Consolidated Financial Statements
(Expressed in Canadian dollars)

REALnorth Opportunities Fund

For the years ended December 31, 2018 and 2017

KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

To the Trustees of REALnorth Opportunities Fund

Opinion

We have audited the consolidated financial statements of REALnorth Opportunities Fund (the Fund), which comprise:

- the consolidated statements of financial position as at December 31, 2018 and December 31, 2017
- the consolidated statements of loss and comprehensive loss for the years then ended
- the consolidated statements of unitholder's equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the REALnorth Opportunities Fund as at December 31, 2018 and December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditors' report thereon, included in Management's Discussion and Analysis as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
April 29, 2019

REALnorth Opportunities Fund

Consolidated Statement of Financial Position
Expressed in Canadian Dollars

	December 31, 2018	December 31, 2017
ASSETS		
Non-current assets		
Investment property (note 4)	**$ –**	$ 6,580,000
Equity-accounted investments (note 6)	**5,509,845**	9,228,242
	5,509,845	15,808,242
Current assets		
Property inventory (note 7)	**8,034,611**	–
Prepaid expenses	**11,967**	19,588
Deposits (note 8)	**50,000**	–
Amounts receivable	**304**	384
Due from related parties (note 17)	**69,351**	1,099,827
Cash held in trust (note 9)	**18,506**	–
Cash	**153,669**	258,682
	8,338,408	1,378,481
TOTAL ASSETS	**$ 13,848,253**	$ 17,186,723
LIABILITIES		
Non-current liabilities		
Mortgage payable (note 10)	**$ –**	$ 4,121,245
Debentures (note 11)	**4,047**	–
	4,047	4,121,245
Current liabilities		
Mortgage payable – current portion (notes 5 and 10)	**945,000**	129,870
Accounts payable and accrued liabilities	**402,616**	190,086
	1,347,616	319,956
TOTAL LIABILITIES	**1,351,663**	4,441,201
UNITHOLDERS' EQUITY		
Non-controlling interest (note 12)	**1,508,537**	1,520,111
Unitholders' equity (note 13)	**10,988,053**	11,225,411
TOTAL LIABILITIES AND UNITHOLDERS' EQUITY	**$ 13,848,253**	$ 17,186,723

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

REALnorth Opportunities Fund
Consolidated Statement of Unitholders’ Equity
Expressed in Canadian Dollars

		Trust units	Non-controlling interest	Total
	Units	Amount	Amount	Amount
Unitholders’ equity, December 31, 2017	12,690	$ 11,225,411	$ 1,520,111	$ 12,745,522
Contributions	–	–	10	10
Unit redemptions	(163)	(133,790)	–	(133,790)
Change of control of equity-accounted investment (note 5)	–	–	100	100
Loss for the year	–	(103,568)	(11,684)	(115,252)
Unitholders' equity, December 31, 2018	**12,527**	**$ 10,988,053**	**$ 1,508,537**	**$ 12,496,590**

		Trust units	Non-controlling interest	Total
	Units	Amount	Amount	Amount
Unitholders’ equity, December 31, 2016	12,800	$ 11,542,657	$ 1,549,532	$ 13,092,189
Unit redemptions	(110)	(99,275)	–	(99,275)
Loss for the year		(217,971)	(29,421)	(247,392)
Unitholders' equity, December 31, 2017	**12,690**	**$ 11,225,411**	**$ 1,520,111**	**$ 12,745,522**

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

REALnorth Opportunities Fund

Consolidated Statement of Loss and Comprehensive Loss
Expressed in Canadian Dollars

