MANAGEMENT'S DISCUSSION AND ANALYSIS

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

1. OVERVIEW AND OVERALL FINANCIAL PERFORMANCE

1.1 OVERVIEW OF THE TRUST

Dream Impact is an open-ended trust dedicated to impact investing. Impact investing is the intention of creating measurable positive, social and environmental change in our communities and for our stakeholders, while generating attractive market returns. The Trust's underlying portfolio is comprised of exceptional real estate assets reported under two operating segments: development and recurring income. The units of the Trust are listed on the Toronto Stock Exchange ("TSX") under the symbol "MPCT.UN".

The Trust is managed by Dream Asset Management Corporation ("DAM" or the "Asset Manager"), a subsidiary of Dream Unlimited Corp. ("Dream Unlimited" or "Dream") (TSX: DRM), which is one of Canada's leading real estate companies, with approximately $10 billion of assets under management in North America and Europe. On January 1, 2018, Dream acquired control of the Trust, for accounting purposes, 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. The ultimate controlling party of the Trust is Michael Cooper, President and Chief Responsible Officer of DAM and Dream. As of March 31, 2021, Dream has a 26% ownership interest in Dream Impact.

1.2 OUR STRATEGY AND OPERATING SEGMENTS

Our fundamental objectives are to:

- Create positive and lasting impacts for our stakeholders through our three impact verticals: environmental sustainability and resilience, attainable and affordable housing, and inclusive communities;
- Balance growth and stability of the portfolio, increasing cash flow, unitholders' equity and net asset value ("NAV")[1] over time;
- Leverage our access to an experienced management team and strong partnerships in order to generate attractive returns for investors;
- Provide investors with a portfolio of high-quality real estate development opportunities, concentrated in core geographic markets; and
- Provide predictable cash distributions to unitholders on a tax-efficient basis.

As at March 31, 2021, our operating segments consisted of the following:

- **Recurring income** — comprised of a portfolio of office and commercial real estate income properties in the Greater Toronto Area ("GTA") and interest-paying mortgages and corporate loans; and
- **Development** — comprised of direct and indirect investments in residential and mixed-use developments, a hospitality asset under redevelopment, and participating mortgage receivables.

Recurring income is important to our business as it provides stable returns in order to fund our ongoing fixed operating costs, interest and distribution. As we build out our extensive development pipeline, we intend to hold high-quality assets for the long term, which will further contribute to our sources of recurring income. Over time, as we retain our best-in-class developed income properties, we expect approximately 70% of our portfolio to be comprised of this segment.

We believe the Trust's development segment represents a portfolio of high-quality assets located in core geographic markets. These assets represent the primary source of growth for the Trust and will generate future income and cash flows over time as the projects are developed. Assets may be built for sale or built to hold for the long term. Due to the nature of development, the Trust expects fluctuations in earnings from period to period from this segment. Typically, assets may be acquired and held for a number of years before development commences or contribution to net income is realized. However, depending on a variety of factors, including location, market conditions, density and asset class, the value of these projects may appreciate as we progress through the rezoning and pre-development process. Our development segment is expected to generate attractive returns and continued NAV accretion over time.

Over 70% of our projects are zoned, with the remaining 30% of Dream Impact's development projects or assets with redevelopment potential currently in the rezoning process. Depending on the specific municipality, this process may take upwards of 2-3 years from the timing of submission. Significant zoning approvals are expected over the next 2 years.

In accordance with the Trust’s mandate to be a pure-play impact investment vehicle, assets in both operating segments will correspond to our impact verticals. These verticals are aligned with the widely recognized and accepted United Nations Sustainable Development Goals and are:

- **Environmental sustainability and resilience** — develop sustainable real estate that optimizes energy use, limits greenhouse gas ("GHG") emissions, and reduces water use and waste while also creating resiliency against natural disasters and major climatic events.
- **Attainable and affordable housing** — invest in mixed-income communities that are transit-oriented, located close to employment opportunities, and support an overall lower relative cost of living with high quality of life.
- **Inclusive communities** — intentionally design and program communities that are safe and inclusive for everyone. This includes creating spaces that encourage mental and physical health, and wellness.

As the owner and developer of our real estate, we are focused on developing and operating our properties to contribute to the betterment of our communities through managing our resource efficiency to minimize environmental harm to communities, incorporating attainable and affordable housing, and fostering inclusivity, as we pursue attractive market returns. We undertake this purpose on behalf of all our stakeholders including our unitholders, customers, suppliers, lenders, governments and the community at large.

On May 3, 2021, the Trust released its inaugural impact report which outlines the framework and specific pathways on certain investments. The Trust intends to benchmark its performance, on an annual basis, against specific targets that will conform to principles set out by reputable third parties. Additionally, the Trust has identified three main features of its approach to impact management:

- **Intentionality** — for each of the portfolio properties that qualify as impact assets, the Trust specifies impact pathways that set out the positive impacts expected to be achieved;
- **Measurement** — each impact pathway will be scored according to various dimensions. These dimensions will include who will be affected (an assessment of the number of people, and how well or underserved they are), the extent of the impact (an assessment of duration and degree), and what the Trust’s contribution is (an assessment of the outcome delivered by the Trust, relative to what would have happened otherwise). We intend to measure our impact efforts in a repeatable, systematic way; and
- **Verification** — our process surrounding our impact goals and impact management system will be verified by a recognized independent firm.

As at March 31, 2021, approximately 80% of NAV[(1)] qualified under the Trust's definition of an impact investment. Over the next few years, our strategy is to deploy our balance sheet into new impact investment opportunities, wind-down or exit remaining non-impact investments and redeploy proceeds, and increase our financial flexibility from our build-to-sell assets.

1.3 FINANCIAL OVERVIEW - FIRST QUARTER 2021

KEY ACHIEVEMENTS

During the three months ended March 31, 2021, the newly converted and renovated Virgin Hotels Las Vegas reopened to the public after a year of renovations. The hotel, which has more than 1,500 rooms, a 60,000 square foot ("sf") casino, a 4,500-seat concert hall, restaurants and other state-of-the art amenities, had a successful opening weekend of operations, exceeding expectations for occupancy considering in-place COVID-19 capacity restrictions. The Trust has a 10% interest in the hotel and has invested $52.8 million to date.

Subsequent to March 31, 2021, the Federation of Canadian Municipalities ("FCM") announced a $23 million financing initiative through FCM's Green Municipal Fund for the build-out of District Thermal. The District Thermal Energy System, created in partnership with Hydro Ottawa, utilizes post-industrial waste energy for heating and the Ottawa River for cooling, to recycle greenhouse gas ("GHG") emissions for the entire 34-acre Zibi development, making the community one of the largest and most sustainable in Canada.

On April 7, 2021, the Trust obtained zoning settlement approval from the City of Toronto council for its 5.3-acre Lakeshore East development. The site, which was approved for density of 1.25 million sf, is located in close proximity to the Canary and Distillery Districts, and immediately adjacent to Waterfront Toronto's Quayside property (former Sidewalk Labs site). The Trust's NAV as of December 31, 2020 was based on $178/sf at a density of approximately 1 million sf. As a result of the settlement approval, the value of the development is expected to increase due to the additional density. The Trust has a 37.5% interest in the development.

In the three months ended March 31, 2021, the Trust acquired two income properties, 76 Stafford and 68-70 Claremont, located in downtown Toronto, for total consideration of $33.6 million, including transaction costs. The assets were acquired through cash-on-hand and mortgages payable with a weighted average term of five years. The Trust received favourable financing terms for both assets as the properties have significant impact potential and are aligned with the Trust's inclusivity and environmental sustainability and resilience verticals. Over the next 12 months, the Trust will undertake certain capital expenditures to better align the properties with its verticals, including waste diversion, reduction of GHG emissions and energy usage, and increased accessibility, in line with the Trust's overall impact strategy.

The Trust currently has a growing recurring income portfolio, which includes over 1 million sf of commercial space as at March 31, 2021 (at 100% project-level). The Trust expects to continue to grow this segment by deploying capital to further acquire income properties that are in line with its impact strategy, in addition to completing the Trust's build-to-hold assets from its development pipeline. Refer to Section 2.2, "Recurring Income" of this MD&A for further details on build-to-hold assets that will contribute to the Trust's recurring income over the next five years.

Refer to Section 1.4, "Summary of Portfolio Assets" in this MD&A for details on our complete development pipeline, and Section 10.1, "Summary of Impact Investments" for details on certain of our impact investments.

(1) Represents a non-IFRS measure. For the Trust's definition of the following non-IFRS measures: NAV, debt-to-asset value and debt-to-total asset value, inclusive of project-level debt, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A. Non-IFRS measures do not have standardized meanings prescribed by IFRS and may not be comparable with similar measures presented by other issuers.

