

# ***ACCELERATING GROWTH***

**2017 Annual Report**



Summit **IREIT**  
Summit Industrial Income REIT





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# ***SUMMIT INDUSTRIAL INCOME REAL ESTATE INVESTMENT TRUST IS AN UNINCORPORATED OPEN-END TRUST FOCUSED ON GROWING AND MANAGING A PORTFOLIO OF LIGHT INDUSTRIAL PROPERTIES ACROSS CANADA.***

The REIT is managed by Sigma Asset Management Limited, an experienced and proven team of real estate professionals responsible for a ten-year 20% compound annual return generated for investors with the former Summit REIT.

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## 2017 HIGHLIGHTS

- // Acquired interests in 30 light industrial properties and one data centre totalling 3.6 million sq. ft. for acquisition costs of \$409.5 million at an average cap rate of 6.2%.
- // Acquisitions program highly successful, increasing portfolio size by 69.2%.
- // Completed three successful bought-deal equity offerings for total gross proceeds of \$218.5 million.
- // Obtained \$209.1 million in new debt financings at an average 3.35% fixed interest rate with five-year term to maturity.
- // Strengthened and diversified portfolio with entry into high-yield data centre market through new joint venture partnership with Canada's most experienced developer, and manager of data centre properties.
- // Revenues up 30.3% on acquisitions and solid organic growth, driving 37.3% increase in FFO.
- // Industrial occupancy strong at 98.4% with a 5.8 year weighted average lease term and 1.5% annual contractual rent increases.
- // Manager and Insider interests remain strongly aligned with Unitholders through 8.3% ownership of REIT Units outstanding.



3700 AVENUE DES GRANDES TOURELLES  
BOISBRIAND, QUEBEC



## 2017 FINANCIAL HIGHLIGHTS

YEAR ENDED DECEMBER 31, 2017  
(\$,000 EXCEPT PER UNIT AMOUNTS)

	2017	2016
Revenue	58,573	44,950
Net Operating income	40,577	30,253
FFO	26,960	19,635
FFO per Unit	\$0.564	\$0.610
FFO Payout Ratio	90.7%	82.6%

AS AT DECEMBER 31, 2017

	2017	2016
Debt to Gross Book Value	51.3%	54.0%
Weighted Average Mortgage Interest Rate	3.50%	3.43%
Weighted Average Mortgage Term to Maturity	4.0 yrs	4.5 yrs
Weighted Average Lease Term to Maturity	5.8 yrs	5.4 yrs
Weighted Average Units Outstanding (basic)	47,767	32,178





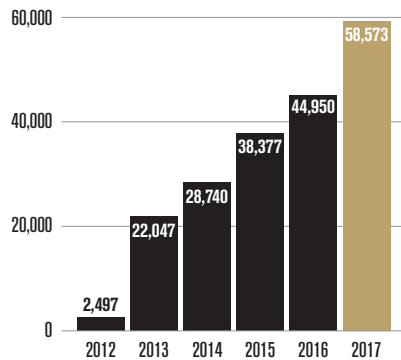


# *5 YEARS OF GROWTH*

15600 ROBIN'S HILL ROAD  
LONDON, ONTARIO

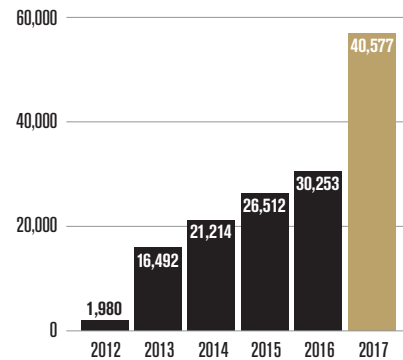


### REVENUE FROM INCOME PROPERTIES (\$,000)



Through a series of accretive acquisitions, Summit has built a strong and diversified property portfolio well-located in key target markets

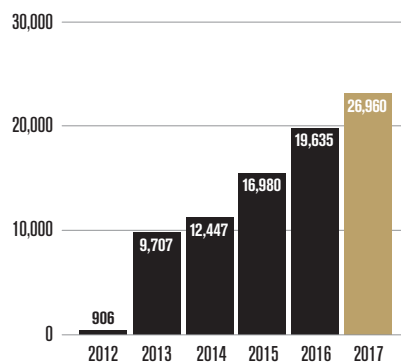
### NET OPERATING INCOME (\$,000)



As Summit's growth accelerates, accretive acquisitions, combined with solid organic growth, continue to generate solid returns for Unitholders

