

Condensed Interim Consolidated Financial Statements
(Expressed in Canadian dollars)

REALnorth Opportunities Fund

For the Periods Ended September 30, 2016 and 2015

Unaudited – Prepared by Management

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Trust discloses that its auditors have not reviewed the unaudited condensed interim consolidated financial statements for the period ended September 30, 2016.

REALnorth Opportunities Fund

Interim Consolidated Statement of Financial Position

Expressed in Canadian Dollars

Unaudited

	September 30, 2016	December 31, 2015
ASSETS		
Non-current assets		
Investment property (note 5)	\$ 6,450,000	\$ 6,450,000
Equity-accounted investments (note 6)	9,755,321	9,877,289
	16,205,321	16,327,289
Current assets		
Prepaid expenses	14,050	26,101
Amounts receivable	709	1,560
Due from related parties (note 14)	894,806	542,485
Cash	933,243	1,844,270
	1,842,808	2,414,416
TOTAL ASSETS	\$ 18,048,129	\$ 18,741,705
LIABILITIES		
Non-current liabilities		
Mortgage payable (note 7)	\$ 4,262,989	\$ 4,344,231
Current liabilities		
Mortgage payable – current portion (note 7)	124,126	120,529
Distributions payable (note 9)	–	230,047
Accounts payable and accrued liabilities	94,870	258,301
	218,996	608,877
TOTAL LIABILITIES	4,481,985	4,953,108
UNITHOLDERS' EQUITY		
Non-controlling interest (note 8)	1,607,881	1,624,977
Unitholders' equity (note 9)	11,958,263	12,163,620
TOTAL LIABILITIES AND UNITHOLDERS' EQUITY	\$ 18,048,129	\$ 18,741,705

See accompanying notes to consolidated financial statements.

Approved on behalf of REALnorth Opportunities Fund by its Trustees:

“Antony Kalla” Trustee
Antony Kalla

“Stephen J. Evans” Trustee
Stephen J. Evans

The accompanying notes are an integral part of these condensed interim consolidated financial statements

REALnorth Opportunities Fund

Interim Consolidated Statement of Unitholders' Equity

Expressed in Canadian Dollars

Unaudited

		Trust units		Non-controlling interest		Total
	Units	Amount	Amount	Amount	Amount	
Unitholders' equity, December 31, 2015	12,900	\$ 12,163,620	\$ 1,624,977	\$	\$ 13,788,597	
Unit redemption	(96)	(92,112)	–		(92,112)	
Net loss for the period	–	(113,245)	(17,096)		(130,341)	
Unitholders' equity, September 30, 2016	12,804	\$ 11,958,263	\$ 1,607,881	\$	\$ 13,566,144	

		Trust units		Non-controlling interest		Total
	Units	Amount	Amount	Amount	Amount	
Unitholders' equity, December 31, 2014	10,623	\$ 9,758,571	\$ 1,574,447	\$	\$ 11,333,018	
Contributions	2,277	2,277,000	(10)*		2,276,990*	
Acquisition of non-controlling interest	–	–	–*		–*	
Offering costs	–	(182,160)	–		(182,160)	
Net income for the period	–	84,480*	10,690*		95,170*	
Unitholders' equity, September 30, 2015	12,900	\$ 11,937,891*	\$ 1,585,127*	\$	\$ 13,523,018*	

*Restated (note 4).

The accompanying notes are an integral part of these condensed interim consolidated financial statements

REALnorth Opportunities Fund

Interim Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)

Expressed in Canadian Dollars

Unaudited

	Nine Months Ended		Three Months Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
NET RENTAL INCOME (EXPENSES)				
Rental revenue and recoveries	\$ 513,430	\$ 505,802	\$ 171,541	\$ 169,121
Insurance	(8,221)	(7,954)	(2,724)	(2,609)
Property management fees (note 14)	(6,773)	(6,647)	(2,264)	(2,226)
Property taxes	(146,163)	(139,028)*	(49,077)	(46,852)*
	352,273	352,173*	117,476	117,434*
NET FINANCE INCOME (EXPENSES)				
Interest income	56,881	137,233*	29,051	69,412*
Mortgage interest	(136,792)	(139,948)	(45,350)	(46,414)
	(79,911)	(2,715)*	(16,299)	22,998*
NET OTHER EXPENSES				
General and administrative	(121,936)	(149,958)*	(17,067)	(83,637)*
Asset management fees (note 14)	(101,588)	(97,866)	(33,863)	(33,863)
Fair value adjustments to investment property (note 5)	(13,462)	(19,783)	(4,170)	(6,070)
	(236,986)	(267,607)*	(55,100)	(123,570)*
SHARE OF INCOME (LOSS) OF EQUITY-ACCOUNTED INVESTMENTS (note 6)				
	(165,717)	13,319*	(98,760)	84,545*
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD				
	(130,341)	95,170*	(52,683)	101,407*
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
Unitholders	(113,245)	84,480*	(45,769)	89,902*
Non-controlling interest	(17,096)	10,690*	(6,914)	11,505*
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD				
	\$ (130,341)	\$ 95,170*	\$ (52,683)	\$ 101,407*
Earnings (loss) per unit				
Basic and diluted	\$ (8.83)	\$ 6.70*	\$ (3.57)	\$ 6.97*
Weighted average number of units				
Basic and diluted	12,818	12,608	12,804	12,900

*Restated (note 4).