FINANCIAL HIGHLIGHTS OF THE TRUST

For the three months ended March 31,		**2021**		2020
Consolidated results of operations				
Net income (loss)	**$**	**(6,212)**	$	5,152
Net income (loss) per unit[(1)]		**(0.10)**		0.07
Distributions declared and paid per unit		**0.10**		0.10
Units outstanding – end of period		**64,885,017**		69,121,551
Units outstanding – weighted average		**64,956,996**		69,076,108

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

As at		**March 31, 2021**		December 31, 2020
Consolidated financial position				
Total unitholders' equity	**$**	**527,588**	$	539,877
Total unitholders' equity per unit[(1)]		**8.13**		8.33
Total debt payable		**105,348**		88,392
Total assets		**652,632**		648,514
Debt-to-asset value[(1)]		**16.1%**		13.6%
Cash		**91,858**		110,671

(1) For the Trust's definition of the following non-IFRS measures: total unitholders' equity per unit and debt-to-asset value, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A.

During the three months ended March 31, 2021, the Trust reported a net loss of $6.2 million, compared to net income of $5.2 million in the prior year. The change in earnings period-over-period was primarily driven by fair value adjustments and fluctuations in foreign exchange on our investment in the Virgin Hotels Las Vegas. In addition, the Trust recognized reduced income contribution from scheduled repayments on the lending portfolio and an increase in general and administrative expenses.

As at March 31, 2021, the Trust had $91.9 million of cash-on-hand. The Trust’s debt-to-asset value[(1)] as at March 31, 2021 was 16.1%, an increase relative to 13.6% as of December 31, 2020, driven by financing obtained in relation to income properties acquired in the period. The Trust's debt-to-total asset value, inclusive of project-level debt[(1)] and assets within our development segment, including equity accounted investments, was 41.5% compared to 38.5% as at December 31, 2020.

Subsequent to quarter-end, the Trust amended the collateral base of its credit facility, providing an incremental $50 million in liquidity upon close. The facility proceeds will be used to acquire income properties which meet our impact criteria, and which will further contribute to the Trust's sources of recurring income.

SEGMENTED RESULTS OF OPERATIONS – THREE MONTHS ENDED MARCH 31, 2021

	Development	Recurring income	Other[1]	Total
INCOME				
Fair value adjustments in development and investment holdings	$ (6,887)	$ —	$ —	**$ (6,887)**
Lending portfolio interest income and lender fees	—	444	—	**444**
Income properties revenue	—	4,401	—	**4,401**
Share of income (loss) from equity accounted investments	2,180	(37)	—	**2,143**
TOTAL INCOME	**(4,707)**	**4,808**	**—**	**101**
EXPENSES				
Income properties, operating	—	(2,257)	—	**(2,257)**
Interest expense	—	(806)	(52)	**(858)**
General and administrative	—	—	(3,890)	**(3,890)**
TOTAL EXPENSES	**—**	**(3,063)**	**(3,942)**	**(7,005)**
Fair value adjustments to income properties	—	(1,959)	—	**(1,959)**
OPERATING LOSS	**(4,707)**	**(214)**	**(3,942)**	**(8,863)**
Interest and other income	—	80	128	**208**
Transaction costs	—	(103)	—	**(103)**
LOSS BEFORE INCOME TAX RECOVERY	**(4,707)**	**(237)**	**(3,814)**	**(8,758)**
INCOME TAX RECOVERY				
Current income tax recovery	—	—	7	**7**
Deferred income tax recovery	—	—	2,539	**2,539**
TOTAL INCOME TAX RECOVERY	**—**	**—**	**2,546**	**2,546**
NET LOSS	**$ (4,707)**	**$ (237)**	**$ (1,268)**	**$ (6,212)**

SEGMENTED RESULTS OF OPERATIONS – THREE MONTHS ENDED MARCH 31, 2020

	Development	Recurring income	Other[1]	Total
INCOME				
Fair value adjustments in development and investment holdings	$ 4,421	$ —	$ —	**$ 4,421**
Lending portfolio interest income and lender fees	—	1,486	—	**1,486**
Income properties revenue	—	4,403	—	**4,403**
Share of loss from equity accounted investments	(730)	(181)	—	**(911)**
TOTAL INCOME	**3,691**	**5,708**	**—**	**9,399**
EXPENSES				
Income properties, operating	—	(2,150)	—	**(2,150)**
Interest expense	—	(782)	(9)	**(791)**
General and administrative	—	—	(822)	**(822)**
TOTAL EXPENSES	**—**	**(2,932)**	**(831)**	**(3,763)**
OPERATING INCOME (LOSS)	**3,691**	**2,776**	**(831)**	**5,636**
Interest and other income	368	6	431	**805**
Transaction costs	—	(45)	(13)	**(58)**
EARNINGS (LOSS) BEFORE INCOME TAX EXPENSE	**4,059**	**2,737**	**(413)**	**6,383**
INCOME TAX EXPENSE				
Deferred income tax expense	—	—	(1,231)	**(1,231)**
TOTAL INCOME TAX EXPENSE	**—**	**—**	**(1,231)**	**(1,231)**
NET INCOME (LOSS)	**$ 4,059**	**$ 2,737**	**$ (1,644)**	**$ 5,152**

[1] Includes other Trust amounts not specifically related to the segments.

1.4 SUMMARY OF PORTFOLIO ASSETS

The following table includes supplementary information on certain assets in our portfolio as at March 31, 2021. Please refer to Section 10.1, "Summary of Impact Investments" of this MD&A for additional information on each of these investments in our development and recurring income segments.

Project/property	Property type	Dream Impact ownership	Status/type	Impact status[1]	Total residential units/hotel rooms at completion (at 100%)[2]	Residential GFA[3] (at 100%)	Total commercial and retail GLA[3] (at 100%)	In-place/ committed commercial occupancy	Occupancy/ stabilization date
Recurring income segment									
Downtown Toronto & Greater Toronto Area ("GTA")									
Sussex Centre	Office/retail	50.1%	Income property	I, E	n/a	—	655,000	85.9 %	
49 Ontario[4]	Office	100.0%	Redevelopment	TBD	n/a	TBD	88,000	91.5 %	
Queen and Mutual	Office/retail	9.0%	Income property	n/a	n/a	—	24,000	80.0 %	
10 Lower Spadina	Office/retail	100.0%	Income property	I, E	n/a	—	61,000	100.0 %	
349 Carlaw	Office	100.0%	Income property	I, E	n/a	—	34,000	91.6 %	
Plaza Imperial	Office/retail	40.0%	Income property	n/a	n/a	—	35,000	100.0 %	
Plaza Bathurst	Office/retail	40.0%	Income property	n/a	n/a	—	24,000	100.0 %	
100 Steeles Avenue West[4]	Retail	37.5%	Redevelopment	TBD	n/a	TBD	59,000	96.4 %	
68-70 Claremont Street	Office	100.0%	Income property	I, E	n/a	—	30,000	39.7 %	
76 Stafford Street	Office/retail	100.0%	Income property	I, E	n/a	—	25,000	100.0 %	
Total Downtown Toronto & GTA						—	1,035,000	87.7 %	
Total projects in the recurring income segment						—	**1,035,000**	**87.7 %**	
Development segment									
Downtown Toronto & GTA									
WDL Block 8	Build to hold	25.0%	Under construction	A, I, E	770	623,000	4,000		2023
Brightwater I and II	Build to sell	23.3%	Planning	I, E	311	216,000	100,000	33.0 %	2023
Canary Block 10	Various	25.0%	Planning	I, E	444[6]	319,000	26,000		2024
Ivy	Build to sell	75.0%	Planning	n/a	256	205,000	—		2024
WDL Block 3/4/7	Build to hold	25.0%	Planning	A, I, E	855	805,000	33,000		2025
Brightwater future blocks	Build to sell	23.3%	Planning	I, E	2,684	2,897,000	256,000		2024-2032
WDL Block 20	Build to hold	25.0%	Planning	A, I, E	654	571,000	260,000		TBD
Lakeshore East	TBD	37.5%	Planning	TBD	1,100	989,000	32,000		TBD
Frank Gehry	Build to sell	25.0%	Planning	TBD	1,500	1,652,000	260,000		TBD
Scarborough Junction	Build to sell	45.0%[5]	Planning	n/a	6,619	5,270,000	165,000		TBD
Seaton	Build to sell	7.0%	Planning	n/a	TBD	TBD	TBD		TBD
Total Downtown Toronto & GTA					15,193	13,547,000	1,136,000	n/a	
Zibi (Ottawa/Gatineau):									
Block 2-3	Build to hold	44.6%	Under construction	I, E	—	—	55,000	81.2 %	2021
Block 211	Build to hold	44.6%	Under construction	I, E	—	—	185,000	86.0 %	2021
Block 208	Build to hold	44.6%	Under construction	I, E	—	—	34,000	79.8 %	2022
Block 10	Build to hold	44.6%	Under construction	A, I, E	162	147,000	1,500		2022
Block 206	Build to hold	44.6%	Planning	A, I, E	211	166,000	14,000		2023
Block 207	Build to hold	44.6%	Planning	I, E	—	—	90,000		2023
Block 11	Build to hold	44.6%	Planning	A, I, E	146	116,000	5,000		2023
Future blocks	Various	44.6%	Planning	A, I, E	1,233	1,387,000	2,054,000		TBD
Total Ottawa/Gatineau					1,752	1,816,000	2,438,500	84.3 %	
U.S.									
Virgin Hotels Las Vegas	Build to sell	10.0%	Hospitality	n/a	1,502	—	—		2023
Total U.S.					1,502	—	—		
Total projects in the development segment					**18,447**	**15,363,000**	**3,574,500**		
Total projects in the development and recurring income segments					**18,447**	**15,363,000**	**4,609,500**		

[1] Investments will align with the following impact verticals as outlined in Section 1.2, "Our Strategy and Operating Segments": A - Attainable housing; I - Inclusive communities; E - Environmental sustainability and resilience.

