



Investor Presentation
November 2014

Summit **II**REIT
Summit Industrial Income REIT

Forward Looking Information

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Profile

Strong Fundamentals

Proven, experienced management team:

- Combined 90+ years experience
- Grew original Summit REIT into Canada's largest industrial REIT
 - 20% compounded annual return from 1996 – 2006
- Fully aligned with 12.8% ownership interest

Strong and growing property portfolio:

- Institutional quality portfolio 3.5 million sq. ft. of GLA
- Weighted average lease term to maturity of 5.6 years
- Fully occupied at 100%

Significant growth potential:

- Extensive network to acquire properties at attractive valuations
- Scalable platform for growth
- Industrial sector highly fragmented – consolidation opportunity
- Liquidity and resources available to capitalize on growth potential

2014 Highlights

- 1** Expanded, diversified and strengthened property portfolio
- 2** Generated strong quarterly growth in all performance metrics
- 3** Developed an experienced and proven operating platform

Continuing Strong Growth

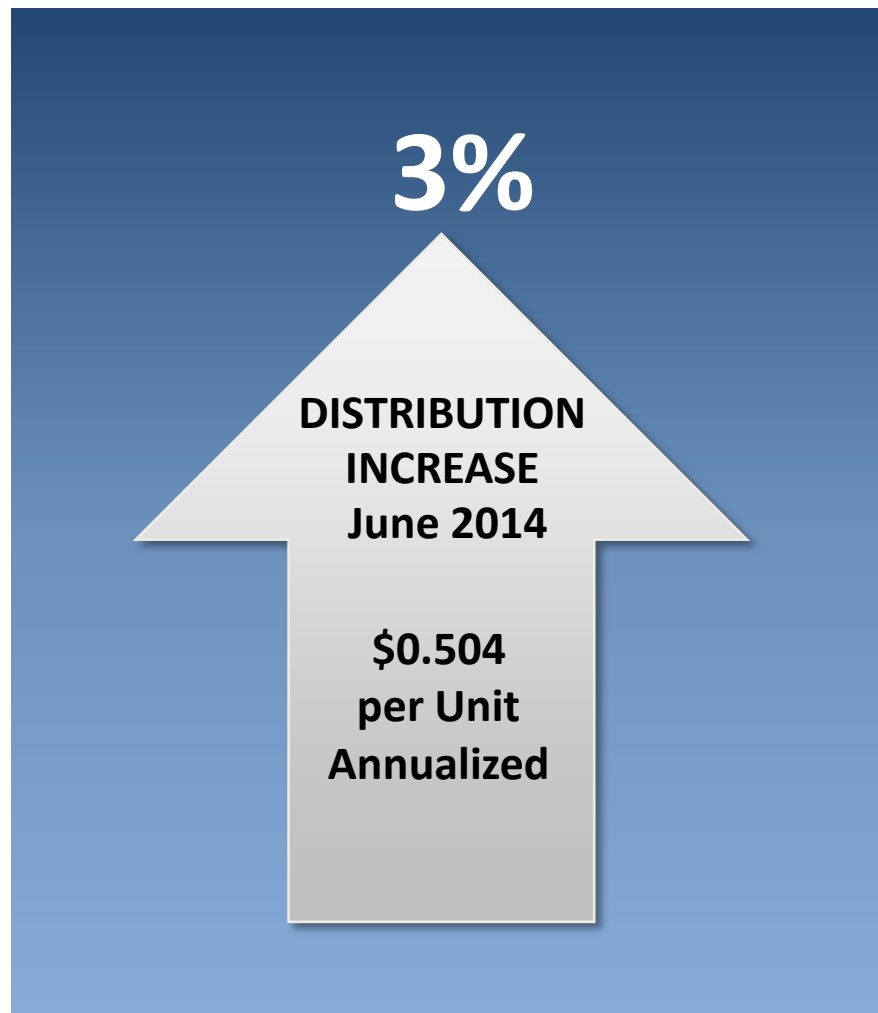
Quarter ended (\$,000 except per Unit amounts)	Sept 30, 2014	June 30, 2014	Mar 31, 2014	Dec 31, 2013	Sept 30, 2013	June 30, 2013
Revenue	6,987	7,153	7,068	7,570	6,139	5,655
NOI	5,251	5,136	5,368	5,330	4,634	4,419
FFO	3,225	2,858	3,080	2,934	2,866	2,715
FFO / Unit	\$0.14	\$0.15	\$0.17	\$0.16	\$0.16	\$0.15
AFFO	2,791	2,420	2,816	2,677	2,595	2,502
AFFO / Unit	\$0.12	\$0.12	\$0.16	\$0.15	\$0.14	\$0.14
Wtd. Avg. Units O/S	23,308	19,698	18,201	18,126	18,083	18,029
FFO Payout Ratio (%)	91.1%	85.2%	72.3%	75.6%	77.2%	81.3%
AFFO Payout Ratio (%)	105.2%	100.6%	79.1%	82.9%	85.3%	88.2%

