MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended March 31, 2015

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SUMMIT INDUSTRIAL INCOME REIT
MANAGEMENT DISCUSSION AND ANALYSIS
For the three months ended March 31, 2015

The terms ñSummit IIò, ñthe Trustò or ñthe REITò in the following Managementôs Discussion and Analysis (ñMD&Aò) 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, 2015 and 2014.

FORWARD-LOOKING INFORMATION ADVISORY

Certain statements in this MD&A are ñforward - looking statementsò within the meaning of applicable securities laws. These statements reflect Managementôs expectations regarding Summit IIôs 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 Managementôs 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 ñcouldò, ñshouldò, ñwouldò, ñcanò, ñanticipateò, ñexpectò, ñdoes not expectò, ñbelieveò, ñplanò, ñbudgetò, ñscheduleò, ñestimateò, ñintendò, ñprojectò, ñwillò, ñmayò, ñmightò, ñcontinueò and similar expressions or statements relating to matters that are not historical factors constitute forward - looking statements. Such forward - looking statements reflect Managementôs 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 IIôs 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 ñRisk Factorsò 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 IIôs 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 ñfinancial outlookò 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 12, 2015, and should be read in conjunction with the REITôs unaudited condensed Consolidated Financial Statements for the three months ended March 31, 2015 and 2014. Financial data provided has been prepared in accordance with International Financial Reporting Standards (ñIFRSò) as issued by the International Accounting Standards Board (ñIASBò).

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 12, 2015.

SECTION I – OVERVIEW VISION AND STRATEGY

OVERVIEW

Summit II, 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 ñDeclaration of Trustò). Effective November 11, 2013, the REIT transitioned from the TSX Venture Exchange òTSXVò to the Toronto Stock Exchange ñTSXò under the same trading symbol. Summit IIôs 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, 2015, Summit IIôs property portfolio was comprised of 44 properties totalling 4,403,059 square feet of gross leasable area (ñGLAò) with a net book value of approximately $402.9 million.

NON-IFRS FINANCIAL MEASURES

Readers are cautioned that certain terms used in this MD&A such as Funds from Operations (ñFFOò), Adjusted Funds from Operations (ñAFFOò), Net Operating Income (ñNOIò) 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 IIôs significant accounting policies are described in Note 4 to its Audited Consolidated Financial Statements for the years ended December 31, 2014 and 2013.

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 REITôs Audited Consolidated Financial Statements for the years ended December 31, 2014 and 2013.

SUMMIT II'S BUSINESS, VISION AND STRATEGY

SUMMIT II'S 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 IIôs mission is to provide ñbest-in-classò 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 IIôs 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 ñbest-in-classò 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 IIôs 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), net of 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 REITǒs 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
On May 6, 2014, the Board of Trustees approved a cash distribution increase from $0.0408 per Unit per month to $0.042 per Unit per month, or $0.504 per Unit on an annualized basis, representing a 3% annualized increase. This increase applied to Unitholders of record on May 30, 2014. The Board of Trustees has adopted a policy to consider annually increasing the cash distribution by between 2% and 4% while maintaining an AFFO payout ratio below 90%.

In addition, the Board of Trustees have adopted a policy to distribute a special distribution when the REIT produces a realized gain upon the sale of a property. The special distribution will be up to 20% of the realized gain.

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 adjusted funds from operations per Unit) under 90%.

Debt Leverage Ratio
A conservative leverage ratio mitigates Unitholdersô 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 ñfull occupancyò 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 IIôs 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

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 IIôs 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.

Managementôs capabilities and the business risks that must be managed are discussed in Summit IIôs Annual Information Form dated March 31, 2015.

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. Through the first quarter of 2015, Management believes a strengthening US economy will continue to have a positive impact on the Canadian economy in general, and Canadian industrial markets in particular. At the end of the first quarter, the national availability rate and vacancy rate in Canada had dropped to 5.5% and 3.5%, respectively, compared with corresponding rates of 8.1% and 6.1% reported at the height of the recession in 2009. The current market fundamentals are indicative of a very healthy and stable market. Among Canadaôs major industrial markets, the Greater Toronto Area (ñGTAò) is experiencing the second lowest availability rate and vacancy rates in the country at 4.8% and 1.7%, respectively.[1] A majority of Summit IIôs light industrial real estate is located in the GTA in order to capitalize on these historically tight market conditions. With absorption outpacing new supply in the GTA, 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 the GTAôs light industrial rental rates that will be supportive of long term value creation in the region. For this reason, the GTA 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 ï see ñForward-Looking Disclaimerò 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 ï KEY PERFORMANCE INDICATORS for a description of the key terms):