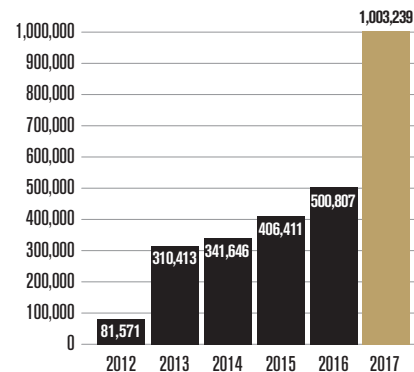
# AND PERFORMANCE

### FUNDS FROM OPERATIONS (\$,000)



Funds from Operations, our key performance metric, continues to increase as Summit leverages its proven asset and property management experience

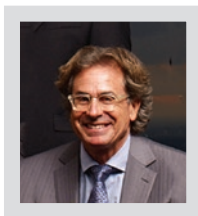
### TOTAL ASSETS (\$,000)



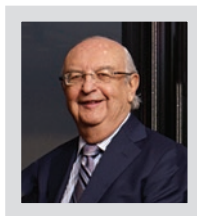
The significant growth in Summit's size and scale allows the REIT to participate in value-add development and re-development projects.



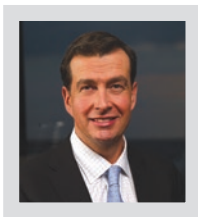
**MICHAEL CATFORD**  
Independent Trustee  
& Member of Audit &  
Governance Committee



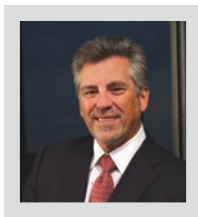
**LARRY MORASSUTTI** CPA CA  
Independent Trustee  
& Member of Audit  
& Governance Committee



**SAUL SHULMAN**  
Independent Trustee  
& Chair of Governance  
Committee & Member  
of Audit Committee



**JAMES TADESON** CFA  
Lead Independent Trustee  
& Chair of Audit Committee  
& Member of Governance  
Committee



**LOU MAROUN**  
Chairman & Trustee



**PAUL DYKEMAN** CPA CA  
Chief Executive Officer  
& Trustee

## ***DEAR UNITHOLDERS***

2017 was another year of record financial and operating performance as we significantly increased the size and scale of the property portfolio while leveraging the proven experience of the management team to generate solid organic growth. We further diversified our asset base by acquiring our first property in the high yield digital data centre market. Looking ahead, we are confident we have the assets and team to capitalize on continuing strong market fundamentals to further accelerate growth for the long-term benefit of our Unitholders.





4870 RUE ROBERT-BOYD  
SHERBROOKE, QUEBEC

## ACCELERATING OUR GROWTH

2017 was a year of significant growth for Summit as we acquired 30 industrial properties plus one data centre, totaling 3.6 million square feet at a total cost of approximately \$409.5 million. Our growth was funded by internally-generated cash and the efficient use of the Canadian debt and capital markets. We successfully completed three accretive bought-deal equity offerings, raising approximately \$218.5 million, and further capitalized on the current low-interest rate environment to arrange a total of \$209.1 million in new mortgages with a weighted average interest rate of a low 3.35%. As a result, our acquisitions in 2017 generated a very strong going-in capitalization rate of approximately 6.2%.

We further strengthened our presence in key target markets of the Greater Toronto Area and the Greater Montreal Region, Canada's two largest industrial markets. Both regions are experiencing low availability and vacancy rates, with absorption outpacing the new supply of industrial properties. With these strong fundamentals, we continue to experience upward pressure on rental rates and stable, near-full occupancy. We will continue to aggressively expand our presence in both of these strong markets.

During the year, we prudently expanded our presence in the Alberta industrial property market. We believe the historically strong markets in Calgary and Edmonton are now recovering, and with low lease and sale activity, we are finding reduced competition for assets, resulting in capitalization rates that are generally higher than in other regions. Looking ahead, we will continue to evaluate additional growth opportunities in this market.

In the fourth quarter, steps to further diversify and strengthen the asset base were taken with the establishment of a joint venture relationship with Urbacon to develop, own and operate high yielding, state-of-the-art digital data centre properties across Canada. Urbacon is Canada's most experienced participant in this market with twenty-five years of proven experience in design-built data centre development and operations. Summit now has exclusive rights to participate in Urbacon's Canadian data centre projects.

In December, the first transaction with Urbacon was completed with the purchase of a 50% interest in a brand-new, purpose built 10MW data centre in the GTA, and a mezzanine loan to Urbacon related to a recently-completed data centre in downtown Montreal. There is the option to convert this loan into a 50% ownership once the property has stabilized. The REIT also extended a working capital loan to Urbacon to begin construction of additional data centres in the GTA.

We are excited to enter this high yielding and fast growing asset class. Demand for data centres continues to grow, driven by the accelerated use of smart phones, digital entertainment and the migration of business and personal communications and systems to cloud-based internet networks. These new transactions are an example of how, with the significant increase in the size and scale of our asset base, we are able to do more highly accretive, value-add investments for the benefit of our Unitholders.