[2] Residential units and gross leasable area ("GLA") are at 100% project level and include planned units and GLA which are subject to change pending various development approvals. Planned residential units may be developed as condominium units or purpose-built rentals as supported by market demand, targeted studies and return objectives. For projects currently in occupancy, residential units reflect remaining units in inventory to be occupied in future periods.

[3] Total commercial and retail GLA, and residential gross floor area ("GFA"), includes planned GLA and GFA which are subject to change pending various development approvals.

[4] These represent projects that have been identified with redevelopment potential in the long-term strategy and have tenants currently occupying and paying rental income.

[5] The Trust's equity ownership interest in Scarborough Junction is 45%, and the Trust's effective economic interest is expected to be approximately 23%.

[6] This figure includes 238 rental units in which the Trust is invested considered build to hold, as well as a 206-unit condo building invested by Dream.

2. REPORTABLE OPERATING SEGMENTS RESULTS OF OPERATIONS

2.1 DEVELOPMENT

Our development segment includes development and investment holdings, and partnerships, included in equity accounted investments, formed for the purpose of developing residential and mixed-use projects.

Development holdings relate to the Trust's participating loans secured by Empire-related development projects (referred to as Empire Lakeshore and Empire Brampton). Investment holdings relate to the Trust's 10% investment in the Virgin Hotels Las Vegas. Certain of the Trust’s partnerships, including development assets, which are primarily located in the GTA and Ottawa, are in various planning and construction phases and classified as equity accounted investments. These equity accounted investments are typically held at cost and are expected to contribute meaningfully to the Trust’s earnings in future periods as properties are developed and completed. Fair value adjustments may be recorded on an individual investment level as a result of certain factors, such as terms of a construction contract, stage of completion, location, type and quality of the property, current market rents for similar properties, reliability of cash inflows after completion, development risks specific to the property, past experience with similar constructions, status of approvals and/or permits, estimated costs to complete and market conditions.

Development projects are key drivers of future growth for the Trust to generate attractive returns and future cash flows as milestones are achieved. Our developments are expected to provide attractive profits upon their respective completion dates and will contribute to increased value for unitholders over the longer term. The Trust has historically targeted a pre-tax internal rate of return ("IRR")(1) of at least 15%-20% on equity investments in residential and mixed-use development projects. Our development projects are also investments that provide significant opportunity to create impact in our communities, in line with our three impact verticals.

The table below provides a continuity of the Trust's development and investment holdings, including development assets within equity accounted investments, for the three months ended March 31, 2021:

	Development holdings	Investment holdings	Equity accounted investments	Total
Balance as at December 31, 2020	$ 22,084	$ 51,578	$ 202,988	**$ 276,650**
Advances/investments/share of income	—	75	5,780	**5,855**
Distributions/capital repayment	(2,315)	—	—	**(2,315)**
Fair value loss	(6,258)	—	—	**(6,258)**
Foreign exchange loss	—	(629)	—	**(629)**
Balance as at March 31, 2021	**$ 13,511**	**$ 51,024**	**$ 208,768**	**$ 273,303**
Less: current portion	**$ 616**	**$ —**	**$ —**	**$ 616**
Non-current portion of total development and investment holdings	**$ 12,895**	**$ 51,024**	**$ 208,768**	**$ 272,687**

Empire Lakeshore, a non-core legacy investment for the Trust, is a high-rise condominium development that includes two towers, the Water Tower and Sky Tower, at 49 and 66 storeys, respectively, for an aggregate of 1,280 residential units, which are 99% closed, and 55,000 sf of retail and commercial GLA. During the three months ended March 31, 2021, the Trust received a repayment of $2.3 million from Empire Lakeshore, representing profit return on the investment. During the three months ended March 31, 2021, the Trust recorded a fair value write-down of $6.3 million as a result of changes in profit assumptions on unsold inventory. To date, the Trust has received total cash distributions of $45.5 million from the investment. The Trust anticipates the timing for the remaining profit distributions to be over the next 15 months.

During the three months ended March 31, 2021, the Trust successfully reopened the reconceptualized Virgin Hotels Las Vegas, following the scheduled closure for construction and renovation. During the three months ended March 31, 2021, the Trust recorded a foreign exchange loss of $0.6 million, driven by the fluctuation of the U.S. dollar, related to this investment. This investment is not considered part of the Trust's long-term impact strategy.

During the three months ended March 31, 2021, contributions of $3.6 million, including transaction costs, were made by the Trust to its development assets held as equity accounted investments, primarily related to West Don Lands and Zibi, which includes District Thermal, our net zero carbon heating-cooling system for the Zibi community. We anticipate making further capital investments in the range of $70 million to $80 million for our development projects over the next two years.

(1) For the Trust's definition of the following non-IFRS measures: IRR, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A.

A summary of the development segment results, including development assets within equity accounted investments, is below:

For the three months ended March 31,		2021		2020
Net income (loss) - development and investment holdings	$	(6,887)	$	4,789
Share of net income (loss) - equity accounted investments		2,180		(730)
Total net income (loss) - development segment	**$**	**(4,707)**	$	4,059

In the three months ended March 31, 2021, the development segment generated a net loss of $4.7 million relative to net income of $4.1 million in the comparative period. The fluctuation of $8.8 million relative to the prior year was driven by the aforementioned fair value adjustment and a foreign exchange loss in the current period due to the depreciation of the U.S. dollar. The Trust expects the impact of foreign exchange gains or losses on the Virgin Hotels Las Vegas to fluctuate each period. Partially offsetting the above noted was a fair value gain within our investment in Zibi, as a result of construction milestones achieved as certain blocks near completion.

DEVELOPMENT PIPELINE

Based on current development timelines, over the next five-year period, an additional 3,100 residential units and 0.5 million sf of retail and commercial product are expected to be completed (at the 100% project level). This includes both build-to-hold and build-to-sell assets. Build-to-hold assets, such as the West Don Lands development and future blocks at Zibi, are part of the Trust's long-term impact investing strategy. Certain of these investments are highlighted below.

Property	Ownership interest		Equity invested to date	Forecasted equity to invest[1]		Estimated value upon completion[1)(2]	Capitalization rate	Development yield[1)(2]
West Don Lands	25.0 %	$	5,683	$19,000-$21,000	$	405,000		
Brightwater	23.5 %		37,279	$8,000-$10,000		710,000		
Canary Block 10	25.0 %		1,364	$7,000-$8,000		39,000		
Zibi	44.6 %		72,555	$38,000-$40,000		761,000		
Total		**$**	**116,881**		**$**	**1,915,000**	**4.4%[3]**	**5.1%[3]**

[1] These values are estimates only as at March 31, 2021, and are subject to change. Refer to Section 10.4, "Forward-looking information".
[2] For the Trust's definition of the following non-IFRS measures: estimated value upon completion and development yield, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A.
[3] The weighted average capitalization rate excludes Brightwater.

Due to the long-term nature of projects in the development segment, results will fluctuate between periods due to the various construction timelines and availability of completed inventory. As our development projects progress towards completion and achieve various milestones, the Trust expects an increase in income and cash flows from this segment over time. For additional details, refer to Section 1.4, "Summary of Portfolio Assets".

SUMMARY OF DEVELOPMENT AND INVESTMENT HOLDINGS PARTNERS

We continue to leverage our relationships and expertise to attract world-class partners and investment opportunities. As a result of our partners and relationships, the Trust has access to unparalleled investment opportunities across North America. The table below provides an overview of some of the Trust's key partners within its development/redevelopment investments:

Project	Partners	Partner since
Empire Lakeshore and Brampton	Empire Communities	2014
Lakeshore East	Dream Unlimited, Great Gulf Residential	2016
Brightwater	Dream Unlimited, Kilmer Van Nostrand Co. Ltd., Diamond Corp., FRAM + Slokker	2017
Zibi[1]	Dream Unlimited, Theia Partners	2017
Frank Gehry	Dream Unlimited, Great Gulf Residential, Westdale Construction Co Ltd.	2017
Seaton	Fieldgate Homes, Mattamy Homes, Paradise Developments, TACC Construction Ltd.	2018
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[1]	Dream Unlimited, Kilmer van Nostrand Co. Ltd., Tricon Capital Group	2018
Canary Block 10[1]	Dream Unlimited, Kilmer van Nostrand Co. Ltd., Tricon Capital Group	2019
Scarborough Junction	Harlo Capital, Republic Developments	2020

[1] In the three months ended March 31, 2021, Dream Unlimited's share of the Zibi, Canary Block 10 and West Don Lands Block 8 developments was acquired by Dream Impact Fund. Dream Unlimited has a 40.53% interest in Dream Impact Fund as at March 31, 2021, with the residual interests held by third parties.