Year ended December 31		2018		2017
NET FINANCE INCOME (EXPENSES)				
Interest income	$	**228,952**	$	116,435
Settlement gain (note 5)		**200,658**		–
Debenture interest (note 11)		**(219)**		–
Loan interest		**(10,249)**		–
		419,142		116,435
NET OTHER INCOME (EXPENSES)				
General and administrative		**(165,861)**		(160,144)
Asset management fees (note 17)		**(132,655)**		(133,658)
Fair value adjustment to property inventory (note 5)		**5,423**		–
		(293,093)		(293,802)
INCOME (EXPENSES) FROM DISCONTINUED OPERATIONS				
Rental revenue and recoveries		**464,679**		691,361
Insurance		**(6,746)**		(10,010)
Property management fees (note 17)		**(6,204)**		(9,254)
Property taxes		**(141,279)**		(203,048)
Mortgage interest		**(133,413)**		(177,520)
Increase in fair value of investment property (note 4)		**169,757**		53,219
Loss on sale of investment property (note 4)		**(104,112)**		–
		242,682		344,748
SHARE OF LOSS OF EQUITY-ACCOUNTED INVESTMENTS (note 6)		**(483,983)**		(414,773)
NET LOSS AND COMPREHENSIVE LOSS		**(115,252)**		(247,392)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Unitholders from continuing operations		**(313,736)**		(517,040)
Unitholders from discontinued operations		**210,168**		299,069
Non-controlling interest		**(11,684)**		(29,421)
	$	**(115,252)**	$	(247,392)
Loss per unit				
Basic and diluted	$	**(8.22)**	$	(17.15)
Weighted average number of units				
Basic and diluted		**12,597**		12,713

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

REALnorth Opportunities Fund
Consolidated Statement of Cash Flow
Expressed in Canadian Dollars

Year ended December 31		**2018**		2017
Cash provided by (used in)				
OPERATIONS				
Net loss for the year	**$**	**(115,252)**	$	(247,392)
Items not involving cash:				
Amortization of mortgage receivable transaction costs		**15,440**		–
Amortization of debenture transaction costs		**159**		–
Settlement gain		**(200,658)**		–
Fair value adjustment to property inventory		**(5,423)**		–
Share of loss of equity-accounted investments		**483,983**		414,773
Acquisition of control of equity-accounted investment		**(576,606)**		–
Interest income		**(244,392)**		(116,435)
Mortgage interest		**114,656**		161,401
Changes in non-cash working capital items:				
Decrease (increase) in prepaid expenses		**7,621**		(185)
Decrease in amounts receivable		**440,470**		110,619
Increase in due from related parties		**(36,959)**		(178,030)
Increase in accounts payable and accrued liabilities		**129,709**		67,060
Discontinued operations:				
Amortization of mortgage transaction costs		**29,006**		16,118
Straight-line rent adjustment		**(243)**		(6,781)
Loss on disposal of investment property		**104,112**		–
Increase in fair value of investment property		**(169,757)**		(53,219)
		(24,134)		167,929
INVESTING				
Contributions to equity-accounted investments		**(48,125)**		(30,625)
Acquisition of mortgage		**(2,117,180)**		–
Payment of mortgage receivable transaction costs		**(15,440)**		–
Cash moved to trust		**(18,506)**		–
Interest received		**4,660**		6,117
Discontinued operations:				
Proceeds from disposal of investment property		**6,750,000**		–
Property disposal costs		**(104,112)**		–
		4,451,297		(24,508)
FINANCING				
Loan proceeds received		**2,150,000**		–
Loan interest paid		**(10,249)**		–
Repayment of loan		**(2,150,000)**		–
Proceeds from issuance of debentures		**6,500**		–
Debenture issuance costs		**(2,612)**		–
Contributions from non-controlling interest		**10**		–
Unit redemptions		**(129,519)**		(95,893)
Distributions to Trust unitholders		**–**		(299,906)
Distributions to non-controlling interest		**–**		(45,408)
Discontinued operations:				
Mortgage interest paid		**(116,185)**		(161,717)
Repayment of mortgage		**(4,280,121)**		(125,168)
		(4,532,176)		(728,092)
Decrease in cash during the year		**(105,013)**		(584,671)
Cash, beginning of year		**258,682**		843,353
CASH, END OF YEAR	**$**	**153,669**	$	258,682

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

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 the following subsidiaries:

- 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 identified 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 identified 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.