With the accelerated growth during the year, as at December 31, 2017 we had interests in 83 industrial properties, totaling approximately 8.8 million square feet



# A PROVEN 3 PART GROWTH STRATEGY

## ORGANIC GROWTH

- // Capitalize on strong industry fundamentals
- // Industry-leading operating company
- // Increasing occupancies and average rents
- // Capture economies of scale as portfolio grows

## EXTERNAL GROWTH

- // Acquire high quality light industrial properties
- // Price below replacement cost
- // Modern, well maintained, single or multi-tenant properties
- // Near term focus on strong and growing Greater Toronto Area and Montreal markets

## DEVELOPMENT PARTNERSHIPS

- // Establish partnerships with experienced property developers
- // Acquire and re-develop underperforming properties
- // Vend properties into REIT when stabilized
- // Prudent investments

20500 CLARK-GRAHAM  
BAIE D'URFE, QUEBEC

of GLA. Our property portfolio is near fully occupied by solid, credit-worthy tenants and all properties are well-located in strong urban markets near major rail, highway and airport transportation links. The strong and accelerating presence in the GTA is another key feature of our growing portfolio. Importantly, built-in contractual rent increases of approximately 1.5% across the portfolio ensure incremental growth in cash flows over the longer term.

## CAPITALIZING ON OUR EXPERIENCE

At Summit, we have decades of proven experience in acquiring, managing and developing light industrial properties, and we look forward, confident in our ability to build on this track record of success to generate superior long-term value for our Unitholders.

The original Summit REIT was established in 1996 and over the ensuing ten years assembled more than 33 million square feet of industrial assets, including over four million square feet in developed or re-developed properties, resulting in ownership interests in Canada's largest industrial property portfolio. We developed a proven and experienced national operating platform that generated stable occupancy and strong tenant retention. In addition, we developed enduring relationships with Canada's real estate, debt and capital markets that continued to benefit our Unitholders. By leveraging this experience, the original Summit realized a total annualized return of approximately 20% between 1996 and 2006.

While the growth and performance of the original Summit was extraordinary, we believe the opportunity for the new Summit is even greater. We are capitalizing on our experience to do things better with the new Summit. For example, we have significantly increased the average tenant size in the current portfolio, from approximately 13,000 square feet in the original Summit to over 60,000 square feet. We have also increased the number of single tenant industrial properties to 72% of this current portfolio compared to 36% in the first Summit. We have reduced our main target geographic markets to three from seven. This enhanced focus on properties and markets, drives more efficient and effective property management and reduces operating costs. Average occupancies have ranged between 98% and 100% for the current portfolio since inception, a significant improvement over the 90% to 95% range for the first Summit.

## GENERATING RECORD PERFORMANCE

With the accelerated growth and strong operating performance, the REIT generated record results in 2017. Operating revenues were \$58.6 million, up 30% from 2016, resulting in a 34% increase in net operating income. Funds from Operations (FFO), our key operating benchmark, rose to \$26.9 million compared to \$19.6 million in 2016. Occupancies remained at nearly full levels throughout the year. FFO at \$0.564 per Unit, was down marginally from the prior year due to the successful three bought-deal equity offerings completed in 2017 and the timing to fully invest the net proceeds of these offerings into income producing properties. Looking ahead, our accretive growth will



**WITH THE ACCELERATED GROWTH DURING THE YEAR, AS AT DECEMBER 31, 2017 WE HAD INTERESTS IN 83 INDUSTRIAL PROPERTIES, TOTALING APPROXIMATELY 8.8 MILLION SQUARE FEET OF GLA. OUR PROPERTY PORTFOLIO IS NEAR FULLY OCCUPIED BY SOLID, CREDIT-WORTHY TENANTS AND ALL PROPERTIES ARE WELL-LOCATED IN STRONG URBAN MARKETS NEAR MAJOR RAIL, HIGHWAY AND AIRPORT TRANSPORTATION LINKS. THE STRONG AND ACCELERATING PRESENCE IN THE GTA IS ANOTHER KEY FEATURE OF OUR GROWING PORTFOLIO.**

resume as these new properties make a strong and continued contribution to cash flow.

The balance sheet and liquidity position remained strong at year end with a conservative leverage ratio of 51.3%, an attractive weighted average effective interest rate on the mortgage portfolio of 3.50% and a weighted average term to maturity of 3.97 years. Debt service and interest coverage ratios were also solid at 1.89 times and 3.24 times, respectively.

In May 2017, the REIT was pleased to implement a 2.4% increase in annualized cash distributions paid on a monthly basis to our Unitholders, the second increase since the REIT's inception in 2012. In addition, for the second year cash distributions in 2017 were 100% tax deferred, generating further benefits to the Unitholders.

