SUMMIT INDUSTRIAL INCOME REIT

Management's Discussion & Analysis

For the three months ended March 31, 2014

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The terms "Summit II", "the Trust" or "the REIT" in the following Management's Discussion and Analysis ("MD&A") refer to Summit Industrial Income Real Estate Investment Trust and its unaudited condensed consolidated interim financial position and results of operations for the three months ended March 31, 2014 and 2013.

FORWARD-LOOKING INFORMATION ADVISORY

Certain statements in this MD&A are "forward-looking statements" within the meaning of applicable securities laws. These statements reflect Management's expectations regarding Summit II's future growth, results of operations, performance and business prospects and opportunities including expectations for the current financial year, and include, but are not limited to, statements with respect to Management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Statements that contain the words such as "could", "should", "would", "can", "anticipate", "expect", "does not expect", "believe", "plan", "budget", "schedule", "estimate", "intend", "project", "will", "may", "might", "continue" and similar expressions or statements relating to matters that are not historical factors constitute forward-looking statements. Such forward-looking statements reflect Management's current beliefs and are based on information currently available to Management.

These statements are not guarantees of future events or performance and, by their nature, are based on Summit II's current estimates and assumptions, which are subject to significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, risks associated with real property ownership, debt financing, interest and financing, capital requirements, credit risk, general uninsured losses, developments, future property acquisitions, competition for real property investments, environmental matters, land leases, potential conflicts of interest, governmental regulations, the relative illiquidity of real property, taxation and reliance on key personnel. These risks, and others, are more fully discussed under the "Risk Factors" section of this MD&A. Material factors and assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: relatively low and stable interest costs; access to equity and debt capital markets to fund, at acceptable costs, the future growth of Summit II and to enable it to refinance debts as they mature; Summit II's ability to maintain occupancy and to lease or re-lease space at current or anticipated rents; and the availability of purchase opportunities for growth in Canada. Summit II has attempted to identify important factors that could cause actual results, performance or achievements to be other than as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. These factors are not intended to represent a complete list of the factors that could affect Summit II. Although the forward-looking statements contained in this MD&A are based upon what Management believes to be reasonable assumptions, Summit II cannot assure investors that actual results will be consistent with these forward looking statements.

The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement and readers should not place undue reliance on such forward-looking statements. In addition, certain statements included in this MD&A may be considered “financial outlook” for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than in this MD&A. These forward-looking statements are made as at the date of this MD&A and Summit II assumes no obligation to update or revise them to reflect new events or circumstances unless otherwise required to do so by applicable securities legislation.

BASIS OF PRESENTATION

Financial data included in this MD&A includes material information as of May 6, 2014, and should be read in conjunction with the REIT’s unaudited condensed Consolidated Financial Statements for the three months ended March 31, 2014 and 2013. Financial data provided has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

ADDITIONAL INFORMATION

Additional information relating to Summit II, including the Annual Information Form, Material Change Reports and all other continuous disclosure documents required by the securities regulators, are filed on the System for Electronic Document Analysis and Retrieval (SEDAR) and can be accessed electronically at www.sedar.com.

REVIEW AND APPROVAL BY THE BOARD OF TRUSTEES

The Board of Trustees, upon the recommendation of its Audit Committee, approved the contents of this MD&A on May 6, 2014.

SECTION I – OVERVIEW VISION AND STRATEGY

OVERVIEW

Summit II, formerly known as Proventure Income Fund “Proventure”, is an unincorporated mutual fund trust governed by the laws of the Province of Ontario pursuant to the terms of its amended and restated Declaration of Trust dated November 9, 2012 (the “Declaration of Trust”). Effective November 11, 2013, the REIT transitioned from the TSX Venture Exchange ”TSXV” to the Toronto Stock Exchange “TSX” under the same trading symbol. Summit II’s Units are publicly traded on the TSX under the symbol SMU.UN.

Summit II is focused primarily on the light industrial segment of the Canadian real estate industry. As at March 31, 2014, Summit II’s property portfolio was comprised of 30 properties totalling 3,345,149 square feet of gross leasable area (“GLA”) with a net book value of approximately $309.9 million.

NON-IFRS FINANCIAL MEASURES

Readers are cautioned that certain terms used in this MD&A such as Funds from Operations ("FFO"), Adjusted Funds from Operations ("AFFO"), Net Operating Income ("NOI") and any related per unit amounts used by Management to measure, compare and explain the operating results and financial performance of the Trust do not have any standardized meaning prescribed under IFRS and, therefore, should not be construed as alternatives to net income or cash flow from operating activities calculated in accordance with IFRS. Such terms do not have a standardized meaning prescribed by IFRS and may not be comparable to similarly titled measures presented by other publicly traded entities.

SIGNIFICANT ACCOUNTING POLICIES

Summit II's significant account policies are described in Note 4 to its audited Consolidated Financial Statements for the years ended December 31, 2013 and 2012.

The preparation of financial statements requires Summit II to make estimates and judgments that affect the reported results. For a detailed discussion of the critical estimates refer to Note 5 to the REIT's Consolidated Financial Statements for the years ended December 31, 2013, and 2012.

SUMMIT II'S BUSINESS, VISION AND STRATEGY

SUMMIT'S II BUSINESS

Primary Investment

Light Industrial Segment

Summit II is focused on the light industrial sector of the Canadian real estate industry. Light industrial properties are generally one-story properties located in or near major cities. The properties house such activities as warehousing and storage, light assembly and shipping, call centers and technical support, professional services and a number of other similar uses. There are no significant heavy industrial activities conducted in the properties owned by Summit II.

Summit II has selected this focus due to the solid fundamentals of the Canadian light industrial real estate sector, including low market rent volatility, reduced operating costs and typically generic-use space that is highly marketable. In addition, the scale and diversity of the tenant base occupying light industrial properties is broad and generally tracks the overall economy, reducing risk and providing predictable and consistent cash flow. Finally, capital expenditure and maintenance requirements, leasehold improvement and tenant inducement costs are relatively low compared to other types of real estate.

SUMMIT II'S VISION AND STRATEGY

Summit II's mission is to provide "best-in-class" services to its tenants while delivering solid, stable, and secure returns to its unitholders. Over the long term, Summit II is dedicated to maximizing FFO through effective property management, realizing on efficiencies and synergies from critical mass, accretive acquisitions, innovative financings and selective development opportunities.

