

INVESTMENT PROPERTIES

IAS 40, "Investment Properties" ("IAS 40"), was amended to clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The revised standard states that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. This amendment did not have an impact on the Trust's condensed consolidated financial statements.

10. BASIS OF PRESENTATION

This "MD&A" is a discussion of the operating results, cash flows and financial position of Dream Alternatives and should be read in conjunction with the consolidated financial statements of Dream Alternatives for the three months ended March 31, 2018, prepared in accordance with IFRS.

When we refer to terms such as "we", "us", and "our", we are referring to the Trust, Dream Alternatives Master LP and its subsidiaries. When we refer to the term "units" we are referring to the units of the Trust. When we refer to "unitholders" we are referring to holders of the units of the Trust.

Certain information herein contains or incorporates comments that constitute forward-looking information within the meaning of applicable securities legislation, including, but not limited to, statements relating to the Trust's objectives and strategies to achieve those objectives; the Trust's strategies with respect of our legacy assets and income properties; the Trusts' beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, future growth and drivers thereof, results of operations, performance, business prospects and opportunities, market conditions, acquisitions or divestitures, leasing transactions, future maintenance and development plans and costs, capital investments, financing, the availability of financing sources, income taxes, litigation and the real estate, lending and renewable power industries in general, in each case, that are not historical facts as well as statements regarding our plans and proposals for future retail, residential and development and investment holdings projects, including projected sizes, density and uses; anticipated costs of our retail, residential, and development and investment holdings and renewable power projects; timing of achieving milestones in our retail, residential, renewable power and development and investment holdings projects; development time lines on current and future retail, residential, renewable power and development and investment holdings projects, including expected commencement and completion dates; our estimated normalized initial direct leasing costs and lease incentives with respect to our income properties and the estimated normalized capital expenditures on operational renewable power assets; our pipeline of potential development opportunities; expected sources, amounts, and timing of financings for our projects; our anticipated ownership levels of proposed investments; expected cash flows, economic returns and funded equity of projects in future periods; expected renewals, occupancies and leasing activity in our income properties portfolio and in the retail component of our development and investment holdings portfolio; anticipated demand for our retail, residential and development and investment holdings projects; the redevelopment potential of our development and investment properties; anticipated expected fair value gains on the carrying value of investment and development holdings and renewable power projects; expected market value gains on the NAV of our equity accounted development projects; proposed methodologies for valuing investments and timing of appraisals; timing of distributions or future cash return from our development and investment holdings portfolio; targeted return on equity (levered and unlevered), income growth, NAV growth and IRR; expected loss; expected debt financing; anticipated cumulative equity; expected yield; expected level of repatriation of equity from our income properties; stabilized equity; anticipated returns from our renewable power and development and investment holdings projects as well as the future contributions to NAV; the sustainability of cash distributions; and the variability in the Trust's income tax expense. Forward-looking statements generally can be identified by words such as "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "could", "likely", "plan", "project", "continue" or similar expressions suggesting future outcomes or events. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties, many of which are beyond the Trust's control, which could cause actual results to differ materially from those disclosed in or implied by such forward-looking information. The assumptions, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein as well as assumptions relating to general and local economic and business conditions; the regulatory environment; the real estate market in general; the financial condition of tenants and borrowers; interest and mortgage rates; leasing risks, including those associated with the ability to lease vacant space; our ability to source and complete accretive acquisitions and renewable power projects; and the development, construction and operation of our real estate and renewable power projects on anticipated terms.

All the forward-looking statements contained in this MD&A are based on what we believe are reasonable assumptions; there can be no assurance that actual results will be consistent with these forward-looking statements. Factors or risks that could cause actual results to differ materially from those set forth in the forward-looking statements and information include, but are not limited to, general economic conditions; changes to the regulatory environment; environmental risks; local real estate conditions, including the development of properties in close proximity to the Trust's properties and changes in real estate values; timely leasing of vacant space and re-leasing of occupied space upon expiration; dependence on tenants' and borrowers' financial condition; the uncertainties of acquisition activity; the ability to effectively integrate acquisitions; dependence on our partners in the development, construction and operation of our real estate and renewable power projects; uncertainty surrounding the development and construction of new projects and delays and cost overruns in the design, development, construction and operation of projects; adverse weather conditions and variability in wind conditions and solar irradiation; our ability to execute strategic plans and meet financial obligations; interest and mortgage rates and regulations; inflation; availability of equity and debt financing; foreign exchange fluctuations; and other risks and factors described from time to time in the documents filed by the Trust with securities regulators.

