Retail REIT

SLATE

Q2 2015

TSX: SRT.U / SRT.UN

DEAR FELLOW UNITHOLDERS

"I'm at the stage in life where I get a lot of pleasure from finding a cheap stock."

- 97 year old Irving Kahn

The end of the second quarter marks the half way point of the year for Slate Retail REIT ("the REIT") and we are making solid progress and executing on our business plan. As we have discussed in the past, there continues to be a pricing discrepancy highlighted by the discount between non-gateway and gateway markets (defined as top five cities based on population) as well as the discount between a single property transaction and a multi-property (portfolio) transaction of much larger dollar size. As a result, we continue to buy properties one-by-one in non-gateway markets - a strategy that we feel compensates us adequately at today's prices but also provides a runway for future growth in income and as such, total returns. However, building a portfolio of great properties one-by-one is only part of the story. The other part of the story relates to actively growing the income of the REIT organically. We want to talk about that opportunity in this quarter's letter because we believe it is a meaningful one for our unitholders, including **management and insiders who collectively are the REIT's largest unitholder.**

The organic growth opportunity within the REIT comes from many places but we will focus on what we believe are the three largest:

i. purchasing properties with under market rental rates;
ii. purchasing properties from poorly capitalized owners or from owners that are not real estate operators and/or where the property is a non-core holding; and
iii. purchasing properties where we have a strategic relationship with the anchor tenant and there is redevelopment opportunity.

i. Purchasing properties with under market rental rates

We continue to reap the benefits of under market rental rates within our portfolio. In the second quarter we achieved meaningful rental rate growth with a 5.1% increase in rent per square foot on all renewals and have averaged 6.4% rental rate growth on all renewals since the second quarter of 2014. On all new leases executed this quarter, we achieved a 4.0% increase over comparable in-place rental rates per square foot across the portfolio and have achieved an 18.6% increase above in-place rental rates since the second quarter of 2014. We believe this growth opportunity will continue well into the future as leases come up for renewal over the next several years with in-place rental rates below market rental rates.

ii. Purchasing properties from poorly capitalized owners or from owners that are not real estate operators and/or where the property is a non-core holding

Purchasing assets from poorly capitalized owners or owners that view the asset as a non-core holding (i.e. it's been underutilized/under-managed) provides an opportunity to invest capital into our properties and achieve attractive returns by successfully extending overall lease term and anchor lease term, increasing occupancy, and achieving rent growth upon lease renewal. This is largely as a result of our property becoming more desirable following our capital improvement programs and hands-on management approach. In addition, executing on our leasing strategy, which involves improving not only occupancy but tenant mix and tenant credit also increases the property value. The pool of six properties used to secure the $59.5 million fixed rate 10-year mortgage loan we closed this quarter are all properties where we've employed this strategy. The average cap rate at acquisition of these properties was 7.9% and we were able to refinance them at the lender's valuation that reflected a 6.8% cap rate. This enabled us to pull equity out of the properties to reinvest and grow portfolio income with no dilution to existing unitholders. This financing also resulted in a higher percentage of fixed rate debt and an increase in our overall time to debt maturity.

iii. Purchasing properties where we have a strategic relationship with the anchor tenant and there is redevelopment opportunity

The follow on effect of having partnered with our grocery anchor tenants on lease extensions and developing relationships with them is that a handful have brought us off-market opportunities where the existing anchors are 'stuck' with an existing owner/landlord that is either not financially able or not interested in investing into the property. For a grocer who is generating strong sales and profitability at a certain location and who wants to invest in their store, an absentee landlord presents a problem for them: they don't want to invest if the landlord is unwilling. We have recently been able to purchase a few properties where we have a redevelopment opportunity to replace an absentee landlord to work alongside the grocery-anchor tenant. This strategy generates meaningful income growth without being asked to pay for that future growth today. We look forward to reporting on some of these opportunities as they progress.

One year in

The end of the second quarter marks the one-year anniversary since the REIT reported its first quarterly results in the second quarter of 2014, following our listing on the TSX in April of 2014. Since then, a lot has happened so we thought it would be helpful to summarize some of the portfolio metrics.

We want to highlight that not all growth is created equally. What is important to us is growth in *per unit* key performance indicators like free cash flow (adjusted funds from operations ("AFFO")) *per unit* and net asset value *per unit* because we believe this is the kind of growth that creates real value over the long-term for our unitholders.

For the quarter ended	June 30, 2015	June 30, 2014	Change	% Change
Number of properties	59	29	30	103.45 %
Number of distinct tenants	604	359	245	68.25 %
Number of states properties are located in	20	14	6	42.86 %
Gross leasable area	6,972,001	3,545,857	3,426,144	96.62 %
Occupancy at quarter end	95.3%	96.1%	(0.8)%	(0.83)%
Occupancy at quarter end - original 29 properties	95.9%	96.1%	(0.2)%	(0.21)%
Average 5-mile household income	$ 71,175	$ 71,442	$ (267)	(0.37)%
Average 5-mile population	134,104	128,398	5,706	4.44 %
Weighted average lease term (years)	5.2	5.4	(0.2)	(3.70)%
Grocery-anchor weighted average lease term (years)	6.3	6.1	0.2	3.28 %
Weighted average in-place rent	$ 9.95	$ 9.33	$ 0.62	6.65 %
FFO per unit	$ 0.31	$ 0.27	$ 0.04	14.81 %
AFFO per unit	$ 0.28	$ 0.25	$ 0.03	12.00 %
Distributions per unit (annualized)	$ 0.76	$ 0.72	$ 0.04	5.56 %
Total Assets	$ 919,249	$ 648,166	$ 271,083	41.82 %
Fixed rate debt	$ 154,319	$ 31,598	$ 122,721	388.38 %
Debt / Gross Book Value	52.6%	49.8%	2.8 %	5.62 %
Floating rate debt / Total debt	68.1%	86.3%	(18.2)%	(21.09)%
Weighted average interest rate	3.14%	3.44%	(0.3)%	(8.72)%
Net Asset Value per unit (at 7.0% cap rate) (1)	$ 13.74	$ 13.46	$ 0.28	2.08 %

(1) June 30, 2014 NAV is based on the NOI and Forecast as presented in the Management Information Circular dated February 3, 2014. One-year forward (forecasted) NOI was also used in the June 30, 2015 NAV calculation to be consistent and is based on management's estimates and a pro forma debt-to-GBV of 54.6%

The number of properties more than doubled from 29 to 59 with a comparable increase in total number of distinct tenants from 359 to 604. We believe this increase is important as it provides meaningful diversity to our income stream that contributes to the ultimate value of our real estate. To put it another way, in our view the market does not value a single asset the same way it does a portfolio, and nor should it. A portfolio like ours generates income from 20 U.S. states, 604 distinct tenants (958 in total), and dozens of different business types. Why would the cap rate applied to an income stream for a single asset that generates the income from one-grocery tenant, in one market, with very few different business types be the same as the rate applied to the income stream from our portfolio? The risk profile is vastly different (and certainly more binary) for the single asset income stream than the income stream from a much larger portfolio. We believe the cap rate should reflect the underlying risk, size, and diversity of each income stream. We believe our larger, more diversified portfolio should command a lower cap rate than it did one year ago when the portfolio was less than half the size. We further believe that our portfolio should not be valued using the same cap rate at which we are able to strategically purchase single assets, often times in a process where the asset does not go to auction/market. However, we use the same cap rate in the NAV calculation above simply to show that we have generated growth that was accretive to our NAV per unit under the same assumptions which is very positive for our unitholders, including **management and insiders who collectively are the REIT's largest unitholder.** It is also worth noting we believe the quality of the assets we have acquired over the past year is as good or better than one year ago, which is why we included the demographic information above. More importantly, unemployment in our markets continues to decline as new jobs are added and disposable incomes rise.

In addition, we have seen meaningful per unit FFO and AFFO growth and with more cash flow we can continue to reinvest in our properties, buy back units, purchase new properties, or increase distributions. Leverage will move around slightly over time but our target continues to be 55.0% debt-to-gross book value. We will continue to employ more fixed rate debt over time as we execute on our property specific business plans to repatriate equity accretively upon refinance.

We thought Irving's quote above was appropriate because similarly we get a lot of pleasure from finding undervalued real estate. That said, units of SRT offered a compelling value proposition relative to most of the real estate acquisition opportunities we evaluated throughout the second quarter. As such, in the month of June after renewing our NCIB, we repurchased 499,434 units for cancellation. Our job is to proactively operate real estate to grow income and net asset value per unit but it is also to allocate capital effectively, and we felt the opportunity to buy back units was as good as any other we had. Peter Cundill said the art of making money is not losing it. At the time of our June purchases, our units represented an ownership interest in a portfolio of grocery-anchored real estate that was being valued by the market at well below replacement cost, which we believe provides a margin of safety. The properties are located in major U.S. cities where there is meaningful job and income growth and on a Canadian scale would be second only to Toronto and in some cases Vancouver. With an average in-place rental rate of $9.95 per square foot, which is on average below current market rental rates, we believe this should translate into future income growth. We believe these are only some of the many characteristics that will prevent us from losing money. If investors eventually value the real estate portfolio at what we believe to be its intrinsic value, we should make some money, too. If our units remain more undervalued than the real estate we can buy, we will continue to buy back units. Please call us directly if you are looking to sell at +1 416 644 4264 and we would be happy to take the call.

Thank you again for your support, we value your trust in us and look forward to the opportunity to build wealth together in the future.

Sincerely,

Greg Stevenson
Chief Executive Officer

August 12, 2015

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INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") for Slate Retail REIT and its subsidiaries (collectively, "REIT" or the "Trust") should be read in conjunction with the REIT's condensed consolidated financial statements and the accompanying notes for the period ended June 30, 2015 (the "consolidated financial statements").

A copy of the consolidated financial statements for the period ended June 30, 2015, and additional information relating to the REIT, is available on the REIT's SEDAR profile at www.sedar.com.

This MD&A is dated August 12, 2015. Disclosure contained in this document is current to that date, unless otherwise noted.

All amounts in this MD&A are in thousands of U.S. dollars and units, except square foot amounts and other data.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements and information within the meaning of applicable securities laws. Often, but not always, forward-looking statements can be identified by the use of the words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements include statements concerning the REIT's objectives, its strategies to achieve those objectives, as well as statements with respect to management's beliefs, plans, estimates, intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Readers should not place undue reliance on any such forward-looking statements.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the REIT to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained herein.

Forward-looking statements contained herein are based on a number of assumptions that may prove to be incorrect, including, but not limited to, the continued availability of mortgage financing and current interest rates; the extent of competition for properties; assumptions about the markets in which the REIT and its subsidiaries operate; the global and North American economic environment; and changes in governmental regulations or tax laws.

Although the forward-looking information contained in this MD&A is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. 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 this MD&A. Except as required by applicable law, the REIT undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Investors are cautioned against placing undue reliance on forward-looking statements.