The accompanying notes are an integral part of these condensed interim consolidated financial statements

REALnorth Opportunities Fund

Interim Consolidated Statement of Cash Flow

Expressed in Canadian Dollars

Unaudited

For the Nine Months Ended	September 30, 2016	September 30, 2015
Cash provided by (used in)		
OPERATIONS		
Income (loss) for the period	\$ (130,341)	\$ 95,170*
Items not involving cash:		
Amortization of mortgage transaction costs	12,098	11,860
Fair value adjustments to investment property	13,462	19,783
Straight-line rent adjustment	(13,462)	(19,783)
Share of loss (profit) of equity-accounted investments	165,717	(13,319)*
Interest income	(56,881)	(137,233)*
Mortgage interest	124,694	128,088
Changes in non-cash working capital items:		
Decrease in prepaid expenses	12,051	2,752*
Decrease (increase) in amounts receivable	55	(547)*
Increase in due from related parties	(352,321)	(2,377,895)*
Increase in deposits	–	(50,000)*
Decrease in accounts payable and accrued liabilities	(162,703)	(516,736)*
	(387,631)	(2,857,860)*
INVESTING		
Acquisition of equity-accounted investments	–	(7,076,372)*
Contributions to equity-accounted investments	(43,750)	–
Interest received	57,677	135,644*
	13,927	(6,940,728)*
FINANCING		
Distributions to unitholders	(200,000)	–
Distributions to non-controlling interest	(30,047)	–
Mortgage interest paid	(125,421)	(128,551)*
Repayment of mortgage	(89,743)	(86,613)
Proceeds from issuance of units	–	2,277,000
Proceeds from non-controlling interest	–	(10)*
Unit redemption	(92,112)	–
Unit issuance costs	–	(182,160)
	(537,323)	1,879,666*
Change in cash during the period	(911,027)	(7,918,922)*
Cash, beginning of period	1,844,270	10,039,718
CASH, END OF PERIOD	\$ 933,243	\$ 2,120,796*

*Restated (note 4).

The accompanying notes are an integral part of these condensed interim consolidated financial statements

REALnorth Opportunities Fund
Notes to Condensed Interim Consolidated Financial Statements
Expressed in Canadian Dollars
Unaudited and for the Period ended September 30, 2016

1. TRUST INFORMATION

REALnorth Opportunities Fund (the “Trust”) is an unincorporated, open-ended investment trust formed pursuant to the Declaration of Trust dated August 27, 2014 under and governed by the laws of the Province of British Columbia and resident in Canada. The Trust’s head office is located at 910 – 925 West Georgia Street, Vancouver, British Columbia V6C 3L2.

The principal business of the Trust is to invest the proceeds from the issuance of Trust units in the acquisition of REALnorth Opportunities Master Limited Partnership (the “Master LP”) units.

The Master LP is a limited partnership formed pursuant to and governed by the laws of British Columbia and created by the Master LP agreement on July 31, 2014. The Master LP’s head office is located at 910 – 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2.

The general partner of the Master LP is REALnorth Opportunities Inc. (the “Master GP”), a corporation incorporated under the *Canada Business Corporations Act* on February 25, 2014, having its office at 910 – 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2.

The principal business of the Master LP is to invest the proceeds from the issuance of Master LP units in:

- REALnorth Opportunities (Investments) Limited Partnership (the “Investments LP”) units. REALnorth Opportunities (Investments) GP Ltd. (the “Investments GP”) was incorporated under the *Business Corporations Act* (British Columbia) on June 19, 2014 and is engaged in identifying investment opportunities in revenue-producing real estate located in northwestern Canada. In order to take advantage of such investment opportunities, the Investments GP established the Investments LP on August 28, 2014 pursuant to the laws of British Columbia for the purposes of owning and operating a diversified portfolio of high quality, revenue-producing properties in northwestern Canada (or proportionate interests in such properties). The principal business of the Investments LP is to issue Investments LP units, to invest the proceeds from such issuance in the properties and to own and operate such properties.
- REALnorth Opportunities (Developments) Limited Partnership (the “Developments LP”) units. REALnorth Opportunities (Developments) GP Ltd. (the “Developments GP”) was incorporated under the *Business Corporations Act* (British Columbia) on August 29, 2014 and is engaged in identifying investment opportunities in developing real estate located in northwestern Canada. In order to take advantage of such investment opportunities, the Developments GP established the Developments LP on August 29, 2014 pursuant to the laws of British Columbia for the purposes of developing high quality real estate in northwestern Canada (or proportionate interests in such properties). The principal business of the Developments LP is to issue Developments LP units, to invest the proceeds from such issuance in the properties and to develop such properties.

The allocation of the net proceeds received by the Master LP from the issuance of Master LP units between Investments LP units and Developments LP units is determined by the Master GP from time to time based upon the individual economic fundamentals of the prospective investment opportunities.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

A. Statement of compliance

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”).

These condensed interim consolidated financial statements for the period ended September 30, 2016 were authorized for issuance by the Board of Trustees (the “Board”) on November 29, 2016.

B. Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for investment property which has been measured at fair value.

The preparation of these condensed interim consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Trust’s accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3(O) to the Trust’s audited consolidated financial statements for the year ended December 31, 2015.

C. Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars, which is the Trust’s functional currency.

D. Presentation of financial statements

The Trust uses a classified statement of financial position. The statement of financial position distinguishes between current and non-current assets and liabilities. Current assets and liabilities are those expected to be recovered or settled within twelve months of the reporting date and non-current assets and liabilities are those where recovery or settlement is expected to occur more than twelve months from the reporting date. The Trust classifies the consolidated statements of income (loss) and comprehensive income (loss) using the function of expense method, which classifies expenses according to their functions, such as costs of operation or administrative activities.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Trust in these unaudited condensed interim consolidated financial statements are consistent with the significant accounting policies reported in the Trust’s audited annual consolidated financial statements for the year ended December 31, 2015 except as set out below. The accounting policies have also been applied consistently by group entities unless otherwise stated. Additional disclosures are required in annual financial statements; therefore, these unaudited condensed interim consolidated financial statements should be read in conjunction with the Trust’s audited consolidated financial statements for the period ended December 31, 2015.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Future accounting policy changes

a. Financial instruments: classification and measurement

On July 24, 2014, the IASB issued the complete IFRS 9, *Financial Instruments* (“IFRS 9”).

The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018 and must be applied retrospectively with some exemptions. Early adoption is permitted. The restatement of prior periods is not required and is only permitted if information is available without the use of hindsight.

IFRS 9 introduces new requirements for the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. The standard introduces additional changes relating to financial liabilities. It also amends the impairment model by introducing a new “expected credit loss” model for calculating impairment.

IFRS 9 also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. This new standard does not fundamentally change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. Special transitional requirements have been set for the application of the new general hedging model.