To achieve these goals, Summit II has developed the following key objectives:

1. *To produce superior, dependable returns over the long term for its unitholders.*

   To meet this objective Summit II plans to generate accretive growth while purchasing properties at values that are at or below replacement cost. Summit II also intends to maximize, over time, available development and expansion opportunities on its existing properties and, through a mortgage-backed mezzanine financing program, undertake development projects through third parties. In the pursuit of generating increasing funds from operations, Summit II plans to maximize operating synergies and to increase economies of scale. Summit II's goal is to achieve growth in FFO over the long term.

2. *To be a leading industrial landlord in its chosen markets.*

   By building critical mass in its chosen market, Summit II plans to capture increasing economies of scale and operating synergies to grow its FFO. Further, Summit II will continue to create diversity in its tenant base and industrial inventory to accommodate changing tenant needs. In addition, Summit II is consistently presented with acquisition opportunities by sellers of industrial real estate.

   To meet its growth objective, Summit II will continue to acquire light industrial properties, to expand GLA in its owned properties based on tenant demand, and to grow through direct and third party development projects. Management is confident through its strong relationships with its lenders and the ability it has demonstrated to access the capital markets that it will generate sufficient capital to meet its growth targets over the long term.

3. *To be one of the top managers of industrial real estate in Canada.*

   Summit II plans to accomplish its vision to be a "best-in-class" service provider to tenants through innovative programs that focus on tenant retention, real estate leasing broker loyalty, standardization of operations, operating efficiency, and proactive employee management.

   By strengthening its reputation as a leading service provider and continuing to meet the needs of its tenants, Summit II will enhance portfolio occupancy, average monthly rents and tenant retention over the long term. Retaining a tenant is much more efficient and much less expensive than attracting a new to tenant to a vacant space. High occupancies and strong tenant retention ratios assist in maximizing cash flow from Summit II's income properties.

SECTION II – KEY PERFORMANCE INDICATORS

Summit II measures the long-term success of its strategies through a number of key financial and operating performance indicators as described below:

FINANCIAL INDICATORS

Funds from Operations

Management has determined FFO to be a useful measure of operating performance as it focuses on cash flow from operating activities. FFO is net income (computed in accordance with IFRS), extraordinary items, amortization expense, future income taxes and after adjustments for equity-accounted for entities and non-controlling interests. Management will strive to increase FFO over the long term.

Adjusted Funds from Operations

AFFO is defined as FFO net of actual leasing commissions, tenant improvements, capital expenditures that maintain the current rental operations, and straight-line rent. Management considers leasing activities and capital expenditures to be fundamental to the operating activities of the REIT in order to maintain the current level of rental operations, and is not a discretionary investment. Management has excluded from the calculation of AFFO those capital expenditures and leasing costs that relate to the generation of a new rental stream. Management also considers AFFO to be an effective measure of the cash generated from operations and is a measure of the REIT's ability to pay distributions.

Net Operating Income

NOI is a generally accepted proxy for operating cash flow and represents earnings before interest expense, income tax expense, amortization expense, plus losses / less any gains on disposition of property, and excluding non-recurring items, such as asset impairment or unrealized gains/losses that may occur under IFRS.

Cash Distributions per unit

The Trust announced on March 15, 2013 a cash distribution policy to pay $0.0408 per Trust unit on a monthly basis to unitholders, aggregating $0.4896 per Trust Unit on an annual basis. Summit II is focused on increasing distributions to its unitholders over the long term. Management intends to accomplish this goal by increasing the net cash flow generated from its real estate assets over the long term.

Adjusted Funds from Operations Payout Ratio

To ensure it retains sufficient cash to meet its capital improvement and leasing objectives, Summit II will strive to maintain its AFFO Payout Ratio (cash distributions per unit divided by funds from operations per unit) under 90%.

Debt Leverage Ratio

A conservative leverage ratio mitigates unitholders' risk. Summit II measures its debt leverage ratio in accordance with its Declaration of Trust. Leverage is calculated as the sum of mortgages payable, convertible debentures, preferred units payable, unsecured debentures and bank loans payable divided by the book value of total assets. The maximum permitted debt leverage ratio under the Declaration of Trust is 65%. While expanding its portfolio, Summit II intends to maintain its leverage ratio in the mid-50% range over the long term.

OPERATING INDICATORS

Tenant Retention

Summit II places a very high value on tenant retention, as the cost to retain a tenant is typically lower than the cost to attract a new one. When a tenant is retained, lost rent due to unoccupied space is eliminated and leasing commissions and tenant inducements are typically lower than the cost of putting new tenants in place. Over the long term, Summit II will continue to aim at a target of 75% tenant retention level.

Occupancy

Consistently high occupancies also generate greater cash flow over the long term. Through its proactive property management and leasing activities, Management anticipates maintaining occupancy at levels higher than the average occupancy in each of the markets in which it operates. Economic "full occupancy" in a light industrial portfolio is realistically at a level less than 100% due to the fact that there will always be some vacancy in the portfolio due to tenant turnover or during the time certain properties are under development or renovation.

Average Rents

Increasing average cash rents contributes to higher funds from operations. Annual contractual increases in rent are beneficial to tenants in managing their costs, as significant rental increases at maturity are avoided and replaced with a predictable expenditure pattern. Summit II intends to negotiate annual increases in rent in the majority of new lease transactions and renewals. The collection of rents is enhanced by Summit II's preauthorized payment program, which provides administrative efficiencies to both Summit II and its tenants, as well as providing more consistent cash flow and reducing exposure to delinquent accounts.

Lease Portfolio Management

As noted above, a high tenant retention ratio is strongly valued at Summit II. A properly balanced lease maturity schedule facilitates maintaining higher occupancies and spreads leasing costs more predictable over future years. Summit II will endeavor to have no more than 15% of its leases maturing in any one year.

Capital Expenditures

Through its focused capital expenditure program, Summit II anticipates maintaining its properties so they remain functional and competitive within their respective geographic markets. Based on its current capital program, Summit II plans to spend $0.15 to $0.20 per square foot per annum on non-recoverable capital expenditures.

CAPABILITY TO DELIVER RESULTS

Management Team

Summit II is confident that it has the Management team, asset base, access to investment opportunities and access to capital to meet its objectives. The achievement of Summit II's objectives is partially dependent on successful mitigation of business risks. Summit II believes it has identified and mitigated such risks to the extent practical and is committed to identifying and implementing the actions required in achieving its strategy.