(except per Unit amounts)	Three months ended		
	March 31, 2015	December 31, 2014	**March 31, 2014**
Portfolio Performance			
Occupancy (%) [1]	100.0%	100.0%	98.7%
Revenue from income properties	$ 9,049	$ 7,532	$ 7,068
Property operating expenses	2,750	2,073	1,700
Net operating income	6,299	5,459	5,368
Interest expense	1,925	1,767	1,863
Net income	3,638	3,158	3,114
Operating Performance			
FFO	4,098	3,250	3,089
AFFO	3,529	3,004	2,816
Net income per unit - Basic and diluted [2]	0.129	0.135	0.171
FFO per Unit [2]	0.145	0.139	0.170
AFFO per Unit [2]	0.125	0.129	0.155
Distributions declared to Unitholders	3,601	2,945	2,230
Distributions per Unit declared to Unitholders	0.1260	0.1260	0.1224
Distributions paid [3]	2,917	2,612	1,743
FFO payout ratio without DRIP benefit	86.8%	90.6%	72.1%
FFO payout ratio with DRIP benefit [3]	71.2%	80.4%	56.4%
AFFO payout ratio without DRIP benefit	100.8%	98.0%	79.1%
AFFO payout ratio with DRIP benefit [3]	82.7%	87.0%	61.9%
Weighted average Units outstanding [2]	28,226	23,368	18,201
Liquidity and Leverage			
Total assets	407,680	341,646	312,039
Total debt (loans and borrowings)	225,612	188,677	189,599
Weighted average effective mortgage interest rate	3.57%	3.68%	3.68%
Weighted average mortgage term (years)	5.10	4.45	4.71
Leverage ratio [4]	55.3%	55.2%	60.8%
Interest coverage (times)	2.90	2.72	2.54
Debt service coverage (times)	1.82	1.69	1.73
Other			
Properties acquired	10	1	-
Non-core properties disposed	-	1	-

[1] Approximately 268,000 square feet of the 287,000 square feet Head Lease space has been leased to date.
[2] On January 7, 2015, approximately 5,130,000 Units were issued on completion of a public 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. On May 6, 2014, the Trust announced a cash distribution increase to $0.042 per Trust Unit.
[4] Average leverage was 51.8% during the first quarter of 2015 compared to an average of 52.0% in Q4 of 2014.

FINANCIAL AND OPERATING HIGHLIGHTS

Recent Highlights:

- Occupancy maintained at 100%.
- On January 7, 2015 completed successful $30 million bought-deal equity offering.
- On February 11, 2015, completed the acquisition of a 50% interest in six properties in Montreal for a purchase price of $39.2 million at a cap rate of 6.63 %. Financed by assumed mortgages and loans of $11.4 million with an average remaining term to maturity of 9.6 years at an average interest rate of 3.49%.
- On February 23, 2015 acquired four GTA properties, adding 339,404 square feet for $25.3 million at a cap rate of 7.3%. Financed with new $15.2 million 7-year mortgage at 3.30% with the balance from the REITõs line of credit.
- Completed five year lease renewal of 150,000 square feet of the acquired GTA portfolio.
- Placed permanent financing on 3720 Des Grandes Tourelles, Boisbriand, QC, with a 10-year mortgage for $12.9 million (Summitõs 50% interest) at an interest rate of 3.25%.
- Manager and Principals interest remains strongly aligned with Unitholders through 12.6% insider ownership of REIT Units outstanding.

Subsequent events

- Sold a 75% interest in Ottawa and Moncton properties for total proceeds of $24.9 million and realized gain of approximately $2.3 million to fund growth in target markets.
- Announced a special cash distribution of $0.016 per unit applicable to Unitholders of record May 31, 2015 and payable on June 15, 2015.

REVENUE, PROPERTY OPERATING EXPENSES, NOI, INTEREST

Revenue from income producing properties for the three months ended March 31, 2015, increased to $9.0 million compared to $7.1 million for the same period in 2014. Property operating expenses for the three months ended increased to $2.8 million compared to $1.7 million for the same period in 2014. Net operating income for the three months ended increased to $6.3 million compared to $5.4 million for the same period in 2014. These increases are due to the accretive acquisitions of five properties with gross leasable area of 593,239 square feet during 2014 offset by the 75% sale of Palladium that occurred in May 2014 and ten properties with 665,813 square feet acquired in February 2015. Details appear in the ñTransactionsò section below.