2.2 RECURRING INCOME

The Trust's recurring income segment includes its income properties and lending portfolio.

The Trust's income properties consist of wholly owned and co-owned office properties as well as certain equity accounted investments that are income-producing, with future redevelopment potential. Revenue from these income properties includes base rents, recoverable operating expenses and property tax recoveries, lease termination fees, parking income and ancillary income.

The Trust's lending portfolio includes investments in mortgages and loans secured by different types of residential and commercial real estate property that represent an acceptable underwriting risk.

A summary of the recurring income segment results is as follows:

For the three months ended March 31,		**2021**		2020
Income properties revenue	**$**	**4,401**	$	4,403
NOI[1]		**2,144**		2,253
Net income - income properties		**(541)**		1,463
Net income - lending portfolio		**341**		1,455
Share of net loss - income properties included in equity accounted investments		**(37)**		(181)
Net income - recurring income	**$**	**(237)**	$	2,737

[1] For the Trust's definition of the following non-IFRS measure: NOI, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A.

During the three months ended March 31, 2021, the Trust's recurring income segment generated a net loss of $0.2 million, compared to net income of $2.7 million in the prior year. The decrease of $3.0 million was primarily due to the reduced income contribution from the lending portfolio as a result of principal repayments and fair value adjustments related to transaction costs on the two income properties acquired in the current period.

INCOME PROPERTIES

During the three months ended March 31, 2021, the Trust acquired a 100% interest in two income properties, 76 Stafford and 68-70 Claremont, located in downtown Toronto, for a total consideration of $33.6 million, including transaction costs. The income properties were funded through a combination of mortgages payable of $27.5 million and cash-on-hand. The mortgages payable have a five-year term and have a weighted average fixed interest rate of 2.76%. As at March 31, 2021, $3.8 million of the mortgages payable was included in restricted cash, available for use on certain capital expenditures on one of the income properties. In aggregate, the properties will add a further 55,000 sf of GLA to our recurring income portfolio, which is in addition to the Trust's 980,000 sf of existing GLA (at 100% project level).

The Trust continues to monitor the impact of COVID-19 on the ability of our tenants to continue paying rent, including the availability of certain government programs such as the Canada Emergency Rent Subsidy ("CERS"). During the three months ended March 31, 2021, the Trust's monthly rent collection has been between 97% to 99%.

Operating statistics for the income properties portfolio are as follows:

As at	**March 31, 2021**	December 31, 2020	March 31, 2020
Total income properties portfolio			
Number of properties	**6**	4	4
Owned GLA (in millions of sf)	**0.6**	0.5	0.5
Occupancy rate (period-end) — including committed	**86.9%**	89.2%	92.4%
Occupancy rate (period-end) — in-place	**86.3%**	88.7%	90.8%
Average tenant size (in sf)	**8,848**	8,776	9,131
Average in-place and committed base rent per sf (period-end)	**19.36**	19.32	18.21
Weighted average remaining lease term (years)	**5.6**	5.1	5.5

As at March 31, 2021, the committed and in-place occupancy rates for income properties were 86.9% and 86.3%, respectively, compared to 89.2% and 88.7% at December 31, 2020, respectively. The decrease in occupancy rates from the prior period was primarily driven by the newly acquired income properties, in addition to an early lease termination since the prior year period. The weighted average remaining lease term increased to 5.6 years at March 31, 2021, compared to 5.1 years at December 31, 2020, primarily due to the lease agreements on the acquired income properties this quarter.

PIPELINE

Over the next five years, as the Trust's development pipeline is built out, an additional 2,382 residential rental units and 521,500 sf of commercial and retail GLA will be added to our recurring income segment (at 100% project level). Details regarding the projects which will be completed during this time period are as follows:

Project/property	Dream Impact ownership	Total rental residential units at completion (at 100%) (1)	Residential GFA(2) (at 100%)	Total commercial and retail GLA(2) (at 100%)	In-place/ committed commercial occupancy	Occupancy/ stabilization date
Brightwater I and II	23.3%	—(3)	—	100,000	33.0 %	2023
WDL Block 8	25.0%	770	623,000	4,000		2023
Canary Block 10	25.0%	238	173,000	—		2024
WDL Block 3/4/7	25.0%	855	805,000	33,000		2025
Zibi						
Block 2-3	44.6%	—	—	55,000	81.2 %	2021
Block 211	44.6%	—	—	185,000	86.0 %	2021
Block 208	44.6%	—	—	34,000	79.8 %	2022
Block 10	44.6%	162	147,000	1,500		2022
Block 206	44.6%	211	166,000	14,000		2023
Block 207	44.6%	—	—	90,000		2023
Block 11	44.6%	146	116,000	5,000		2023
Recurring income - pipeline		**2,382**	**2,030,000**	**521,500**	**50.6 %**	

(1) Residential units and GLA are at 100% project level and include planned units and GLA which are subject to change pending various development approvals. Planned residential units include purpose-built rental units that are expected to be part of the Trust's recurring income segment within the next five years.
(2) Residential GFA and total commercial and retail GLA are subject to change pending various development approvals.
(3) Brightwater I and II residential units are designated as build to sell.

LENDING PORTFOLIO

During the three months ended March 31, 2021, the Trust received loan repayments of $8.1 million, of which $2.5 million was an early repayment.

2.3 CONSOLIDATED TRUST REVIEW OF TOTAL COMPREHENSIVE INCOME (LOSS)

TOTAL INCOME

Total income for the three months ended March 31, 2021 was $0.1 million, down from $9.4 million in the comparative period. The decrease was primarily related to fair value adjustments, foreign exchange fluctuations related to the Trust's investment in the Virgin Hotels Las Vegas and scheduled repayments from the Trust's lending portfolio in the comparative period. This was partially offset by a fair value gain within our Zibi development as construction continues to progress and occupancy approaches on certain blocks near completion.

TOTAL EXPENSES

Total expenses for the three months ended March 31, 2021 was $7.0 million, an increase of $3.2 million from the comparative period, primarily due to fluctuations in deferred compensation expense and asset management fees year-over-year. The fluctuation in deferred compensation expense was driven by changes in the Trust's unit price in each period. The increase in asset management fees relative to prior year was driven by the settlement of fees in cash versus units. As of December 31, 2020, the Trust's arrangement with DAM to satisfy management fees payable in units, converted at NAV and recorded for accounting purposes based on the trading price on date of settlement, expired. Since then, the Trust and DAM have agreed to extend the agreement for an additional three-year period, subject to unitholder approval. Accordingly, the asset management fees for the three months ended March 31, 2021, were recorded without the above trading price discount, as unitholder approval has not yet been obtained.

INCOME TAX EXPENSE (RECOVERY)

For the three months ended March 31, 2021, the Trust recorded an income tax recovery of $2.5 million, compared to income tax expense of $1.2 million in the comparative period. The fluctuation from period to period was driven by the composition of income, primarily related to fair value adjustments, including those held as equity accounted investments.

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 period through the condensed consolidated statements 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 and the United States. Judgments and estimates are required in the determination of the Trust's tax balances. Our income tax expense/recovery and deferred tax liabilities/assets reflect management's best estimate of current and future taxes to be paid/recovered. The Trust 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 Trust 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 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.

2.4 RELATED PARTY TRANSACTIONS

From time to time, the Trust and its subsidiaries enter into transactions with related parties that are contracted under commercial terms. 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. DAM, which is a wholly owned subsidiary of Dream Unlimited Corp., is the Trust's Asset Manager and is a related party that provides management personnel services to the Trust under the terms of the management agreement.

DREAM ASSET MANAGEMENT

ASSET MANAGEMENT AGREEMENT

On July 8, 2014, the Trust entered into a management agreement ("Management Agreement") with DAM, pursuant to which DAM provides a broad range of asset management services to the Trust for a base annual management fee, acquisition/origination fee and disposition fee.

In addition, the Trust will reimburse DAM for reasonable out-of-pocket costs and expenses incurred in connection with the performance of the management services described in the Management Agreement and the costs and expenses incurred in providing such other services that the Trust and DAM agree to in writing that are to be provided from time to time by DAM.