Management's capabilities and the business risks that must be managed are discussed in Summit II's Annual Information Form dated March 31, 2014.

Business and Economic Environment

In the current low interest rate environment and with an economy in full recovery, Canadian industrial real estate has performed very well. Entering 2014, Management believes a strengthening US economy will have a positive impact on the Canadian economy in general, and Canadian industrial markets in particular. By 4th Quarter of 2013, the national availability rate and vacancy rate had dropped to 5.8% and 4.3%, respectively, compared with corresponding rates of 8.1% and 6.1% reported at the height of the last recession in 2009. The current market fundamentals are indicative of a very healthy and stable market. Among Canada's major industrial markets, Toronto is experiencing the lowest availability rate and vacancy rates at 4.6% and 2.7%, respectively.(1) A majority of Summit II's light industrial real estate is located in Toronto in order to capitalize on these historically tight market conditions. With absorption outpacing new supply in Toronto, and growing constraints on new supply in the form of rising development charges, rising construction costs and land preservation, Management believes there will be upward pressure on Toronto's light industrial rental rates that will be supportive of long term value creation in the sector. For this reason, Toronto will be a focus of Summit II's growth plans over the near term.

Certain statements above may be forward-looking and readers are cautioned that such statements are subject to certain risks and uncertainties that could cause actual results, performance or achievements of Summit II, or industry results, expressed or implied by such forward-looking statements to differ materially from those contained in such forward-looking statements – see "Forward-Looking Disclaimer" on page 1.

(1) CBRE Global Research and Consulting

SECTION III – FINANCIAL RESULTS

The following is a summary of selected financial information for the periods indicated (see SECTION II – KEY PERFORMANCE INDICATORS for a description of the key terms):

(in Thousands of Canadian dollars) (except per unit amounts)	Three months ended **March 31, 2014**	December 31, 2013	March 31, 2013
Portfolio Performance			
Occupancy (%) [1]	**98.7%**	98.9%	99.0%
Revenue from income properties	**$ 7,068**	$ 7,570	$ 2,683
Property operating expenses	**1,700**	2,240	574
Net operating income	**5,368**	5,330	2,109
Interest expense	**1,863**	1,857	620
Net income	**3,114**	3,300	1,229
Operating Performance			
FFO	**3,080**	2,934	1,229
AFFO	**2,816**	2,677	1,161
Net income per unit - Basic and diluted[2]	**0.171**	0.182	0.111
FFO per unit [2]	**0.169**	0.162	0.111
AFFO per unit [2]	**0.155**	0.148	0.105
Distributions declared to Unitholders	**2,230**	2,220	735
Distributions per unit declared to Unitholders	**0.1224**	0.1224	0.0408
Distributions paid [3]	**1,743**	1,920	-
FFO payout ratio without DRIP benefit	**72.3%**	75.6%	36.8%
FFO payout ratio with DRIP benefit [3]	**56.6%**	65.4%	N/A
AFFO payout ratio without DRIP benefit	**79.1%**	82.9%	39.0%
AFFO payout ratio with DRIP benefit [3]	**61.9%**	71.7%	N/A
Weighted average units outstanding [2]	**18,201**	18,126	11,090
Liquidity and Leverage			
Total assets	**312,039**	310,413	257,453
Total debt (loans and borrowings and preferred units payable)	**189,599**	189,045	140,606
Weighted average effective mortgage interest rate	**3.68%**	3.68%	3.70%
Weighted average mortgage term (years)	**4.71**	4.95	5.80
Leverage ratio	**60.8%**	60.9%	54.6%
Interest coverage (times)	**2.54**	2.47	2.87
Debt service coverage (times)	**1.73**	1.69	2.39
Other			
Properties acquired	**-**	4	15
Non-core properties disposed	**-**	-	-

(1) Approximately 207,453 square feet (6.2% of total GLA) Head Lease space has been leased to date. Negotiations are under way for 79,547 square feet (2.4% of total GLA) under head lease.
(2) A unit consolidation was completed in January 2013 where the REIT consolidated all of its issued and outstanding units on the basis of one post consolidation Unit for every twelve pre-consolidation Unit. As well, 11,120,000 units were issued February 26, 2013 on completion of a publc offering.
(3) On March 15, 2013, the Trust announced a cash distribution policy to pay $0.0408 per Trust Unit. The first cash distribution was paid on April 15, 2013, to Unitholders of record on March 29, 2013.

FINANCIAL AND OPERATING HIGHLIGHTS

Recent Highlights:

- Monthly cash distributions increased to $0.042 per unit, or $0.504 annualized, a 3% increase
- Acquisitions, strong property performance drive strong Q1 year-over-year growth in revenues, NOI, FFO and AFFO
- Strong accretive growth on a per unit basis
- AFFO payout ratio strengthens further to 79.1% from 82.9% in fourth quarter of 2013
- Strong leasing activity as 123,252 sq. ft. of 168,255 sq. ft. of 2014 renewals completed results in only 1.3% of portfolio remaining to renew in 2014
- We have leased 207,453 sq. ft. of the 287,000 sq. ft. of head lease space with negotiations currently under way on the remaining 79,547 sq. ft. of head lease space
- Innovative sale of 75% interest in property generates new source of growth capital

REVENUE, PROPERTY OPERATING EXPENSES, NOI, INTEREST

Revenue from income producing properties for the three months ended March 31, 2014, increased to $7.1 million from $2.7 million for the same period in 2013. This increase is primarily due to the acquisition of 22 properties with gross leasable area of 2,669,255 square feet during 2013. Although 15 of these properties were acquired in the first quarter of 2013, the acquisitions were completed late in the quarter and therefore had minimal impact on the results for the three months ended March 31, 2013. The 22 newly acquired properties (the "Acquisitions"), contributed approximately $5.2 million to revenues for the three months ended March 31, 2014.

Property operating expenses increased to $1.7 million for the three months ended March 31, 2014, compared to $0.6 million for the same period in 2013, due primarily to the increase in the property portfolio during 2013. The new Acquisitions contributed approximately $1.2 million to operating expenses for the three months ended March 31, 2014.

Interest expense for the three months ended March 31, 2014, increased to $1.9 million from $0.6 million for the same period in the prior year. The increase was due to the increase in the property portfolio and associated debt during 2013.

