

# Summit II REIT

Summit Industrial Income REIT

## Investor Fact Sheet

February 2017

### Profile:

**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. Currently the REIT owns interests in 55 properties well-located in five Canadian provinces aggregating approximately 5.6 million square feet of gross leaseable area. The REIT is managed by Sigma Asset Management Limited, composed of 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.

### Quick Facts

|                    |   |
|--------------------|---|
| Stock Exchange:    | TSX (SMU.UN)  |
| Units Outstanding: | 42.5 million  |
| Insiders' Interest | 12.9%   |
| Investor Contact:  | Mr. Paul Dykeman<br>Chief Executive Officer<br>(902) 405-8813<br><a href="mailto:pmdykeman@sigmarea.com">pmdykeman@sigmarea.com</a> |

### Why Invest in Summit II REIT?

- Solid industry fundamentals provide stable secure and growing cash flows
  - Highly fragmented asset class provides consolidation opportunities
- Strong portfolio growth
  - Targeting high growth Canadian markets
- Attractive current cash yield
  - Annual \$0.504 per Unit distribution
- Experienced, proven management team
  - Fully aligned with 12.9% insiders' interest



### Recent Events:

- ✓ Strong property operations, focused on accelerated growth
- ✓ Acquisitions expand presence in vibrant GTA / Montreal markets
- ✓ Re-entry into Calgary, Edmonton markets with strong cap rates
- ✓ Attractive and accretive acquisition financing
- ✓ New joint venture partnerships to drive additional growth
- ✓ Acquired 50% interest in first value-add property in Montreal
- ✓ Only 4.8% of lease portfolio maturing in 2017



### FINANCIAL HIGHLIGHTS

| Years ended December 31,<br>(\$,000 except per Unit amounts) | 2016    | 2015    | 2014    | 2013    |
|--|---------|---------|---------|---------|
| Portfolio Occupancy  | 98.9%   | 98.1%   | 100.0%  | 98.9%   |
| Revenue  | 44,950  | 38,377  | 28,740  | 22,047  |
| Net Operating Income (NOI)                                   | 30,253  | 26,512  | 21,214  | 16,492  |
| Funds from Operations (FFO)                                  | 19,635  | 16,980  | 12,447  | 9,707   |
| FFO per Unit   | \$0.610 | \$0.593 | \$0.588 | \$0.593 |
| Weighted Average Units Outstanding                           | 32,178  | 28,628  | 21,164  | 16,356  |
| FFO Payout Ratio   | 82.6%   | 85.0%   | 84.9%   | 68.7%   |
| Total Debt to Gross Book Value                               | 54.0%   | 53.7%   | 55.2%   | 60.9%   |
| Wtd. Avg. Mortgage Interest Rate                             | 3.43%   | 3.52%   | 3.68%   | 3.68%   |
| Wtd. Avg. Mortgage Term to Maturity                          | 4.5 yrs | 4.5 yrs | 4.5 yrs | 5.0 yrs |