#### **AN EXCITING FUTURE**

Looking ahead, we will continue to execute the same value-enhancing strategies that have been successful in the past.

We will prudently acquire high quality light industrial properties in the targeted Canadian urban markets, purchasing newer, well maintained assets that require little or no capital investment. Our acquisitions will be made at below replacement cost with rents below market, where we can generate increased cash flows through our proven management programs. All property acquisitions will be accretive and with current capitalization rates well in excess of today's low cost debt financing, we believe we will continue to lock in very accretive spreads on our property purchases.

We believe cash flows will also grow organically as we capitalize on the continuing strong fundamentals in the light industrial property sector, build on contractual annual rent increases, and generate increasing operating synergies and reduced costs as we continue to expand the size and scale of our property portfolio.

We will continue to capitalize on our proven expertise to enter into joint venture relationships to develop and re-develop light industrial and other real estate assets.

In summary, we are very pleased with the growth and performance to date, and look for continued progress in the years ahead. With strong industry fundamentals, best-in-class properties and a proven management team, the REIT is well-positioned to deliver stable, sustainable and increasing value to our Unitholders over the long term.



**Lou Maroun**  
Chairman



**Paul Dykeman**  
President & CEO



# AT A GLANCE

## A STRONG AND GROWING PORTFOLIO

// 83 industrial properties  
// 1 data centre property  
// 8,876,763 square feet GLA  
// 98.1% occupied

BRITISH  
COLUMBIA  
2 Properties  
21,700 sq. ft.

ALBERTA  
6 Properties  
699,050 sq. ft.

ONTARIO  
53 Properties  
6.1 M sq. ft.  
60% in GTA

QUEBEC  
22 Properties  
2.0 M sq. ft.  
22% in GMA

ATLANTIC CANADA  
1 Property  
42,369 sq. ft.

2335 SPEERS ROAD  
OAKVILLE, ONTARIO

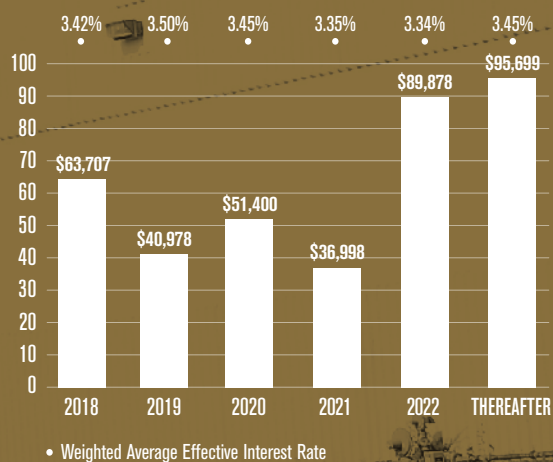
## TOP-TEN INDUSTRIAL TENANTS

AS AT DECEMBER 31, 2017

RANK	TENANT	LOCATION	GLA	PERCENTAGE OF TOTAL BASE RENT
1	Avon Canada Inc.	Pointe-Claire, QC	511,848	5.2%
2	Van-Rob Inc.	Aurora, ON	322,187	4.2%
3	National Tire Distributors	Edmonton, AB	309,077	4.1%
4	Canada Border Services Agency	Mississauga, ON	77,804	3.4%
5	Monarch Plastics	Oakville, ON	260,830	2.9%
6	KIK Custom Products Inc.	Etobicoke, ON	297,620	2.7%
7	Bellwyck Packaging Inc.	Multiple GTA, ON	261,746	2.6%
8	Ford Motor Company of Canada, Limited	Mississauga, ON	220,000	2.4%
9	Canplas Industries Ltd.	Barrie, ON	216,460	2.4%
10	Elopak Canada Inc.	Boisbriand, QC	154,166	2.3%
<b>Total Top-10 Tenants</b>			<b>2,631,738</b>	<b>32.2%</b>
<b>Remaining Portfolio – 120 Tenants</b>			<b>6,042,471</b>	<b>67.8%</b>
<b>Total Industrial Portfolio – Occupied</b>			<b>8,674,209</b>	<b>100%</b>

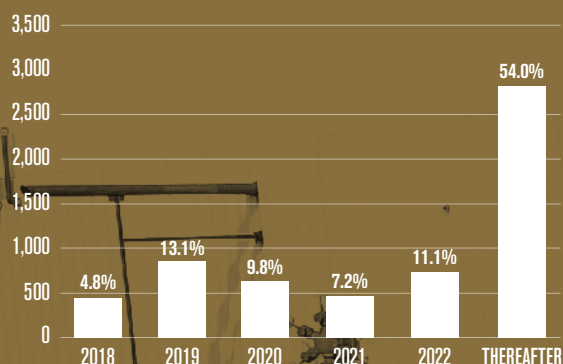
## A WELL BALANCED MORTGAGE PORTFOLIO

### PRINCIPAL REPAYMENTS (\$,000)



## A WELL BALANCED LEASE PORTFOLIO

### LEASE ROLLOVER (SQUARE FEET) (,000)



## STRONG INDUSTRY FUNDAMENTALS

The Canadian light industrial real estate sector possesses strong fundamentals well-suited to generate stable, secure and growing cash flows:

- // low rent volatility
- // reduced operating costs
- // generic and highly marketable space

- // low capital, maintenance, leasehold improvement and tenant inducement costs



# ***DIVERSIFYING OUR ASSET BASE***

In December 2017, Summit further strengthened and diversified its asset base through a joint venture with Urbacon to develop, own and operate high-yielding, state-of-the art digital data centres. Urbacon is Canada's most experienced participant in this market with more than twenty-five years of proven experience in design-built data centre development and operations.

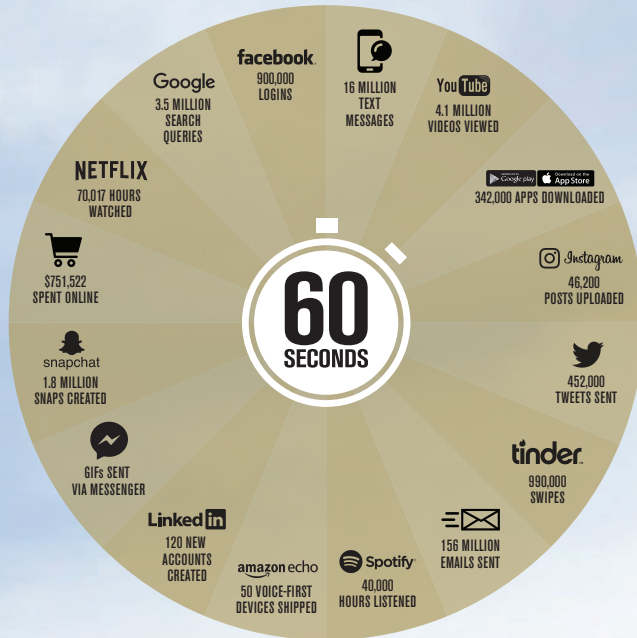
Demand for data centres continues to grow, driven by the accelerated use of smart phones, digital entertainment and the migration of business and personal communication systems to cloud-based internet networks.

The relationship with Urbacon is another example of how, with the increase in Summit's size and scale of its asset base, it is able to do accretive value-add investing for the benefit of its Unitholders.