During the year ended December 31, 2018, the Trust acquired two new subsidiaries:

(i) On August 2, 2018, the Developments LP subscribed for 100 units of FSJ Northwest Limited Partnership ("FSJ Northwest LP") at $1 per unit for a total of $100, which resulted in Developments LP being the sole limited partner of FSJ Northwest LP. FSJ Northwest LP was established pursuant to the laws of British Columbia for the purposes of acquiring real property, acquiring real property mortgages and other debt and developing and servicing real property for the purposes of leasing or selling. FSJ Northwest LP's head office is located at 910 – 925 West Georgia Street, Vancouver, BC, V6C 3L2.

1. TRUST INFORMATION (continued)

(ii) On December 31, 2018, the Developments LP acquired control of Western Canadian Properties Group VII Limited Partnership ("WCPG VII LP") (see note 5). WCPG VII LP was established pursuant to the laws of British Columbia for the purposes of acquiring approximately 29 acres of residential property ("Garrison Landing"), other real property or shares, partnership units or other securities; and undertaking the subdivision, development and servicing of Garrison Landing with a view to selling individual lots at Garrison Landing or profiting from the property in any other manner permitted by law and deemed by the general partner to be beneficial for WCPG VII LP. The principal place of business for WCPG VII LP was 202 - 930 West 1st Street, North Vancouver, BC,V7P 3N4, until December 31, 2018, at which time the principal place of business became 910 – 925 West Georgia Street, Vancouver, BC, V6C 3L2.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

A. Statement of compliance

These consolidated financial statements have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") incorporating interpretations issued by the IFRS Interpretations Committee ("IFRICs").

These consolidated financial statements were authorized for issuance by the Board of Trustees (the "Board") on April 24, 2019.

B. Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for investment property which was measured at fair value before its disposition.

The preparation of these 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(M).

C. Functional and presentation currency

These 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 consolidated 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 operations or administrative activities.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries, over which the Trust has control. Control exists when the Trust has the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. The financial statements of subsidiaries are consolidated from the date that control commences and continue to be consolidated until the date that control ceases.

The non-controlling interest is included in unitholders' equity. As at December 31, 2018, the initial limited partners of the Master LP, the Master GP, the general partner of the Investments LP, the general partner of the Developments LP, the general partner of FSJ Northwest LP and the general partner of WCPG VII LP collectively represented the non-controlling interest of the Trust.

Intra-group transactions and balances are eliminated in preparing the consolidated financial statements. The Trust's consolidated financial statements reflect the financial positions, results of operations and cash flows of the Trust and its subsidiaries.

The Trust has subscribed to units in limited partnerships where it does not have control over the entity. The Trust accounts for its interests in entities over which it has significant influence using the equity method. Balances due from equity-accounted investments and the associated interest income are not eliminated in preparing the consolidated financial statements. The interest expense incurred by equity-accounted investments on loans from the Trust or its subsidiaries is expensed as incurred.

B. Property acquisitions and business combinations

Where property is acquired, management considers the substance of the agreement in determining whether the acquisition represents an asset acquisition or a business combination.

Where such acquisitions are not determined to be business combinations, they are treated as asset acquisitions. The cost to acquire the property is allocated between the identifiable assets acquired and liabilities assumed based on their relative fair values at the acquisition date. Otherwise, acquisitions are accounted for as business combinations.

C. Investment properties

Investment properties comprise property held to earn rental revenue or for capital appreciation or both. Under asset acquisitions, investment properties are measured initially at cost including acquisition costs. Acquisition costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Subsequent to initial recognition, investment properties are measured at fair value with any changes therein recognized in the consolidated statement of income (loss) and comprehensive income (loss) in the year in which they arise. The Trust defines fair value to be the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Therefore, the fair value of recently acquired investment property would be the purchase price. Any subsequent valuations performed on an investment property, after the acquisition date, would be the new basis for the fair value recorded on the investment property.

The Trust includes straight-line rental revenue differences in the fair value of investment properties instead of recognizing them as a separate asset.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Investment properties (continued)

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

- 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 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.

Investment properties are derecognized when they have been disposed of or permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in the consolidated statement of income (loss) and comprehensive income (loss) in the year of retirement or disposal.

D. Leases

The Trust was the lessor in all leasing arrangements. The Trust classifies leases according to whether the leases transfer substantially all the risks and benefits of ownership in the investment property. The Trust's sole lease prior to disposition of the investment property was classified as an operating lease.