Stable Cash Distributions

As at September 30, 2014

Annualized Cash Distribution	\$0.504
Current Yield	~8.3%
AFFO Payout Ratio (9 months)	94.9%
Units Outstanding	23.4 M
Market Capitalization	\$143 M
Listed Toronto Stock Exchange	SMU.UN

Enhancing Unitholder Value





Strong Real Estate Sector

Solid Fundamentals

Characteristic

Benefit

Broad customer base



Stable cash flow

Light industrial activities



Low maintenance and capex

Domestic business focus



Use of relationships

Fragmented ownership



Consolidation opportunities

Short development timeline



Prudent new supply of space

High levels of liquidity



Strong deal flow

Stable & growing markets



High occupancy



Highly Fragmented Sector

Canadian industrial sector ownership:

- 47% owner-occupied / 53% investor owned
- 3.5% vacancy / 5.4% availability

City	Inventory (sf mm)	Availability Rate (%)	Average Rent (psf)
Vancouver	179.8	6.8%	\$8.07
Edmonton	107.0	4.3%	\$10.95
Calgary	125.0	4.5%	\$8.35
Toronto	748.9	4.4%	\$5.07
Ottawa	29.4	6.3%	\$8.59
Montreal	295.8	6.7%	\$5.14
Halifax	11.5	7.7%	\$7.51



Financial Review

Q3 2014 Results

Three Months ended September 30, (\$,000 except per Unit amounts)	2014	2013
Revenue from Income properties	6,987	6,139
Net Operating Income	5,251	4,634
Funds from Operations (FFO)	3,225	2,866
FFO per Unit	\$0.14	\$0.16
FFO Payout Ratio	91.1%	77.2%
Adjusted Funds from Operations (AFFO)	2,791	2,595
AFFO per Unit	\$0.12	\$0.14
AFFO Payout Ratio	105.2%	85.3%
Weighted Avg. Units Outstanding	23,308	18,083