80 VIA RENZO DRIVE

## WHAT HAPPENS IN AN INTERNET MINUTE?

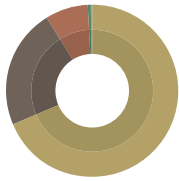


80 VIA RENZO DRIVE  
RICHMOND HILL, ONTARIO



# SUMMIT II REIT PORTFOLIO BY PROPERTY

ADDRESS	CITY	YEAR BUILT/ RENOVATED	SINGLE VS. MULTI-TENANT	NO. OF TENANTS	GLA (SF)	OCCUPANCY (%)
<b>ONTARIO – 68.3%</b>						
200 Vondorf Sideroad	Aurora	1985	Single	1	322,187	100.0%
500 Veterans Drive	Barrie	2004	Single	1	216,460	100.0%
155-161 Orenda Road	Brampton	1970	Multi	5	319,077	100.0%
8705 Torbram Road	Brampton	1980/2003	Multi	4	296,203	100.0%
6 Shaftsbury Lane	Brampton	1975	Single	1	125,871	100.0%
40 Summerlea Road	Brampton	1987	Single	1	121,138	100.0%
292-294 Walker Drive	Brampton	1987	Multi	8	74,583	100.0%
296-300 Walker Drive	Brampton	1976	Multi	2	102,972	100.0%
165 Orenda Road	Brampton	2003	Single	1	57,055	100.0%
1075 Clark Boulevard	Brampton	1974	Single	1	35,842	100.0%
78 Walker Drive	Brampton	1986/2000	Single	1	150,000	100.0%
110 Walker Drive	Brampton	1981/1987	Single	1	148,832	100.0%
1600 Clark Boulevard	Brampton	1974	Single	1	79,300	100.0%
240 Laurier Boulevard	Brockville	2005/2010	Single	1	68,093	100.0%
977 Century Drive	Burlington	1980	Single	1	45,496	100.0%
1111 Corporate Drive	Burlington	1998	Single	1	151,410	100.0%
30 Struck Court	Cambridge	2006	Single	1	111,493	100.0%
201 Shearson Crescent	Cambridge	1989	Single	1	26,665	100.0%
2000 Kipling Avenue	Etobicoke	1960/2000	Single	1	195,302	100.0%
13 Bethridge Road	Etobicoke	1960	Single	1	102,318	100.0%
134 Bethridge Road	Etobicoke	1965	Single	1	142,386	100.0%
330 Humberline Drive	Etobicoke	1973/2017	Multi	2	255,000	82.5%
55 Carrier Drive	Etobicoke	1976	Single	1	64,412	100.0%
65 Carrier Drive	Etobicoke	1983	Single	1	61,947	100.0%
326 Humber College Boulevard	Etobicoke	1973	Single	1	41,207	100.0%
400 Bingemans Centre Drive	Kitchener	2005	Single	1	119,060	100.0%
15600 Robin's Hill Road	London	2009	Single	1	210,727	100.0%
65 Riviera Drive	Markham	1985	Single	1	46,360	100.0%
1 Rimini Mews	Mississauga	1972	Single	1	46,150	100.0%
350 Hazelhurst Road	Mississauga	1997	Single	1	220,000	100.0%
5485 Tomken Road	Mississauga	1982	Single	1	63,700	100.0%
2333 North Sheridan Way	Mississauga	1970/2014	Multi	4	183,989	100.0%
335 Carlingview Drive	Mississauga	2007	Multi	2	54,942	100.0%
345 Carlingview Drive	Mississauga	1987/2015	Single	1	50,360	100.0%
355 Carlingview Drive	Mississauga	2007	Multi	2	113,178	100.0%
1980 Matheson Boulevard	Mississauga	2001	Multi	3	140,254	80.1%
6900 Tranmere Drive	Mississauga	1988	Single	1	41,566	100.0%
2335 Speers Road	Oakville	2006	Single	1	260,830	100.0%
2616 Sheridan Garden Drive	Oakville	2007	Single	1	116,818	100.0%
501 Palladium Drive <sup>(1)</sup>	Ottawa	2007	Multi	3	64,602	100.0%
200 Iber Road <sup>(1)</sup>	Ottawa	2007	Multi	4	18,936	100.0%
5499 Canotek Road	Ottawa	1985	Single	1	37,180	100.0%
710 Neal Drive	Peterborough	1973	Single	1	101,601	100.0%
1800 Ironstone Manor	Pickering	1980	Multi	3	158,831	100.0%
125 Nashdene Road	Scarborough	1992	Multi	2	163,402	100.0%
40 Dynamic Drive	Scarborough	1988	Multi	4	86,681	100.0%
50 Dynamic Drive	Scarborough	1986	Single	1	45,003	100.0%
21 Finchdene Square	Scarborough	1981/1986	Single	1	170,100	100.0%
1361 Huntingwood Drive	Scarborough	1977	Multi	12	86,586	100.0%
10 Commander Boulevard	Scarborough	1976	Single	1	33,575	100.0%
20 Commander Boulevard	Scarborough	1976	Single	1	63,966	100.0%
40 Commander Boulevard	Scarborough	1976	Single	1	50,526	100.0%



We continue to focus our efforts on growing our Greater Toronto Area and Montreal portfolios, markets that present a compelling opportunity to create value for our Unitholders.