The net income for the Trust for the three months March 31, 2014 was $3.1 million compared to $1.2 million for the same period in 2013. Net income has increased due to the growth of the portfolio in 2013.

TRANSACTIONS

ACQUISITIONS

For the three months ended March 31, 2014 Summit II did not acquire any properties or have any dispositions. During the three months ended March 31, 2013, Summit II had no dispositions but purchased fifteen properties totalling 1,995,405 square feet of GLA. Details of these 2013 acquisitions are shown in the following table:

Property	**City**	**Province**	**Closing date**	**GLA**		**Purchase Price**
5880 56th Avenue	Edmonton	Alberta	February 28, 2013	30,411	$	6,200,000
3703 98th Street	Edmonton	Alberta	February 28, 2013	45,752		6,900,000
40 Dynamic Drive	Scarborough	Ontario	March 4, 2013	86,681		5,850,000
50 Dynamic Drive	Scarborough	Ontario	March 4, 2013	45,003		3,350,000
125 Nashdene Road	Scarborough	Ontario	March 4, 2013	163,402		12,500,000
200 Vandorf Sideroad	Aurora	Ontario	March 6, 2013	322,187		27,350,000
290 Frenette Ave East	Moncton	New Brunswick	March 11, 2013	169,474		20,520,000
292-294 Walker Drive	Brampton	Ontario	March 13, 2013	74,583		8,635,000
296-300 Walker Drive	Brampton	Ontario	March 13, 2013	102,972		8,075,000
155-161 Orenda Road	Brampton	Ontario	March 13, 2013	319,077		23,654,412
8705 Torbram Road	Brampton	Ontario	March 13, 2013	295,957		21,400,000
165 Orenda Road	Brampton	Ontario	March 13, 2013	57,055		4,235,588
1075 Clark Boulevard	Brampton	Ontario	March 13, 2013	35,842		4,300,000
40 Summerlea Road	Brampton	Ontario	March 13, 2013	121,138		9,500,000
6 Shaftsbury Lane	Brampton	Ontario	March 13, 2013	125,871		8,700,000
Total Acquisitions for the period ended March 31, 2013				1,995,405	$	171,170,000

FUNDS FROM OPERATIONS, ADJUSTED FUNDS FROM OPERATIONS

The Trust's FFO and AFFO per unit are calculated as follows:

(in Thousands of Canadian dollars)				
	Three months ended March 31			
		2014		2013
Net Income	**$**	**3,114**	$	1,229
adjustments				
Fair value adjustment to investment properties		**(34)**		-
FFO	**$**	**3,080**	$	1,229
adjustments				
Straight lining of rents	**$**	**(204)**	$	(68)
Leasing costs	**$**	**(69)**	$	-
Free rent amortization	**$**	**9**	$	-
Capital	**$**	**-**	$	-
AFFO	**$**	**2,816**	$	1,161
FFO per unit	**$**	**0.169**	$	0.111
AFFO per unit	**$**	**0.155**	$	0.105
Distributions declared to Unitholders (1)	**$**	**2,230**	$	735
Distributions per unit declared to Unitholders	**$**	**0.1224**	$	0.0408
Cash distributions paid (1)	**$**	**1,743**	$	-
FFO payout ratio without DRIP benefit (1)		**72.3%**		**36.8%**
FFO payout ratio with DRIP benefit (1)		**56.6%**		N/A
AFFO payout ratio without DRIP benefit (1)		**79.1%**		**39.0%**
AFFO payout ratio with DRIP benefit (1)		**61.9%**		N/A
Weighted average number of units outstanding - post õconsolidationò		**18,201**		11,090
Units issued and outstanding at the end of the period		**18,241**		18,009

(1) On March 15, 2013, the Trust announced a cash distribution policy to pay $0.0408 per Trust Unit. The first cash distribution was paid on April 15, 2013, to Unitholders of record on March 29, 2013.

For the three months ended March 31, 2014, FFO per unit was $0.169 compared to $0.111 for the same period in 2013. The increase in FFO per unit in 2014 compared to 2013 was due primarily to the increased size of the portfolio throughout 2013.

For the three months ended March 31, 2014, AFFO per unit was $0.155 compared to $0.105 for the same period in 2013.

The REIT's AFFO payout ratio was 79.1% for the three months ended March 31, 2014. Including the benefit of the REIT's DRIP program, the effective cash payout ratio was a conservative 61.9% for the three months ended March 31, 2014.

LIQUIDITY AND CAPITAL RESOURCES

Summit II's balance sheet as at March 31, 2014, remained relatively stable in the absence of property transactions in the period, compared to the prior year-end.

TOTAL ASSET

Summit II's total assets at March 31, 2014, remained stable at $312.0 million compared to $310.4 million at the prior year end. There have been no property transactions to date in 2014.

TOTAL DEBT

Total debt at March 31, 2014, is relatively unchanged at $189.6 million compared to $189.0 million at the prior year end.

As of March 31, 2014, $64.2 million of a possible $68 million was drawn on the revolving credit facility compared to $62.8 million as of December 31, 2013. On February 20, 2013, the credit facility was increased to $38 million and on March 11, 2013, it was increased to $55 million with the addition of an acquisition property in Aurora, Ontario, as security. On August 15, 2013, the revolving credit facility was increased from $55 million to $68 million.

EQUITY

Equity remained stable at $ 115.7 million as of March 31, 2014, compared to $114.3 million at the prior year end. On February 26, 2013, Summit II completed a public offering of 11,120,000 units at a price of $6.75 for gross proceeds of $75.1 million. The net proceeds on the offering were $69.5 million.

CASH DISTRIBUTIONS

The Trust announced on March 15, 2013, a declared cash distribution to pay $0.0408 per Trust Unit on a monthly basis to unitholders, aggregating $0.4896 on an annual basis. The first cash distribution was paid on April 15, 2013 to unitholders of record on March 29, 2013. Monthly cash distributions of $0.0408 have continued since inception in 2013. The cash distributions declared during the three months ended March 31, 2014, were $2.2 million compared to $0.7 million in the three months ended March 31, 2013.

On May 6, 2014, the Board of Trustees approved a cash distribution increase to $0.042 per unit per month or $0.504 per unit on an annualized basis which represents a 3% annualized increase over the current distribution. This increase will apply to unitholders of record on May 30, 2014. The Board of Trustees have adopted a policy to consider annually increasing the cash distribution by between 2% and 4% while maintaining an AFFO payout ratio below 90%.