The Trust intends to adopt IFRS 9 in its consolidated financial statements for the annual period beginning on January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined; however, it is not expected to have a material impact on the Trust’s consolidated financial statements.

b. Revenue recognition

On May 28, 2014, the IASB issued IFRS 15, *Revenue from Contracts with Customers* (“IFRS 15”). The new standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted. IFRS 15 will replace IAS 11, *Construction Contracts*; IAS 18, *Revenue*; IFRIC 13, *Customer Loyalty Programmes*; IFRIC 15, *Agreements for the Construction of Real Estate*; IFRIC 18, *Transfer of Assets from Customers*; and SIC 31, *Revenue – Barter Transactions Involving Advertising Services*.

The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs.

The Trust intends to adopt IFRS 15 in its consolidated financial statements for the annual period beginning on January 1, 2018. The Trust does not expect the standard to have a material impact on its consolidated financial statements.

REALnorth Opportunities Fund
Notes to Condensed Interim Consolidated Financial Statements
Expressed in Canadian Dollars
Unaudited and for the Period ended September 30, 2016

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Future accounting policy changes (continued)

c. Leases

On January 13, 2016, the IASB issued IFRS 16, *Leases* (“IFRS 16”). The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 at or before the date of initial adoption of IFRS 16. IFRS 16 will replace IAS 17, *Leases* (“IAS 17”).

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

This standard substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors.

Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided.

The Trust intends to adopt IFRS 16 in its financial statements for the annual period beginning on January 1, 2019. The extent of the impact of adoption of the standard has not yet been determined; however, it is not expected to have a material impact on the Trust’s consolidated financial statements.

4. RESTATEMENT

As detailed in the Trust’s Management’s Discussion and Analysis for the period ended December 31, 2015, subsequent to the issuance of the unaudited condensed interim consolidated financial statements for the period ended September 30, 2015, the Trust changed its assessment of which party had control over Western Canadian Properties Group VII Limited Partnership (“WCPG VII LP”) and FSJ Industrial Properties Limited Partnership (“FSJ Industrial”). The Trust concluded that it has significant influence but not control over these entities. Therefore, the Trust is no longer consolidating these two entities; the Trust applies the equity accounting method instead. As a result, the financial results for the Trust for the period ended September 30, 2015 have been restated.

5. INVESTMENT PROPERTY

On September 12, 2014, the Master LP, through the Investments LP, completed the acquisition of 3851 22nd Avenue, Prince George, British Columbia (“22nd Avenue”), for a purchase price of \$6,200,000 plus standard closing costs and adjustments. 22nd Avenue is a 39,494 square foot industrial facility with a site area of approximately 10.1 acres.

The balance of the investment property as at September 30, 2016 has been determined as follows:

	2016
Balance, January 1, 2016	\$ 6,450,000
Straight-line rent adjustment	13,462
Fair value adjustments to investment property	(13,462)
Balance, September 30, 2016	\$ 6,450,000

REALnorth Opportunities Fund
Notes to Condensed Interim Consolidated Financial Statements
Expressed in Canadian Dollars
Unaudited and for the Period ended September 30, 2016

5. INVESTMENT PROPERTY (continued)

The fair value of the investment property has been determined based on market value. As set out in note 3(O) to the Trust's audited consolidated financial statements for the year ended December 31, 2015, in arriving at its estimates of market values, management has used its market knowledge and professional judgment and did not rely solely on historical transactional comparisons.

When obtained, appraisals are performed by accredited independent appraisers with recognized and relevant professional qualifications and with recent experience in the location and category of the investment property being valued. Management reviews each appraisal and ensures that the assumptions used below are reasonable and the final fair value amount reflects those assumptions used in the determination of the fair market values of the properties.

The Trust does not expect to obtain appraisals at each reporting date. Where the Trust does not obtain an appraisal for a specific investment property at the reporting date, management uses specific indicators (i.e. market conditions, discount rate changes, etc.) and determines whether a change in fair value has occurred.

Investment property as at September 30, 2016 and December 31, 2015 has been valued using the overall capitalization rate ("OCR") method, an income based approach, whereby the stabilized net operating income is capitalized at the requisite OCR.

Since significant estimates are made for key inputs, including the capitalization rate and stabilized net operating income, the Trust measures the fair value of investment property under level 3 of the fair value hierarchy as described in note 3(K) to the Trust's audited consolidated financial statements for the year ended December 31, 2015.

	September 30, 2016			December 31, 2015		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment property	\$ -	\$ -	\$6,450,000	\$ -	\$ -	\$6,450,000

Significant assumptions made relating to the valuations are set out below:

	September 30, 2016	December 31, 2015
	Weighted average	Weighted average
Capitalization rate	6.75%	6.75%

Valuations determined using the direct capitalization income method are sensitive to changes in capitalization rates. The table below summarizes the sensitivity of the fair value of investment property to changes in the capitalization rate as at September 30, 2016.

Change in capitalization rate	Fair value	Change in fair value	Percentage change
- 0.75%	\$ 7,260,000	\$ 810,000	12.56%
- 0.50%	6,970,000	520,000	8.06%
- 0.25%	6,700,000	250,000	3.88%
September 30, 2016	6,450,000	-	-
+ 0.25%	6,225,000	(225,000)	(3.49%)
+ 0.50%	6,010,000	(440,000)	(6.82%)
+ 0.75%	5,810,000	(640,000)	(9.92%)

REALnorth Opportunities Fund
Notes to Condensed Interim Consolidated Financial Statements
Expressed in Canadian Dollars
Unaudited and for the Period ended September 30, 2016

6. EQUITY-ACCOUNTED INVESTMENTS

On May 7, 2015, the Trust, through the Developments LP, subscribed for 262,500 units of WCPG VII LP at \$1 per unit for a total of \$262,500, which resulted in the Trust, through the Developments LP, owning 88.9% of WCPG VII LP. On May 27, 2015, the Trust, through the Developments LP, subscribed for a further 3,737,500 units of WCPG VII LP at \$1 per unit for a total of \$3,737,500 and maintained its ownership interest at 88.9% of WCPG VII LP.