NON-IFRS FINANCIAL MEASURES

The MD&A contains financial measures that do not have a standardized meaning under International Financial Reporting Standards ("IFRS") as prescribed by the International Accounting Standards Board. The REIT uses the following non-IFRS financial measures: Funds From Operations ("FFO"), Adjusted Funds From Operations ("AFFO") on an aggregate and per unit basis and Net Operating Income ("NOI"). Management believes that in addition to conventional measures prepared in accordance with IFRS, investors in the real estate industry use these non-IFRS financial measures to evaluate the REIT's performance and financial condition. Accordingly, FFO and AFFO are used by real estate industry analysts, investors and management as supplemental measures of operating performance of investment property. Management uses AFFO and FFO in addition to net income to report operating results. FFO is an industry standard for evaluating operating performance. AFFO differs from FFO in that AFFO excludes from its definition certain non-cash revenues and expenses recognized under IFRS, such as straight-line rent and the amortization of finance costs, but also includes capital and leasing costs incurred during the period, but capitalized for IFRS purposes. Management also uses AFFO to evaluate the cash generation performance of the REIT available to fund distributions to unitholders, which is why certain non-cash items are excluded and capital expenditures and leasing costs are deducted. NOI is used by real estate industry analysts, investors and management to measure operating performance of the REIT's properties. NOI represents total property revenues less property operating and maintenance expenses. Accordingly, NOI excludes certain expenses included in the determination of net income such as investment property fair value gains, and indirect operating expenses and financing costs. These items are excluded from NOI in order to provide results that are more closely related to a property's results of operations. Certain items, such as interest expense, while included in FFO, AFFO and net income, do not affect the operating performance of a real estate asset and are often incurred at the REIT level as opposed to the property level. As a result, management uses only those income and expense items that are incurred at the property level to evaluate a property's performance.

BUSINESS OVERVIEW AND RECENT DEVELOPMENTS

Overview

Slate Retail REIT (the "REIT") is an unincorporated, open-ended investment trust under, and governed by, the laws of the Province of Ontario. The REIT focuses on acquiring, owning and leasing a portfolio of diversified revenue-producing commercial real estate properties in the United States with an emphasis on grocery-anchored retail properties. The class U units of the REIT trade on the Toronto Stock Exchange ("TSX") under the symbols SRT.U/SRT.UN. The principal, registered, and head office of the REIT is located at 121 King Street West, Suite 200, Toronto, ON, M5H 3T9.

On June 1, 2015, the REIT completed a unitholder approved transaction to acquire the net assets of Slate U.S. Opportunity (No. 3) Realty Trust ("SUSO 3") (the "SUSO 3 transaction"), including 127,100 class U units of the REIT owned by SUSO 3. Consideration provided by the REIT for the acquisition of the net assets of SUSO 3 included (i) 7,760,798 class U units of the REIT to the SUSO 3 unitholders, and (ii) 225,251 Slate Retail exchangeable units to the holders of the general partner interests in SUSO 3. After cancellation of the 127,100 class U units of the REIT owned by SUSO 3 and assumed by the REIT on acquisition, the REIT has issued an additional net new 7,633,698 class U units of the REIT related to the SUSO 3 transaction.

On April 15, 2014, the REIT completed the unitholder approved combination transaction (the "combination transaction"). Pursuant to the combination transaction (i) the REIT acquired all of the assets of Slate U.S. Opportunity (No. 2) Realty Trust ("SUSO 2") in consideration for class U units of the REIT ("class U units"), (ii) the REIT effectively acquired, directly and indirectly, all of the assets of U.S. Grocery Anchored Retail (1A), (1B) and (1C) Limited Partnerships ("GAR") in consideration for class U units of the REIT or securities that are economically equivalent to class U units of the REIT (subject to certain adjustments) and redeemable for cash or class U units of the REIT and (iii) the class U units of the REIT were listed on the Toronto Stock Exchange on April 22, 2014 (TSX:SRT.U / SRT.UN). For more information, refer to the REIT's annual audited consolidated financial statements as at and for the year ended December 31, 2014.

Objectives and Management of the REIT

The objectives of the REIT are to:

i. provide unitholders with stable cash distributions from a portfolio of diversified revenue-producing commercial real estate properties in the United States with a focus on anchored retail properties;

ii. enhance the value of the REIT's assets in order to maximize long-term unitholder value through active management; and

iii. expand the asset base of the REIT and increase the REIT's earnings on a per unit basis, including accretive acquisitions.

The REIT is externally managed and operated by Slate Asset Management L.P. ("Slate" or the "Manager"). Slate has an experienced and dedicated team of real estate professionals with a proven track record of success in real estate investment and management. The Slate team has established a significant presence in key target markets, predominantly within the top 50 U.S. metro areas, and has the resources in place to quickly capitalize on opportunities for accretive growth. Management's interests are aligned with the unitholders of the REIT through its sponsorship and as a significant unitholder of the REIT.

Recent Developments

Significant developments during the quarter include:

- On April 6, 2015, the REIT completed the acquisition of City Center Plaza, a 97,670 square foot grocery-anchored shopping centre located in Westland, Michigan ("MI"). The property was acquired for $12.45 million ($127 per square foot). The property is 97% occupied and anchored by Kroger.
- The REIT certified a normal course issuer bid ("NCIB") which commenced on May 26, 2015 and will remain in effect until the earlier of May 26, 2016 or the date on which the REIT purchased an aggregate of 1,093,895 common shares (representing 5% of the REIT's issued and outstanding class U units at the time of entering the NCIB through the facilities of the TSX).
- The REIT entered into a 10-year, $59.50 million mortgage at 4.14%, secured by six of the REIT's existing properties effective June 2015. Funds were used to pay down a portion of the Revolver principle balance by $58.50 million.
- On June 8, 2015, the REIT completed the acquisition of Plaza St. Clair, a 97,459 square foot grocery-anchored shopping centre located in Fairview Heights, Illinois ("IL"). The property was acquired for $7.20 million ($74 per square foot). The property is 80% occupied and anchored by Schnucks.
- On June 23, 2015, the REIT completed the acquisition of Hocking Valley Mall, a 179,355 square foot grocery-anchored shopping centre located in Lancaster, Ohio ("OH"). Hocking Valley Mall was acquired for $8.75 million ($49 per square foot). The property is 98% occupied and anchored by Kroger.
- During the quarter, the REIT declared monthly distributions of $0.063 per class U unit. Holders of class A units, class I units and exchangeable units of subsidiaries of the REIT were also entitled to receive a distribution at the respective conversion rate attributable to the units.

SUBSEQUENT TO QUARTER END

- On July 9, 2015, the REIT completed the acquisition of Barefoot Commons, a 90,702 square foot grocery-anchored shopping centre located in North Myrtle Beach, South Carolina ("SC"). Barefoot Commons was acquired for $14.90 million ($164 per square foot). The property is 93% occupied and anchored by BI-LO.
- On July 9, 2015, the REIT completed the acquisition of Roxborough Marketplace, a 107,818 square foot grocery-anchored shopping centre located in Littleton, Colorado ("CO"). Roxborough Marketplace was acquired for $15.62 million ($145 per square foot). The property is 88% occupied and anchored by Safeway Inc.
- On July 15, 2015, the REIT declared monthly distributions of $0.063 per class U unit. Holders of class A units, class I units and units of subsidiaries of the REIT were also entitled to receive a distribution at the respective conversion rate attributable to the units.
- On July 29, 2015, the REIT entered into a binding agreement to acquire Meres Town Center, a 47,183 square foot grocery-anchored shopping centre located in Tarpon Springs, Florida for a purchase price of $7.60 million ($161 per square foot). The property is 97% occupied and is anchored by Winn-Dixie. The acquisition is expected to be completed in the third quarter of 2015 subject to customary closing conditions.
- On July 31, 2015, the REIT completed the acquisition of Shoppes at Birmingham, an 82,905 square foot grocery-anchored shopping centre located in Milton, Georgia ("GA"). Shoppes at Birmingham was acquired for $10.08 million ($122 per square foot). The property is 79% occupied and anchored by Publix.
- On July 31, 2015, the REIT completed the acquisition of Shoppes at Locust Grove, an 89,567 square foot grocery-anchored shopping centre located in Locust Grove, GA. Shoppes at Locust Grove was acquired for $9.43 million ($105 per square foot). The property is 71% occupied and is anchored by Publix.
- During the month of July, the REIT purchased and subsequently canceled 202,097 class U units under the NCIB for a total cost, including transaction costs, of $2.14 million at an average price of $10.60.
- On August 5, 2015, the REIT completed the disposition of an outparcel, anchored by O2 Fitness, at Fuquay Crossing, a 28,135 square foot space located in Raleigh, North Carolina. The outparcel was sold for $3.83 million ($136 per square foot) in a tax deferred transaction.

SUMMARY OF QUARTERLY INFORMATION AND KEY PERFOMANCE INDICATORS
(in thousands of dollars and units, unless otherwise stated)

	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Summary of Portfolio Information				
Number of properties	59	43	41	33
Gross leasable area ("GLA")	6,972,001	5,085,885	4,946,842	4,084,834
Occupancy at quarter end	95%	96%	96%	96%
Grocery anchor weighted average lease term (years)	6.3	5.7	5.9	5.9
Portfolio weighted average lease term (years)	5.2	5.0	5.4	5.2
Square footage leased during the period	198,817	113,501	86,491	157,062
Summary of Financial Information				
Total assets / gross book value ("GBV")	$ 919,249	$ 690,824	$ 648,166	$ 533,877
Total debt	$ 483,504	$ 339,580	$ 365,538	$ 292,920
Revenue	$ 17,913	$ 16,347	$ 14,508	$ 11,386
NOI	$ 12,902	$ 11,054	$ 10,085	$ 7,982
FFO	$ 8,518	$ 7,515	$ 3,500	$ 4,596
AFFO	$ 7,712	$ 6,590	$ 5,496	$ 4,244
Distributions declared	$ 5,227	$ 4,138	$ 3,766	$ 2,876
Class U equivalent units outstanding	32,588	25,167	20,255	15,976
Weighted average class U equivalent units outstanding ("WA unit")	27,719	20,919	19,606	15,976
FFO per WA unit (1)	$ 0.31	$ 0.36	$ 0.18	$ 0.29
AFFO per WA unit (1)	$ 0.28	$ 0.32	$ 0.28	$ 0.27
Declared distributions per unit	$ 0.19	$ 0.19	$ 0.19	$ 0.18
Financial Ratios				
AFFO payout ratio (2)	67.8%	62.8%	68.5%	67.8%
Debt / GBV (3)	52.6%	49.2%	56.4%	54.9%
Weighted average interest rate	3.14%	3.17%	3.27%	3.43%
Interest coverage ratio (4)	3.63x	3.40x	3.89x	3.10x

(1) FFO and AFFO divided by the WA units
(2) Distributions declared divided by AFFO
(3) Total debt divided by total assets
(4) NOI less G&A, divided by cash interest paid

Summary of Key Performance Indicators

The key performance indicators by which Management measures the REIT's performance are as follows:

i. Cash Flow Metrics

- NOI, the net operating income generated by the portfolio;
- FFO per unit, an earnings measure designed for real estate entities; and
- AFFO per unit, a measure of cash available for distributions.

ii. Other Financial Metrics

- Interest coverage ratio, a measure of credit risk used by lenders; and
- Debt / GBV, a measure of credit risk used by lenders.