Strong Performance in 2014

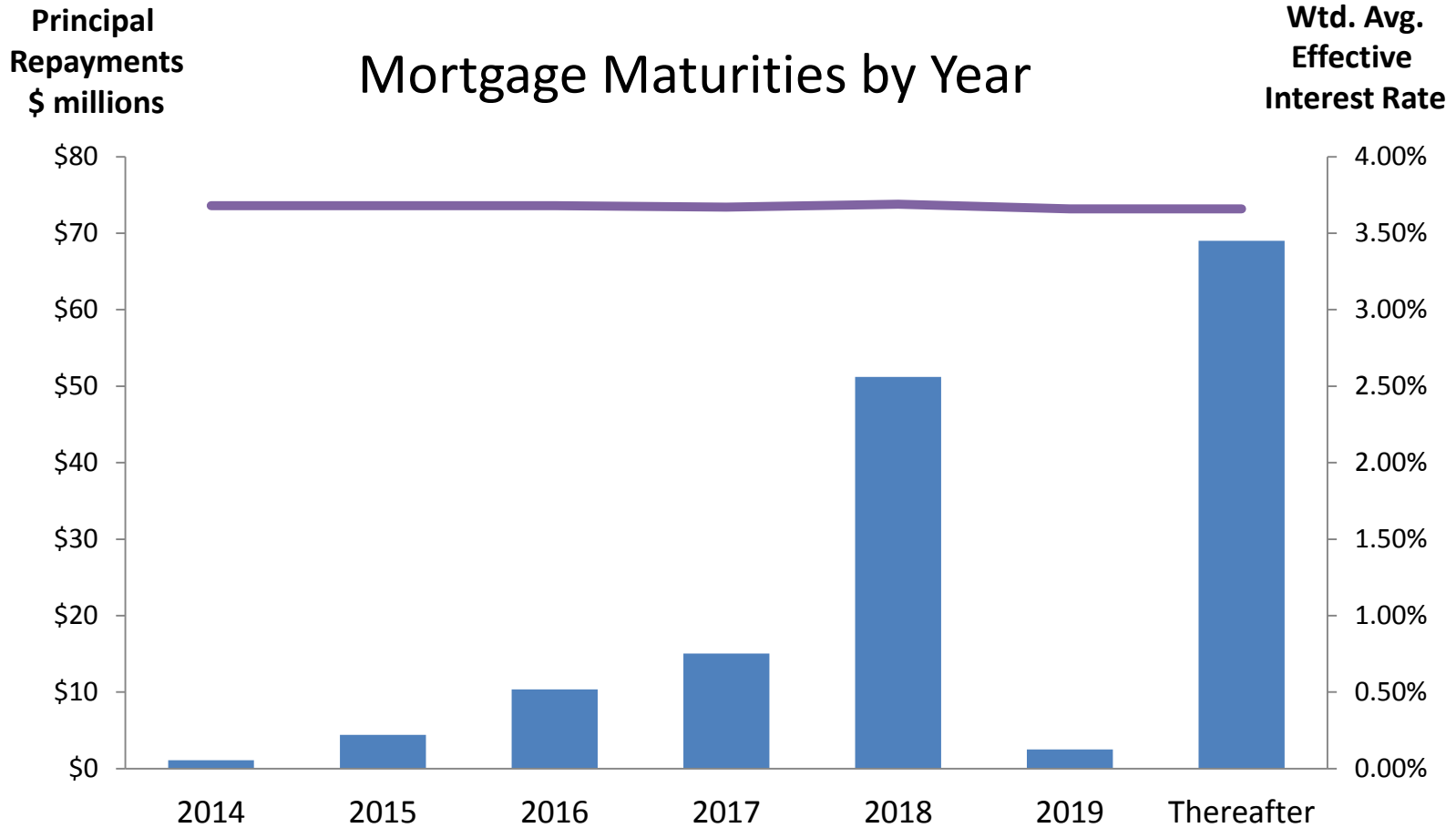
Nine Months ended September 30, (\$,000 except per Unit amounts)	2014	2013
Revenue from Income properties	21,208	14,477
Net Operating Income	15,755	11,162
Funds from Operations (FFO)	9,163	6,810
FFO per Unit	\$0.45	\$0.43
FFO Payout Ratio	83.2%	66.1%
Adjusted Funds from Operations (AFFO)	8,027	6,258
AFFO per Unit	\$0.40	\$0.40
AFFO Payout Ratio	94.9%	71.9%
Weighted Avg. Units Outstanding	20,421	15,759

