



Annual Unitholder Meeting
May 7, 2014

Summit **II**REIT
Summit Industrial Income REIT



Paul Dykeman Chief Executive Officer

Forward Looking Information



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Solid Progress in 2013

2013 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

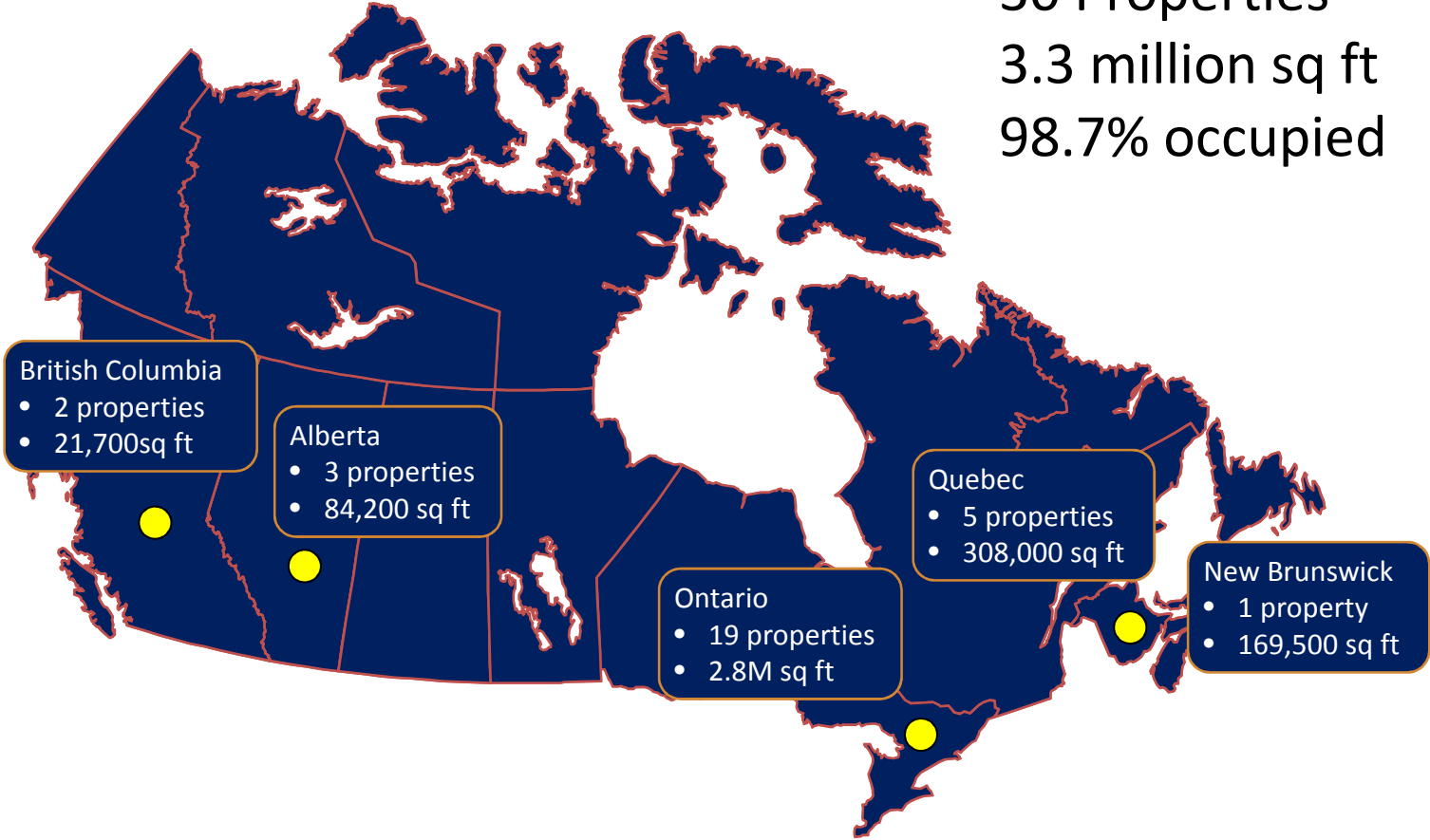
Strong Growth in 2013

- Acquired 22 properties for \$223.8 million
 - Edmonton, Toronto, Montreal, Moncton
- Highly accretive financing
 - Cash from February 2013 equity offering
 - \$104 million in new mortgages
 - Assumption of \$18.4 million in existing mortgages
- Strong 6.9% average capitalization rate



Diversified Portfolio

30 Properties
3.3 million sq ft
98.7% occupied



Quality Properties

- Solid, credit-worthy tenants
- Well-located in strong urban markets
- Close to major transportation infrastructure
- High quality properties
 - High ceiling heights
 - Ample loading docks
 - Extensive parking facilities



Successful Leasing Program



Head Lease Space (as at March 31, 2014)

Square feet under Head Lease	287,000 sq. ft.
Long-term leases secured	207,453 sq. ft.
Long-term leases under negotiation	79,547 sq. ft.