The principal place of business for WCPG VII LP is #205, 930 Harbourside Drive, North Vancouver, British Columbia V7N 4C3.

Distributable cash will be distributed by WCPG VII LP as follows:

- a) First, to the limited partners, pro rata in accordance with their respective proportionate shares, until each limited partner has received a return in full of its net equity;
- b) Second, to the extent of the next \$5,000,000 of distributable cash:
 - (i) First, to the limited partners, pro rata in accordance with their respective proportionate shares, until each has received an amount which, when aggregated with all previous distributions, is equal to, but not in excess of, the sum of such limited partners' hurdle return of 10% per annum on a non-compounded basis from their respective dates of closing;
 - (ii) Second, to the general partner in an amount equal to 30/70ths of the amount paid the limited partners on account of the hurdle return;
- c) Third, to the extent of the next \$2,500,000 of distributable cash, 100% to the general partner; and,
- d) As to the balance, 35% to the limited partners, pro rata in accordance with their respective proportionate shares, and 65% to the general partner.

Net income of WCPG VII LP is allocated among the partners in the same proportion and priority as distributions, without regard to the return of net equity. Net loss of WCPG VII LP is allocated first to the limited partners, pro rata in accordance with their respective proportionate share, to the extent of their at-risk amount as computed in accordance with the Income Tax Act (Canada) (the "Tax Act"), and second, as to the remainder, if any, to the general partner.

On May 29, 2015, WCPG VII LP acquired approximately 29 acres of residential property ("Garrison Landing") in Fort St. John, British Columbia, for a purchase price of \$6,200,000 plus standard closing costs and adjustments. Garrison Landing is expected to be developed in multiple phases, and to generate, in aggregate, approximately 153 single family lots which will be offered for sale after servicing is complete. As at September 30, 2016, two phases comprising 55 subdivision lots were substantially complete and 18 of those lots had been sold.

On September 3, 2015, the Trust, through the Developments LP, subscribed for 10 Class B units of FSJ Industrial at \$1 per unit for a total of \$10. On September 9, 2015, the Trust, through the Developments LP, subscribed for a further 3,076,362 Class B units for a total of \$3,076,362, which resulted in the Trust, through the Developments LP, owning 87.5% of FSJ Industrial. On September 24, 2015, the Trust, through the Developments LP, subscribed for a further 65,625 Class B units for a total of \$65,625 and maintained its ownership interest at 87.5% of FSJ Industrial. On December 21, 2015, the Trust, through the Developments LP, subscribed for an additional 131,250 Class B units for a total of \$131,250 and maintained its ownership interest at 87.5% of FSJ Industrial. In June 2016, the Trust, through the Developments LP, contributed \$43,750 to FSJ Industrial to meet working capital requirements.

The principal place of business for FSJ Industrial is 1050 – 475 West Georgia Street, Vancouver, British Columbia V6B 4M9.

REALnorth Opportunities Fund
Notes to Condensed Interim Consolidated Financial Statements
Expressed in Canadian Dollars
Unaudited and for the Period ended September 30, 2016

6. EQUITY-ACCOUNTED INVESTMENTS (continued)

Distributable cash will be distributed by FSJ Industrial as follows:

- a) First, to the limited partners, pro rata in accordance with their respective net equity, until each limited partner has received a return in full of its net equity;
- b) Second, 0.01% of the balance of distributable cash will be distributed to the general partner, to a maximum of \$100 per annum;
- c) As to the balance of distributable cash:
 - (i) 50% thereof will be distributed to the limited partners holding Class A units, pro rata in accordance with their respective proportionate shares; and
 - (ii) 50% thereof will be distributed to the limited partners holding Class B units, pro rata in accordance with their respective proportionate shares.

Net income of FSJ Industrial is allocated among the partners in the same proportion and priority as distributable cash, without regard to the return of net equity. Net loss of FSJ Industrial is allocated first to the limited partners, pro rata in accordance with their respective proportionate share, to the extent of their at-risk amount as computed in accordance with the Tax Act, and second, as to the remainder, if any, to the general partner.

On September 10, 2015, FSJ Industrial acquired approximately 17 acres of industrial property (the “BCR Lands”) in Fort St. John, British Columbia, for a purchase price of \$3,446,000 plus standard closing costs and adjustments. The BCR Lands comprise four lots which are accessible by rail and which may be sold in their current condition or further developed with either build-to-suit options or lay-down yards for industrial users depending upon market demands.

On October 20, 2015, the Trust, through the Developments LP, subscribed for 2,300,000 limited partnership units of FSJ Aurora Developments Limited Partnership (“FSJ Aurora LP”) at \$1 per unit for a total of \$2,300,000, thereby acquiring a 50% interest in FSJ Aurora LP. On October 23, 2015, FSJ Aurora LP completed the acquisition of approximately 144 acres of bare land (the “Aurora Lands”) for a purchase price of \$4,500,000 plus standard closing costs and adjustments. The Aurora Lands are located immediately outside of the current northeast boundary of the City of Fort St. John, which has confirmed that it intends to pursue the extension of the city’s boundary and that the Aurora Lands are part of the intended expansion. The Aurora Lands currently remain in the Agricultural Land Reserve.

Under IAS 28, *Investments in Associates and Joint Ventures*, the Trust accounts for its interests in entities over which it has significant influence using the equity method. The Trust has determined that it has significant influence over WCPG VII LP, FSJ Industrial and FSJ Aurora LP.