Cash Flow Metrics

	Three months ended June 30,											
	2015				2014 (1)				**Variance**			
		Total		**Per WA unit**		Total		Per WA unit		**Total**		**Per WA unit**
NOI	**$**	**12,902**	**$**	**0.47**	$	6,890	$	0.43	**$**	**6,012**	**$**	**0.04**
FFO	**$**	**8,518**	**$**	**0.31**	$	4,332	$	0.27	**$**	**4,186**	**$**	**0.04**
AFFO	**$**	**7,712**	**$**	**0.28**	$	4,071	$	0.25	**$**	**3,641**	**$**	**0.03**

	Six months ended June 30,											
	2015				2014 (1)				**Variance**			
		Total		**Per WA unit**		Total		Per WA unit		**Total**		**Per WA unit**
NOI	**$**	**23,956**	**$**	**0.98**	$	8,797	$	0.55	**$**	**15,159**	**$**	**0.43**
FFO	**$**	**15,975**	**$**	**0.66**	$	4,588	$	0.29	**$**	**11,387**	**$**	**0.37**
AFFO	**$**	**14,302**	**$**	**0.59**	$	4,523	$	0.28	**$**	**9,779**	**$**	**0.31**

(1) The three months and six months ended June 30, 2014 relate to the full period of earnings of Slate U.S. Opportunity (No.2) Realty Trust ("SUSO 2"), and the acquisition of Slate U.S. Opportunity (No. 1) Realty Trust and the U.S. Grocery Anchored Retail portfolio on April 15, 2014.

For the three months and six months ended June 30, 2015 NOI of $12,902 and $23,956 was $6,012 and $15,159 higher than the comparative period, respectively. This increase is primarily due to the operational results of the 30 investment properties acquired since the combination transaction. Among these properties, three grocery-anchored shopping centers were acquired in the second quarter of 2015 for a total purchase price of $28.8 million.

During the second quarter, management completed 173,255 square feet of renewals. The weighted average rental rate increase on lease renewals completed less than 10,000 square feet was $1.07 per square foot or 6.6% higher than expiring rent. The weighted average rental rate increase on renewals completed greater than 10,000 square feet was $0.24 per square foot or 2.9% higher than expiring rent. A 20,000 square foot tenant exercised a preset option that resulted in a 7.4% decrease in rental rate. This type of option with a step down in rent is not common and excluding this transaction the average rental rate increase on renewals completed greater than 10,000 square feet was $0.45 per square foot or 5.4% higher than expiring rent.

Management also completed 25,562 square feet of new leasing in the second quarter. There were nine new leases executed with complimentary uses to the REITs existing consumer staple and service based tenant mix. The weighted average base rent on all new leases was $11.69 per square foot which is $0.45 per square foot or 4.0% higher than the weighted average in-place rent for comparable space across the portfolio and compares favorably to the weighted average portfolio in-place rent of $9.95.

For the three months ended June 30, 2015, FFO and AFFO of $8,518 and $7,712 was $4,186 and $3,641 higher than the comparative period, respectively. The increase is primarily due to the acquisition of 30 investment properties since the comparative period.

Other Financial Metrics

At June 30, 2015, the REIT's Debt / GBV was 52.6%, a 3.8%% decrease from December 31, 2014.

SLATE RETAIL REIT PORTFOLIO ANALYSIS

Investment Properties

As of June 30, 2015, the REIT owns a portfolio of 59 grocery-anchored retail properties. The portfolio consists of 6,972,001 square feet of GLA and a current weighted average occupancy rate of 95%.

Property	Location	Associated MSA	Area (SF)	Occupancy	Anchor
98 Palms	Destin, FL	Crestview-Fort Walton Beach-	84,682	95%	Winn-Dixie
Alta Mesa Plaza	Fort Worth, TX	Dallas-Ft Worth	167,961	99%	Kroger
Bowling Green Plaza	Bowling Green, VA	Richmond	49,850	87%	Food Lion
Buckeye Plaza	Cleveland, OH	Cleveland	116,905	98%	Giant Eagle
Bloomingdale Plaza	Brandon, FL	Tampa - St. Petersburg	83,237	100%	Winn-Dixie
Cambridge Crossings	Troy, MI	Detroit	238,963	97%	Walmart
Canton Shopping Center	Canton, MI	Detroit	72,361	98%	ALDI
City Center Plaza	Westland, MI	Detroit	97,670	97%	Kroger
County Line Plaza	Philadelphia, PA	Philadelphia	75,649	92%	Food Basics
Cudahy Centre	Milwaukee, WI	Milwaukee	103,254	89%	Pick ‘n Save
Derry Meadows Shoppes	Derry, NH	Boston	186,997	94%	Hannaford's Foods
Dill Creek Commons	Douglasville, GA	Atlanta	72,526	100%	BI-LO
Douglas Commons	Douglasville, GA	Atlanta	97,027	98%	Kroger
East Brainerd Mall	Brainerd, MN	Minneapolis	191,459	99%	Cub Foods
East Little Creek	Norfolk, VA	VA-NC MSA	68,770	100%	Farm Fresh
Errol Plaza	Orlando, FL	Orlando	72,150	97%	Winn-Dixie
Field Club Commons	New Castle, PA	Pittsburgh	131,270	97%	Save-A-Lot
Forest Plaza	Fond du Lac, WI	Fond du Lac	123,028	100%	Pick'n Save
Fuquay Crossing	Fuquay-Varnia, NC	Raleigh	124,773	92%	Kroger
Gaston Marketplace	Gaston, SC	Columbia	44,133	94%	Food Lion
Glidden Crossing	DeKalb, IL	Chicago - Naperville - Joilet	98,683	96%	Shnucks
Highland Square	Crossville, TN	Nashville	179,243	93%	Kroger
Hocking Valley Mall	Lancaster, OH	Columbus	179,355	98%	Kroger
Independence Square	Charlotte, NC	Charlotte	190,361	97%	Walmart
Kennywood Shops	Pittsburgh, PA	Pittsburgh	194,819	99%	Giant Eagle
Lake Raystown Plaza	Huntingdon, PA	Huntingdon	140,159	100%	GIANT
Lovingston Plaza	Lovingston, VA	Charlottesville	42,500	97%	Food Lion
Madison Centre	Madison, AL	Huntsville	64,837	96%	Publix
Madison Plaza	Madison, VA	Charlottesville	49,607	100%	Food Lion
Merchants Crossing	Newnan, GA	Atlanta	174,059	78%	Kroger
Merchants Square	Riverdale, GA	Atlanta	118,986	98%	Kroger
Mitchellville Plaza	Mitchellville, MD	Washington, DC	145,402	95%	Food Lion
Mulberry Square	Milford, OH	Cincinnati	146,730	89%	Kroger
North Augusta Plaza	North Augusta, SC	Augusta-Richmond	254,718	94%	Publix
North Pointe	Columbia, SC	Columbia	64,255	100%	Publix
North Summit Square	Winston-Salem, NC	Winston-Salem	224,530	96%	Sam's Club
Oak Hill Plaza	Jacksonville, FL	Jacksonville	78,492	92%	Publix
Oakland Commons	Bloomington, IL	Bloomington	73,705	96%	Jewel-Osco
Ocean Plaza	North Myrtle Beach, SC	Myrtle Beach - Conway	66,498	91%	Kroger
Phalen Retail Center	St Paul, MN	Minneapolis-St Paul	73,678	98%	Cub Foods
Pinewood Plaza	Dayton, OH	Dayton	88,700	92%	Kroger
Plaza St. Clair	Fairview Heights, IL	St. Louis	97,459	80%	Schnucks
Salerno Village Square	Stuart, FL	Port St. Lucie	77,677	85%	Winn-Dixie
Seminole Oaks	Seminole, FL	Tampa - St. Petersburg	63,572	97%	Winn-Dixie
Smithfield Shopping Plaza	Smithfield, VA	VA-NC MSA	134,664	92%	Farm Fresh
Southgate Crossing	Minot, ND	Minot	159,780	100%	Cash Wise
Springboro Plaza	Dayton, OH	Dayton	154,034	100%	Kroger
St. Elmo Central	Chattanooga, TN	Chattanooga	74,978	99%	BI-LO
Stadium Center	Port Huron, MI	Detroit	92,365	93%	Kroger
Stonefield Square	Louisville, KY	Louisville	90,991	92%	The Fresh Market

Property	Location	Associated MSA	Area (SF)	Occupancy	Anchor
Summit Ridge	Mount Pleasant, PA	Pittsburgh	227,729	96%	Walmart
Triangle Food Lion	Charlotte, NC	Charlotte	41,439	100%	Food Lion
Uptown Station	Fort Walton Beach, FL	Crestview-Fort Walton Beach-	297,679	95%	Winn-Dixie
Waterbury Plaza	Waterbury, CT	New Haven-Milford	141,443	100%	Stop & Shop
Watford Plaza	Watford City, ND	McKenzie	101,798	100%	Cash Wise
Wausau Pick 'n Save	Wausau, WI	Wausau	67,951	100%	Pick 'N Save
Wellington Park	Cary, NC	Raleigh	102,487	94%	Lowes
Westhaven Town Center	Franklin, TN	Nashville	96,960	96%	Harris Teeter
Westminster Plaza	Westminster, CO	Denver	97,013	95%	Safeway
Total / Weighted average			**6,972,001**	**95%**	

Acquisition of Investment Properties

Glidden Crossing

On January 12, 2015, the REIT completed the acquisition of Glidden Crossing, a 98,683 square foot grocery-anchored shopping centre located in DeKalb, IL. Glidden Crossing was acquired for $16.6 million ($168 per square foot). The property is 96% occupied and anchored by Schnucks.

Photo: Glidden Crossing, DeKalb, IL

Ocean Plaza

On January 22, 2015, the REIT completed the acquisition of Ocean Plaza, a 66,498 square foot grocery-anchored shopping centre located in North Myrtle Beach, SC. Ocean Plaza was acquired for $5.5 million ($83 per square foot). The property is 91% occupied and anchored by Kroger.

Photo: Ocean Plaza, North Myrtle Beach, SC

City Center Plaza

On April 6, 2015, the REIT completed the acquisition of City Center Plaza, a 97,670 square foot grocery-anchored shopping centre located in Westland, MI. City Center Plaza was acquired for $12.45 million ($127 per square foot). The property is 97% occupied and anchored by Kroger.

