SUMMIT INDUSTRIAL INCOME REIT

Management's Discussion & Analysis

December 31, 2013

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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 consolidated financial position and results of operations for the years ended December 31, 2013 and 2012.

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 February 26, 2014, and should be read in conjunction with the REIT's audited Consolidated Financial Statements for the years ended December 31, 2013 and 2012. 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 February 26, 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 December 31, 2013, 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 $307.8 million compared to 10 properties totalling 729,992 square feet of GLA as at December 31, 2012, with a net book value of approximately $79.4 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 the 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 the top manager of 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) in the range of 90% and 95%.

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 May 21, 2013.

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 3rd Quarter of 2013, the national availability rate and vacancy rate had dropped to 5.9% 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 2.6%, 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 December 31		Year ended December 31	
	2013	2012	**2013**	2012
Portfolio Performance				
Occupancy (%) [1]	**98.9%**	97.0%	**98.9%**	97.0%
Revenue from income properties	**$ 7,570**	$ 1,670	**$ 22,047**	$ 2,497
Property operating expenses	**2,240**	433	**5,555**	517
Net operating income	**5,330**	1,237	**16,492**	1,980
Interest expense	**1,857**	359	**5,280**	705
Net income	**3,300**	7,704	**10,282**	8,567
Operating Performance				
FFO	**2,934**	778	**9,744**	906
AFFO	**2,677**	720	**8,935**	906
Net income per unit - Basic and diluted[2]	**0.182**	1.118	**0.629**	0.311
FFO per unit [2][3]	**0.162**	0.113	**0.596**	0.395
AFFO per unit [2][3]	**0.148**	0.104	**0.546**	0.395
Distributions declared to Unitholders	**2,220**	-	**7,376**	13,347
Distributions per unit declared to Unitholders	**0.1224**	-	**0.4080**	1.700
Distributions paid [4]	**1,920**	-	**5,805**	13,347
FFO payout ratio without DRIP benefit [4]	**75.6%**	N/A	**68.5%**	N/A
FFO payout ratio with DRIP benefit [4]	**65.4%**	N/A	**59.6%**	N/A
AFFO payout ratio without DRIP benefit [4]	**82.9%**	N/A	**74.7%**	N/A
AFFO payout ratio with DRIP benefit [4]	**71.7%**	N/A	**65.0%**	N/A
Weighted average units outstanding [2]	**18,126**	6,893	**16,356**	2,294
Liquidity and Leverage				
Total assets	**310,413**	81,571	**310,413**	81,571
Total debt (loans and borrowings and preferred units payable)	**189,045**	38,299	**189,045**	38,299
Weighted average effective mortgage interest rate	**3.68%**	3.89%	**3.68%**	3.89%
Weighted average mortgage term (years)	**4.95**	4.70	**4.95**	4.70
Leverage ratio	**60.9%**	47.0%	**60.9%**	47.0%
Interest coverage (times) [5]	**2.47**	2.40	**2.74**	2.40
Debt service coverage (times) [5]	**1.69**	2.39	**1.93**	2.39
Other				
Properties acquired	**4**	2	**22**	5
Non-core properties disposed	**-**	1	**2**	15

[1] Approximately 185,604 square feet (5.5% of total GLA) Head Lease space has been leased to date. Negotiations are under way for 77,243 square feet (2.3% of total GLA) leaving 24,153 square feet (0.7% 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] Includes additional one-time, non-recurring general and administrative costs of $197,000, or $0.011 FFO per unit and AFFO per unit, in the fourth quarter relating to the REIT's move from the TSXV to the TSX on November 11, 2013.

[4] 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.

[5] The 2012 ratio has been calculated based on Q4 2012 results, which aligns the issuance of debt with the new acquisitions in 2012.