The carrying value of the Trust’s equity-accounted investments as at December 31, 2015 and September 30, 2016 has been determined as follows:

	WCPG VII LP	FSJ Industrial	FSJ Aurora LP	Total
Initial investment	\$ 262,500	\$ 10	\$ 2,300,000	\$ 2,562,510
Subsequent investment	3,737,500	3,273,237	–	7,010,737
Share of net income (loss)	342,998	(35,660)	(3,296)	304,042
Balance, December 31, 2015	\$ 4,342,998	\$ 3,237,587	\$ 2,296,704	\$ 9,877,289
Contributions	–	43,750	–	43,750
Share of net income (loss)	(128,119)	(35,835)	(1,764)	(165,718)
Balance, September 30, 2016	\$ 4,214,879	\$ 3,245,502	\$ 2,294,940	\$ 9,755,321

REALnorth Opportunities Fund
Notes to Condensed Interim Consolidated Financial Statements
Expressed in Canadian Dollars
Unaudited and for the Period ended September 30, 2016

6. EQUITY-ACCOUNTED INVESTMENTS (continued)

The summarized financial position of the Trust's equity-accounted investments as at September 30, 2016 was as follows:

September 30, 2016	WCPG VII LP	FSJ Industrial	FSJ Aurora LP	Total
Current assets	\$ 9,199,911	\$ 3,711,264	\$ 14,086	\$ 12,925,261
Non-current assets	–	–	4,626,944	4,626,944
Current liabilities	(4,292,661)	(2,020)	(51,140)	(4,345,821)
Net assets at 100%	4,907,250	3,709,244	4,589,890	13,206,384
Trust's ownership interest	88.9%	87.5%	50.0%	N/A
Trust share of net assets	\$ 4,362,000	\$ 3,245,589	\$ 2,294,945	\$ 9,902,534

The summarized financial position of the Trust's equity-accounted investments as at December 31, 2015 was as follows:

December 31, 2015	WCPG VII LP	FSJ Industrial	FSJ Aurora	Total
Current assets	\$ 9,983,214	\$ 3,721,170	\$ 2,374	\$ 13,706,758
Non-current assets	–	–	4,626,944	4,626,944
Current liabilities	(4,931,831)	(20,971)	(35,900)	(4,988,702)
Net assets at 100%	5,051,383	3,700,199	4,593,418	13,345,000
Trust's ownership interest	88.9%	87.5%	50.0%	N/A
Trust share of net assets	\$ 4,490,119	\$ 3,237,674	\$ 2,296,709	\$ 10,024,502

The results of operation of the Trust's equity-accounted investments for the nine months ended September 30, 2016 are as follows:

	WCPG VII LP	FSJ Industrial	FSJ Aurora LP	Total
Rental & sales income (expenses)	\$ 68,612	\$ (40,057)	\$ (1,455)	\$ 27,100
Finance expenses	(246,175)	–	–	(246,175)
Other income (expenses)	33,430	(897)	(2,072)	30,461
Net income (loss) at 100%	(144,133)	(40,954)	(3,527)	(188,614)
Trust share of net income (loss)	\$ (128,119)	\$ (35,835)	\$ (1,764)	\$ (165,718)

The restated results of operation of the Trust's equity-accounted investments for the nine months ended September 30, 2015 were as follows (note 4):

	WCPG VII LP	FSJ Industrial	Total
Rental & sales income (expenses)	\$ 97,262	\$ (20,862)	\$ 76,400
Finance expenses	–	–	–
Other income (expenses)	(80,578)	(11,308)	(91,886)
Net income (loss) at 100%	16,684	(32,170)	(15,486)
Trust share of net income (loss)	\$ 14,830	\$ (28,149)	\$ (13,319)

REALnorth Opportunities Fund
Notes to Condensed Interim Consolidated Financial Statements
Expressed in Canadian Dollars
Unaudited and for the Period ended September 30, 2016

7. MORTGAGE PAYABLE

On September 12, 2014, the Master LP, through the Investments LP, financed the acquisition of 22nd Avenue with cash and a term loan in the amount of \$4,650,000 bearing interest at 3.72% and maturing in 2019. The term loan is secured by a mortgage on the property.

The mortgage payable is recorded at amortized cost and bore an effective interest rate of 3.76% as at September 30, 2016 (December 31, 2015 – 3.77%).

The carrying value of the mortgage payable on September 30, 2016 was \$4,387,115 (December 31, 2015 – \$4,464,760). Included in the mortgage payable were the related unamortized mortgage transaction costs of \$48,960 as at September 30, 2016 (December 31, 2015 – \$61,058), which are amortized over the term of the mortgage using the effective interest rate method.

Principal repayments, as of September 30, 2016, based on scheduled repayments to be made on the mortgage payable over the next five years were as follows:

Remaining in 2016	\$	30,786
2017		125,168
2018		129,870
2019		4,150,251
2020 and thereafter		—
	\$	4,436,075

8. NON-CONTROLLING INTEREST

On December 30, 2014, the Trust purchased 10,623 limited partnership units of the Master LP at \$1,000 per unit for a total of \$10,623,000, which resulted in the Trust owning approximately 85% of the Master LP and having control of the Master LP. On February 5, 2015, the Trust purchased an additional 2,277 limited partnership units of the Master LP at \$1,000 per unit for a total of \$2,277,000, which increased the Trust's ownership of the Master LP to approximately 86.94%. On February 9, 2016, the Trust redeemed 96 limited partnership units of the Master LP for a total redemption price of \$96,000, which decreased the Trust's ownership of the Master LP slightly to approximately 86.85%.

As at September 30, 2016, the initial limited partners of the Master LP, the general partner of the Master LP, the general partner of the Investments LP and the general partner of the Developments LP collectively represented the non-controlling interest of the Trust.

9. UNITHOLDERS' EQUITY

Unitholders' equity represents Trust units and the initial capital contribution to the Trust made by the settlor. The Trust is authorized to issue an unlimited number of redeemable units of beneficial interest. Each Trust unit entitles the Trust unitholder to the same rights and obligations as any other Trust unitholder and no Trust unitholder is entitled to any privilege, priority or preference in relation to any other Trust unitholders.

Each Trust unitholder is entitled to participate equally with respect to any and all distributions of net income and net realized capital gains, subject to an adjustment in a Trust unit's proportionate share as a result of the date of first issue of a Trust unit in the first fiscal year of the Trust. On termination, the Trust unitholders of record are entitled to receive all of the assets of the Trust remaining after payment of all debts, liabilities and liquidation expenses of the Trust.