For the three months ended March 31,		**2021**		2020
Fees paid/payable by the Trust under the Management Agreement with DAM:				
Base annual management fee	**$**	**2,017**	$	1,057
Acquisition/origination fee and disposition fees		**723**		16
Expense recoveries relating to financing arrangements and other		**211**		173
Total fees under Management Agreement	**$**	**2,951**	$	1,246

		March 31, 2021		December 31, 2020
Total payable to DAM	**$**	**3,155**	$	1,569

Effective April 1, 2019, the Trust agreed to settle the asset management fees payable pursuant to the Management Agreement in units of the Trust, until December 31, 2020. The Trust units were valued at $8.74, for purposes of determining the number of units to be issued and recorded based on the market price on the date of settlement. During the three months ended March 31, 2021, the Trust settled the asset management fee payable of $1.8 million through the issuance of 301,323 units of the Trust which was accrued as at December 31, 2020. In addition, the Trust accrued the asset management fee payable of $2.7 million, to be settled in cash, relating to the three months ended March 31, 2021, which has been recorded in amounts payable and accrued liabilities. The agreement with DAM to extend the settlement of the management fees in units retrospectively to January 1, 2021 is pending unitholder approval at the annual general meeting on June 7, 2021. The approval will result in a recovery to the asset management fee expense in June 2021.

DEVELOPMENT FEES

The Trust has entered into various project-level development management agreements with DAM, and its third-party co-developers where applicable, in which the Trust has equity ownership interests. Pursuant to these agreements, DAM

provides development management services to the project. The corresponding development management fees are shared among the partners within each development.
Under these agreements, during the three months ended March 31, 2021, fees of $1.6 million were incurred by the project, at the Trust's share (three months ended March 31, 2020 – $0.8 million). As at March 31, 2021, at the Trust's share, $6.0 million was owed to DAM from the projects in respect of these fees (December 31, 2020 – $4.7 million).

Additionally, effective January 1, 2018, the Trust entered into a Framework Agreement with DAM with respect to their management of development investments. During the three months ended March 31, 2021, $0.1 million in development fees were paid or incurred to DAM in accordance with the Framework Agreement (three months ended March 31, 2020 – $0.1 million).

DREAM OFFICE REIT

PROPERTY MANAGEMENT AGREEMENTS

The Trust's co-owned office property is managed by Dream Office Management Corporation ("DOMC"). Effective February 1, 2018, the Trust's wholly owned office properties, previously managed by DAM, were also managed by DOMC. DOMC is owned by Dream Office REIT.

SERVICE AGREEMENTS

The Trust entered into a services agreement ("Service Agreement") with DOMC on July 8, 2014. Pursuant to the Service Agreement, DOMC provides administrative and support services including the use of office space, office equipment, communication services and computer systems, and the provision of personnel in connection with accounts payable, human resources, taxation and other services. DOMC receives a monthly fee sufficient to reimburse for the expenses incurred in providing these services.

For the three months ended March 31,		**2021**		2020
Fees incurred pursuant to the property management agreements	**$**	**684**	$	543
Fees incurred pursuant to the Service Agreement		**114**		84
Total fees incurred to DOMC	**$**	**798**	$	627

		March 31, 2021		December 31, 2020
Total payable to DOMC for property management agreements	**$**	**119**	$	175
Total payable to DOMC for Service Agreement	**$**	**37**	$	29

3. DISTRIBUTION MEASURES

In any given period, the Trust anticipates that actual distributions paid and payable may differ from cash generated from (utilized in) 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 our development and investment holdings, including those held as equity accounted investments.

Due to the Trust's portfolio composition and the long-term nature of projects in the development segment, the Trust expects that cash generated from (utilized in) operating activities will fluctuate from period-to-period and may differ from distributions paid and payable in a single reporting period. However, these cash flows are relevant in the determination of distributions, as cash flows relating to a development project will ultimately be fully received at project completion. The Trust considers these factors among others in evaluating its distribution policy as well as its assessment of cash generated from (utilized in) operating activities over the longer term. The Trust is expected to meet its ongoing obligations, including unitholder distributions, over the near term based on our current liquidity position. We are working through various liquidity initiatives which includes continuing to settle fees in units and continued growth in our recurring income segment, which we expect will improve the Trust’s operating cash flows and provide further security for our ongoing distributions.

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

For the three months ended March 31,		2021	2020
Cash generated from operating activities	$	**6,009** $	394
Distributions paid and payable		**6,491**	6,918
Shortfall of cash generated over distributions paid and payable	$	**(482)** $	(6,524)

For the three months ended March 31, 2021, distributions paid and payable exceeded cash generated from operating activities by $0.5 million (three months ended March 31, 2020 – distributions paid and payable exceeded cash generated from operating activities by $6.5 million).

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

For the three months ended March 31,		2021	2020
Net income (loss)	$	**(6,212)** $	5,152
Distributions paid and payable		**6,491**	6,918
Shortfall of net income (loss) over distributions paid and payable	$	**(12,703)** $	(1,766)

For the three months ended March 31, 2021, the Trust's distributions paid and payable exceeded net income (loss) by $12.7 million (three months ended March 31, 2020 – distributions paid and payable exceeded net income by $1.8 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 certain periods, 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 following table:

For the three months ended March 31,		2021	2020
Total adjustments to fair values and other non-cash items included in net income	$	**4,558** $	(2,696)

The total adjustments to fair values and other non-cash items included in net income (loss) comprise: deferred income tax recovery (expense), fair value adjustments in development and investment holdings, share of income (loss) from equity accounted investments, fair value adjustments to income properties, deferred compensation expense (recovery), asset management fees and other non-cash items.

To the extent that there are shortfalls in cash flows from operations relative to distributions paid and payable, the Trust has used and may continue to use its existing cash-on-hand as a source of funding. For the three months ended March 31, 2021, the Trust funded the amount of the shortfalls in cash flows relative to the distributions paid and payable by utilizing existing cash-on-hand. The Trust continuously reviews its distribution policy to ensure it is reflective of the Trust's business and asset profile. As at March 31, 2021, based on current and expected liquidity, the Trust does not anticipate suspending cash distributions. 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.

To date, the COVID-19 pandemic has not had a significant impact on the Trust's available liquidity. The Trust's current available liquidity, including cash-on-hand and under its credit facility, is expected to be sufficient to address any reasonably foreseeable impacts that the COVID-19 pandemic may have on the Trust's cash requirements. Refer to Section 4, "Capital Resources and Liquidity" of this MD&A.

4. CAPITAL RESOURCES AND LIQUIDITY

The Trust's primary sources of financing are cash generated from operating activities, lending activities, debt financing and refinancing, and project-level financing. Our primary uses of capital include: investments in development and investment holdings, equity accounted investments, debt principal repayments, interest payments, distributions, costs of attracting and retaining tenants, recurring property maintenance and major property improvements. It is the Trust's objective to meet all our ongoing obligations with current cash, cash flows generated from operating activities, including profit from build-for-sale assets, cash from maturing lending portfolio investments, and cash from financing and refinancing activities.

SUMMARY OF DEBT

Total debt outstanding as at March 31, 2021 and December 31, 2020 relates to the Trust's income properties. The increase of $16.7 million relative to the prior year was due to financing obtained in conjunction with the Trust's two income properties acquired in the period, partially offset by scheduled lump sum mortgage repayments.

As at		March 31, 2021		December 31, 2020
Total debt payable	$	**105,348**	$	88,392
Unamortized balance of deferred financing costs		**(438)**		(197)
Total debt	**$**	**104,910**	$	88,195

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, 2021		December 31, 2020
Weighted average effective interest rate (period-end)(1)		**3.3%**		3.4%
Weighted average face rate of interest (period-end)		**3.3%**		3.4%
Debt due within one year	$	**17,728**	$	10,975
Total assets	$	**652,632**	$	648,514
Debt-to-asset value(2)		**16.1%**		13.6%
Debt-to-total asset value, inclusive of project-level debt(2) and assets within our development segment, including equity accounted investments		**41.5%**		38.5%
Debt – average term to maturity (years)		**2.17**		1.29

(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 of the following non-IFRS measures: debt-to-asset value and debt-to-total asset value, inclusive of project-level debt, please refer to the Non-IFRS Measures and Other Disclosures section of this MD&A.

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 interest rate (face)
Mortgages payable								
2021	$	—	$	445	$	445	0.4%	3.3%
2022		77,318		85		77,403	73.5%	3.5%
2023		—		—		—	—%	—%
2024		—		—		—	—%	—%
2025		—		—		—	—%	—%
2026 and thereafter		27,500		—		27,500	26.1%	2.8%
Subtotal before undernoted	$	104,818	$	530	$	105,348	100.0%	3.3%
Unamortized balance of deferred financing costs (net)		(438)		—		(438)		
Total debt	**$**	**104,380**	**$**	**530**	**$**	**104,910**		

As at March 31, 2021, no funds were drawn on the Trust's existing revolving credit facility (December 31, 2020 – $nil) and the funds available under the facility were $nil, based on a formula-based calculation (December 31, 2020 – $nil).