DISTRIBUTION REINVESTMENT PLAN

The Trust also has a Distribution Reinvestment Plan ("DRIP") whereby registered or beneficial holders of the Trust's Units who are resident in Canada can acquire additional Trust Units by reinvesting all or a portion of their monthly cash distributions without paying brokerage commissions. In addition, unitholders who elect to participate in the DRIP will receive a further distribution of Trust Units equal to 5% of each distribution that was reinvested by them.

During the three months ended March 31, 2014, there were 84,391 units issued under this plan for total proceeds of $0.5 million, representing a DRIP participation rate of 21.7%. During the year ended December 31, 2013, there were 148,284 units issued under this plan for total proceeds of $0.8 million, representing a 12.5% DRIP participation rate.

LIQUIDITY

(in Thousands of Canadian dollars)	Total	Deferred Financing Charges	Premium on Debt	Remainder of 2014	2-3 years	4-5 years	After 5 years
Loans and borrowings	189,599	(1,043)	114	66,921	13,302	64,632	45,673
Trade and accrued liabilities	4,062			4,062	-	-	-
Total	193,661			70,983	13,302	64,632	45,673

TAXATION

Summit II is generally subject to tax in Canada under the Income Tax Act (The "Tax Act") in respect to its taxable income each year, except to the extent such taxable income is paid or deemed to be payable to unitholders and deducted by Summit II for tax purposes.

Pursuant to Summit II's Declaration of Trust, the Trustees intend to distribute or designate all taxable income directly earned by Summit II to unitholders of the Trust such that Summit II will not be subject to income tax under Part I of the Tax Act.

OCCUPANCY

Summit II works diligently to maximize occupancy throughout its portfolio in accordance with local market conditions.

	March 31, 2014		December 31, 2013		March 31, 2013	
	GLA	Occupancy %	GLA	Occupancy %	GLA	Occupancy %
Investment properties						
Ontario	2,761,254	99.2%	2,761,254	99.2%	2,395,962	100.0%
British Columbia	21,700	100.0%	21,700	100.0%	21,500	100.0%
Alberta	84,163	90.5%	84,163	100.0%	84,163	100.0%
New Brunswick	169,474	100.0%	169,474	100.0%	169,474	100.0%
Quebec	308,558	95.0%	308,558	95.1%	-	100.0%
Total	**3,345,149**	**98.7%**	**3,345,149**	**98.9%**	**2,671,099**	**100.0%**

ACTIVE LEASING PROGRAM

During 2013, the REIT made significant progress in leasing the approximately 287,000 square feet of space that was subject to leases with applicable property vendors (Head Leases) with terms ending December 2016 and September 2015. To date, leases have been secured for 207,453 square feet with negotiations currently under way for another 79,547 square feet with tenants currently in occupancy month-to-month.

2014 lease renewals of 123,252 were completed in 2013, leaving leases representing only 1.3% of the total property portfolio, or 45,003 square feet, to renew in 2014. The weighted average term to maturity for the lease portfolio is approximately 5.8 years.

LEASE ROLLOVER

The following table represents the expected lease rollover for the next five years for the investment properties:

	GLA	Percentage
2014	45,003	1.3%
2015	312,747	9.4%
2016	451,899	13.5%
2017	363,963	10.9%
2018	295,899	8.9%
2019	434,781	13.0%
Thereafter	1,396,152	41.7%
Occupied GLA	3,300,444	98.7%
Vacant	44,705	1.3%
Total GLA	3,345,149	100.0%

The lease rollover profile will continue to change and normalize as the portfolio expands.

DEBT LEVERAGE RATIO

The maximum debt leverage permitted by Summit II's Declaration of Trust is 65%. However, it is Summit II's goal to operate in the mid-50% range over the long term. At March 31, 2014, Summit II's debt leverage ratio was 60.8% compared to 60.9% at December 31, 2013. The twelve-month forward looking debt service coverage ratio for the fund, including the property acquisitions and financing activities noted in subsequent events, is 1.80x. If Summit II were to increase its borrowing to the 65% maximum allowed under its Declaration of Trust in pursuit of a strategic opportunity, it would have the capacity to purchase approximately $37.5 million in new properties although Summit intends to maintain its leverage ratio in the mid 50% range over the long term. .

(In Thousands of Canadian dollars)	**As at March 31, 2014**	**As at December 31, 2013**
Total Assets	312,039	310,413
Debt		
Mortgages payable	125,354	126,200
Bank loans	64,245	62,845
Total debt	189,599	189,045
Leverage ratio	**60.8%**	**60.9%**

CONTRACTUAL OBLIGATIONS

Summit II's most significant contractual obligations relate to the long-term debt including mortgages payable and bank loans as described below.

LONG TERM DEBT

The following table presents the future principal repayments and maturities on long-term debt and respective weighted average effective interest rates:

(In thousands of Canadian Dollars)

Year	**Principal Repayment**	**% of Total**	**Weighted Average Effective Interest Rate**
2014 (remainder)	2,675	2.1%	3.52%
2015	3,690	2.9%	3.69%
2016	9,613	7.6%	3.68%
2017	14,243	11.3%	3.68%
2018	50,389	40.0%	3.71%
2019	1,657	1.3%	3.68%
Thereafter	44,016	34.9%	3.68%
Total principal repayments	126,283	100.0%	
Premium on debt	114		
Deferred financing charges	(1,043)		
Total loans and borrowings	125,354		

As at March 31, 2014, approximately $64.2 million was drawn from the revolving operating facility.

CASH FLOW

The following table represents the changes in cash flow for the three months ended March 31, 2014, compared to the three months ended March 31, 2013.

(In thousands of Canadian dollars)		2014		2013
Cash flow from operating activities	$	2,449	$	2,762
Cash flow (to) from financing activities	$	(1,221)	$	172,766
Cash flow (to) investing activities	$	(1,296)	$	(175,456)

The cash flow from operating activities for the three months ended March 31, 2014, was $2.5 million compared $2.8 million for the prior year. The decrease is due to higher interest payments in the current period as the portfolio being financed is significantly larger than in the three months ended March 31, 2013.

The cash flow to financing activities was $(1.2) million for the three months ended March 31, 2014, compared to cash flow from financing activities $172.8 million for the prior year. The net cash flow to financing activities in the current period resulted from an increase in borrowing on the operating facility of $1.4 million, repayment of mortgage principal of $(0.9) million and cash distributions of $(1.7) million. There were no new debt or equity arrangements during the three months ended March 31, 2014, compared to the same period in 2013, when debt financing was arranged for the 15 properties acquired in the period as well as the equity offerings discussed below.