Solid Financial Position

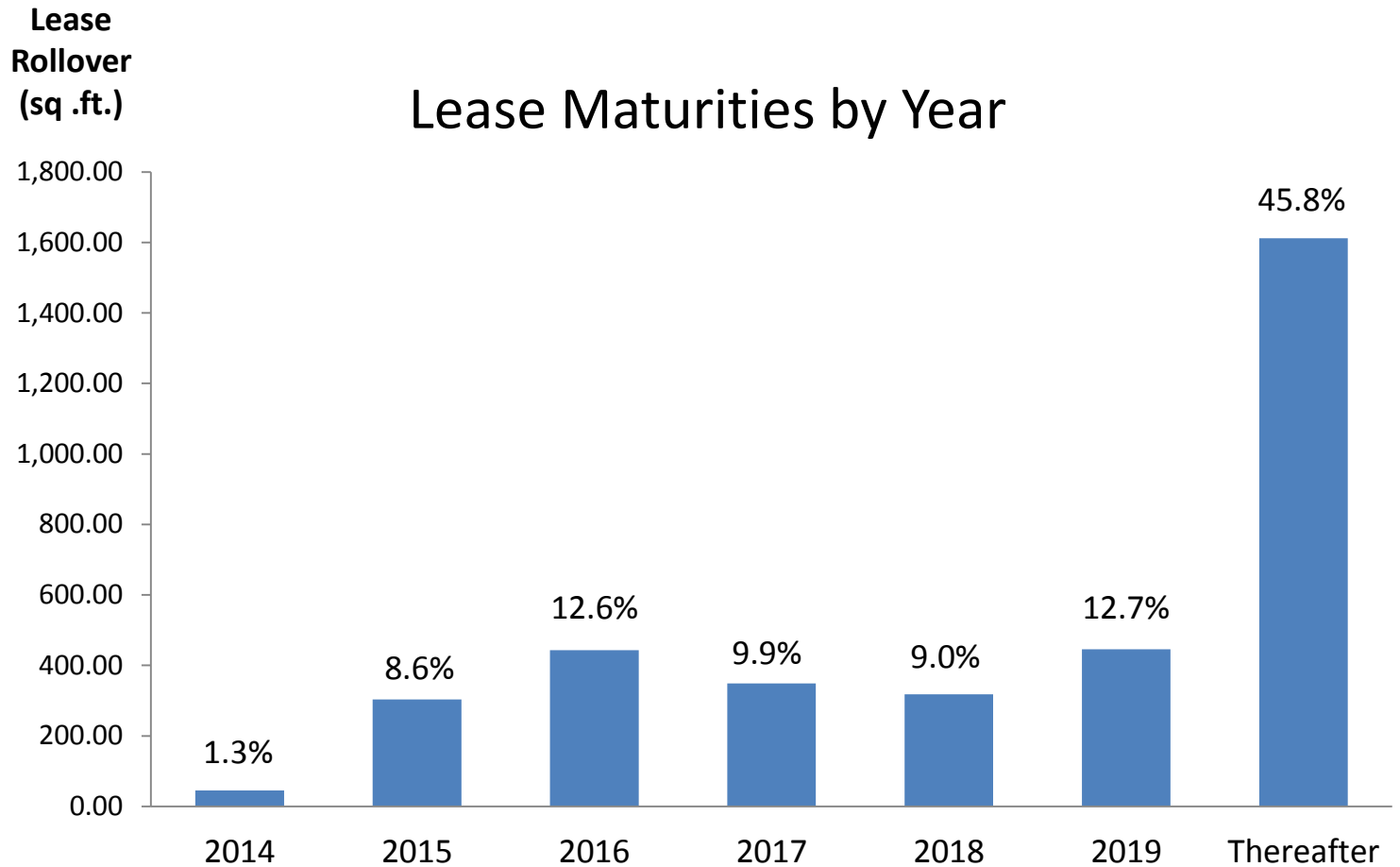
As at	Sept. 30, 2014	Sept. 30, 2013
Total Assets	\$ 313.5M	\$ 298.5 M
Debt to Gross Book Value	51.7%	60.3%
Weighted Average Effective Interest Rate	3.68%	3.68%
Debt Service Ratio	1.74 x	2.06 x
Interest Coverage Ratio	2.60x	2.88 x

Capacity & Flexibility for Continued Growth

Well-Balanced Mortgages



Stable Cash Flow



Successful Leasing Program

Head Lease Space (as at Sept. 30, 2014)

Square feet under Head Lease	287,000 sq. ft.
Long-term leases secured	209,757 sq. ft.
Long-term leases under negotiation	77,243 sq. ft.