REALnorth Opportunities Fund
Notes to Condensed Interim Consolidated Financial Statements
Expressed in Canadian Dollars
Unaudited and for the Period ended September 30, 2016

9. UNITHOLDERS' EQUITY (continued)

The Trust entered into an agency agreement dated December 22, 2014, pursuant to which it filed a prospectus dated December 22, 2014 (the "Prospectus") in each of the provinces of Canada, except Quebec, in connection with its initial public offering (the "Offering") to sell a minimum of 10,000 Trust units and a maximum of 30,000 Trust units at a price of \$1,000 per Trust unit. Costs related to the Offering include agents' fees of \$60 per Trust unit.

On August 27, 2014, the Trust issued one initial unit for \$10, which was returned upon the issuance of the first Trust unit. On December 30, 2014, the Trust issued 10,623 trust units at \$1,000 per unit pursuant to the Offering for gross proceeds of \$10,623,000. On February 5, 2015, the Trust issued an additional 2,277 trust units at \$1,000 per unit pursuant to the Offering for gross proceeds of \$2,277,000. The proceeds of the Offering were used to acquire Master LP units.

Pursuant to the agency agreement, the agents received a commission equal to 6% of the gross proceeds of the Offering. In consideration of ongoing services provided by the agents and sub-agents to the Trust, and as a further incentive to the agents or any sub-agents, the Master GP has agreed to pay to the agents or any sub-agents a trailer fee equal to 10% of any amounts realized by the Master GP in respect of its incentive management interest.

Since the Trust invests in the Master LP, which in turn then invests in the Investments LP and the Developments LP, the Trust indirectly is a limited partner in the Investments LP and Developments LP. Trust unitholders are entitled, by way and to the extent of the Trust's investment in Master LP units, to a minimum non-compounded annual return of 7% of the net equity then outstanding and a return of capital before any amount is paid to the Master GP on account of the Master GP's incentive management interest.

On February 9, 2016, the Trust received a redemption request. The redemption of 96 units was effective as of the same date for total consideration of \$92,112. The full redemption amount of \$92,112 was paid in May 2016.

During the nine months ended September 30, 2016, the Trust accrued distributions of \$nil to the Trust unitholders (year ended December 31, 2015 – \$200,000) and distributions of \$nil to the non-controlling interest of the Master LP (year ended December 31, 2015 – \$30,047). As at September 30, 2016, total distributions of \$nil were included in distributions payable (December 31, 2015 – \$230,047).

10. CAPITAL MANAGEMENT

The Trust defines capital as the aggregate of unitholders' equity and the mortgage payable. The Trust's objectives in managing capital are to maintain a level of capital that complies with investment and debt restrictions pursuant to the Prospectus, complies with existing debt covenants, funds its business strategies and builds long-term unitholders' value. The Trust's capital structure is reviewed by the Board from time to time.

On a monthly basis, the Trust monitors the "loan-to-value ratio", which is defined as overall mortgage loans divided by the purchase price of the properties plus the amount of any property improvement reserve account approved by the lenders as a whole and which serves as an indicator of the Trust's financial leverage. The overall loan-to-value ratio is targeted at not more than 70%, as indicated in the Prospectus. However, if deemed appropriate by the Trust, having regard to all of the circumstances including the potential value of the properties identified for investment, the Trust may cause the overall loan-to-value ratio of the mortgage loans to exceed this threshold. The Trust's loan-to-value ratio was 71% as at September 30, 2016 (December 31, 2015 – 72%). The Trust was in compliance with all restrictions during the nine months ended September 30, 2016 and the year ended December 31, 2015.

REALnorth Opportunities Fund
Notes to Condensed Interim Consolidated Financial Statements
Expressed in Canadian Dollars
Unaudited and for the Period ended September 30, 2016

10. CAPITAL MANAGEMENT (continued)

The capital structure consisted of the following components at September 30, 2016 and December 31, 2015:

	September 30, 2016		December 31, 2015		Change
Capital					
Mortgage payable	\$	4,387,115	\$	4,464,760	\$ (77,645)
Unitholders' equity		11,958,263		12,163,620	(205,357)
Total capital	\$	16,345,378	\$	16,628,380	\$ (283,002)

During the nine months ended September 30, 2016, the mortgage payable decreased slightly due to principal payments and unitholders' equity decreased due the redemption of 96 units (note 9) and the net loss incurred during the period.

11. FINANCIAL INSTRUMENTS

Fair value of financial instruments

For certain of the Trust's financial instruments, including cash, amounts receivable, due from related parties, distributions payable and accounts payable and accrued liabilities, the carrying amounts approximate their fair values due to the immediate or short-term maturity of these financial instruments.

The fair values of amounts due for the mortgage payable are determined by discounting the future contractual cash flow under current financing arrangements at discount rates which represent borrowing rates presently available to the Trust for loans with similar terms and maturity and are measured under level 2 of the fair value hierarchy since the discount rates are either provided by the lenders or are observable on the open market (note 3(K) to the Trust's audited consolidated financial statements for the year ended December 31, 2015).

There were no transfers between levels in the fair value hierarchy during the nine months ended September 30, 2016 or the year ended December 31, 2015.

The following table presents the carrying amounts and fair values of the Trust's financial instruments:

	Fair value hierarchy	September 30, 2016		December 31, 2015	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial instruments					
Mortgage payable	Level 2	\$ 4,387,115	\$ 4,436,075	\$ 4,464,760	\$ 4,525,818

12. RISK MANAGEMENT

The Board has the overall responsibility for the establishment and oversight of the Trust's risk management framework. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in response to the Trust's activities. In the normal course of business, the Trust is exposed to a number of risks from its use of financial instruments. These risks include, but are not limited to, credit risk, liquidity risk, currency risk, lease rollover risk, income tax risk, interest rate risk, environmental risk and trust unit redemption risk.

REALnorth Opportunities Fund
Notes to Condensed Interim Consolidated Financial Statements
Expressed in Canadian Dollars
Unaudited and for the Period ended September 30, 2016

12. RISK MANAGEMENT (continued)

There have been no changes to the Trust's assessment of its risk factors since December 31, 2015. Please refer to the Trust's audited consolidated financial statements for the period ended December 31, 2015 and management's discussion and analysis for the period ended September 30, 2016 for a discussion of risk factors that have been identified by the Trust.