On February 26, 2013, Summit II completed a public offering of 11,120,000 units at a price of $6.75 for gross proceeds of $75.1 million. The net proceeds on the offering were $69.5 million.

Cash distributions were $1.7 million in the three months ended March 31, 2014, compared to nil in the same period last year. During the three months ended March 31, 2014, there were 84,391 units issued under the DRIP plan for total proceeds of $0.5 million, representing a DRIP participation rate of 21.7%.

Cash outflow to investing activities decreased to $1.3 million for the three months ended March 31, 2014, compared to an outflow of $175.5 million in the same period in 2013. For the three months ended March 31, 2014 the Trust did not acquire properties, compared to the three months ended March 31, 2013, when the Trust acquired 15 properties with GLA of 1,995,405 square feet for a purchase price of $171.2 million.

RELATED PARTY TRANSACTIONS

Management Agreement

Pursuant to the terms of the Management Agreement with Sigma Asset Management Limited (the “Manager”) (formerly Founders Asset Management Corp.), the Manager provides Summit II with the services necessary to manage its day-to-day operations. The Management Agreement, dated September 25, 2012, has an initial term of ten years, subject to earlier termination in certain circumstances, and will be automatically renewed for successive five-year terms.

The Management Agreement sets out the fees payable to the Manager for the services provided, such fees being:

- A base annual management fee equal to 0.25% of the gross value of Summit II's assets;
- an incentive fee equal to 15% of Summit II's AFFO per unit, as defined by the Management Agreement, in excess of a $0.48 (after the "Consolidation") hurdle amount, such hurdle amount to be increased by 1.5% each year;
- an acquisition fee for the purchase price paid by Summit II on the acquisition of a property equal to 1% of the first $50 million of the purchase price, 0.75% of the next $50 million of the purchase price, and 0.50% of any portion of the purchase price in excess of $100 million, payable so long as the gross book value of the properties owned by Summit II does not exceed $1 billion;
- a development fee in an amount to be negotiated between Summit II and the Manager, not to exceed the fair market value for comparable services;
- a property management fee equal to 3.5% of the gross rental income from each multi-tenant property, and 2.5% of the gross rental income from each single-tenant property and other property management costs recoverable under tenant operating leases;
- a leasing fee equal to $1.00 per rentable square foot only for those properties where the Manager provides leasing services; and
- a capital expenditures fee equal to 5% of all hard construction costs incurred on any capital project of Summit II, where the Manager is the project manager for the project and the hard construction costs of the project are in excess of $200,000.

The Manager can elect to take all (or any percentage of all) fees payable to it under the Management Agreement (and any property management agreement) in the form of Units, rather than in cash.

Under the terms of the Management Agreement the Trust has incurred the following fees for the three months ended March 31, 2014 and 2013:

	Three months ended March 31	
(In $ thousands)	**2014**	2013
Acquisition fees (capitalized to investment properties)	**$ -**	$ 1,615
Asset management fees	**217**	72
Property management services	**312**	75
	$ 529	$ 1,762

During the three month period ended March 31, 2014, the Manager paid $8,000 to the Trust (2013 - nil) for office space located at 294 Walker Drive, Brampton, Ontario, under a five year lease commencing June 1, 2013.

The following table represents the units acquired during the three months ended March 31, 2014, by the Manager and certain Informed Persons of the Manager, as such term is defined in National Instrument 51-102 - Continuous Disclosure Obligations:

Units acquired in the three months ended March 31, 2014	Manager	Certain Senior Executives of the Manager	Other insiders	Total units
Acquired on open market in 2014 and DRIP	-	35,012	48,100	83,112

In total the Manager owns a 6.3% interest in the REIT, on an indirect basis. Certain senior executives and employees of the Manager own, directly or indirectly, a 4.5% interest in the REIT and other insiders own, directly or indirectly, a 2.0% interest in the REIT, for a total of 12.9% insider ownership as at March 31, 2014.

SUMMARY OF QUARTERLY RESULTS

The summary of quarterly results for the past eight quarters is as follows:

(in Thousands of Canadian dollars)	2014	2013				2012		
(except per unit amounts)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue from income properties	$ 7,068	$ 7,570	$ 6,139	$ 5,655	$ 2,683	$ 1,670	$ 306	$ 263
Property operating expenses	1,700	2,240	1,505	1,236	574	433	(5)	78
Net operating income (NOI)	5,368	5,330	4,634	4,419	2,109	1,237	311	185
Net income	3,114	3,300	3,028	2,725	1,229	7,704	768	18
Funds from operations (FFO)	3,080	2,934	2,866	2,715	1,229	778	33	18
Adjusted funds form operations (AFFO)	2,816	2,677	2,595	2,502	1,161	720	33	18
Net income (loss) per unit - basic and diluted	0.171	0.182	0.167	0.151	0.111	0.118	0.817	0.028
FFO per unit	0.169	0.162	0.158	0.151	0.111	0.113	0.035	0.028
AFFO per unit	0.155	0.148	0.144	0.139	0.105	0.104	0.035	0.028
Weighted average units outstanding								
Basic and Diluted	18,201	18,126	18,083	18,029	11,090	6,893	940	654

Revenues from income producing properties decreased slightly to $7.1 million during the quarter ended March 31, 2014, compared to $7.6 million in the prior quarter, primarily related to unbilled operating adjustments in the fourth quarter of 2013. Net operating income remained stable during both periods.

Net income was $3.1 million for the quarter ended March 31, 2014, compared to $3.3 million in the prior quarter. The decrease is primarily related to a fair value adjustment to investment properties of $34,000 compared to $366,000 in the prior quarter.

SECTION IV – OUTLOOK

Certain statements below may be forward-looking and readers are cautioned that such statements are subject to certain risks and uncertainties that could cause actual results, performance or achievements of Summit II, or industry results, expressed or implied by such forward-looking statements to differ materially from those contained in such forward-looking statements.