Subsequent to March 31, 2021, the Trust completed an amendment to the facility which revised the collateral base to be more beneficial to the Trust, among certain other amendments. Upon close, an additional $50 million of liquidity was generated for the Trust, which will be deployed to acquire income properties meeting our impact criteria.

FINANCIAL COVENANTS

The revolving credit facility, the financial guarantees and certain mortgages on income properties contain financial covenants that require the Trust and/or its subsidiaries 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.

The following are financial covenants required to be met by Dream Impact Master LP ("MPCT LP"), a wholly owned subsidiary of the Trust, under the terms of the revolving credit facility, as at March 31, 2021:

Financial covenant	Financial covenant requirement
Unitholders' equity	≥ $450,000
Interest service coverage ratio[1]	> 2.00
Debt-to-asset value	≤ 50.0%

[1] Calculated on a rolling four fiscal-quarter basis.

As at March 31, 2021, the Trust was in compliance with these financial covenants.

TOTAL EQUITY

As at March 31, 2021, the Trust had 64,885,017 units outstanding and a total unitholders' equity balance of $527.6 million.

	March 31, 2021			December 31, 2020		
As at	**Number of units**		**Amount**	Number of units		Amount
Unitholders' equity	**64,885,017**	**$**	**542,591**	64,811,749	$	542,177
Retained earnings/(deficit)			**(15,003)**			(2,300)
Total unitholders' equity	**64,885,017**	**$**	**527,588**	64,811,749	$	539,877

The following table summarizes the changes in the outstanding units and unitholders' equity:

	Units		**Unitholders' equity**
As at December 31, 2020	64,811,749	$	542,177
Deferred units exchanged for Trust units	63,881		418
Cancellation of Trust units	(291,936)		(1,800)
Units issued as settlement of asset management fees under the Management Agreement	301,323		1,796
Total units outstanding on March 31, 2021	**64,885,017**	**$**	**542,591**
Cancellation of Trust units	(108,000)		(704)
Deferred units exchanged for Trust units	17,357		109
Total units outstanding on May 3, 2021	**64,794,374**		**541,996**

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, 2021, 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, 2021, there were 563,725 DTUs and income deferred trust units outstanding (December 31, 2020 – 546,165 units). As at May 3, 2021, 549,218 DTUs and income deferred trust units were outstanding.

During the three months ended March 31, 2021, an aggregate of 301,323 units were issued to DAM as part of the settlement of asset management fees for the three months ended December 31, 2020 in accordance with the Management Agreement.

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 MPCT 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, 2021, our monthly distribution rate was $0.033 per unit.

	2021		2020				2019	
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]	**6.3%**	6.6%	8.2%	8.4%	9.2%	5.2%	5.3%	5.2%

[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 period-end date of the quarter specified.

UNIT BUYBACK PROGRAM

The following table summarizes the Trust's unitholders' equity activity under its unit buyback program for the periods ended as indicated:

For the three months ended March 31,	2021	2020
Units repurchased (number of units)	**291,936**	69,291
Total cash consideration	**$ 1,800**	$ 303

During the three months ended March 31, 2021, the Trust repurchased 291,936 units, under its normal course issuer bid ("NCIB") at a weighted average price of $6.17 per unit, for a total cost of $1.8 million. From the inception of the Trust's unit buyback program in December 2014 to May 3, 2021, the Trust has purchased 14.4 million units for cancellation for a total cost of $89.5 million.

As at May 3, 2021, the Asset Manager, DAM, owns 17.1 million units of the Trust, inclusive of 1.3 million units acquired under the DRIP, 2.0 million units acquired through the asset management fee settlement and the remainder acquired on the open market for DAM's own account. In aggregate, DAM owns 26.4% of the Trust.

During the three months ended March 31, 2021, the Trust received acceptance of its Notice of Intention to renew its prior NCIB from the TSX on January 18, 2021. The current NCIB commenced on January 20, 2021 and will remain in effect until the earlier of January 19, 2022 or the date on which the Trust has purchased the maximum number of units permitted under the NCIB. Under the NCIB, the Trust has the ability to purchase for cancellation up to a maximum of 4,742,017 units (representing 10% of the Trust’s public float of 47,420,178 units) through the facilities of the TSX. Daily repurchases will be limited to 14,943 units, representing 25% of the average daily trading volume of the units on the TSX during the last six calendar months preceding the commencement of the NCIB (being 59,774 units per day), other than purchases pursuant to applicable block purchase exemptions. The Trust renewed its NCIB because it believes that units may become available during the period of the bid at prices that would make the purchase of such units for cancellation in the best interest of the Trust and its unitholders.

During the three months ended March 31, 2021, the Trust renewed its automatic securities repurchase plan (the "Plan") in order to facilitate purchases of its units under the NCIB. The Plan allows for purchases by Dream Impact of units at any time including, without limitation, times 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 TSX and the terms of the parties' written agreement. Outside of such restricted or blackout periods, the units may also be purchased in accordance with management’s discretion. The Plan terminates on January 19, 2022.

LIQUIDITY

The following table summarizes the Trust's condensed consolidated statements of cash flows for the periods indicated:

For the three months ended March 31,	2021	2020
Cash generated from operating activities	**$ 6,009**	$ 394
Cash utilized in investing activities	**(33,208)**	(9,008)
Cash generated from (utilized in) financing activities	**8,386**	(7,427)

Cash generated from operating activities for the three months ended March 31, 2021 was $6.0 million compared with $0.4 million in the comparative period, an increase of $5.6 million, primarily related to distributions received from the Trust's Empire Lakeshore investment and other changes in non-cash working capital.

Cash utilized in investing activities for the three months ended March 31, 2021 was $33.2 million compared with $9.0 million in the comparative period, an increase of $24.2 million, primarily driven by the acquisition of income properties, partially offset by lower contributions to equity accounted investments in the current period.

Cash generated from financing activities for the three months ended March 31, 2021 was $8.4 million compared with cash utilized in financing activities of $7.4 million in the comparative period. The increase of $15.8 million was primarily attributable to financing related to the income property acquisitions, partially offset by certain mortgage repayments and increased unit repurchases through the NCIB in the current period.

COMMITMENTS AND CONTINGENCIES

Dream Impact and its operating subsidiaries are contingently liable under guarantees that are issued in the normal course of business and with respect to litigation and claims that arise from time to time. In the opinion of the Asset Manager, any liability that may arise from such contingencies would not have a material adverse effect on the condensed consolidated financial statements of Dream Impact.

OTHER COMMITMENTS

During the three months ended March 31, 2021, guarantees of underlying development project loan amounts of third parties were $110.9 million (December 31, 2020 – $95.6 million). These guarantees include contingent liabilities for certain obligations of our joint venture partners, which are exclusive of our share of those guarantees that are included in equity accounted investments on our condensed consolidated statements of financial position. However, the Trust would have available to it the other joint venture partners' share of assets to satisfy any obligations that may arise. From time to time, the Trust may be required to fund capital contributions to its various investments.

As at March 31, 2021, the Trust no longer holds an obligation as a guarantor on certain debt from sold income properties as the underlying debt was fully repaid by the purchaser (December 31, 2020 – $2.6 million).

The Trust has entered into lease agreements that may require tenant improvement costs of approximately $0.1 million (December 31, 2020 – $0.1 million).

5. QUARTERLY FINANCIAL INFORMATION

	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Total income	**$ 101**	$ 14,764	$ 4,554	$ 3,253	$ 9,399	$ 15,404	$ 14,574	$ 15,703
Net income (loss) from continuing operations	**(6,212)**	14,868	(47)	(3,634)	5,152	24,133	(576)	4,246
Total net income (loss)	**(6,212)**	14,868	(47)	(3,634)	5,152	19,923	2,855	8,839
Net income (loss) per unit[1]	**(0.10)**	0.23	—	(0.05)	0.07	0.29	0.04	0.12
Net income (loss) from continuing operations per unit[1]	**(0.10)**	0.23	—	(0.05)	0.07	0.35	(0.01)	0.06

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

As a result of the Trust's strategy to expand its development segment, the Trust expects that the results of operations will fluctuate from period-to-period.

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-asset value" represents the total debt payable for the Trust divided by the total asset value of the Trust 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.

As at	**March 31, 2021**	December 31, 2020
Total debt payable	**$ 105,348**	$ 88,392
Total assets	**652,632**	648,514
Debt-to-asset value	**16.1%**	13.6%

"Debt-to-total asset value, inclusive of project-level debt" represents the Trust's total debt payable plus the debt payable within our development and investment holdings, and equity accounted investments, divided by the total asset value of the Trust plus the debt payable within our development and investment holdings, and equity accounted investments, as at the applicable reporting date. This non-IFRS measure is an important measure in evaluating the amount of debt leverage inclusive of project-level debt within our development and investment holdings, and equity accounted 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.