Interest expense for the three months ended March 31, 2015, increased slightly to $1.9 million from $1.8 million for the same period in the prior year. The increase was due to the increase in the property portfolio and the related increase in mortgage debt during 2014.

Net income for the three months ended March 31, 2015, was $3.6 million compared to $3.1 million for the same period in 2014. The increase was primarily due to the transactions as noted above offset by fair values losses of $442,000 recorded for the three months ended March 31, 2015 compared to fair value gains of $34,000 for the same period in 2014.

TRANSACTIONS

ACQUISITIONS

For the three months ended March 31, 2015 Summit II acquired ten properties totalling 665,813 square feet of GLA. During the three months ended March 31, 2014, Summit II did not acquire any properties. Details of the acquisitions for the three months ended March 31, 2015 and the 2014 year are shown in the following table:

Property	City	Province	Closing date	%	GLA		Purchase Price
2015 Acquisitions							
5545 Ernest-Cormier (1)	Laval	Quebec	February 5, 2015	50%	24,956	$	3,750,000
185 Bellerose Blvd (1)	Laval	Quebec	February 5, 2015	50%	19,566		3,850,000
1970 John-Yule (1)	Chambly	Quebec	February 5, 2015	50%	12,872		2,725,000
3720 Ave des Grandes Tourelles (1)	Broisbriand	Quebec	February 11, 2015	50%	153,322		19,000,000
1177-1185 55e Ave (1)	Dorval	Quebec	February 11, 2015	50%	77,946		7,000,000
5757 Thimens Blvd. (1)	St. Laurent	Quebec	February 11, 2015	50%	37,747		3,050,000
78 Walker Drive	Brampton	Ontario	February 23, 2015	100%	150,044		11,000,000
1600 Clark Boulevard	Brampton	Ontario	February 23, 2015	100%	79,300		5,800,000
65 Riveria Drive	Markham	Ontario	February 23, 2015	100%	46,360		3,750,000
5485 Tomken Road	Mississauga	Ontario	February 23, 2015	100%	63,700		4,600,000
Total Acquisitions for the period ended March 31, 2015					**665,813**		**64,525,000**
2014 Acquisitions							
21 Finchdene Square	Scarborough	Ontario	June 6, 2014	100%	170,100	$	10,750,000
1 Rimini Mews	Mississauga	Ontario	June 6, 2014	100%	46,150		4,200,000
977 Century Drive	Burlington	Ontario	June 6, 2014	100%	45,496		3,250,000
30 Struck Court	Cambridge	Ontario	September 30, 2014	100%	111,493		7,000,000
350 Hazelhurst Road	Mississauga	Ontario	December 23, 2014	100%	220,000		22,250,000
Total Acquisitions for the year 2014					**593,239**		**47,450,000**

(1) Represents 50% of total GLA.

DISPOSITIONS

For the three months period ended March 31, 2015 and 2014, Summit II did not dispose of any properties. A summary of dispositions which occurred for the remainder of the 2014 year are as follows:

Property	City	Province	Closing date	%	GLA		Selling Price
2014 Dispositions							
501 Palladium Drive	Ottawa	Ontario	May 6, 2014	75%	193,779	$	25,294,287
6882 & 6884 52nd Street	Red Deer	Alberta	October 20, 2014	100%	8,000	$	710,000
Total Dispositions for the year 2014					**201,779**	**$**	**26,004,287**

FUNDS FROM OPERATIONS, ADJUSTED FUNDS FROM OPERATIONS

The Trustôs FFO and AFFO per Unit are calculated as follows:

(in Thousands of Canadian dollars)				Three months ended		
		March 31, 2015		December 31, 2014		March 31, 2014
Net Income	**$**	**3,638**	$	3,158	$	3,114
adjustments						
Free rent amortization	**$**	**18**	$	12	$	9
Gain (Loss) on sale of property	**$**	**-**	$	400	$	-
Incentive fee associated with realized gain on sale of investment properties	**$**	**-**	$	(57)	$	-
Fair value adjustment to investment properties	**$**	**442**	$	(263)	$	(34)
FFO	**$**	**4,098**	$	3,250	$	3,089
adjustments						
Straight lining of rents	**$**	**(235)**	$	(197)	$	(204)
Leasing costs	**$**	**(194)**	$	(18)	$	(69)
Capital	**$**	**(140)**	$	(31)	$	-
AFFO	**$**	**3,529**	$	3,004	$	2,816
FFO per Unit	**$**	**0.145**	$	0.139	$	0.170
AFFO per Unit	**$**	**0.125**	$	0.129	$	0.155
Distributions declared to Unitholders (1)	**$**	**3,601**	$	2,945	$	2,230
Distributions per Unit declared to Unitholders	**$**	**0.1260**	$	0.1260	$	0.1224
Cash distributions paid (1)	**$**	**2,917**	$	2,612	$	1,743
FFO payout ratio without DRIP benefit (1)		**86.8%**		90.6%		72.1%
FFO payout ratio with DRIP benefit (1)		**71.2%**		80.4%		56.4%
AFFO payout ratio without DRIP benefit (1)		**100.8%**		98.0%		79.1%
AFFO payout ratio with DRIP benefit (1)		**82.7%**		87.0%		61.9%
Weighted average number of Units outstanding - post ónconsolidationò		**28,226**		23,368		18,201
Units issued and outstanding at the end of the period		**28,608**		23,397		18,241