FINANCIAL AND OPERATING HIGHLIGHTS

Recent Highlights:

- Acquired 22 properties in 2013 totaling 2.7 million sq. ft. of GLA for $223.8 million at strong 6.87% average cap rate
- Total portfolio increases to 30 properties at year-end aggregating 3.3 million sq. ft. of GLA
- Solid quarter-over-quarter growth in 2013 due to acquisitions, strong property performance
- Q4 2013 operating results exceed February prospectus forecast
- 82.9% AFFO payout ratio in Q4 2013, 74.7% for year ended December 31, 2013
- Renewed 123,252 square feet of the 168,255 square feet set to expire in 2014
- Leased 185,604 square feet of the 287,000 square feet of head lease space with a further 77,243 square feet under negotiation at year-end
- Attractive and accretive financing arranged for 2013 acquisitions at an average effective interest rate of 3.68%
- Trust Units listed on Toronto Stock Exchange effective November 11, 2013

REVENUE, PROPERTY OPERATING EXPENSES, NOI, INTEREST

Revenue from income producing properties for the three months and year ended December 31, 2013, increased to $7.6 million and $22.0 million, respectively, from $1.7 million and $2.5 million for the same periods in 2012. These increases are primarily due to the acquisition of 22 properties with gross leasable area of 2,669,255 square feet during 2013. The newly acquired properties (the "Acquisitions"), contributed approximately $5.9 million and $15.2 million, respectively, to revenues for the three months and year ended December 31, 2013.

Property operating expenses increased to $2.2 million and $5.5 million, respectively, for the three months and year ended December 31, 2013, compared to $0.4 million and $0.5 million, respectively, for the same periods in 2012, due primarily to the increase in the property portfolio during 2013 and the nature of the leases in place related to the properties sold earlier in 2012. The new Acquisitions contributed approximately $1.8 million and $4.1 million, respectively, to operating expenses for the three months and year ended December 31, 2013. Early in 2012, and in prior years, leases in place were triple net, whereas leases under the Acquisition properties are such that the landlord pays the expenses and then recovers from the tenant.

Interest expense for the three months and year ended December 31, 2013, increased to $1.9 million and $5.3 million, respectively, from $0.4 million and $0.7 million, respectively, for the same periods in the prior year. The increases were due to the increase in the property portfolio and associated debt during 2013, repayment of debt in 2012 and the decline in the weighted average interest rate from 4.0% in 2012 to 3.7% in 2013. Proceeds from the sale of the properties in April 2013 were partially used to repay approximately $4.2 million of borrowings.

The net income for the Trust for the three months and year ended December 31, 2013 was $3.3 million and $10.3 million, respectively, compared to $7.7 million and $8.6 million, respectively for the same periods in 2012. Net income has increased due to the growth of the portfolio in 2013, partially offset by additional one-time, non-recurring general and administrative costs of $197,000 ($0.011 FFO per unit) in the fourth quarter relating to the REIT's move from the TSXV to the TSX on November 11, 2013, and a positive fair value adjustment on income producing properties of $538,000, compared to positive fair value adjustments of $7.7 million in 2012.

TRANSACTIONS

ACQUISITIONS

For the year ended December 31, 2013, Summit II purchased twenty two properties totalling 2,669,255 square feet of GLA at a weighted average capitalization rate ("cap rate") of 6.87%. Details of these 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
500 Veterans Drive	Barrie	Ontario	August 29, 2013	216,460		17,216,000
110 Walker Drive	Brampton	Ontario	August 29, 2013	148,832		12,163,000
175 Bellerose Blvd	Laval	Quebec	August 29, 2013	81,087		7,971,000
300 Labrosse	Pointe-Claire	Quebec	October 1, 2013	55,333		3,400,000
2580 Dollard	Lassalle	Quebec	October 1, 2013	89,000		5,225,000
2695 Dollard	Lasselle	Quebec	October 1, 2013	62,279		2,950,000
7290 Frederick Banting	St. Laurent	Quebec	October 1, 2013	20,859		3,725,000
Total 2013 Acquisitions				2,669,255	$	223,820,000

For the year ended December 31, 2012, Summit II purchased five light industrial properties totalling 646,194 square feet of GLA at a weighted average cap rate of 7.83%. Details of these acquisitions are shown in the following table:

ACQUISITIONS

Property	City	Province	Closing date	GLA		Sale Price
200 Iber Road	Ottawa	Ontario	September 27, 2012	75,743	$	7,267,983
240 Laurier Blvd.	Brockville	Ontario	September 27, 2012	68,093	$	14,034,726
501 Paladium Drive	Ottawa	Ontario	September 27, 2012	258,371	$	23,558,291
710 Neal Drive	Peterborough	Ontario	October 5, 2012	101,601	$	5,250,000
134 Bethridge Road	Etobicoke	Ontario	December 27, 2012	142,386	$	9,400,000
Total 2012 Acquisitions				646,194	$	59,511,000