13. LEASES

The Trust, through the Investments LP, entered into a lease agreement with the tenant of 22nd Avenue. The lease is for seven years and the tenant has the option to renew for two terms of three years each at prevailing market rates. The Trust can recover property tax, insurance and management fees from the tenant. The management fee is 2.0% of the basic rent according to the lease agreement.

Future minimum rental revenue receivable under the non-cancellable operating lease was as follows:

	As at September 30, 2016
Within one year	\$ 460,405
After one year, but not more than five years	1,908,760
More than five years	–
	\$ 2,369,165

14. RELATED PARTY TRANSACTIONS

Trustee Compensation

Each trustee of the Trust, other than Stephen Evans, is entitled to an annual fee of \$12,500. During the nine months ended September 30, 2016, the Trust paid trustee fees of \$nil (year ended December 31, 2015 – \$25,000).

Transactions with Pure Commercial Real Estate Advisors Inc.

Pure Commercial Real Estate Advisors Inc. ("Pure Commercial") is related to the Trust by virtue of having officers and directors/trustees in common. The Trust, through the Master LP, has entered into an asset management agreement with Pure Commercial, whereby Pure Commercial provides asset management, administrative and reporting services to the Trust. In consideration of these services, the Trust pays to Pure Commercial an annual asset management fee equal to 1.0% of net asset value plus any applicable taxes. Net asset value is equal to the greater of the total gross cash proceeds from all the Trust's public offerings and the total purchase price of the properties including all fees, expenses and cash reserves, less outstanding mortgage debt. During the nine months ended September 30, 2016, Pure Commercial charged the Trust asset management fees of \$101,588 (year ended December 31, 2015 – \$131,728). As at September 30, 2016, asset management fees of \$56,438 (December 31, 2015 – \$11,288) were included in accounts payable and accrued liabilities.

The Trust, through the Investments LP, entered into a property management agreement with Pure Commercial, whereby Pure Commercial provides property management services to 22nd Avenue and collects 2.0% of the basic annual rent as a property management fee. During the nine months ended September 30, 2016, Pure Commercial charged the Trust property management fees of \$6,773 (year ended December 31, 2015 – \$8,901). Property management fees of \$3,166 were included in accounts payable and accrued liabilities as at September 30, 2016 (December 31, 2015 – \$nil).

14. RELATED PARTY TRANSACTIONS (continued)

Transactions with Triple E Ventures Inc.

Triple E Ventures Inc. (“Triple E”) is related to the Trust by virtue of having officers and directors/trustees in common. In September 2014, Triple E paid a deposit for the acquisition of 22nd Avenue and a commitment fee for the mortgage on 22nd Avenue in the aggregate amount of \$123,250. Triple E also advanced \$1,000 to the Trust to cover administration expenses. In September 2015, the Trust, through the Investments LP, repaid \$123,250 to Triple E. In December 2015, the Trust repaid \$1,000 to Triple E. As at September 30, 2016, \$nil was included in accounts payable and accrued liabilities (December 31, 2015 – \$nil).

Transactions with Sui Generis Investments Ltd.

Sui Generis Investments Ltd. (“Sui Generis”) is related to the Trust by virtue of having officers and directors/trustees in common. The Master LP has agreed to pay Sui Generis a fee of \$15,000 per annum plus any applicable taxes, payable quarterly, for certain consulting and advisory services provided by Sui Generis. This amount does not represent a new fee but rather a reallocation of what was previously paid to another consultant. During the nine months ended September 30, 2016, the Master LP accrued fees of \$3,938 to Sui Generis (nine months ended September 30, 2015 – \$nil). As of September 30, 2016, \$3,938 was included in accounts payable and accrued liabilities (December 31, 2015 – \$nil).

Transactions with the Initial Limited Partners of the Master LP

The initial limited partners of the Master LP are related to the Trust by virtue of the fact that three of the initial limited partners are trustees of the Trust. According to the Prospectus, the maximum expenses of the Offering, inclusive of agents’ fees and expenses, were not to exceed 1.5% of the maximum offering or 2.0% of the minimum offering. Due to the size of the initial and second offerings, actual offering expenses exceeded the maximum amount. Certain of the initial limited partners of the Master LP agreed to pay the offering expenses above the maximum amount. The total of \$230,114 was received by the Master LP in October 2015. As at September 30, 2016, \$nil is included in due from related parties and still outstanding (December 31, 2015 – \$nil).

Transactions with the Master GP

The Master GP is related to the Trust by virtue of having officers and directors/trustees in common. The Master GP held cash on behalf of the Master LP before the Master LP opened its bank account. The total amount of \$137,985 was included in due from related parties as at December 31, 2014. The full amount was received by the Master LP in January 2015. During the year ended December 31, 2015, the Trust paid a \$148 expense on behalf of the Master GP and the Master GP received interest on the funds held on the Master LP’s behalf in the amount of \$90. The Master LP received \$88 from the Master GP in April 2015. As at September 30, 2016, \$151 was still outstanding and included in due from related parties (December 31, 2015 – \$151).

Transactions with WCPG VII LP

WCPG VII LP is related to the Trust by virtue of the fact that the Trust, through the Developments LP, subscribed for 262,500 units of WCPG VII LP at \$1 per unit for a total of \$262,500 on May 7, 2015 (note 6). During the year ended December 31, 2015, the Trust, through the Developments LP, loaned \$2,351,889 to WCPG VII LP to fund working capital requirements, secured by a loan on WCPG VII LP’s property under development for sale. The loan has a maximum amount of \$2,795,556 and bore interest at 10% per annum. In June 2016, the loan matured and was extended to June 2017, with an interest rate of 15% per annum, effective July 1, 2016. The mortgage is repayable from the release by the City of Fort St. John of any security deposits held as security for the subdivision work to be completed at WCPG VII LP’s development property, Garrison Landing, and from the proceeds from sales of subdivision lots at Garrison Landing, after repayment of mortgages ranking in priority to this mortgage. During the nine months ended September 30, 2016, WCPG VII LP repaid \$nil and the Trust earned interest income of \$35,712 on the loan (year ended December 31, 2015 – \$1,943,435 and \$104,216 respectively). Principal and interest of \$548,382 was included in due from related parties as at September 30, 2016 (December 31, 2015 – \$512,670).