(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. On May 6, 2014, the Trust announced a cash distribution increase to $0.042 per Trust Unit.

For the three months ended March 31, 2015, FFO and AFFO were $4.1 million ($0.145 per Unit) and $3.5 million ($0.125 per Unit), respectively, compared to $3.1 million ($0.170 per Unit) and $2.8 million ($0.155 per Unit), respectively, during the same period in 2014. The increases in the first quarter of 2015 are due primarily to acquisitions completed over the prior twelve months and increased occupancy. Per Unit amounts in the first quarter of 2015 were negatively impacted by the 55.3% increase in the weighted average number of Units outstanding compared to the prior yearôs first quarter resulting equity offerings over the prior twelve months, and the fact that the funds from the January 2015 offering were not fully invested until the end of February 2015.

The REITôs AFFO payout ratio was 100.8% through the first quarter of 2015 as funds from the January 2015 offering were not fully invested until February 23, 2015. Although leverage was 55.3% as at March 31, 2015, the average during the quarter was approximately 51.8%. If the funds had been fully invested at the time the offering was completed, the AFFO payout ratio would have been below 95%.

Including the benefit of the REITôs DRIP program, the effective cash payout ratio was a conservative 82.7% in the quarter. For the three months ended March 31, 2014, the AFFO payout ratio was 79.1% or 61.9% including the benefit of the REITôs DRIP program.

LIQUIDITY AND CAPITAL RESOURCES

The major changes to Summit IIôs balance sheet as at March 31, 2015 compared to the prior year reflect the property acquisitions, dispositions, debt obtained and equity offering during the quarter.

TOTAL ASSETS

Summit IIôs total assets increased to $407.6 million at March 31, 2015, compared to $341.6 million at the prior year end. During the quarter the REIT acquired ten properties in Ontario and Quebec for a purchase price of $64.5 million. Please refer to the ñAcquisitionsò section above for more details.

TOTAL DEBT

Total debt was $225.6 million at March 31, 2015, compared to $188.7 million at the prior year. Proceeds from the January offering (see ñEquityò below) were used to complete the above noted Montreal and GTA property acquisitions. In conjunction with the acquisition of interests in the six properties in Montreal by February 11, 2015, mortgages and debt of $11.4 million were assumed with a weighted average remaining term of 9.6 years bearing an average interest rate of 3.49%. Also, as part of the Montreal property acquisitions, new financing of $12.9 million (Summitôs 50% interest) was obtained on a ten year mortgage at an interest rate of 3.25%. The balance of the transaction was satisfied with funds from the revolving credit facility.

The four GTA property acquisitions on February 23, 2015, were satisfied by a new seven year mortgage of $15.2 million bearing an average interest rate of 3.30% with the balance from the revolving credit facility

As of March 31, 2015, $34.6 million was drawn on the revolving credit facility. The Trustôs exposure to floating rate debt was 15.8% of total debt as at March 31, 2015.

EQUITY

Unitholdersô Equity increased to $172.9 million at March 31, 2015, compared to $144.1 million at the prior year end. On January 7, 2015, Summit II completed a public offering of 5,130,000 trust Units at a price of $5.85 for gross proceeds of $30.0 million. The net proceeds on this offering were $28.5 million.

CASH DISTRIBUTIONS

The Trust announced on March 15, 2013, the REIT would pay a cash distribution of $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 continued to May 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. This increase applied to Unitholders of record on May 30, 2014. The Board of Trustees has adopted a policy to consider annually increasing the cash distribution by between 2% and 4% while maintaining an AFFO payout ratio below 90%.