DISPOSITIONS

For the year ended December 31, 2013, Summit II disposed of two non-core light industrial properties totalling 54,298 square feet of GLA. Details of these dispositions are shown in the following table:

Property	City	Province	Closing date	GLA		Selling Price
4010 & 3930 Thatcher Avenu	Saskatoon	Saskatchewan	April 26, 2013	24,298	$	3,775,000
Hwy 1 & 8 North, 109 Hwy 8	Moosomin	Saskatchewan	April 30, 2013	30,000		1,646,000
Total 2013 Dispositions				54,298	$	5,421,000

Proceeds on the above noted dispositions were used to repay $4.2 million in mortgages and $1.1 million in other liabilities. A net gain of $60,000 was realized after deducting costs relating to the disposition.

Details of dispositions for the year ended December 31, 2012 are presented in the following table:

Property	City	Province	Closing date	GLA		Sale Price
14 dealerships sold (1)	Various	Alberta/Sask	January 5, 2012	314,727	$	25,900,000
164005 Road 119N	Manitoba	Russell/Manitoba	December 17, 2012	22,000	$	1,641,266
Total 2012 Dispositions				336,727	$	27,541,266

(1) 11 Alberta locations and 3 locations in Saskatchewan sold to Cervus Equipment Corp.

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 December 31		Year ended December 31	
	2013	2012	**2013**	2012
Net Income	**$ 3,300**	$ 7,704	**$ 10,282**	$ 8,567
adjustments				
Fair value adjustment to investment properties	**(366)**	(6,926)	**(538)**	(7,661)
FFO	**$ 2,934**	$ 778	**$ 9,744**	$ 906
adjustments				
Straight lining of rents	**$ (197)**	$ (58)	**$ (578)**	$ (58)
Leasing costs	**$ (27)**	$ -	**$ (210)**	$ -
Free rent amortization	**$ 11**	$ -	**$ 23**	$ -
Capital	**$ (44)**	$ -	**$ (44)**	$ -
AFFO	**$ 2,677**	$ 720	**$ 8,935**	$ 848
FFO per unit (1)	**$ 0.162**	$ 0.113	**$ 0.596**	$ 0.395
AFFO per unit (1)	**$ 0.148**	$ 0.104	**$ 0.546**	$ 0.370
Distributions declared to Unitholders (2)	**$ 2,220**	$ -	**$ 7,376**	$ 13,347
Distributions per unit declared to Unitholders	**$ 0.1224**	$ -	**$ 0.4080**	$ 1.700
Cash distributions paid	**$ 1,920**	$ -	**$ 5,805**	$ 13,347
FFO payout ratio without DRIP benefit (3)	**75.6%**	N/A	**68.5%**	N/A
FFO payout ratio with DRIP benefit (3)	**65.4%**	N/A	**59.6%**	N/A
AFFO payout ratio without DRIP benefit (3)	**82.9%**	N/A	**74.7%**	N/A
AFFO payout ratio with DRIP benefit (3)	**71.7%**	N/A	**65.0%**	N/A
Weighted average number of units outstanding - pre "unit consolidation"	**N/A**	82,716	**N/A**	27,533
FFO per unit - post "consolidation"	**N/A**	$ 0.113	**N/A**	$ 0.395
Weighted average number of units outstanding - post '"consolidation"	**18,126**	6,893	**16,356**	2,294
Units issued and outstanding at the end of the period	**18,157**	82,718	**18,157**	82,718

(1) Includes additional one-time, non-recurring general and administrative costs of $197,000, or $0.011 FFO per unit and AFFO per unit, in the fourth quarter relating to the REIT's move from the TSXV to the TSX on November 11, 2013.

(2) On January 23, 2012, the Trust paid a special distribution to Unitholders using proceeds from the sale of 14 properties that were sold on January 2, 2012.

(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.

For the three months and year ended December 31, 2013, FFO per unit was $0.162 and $0.596, respectively, compared to $0.113 and $0.395 for the same periods in 2012. The increase in FFO per unit in 2013 compared to 2012 was due primarily to the increased size of the portfolio in 2013.