2014 Lease Expiries (as at March 31, 2014)

Total 2014 Lease Expiries	168,255 sq. ft.
2014 Renewals Completed	123,252 sq. ft.

Only 1.3% of portfolio remains to be renewed in 2014

Enhancing Value

501 Palladium Drive, Ottawa

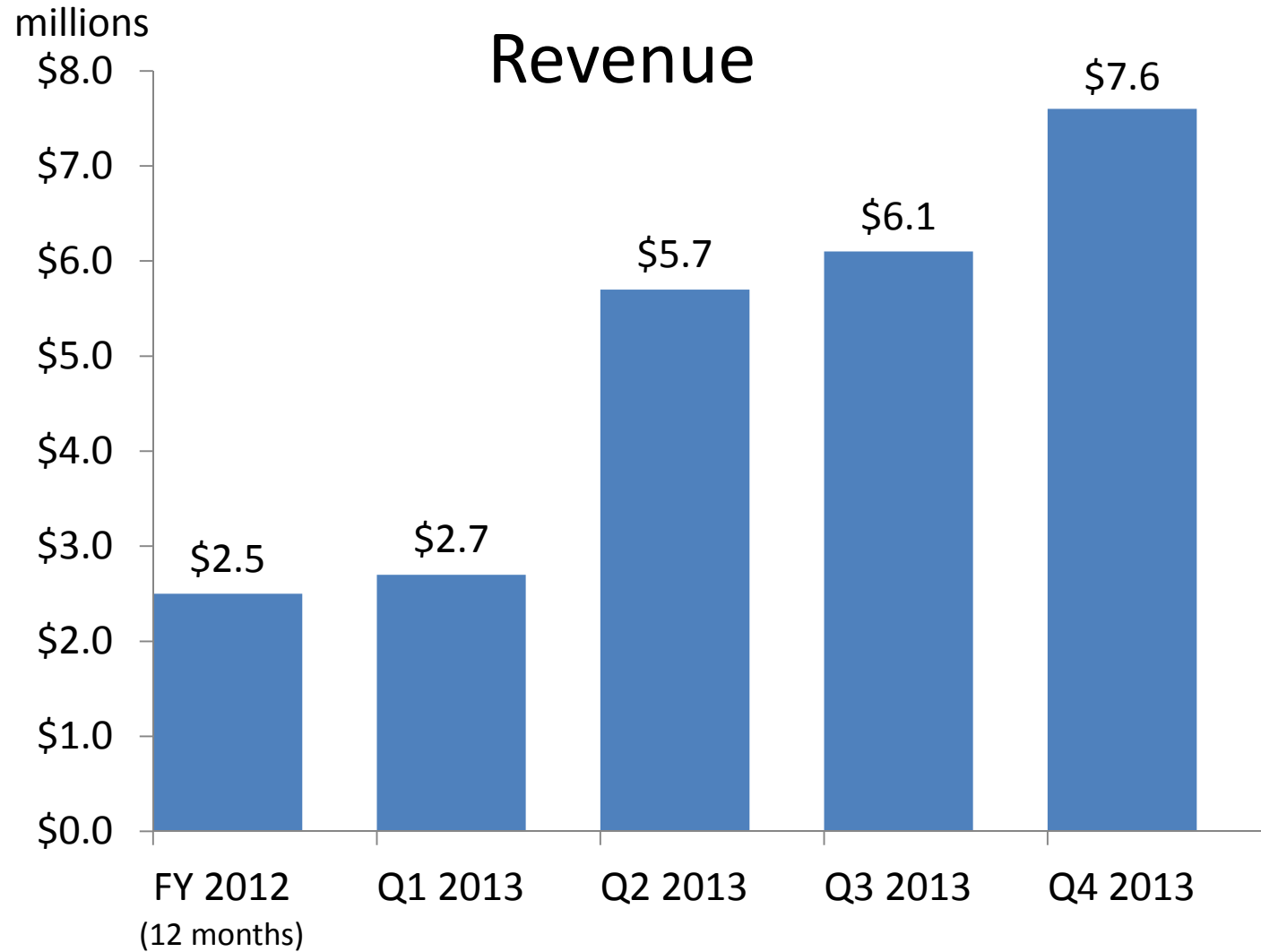
- Acquired property in September 2012
 - Single tenant occupied only office portion of property
- Replaced underperforming tenant in February 2013
 - Two new credit-worth tenants leased majority of space
 - Option for remaining space
- \$4.5 M payment for vacancy & re-leasing costs
- Sold 75% to major Canadian institution
 - \$25.3 M in new growth capital
 - \$4.9 M realized gain on sale