	March 31, 2021	December 31, 2020
Debt payable within our development and investment holdings, and equity accounted investments	$ 282,783	$ 262,221
Total assets	652,632	648,514
Total assets, inclusive of project-level debt	$ 935,415	$ 910,735
Debt payable within our development and investment holdings, and equity accounted investments	282,783	262,221
Total debt payable	105,348	88,392
Total debt, inclusive of project-level debt	$ 388,131	$ 350,613
Debt-to-total asset value, inclusive of project-level debt and assets within our development segment, including equity accounted investments	41.5%	38.5%

"Development yield" is calculated using the estimated stabilized NOI at completion divided by the total estimated cost of development, including land and excluding rental revenue earned during development, which is forward-looking information, that is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

"Estimated cost of development" represents the total estimated costs to develop each site, specified to the point when the space is completed and able to be sold or leased, and includes the cost of land, building, interest and other carrying costs, which is forward-looking information, that is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

"Estimated stabilized NOI" represents expected NOI for the property at completion when operations are stable, which is forward-looking information, that is not defined by IFRS, does not have a standardized meaning and may not be comparable with similar measures presented by other issuers.

"Estimated value upon completion" represents the fair value of a real estate asset upon completion of the development of such asset. The estimated value upon completion is forward-looking information and may differ materially from the estimated uses herein; 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.

"Internal rate of return ("IRR")" is calculated based on the estimated net pre-tax cash flow expected to be generated from each project considering revenues, expenditures as well as factors specific to the investment, such as construction timeline and sale dates, including financing costs; 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.

"Market value" represents the carrying value of equity accounted investments as per the consolidated statements of financial position, adjusted for external appraisal values or internally prepared valuations using the most appropriate valuation methodology determined for each investment on a highest and best use basis, incorporating expected future cash flows, discount rates, other applicable market information and the change in the risk profile of the equity accounted investments as they are developed or achieve completion milestones by the Trust. The Trust believes that incorporating this adjustment in determining the value of the asset is a more useful measure to value the equity investments that would not ordinarily be captured within IFRS and the Trust's 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")", an annual non-IFRS measure, represents total unitholders' equity per the consolidated financial statements, adjusted for market value adjustments for equity accounted investments (including applicable deferred income tax adjustments). The market value adjustments account for the applicable deferred income tax estimates considering the timing of their realization and, if appropriate, will be incorporated into the determination of the NAV. The applicable deferred income tax estimates related to the market value adjustments are calculated either based on income or capital gain rates or a combination thereof. The income tax rates used to determine NAV are dependent on various factors such as anticipated development plans, stage of development and current market trends applicable to the future development plans, and will be reviewed on a regular basis and are subject to change. Excluded from the NAV calculation are any market value adjustments with respect to liabilities as well as commitments/contracts that are not otherwise recorded as liabilities on the Trust's consolidated statements of financial position. The Trust has not appraised the lending portfolio, as the Trust intends to hold certain investments in the lending portfolio until maturity and its term to maturity is over the next one to four years; as such, this portfolio is considered fairly liquid and fair value approximates amortized cost.

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. For a reconciliation of NAV to Unitholders' Equity, refer to the 2020 Annual Report as NAV is reported on an annual basis.

"Net asset value ("NAV") per unit" represents the net asset value 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. For a reconciliation of NAV to Unitholders' Equity, refer to the 2020 Annual Report as NAV is reported on an annual basis.

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

For the three months ended March 31,		**2021**		2020
Net income (loss)	**$**	**(6,212)**	$	5,152
Units outstanding – weighted average		**64,956,996**		69,076,108
Net income (loss) per unit		**(0.10)**		0.07

"Net income (loss) from continuing operations per unit" represents net income (loss) from continuing operations of the Trust divided by the weighted average number of units outstanding during the period.

For the three months ended March 31,		**2021**		2020
Net income (loss) from continuing operations	**$**	**(6,212)**	$	5,152
Units outstanding - weighted average		**64,956,996**		69,076,108
Net income (loss) from continuing operations per unit		**(0.10)**		0.07

"Net operating income ("NOI")" is defined by the Trust as income properties revenue less income properties operating expenses. 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.

For the three months ended March 31,		**2021**		2020
Income properties revenue	**$**	**4,401**	$	4,403
Income properties operating expenses		**(2,257)**		(2,150)
Net operating income - income properties	**$**	**2,144**	$	2,253

"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.

As at		**March 31, 2021**		December 31, 2020
Total unitholders' equity	**$**	**527,588**	$	539,877
Units outstanding – end of period		**64,885,017**		64,811,749
Total unitholders' equity per unit		**8.13**		8.33

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, 2021, the President and Chief Responsible Officer of DAM and Chief Financial Officer of Dream Impact Master GP (the "Certifying Officers") are responsible for and, along with the assistance of senior management of the Asset Manager, have designed or caused to be designed under the Certifying Officers' supervision, disclosure controls and procedures ("DC&P") as defined in National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", 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 ("ICFR") 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, 2021, there have not been any changes that have materially affected, or are reasonably likely to materially affect, the Trust's disclosure controls and procedures and internal controls over financial reporting.

8. RISKS AND RISK MANAGEMENT

For a discussion of the material risks relating to the Trust and its business and information concerning Risks and Risk Management, please refer to the 2020 Annual Report and the 2020 Annual Information Form, which are found on our website at www.dreamimpacttrust.ca and filed electronically on the System for Electronic Document Analysis and Retrieval ("SEDAR") under the Trust's profile at www.sedar.com.

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, which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying amounts of assets and liabilities. 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. The critical accounting judgments, estimates and assumptions applied during the quarter are consistent with those set out in Note 4 to the Trust's audited annual consolidated financial statements for the year ended December 31, 2020.

9.2 ADOPTION OF ACCOUNTING STANDARDS

FUTURE ACCOUNTING POLICY CHANGES

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 the Trust reasonably expects to be applicable at a future date. The Trust intends to adopt those standards when they become effective.

AMENDMENTS TO IAS 1, PRESENTATION OF FINANCIAL STATEMENTS

The amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by expectations of the entity or events after the reporting date. The amendments also clarify that the settlement of a liability refers to the transfer of the counterparty of cash, equity instruments, and/or other assets or services. Early application is permitted. The Trust intends to adopt the amendments to IAS 1 on the required effective date of January 1, 2023. The Trust is in the process of assessing the impact of this amendment.

10. ADDITIONAL INFORMATION

10.1 SUMMARY OF IMPACT INVESTMENTS

In developing the Dream Impact Management System, we created pathways for each of our impact investments, which aligns with our three verticals and the United Nations Sustainable Development Goals. For further details, refer to our inaugural impact report published on our website, www.dreamimpacttrust.ca.

Zibi Development, including Zibi Community Utility (Ottawa, Ontario, Gatineau, Quebec) (Carrying value $79.6 million)

Zibi is our 34-acre community, located in Ottawa, Ontario and Gatineau, Quebec, overlooking the Ottawa River. This community will welcome approximately 5,000 residents and 6,000 workers upon completion. The project is a multi-phase development that includes over 4.0 million sf of density consisting of over 1,800 residential units, including purpose-built rental units, over 2.0 million sf of commercial space and 8 acres of riverfront parks and plazas.

Environmental Sustainability and Resilience

We will be developing Ottawa and Gatineau's first net zero carbon heating and cooling system for all tenants and residents at Zibi. The District Thermal Energy System ("Zibi Community Utility" or "ZCU"), utilizes post-industrial waste energy for heating and the Ottawa River for cooling. ZCU will enable the entire Zibi development to reach its goal of being carbon-neutral, consistent with the Federal Government's mandate to move to net-zero emissions by 2050. Zibi will also feature nearly 8 acres of riverfront green space and 4.0 million sf of vibrant commercial space. Zibi is among the first One Planet Master-Planned Communities in the country, making it one of Canada's most sustainable neighbourhoods.

Attainable and Affordable Housing

The Trust plans to incorporate affordable housing at each of the residential rental buildings at Zibi. Block 10, the 162-unit residential rental building currently under construction has over 95% of its units designated as affordable.

Inclusive Communities

Zibi is developed beneficially with and for the Algonquin Anishinábe nation, as we are engaging with the Algonquin Anishinábe nation to ensure that First Nations history, presence and culture are reflected throughout the development. The development has formalized a partnership to ensure this continues throughout the life of the project which includes, but is not limited to, mandates for Algonquin employment, youth engagements and annual meetings with an advisory council of Algonquin Anishinábe.

West Don Lands (Toronto, Ontario) (Carrying value $18.6 million)

West Don Lands is a purpose-built multi-family rental apartment community in Toronto's downtown east-end, adjacent to the Canary and Distillery Districts. The development will feature over 2,000 rental units, as well as ancillary retail and office components, which will include 5,000 sf of dedicated community space. Significant progress has been made on the West Don Lands development over the last few years, including commencement of construction on Block 8 in 2019, and zoning approvals by the MZO on Blocks 3/4/7 and Block 20 in 2020. Blocks 3/4/7 are slated to commence construction by mid-2021.