For the three months and year ended December 31, 2013, AFFO per unit was $0.148 and $0.546, respectively, compared to $0.104 and $0.370 for the same periods in 2012.

The REIT's AFFO payout ratio was 82.9% and 74.7%, respectively, for the three months and year ended December 31, 2013, well ahead of the 95% forecast in its February 2013 offering prospectus. Including the benefit of the REIT's DRIP program, the effective cash payout ratio was a conservative 71.7% and 65.0%, respectively, for the three months and year ended December 31, 2013.

On January 28, 2013, the REIT consolidated all of its issued and outstanding units on the basis of one post consolidation Unit for every twelve pre-consolidation Unit (the "Consolidation") held as of the record date for the Consolidation. The Consolidation was effected after receiving approval from the unitholders at a special meeting of unitholders held on January 16, 2013 and after receiving approval from the TSXV. Following the Consolidation, the number of outstanding units was reduced from 82,717,645 to approximately 6,888,915 units, including 4,222 units that were cancelled. Based on this Consolidation, for the year ended December 31, 2012, AFFO and FFO per unit would be $0.395.

COMPARISON TO FORECAST

The forecast included in the February 13, 2013 Short Form Prospectus was prepared for the three month periods ending August 31, 2013 and November 30, 2013. The table below compares actual results to forecast.

(in Thousands of Canadian dollars) (except per unit amounts) As at	**Actual 3 months ended Nov 30 - 13**	Forecast 3 months ended Nov 30 - 13	*Variance*	**Actual 9 months ended Nov 30 - 13**	Forecast 9 months ended Nov 30 - 13	*Variance*
Rentals from investment properties	**$ 7,153**	$ 6,339	*$ 814*	**$ 18,208**	$ 19,059	*$ (851)*
Operating expenses	**1,953**	1,986	*33*	**4,476**	5,970	*1,494*
Net rental income	**5,200**	4,353	*847*	**13,732**	13,089	*643*
Other income and expenses						
Finance income	**11**	-	*11*	**20**	-	*20*
Gain on sale of investment properties & other assets	**-**	-	*-*	**60**	-	*60*
	11	-	*11*	**80**	-	*80*
Other Expenses						
General & administrative	**304**	323	*19*	**1,063**	969	*(94)*
Finance Costs	**1,780**	1,345	*(435)*	**4,403**	4,056	*(347)*
	2,084	1,668	*(416)*	**5,466**	5,025	*(441)*
Income for the period before income taxes and fair value adjustments to investment properties	**3,127**	2,685	*442*	**8,346**	8,064	*282*
Income Taxes						
Income before fair value adjustments to investment properties	**3,127**	2,685	*442*	**8,346**	8,064	*282*
Fair value adjustment to investment properties	**162**	-	*162*	**172**	-	*172*
Net income	**$ 3,289**	**$ 2,685**	***$ 604***	**$ 8,518**	**$ 8,064**	***$ 454***
Earnings per unit						
Basic	**$ 0.18**	$ 0.15	*0.03*	**$ 0.55**	$ 0.45	*0.10*
Diluted	**$ 0.18**	$ 0.15	*0.03*	**$ 0.55**	$ 0.45	*0.10*
FFO - (Income before income taxes and fair value adjustments above)	**$ 3,127**	**$ 2,685**	***$ 442***	**$ 8,346**	**$ 8,064**	***$ 282***
Add / (Deduct)						
Straight Line rent	**(182)**	(152)	*(30)*	**(458)**	(445)	*(13)*
Tenant inducements and leasing costs reserve	**(178)**	(137)	*(41)*	**(227)**	(413)	*186*
Capital expenditures	**(19)**	(73)	*92*	**(19)**	(219)	*238*
AFFO	**$ 2,748**	**$ 2,323**	***$ 463***	**$ 7,642**	**$ 6,987**	***$ 693***

When comparing actual to forecast, the results for the 3 months period ended November 30, 2013, are slightly ahead of forecast. When comparing actual to forecast, the 9 months ended variances in net rental income and finance costs are primarily due to the timing of the acquisition closing dates. The forecast assumed all properties within the acquisition portfolio would have occurred by March 1, 2013. However, as indicated in the acquisitions table, these transactions occurred up to March 13, 2013. Due to the timing of the March acquisitions, coupled with the acquisition of seven additional properties in the second half of 2013, the comparison of actual results to the forecast results for the same period is no longer meaningful. Accordingly, the Trust is withdrawing the comparison to forecast included in its Short Form Prospectus in respect of all future periods.