INVESTMENT MANAGEMENT

Management believes that property values in the Canadian light industrial sector experienced a slight correction in mid-2013, in response to fears of interest rate volatility, before stabilizing late in the year. Consequently, entering 2014, property markets are once more reflecting a valuation premium for A Class assets relative to B Class assets. This represents a return to the historical market norm. Additionally, industrial market fundamentals across all major markets are expected to remain extremely strong in 2014 and supportive of rental growth and rising property valuations. This is particularly true in Toronto, Canada's largest industrial market, where vacancy rates and new supply are near historic lows.

Light industrial real estate, particularly when packaged in large portfolios, continues to be in very high demand and attracts premium valuations. Institutional, public and private investors, recognizing good value and income streams in this sector, were particularly active buyers in 2013. This competitive investment climate will continue to influence valuations in 2014. Interest rates, which are expected to remain stable or rise only marginally in 2014, will continue to be supportive of leveraged buying and property valuations in general.

Within the context of this highly competitive investment climate, Summit II will continue to expand its presence in the highly stable light industrial sector of the Canadian real estate industry on a selective basis to achieve its goal of becoming the leading industrial landlord in the markets in which it chooses to operate. To enhance the size and quality of its portfolio, Summit II will continue to seek out and evaluate acquisition opportunities in the light industrial sector which meet its strict criteria, with a particular focus on purchasing individual assets or small portfolios that complement Summit II's existing portfolio and which provide value enhancement opportunities. Summit II will carefully evaluate acquisition opportunities, but will not complete a transaction unless it is accretive to its unitholders and meets Summit II's strict real estate criteria, including an assessment of replacement cost. Management remains confident it will be able to continue to expand the size of its portfolio through a program of selective and accretive acquisitions over the long term.

Summit II's goal in 2014 is to continue expanding its portfolio through acquisitions and expansions. Furthermore, Summit II expects to expand direct access to potential acquisitions through mezzanine financing agreements with third-party developers, providing Summit II with rights to acquire these development projects upon completion, and by broadening its ties to the external development community.

Summit II's disposition efforts will continue in 2014, and will remain focused on its one remaining non-core asset. Summit II intends to use proceeds from this disposition to reduce debt and to reinvest accretively in further acquisitions of Canadian light industrial properties.

OPERATING PERFORMANCE

Management believes the light industrial market will continue to improve in 2014. Management expects national market occupancy and rental rates to increase as North American economies enter a period of economic growth. Activities such as warehousing and storage, light assembly and shipping, professional services and a number of other similar uses carried out in Summit II's properties tend to grow in tandem with the broader economy. As a consequence, strengthening of the broader economy generally leads to strengthening market fundamentals in the industrial sector.

Summit II is also directing its focus on enhancing the cash flow and returns from its existing property portfolio. Summit II will strive to maintain its current high occupancy levels and average monthly rents. Pivotal to Summit II's strategy is to provide tenants with "best-in-class" services to ensure their needs are met and to build Summit II's reputation as the leading service provider in the Canadian real estate industry.

MANAGING DEBT

The market consensus is that interest rates will remain stable or experience only modest increases in 2014. Over the long term, Summit II expects to maintain its leverage in the mid-50% range. Conservative debt service coverage ratios are expected to be maintained during the year. Where appropriate, Summit II plans to utilize hedging instruments to reduce exposure to floating rate debt, and will refinance shorter term debt over the course of the year.

EVENTS SUBSEQUENT TO MARCH 31, 2014

Distributions

On March 14, 2014, a distribution in the amount of $0.0408 per unit for unitholders of record on March 31, 2014 was declared and was paid on April 15, 2014. Also, on April 15, 2014, a distribution in the amount of $0.0408 per unit for unitholders of record on April 30, 2014 was declared and will be paid on May 15, 2014.

On May 6, 2014, the Board of Trustees approved a cash distribution increase to $0.042 per unit per month or $0.504 per unit on an annualized basis which represents a 3% annualized increase over the current distribution. This increase will apply to unitholders of record on May 30, 2014.

Property Dispositions

On May 6, 2014, the Trust announced it had sold a 75% interest in Palladium Drive, an Ottawa property to a major Canadian institution for proceeds of approximately $25.3 million and generating a realized gain on the sale of approximately $4.9 million. The proceeds of the sale were used to reduce the Trust's floating-rate revolving operating facility.

Revolving Operating Facility

Upon the sale of 501 Palladium Drive, the revolving credit facility has been amended. The maximum available has been reduced from $68 million to $49 million. $5 million of the amended credit facility matures on August 31, 2014 and $44 million of the amended credit facility matures September 27, 2015.

The amended operating facility is interest bearing at a variable interest rate based on bank prime plus 1% for prime rate loans or banker's acceptance rates plus 2% for banker's acceptances. Amounts drawn in excess of $44 Million bear a variable interest rate based on bank prime plus 4.5% for prime rate loans or banker's acceptance rates plus 5.5% for banker's acceptances.

PROPERTY PORTFOLIO

The following table provides information regarding the property portfolio as at March 31, 2014:

Summit II REIT Portfolio by Property						
Address	City	Year Built / Renovated	Single vs. Multi-Tenant	No. of Tenants	GLA	Occupancy
				(#)	(sf)	(%)
British Columbia						
6708, 87A Avenue	Fort Saint John	2006	Single	1	13,500	100.0%
2500 Cranbrook Street	Cranbrook	1970	Single	1	8,200	100.0%
Alberta						
3703 98th Street	Edmonton	1978	Single	1	45,752	100.0%
5880 56th Ave	Edmonton	1997/ 2004	Single	1	30,411	100.0%
6882 &6884, 52nd Avenue	Red Deer	1970	Single	1	8,000	0.0%
Ontario						
501 Palladium Drive	Ottawa	2007	Multi	2	258,371	100.0%
134 Bethridge Road	Bethridge	~1965	Single	1	142,386	100.0%
710 Neal Drive	Peterborough	1973 / Ongoing	Single	1	101,601	100.0%
200 Iber Road	Ottawa	2007	Multi	4	75,743	100.0%
240 Laurier Boulevard	Brockville	2005 / 2010	Single	1	68,093	100.0%
155-161 Orenda Road (1)	Brampton	1970	Multi	3	319,077	100.0%
8705 Torboram Road (1)	Brampton	1980 / 2003	Multi	3	295,957	100.0%
6 Shaftsbury Lane	Brampton	1975	Single	1	125,871	100.0%
40 Summerlea Road	Brampton	1987	Single	1	121,138	100.0%
296-300 Walker Drive	Brampton	1976	Multi	2	102,972	100.0%
292-294 Walker Drive (1)	Brampton	1987	Multi	6	74,583	100.0%
165 Orenda Road	Brampton	2003	Single	1	57,055	100.0%
1075 Clark Boulevard	Brampton	1974	Single	1	35,842	100.0%
200 Vandorf	Aurora	1985	Single	1	322,187	100.0%
125 Nashdene	Scarborough	1992	Multi	2	163,402	100.0%
40 Dynamic Drive	Scarborough	1988	Multi	3	86,681	75.3%
50 Dynamic Drive	Scarborough	1986	Single	1	45,003	100.0%
110 Walker Drive	Brampton	1981 / 1987	Single	1	148,832	100.0%
500 Veterans Drive	Barrie	2004	Single	1	216,460	100.0%
New Brunswick						
290 Frenette	Moncton	2012	Single	1	169,474	100.0%
Quebec						
175 Bellerose Boulevard	Laval	2007	Single	1	81,087	100.0%
2580 Dollard	Lassalle	1973	Multi	4	89,000	100.0%
2695 Dollard	Lassalle	1954 / 1980	Multi	1	62,279	75.5%
300 Labrosse	Pointe-Claire	1974	Single	1	55,333	100.0%
7290 Frederick Banting	St. Laurent	2001	Single	1	20,859	100.0%
Total Portfolio				**50**	**3,345,149**	**98.7%**