Sept. 30, 2014 Occupancy

Occupancy	100.0%
Vacancy	-
# of vacant units	-

Only 1.3% of portfolio remains to be renewed in 2014



Growth Strategies

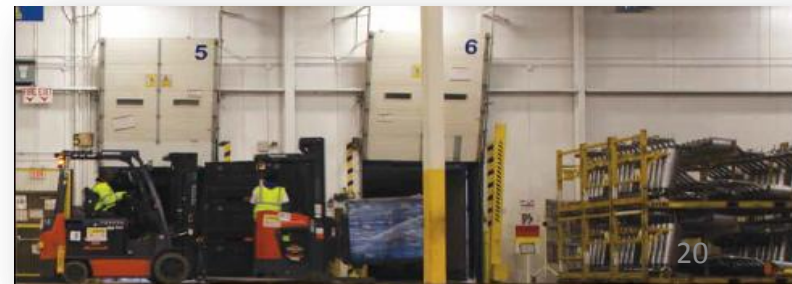
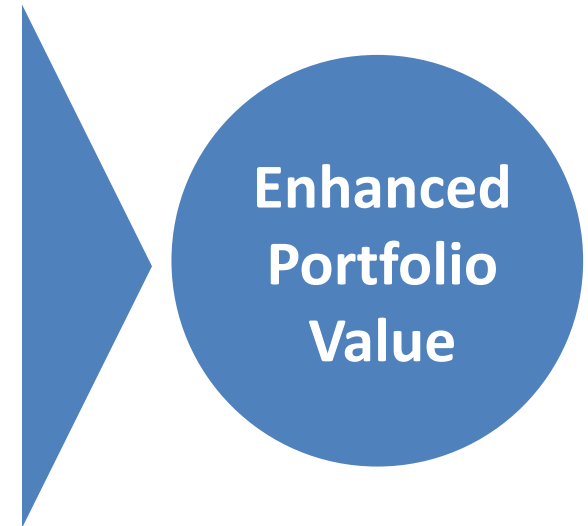
External Growth

Acquire high quality industrial properties

- New, well maintained, low capex
- Focus on multi-tenant properties
- Priced below replacement cost
- Main focus on GTA market

All acquisitions must be accretive

- Strong spread between cap rates & cost of debt



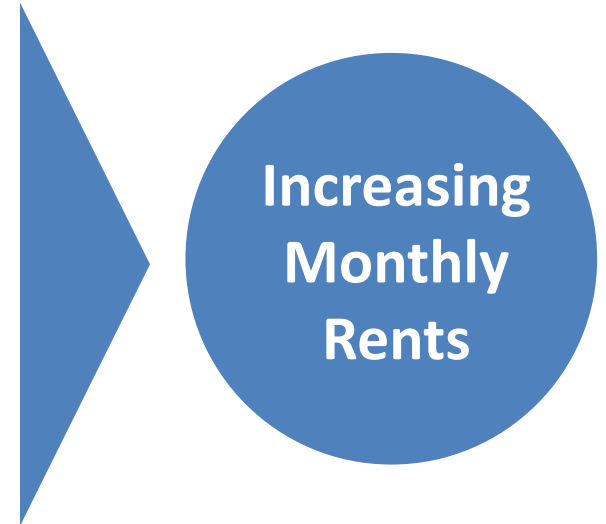
Target GTA Market

Stable and growing market:

- Low availability & vacancy rates
- Absorption outpacing new supply

Supply constrained market:

- Rising development charges
- Increased construction costs
- Growing land preservation initiatives



Perfect Time to Expand GTA Portfolio

Strengthening Portfolio

- Acquired GTA Portfolio for \$18.2 million (June 6, 2014)
 - Three quality single-tenant properties
 - \$70 per sq. ft. acquisition cost well below replacement cost
 - Fully occupied under ten-year lease
 - Strong 7.45% capitalization rate
- Acquired Cambridge property for \$7.0 million (Sept. 30, 2014)
 - \$60.87 per sq. ft. acquisition cost well below replacement cost
 - Fully occupied under ten-year lease
- Sold non-core Red Deer Property (Oct. 20, 2014)
 - \$710,000 sale price



Organic Growth

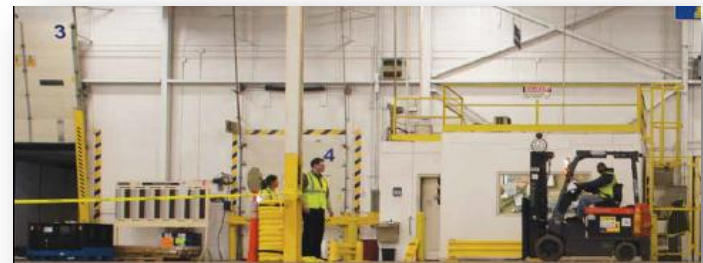
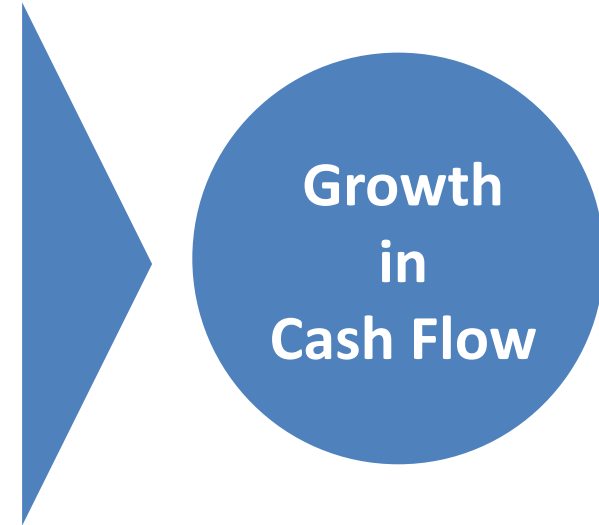
Strong industry fundamentals

- Decades of stability
- Broad diverse tenant base
- Low capex, maintenance and tenant costs

Industry-leading operating company

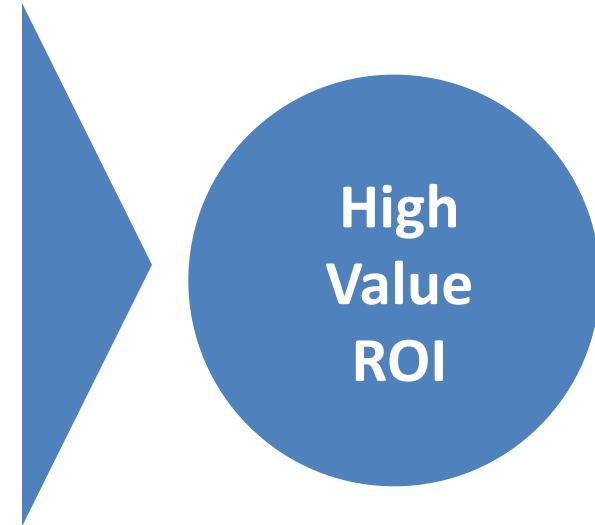
- Standard leases with built-in rent escalators
- Ensure tenants in appropriate properties
- Sound tenant covenants