14. RELATED PARTY TRANSACTIONS (continued)

Transactions with WCPG VII LP (continued)

In June 2016, the Trust, through the Developments LP, loaned WCPG VII LP a further \$304,000 to fund working capital requirements. The loan bears interest at 15% and matures in June 2017. During the nine months ended September 30, 2016, WCPG VII LP repaid \$nil and the Trust earned interest income of \$11,711 on the loan (year ended December 31, 2015 – \$nil and \$nil respectively). Principal and interest of \$315,711 was included in due from related parties as at September 30, 2016 (December 31, 2015 – \$nil).

Transactions with FSJ Aurora LP

FSJ Aurora LP is related to the Trust by virtue of the fact that the Trust, through the Developments LP, subscribed for 2,300,000 limited partnership units of FSJ Aurora LP for a total of \$2,300,000 on October 20, 2015 (note 6). The remaining 50% of FSJ Aurora LP is indirectly owned by officers and trustees or directors of the Trust and the Master GP. During the year ended December 31, 2015, the Trust, through the Developments LP, advanced \$29,650 to FSJ Aurora LP to cover working capital requirements. During the nine months ended September 30, 2016, the Trust, through the Developments LP, advanced a further \$929 to FSJ Aurora LP to cover working capital requirements. The total loan of \$30,579 is non-interest bearing, repayable on demand and was included in due from related parties as at September 30, 2016 (December 31, 2015 – \$29,650).

15. SEGMENTED INFORMATION

The Trust operates in two business segments in a single geographic location, being the owner and operator of investment properties and the owner and developer of development properties in northwestern Canada. For each of the business segments, the Acting Chief Executive Officer ("CEO") reviews operations based on earnings from property operations and sales. As at September 30, 2016, the Trust operated one investment property and had interests in one additional investment property and two development properties through its equity-accounted investments (note 6). As at September 30, 2015, the Trust operated one investment property and had interests in two development properties through its equity-accounted investments in WCPG VII LP and FSJ Industrial.

Assets and liabilities are reviewed on a total basis by management and therefore are not included in the segmented disclosure below.

REALnorth Opportunities Fund
Notes to Condensed Interim Consolidated Financial Statements
Expressed in Canadian Dollars
Unaudited and for the Period ended September 30, 2016

15. SEGMENTED INFORMATION (continued)

The following summarizes the results of operations for the Trust's segments for the nine months ended September 30, 2016:

	Development	Investment	Trust	Total
NET RENTAL INCOME (EXPENSES)				
Rental revenue and recoveries	\$ –	\$ 513,430	\$ –	\$ 513,430
Insurance	–	(8,221)	–	(8,221)
Management fees	–	(6,773)	–	(6,773)
Property taxes	–	(146,163)	–	(146,163)
	–	352,273	–	352,273
NET FINANCE INCOME (EXPENSES)				
Interest income	55,942	632	307	56,881
Mortgage interest	–	(136,792)	–	(136,792)
	55,942	(136,160)	307	(79,911)
NET OTHER INCOME (EXPENSES)				
General and administrative	(22,430)	346	(99,852)	(121,936)
Asset management fees	–	–	(101,588)	(101,588)
Fair value adjustments to investment property	–	(13,462)	–	(13,462)
	(22,430)	(13,116)	(201,440)	(236,986)
SHARE OF PROFIT (LOSS) OF EQUITY-ACCOUNTED INVESTMENTS				
	(163,953)	(1,764)	–	(165,717)
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD				
	(130,441)	201,233	(201,133)	(130,341)
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
Unitholders	(113,066)	174,498	(174,677)	(113,245)
Non-controlling interest	(17,375)	26,735	(26,456)	(17,096)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD				
	\$ (130,441)	\$ 201,233	\$ (201,133)	\$ (130,341)
Earnings (loss) per unit				
Basic and diluted	\$ (8.82)	\$ 13.61	\$ (13.63)	\$ (8.83)
Weighted average number of units				
Basic and diluted	12,818	12,818	12,818	12,818

REALnorth Opportunities Fund
Notes to Condensed Interim Consolidated Financial Statements
Expressed in Canadian Dollars
Unaudited and for the Period ended September 30, 2016

15. SEGMENTED INFORMATION (continued)

The following summarizes the restated results of operations for the Trust's segments for the nine months ended September 30, 2015 (note 4):

	Development	Investment	Trust	Total
NET RENTAL INCOME (EXPENSES)				
Rental revenue and recoveries	\$ –	\$ 505,802	\$ –	\$ 505,802
Insurance	–	(7,954)	–	(7,954)
Management fees	–	(6,647)	–	(6,647)
Property taxes	–	(139,028)	–	(139,028)
	–	352,173	–	352,173
NET FINANCE INCOME (EXPENSES)				
Interest income	69,454	892	66,887	137,233
Mortgage interest	–	(139,948)	–	(139,948)
	69,454	(139,056)	66,887	(2,715)
NET OTHER INCOME (EXPENSES)				
General and administrative	(70,361)	(10,457)	(69,140)	(149,958)
Asset management fees	–	–	(97,866)	(97,866)
Fair value adjustments to investment property	–	(19,783)	–	(19,783)
	(70,361)	(30,240)	(167,006)	(267,607)
SHARE OF PROFIT (LOSS) OF EQUITY-ACCOUNTED INVESTMENTS				
	13,319	–	–	13,319
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD				
	12,412	182,877	(100,119)	95,170
INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD ATTRIBUTABLE TO:				
Unitholders	10,791	160,730	(87,041)	84,480
Non-controlling interest	1,621	22,147	(13,078)	10,690
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD				
	\$ 12,412	\$ 182,877	\$ (100,119)	\$ 95,170
Earnings (loss) per unit				
Basic and diluted	\$ 0.86	\$ 12.75	\$ (6.90)	\$ 6.70
Weighted average number of units				
Basic and diluted	12,608	12,608	12,608	12,608

16. SUBSEQUENT EVENTS

There were no material subsequent events as of the date of this report.