(1) Expected occupancy over the course of the period with vendor leases in place.

SECTION V – RISKS AND UNCERTAINTIES

Income producing properties are inherently subject to certain risks and uncertainties due to their relative illiquidity and long term nature of the investment. Summit II's financial results; are therefore, dependent on the performance of its properties and by various external factors that impact the real estate industry and geographic markets in which the REIT operates. Some of the external factors that the REIT is exposed to include fluctuations in interest and inflation rates; access to debt; fulfilling legal and regulatory requirements; and expansion or contraction in the economy as a whole.

Summit II's current business strategy is to focus on acquiring and managing a portfolio of light industrial commercial properties, in both primary and secondary markets throughout Canada and that generate stable cash flows over the long term. The quality of the REIT's current portfolio, Management believes, provides the leverage the REIT needs to expand the business in new markets and acquire high performing properties. Management believes this strategy will enable the REIT's operations to achieve highly sustainable cash flows.

The following is an examination of the key factors that influence Summit II's operations. A more detailed description of all of our risk factors is contained in the REIT's Annual Information Form.

(A) Interest rate risk

The REIT is exposed to interest rate risk when funds are drawn under the revolving credit Facility and variable rate mortgages, which have a floating rate of interest. An increase in interest rates would increase the interest cost of the REIT's loans and have an adverse effect on the REIT's comprehensive income and earnings per unit. Based on the outstanding balance of the Acquisition Facility and variable rate mortgages at March 31, 2014, a 1% increase or decrease in the Bank's prime rate would have an impact of $642,000 on the REIT's annual interest expense (December 31, 2013 - $628,000) for the period then ended. The REIT intends to structure its fixed rate financing so as to stagger the maturities of its mortgages, thereby minimizing exposure to future interest rate fluctuations.

(B) Credit risk

Credit risk arises from the possibility that tenants may experience financial difficulty and be unable to fulfill their lease commitments. The REIT attempts to mitigate this risk by conducting credit assessments on new lessees, diversifying its tenant mix and by limiting its exposure to any one tenant. The maximum credit risk exposure at March 31, 2014, and December 31, 2013, relates to the carrying value of the accounts receivable balance without taking into account any collateral held or other credit enhancements. Collateral held on certain leases are letters of credit or security deposits from the tenants. Refer to Note 6 of the REIT's Unaudited Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2014 and 2013 for details of accounts receivable.

(C) Liquidity risk

Liquidity risk arises from the possibility of not having sufficient debt and equity capital available to the REIT to fund future growth, refinance debts as they mature or meet the REIT's payment obligations as they arise. Furthermore, liquidity risk also arises from the REIT not being able to obtain financing or refinancing on favourable terms. The three months ended March 31, 2014, the REIT's main liquidity requirements arise from ongoing working capital requirements, debt servicing and repayment obligations, capital and leasing expenditures on existing properties, property acquisitions and distributions to unitholders. All of the aforementioned liquidity requirements, except for debt repayment obligations at maturity and property acquisitions, are generally funded from cash flows from operations or from drawing on the REIT's revolving credit Facility. Debt repayment obligations (Note 7) are generally funded from refinancing the related debt and property acquisitions are generally funded from equity raises as well as obtaining debt financing on the related property. Between capital raises, the REIT may use its Revolving credit facility to fund the equity portion of property acquisitions.

The REIT's financial condition and results of operations would be adversely affected if it were unable to obtain financing/refinancing or cost-effective financing/refinancing, or if it were unable to meet its other liquidity requirements from ongoing operating cash flows.

The REIT intends to mitigate its liquidity risk by staggering the maturities of its debt. As well, the REIT's distributions are made at the discretion of the REIT's Trustees. Finally, the Trust does not enter into committed property acquisitions unless it has secured or knows that it can secure the appropriate capital (debt and equity) to fund the particular acquisition.

DISCLOSURE AND INTERNAL CONTROLS

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") of Summit II, along with the assistance of senior management, have designed disclosure controls and procedures to provide reasonable assurance that material information relating to Summit II is made known to the CEO and CFO, and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. No changes were made in Summit II's design of internal controls over financial reporting during the three months ended March 31, 2014, that have materially affected, or are reasonably likely to materially affect, Summit II's internal controls over financial reporting.

Due to the inherent limitations in all controls systems, a control system can provide only reasonable, not absolute assurance, that the objective of the control system are met and may not prevent or detect misstatements or instances of fraud. Management's estimates may be incorrect, or assumptions about future events may be incorrect, resulting in varying results. Additionally, controls may be circumvented by the unauthorized acts of individuals, by collusion or two or more people or by management override.

FUTURE CHANGES IN ACCOUNTING POLICIES

The future accounting policies changes are discussed in the Trust's unaudited condensed consolidated financial statements for the three months ended March 31, 2014 and 2013 and the notes contained therein.

UNITS OUTSTANDING

The Trust is permitted under its Declaration of Trust, to issue three classes designated as "Units", "Special Voting Units" and "Preferred Units". The Trust has issued only a single class of Units.

The total number of Units outstanding as of May 6, 2014 was 18,270,522.