Economies of scale and operating synergies



Partnerships

- Partnerships for co-ownerships, development & re-development
- Proven expertise in asset management / leasing
- Strong relationships with local developers

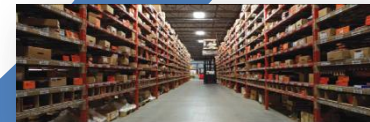




An Exciting Future

Summary

- Industrial properties provide stable secure and growing cash flows
 - Solid sector fundamentals, strong track record of performance
- Highly fragmented asset class
 - Less than 5% owned by public market participants
- Attractive current cash yield
 - Currently paying approx. 8.3% cash yield distribution
 - Conservative AFFO payout ratio
- Experienced, proven management team
 - The expertise and the relationships to build value
 - Fully aligned with all Unitholders
 - Ownership of 12.8%

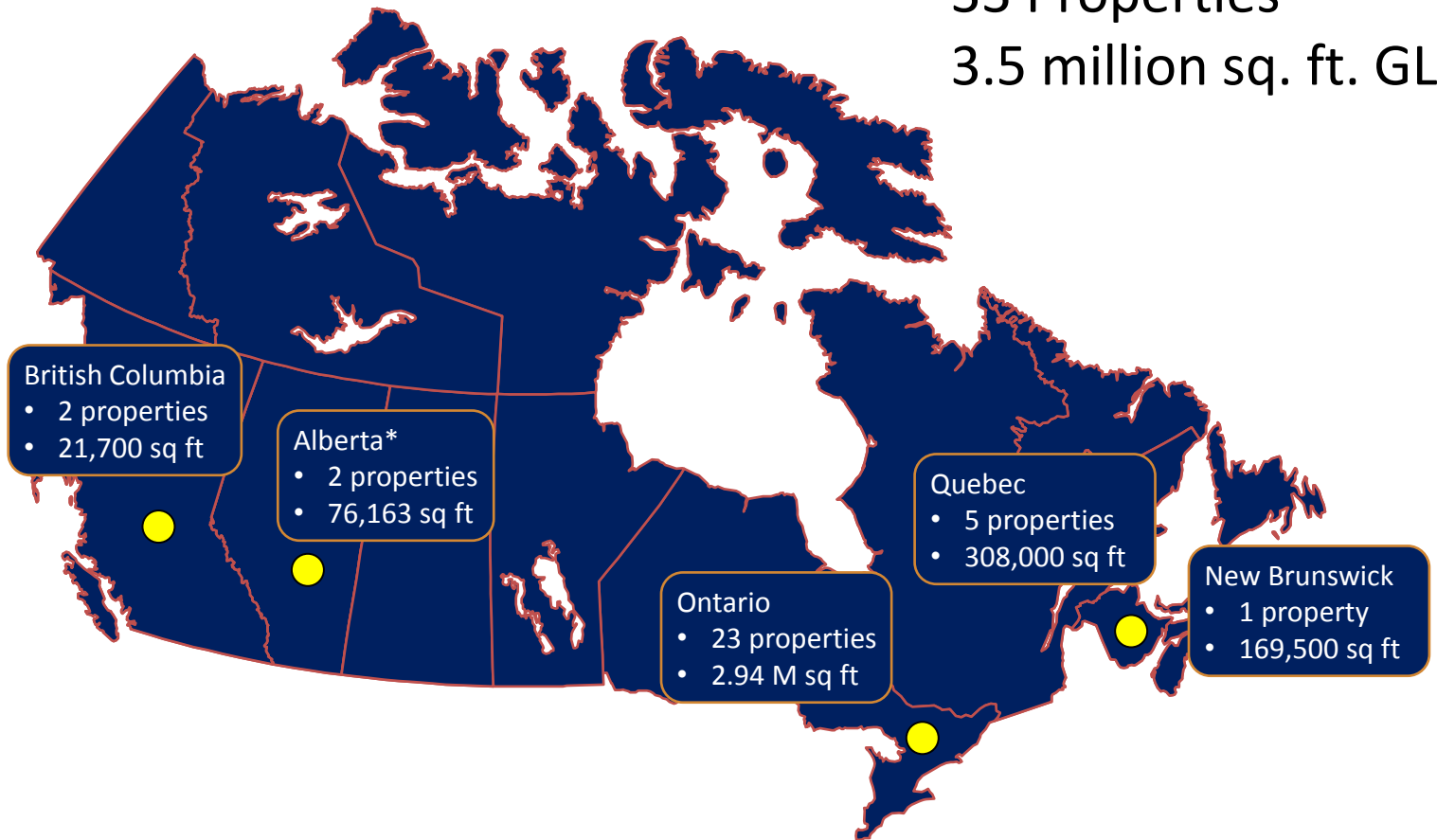




Appendices

Quality Portfolio

33 Properties
3.5 million sq. ft. GLA



Credit-Worthy Tenants

Tenant	Location	GLA	% of Total Base Rent
Van-Rob Inc.	Aurora, ON	322,187	9.9%
McKesson Canada	Moncton, NB	169,474	6.8%
Bellwyck Packaging	Multiple GTA, ON	261,746	6.3%
Canplas Industries	Barrie, ON	216,460	6.0%
Giant Tiger Stores	Brockville, ON	68,093	4.8%
Integrated Merchandising	Brampton, ON	196,496	4.4%
Renin Corp	Brampton, ON	148,832	4.2%
Kobay Enstel Limited	Scarborough, ON	133,939	4.0%
Associated Brands	Etobicoke, ON	142,386	3.6%
Converter Core	Brampton, ON	<u>163,200</u>	<u>3.3%</u>
Total		1,880,417	53.3%

Experienced Manager

Proven track record of growth:

- Accretively acquired over 33 million square feet of industrial assets
- Assembled Canada's largest industrial portfolio

Best-in-class asset managers:

- Built a national operating platform
- Steady, stable occupancies and tenant retention

Industry leaders:

- Innovative leasing, cost savings and operating programs
- Proven track record in raising growth capital