LIQUIDITY AND CAPITAL RESOURCES

The major changes to Summit II's balance sheet as at December 31, 2013, compared to the prior year-end reflect the property acquisitions, dispositions, debt assumptions and equity offering during 2013.

TOTAL ASSETS

Summit II's total assets increased to $310.4 million for the year end December 31, 2013, compared to $81.6 million in 2012. Please refer to "Transactions" section above;

- during the first quarter of 2013, the REIT acquired 15 properties for a purchase price of $171.2 million (excluding closing costs);
- during the second quarter of 2013, the REIT disposed of two non-core assets for a selling price of $5.4 million;
- during the third quarter of 2013, three properties were acquired for a purchase price of $37.4 million (excluding closing costs); and
- during the fourth quarter of 2013, four properties were acquired for a purchase price of $15.3 million (excluding closing costs).

On January 5, 2012, the REIT sold 14 properties for a sale price of $26.3 million. On September 27, 2012, Summit II purchased three light industrial properties totalling 402,207 square feet of GLA for a purchase price of $44.8 million (excluding closing costs). On October 5, 2012, a property with GLA of 101,601 square feet was acquired for a purchase price of $5.3 million and on December 27, 2012, a property with 142,386 square feet of GLA was acquired for $9.4 million. All of the properties acquired in 2012 were in the Ontario region.

TOTAL DEBT

Total debt for the year ended December 31, 2013, increased to $189.0 million compared to $38.3 million in 2012. In conjunction with the above noted property acquisitions, the following mortgage financings were obtained in 2013;

- on February 28, $8.6 million for a five year term at a rate of 3.22%;
- on March 4, $15.0 million for a five year term at a rate of 3.61%;
- on March 11, assumed $13.0 million with a four year term at a rate of 3.70%;
- on March 13, acquired new mortgage of $54.0 million for a seven year term at the rate of 3.68%;
- on August 9, renewed a mortgage in the amount of $1.3 million for a three-year term at a rate of 4.02%;
- on August 29, 2013 acquired new mortgage of $16.4 million with a five year term and a rate of 3.85%;
- on August 29, 2013, assumed a mortgage for $5.4 million with a stated rate of 5.22% and remaining term of two years marked to a market rate of 3.85% for a premium of $152 thousand; and
- on October 1, 2013, acquired new mortgage of $10.1 million for a five year term at a rate of 3.84%.

Sales proceeds of $5.4 million from the above noted property disposals, were used to repay mortgages totaling $4.2 million and other liabilities of $1.1 million. As well, on May 31, 2013, the REIT repurchased and cancelled the Class C preferred units, at an interest rate of 8%, using funds from the credit facility.

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. As of December 31, 2013, $62.8 million was drawn on the revolving credit facility.

EQUITY

Equity increased to $114.3 million for the year ended December 31, 2013, compared to $41.1 million in 2012. 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. On September 25, 2012, Summit II completed a private offering of 8,200,000 pre-consolidation trust units at a price of $0.32 per pre-consolidation unit for proceeds of $2.6 million. On September 27, 2012, Summit II completed a second private offering of 66,666,667 pre-consolidation units at a price of $0.45 per pre-consolidation unit for gross proceeds of $30 million. The two offerings raised a total $32.6 million and incurred issue costs of $1.9 million for net proceeds of $30.7 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 will be paid on April 15, 2013 to unitholders of record on March 29, 2013. Cash distributions remained steady during the balance of the year at $0.0408 per unit for a total of $0.4080 per unit to date having been declared for the year ended December 31, 2013. The cash distributions during the year ended December 31, 2013, were $7.4 million compared to $13.4 million in the prior year. On January 23, 2012, the Trust paid a special distribution to unitholders using proceeds from the sale of 14 properties that were sold on January 5, 2012. The Trust did not pay any further distributions during the year ended December 30, 2012.