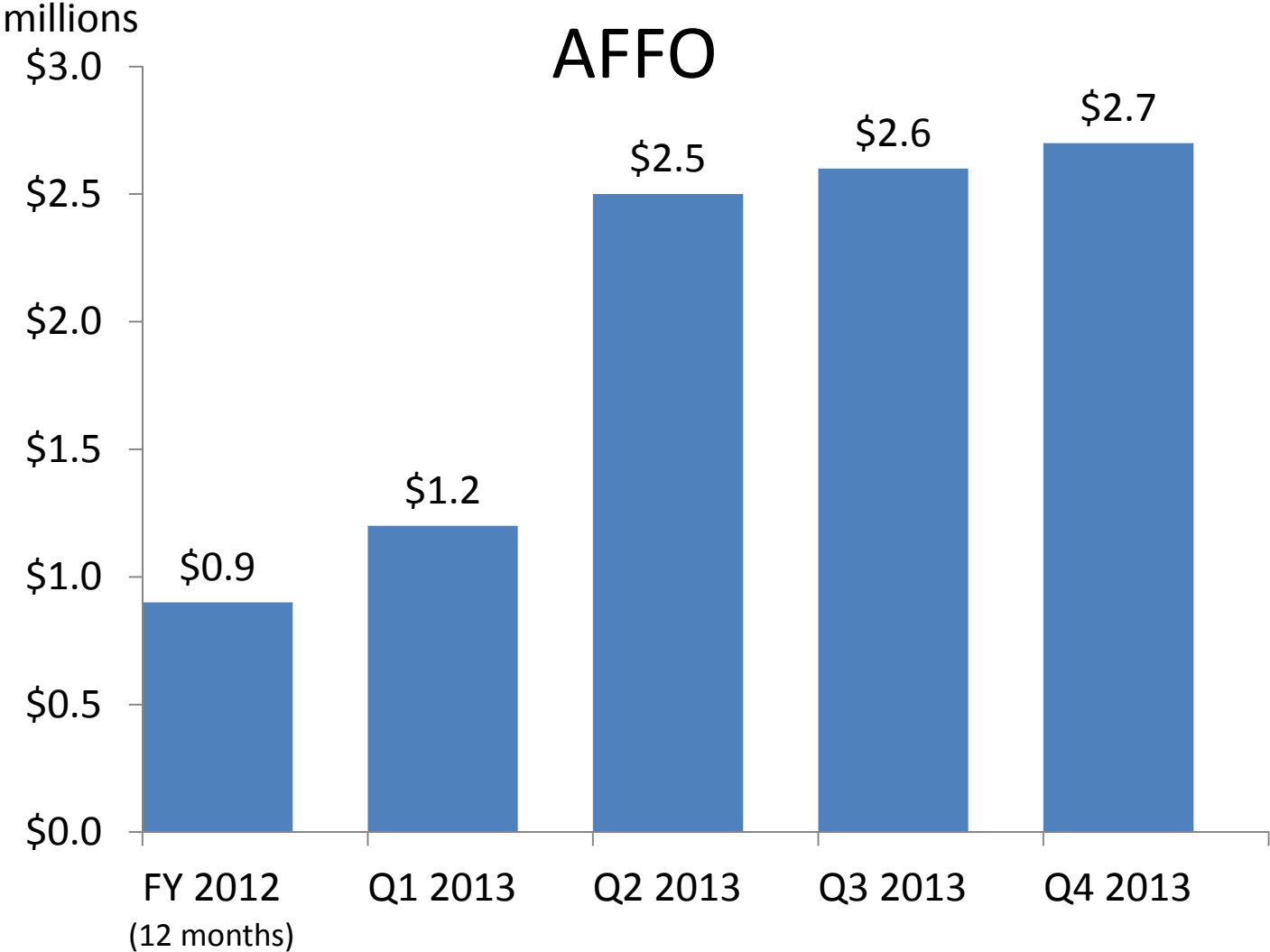


Financial Review

Strong Growth



Building Value



2013 – A Year of Growth



Year ended December 31, (\$,000 except per Unit amounts)	2013	2012
Revenue from Income properties	22,047	2,497
Net Operating Income	16,492	1,980
Funds from Operations (FFO)	9,744	906
FFO per Unit	\$0.60	\$0.40
Adjusted Funds from Operations (AFFO)	8,935	906
AFFO per Unit	\$0.55	\$0.40
Weighted Avg. Units Outstanding	16,356	2,294