E. Property inventory

Property inventory comprises property held for sale in the ordinary course of business, property under development for sale or materials and supplies to be consumed in the development process. Property inventory is measured at the lower of cost and net realizable value, with cost assigned to properties by specific identification. Where properties are further subdivided and sold, cost is assigned to subdivided lots using the net yield method. The net yield method allocates common costs to each lot in proportion to the anticipated revenue.

Property inventory is written down to net realizable value when the cost of property inventory is determined not to be recoverable. Write-downs are reversed when circumstances that previously caused property inventory to be written down below cost no longer exist or when there is clear evidence of an increase in net realizable value because of changed economic circumstances.

F. Cash

Cash consists of cash on hand and cash held at banks.

G. Revenue recognition

Rental revenue is recognized in income on a straight-line basis over the lease term subject to ultimate collection being reasonably assured. Revenue includes recoveries of specified operating expenses, in accordance with the terms of the lease agreements. Recoveries are recognized in the period in which the related operating expense was incurred and collectability is reasonably assured.

Revenue from contracts with customers for residential land sales is recognized at the point in time when control over the property has been transferred, which is generally when possession passes to the customer since the customer then has the ability to direct the use and obtain substantially all of the benefits of the property. Revenue is measured at the transaction price agreed to under the contract.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Finance income (expense)

Finance income consists of interest earned on deposit from bank accounts, which is recognized in the period in which it is earned, and impairment loss, which is recognized under the expected credit loss model described in note 3(N).

Finance expense consists of mortgage interest and debenture interest, which is recognized in the period in which it is incurred.

I. Fair value

Fair value measurements recognized in the consolidated statement of financial position are categorized in accordance with the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Quoted prices in active markets for similar assets or liabilities or valuation techniques where significant inputs are based on observable market data.
- Level 3: Valuation techniques for which any significant input is not based on observable market data.

Each type of fair value is categorized based on the lowest level input that is significant to the fair value measurement in its entirety.

The Trust measures investment properties at fair value at the end of each reporting period. The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. In certain circumstances, the initial fair value may be based on other observable current market transactions, without modification or using a valuation technique using market-based inputs.

J. Income taxes

The Trust qualifies as a "mutual fund trust" for Canadian income tax purposes under Part I of the *Income Tax Act (Canada)* (the "Tax Act"). The Master LP, together with all other partnerships that the Trust has an indirect interest in, are subsidiary partnerships of the Trust (the "Subsidiary Partnerships"). The Subsidiary Partnerships are not subject to tax under Part I of the Tax Act. Each partner of the Subsidiary Partnerships is required to include in computing the partner's income for a particular taxation year the partner's share of the income or loss of such Subsidiary Partnerships for their fiscal years ending in or on the partner's taxation year-end, whether or not any income or loss is distributed to the partner in the taxation year. The Trust, as a partner of the Master LP, intends to distribute all of its taxable income to unitholders and to deduct such distributions for income tax purposes. Canadian income tax obligations relating to distributions of the Trust are the obligations of the unitholders. Accordingly, no provision has been made for Canadian income taxes under Part I of the Tax Act.

The Tax Act contains rules regarding the taxation of certain types of publicly listed or traded trusts and partnerships in a manner similar to corporations which tax certain distributions from such trusts and partnerships as taxable dividends from a taxable Canadian corporation (the "SIFT Rules"). The SIFT Rules apply to any trust or partnership that is a "SIFT trust" or "SIFT partnership" (each defined in the Tax Act) and its investors.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Income taxes (continued)

One of the conditions for a trust or partnership to be a SIFT trust or a SIFT partnership is that "investments" (as defined in the Tax Act) in the trust or partnership must be listed or traded on a stock exchange or other "public market" (as defined in the Tax Act). The Trust and the Subsidiary Partnerships have no current plans for their units or other "investments" thereof to be listed or traded on a stock exchange or other "public market". In addition, management represents that the issuance and transfer of units of the Trust or the Subsidiary Partnerships will only be made in a manner that would not cause such entities to be subject to SIFT tax. As a result, the Trust does not account for current or deferred income taxes.