ONTARIO – 69.0%\*    ALBERTA – 7.9%    BRITISH COLUMBIA – 0.2%  
 QUEBEC – 22.4%    NEW BRUNSWICK – 0.5%

\* INCLUDING 80 VIA RENZO DRIVE

ADDRESS	CITY	YEAR BUILT/ RENOVATED	SINGLE VS. MULTI-TENANT	NO. OF TENANTS	GLA (SF)	OCCUPANCY (%)
<b>QUEBEC – 22.4%</b>						
20500 Rue Clark-Graham <sup>(2)</sup>	Baie D'Urfe	2000	Single	1	28,104	100.0%
3655 Avenue des Grandes Tourelles <sup>(2)</sup>	Boisbriand	2011	Multi	4	22,024	100.0%
3700 Avenue des Grandes Tourelles <sup>(2)</sup>	Boisbriand	2015	Single	1	29,561	100.0%
3720 Avenue des Grandes Tourelles <sup>(2)</sup>	Boisbriand	2014	Single	1	154,166	100.0%
1405 Rue Graham-Bell <sup>(2)</sup>	Boucherville	2008	Multi	1	23,066	26.7%
1970 John-Yule Street <sup>(2)</sup>	Chambly	2011	Single	1	12,872	100.0%
1177-1185 55e Avenue <sup>(2)</sup>	Dorval	1990	Single	1	77,946	100.0%
1600 50th Avenue	Lachine	1968/1987	Single	1	244,990	100.0%
4875 Fairway Street	Lachine	1968	Single	1	95,530	100.0%
2580 Ave Dollard	LaSalle	1973	Multi	4	89,000	100.0%
2695 Ave Dollard	LaSalle	1954/1980	Multi	2	62,279	100.0%
175 Bellerose Boulevard	Laval	2007	Single	1	81,087	100.0%
5545 Ernest-Cormier Street <sup>(2)</sup>	Laval	2012	Single	1	24,956	100.0%
185 Bellerose Boulevard <sup>(2)</sup>	Laval	2009	Single	1	19,566	100.0%
4150 Highway 13 <sup>(2)</sup>	Laval	2003	Single	1	35,000	100.0%
5500 Trans-Canada Highway	Pointe Claire	1958/2006	Single	1	511,848	100.0%
300 Labrosse Avenue	Pointe-Claire	1974	Single	1	55,333	100.0%
5685 Rue Cypriot <sup>(2)</sup>	Saint-Laurent	1980/1997	Single	1	78,462	100.0%
4870 Robert-Boyd Street	Sherbrooke	2017	Single	1	138,308	100.0%
7290 Rue Frederick Banting	St. Laurent	2001	Single	1	20,859	100.0%
5757 Thimens Boulevard <sup>(2)</sup>	St. Laurent	1981	Single	1	37,747	100.0%
22401 Chemin Dumberry	Vaudreuil-Sur-Le-Lac	2002	Single	1	147,700	100.0%
<b>ALBERTA – 7.9%</b>						
3343-3501 54 <sup>th</sup> Avenue SE	Calgary	1972	Single	1	141,628	100.0%
303 58 <sup>th</sup> Avenue SE	Calgary	1971	Multi	2	120,690	100.0%
7910 51 <sup>st</sup> Street SE	Calgary	1998	Single	1	51,492	100.0%
3703 98 <sup>th</sup> Street	Edmonton	1978	Single	–	45,752	0.0%
5880 56 <sup>th</sup> Avenue	Edmonton	1997/2004	Single	1	30,411	100.0%
14404 128 Avenue	Edmonton	1966/2016	Single	1	309,077	100.0%
<b>NEW BRUNSWICK – 0.5%</b>						
290 Frenette Avenue <sup>(1)</sup>	Moncton	2012	Single	1	42,369	100.0%
<b>BRITISH COLUMBIA – 0.2%</b>						
2500 Cranbrook Street	Cranbrook	1970	Single	–	8,200	0.0%
6708, 87A Avenue	Fort St. John	2006	Single	1	13,500	100.0%
<b>DATA CENTRE PROPERTIES – 0.7%</b>						
<b>ONTARIO</b>						
80 Via Renzo Drive <sup>(2)</sup>	Richmond Hill	2017	Multi	1	59,068	50.0%

**TOTAL INDUSTRIAL PORTFOLIO AS AT DECEMBER 31, 2017**

**134    8,817,695    98.4%**

**TOTAL DATA CENTRE PORTFOLIO**

**1    59,068    50.0%**

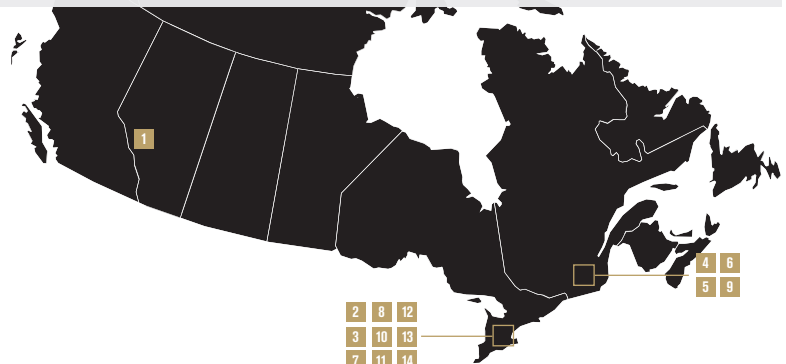
**TOTAL PORTFOLIO**

**135    8,867,763    98.1%**

<sup>(1)</sup> REPRESENTS 25% OF TOTAL GLA. <sup>(2)</sup> REPRESENTS 50% OF TOTAL GLA.

## 2017 ACQUISITIONS

- |                                  |                               |
|----------------------------------|-------------------------------|
| 1 303 58 <sup>th</sup> Avenue SE | 8 1800 Ironstone Manor        |
| 2 2335 Speers Road               | 9 4150 Highway 13             |
| 3 KIK Portfolio                  | 10 GPM Portfolio              |
| 4 Lachine Portfolio              | 11 Morguard Portfolio         |
| 5 4870 Robert Boyd Street        | 12 Investors Group            |
| 6 5500 Trans Canada Highway      | 13 2616 Sheridan Garden Drive |
| 7 330 Humberline Drive           | 14 80 Via Renzo Drive         |





# PROVEN, EXPERIENCED MANAGEMENT TEAM


Summit II's management team has the proven ability to build value for Unitholders over the long term. We have decades of industry experience, as well as relationships, to achieve our goals. We are fully aligned with all REIT Unitholders through insiders substantial 8.3% ownership interest, and we will continue to maintain and grow this interest going forward.