DISTRIBUTION REINVESTMENT PLAN

The Trust also announced that it has implemented 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 year ended December 31, 2013, there were 148,284 units issued under this plan for total proceeds of $0.8 million, representing 12.5% of the related distributions.

LIQUIDITY

(in Thousands of Canadian dollars)	Total	Deferred Financing Charges	Premium on Debt	Less than 1 year	2-3 years	4-5 years	After 5 years
Loans and borrowings	189,045	(1,092)	130	3,554	79,491	64,632	45,673
Trade and accrued liabilities	4,414			4,414	-	-	-
Total	193,459			7,968	79,491	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.

For taxable Canadian resident Unitholders, the distributions are treated in the following manner for tax purposes:

	2013
Other income	0.89%
Capital gain	23.66%
Return of capital	75.45%
Total	**100.00%**

OCCUPANCY

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

	GLA	Occupancy %
Investment properties		
Ontario	2,761,254	99.2%
British Columbia	21,700	100%
Alberta	84,163	100%
New Brunswick	169,474	100%
Quebec	308,558	95.1%
Total	**3,345,149**	**98.9%**

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 185,604 square feet with offers currently under negotiation for another 77,243 square feet with tenants currently in occupancy month-to-month.

2014 lease renewals of 123,252 have been completed to date, leaving leases representing only 1.6% of the total property portfolio, or 53,003 square feet, to renew in 2014. The weighted average term to maturity for the lease portfolio is approximately 6.0 years.

Summit II has resolved a number of issues with an undervalued property located at 501 Palladium Drive in Ottawa, Ontario. The property is being redeveloped from a single tenant to a multi-tenant building. Subsequent to the year-end leases have been arranged for the majority of the space with two new tenants, including options for the remaining space. Summit II has negotiated a $4.5 million lease buyout from the departing tenant to cover costs related to temporary vacancies and re-leasing.

LEASE ROLLOVER

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

	GLA	Percentage
2014	53,003	1.6%
2015	312,747	9.3%
2016	451,899	13.5%
2017	362,276	10.8%
2018	295,899	8.9%
Thereafter	1,832,620	54.8%
Occupied GLA	3,308,444	98.9%
Vacant	36,705	1.1%
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 December 31, 2013, Summit II's debt leverage ratio was 60.9% compared to 47.0% at December 31, 2012. The increase is primarily a result of property acquisitions during 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 million in new properties as at December 31, 2013.

(In Thousands of Canadian dollars)	**As at December 31, 2013**	**As at December 31, 2012**
Total Assets	310,413	81,571
Debt		
Mortgages payable	126,200	11,095
Preferred units payable	-	1,125
Bank loans	62,845	26,079
Total debt	189,045	38,299
Leverage ratio	**60.9%**	**47.0%**

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 (1)	66,399	35.0%	3.63%
2015	3,690	1.9%	3.69%
2016	9,613	5.1%	3.68%
2017	14,243	7.5%	3.68%
2018	50,389	26.5%	3.71%
Thereafter	45,673	24.0%	3.68%
Total principal repayments	190,007	100.0%	
Premium on debt	130		
Deferred financing charges	(1,092)		
Total loans and borrowings	189,045		

(1) A balance of $62.8 million relates to the revolving operating facility.

CASH FLOW

The following table represents the changes in cash flow for the year ended December 31, 2013, compared to December 31, 2012.

(In thousands of Canadian dollars)	**2013**	**2012**
Cash flow from operating activities	$ 11,191	$ 460
Cash flow from (to) financing activities	$ 195,887	$ 46,963
Cash flow (to) investing activities	$ (206,846)	$ (46,968)

The cash flow from operating activities for the year ended December 31, 2013, was $11.2 million compared $0.5 million for the prior year. The increase is due to the growth in the portfolio through acquisitions in 2013 compared to 2012.

The cash flow from financing activities was $195.9 million for the year ended December 31, 2013, compared to $47.0 million for the prior year. The increase was due primarily to debt financing arranged for the 22 properties acquired in 2013 and an increase in funds raised through equity offerings.