Environmental Sustainability and Resilience

Each of the buildings at West Don Lands will be built to LEED Gold standard and will have green roofs. The development will also incorporate water efficiency fixtures and generate clean energy in the form of solar panels. Each of these features will contribute to the Trust's goal of being carbon neutral by 2035.

Attainable and Affordable Housing

West Don Lands is the largest affordable housing community currently under construction in Canada and will help address housing affordability, one of the most challenging issues facing Canadian cities. Upon completion, the development will include 684 affordable units, priced at an approximate 50% discount to market rent in downtown Toronto.

Inclusive Communities

West Don Lands will be an inclusive community. The affordable housing units will be distributed throughout the building, with all tenants having access to the building amenities, unit quality and finishes equivalent to the suites rented at market price. The Trust is working towards establishing an inclusive process for determining how to fairly distribute access to the affordable units.

Brightwater Development (Mississauga, Ontario) (Carrying value $37.6 million)

Brightwater, a 72-acre waterfront development in Mississauga's Port Credit area which will transform the site to a complete, vibrant and diverse community, will include an elementary school, YMCA and 18 acres of parks and outdoor space. The development won the Building Industry and Land Development Association Pinnacle Award in 2020 for Best New Community-Planned/Under Development. In 2020, the first two condo buildings were brought to market and sold out.

Environmental Sustainability and Resilience

When the Trust entered into the development in 2017, it was contaminated due to its history as an oil refinery, requiring the excavation of 1.4 million tonnes of soil. The source remediation program has since been completed and vertical construction is expected to commence in 2021. The new community will incorporate a number of features that will result in a transit-friendly ecosystem, including installing electric vehicle charging stations, bike lanes and bike parking, and providing a shuttle bus to the Port Credit GO station to promote sustainable commuting. All buildings across the development will incorporate best-in-class stormwater management systems and energy efficiency features.

Inclusive Communities

The Brightwater community will include nearly 3,000 residential units and over 350,000 sf of vibrant retail and commercial space. It will embody waterfront living while promoting connectivity, mental and physical health, and well-being in the community. To facilitate this, the Trust is building 18 acres of new parks and green space, which will include the Village Square, a planned hub for community programming.

Canary Block 10 (Toronto, Ontario) (Carrying value $1.4 million)

Canary Block 10 is a mixed-use project in downtown Toronto that will include a 238-unit residential rental building, a 206-unit condo building, and the first purpose-built Indigenous Hub in any major North American city. The development will be located within the Canary District, adjacent to the West Don Lands and Distillery District in downtown Toronto.

Environmental Sustainability and Resilience

Each of the buildings at Canary Block 10 will be built to LEED Gold standard.

Inclusive Communities

Canary Block 10 features an innovative partnership with Anishinábe Health Toronto ("AHT"). AHT is a community health centre with the mission to improve the health and well-being of Indigenous People by providing Traditional Healing within a multi-disciplinary health care model. The Hub will provide a state-of-the-art five-storey facility that draws from Indigenous architectural and design influences, and will combine essential health and education facilities to create a thriving centre of community for the city's Indigenous people.

Income Properties (Toronto, Ontario) (Carrying value $244.2 million)

The Trust's income properties, each of which are located in the Greater Toronto Area, contribute to delivering impact under the Trust's environmental sustainability and resilience and inclusive communities verticals.

Environmental Sustainability and Resilience

The Trust is committed to improving resource efficiency across all income properties, with significant capital expenditures anticipated over the next five years. By 2025, the Trust is targeting a 20% reduction in GHG emissions across the income property portfolio. Certain of these capital expenditures include retrofitting all lighting to LED, installing low-flow fixtures in all washrooms, installing real-time utility metering and pursuing Building Owners and Managers Association of Canada ("BOMA") certifications for buildings not currently certified.

Inclusive Communities

The Trust is promoting tenant health and wellness by building and promoting use of amenity packages to encourage a more active lifestyle for our tenants, including end-of-trip facilities and bike storage. The Trust is also modifying its procurement process to be more inclusive and promote opportunities for underserved populations.

10.2 GEOGRAPHIC ALLOCATION

The table below summarizes our condensed consolidated net assets as at March 31, 2021 by geographic allocation, excluding cash and the Trust's other condensed consolidated working capital and tax.

As at	**March 31, 2021**	December 31, 2020
Toronto and GTA	**70.2 %**	69.4 %
Ottawa/Gatineau	**17.6 %**	16.8 %
United States	**11.3 %**	11.6 %
Saskatchewan	**0.9 %**	2.2 %
Total	**100.0 %**	100.0 %

10.3 BASIS OF PRESENTATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and footnote disclosures normally included in the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, have been omitted or condensed. The condensed consolidated financial statements should be read in conjunction with the Trust’s annual consolidated financial statements for the year ended December 31, 2020, which have been prepared in accordance with IFRS.

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

10.4 FORWARD-LOOKING INFORMATION

Certain information herein contains or incorporates statements 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 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 and lending industries in general, in each case, that are not historical facts; as well as statements regarding: the Trust's focus on impact investing and expectations for formalizing its approach to impact management over the next year; the Trust's impact benchmarking strategy and its ability to achieve its impact and sustainability goals; our commitment to maintaining the current distribution policy and annual distribution of $0.40; our plans and proposals for current and future development projects, including projected sizes, densities, uses, costs, timing for expected zoning approvals, development milestones and their expected sustainability impact, including plans for 76 Stafford and 68-70 Claremont; development timelines, including commencement of construction and/or revitalization of our development projects, completion and expected timing on occupancy dates, including the expected timing for the commencement of construction at Blocks 3/4/7 of the Trust's West Don Lands development; anticipated returns from our development projects and the timing thereof, including expected returns from the Empire Lakeshore development; the Trust's expectations to make further capital investments in the range of $70 million to $80 million to development projects over the next two years; the Trust's development pipeline; the Trust's forecasted equity to invest, estimated value upon completion and development yield in respect of its development projects; the Trust's expectations for recurring income to comprise 70% of its portfolio; the Trust's expectations to amend its credit facility to revise the collateral base and generate an additional $50 million in immediate liquidity for the Trust and the Trust's expectation to deploy such liquidity to acquire income properties meeting its impact criteria; expectations for the Trust's development segment to generate returns and continued NAV accretion; expectations regarding the status of the Trust's development projects; timing of distributions or future cash return from our development and recurring income segments; our income and cash flow growth, and targeted pre-tax IRR[(1)] on equity investments in residential and mixed-use development projects; our methodologies for valuing investments, including market value adjustments; anticipated effect of our developments on returns, profits and future cash flows as milestones are achieved and ability to contribute to increased unitholder value; expected profits from our development and recurring income projects; the anticipated future variability in our results of operations, including cash from operating activities and net income; the Trust's sufficiency of cash-on-hand to fund normal course debt repayments, cash requirements and ongoing distributions; the extension of our agreement with our asset manager to settle fees in units; anticipated growth in our recurring income segment and its effect on the Trust's operating cash flows and distributions; and our expectations regarding the Trust's income tax expense/recovery and deferred tax liabilities/assets. 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; timing and amount of future loan financings and deposit commitments; leasing risks, including those associated with the ability to lease vacant space; and the development, construction and operation of our real estate 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, adverse changes in general economic and market conditions; the impact of the novel coronavirus (COVID-19) pandemic on the Trust; 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 projects; uncertainty surrounding the development and construction of new projects and delays and cost overruns in the design, development, construction and operation of projects; our ability to execute on our 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 under "Risks and Risk Management" in this MD&A and described from time to time in the documents filed by the Trust with securities regulators.

All forward-looking information is as of May 3, 2021. Dream Impact 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 website at www.dreamimpacttrust.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.

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

10.5 TAX INFORMATION

The Trust pays a monthly distribution to its unitholders of which only a portion is taxable. A taxable Canadian holder of the Trust units is required to include the taxable portion of the distribution in income. Any amount in excess of the after-tax net income of the Trust payable to the unitholder will generally not be included in the unitholders' income for the year. The non-taxable portion of the distribution received by a unitholder will reduce the unitholders' tax cost of their investment. On an annual basis, the unitholders will be provided with information relating to the tax treatment of the monthly distributions.

The Trust has determined that the distributions should be treated in the following manner:

	2020	2019	2018	2017	2016	2015
Non-eligible dividends	**—%**	—%	0.02%	0.06%	—%	—%
Eligible dividends	**—%**	—%	—%	—%	—%	28.60%
Return of capital	**100.00%**	92.83%	95.00%	99.94%	100.00%	71.40%
Foreign non-business income	**—%**	7.17%	4.98%	—%	—%	—%

10.6 ADDITIONAL INFORMATION

Additional information relating to Dream Impact Trust, including the Trust's Annual Information Form and audited consolidated financial statements and accompanying notes, is available under the Trust's profile on SEDAR at www.sedar.com. The Trust’s units trade on the TSX under the symbol "MPCT.UN".