Photo: City Center Plaza, Westland, MI

Plaza St. Clair

On June 8, 2015, the REIT completed the acquisition of Plaza St.Clair, a 97,459 square foot grocery-anchored shopping centre located in Fairview Heights, IL. Plaza St. Clair was acquired for $7.20 million ($74 per square foot). The property is 80% occupied and anchored by Schnucks.

Photo: Plaza St. Clair, Fairview Heights, IL

Hocking Valley Mall

On June 23, 2015, the REIT completed the acquisition of Hocking Valley Mall, a 179,355 square foot grocery-anchored shopping centre located in Lancaster, OH. Hocking Valley Mall was acquired for $8.75 million ($49 per square foot). The property is 98% occupied and anchored by Kroger.

Photo: Hocking Valley, Lancaster, OH

Acquisition of Investment Properties Subsequent to Quarter end

Roxborough Marketplace

On July 9, 2015, the REIT completed the acquisition of Roxborough Marketplace, a 107,818 square foot grocery-anchored shopping centre located in Littleton, CO. Roxborough Marketplace was acquired for $15.62 million ($145 per square foot). The property is 88% occupied and anchored by Safeway Inc.

Photo: Roxborough Marketplace, Littleton, CO

Barefoot Commons

On July 9, 2015, the REIT completed the acquisition of Barefoot Commons, a 90,702 square foot grocery-anchored shopping centre located in North Myrtle Beach, SC. Barefoot Commons was acquired for $14.90 million ($164 per square foot). The property is 93% occupied and anchored by BI-LO.

Photo: Barefoot Commons, North Myrtle Beach, SC

Shoppes at Birmingham

On July 31, 2015, the REIT completed the acquisition of Shoppes at Birmingham, an 82,905 square foot grocery-anchored shopping centre located in Milton, Georgia "GA". Shoppes at Birmingham was acquired for $10.08 million ($122 per square foot). The property is 79% occupied and is anchored by Publix.

Photo: Shoppes at Birmingham, Milton, GA

Shoppes at Locust Grove

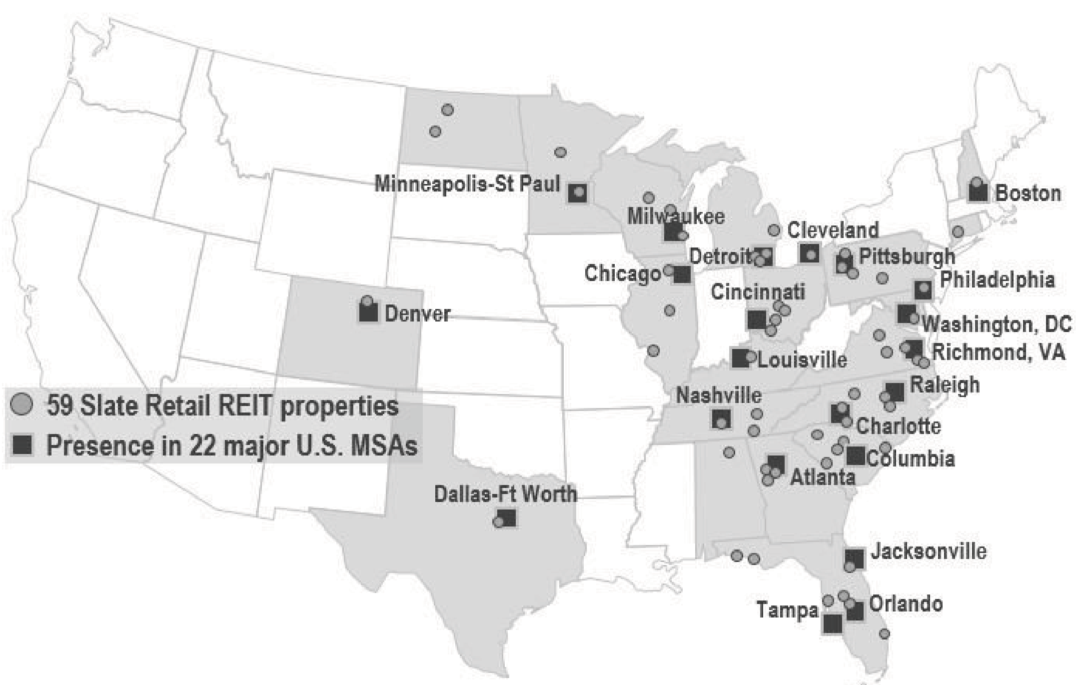
On July 31, 2015, the REIT completed the acquisition of Shoppes at Locust Grove, an 89,567 square foot grocery-anchored shopping centre located in Locust Grove, GA. Shoppes at Locust Grove was acquired for $9.43 million ($105 per square foot). The property is 71% occupied and anchored by Publix.

Photo: Shoppes at Locust Grove, Locust Grove, GA

Geographic Overview

The REIT's portfolio is geographically diversified. As of June 30, 2015, the REIT has 59 properties, located in 20 states, totaling 6,972,001 leasable square feet:

State	Number of Assets	Total SF	% Total SF
Pennsylvania	5	769,626	11.0%
Florida	7	757,489	10.9%
Ohio	5	685,724	9.8%
North Carolina	5	683,590	9.8%
South Carolina	5	502,130	7.2%
Michigan	4	501,359	7.2%
Georgia	3	390,072	5.6%
Tennessee	3	351,181	5.0%
Virginia	5	345,391	5.0%
Wisconsin	3	294,233	4.2%
Illinois	3	269,847	3.9%
Minnesota	2	265,137	3.8%
North Dakota	2	261,578	3.8%
New Hamsphire	1	186,997	2.7%
Texas	1	167,961	2.4%
Maryland	1	145,402	2.1%
Connecticut	1	141,443	2.0%
Colorado	1	97,013	1.4%
Kentucky	1	90,991	1.3%
Alabama	1	64,837	0.9%
Total	**59**	**6,972,001**	**100%**

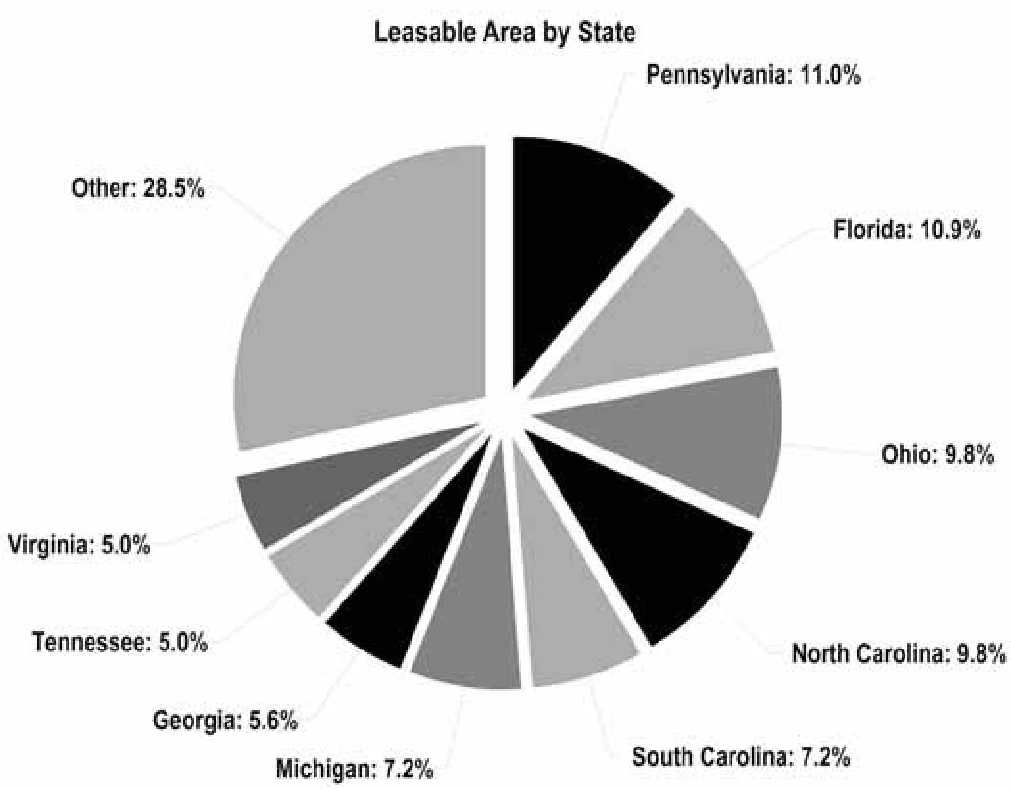


Anchor Tenants

The following table illustrates the REIT's largest anchor tenants including their annual minimum rent, number of stores, percentage of GLA of the total portfolio and the percentage of estimated total revenue. The Kroger Co. represent the largest percentage of rent with a total of 14 stores and approximately 6.7% of the total tenant base rents.

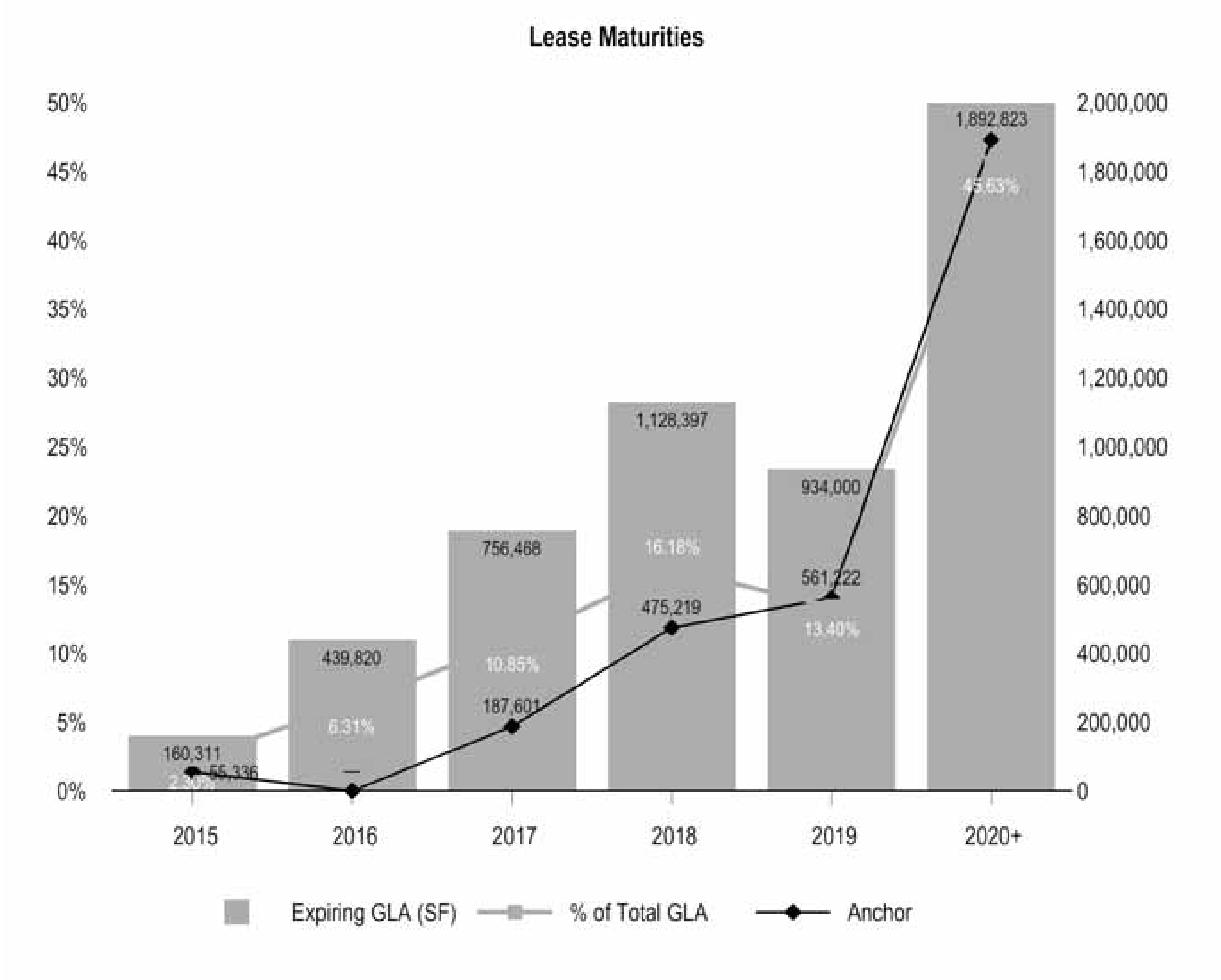
The largest tenants account for of 50.9% total GLA and 43.1% of base rent.