All forward-looking information is as of May 7, 2018. Dream Alternatives does not undertake to update any such forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law. Additional information about these assumptions and risks and uncertainties is contained in our filings with securities regulators. Certain filings are also available on our web site at www.dreamalternatives.ca.

Certain market information has been obtained from Standard & Poor's, publications prepared by independent, third party commercial firms that provide information relating to the real estate industry. Although we believe this information is reliable, the accuracy and completeness of this information is not guaranteed. We have not independently verified this information and make no representation as to its accuracy.

Average market rent disclosed in the MD&A is the Asset Manager's best estimate of the net rental rate that would be achieved in the event of a unit becoming vacant in a non-arm’s length lease after a reasonable marketing period with an inducement and lease term appropriate for the particular space. Market rent by property is determined on a quarterly basis by our Asset Manager’s leasing and portfolio management teams. The basis of calculating market rents depends on leasing deals that are completed for similar space of comparable properties in the area. Market rents may differ by property or by suite within the property, and are dependent upon a number of factors. Some of the factors considered include the condition of the space, the location within the building, the amount of office build-out required for the suites, appropriate lease term, and normal tenant inducements. On a quarterly basis, market rental rates are compared against the external appraisal information that is gathered for our properties and/or other comparable properties managed by the Asset Manager, as well as other external market data sources. The current estimated market rents are at a point in time and are subject to change based on future market conditions.

In addition, certain disclosures incorporated by reference into this report including, but not limited to, information regarding our largest tenants and development and investment holdings' development partners were obtained from publicly available information. We have not independently verified any such information.

11. ADDITIONAL INFORMATION

11.1 RENEWABLE POWER SUPPLEMENTAL INFORMATION

Ontario Rooftop Solar
Ontario Rooftop Solar comprises three rooftop solar portfolios, which consist of ten rooftop solar power projects located in Ontario, and has an installed capacity of 3.2 MW.

Ontario Ground Mount Solar
Ontario Ground Mount Solar is a portfolio of ten ground-mount solar power projects located in Ontario with an installed capacity of 4.8 MW. All solar power projects are declared operational. Each project has a 20-year PPA with the Independent Electricity System Operator through the Feed-in Tariff ("FIT") program.

Nova Scotia Wind
Nova Scotia Wind is a wind power portfolio consisting of eight turbines located in Nova Scotia with a total capacity of 13.2 MW. The Trust owns an approximate 80.0% economic interest in this portfolio, representing an installed capacity at a share of 10.6 MW. The portfolio is divided into three projects each of which have a 20-year PPA with Nova Scotia Power Inc. through the Community Feed-in-Tariff program.

United Kingdom Wind
United Kingdom Wind is a wind power portfolio located in the U.K. that consists of 46 fully operational distributed-scale wind turbines. The Trust has a 100% economic interest in the portfolio based on the form and structure of the investment. Each of the turbines has a FIT accreditation which provides for payments from local utilities within the U.K. that are indexed to inflation for a remaining term of approximately 20 years as guaranteed by the Office of Gas and Electricity Markets ("OFGEM"), the U.K. government regulator for the electricity and downstream natural gas markets. The assets are unlevered as at March 31, 2018.

11.2 ADDITIONAL INFORMATION

Additional information relating to Dream Hard Asset Alternatives Trust, including the Trust's Annual Information Form and audited consolidated financial statements and accompanying notes, are available on SEDAR at www.sedar.com. The Trust’s voting units trade on the TSX under the symbol "DRA.UN".