The cash distributions declared during the three months ended March 31, 2015, were $3.6 million compared to $2.2 million in the three months ended March 31, 2014.

SPECIAL DISTRIBUTION

As a result of the realized gain of $2.3 million or $0.08 per Unit created on the sale of a 75% interest in two properties, the Trustees approved a special distribution of $0.016 per Unit payable to shareholders of record May 31, 2015. This is to be paid June 15, 2015. The distribution represents 20% of the realized gain on the disposition. The total distributions (regular distributions plus special distribution) is expected to be less than 90% cash available from AFFO and realized gains.

UNITHOLDERS' TAXATION

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

	2014	2013
Other income	**0.00%**	0.89%
Capital gain	**23.21%**	23.67%
Return of capital	**76.79%**	75.44%

DISTRIBUTION REINVESTMENT PLAN

The Trust has a Distribution Reinvestment Plan (ñDRIPò) whereby registered or beneficial holders of the Trustôs 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, 2015, there were 81,381 Units issued under this plan for total proceeds of $0.5 million, representing a DRIP participation rate of 13.8%. 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 21.7% DRIP participation rate.

LIQUIDITY

(in Thousands of Canadian dollars)	**Total**	**Deferred Financing Charges**	**Premium on Debt**	**Remainder of 2015**	**2-3 years**	**4-5 years**	**After 5 years**
Loans and borrowings	225,612	(1,246)	366	40,429	28,191	60,623	97,249
Trade and accrued liabilities	5,074	-	-	5,074	-	-	-
Total	230,686	(1,246)	366	45,503	28,191	60,623	97,249

TAXATION

Summit II is generally subject to tax in Canada under the Income Tax Act (The ñTax Actò) with 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 IIôs 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, 2015		December 31, 2014		March 31, 2014	
	GLA	Occupancy %	GLA	Occupancy %	GLA	Occupancy %
Investment properties						
Ontario	3,500,755	100.0%	3,161,351	100.0%	2,761,254	99.2%
British Columbia	21,700	100.0%	21,700	100.0%	21,700	100.0%
Alberta	76,163	100.0%	76,163	100.0%	84,163	90.5%
New Brunswick	169,474	100.0%	169,474	100.0%	169,474	100.0%
Quebec	634,967	100.0%	308,558	100.0%	308,558	98.0%
Total	**4,403,059**	**100.0%**	**3,737,246**	**100.0%**	**3,345,149**	**98.7%**

ACTIVE LEASING PROGRAM

The portfolio is fully occupied. The weighted average lease term for the portfolio is approximately 5.9 years. The leases contain contractual steps in rent of approximately 1.5% per year over the term. The REIT is proactive in addressing lease expiries well in advance of the expiry date. The REIT has already completed renewals on approximately 158,000 square feet. Subsequent to quarter end the REIT completed a five year renewal on 150,000 square feet of the remaining 397,011 square feet of lease expiries. The majority of the head lease space acquired in March 2013 has now been leased.

LEASE ROLLOVER

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

2015	397,011	9.0%
2016	361,510	8.2%
2017	428,478	9.7%
2018	390,511	8.9%
2019	465,619	10.6%
Thereafter	2,359,930	53.6%
Occupied GLA	4,403,059	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, 2015, Summit II's debt leverage ratio was 55.3% compared to 55.2% at December 31, 2014 and 60.8% at March 31, 2014. The offering funds received January 7, 2015, were temporarily applied to the credit facility and drawn for the acquisitions February 5, 2015 and February 11, 2015, until being fully invested by the February 23, 2015 portfolio acquisition. The reduction in leverage during the 2014 year was a result of Summit II utilizing proceeds on the 75% sale of Palladium, and the June 2014 and January 2015 equity offerings reducing the revolving credit facility.

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 $112 million in new properties.

(In Thousands of Canadian dollars)	**As at March 31, 2015**	**As at December 31, 2014**	**As at September 30, 2014**	**As at June 30, 2014**	**As at March 31, 2014**
Total Assets	407,680	341,646	313,542	311,571	312,039
Debt					
Mortgages payable	191,012	152,515	152,493	136,577	125,354
Bank loans	34,600	36,162	9,514	23,295	64,245
Total debt	225,612	188,677	162,007	159,872	189,599
Leverage ratio	**55.3%**	**55.2%**	**51.7%**	**51.3%**	**60.8%**
Average leverage ratio - quarter	**51.8%**	**52.0%**	**50.9%**	**57.1%**	**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
2015 (remainder)	4,209	2.2%	3.57%
2016	11,945	6.3%	3.57%
2017	16,246	8.5%	3.56%
2018	56,183	29.5%	3.56%
2019	4,440	2.3%	3.55%
2020	45,982	24.2%	3.49%
Thereafter	51,267	27.0%	3.37%
Total principal repayments	190,272	100.0%	
Variable rate debt	35,570		3.01%
Vendor take back mortgage	650		
Premium on debt	366		
Deferred financing charges	(1,246)		
Total loans and borrowings	225,612		

As at March 31, 2015, there was approximately $35.6 million of variable rate debt.