Parent company	Store brand(s)	Grocery		Revenue	Stores	% GLA	% Rent
The Kroger Co.	Kroger, Harris Teeter	Yes	$	4,485	14	11.0%	6.7%
Southeastern Grocers	Winn Dixie, BI-LO	Yes		3,313	8	5.4%	5.0%
Walmart Inc.	Wal-Mart, Sams Club	Yes		3,009	4	7.5%	4.5%
Delhaize America	Food Lion, Hannaford	Yes		2,834	7	4.0%	4.2%
SuperValu Inc.	Cub Foods, Farm Fresh, Save A Lot	Yes		2,637	6	3.7%	4.0%
AHOLD	Stop & Shop, GIANT FOOD STORE	Yes		2,371	2	1.9%	3.6%
Cash Wise	Coborn's, Inc.	Yes		1,853	3	1.7%	2.8%
Roundy's Supermarkets	Pick 'n Save	Yes		1,800	3	2.8%	2.7%
Publix Supermarkets	Publix Supermarket Inc.	Yes		1,327	4	2.5%	2.0%
Sears Holding Co.	K-Mart	No		1,194	3	4.0%	1.8%
Schnuck Markets, Inc.	Schnuck	Yes		1,082	2	1.6%	1.6%
Giant Eagle, Inc.	Giant Eagle	Yes		835	2	1.7%	1.3%
LA Fitness	LA Fitness	No		693	1	0.9%	1.0%
Alex Lee Inc.	Lowes Foods	Yes		685	2	1.2%	1.0%
Raymour & Flanigan Furniture	Raymour & Flanigan	No		609	1	1.0%	0.9%
TOTAL			**$**	**28,727**	**62**	**50.9%**	**43.1%**



Lease Maturities

The majority of anchor tenants have leases that expire beyond 2016. The REIT is taking a proactive approach to lease and renew tenants in advance of their lease maturity. The REIT has one anchor expiration remaining in 2015 that management expects to renew and no maturities within 2016. The timing of upcoming lease expirations for all of the REIT's tenants is as follows.



Valuation Method

The REIT determines the fair value of investment properties based upon either the overall income capitalization rate method or the discounted cash flow method, or in certain circumstances, a combination of both methods. Both methods are generally accepted appraisal methodologies. Under the overall income capitalization rate method, year one net operating income is stabilized and capitalized at a rate appropriate for each investment property. Capitalization rates and estimates of stabilized income are the most significant assumptions in determining fair values under this method. Under the discounted cash flow method, fair values are primarily determined by discounting the expected future cash flows, generally over a term of 10 years, including a terminal value based on the application of a capitalization rate to estimated year 11 net operating income. The REIT uses leasing history, market reports, tenant profiles and available appraisals, among other things, in determining the most appropriate assumptions. At June 30, 2015, all valuations were completed by management of the REIT using the overall income capitalization rate method.

PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS AS A RESULT OF THE COMBINATION TRANSACTION

The following chart shows comparative consolidated statements of comprehensive income of the REIT for the three and six months ended June 30, 2015. The three and six months ended June 30, 2014 relate to the full period of earnings of SUSO 2, and the acquisition of Slate U.S. Opportunity (No. 1) Realty Trust and GAR on April 15, 2014.

	Three months ended June 30,			Six months ended June 30,		
	2015	2014	**Variance**	**2015**	2014	**Variance**
Rental revenue	**$ 17,913**	$ 9,885	**$ 8,028**	**$ 34,260**	$ 15,549	**$ 18,711**
Property operating expenses	**(2,379)**	(1,647)	**(732)**	**(12,663)**	(5,404)	**(7,259)**
Net property income	**15,534**	8,238	**7,296**	**21,597**	10,145	**11,452**
Other income (expenses)						
General and administrative	**(1,673)**	(2,211)	**538**	**(3,122)**	(3,028)	**(94)**
Interest expense and other financing costs	**(17,656)**	(10,572)	**(7,084)**	**(18,777)**	(11,579)	**(7,198)**
Change in fair value of investment properties	**(2,844)**	21,772	**(24,616)**	**18,445**	34,870	**(16,425)**
Impairment of goodwill	**(8,870)**	(14,987)	**6,117**	**(8,870)**	(14,987)	**6,117**
Net income before taxes	**$ (15,509)**	$ 2,240	**$ (17,749)**	**$ 9,273**	$ 15,421	**$ (6,148)**
Income tax expense						
Deferred income tax expense	**(1,447)**	(3,337)	**1,890**	**(10,687)**	(8,318)	**(2,369)**
Net income and comprehensive income	**$ (16,956)**	$ (1,097)	**$ (15,859)**	**$ (1,414)**	$ 7,103	**$ (8,517)**

The significant variance between the three and six months ended June 30, 2015 and 2014 is primarily due to the operational results of 30 additional investment properties acquired after the combination transaction.

RESULTS OF OPERATIONS

Results of operations for the three and six months ended June 30, 2015 is summarized as follows:

	Three months ended June 30,			Six months ended June 30,		
	2015	2014	**Variance**	**2015**	2014	**Variance**
Rental revenue	**$ 17,913**	$ 9,885	**$ 8,028**	**$ 34,260**	$ 15,549	**$ 18,711**
Property operating expenses [1]	**(2,379)**	(1,647)	**(732)**	**(12,663)**	(5,404)	**(7,259)**
Net property income	**15,534**	8,238	**7,296**	**21,597**	10,145	**11,452**
General and administrative	**(1,673)**	(2,211)	**538**	**(3,122)**	(3,028)	**(94)**
Interest on short-term investments	**2**	2	**—**	**5**	5	**—**
Interest on debt	**(3,073)**	(1,875)	**(1,198)**	**(6,025)**	(2,656)	**(3,369)**
Amortization of finance charges	**(201)**	(232)	**31**	**(390)**	(428)	**38**
Amortization of mark to market premium	**184**	86	**98**	**379**	86	**293**
Interest on TIF receivable	**59**	75	**(16)**	**117**	97	**20**
Interest on TIF loan	**(67)**	(61)	**(6)**	**(124)**	(81)	**(43)**
Deferred gain on TIF notes receivable	**22**	23	**(1)**	**44**	30	**14**
SUSO 3 transaction costs	**(449)**	—	**(449)**	**(579)**	—	**(579)**
REIT unit distributions	**(4,756)**	(2,150)	**(2,606)**	**(8,433)**	(2,150)	**(6,283)**
Exchangeable unit distributions	**(471)**	(382)	**(89)**	**(932)**	(382)	**(550)**
Change in fair value of interest rate caps	**(2)**	(33)	**31**	**(2)**	(75)	**73**
Changes in fair values of REIT units	**(8,037)**	(7,081)	**(956)**	**(2,837)**	(7,081)	**4,244**
Changes in fair values of exchangeable units of subsidiaries	**(867)**	1,056	**(1,923)**	**—**	1,056	**(1,056)**
Changes in fair values of investment properties	**(2,844)**	21,772	**(24,616)**	**18,445**	34,870	**(16,425)**
Impairment of goodwill	**(8,870)**	(14,987)	**6,117**	**(8,870)**	(14,987)	**6,117**
Deferred income taxes	**(1,447)**	(3,337)	**1,890**	**(10,687)**	(8,318)	**(2,369)**
Net income and comprehensive income	**$ (16,956)**	$ (1,097)	**$ (15,859)**	**$ (1,414)**	$ 7,103	**$ (8,517)**

[1] The adoption of IFRIC 21, Levies ("IFRIC 21") results in the REIT recognizing the annual property tax liability and expense on its properties on January 1 rather than progressively, i.e. ratably, throughout the year.

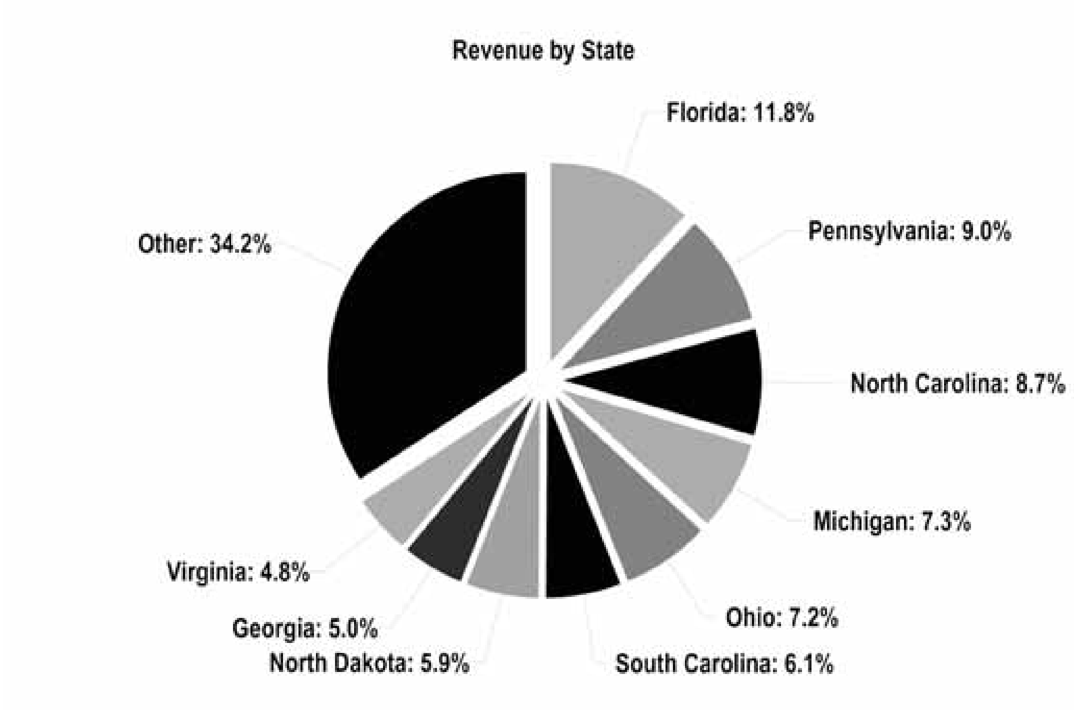
REVIEW OF FINANCIAL RESULTS

Rental Revenue

Revenue from investment properties includes base rent from tenants, straight-line rental income, property tax and operating cost recoveries, and other incidental income.