During 2013 there were mortgage financings of $104.0 million ($122.4 million net of mortgages assumed on acquisition of $18.4 million), with terms between five to seven years at an average rate of 3.67%, were obtained to fund the property acquisition, compared to mortgage financings of $34.2 million in 2012. In addition, funds drawn on the credit facility increased to $62.8 million in 2013 from $26.1 million in 2012.

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. On September 25, 2012, the Trust issued 8,200,000 trust units pre-consolidation, at a price of $0.32 per Unit for proceeds of $2.6 million. The subscribers under the Private Placement are individuals that are members of senior Management of Sigma Asset Management Limited and their family members. On September 27, 2012, the Trust completed a private placement of 66,666,667 units pre-consolidation, at a price of $0.45 per Unit for gross proceeds of $30 million.

Cash distributions were $5.8 million in 2013, compared to $13.3 million last year. During 2013, there were 148,284 units issued under the DRIP plan for total proceeds of $0.8 million, representing 12.5% of the related distributions. On January 23, 2012, the Trust paid a special distribution to the unitholders with proceeds from the sale of 14 properties on January 5, 2012.

Cash outflow to investing activities increased to $206.8 million for the year ended December 31, 2013 compared to an inflow of $47.0 million in 2012. For the year ended December 31, 2013 the Trust acquired 22 properties in Ontario for a purchase price of $223.8 million, net of mortgages assumed of $18.4 million and security deposits of $1.5 million, compared to five properties acquired in 2012 for a purchase price of $59.5 million, with no mortgage assumptions. Also, property disposition proceeds in 2013 of $5.4 million were used to repay mortgages of $4.2 million and other liabilities of $1.1 million compared to 2012, when the Trust had proceeds from sale on investments of $27.5 million which, after repayment of long term debt, produced net proceeds of $15.5 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 and years ended December 31, 2013 and 2012:

	Three months ended December 31		Year ended December 31	
(In $ thousands)	**2013**	2012	**2013**	2012
Acquisition fees (capitalized to investment properti	**$ 153**	$ 146	**$ 2,142**	$ 595
Asset management fees	**193**	42	**585**	42
Leasing fees (capitalized to investment properties)	**93**	-	**155**	-
Property management services	**323**	44	**926**	44
	$ 762	$ 232	**$ 3,808**	$ 681

The following table represents the units acquired during the year ended December 31, 2013, 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 2013	Manager	Certain Senior Executives of the Manager	Other insiders	Total units
Acquired during February 2013 offering	240,444	239,257	14,814	494,515
Acquired on open market in 2013	-	255,578	264,926	520,504
	240,444	**494,835**	**279,740**	**1,015,019**

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 4.0% interest in the REIT and other insiders own, directly or indirectly, a 1.8% interest in the REIT, for a total of 12.1% insider ownership as at December 31, 2013.

Cervus Equipment Corporation

Until September 25, 2012 the CEO of the Trust was the Executive Chairman of the Board of Directors of Cervus Equipment Corporation ("Cervus") and the Trust and Cervus shared a common Board of Directors. Effective September 25, 2012 as a result of the units issued on that date, the Chairman of Cervus is no longer the CEO of the Trust, and the Trust does not share a common board of directors with Cervus.

For the year ended December 31, 2012, the Trust received $281,000 in rental income and guarantee fees and paid $58,000 in management fees and interest.

In 2012 the Trust sold land and buildings to Cervus and Cervus assumed certain mortgage liabilities related to those assets. The sales price was aggregated to $26.3 million, of which $11.5 million was an assumption of mortgage debt and the balance of $14.8 million, was in the form of cash in the amount of $13.3 million and $1.5 million was applied as a reduction in the loan between the Trust and Cervus. As at December 31, 2013, there is no outstanding balance of the loan between the Trust and Cervus is nil (2012 - $1.1 million).

SUMMARY OF SELECTED ANNUAL INFORMATION

(in Thousands of Canadian dollars) (except per unit amounts)	**December 31, 2013**	December 31, 2012	December 31, 2011 [3]
Revenue from income properties	**$ 22,047**	$ 2,497	$ 3,388
Property operating expenses	**5,555**	517	39
Net operating income	**16,492**	1,980	3,349
Interest expense	**5,280**	705	1,739
Net income	**10,282**	8,567	1,413
Total assets	**310,413**	81,571	38,714
Total debt (loans and borrowings and preferred units payable)	**189,045**	38,299	19,937
Distributions declared to Unitholders	**7,376**	13,347	11,452
Distributions per unit declared to Unitholders [1]	**0.408**	1.700	1.460
Units issued and outstanding at the end of the period [2]	**18,157**	82,718	7,851

[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.