CASH FLOW

The following table represents the changes in cash flow for the three months ended March 31, 2015, compared to the three months ended March 31, 2014.

(In thousands of Canadian dollars)	2015	2014
Cash flow from operating activities	$ 1,693	$ 2,249
Cash flow from (to) financing activities	$ 50,913	$ (1,221)
Cash flow from (to) investing activities	$ (52,243)	$ (1,296)

Cash flow from operating activities for the three months ended March 31, 2015, was $1.7 million compared to $2.2 million for the prior year. The decrease was due the change in working capital in the quarter.

Cash flow from financing activities was $50.9 million for the three months ended March 31, 2015, compared to an outflow of $1.2 million for the prior year. The change is primarily due to the increase in mortgage debt associated with recent transactions in the first quarter of 2015 and the related equity offering completed January 7, 2015. There were no acquisitions or equity offerings during the same period in 2014.

Cash flow to investing activities was $52.2 million for the three months ended March 31, 2015, compared to an outflow of $1.3 million in the same period in 2014. For the three months ended March 31, 2015 the Trust acquired ten properties with GLA of 665,813 square feet for a total purchase price of $64.5 million, compared to no property acquisitions during the three months ended March 31, 2014.

RELATED PARTY TRANSACTIONS

Management Agreement

Pursuant to the terms of the Management Agreement with Sigma Asset Management Limited (the ñManagerò) (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 IIôs assets;
- an incentive fee equal to 15% of Summit IIôs AFFO per Unit, plus per Unit realized gains, as defined by the Management Agreement, in excess of a $0.48 (after the ñConsolidationò) hurdle amount, such hurdle amount to be increased by 1.5% each year ($0.4945 effective January 1, 2015);
- 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, 2015 and 2014:

	Three months ended March 31	
(In $ thousands)	**2015**	2014
Acquisition fees (capitalized to investment properties)	**$ 645**	$ -
Asset management fees	**231**	217
Incentive fee	**7**	-
Property management services	**344**	312
	$ 1,227	$ 529

In March 2015, Sigma contributed $123,000 toward leasing costs for space under vendor lease as requested by the Independent Trustees. As noted in the February 13, 2013 short form prospectus, Sigma agreed to backstop space under vendor lease from January 1, 2015 to December 31, 2016 or until the applicable vendor lease has been satisfied. In January 2015, 58,000 square feet of the remaining 77,243 square feet vendor lease space had been leased.

During the three month period ended March 31, 2015, Sigma paid $8,000 to the Trust (2014 - $8,000) for office space located at 294 Walker Drive, Brampton, Ontario, under a five year lease commencing June 1, 2013. Also, included in accounts receivable at March 31, 2015, is an amount of $39,000 (2014 ï nil) due to the Trust for the remaining 19,243 square feet of vendor lease space.

Trustee related fees of $49,000 (2014 - $32,000) are included in general and administrative expenses for the three month period ended March 31, 2015.

The following table represents the Units acquired during the three months ended March 31, 2015, 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, 2015	Manager	Certain Senior Executives of the Manager	Other insiders	Total units
Acquired on open market in 2015 and DRIP	-	27,460	522,643	550,103
	-	**27,460**	**522,643**	**550,103**

In total the Manager owns a 4.6% interest in the REIT, on an indirect basis. Certain senior executives and employees of the Manager own, directly or indirectly, a 3.2% interest in the REIT and other insiders own, directly or indirectly, a 4.7% interest in the REIT, for a total of 12.6% insider ownership as at March 31, 2015.