For the three and six months ended June 30, 2015, rental revenue of $17,913 and $34,260 was $8,028 and $18,711 higher compared to the comparative period, respectively. The variance is primarily due to operating results from properties acquired following the comparative period and the SUSO 3 transaction. Since the comparative period, the REIT acquired 30 investment properties, each of which contributed to the increase in revenue.

The REIT's portfolio is located across 20 states in the United States with 65.8% of the second quarter's rental revenue from investment properties located in Florida, Pennsylvania, North Carolina, Michigan, Ohio, South Carolina, North Dakota, Georgia and Virginia.



Property Operating Expenses

Property operating expenses consists of property taxes, property management fees, and other expenses including common area costs, utilities and insurance. The majority of the REIT's operating expenses are recoverable from tenants in accordance with the terms of their respective lease agreements. Operating expenses fluctuate with changes in occupancy and levels of repairs and maintenance.

For the three and six months ended June 30, 2015, property operating expenses of $2,379 and $12,663 were $732 and $7,259 higher than the comparative period, respectively. The increase is primarily due to additional costs associated with recently acquired properties and the application of IFRIC 21 property tax adjustments. With the adoption of IFRIC 21, the REIT recognizes the annual property tax liability and expense on its existing properties as at January 1, 2015, rather than progressively, i.e. ratably, throughout the year.

The recognition of property taxes as a result of IFRIC 21 has no impact on FFO or AFFO.

Net Property Income

For the three and six months ended June 30, 2015, net property income of $15,534 and $21,597 was $7,296 and $11,452 higher than the comparative period, respectively. The increase is due to the operational results of the 30 investment properties acquired since the 2014 combination transaction, and the application of IFRIC 21, which recognized the annual property tax expense for investment properties owned by the REIT as at January 1, 2015.

	Three months ended June 30,			Six months ended June 30,		
	2015	2014	**Variance**	**2015**	2014	**Variance**
Rental revenue	**$ 17,913**	$ 9,885	**$ 8,028**	**$ 34,260**	$ 15,549	**$ 18,711**
Property operating expenses	**(2,379)**	(1,647)	**(732)**	**(12,663)**	(5,404)	**(7,259)**
Total	**$ 15,534**	$ 8,238	**$ 7,296**	**$ 21,597**	$ 10,145	**$ 11,452**

General and Administrative

General and administrative expenses include asset management fees, professional fees, trustee fees, tax compliance fees and reporting fees.

	Three months ended June 30,			Six months ended June 30,		
	2015	2014	**Variance**	**2015**	2014	**Variance**
Asset management and service fees	**$ 758**	$ 393	**$ 365**	**$ 1,406**	$ 664	**$ 742**
REIT startup costs	**—**	1,534	**(1,534)**	**—**	1,534	**(1,534)**
Professional fees	**915**	255	**660**	**1,292**	670	**622**
Property acquisition costs	**—**	—	**—**	**424**	131	**293**
Other administrative costs	**—**	29	**(29)**	**—**	29	**(29)**
Total	**$ 1,673**	$ 2,211	**$ (538)**	**$ 3,122**	$ 3,028	**$ 94**

For the three and six months ended June 30, 2015, general and administrative expenses of $1,673 and $3,122 was $538 lower and $94 higher than the comparative period, respectively. The decrease is primarily due to one time REIT start up costs incurred in 2014, partially offset by increased asset management fees, and professional fees as a result of 30 investment properties acquired subsequent to the combination transaction.

Interest on Debt

Interest on debt consists of interest paid on the various credit facilities, the standby fee paid on the revolver, term loan and mortgages, as well as the amortization of mark-to-market adjustments.

For the three and six months ended June 30, 2015, the interest on debt of $3,073 and $6,025 was $1,198 and $3,369 higher than the comparative period, respectively. The increase is primarily related primarily due to the increase in debt related to the acquisition of 30 investment properties since the 2014 combination transaction.

REIT Units and Exchangeable Units of Subsidiaries Distributions

During the quarter, the REIT declared monthly distributions of $0.063 per unit. Distributions paid on the REIT units and exchangeable units are recorded as finance expenses. The distribution increased to $0.063 per unit in November 2014 and remains unchanged to date.

For the three months and six months ended June 30, 2015, distributions were $5,227 and $9,365, respectively. The increase in the comparative period is the result of the issuance of REIT units from the SUSO 3 transaction and March 19, 2015 equity offering.

Changes in Fair Values of Investment Properties

The REIT has elected to use the fair value model to account for its investment properties. Under the fair value model, investment properties are carried at fair value on the consolidated statement of financial position. The unrealized gain of investment properties for the three and six months ended June 30, 2015 is $2,844 and $18,445 respectively.

The fair value change of investment properties is impacted by IFRIC 21 property tax adjustments recorded on the REIT's portfolio. The REIT has determined that the obligating event for property taxes is ownership of the property on January 1st of the fiscal year. As a result, the annual property tax liability and expense has been recognized on the properties owned as at January 1, 2015.

The fair values of investment properties are measured individually without consideration to their aggregate value on a portfolio basis. No consideration is given to diversification benefits related to single property tenant risk and geography, the value of assembling a portfolio or to the utilization of a common management platform, amongst other benefits. As a result, the fair value of the REIT's investment properties in aggregate can differ from the fair value of investment properties measured individually in the REIT's consolidated statements of financial position.

Changes in Fair Values of Financial Instruments

REIT units and exchangeable units of subsidiaries are classified as financial liabilities under IFRS and are measured at fair value with any changes in fair value recognized in the consolidated statements of comprehensive income. The fair value is re-measured at the end of each reporting period. An unrealized gain represents a decrease in the fair value per unit whereas an unrealized loss represents an increase in the fair value per unit. The fair value per unit on June 30, 2015 was $10.44. Changes in fair value of REIT units and exchangeable units of subsidiaries are non-cash in nature and are required under IFRS.

For the three months ended June 30, 2015, the REIT recognized an unrealized fair value loss of $8,037 and $867 on the REIT units and exchangeable units of subsidiaries, respectively as a result of an increase in fair value per unit. For the six months ended June 30, 2015, the REIT recognized an unrealized fair value loss of $2,837 and nil on the REIT units and exchangeable units of subsidiaries, respectively.

Impairment of Goodwill

Under IFRS, the allocation of the fair value of consideration exchanged to the net assets acquired for the SUSO 3 transaction gave rise to goodwill of $8,870. The goodwill arises primarily from the difference between how deferred tax is calculated for accounting purposes and the value ascribed to it in negotiations. The former is based on the difference between the values of the assets and liabilities concerned for accounting purposes and those applying for taxation. The latter is based on tax payments likely to be made on the sale of the investment properties. In management's opinion, the carrying amount of this goodwill cannot be justified by reference to future cash flows and the ongoing business plan to operate and own the properties in the foreseeable future. As a result, it has been determined that the goodwill has been impaired and an impairment charge has been recognized in the consolidated financial statements.

Deferred Income Tax

The REIT's operations and the associated net income occur within partially owned, flow through entities such as partnerships. Any tax liability on taxable income attributable to the Slate Retail exchangeable unitholders is incurred by the unitholders as opposed to Slate Retail Investment L.P. ("Investment LP"). Although the REIT's consolidated net income includes income attributable to Slate Retail exchangeable unitholders, the consolidated tax provision includes only the REIT's proportionate share of the tax provision. Therefore, the REIT is consolidating all of the net income but only its share of the tax provision.

For the three and six months ended June 30, 2015, deferred income tax expense of $1,447 and $10,687 was $1,890 lower and $2,369 higher than the comparative period, respectively. The variance is primarily due to the fair value adjustment to investment properties.

Statement of Financial Position

	June 30, 2015	December 31, 2014
Cash	**$ 15,964**	$ 13,174
Deposits on investment properties	**1,945**	500
Prepaids	**1,292**	2,065
Accounts receivable	**7,102**	4,539
Investment properties	**887,108**	622,295
Interest rate caps	**—**	2
TIF notes receivable	**3,979**	4,078
Funds held in escrow	**1,859**	1,513
Total assets	**$ 919,249**	$ 648,166
Accounts payable and accrued liabilities	**$ 10,372**	$ 5,337
Distributions payable	**2,053**	1,276
Long term debt	**483,504**	365,538
TIF notes payable	**3,880**	4,022
Other non-current liabilities	**1,528**	1,179
Deferred income taxes	**57,776**	38,219
REIT units	**312,971**	185,499
Exchangeable units of subsidiaries	**27,247**	25,764
Unitholders' equity	**19,918**	21,332
Total liabilities and unitholders' equity	**$ 919,249**	$ 648,166

The increase in total assets for the six months ended June 30, 2015 compared to the year ended December 31, 2014 is primarily due to the acquisition of 13 investment properties through the SUSO 3 transaction, the acquisition of five investment properties through the normal course of business, and increase in fair value of existing properties.

Funds held in escrow represents funds held by the mortgage lender in respect of future leasing costs and tenant improvements to be paid.

The accounts receivable balance is comprised of the following:

	June 30, 2015	December 31, 2014
Rent receivable	**$ 3,803**	$ 891
Allowance for doubtful accounts	**(170)**	(168)
Rent receivable, net	**3,633**	723
Accrued recovery income	**3,210**	3,317
Other receivables	**259**	499
Total	**$ 7,102**	$ 4,539

Accrued recovery income represents amounts that have not been billed to the tenants and are generally billed and paid in the following year. This relates to tenants who are billed annually for operating expenses, mainly real estate taxes. Management expects that this amount will be received in full shortly after the bills are issued.