[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] Restated for change in accounting policy. Refer to Note 4 to the Audited Consolidated Financial Statements for the year ended December 31, 2012 and 2011.

Since December 31, 2011, Summit II's total assets have increased by approximately 800% due to transaction activity.

NOI decreased by approximately 40% in 2012 compared to 2011, due to dispositions in early 2012 with no acquisitions until near the end of the third quarter. In 2013, NOI has grown by more than 800% compared to December 31, 2012, which is a result of the increased assets noted above.

SUMMARY OF QUARTERLY RESULTS

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

(in Thousands of Canadian dollars)	2013				2012			
(except per unit amounts)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue from income properties	$ 7,570	$ 6,139	$ 5,655	$ 2,683	$ 1,670	$ 306	$ 263	$ 258
Property operating expenses	2,240	1,505	1,236	574	433	(5)	78	11
Net operating income (NOI)	5,330	4,634	4,419	2,109	1,237	311	185	247
Net income	3,300	3,028	2,725	1,229	7,704	768	18	77
Funds from operations (FFO)	2,934	2,866	2,715	1,229	778	33	18	77
Adjusted funds form operations (AFFO)	2,677	2,595	2,502	1,161	720	33	18	77
Net income (loss) per unit - basic and diluted	0.182	0.167	0.151	0.111	1.118	0.817	0.028	0.118
FFO per unit (1)	0.162	0.158	0.151	0.111	0.113	0.035	0.028	0.118
AFFO per unit (1)	0.148	0.144	0.139	0.105	0.104	0.035	0.028	0.118
Weighted average units outstanding Basic and Diluted	18,126	18,083	18,029	11,094	6,893	940	654	654

(1) Includes additional one-time, non-recurring general and administrative costs of $197,000, or $0.011 FFO per unit and AFFO per unit, in the fourth quarter relating to the REIT's move from the TSXV to the TSX on November 11, 2013.

Revenues from income producing properties increased to $7.6 million during the quarter ended December 31, 2013, compared to $6.1 million in the prior quarter, due primarily to the $50.1 million in property acquisitions that occurred in late September and early October.

Net income increased slightly at $3.3 million for the quarter ended December 31, 2013, compared to the prior quarter. Increased net rental income was offset by increased finance costs relating to the acquisition properties and additional one-time, non-recurring general and administrative costs of $197,000 ($0.011 FFO per unit) were recorded in the quarter relating to the REIT's move from the TSXV to the TSX on November 11, 2013.

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 occupancy 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 invest approximately $300 million in further 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 DECEMBER 31, 2013

Distributions

On January 15, 2014, a distribution in the amount of $0.0408 per unit for unitholders of record on January 31, 2014 was declared and was paid on February 14, 2014. Also, on February 14, 2014, a distribution in the amount of $0.0408 per unit for unitholders of record on February 28, 2014 was declared and will be paid on March 14, 2014.

PROPERTY PORTFOLIO

The following table provides information regarding the property portfolio as at December 31, 2013:

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	100.0%
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**	**98.9%**

(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 December 31, 2013, a 1% increase or decrease in the Bank's prime rate would have an impact of $628,000 on the REIT's annual interest expense (December 31, 2012 - $304,000) 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 December 31, 2013, and December 31, 2012, 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 8 of the REIT's audited Consolidated Financial Statements for the year ended December 31, 2013 and 2012 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 year ended December 31, 2013, 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 9) 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 the Trust will file a Certificate of Annual Filings following becoming a Non-Venture Issuer with respect to the financial information contained in the consolidated financial statements and MD&A. In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"). The Trust's CEO and CFO are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations of the CEO and CFO to design and implement on a cost effective basis, DC&P and ICFR, may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports.

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 audited consolidated financial statements for the years ended December 31, 2013 and 2012 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 February 25, 2014 was 18,213,699.