SUMMARY OF QUARTERLY RESULTS

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

(in Thousands of Canadian dollars)	2015	2014				2013		
(except per Unit amounts)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue from income properties	$ 9,049	$ 7,532	$ 6,987	$ 7,153	$ 7,068	$ 7,570	$ 6,139	$ 5,655
Property operating expenses	2,750	2,073	1,736	2,017	1,700	2,240	1,505	1,236
Net operating income (NOI)	6,299	5,459	5,251	5,136	5,368	5,330	4,634	4,419
Net income	3,638	3,158	3,157	2,047	3,114	3,300	3,028	2,725
Funds from operations (FFO)	4,098	3,250	3,236	2,871	3,089	2,946	2,878	2,654
Adjusted funds form operations (AFFO)	3,529	3,004	2,791	2,420	2,816	2,677	2,596	2,441
Net income (loss) per Unit - basic and diluted	0.129	0.135	0.135	0.104	0.171	0.182	0.167	0.151
FFO per Unit	0.145	0.139	0.139	0.146	0.170	0.163	0.159	0.147
AFFO per Unit	0.125	0.129	0.120	0.123	0.155	0.148	0.144	0.135
Weighted average Units outstanding								
Basic and Diluted	28,226	23,368	23,308	19,698	18,201	18,126	18,083	18,029
Leverage ratio	55.3%	55.2%	51.7%	51.3%	60.8%	60.9%	60.3%	53.9%
Interest coverage (times)	2.90	2.72	2.80	2.46	2.54	2.47	2.87	2.90
Debt service coverage (times)	1.82	1.69	1.83	1.67	1.73	1.69	1.97	2.04

Revenues and operating expenses from income producing properties increased to $9.0 million and $2.8 million respectively during the quarter ended March 31, 2015, compared to $7.5 million and $2.1 million respectively in the fourth quarter of 2014 and $7.1 million and $2.2 million in the first quarter of 2014. Net operating income increased to $6.3 million from $5.5 million in the prior quarter and $5.4 million in the first quarter of 2014. The increase in NOI when comparing to the prior quarters was due to the acquisition of 220,000 square feet of GLA in late December 2014 and 665,813 square feet of GLA in February 2015.

Net income was $3.6 million for the quarter ended March 31, 2015, compared to $3.2 million in the prior quarter and $3.1 million in the first quarter of 2014. Interest expense increased compared to the prior quarters due to the increase on mortgages and debt related to the acquisitions during the first quarter of 2015. Also, during the first quarter of 2015, there was $442,000 in fair value losses compared to the prior quarter where there was $263,000 fair value gains were offset by $400,000 in losses on the sale of investment properties. Approximately $378,000 of these losses related to changes in estimated provisions on the sale of the 75% interest in 501 Palladium Drive which occurred in the second quarter of 2014. The remaining loss was associated with sale of the non-core property in Red Deer, Alberta.

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 expects regional differences within the Canadian light industrial sector in 2015, with improving market fundamentals in Eastern Canada offset by generally weaker fundamentals in Western Canada, more specifically in Alberta. These regional differences will be tied to the underlying economic growth forecast of each region. Eastern industrial markets, (most notably Toronto) which have a heavier concentration of manufacturing and distribution uses, will benefit from improved export and transportation conditions stemming from a lower Canadian dollar, lower fuel prices and an overall stronger U.S. economy. In contrast, Western industrial markets (most notably Edmonton and Calgary) will be negatively affected by lower oil and gas prices that are expected to curtail capital investment in the region. As a consequence, Management expects industrial valuations in Toronto to continue to rise in 2015, while valuations in Calgary and Edmonton may decline in response to rising market uncertainty and volatility.

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, are currently active buyers of light industrial properties. This competitive investment climate will continue to influence valuations in 2015, particularly in major Eastern markets. Interest rates, which are at historic lows and are expected to remain stable or rise only marginally in 2015, 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 IIôs existing portfolio and which provide value enhancement opportunities. Summit II will carefully evaluate acquisition opportunities, but will not complete a transaction unless it meets Summit IIôs 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 IIôs goal 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.

OPERATING PERFORMANCE

Management believes the light industrial market will continue to improve in 2015, particularly in Toronto, where the Trust has the bulk of its properties. Management expects Torontoôs market occupancy and rental rates to increase as the local economy and the U.S. economy enter periods of growth. Activities such as warehousing and storage, light assembly and shipping, professional services and a number of other similar uses carried out in Summit IIôs 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 IIôs strategy is to provide tenants with ñbest-in-classò services to ensure their needs are met and to build Summit IIôs reputation as the leading service provider in the Canadian real estate industry.

MANAGING DEBT

Interest rates are currently at historic lows and may be subject to modest increases over 2015. 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.

EVENTS SUBSEQUENT TO MARCH 31, 2015

Distributions

On April 15, 2015, a distribution in the amount of $0.042 per Unit for Unitholders of record April 30, 2015, was declared and will be paid on May 15, 2015.