The aging analysis of rents receivable past due, net of allowance for doubtful accounts, is as follows:

	June 30, 2015	December 31, 2014
Current to 30 days	**$ 1,313**	$ 409
31 to 60 days	**399**	77
Greater than 60 days	**1,921**	237
Total	**$ 3,633**	$ 723

Rent receivable is comprised of base rent and operating expense recoveries. Management anticipates that the remaining portion greater than 60 days is collectible and has provided for $170 as an allowance for doubtful accounts.

Debt

Debt held by the REIT as at June 30, 2015 is as follows:

					June 30, 2015	December 31, 2014
	Effective rate	Principal	Mark-to-market adjustments and costs	Amortization of MTM adjustments and costs	Carrying amount	Carrying amount
Term loan	2.51%	$ 225,000	$ (2,554)	$ 340	$ 222,786	$ 222,470
Revolver	2.24%	104,402	(226)	11	104,187	44,005
Mortgage 1	3.80%	50,000	(984)	52	49,068	49,020
Mortgage 2	4.14%	59,500	(1,080)	3	58,423	—
GAR mortgage	5.80%	27,330	2,780	(478)	29,632	30,044
Cudahy Centre first mortgage	5.25%	3,516	101	(7)	3,610	3,684
Cudahy Centre second mortgage	6.00%	200	15	(6)	—	209
Derry Meadows mortgage	5.75%	13,973	2,014	(189)	15,798	16,106
Total					**$ 483,504**	$ 365,538

For the June 30, 2015 period, the REIT replaced the $114,498 secured credit facility assumed as part of the SUSO 3 transaction with borrowings from the REIT's revolving credit facility (the "Revolver"). The REIT has also entered into a $59,500, 10-year fixed rate mortgage at 4.14%, secured by six of the REIT's existing properties effective June 2015. Funds were used to pay down a portion of the Revolver principle balance by $58,500.

On December 18, 2014, the REIT completed two financing arrangements. The first arrangement was a $50,000, 10-year fixed rate mortgage at 3.80%, secured by three of the REIT's existing properties. The second arrangement was a $450,000 corporate credit facility comprised of a term loan (the "Term loan") and the Revolver, each for $225,000. In fiscal year 2014, the Term loan and Revolver were used to retire and replace approximately $240 million of existing corporate credit facilities.

REIT Units and Exchangeable Units of Subsidiaries

The REIT has class A units, class I units and class U units issued and outstanding. Since the different classes of units do not have identical features, the REIT is required under IFRS to classify the units as financial liabilities. The Slate Retail exchangeable units and the GAR B exchangeable units (collectively "exchangeable units of subsidiaries") are redeemable for class U units at the option of the holder and are also required to be classified as financial liabilities under IFRS. The REIT units and the exchangeable units of subsidiaries, represented in thousands of units below, are measured at fair value at each reporting period with any changes in fair value recognized in net and comprehensive income.

Equity Offering

On March 19, 2015, the REIT completed a public offering of 4,125,000 class U units at a price of C$13.00 ($10.47) per unit for gross proceeds to the REIT of approximately C$53.6 million ($42.2 million). A private placement of 769,230 class U units for C$10.0 million ($7.9 million) was also completed, resulting in a total of 4,894,230 class U units for gross proceeds of C$63.6 million ($50.1 million). The costs related to the offering totaled $2,536 and were deducted against the cost of units issued.

The REIT made available a Distribution Reinvestment Plan ("DRIP") that allows holders of class A units, class I units and class U units to elect to receive their distributions in the form of class U units with an additional distribution of class U units equal to 3% of the distribution. For the six months ended June 30, 2015, 45,354 class U units were issued for $458 under the DRIP.

Normal Course Issuer Bid

The REIT has certified a normal course issuer bid ("NCIB") which commenced on May 26, 2015 and will remain in effect until the earlier of May 26, 2016 or the date on which the REIT purchased an aggregate of 1,093,895 common shares (representing 5% of the REIT's issued and outstanding class U units at the time of entering the NCIB through the facilities of the TSX).

For the six months ended June 30, 2015, 456,782 class U units have been purchased and subsequently canceled under the NCIB for a total cost, including transaction costs, of $4.9 million at an average price of $10.66.

REIT units and exchangeable units of subsidiaries outstanding during the period and their respective class U equivalent amounts if converted are as follows:

	REIT units			**Exchangeable units of subsidiaries**			**Total class U units equivalent**
Class / Type	**U**	**A**	**I**	**SR1** [(1)]	**SR2** [(1)]	**GAR B**	
Balance as at December 31, 2014	16,875	528	358	—	1,880	590	**20,255**
Issued for SUSO 3 transaction	7,761	—	—	220	6	—	**7,987**
Issued under the DRIP	45	—	—	—	—	—	**45**
Issued under equity offering	4,894	—	—	—	—	—	**4,894**
Redeemed	(127)	—	—	—	(9)	—	**(136)**
Repurchased under NCIB	(457)	—	—	—	—	—	**(457)**
Exchanges	200	(123)	—	—	(77)	—	**—**
Balance as at June 30, 2015	29,191	405	358	220	1,800	590	**32,588**
Conversion ratio to class U units	1.0000	1.0078	1.0554	1.0000	1.0000	1.0000	
Class U units equivalent	**29,191**	**409**	**378**	**220**	**1,800**	**590**	32,588

(1) "SR1" and "SR2" means Slate Retail One exchangeable units and Slate Retail Two exchangeable units respectively.

OTHER MEASURES OF PERFORMANCE

Net Operating Income

	Three months ended June 30,			Six months ended June 30,		
	2015	2014	**Variance**	**2015**	2014	**Variance**
Rental revenue	**$ 17,913**	$ 9,885	**$ 8,028**	**$ 34,260**	$ 15,549	**$ 18,711**
Straight-line rent revenue	**(363)**	(101)	**(262)**	**(769)**	(101)	**(668)**
Property operating expenses	**(2,379)**	(1,647)	**(732)**	**(12,663)**	(5,404)	**(7,259)**
IFRIC 21 property tax adjustment	**(2,269)**	(1,247)	**(1,022)**	**3,128**	(1,247)	**4,375**
Net operating income	**$ 12,902**	$ 6,890	**$ 6,012**	**$ 23,956**	$ 8,797	**$ 15,159**
Net operating income margin	**72.0%**	69.7%	**2.3%**	**69.9%**	56.6%	**13.3%**

NOI is defined as property rental revenue less property operating expenses. In Management's opinion, NOI is common and useful in analyzing the operating performance of the REIT's properties, and it is a primary method for analyzing real estate in Canada. NOI is not a measure defined by IFRS and there is no standard definition. NOI may not be comparable with similar measures presented by other entities and is not to be construed as an alternative to net income or cash flow from operating activities determined in accordance with IFRS.

For the three and six months ended June 30, 2015, NOI of $12,902 and $23,956 was $6,012 and $15,159 higher than the comparative period, respectively. The increase is primarily due to the operational results of 30 acquired investment properties since the comparative period, partially offset by increases in property operating expenses.

Funds from Operations

	Three months ended June 30,			Six months ended June 30,		
	2015	2014	**Variance**	**2015**	2014	**Variance**
Net income and comprehensive income	**$ (16,956)**	$ (1,097)	**$ (15,859)**	**$ (1,414)**	$ 7,103	**$ (8,517)**
IFRIC 21 property tax adjustment	**(2,269)**	(1,247)	**(1,022)**	**3,128**	(1,247)	**4,375**
REIT start up costs	**—**	1,534	**(1,534)**	**—**	1,534	**(1,534)**
SUSO 3 transaction costs	**449**	—	**449**	**579**	—	**579**
REIT unit distributions	**4,756**	2,150	**2,606**	**8,433**	2,150	**6,283**
Exchangeable unit distributions	**471**	382	**89**	**932**	382	**550**
Changes in fair values of interest rate caps	**2**	33	**(31)**	**2**	75	**(73)**
Changes in fair values of REIT units	**8,037**	7,081	**956**	**2,837**	7,081	**(4,244)**
Changes in fair values of exchangeable units of subsidiaries	**867**	(1,056)	**1,923**	**—**	(1,056)	**1,056**
Property acquisition costs	**—**	—	**—**	**424**	131	**293**
Changes in fair values of investment properties	**2,844**	(21,772)	**24,616**	**(18,445)**	(34,870)	**16,425**
Impairment of goodwill	**8,870**	14,987	**(6,117)**	**8,870**	14,987	**(6,117)**
Deferred income taxes	**1,447**	3,337	**(1,890)**	**10,687**	8,318	**2,369**
Funds from operations	**$ 8,518**	$ 4,332	**$ 4,186**	**$ 16,033**	$ 4,588	**$ 11,445**
FFO per WA unit	**0.31**	0.27	**0.04**	**0.66**	0.29	**0.37**
Distributions per unit	**0.19**	0.16	**0.03**	**0.38**	0.16	**0.22**
WA number of units outstanding	**27,719**	15,975	**11,744**	**24,338**	15,975	**8,363**

For the three and six months ended June 30, 2015, FFO of $8,518 and $16,033 was $4,186 and $11,445 higher than the comparative period, respectively. The increase is primarily due to increases in NOI, offset by higher general and administrative costs and finance costs related to the acquisition of 30 investment properties acquired since the comparative period.

Adjusted Funds from Operations

	Three months ended June 30,			Six months ended June 30,		
	2015	2014	**Variance**	**2015**	2014	**Variance**
Funds from operations	**$ 8,518**	$ 4,332	**4,186**	**$ 16,033**	$ 4,588	**11,445**
Straight-line rental revenue	**(363)**	(101)	**(262)**	**(769)**	(101)	**(668)**
Income support payments	**9**	—	**9**	**12**	—	**12**
Adjustment to TIF notes	**14**	15	**(1)**	**27**	15	**12**
Amortization of finance charges	**201**	232	**(31)**	**390**	428	**(38)**
Amortization of mark to market premium	**(184)**	(86)	**(98)**	**(379)**	(86)	**(293)**
Capital and leasing costs	**(483)**	(321)	**(162)**	**(1,012)**	(321)	**(691)**
Adjusted funds from operations	**$ 7,712**	$ 4,071	**$ 3,641**	**$ 14,302**	$ 4,523	**$ 9,779**
AFFO per WA unit	**0.28**	0.25	**0.03**	**0.59**	0.28	**0.31**
WA number of units outstanding	**27,719**	15,975	**11,744**	**24,338**	15,975	**8,363**

For the three and six months ended June 30, 2015, AFFO of $7,712 and $14,302 was $3,641 and $9,779 higher than the comparative period, respectively. The increase is primarily due to increases in FFO as aforementioned, partially offset by increases in capital and leasing costs and straight-line rental revenue.

Capital and Leasing Costs

AFFO was reduced by property capital and leasing costs. Capital improvements may include, but are not limited to, items such as parking lot resurfacing and roof replacements. These items are recorded as part of investment properties.

Capital Costs

During the second quarter, capital improvements were completed across five assets in the portfolio. The majority of capital improvements were completed concurrent to leasing at the asset with the remainder as minor improvements at the properties.