Results Exceeded February Forecast

Improving Payout Ratio

	Q2 2013	Q3 2013	Q4 2013
AFFO Payout Ratio	88.2%	85.3%	82.9%

Strong DRIP Participation

Q1 2014 Results

Three Months ended March 31, (\$,000 except per Unit amounts)	2014	2013
Revenue from Income properties	7,068	2,683
Net Operating Income	5,368	2,109
Funds from Operations (FFO)	3,080	1,229
FFO per Unit	\$0.17	\$0.11
Adjusted Funds from Operations (AFFO)	2,816	1,161
AFFO per Unit	\$0.16	\$0.11
Weighted Avg. Units Outstanding	18,201	11,090

Strong Growth Continues in 2014

Improving Payout Ratio

	Q2 2013	Q3 2013	Q4 2013	Q1 2014
AFFO Payout Ratio	88.2%	85.3%	82.9%	79.1%

Stable Secure Monthly Cash Distributions

Solid Financial Position

As at	March 31, 2014	March 31, 2013
Total Assets	\$ 312.0 M	\$ 257.5 M
Debt to Gross Book Value	60.8%	54.6%
Weighted Average Effective Interest Rate	3.68%	3.70%
Debt Service Ratio	1.73 x	2.39 x
Interest Coverage Ratio	2.54x	2.87 x

Enhancing Unitholder Value

Summit **IREIT**
Summit Industrial Income REIT

3%

**DISTRIBUTION
INCREASE
June 2014**

**\$0.504
per Unit
Annualized**



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

**Enhanced
Portfolio
Value**



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



**Increasing
Monthly
Rents**

Perfect Time to Expand GTA Portfolio

Organic Growth

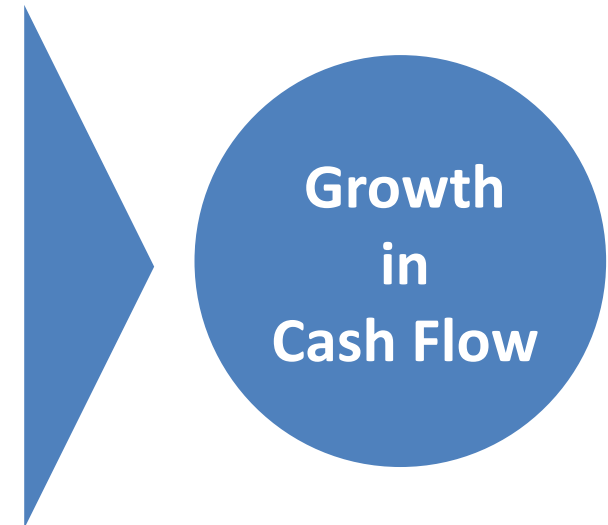
Strong industry fundamentals

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

Industry-leading operating company

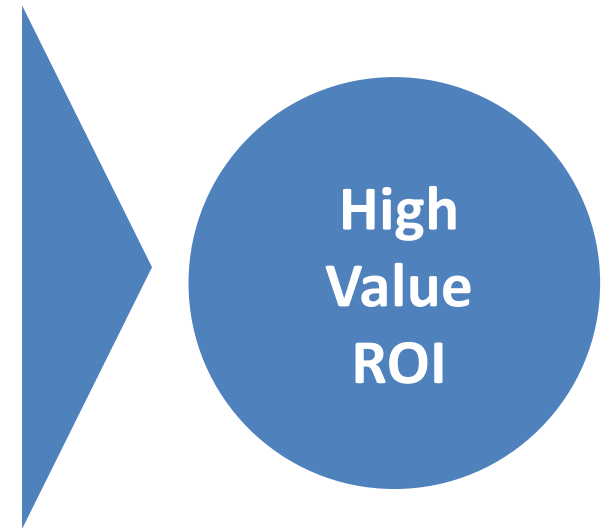
- Standard leases with built-in rent escalators
- Ensure tenants in appropriate properties
- Sound tenant covenants

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
- Strong portfolio growth in 2013
 - \$224 million in accretive acquisitions
- Attractive current cash yield
 - Currently paying approx. 8.4% 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 over 12%





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