On May 12, 2015, the Board of Trustees approved a special cash distribution of $0.016 per Unit. This special distribution will apply to Unitholders of record May 31, 2015 and will be paid on June 15, 2015.

Dispositions

On April 30, 2015, the Trust announced it had sold a 75% interest in its properties at 200 Iber Road, Ottawa and 290 Frenette, Moncton to a major Canadian institution for proceeds of approximately $24.9 million and generating a realized gain on the sale of approximately $2.3 million. The proceeds of the sale were used to reduce the Trustôs floating-rate revolving operating facility.

Financing

On April 30, 2015, excess land at 350 Hazelhurst Road, Mississauga, ON, associated with the $650,000 interest free, vendor take back mortgage was severed from the property. The purchase price for the excess lands was $650,000 and the proceeds were used to payout the vendor take back mortgage.

PROPERTY PORTFOLIO

The following table provides information regarding the property portfolio as at March 31, 2015:

Summit II REIT Portfolio by Property						
Address	City	Year Built / Renovated	Single vs. Multi-Tenant	No. of Tenants	GLA	Occupancy
				(#)	(sf)	(%)
Ontario						
501 Palladium Drive (2)	Ottawa	2007	Multi	2	64,593	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	4	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	8	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	4	86,681	100.0%
50 Dynamic Drive	Scarborough	1986	Single	2	45,639	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%
21 Finchdene Square	Scarborough	1981 / 1986	Single	1	170,100	100.0%
1 Rimini Mews	Mississauga	1972	Single	1	46,150	100.0%
977 Century Drive	Burlington	1980	Single	1	45,496	100.0%
30 Struck Court	Cambridge	2006	Single	1	111,493	100.0%
350 Hazelhurst Road	Mississauga	1997	Single	1	220,000	100.0%
78 Walker Drive	Brampton	1986 / 2000	Single	1	150,044	100.0%
1600 Clark Boulevard	Brampton	1974	Single	1	79,300	100.0%
65 Riveria Drive	Markham	1985	Single	1	46,360	100.0%
5485 Tomken Road	Mississauga	1982	Single	1	63,700	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	2	62,279	100.0%
300 Labrosse	Pointe-Claire	1974	Single	1	55,333	100.0%
7290 Frederick Banting	St. Laurent	2001	Single	1	20,859	100.0%
3720 Ave des Grandes Tourelles (3)	Boisbriand	2014	Single	1	153,322	100.0%
1177-1185 55e Ave (3)	Dorval	1990	Single	1	77,946	100.0%
5757 Thimens Blvd. (3)	St. Laurent	1981	Single	1	37,747	100.0%
5545 Ernest-Cormier (3)	Laval	2012	Single	1	24,956	100.0%
185 Bellerose Blvd (3)	Laval	2009	Single	1	19,566	100.0%
1970 John-Yule (3)	Chambly	2011	Single	1	12,872	100.0%

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%
New Brunswick						
290 Frenette	Moncton	2012	Single	1	169,474	100.0%
Total Portfolio As At March 31, 2015				**70**	**4,403,059**	**100.0%**

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

(2) Represents 25% of total GLA.

(3) Represents 50% of total GLA.

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 IIôs 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 IIôs 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 REITôs 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 REITôs operations to achieve highly sustainable cash flows.

The following is an examination of the key factors that influence Summit IIôs operations. A more detailed description of all of our risk factors is contained in the REITôs 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 REITôs loans and have an adverse effect on the REITôs comprehensive income and earnings per Unit. Based on the outstanding balance of the revolving credit facility and variable rate mortgages at March 31, 2015, a 1% increase or decrease in the Bankôs prime rate would have an impact of $356,000 on the REITôs annual interest expense (December 31, 2014 - $362,000) 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, 2015, and December 31, 2014, 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 REITôs Unaudited Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2015 and 2014 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 REITôs 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, 2015, the REITôs 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 REITøs 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 REITøs 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 REITøs distributions are made at the discretion of the REITøs 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 IIøs design of internal controls over financial reporting during the three months ended March 31, 2015, that have materially affected, or are reasonably likely to materially affect, Summit IIøs 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. Managementøs 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 Trustøs unaudited condensed consolidated interim financial statements for the three months ended March 31, 2015 and 2014 and the notes contained therein.

UNITS OUTSTANDING

The Trust is permitted under its Declaration of Trust, to issue three classes designated as ñUnitsò, ñSpecial Voting Unitsò and ñPreferred Unitsò. The Trust has issued only a single class of Units.

The total number of Units outstanding as of May 12, 2015, was 28,638,361.