Value-add expertise:

- Assembled 900 acre land portfolio
- Developed / re-developed over 4 million square feet

National relationships:

- Well-connected, respected management team
- Successfully created partnerships to enhance value

Management Team



Lou Maroun | Chairman, Sigma Asset Management Limited

- 32 years experience in the commercial real estate industry
- Previously CEO of Summit REIT, Canada's largest industrial REIT



Paul Dykeman | CEO, Sigma Asset Management Limited

- 24 years experience in the commercial real estate industry
- Previously CFO of Summit REIT, Canada's largest industrial REIT



Ross Drake | CFO, Sigma Asset Management Limited

- 22 years experience in the commercial real estate industry
- Previously Senior Vice President of Research & Analysis at ING Real Estate Canada



Jonathan Robbins | VP of Acquisitions, Sigma Asset Management Limited

- 23 years experience in the commercial real estate industry
- Previously the Vice President of Investments at Summit REIT



Kimberley Hill | VP of Asset Management, Sigma Asset Management Limited

- 23 years experience in the commercial real estate industry
- Previously the Senior Vice President of Asset Management at ING Real Estate Canada

Fee Structure

Asset Management Fee	<ul style="list-style-type: none">● 0.25% of gross book value
Acquisition Fee	<ul style="list-style-type: none">● On each acquisition, (i) 1% on the first \$50 million; (ii) 0.75% on the next \$50 million; (iii) 0.50% on the balance greater than \$100 million● Acquisition fee removed upon reaching a gross book value of \$1 billion
Initial Term	<ul style="list-style-type: none">● 10 years
Fully Aligned	<ul style="list-style-type: none">● Manager / Principles own 12.8% of Trust Units, will continue to invest going forward



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