Leasing Costs

Leasing costs this quarter related mainly to renewal leasing activity with nine new leases signed. Total leasing completed was 198,817 square feet. Leasing costs to secure new tenants are generally higher than the costs to renew in-place tenants. The leasing capital this quarter was comprised of fees related to tenant improvement allowances and other direct leasing costs, such as broker commissions and legal costs. To date the REIT has funded capital and leasing costs using cash flows from operations.

RESULTS OF QUARTERLY OPERATIONS

The selected quarterly information highlights total assets over the most recently completed eight quarters and is reflective of the timing of acquisitions, leasing and maintenance expenditures. Similarly, debt reflect financing activities relating to an asset which serve to increase AFFO in the future, as well as ongoing financing activities for the existing portfolio.

Property rental revenues and AFFO are reflective of changes in the underlying income-producing asset base and changing leverage.

Summary of selected quarterly information

Quarter ended	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014	Q1 2014 [(1)]	Q4 2013 [(1)]	Q3 2013 [(1)]
Total assets	$ 919,249	$ 690,824	$ 648,166	$ 533,877	$ 463,208	$ 209,876	$ 190,558	$ 188,899
Total liabilities	$ 899,331	$ 653,950	$ 626,834	$ 508,247	$ 460,328	$ 126,045	$ 113,971	$ 112,946
Rental revenue	$ 17,913	$ 16,347	$ 14,508	$ 11,386	$ 9,885	$ 5,664	$ 5,358	$ 4,361
Net operating income	$ 12,902	$ 11,054	$ 10,085	$ 7,982	$ 6,890	$ 3,848	$ 3,562	$ 2,876
FFO	$ 8,518	$ 7,515	$ 3,500	$ 4,596	$ 4,335	$ 2,194	$ 1,952	$ 1,764
AFFO	$ 7,712	$ 6,590	$ 5,496	$ 4,244	$ 4,059	$ 1,830	$ 1,414	$ 1,122

(1) Comparative amounts relate solely to SUSO 2.

The growing trend in rental revenue, net operating income, FFO and AFFO was primarily driven by the acquisitions of 30 investment properties since the comparative period.

MAJOR CASH FLOW COMPONENTS

The REIT expects to be able to meet all of its obligations as they become due and have sufficient liquidity from the following sources: (i) cash flow from operating activities and (ii) financing availability through the REIT`s revolving credit facility and conventional mortgage debt secured by income producing properties.

	Six months ended June 2015	2014
Operating activities	$ 15,812	$ 4,184
Investing activities	(50,909)	(1,831)
Financing activities	37,887	568
Increase in cash	**$ 2,790**	$ 2,921

Cash flows from operating activities relates to the collection of rent and payment of property operating expenses. Cash flows from operating activities will be used to fund on-going operations and expenditures for leasing capital and property capital.

Cash flows from investing activities relates to property acquisitions made the by the REIT and additions to the properties through capital and leasing expenditures.

Cash flows from financing activities relate to the servicing of mortgages, additional drawdowns for the acquisition of three additional investment properties, and the distributions paid in the quarter to unitholders.

LIQUIDITY AND CAPITAL RESOURCES

The principal liquidity needs of the REIT arise from:

i. working capital requirements;

ii. debt servicing and repayment obligations which includes the Term Loan, Revolver or the mortgages;

iii. distributions to unitholders;

iv. obligations to redeem outstanding puttable trust units at the option of the unitholders;

v. planned funding of maintenance capital expenditures and leasing costs; and

vi. future investment property acquisition funding requirements.

Cash flows from operating the REIT's property portfolio, available funding under the REIT's Revolver, and cash on hand represent the primary sources of liquidity. Cash flows from operations are dependent upon rental occupancy levels, rental rates, collection of rents, recoveries of operating costs and operating costs.

DEBT STRATEGY

The REIT's obligations with respect to debt repayments, redemption of outstanding trust units which are puttable at the option of the unitholders and funding requirements for future investment property acquisitions will be primarily funded by operating cash flow, refinancing the REIT's maturing debt or future issuances of trust units.

The REIT's overall borrowing strategy is to obtain financing with terms to maturity that are appropriate having regard to the lease maturity profiles of the underlying properties and which allows the REIT to achieve and maintain:

i. staggered debt maturities that reduce its exposure to interest rate fluctuations and re-financing risk in any particular period;

ii. fix rates and extend loan terms upon stabilizing the properties; and

iii. flexibility with respect to property operations.

Subject to market conditions and the growth of the REIT, management currently intends to maintain total indebtedness at approximately 55% of the REIT's gross book value. The success of this strategy is dependent upon debt market parameters existing at the time of borrowing, as well as the particular features and quality of the underlying assets being financed. If this strategy is unsuccessful, mortgage principal repayments would be funded by operating cash flows, additional draws under the REIT's Revolver, financing of income-producing properties or by issuances of equity.

In accordance with the Declaration of Trust dated January 18, 2012, which was amended and restated on April 15, 2014, the REIT may not incur or assume any indebtedness if, after giving effect to the incurring or assumption of such indebtedness, the total indebtedness of the REIT would exceed 60% of the GBV of the REIT's assets.

RELATED PARTY TRANSACTIONS

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	**2015**	2014
Asset management and service	**758**	483	**1,406**	664
Acquisition	**222**	—	**391**	131
Total	**980**	483	**1,797**	795

Asset management and service fees, and acquisition fees incurred and paid to the Manager for the three and six months ended June 30, 2015 amounted to $980 and $1,797, respectively. These transactions are in the normal course of operations and are in accordance with the management agreement and are measured at the exchange amount. The exchange amount is the consideration established and agreed to by the related parties.

CRITICAL ACCOUNTING ESTIMATES

The REIT prepares its financial statements in accordance with IFRS. A summary of significant accounting policies is included in Note 3 of the audited consolidated financial statements of the REIT as at and for the year ended December 31, 2014.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Estimates that have the most significant impact on the consolidated financial statements are the following:

Valuation of investment property

The fair value of investment property is determined by management, in conjunction with independent real estate valuation experts using recognized valuation techniques. The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (such as tenant profiles, future revenue streams and overall repair and condition of the property), capitalization rates and discount rates applicable to those assets. These estimates are based on market conditions existing at the reporting date.

The following approaches, either individually or in combination, are used by management, together with the appraisers, in their determination of the fair value of the investment property:

The Income Approach derives market value by estimating the future cash flows that will be generated by the property and then applying an appropriate capitalization rate or discount rate to those cash flows. This approach can utilize the direct capitalization method and/or the discounted cash flow analysis.

The Direct Comparison Approach involves comparing or contrasting the recent sale, listing or optioned prices of properties comparable to the subject and adjusting for any significant differences between them.

Management reviews each appraisal and ensures the assumptions used by the appraisers are reasonable and the final fair value amount reflects those assumptions used in the various approaches above. Where an appraisal is not obtained at the reporting date, management reviews the approaches described above, for each investment property, and estimates the fair value.

FUTURE ACCOUNTING POLICIES

The IASB has issued the following new standards that will be relevant to the REIT in preparing its consolidated financial statements in future periods:

IAS 1, *Presentation of Financial Statements*

The IASB issued amendments to IAS 1, *Presentation of Financial Statements* as part of its major initiative to improve presentation and disclosure in financial reports. These amendments will not require any significant change to current practice, but are intended to facilitate improved financial statement disclosures. The amendments are effective for annual periods beginning on or after January 1, 2016. The REIT is assessing the impact of this amendment on its consolidated financial statements.

IFRS 9, *Financial Instruments*

The IASB issued IFRS 9, *Financial Instruments* ("IFRS 9"). IFRS 9, which replaces IAS 39 *Financial Instruments: Recognition and Measurement*, establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This new standard is effective for annual periods beginning on or after January 1, 2018. The REIT is assessing the impact of this new standard on its consolidated financial statements.

IFRS 15, *Revenue from Contracts with Customers*

The IASB issued IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"). The new standard provides a comprehensive framework for recognition, measurement and disclosure of revenue from contracts with customers, excluding contracts within the scope of the standard on leases, insurance contracts and financial instruments. IFRS 15 becomes effective for annual periods beginning on or after January 1, 2018, and is to be applied retrospectively. Early adoption is permitted. The REIT is currently assessing the impact of the new standard on its consolidated financial statements.

RISKS AND UNCERTAINTIES

For a full list and explanation of the REIT's risks and uncertainties, please refer to the REIT's annual audited consolidated financial statements and management discussion and analysis as at and for the year ended December 31, 2014.

CONTROL AND PROCEDURES

Disclosure Controls and Procedures

The REIT's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, the REIT's disclosure controls and procedures (as defined by National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), adopted by the Canadian Securities Administrators) to provide reasonable assurance that (i) material information relating to the REIT, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the interim filings are being prepared, and (ii) material information required to be disclosed in the interim fillings or other reports filed or submitted by the REIT under securities legislation is recorded, processed, summarized and reported on a timely basis and within the time period specified by securities legislation.

Internal Controls over Financial Reporting

The REIT's Chief Executive Officer and Chief Financial Officer have designed the REIT's internal control over financial reporting (as defined in NI 52-109) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Inherent Limitation

Internal controls over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of their inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusions or improper management override. Because of such limitations, there is risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

USE OF ESTIMATES

The preparation of the REIT financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Management's estimates are based on historical experience and other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions.

Additional information regarding the Trust can be found on SEDAR at www.sedar.com.

For further information contact: Blair Welch 416 644 4267 or Brady Welch 416 644 4263

CORPORATE INFORMATION

Corporate profile

Slate Retail REIT is an unincorporated, open-ended investment trust fund under, and governed by, the laws of the Province of Ontario. The REIT focuses on acquiring, owning and leasing a portfolio of diversified revenue-producing commercial real estate properties in the United States with an emphasis on grocery-anchored retail properties. The REIT has a current portfolio that spans 6.97 million square feet of gross leasable area and consists of 59 grocery-anchored retail commercial properties located in the United States. The units of the REIT trade on The Toronto Stock Exchange ("TSX") under the symbol SRT.U/SRT.UN. The principal, registered and head office of the REIT is 121 King Street West, Suite 200, Toronto, ON, M5H 3T9.

Head Office

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E-mail: info@slateam.com

Stock exchange listing and symbol

The REIT's units are listed on the Toronto Stock
Exchanged and traded under the symbol SRT.U (quoted in US) and SRT.UN (quoted in CDN)

Independent Auditors

Deloitte LLP
Chartered Professional Accountants, Chartered Accountants
Toronto, Canada

Registrar and transfer agent

TMX Equity Transfer Services Inc.
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The REIT's website www.slateam.com/SRT provides additional information regarding the REIT's portfolio, investment strategy, management and corporate governance. Additionally, the Investor section includes news, presentations, events, regulatory filings and stock information.

Trustees