**Lou Maroun**  
Chairman  
Sigma Asset Management Limited  
36 years experience in the commercial real estate industry  
Previously the CEO of Summit REIT, the largest industrial pure-play REIT in Canada, and the Executive Chairman of ING Real Estate Canada




**Paul Dykeman CPA CA**  
Chief Executive Officer  
Sigma Asset Management Limited  
28 years experience in the commercial real estate industry  
Previously the CFO of Summit REIT, the largest industrial pure-play REIT in Canada, and the CEO of ING Real Estate Canada



**Ross Drake CPA CA**  
Chief Financial Officer  
Sigma Asset Management Limited  
26 years experience in the commercial real estate industry  
Previously the Senior Vice President of Research & Analysis at ING Real Estate Canada



**Kimberley Hill**  
Vice President, Asset Management  
Sigma Asset Management Limited  
27 years experience in the commercial real estate industry  
Previously the Senior Vice President of Asset Management at ING Real Estate Canada



**Jon Robbins**  
Vice President, Investments  
Sigma Asset Management Limited  
27 years experience in the commercial real estate industry  
Previously the Senior Vice President of Investments at Summit REIT

# FIVE YEAR FINANCIAL PERFORMANCE



5303 58<sup>TH</sup> AVENUE SE  
CALGARY, ALBERTA

Year ending December 31,	2012	2013	2014	2015	2016	2017
Number of Industrial Properties	10	30	34	45	52	83
Square Feet of Gross Leasable Area (,000)	730	3,345	3,737	4,403	5,246	8,818
Occupancy (%)	97.0%	98.9%	100.0%	98.1%	98.9%	98.4%
Revenues (\$,000)	\$ 2,497	\$ 22,047	\$ 28,740	\$ 38,377	\$ 44,950	\$ 58,573
Net Operating Income (\$,000)	\$ 1,980	\$ 16,492	\$ 21,214	\$ 26,512	\$ 30,253	\$ 40,577
Funds from Operations (\$,000)	\$ 906	\$ 9,707	\$ 12,447	\$ 16,980	\$ 19,635	\$ 26,960
Funds from Operations Per Unit	0.395	0.593	0.588	0.593	0.610	0.564
FFO Payout Ratio (%)	—	68.7%	84.9%	85.0%	82.6%	90.7%
Weighted Average Number of Units Outstanding (,000)	2,294	16,356	21,164	28,628	32,178	47,767
Total Assets (\$,000)	\$ 81,571	\$ 310,413	\$ 341,646	\$ 406,411	\$ 500,807	\$ 1,003,239
Debt to Gross Book Value (%)	47.0%	60.9%	55.2%	53.7%	54.0%	51.3%
Weighted Average Mortgage Interest Rate (%)	3.89%	3.68%	3.68%	3.52%	3.43%	3.50%
Weighted Average Mortgage Term to Maturity	4.7 years	5.0 years	4.5 years	4.5 years	4.5 years	4.0 years
Weighted Average Lease Term to Maturity	6.4 years	6.0 years	5.8 years	5.6 years	5.4 years	5.8 years



**Corporate Address**

294 Walker Drive, Unit 1  
Brampton, Ontario L6T 4Z2

**Stock Exchange Listing**

Trust units are traded on  
the Toronto Stock Exchange  
under the symbol: SMU.UN

**Units Outstanding**

Dec 31, 2017: 67,083,774

**Cash Distribution Info**

\$0.043 per unit monthly  
(\$0.516 annualized)

**Investor Relations Contact**

Paul Dykeman  
1801 Hollis Street, Suite 1120  
Halifax, Nova Scotia B3J 3N4

902-405-8813  
info@summitireit.com

**Auditor**

Deloitte LLP

**Legal Council**

McCarthy Tétrault LLP

**Transfer Agent**

Computershare Trust  
Company Of Canada

**Annual General Meeting**

Wednesday May 9, 2018  
at 10:30 a.m.

McCarthy Tétrault LLP  
Suite 5300  
TD Bank Tower  
66 Wellington Street West  
Toronto, Ontario M5K 1E6

**summitireit.com**

**FORWARD-LOOKING STATEMENTS**

This report may contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends", "goal" and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, this report contains forward looking statements and information concerning the goal to build Summit II's property portfolio. The forward-looking statements and information are based on certain key expectations and assumptions made by Summit II, including general economic conditions. Although Summit II believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward looking statements and information because Summit II can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. These risks and uncertainties include, but are not limited to, tenant risks, current economic environment, environmental matters, general insured and uninsured risks and Summit II being unable to obtain any required financing and approvals. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward looking information for anything other than its intended purpose. Summit II undertake no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.