K. Net earnings (loss) per unit

Basic and diluted net earnings (loss) per unit is calculated by dividing net income (loss) attributable to the unitholders by the weighted average number of units (basic and diluted) outstanding during the reporting period.

L. Operating segments

The Trust currently operates in two business segments, being the owning and operating of investment properties and the development of properties in northwestern Canada. The Trust, through the Master LP, the Developments LP and WCPG VII LP, currently owns and operates one development property in northern British Columbia, Canada. The Trust, through the Master LP and the Developments LP, also has an interest in one additional investment property and one development property in northern British Columbia, Canada (note 6). The primary format for segment reporting is based on property type and is consistent with the internal reporting provided to the chief operating decision-maker, determined to be the Acting Chief Executive Officer.

M. Significant accounting judgments and estimates

Judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenues, expenses, assets and liabilities are reviewed on an ongoing basis. Actual results may differ from these estimates.

Significant areas of estimation include the following:

a. Cost of sales

The Trust and certain of the Trust's equity-accounted investments hold property inventory and property under development for sale (notes 5 and 6). Cost of sales is determined by management using the net yield method, which requires the use of estimates including costs to complete a project and selling prices of subdivided lots within a project. Management engages a cost consultant to review budgeted costs to complete and estimates selling prices based on market conditions existing at the reporting date.

b. Valuation of property inventory

The net realizable value of property inventory is determined by management, using recognized valuation techniques supported, in certain instances, by independent real estate valuation experts.

The determination of the net realizable value of property inventory requires the use of estimates such as time to sell inventory, development costs, discount rates and comparable sales in the market. These estimates are based on market conditions existing at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Current accounting policy changes

a. IFRS 9 Financial Instruments

On July 24, 2014, the IASB issued the complete IFRS 9, *Financial Instruments* ("IFRS 9"), replacing IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"), and related interpretations. IFRS 9 introduces new requirements for the classification and measurement of financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

The Trust implemented the new requirements for classification and measurement, impairment and hedging on January 1, 2018, retrospectively with no restatement of comparative periods.

IFRS 9 sets out a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. Financial assets are classified and measured based on three categories: amortized cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). Financial liabilities are classified and measured based on two categories: amortized cost and FVTPL.

The following table summarizes the classification impact upon adoption of IFRS 9. The adoption of the new classification requirements under IFRS 9 did not result in changes in measurement or the carrying amount of financial assets and liabilities.

Financial Instrument	Classification under IAS 39	Classification under IFRS 9
Cash	Loans and receivables	Amortized cost
Cash held in trust	Loans and receivables	Amortized cost
Amounts receivable	Loans and receivables	Amortized cost
Due from related parties	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Distributions payable	Other financial liabilities	Amortized cost
Mortgage payable	Other financial liabilities	Amortized cost

Financial assets are not reclassified subsequent to their initial recognition unless the objective of the business model used to manage the financial assets changes. In such an event, the classification of financial assets would be reassessed. Financial liabilities are not reclassified.

Impairment of financial assets carried at amortized cost is assessed using the expected credit loss model. Expected credit losses for the next 12 months are used to assess impairment unless there is evidence that a financial asset has experienced a significant increase in credit risk since initial recognition, in which case lifetime expected credit losses are used. Lifetime expected credit losses are also used for trade receivables and contract assets without a significant financing component.

The Trust defines a significant increase in credit risk as an increase from low risk to medium or high risk or from medium risk to high risk. In assessing credit risk, the Trust considers historical and forecasted credit losses, external indicators of credit risk, actual or expected changes in operational results of the borrower and economic conditions that will impact the risk of default. The Trust considers a financial asset to be in default when a contractual payment is 90 days past due.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

N. Current accounting policy changes (continued)

b. IFRS 15 Revenue from Contracts with Customers

On May 28, 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15"), replacing IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC 31 *Revenue – Barter Transactions Involving Advertising Services*.

IFRS 15 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. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Rental revenue is outside the scope of IFRS 15.

The Trust adopted IFRS 15 on January 1, 2018 and applied the requirements of the standard retrospectively. The implementation of IFRS 15 did not have any impact on the Trust's revenue.

O. Future accounting policy changes

a. IFRS 16 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. Adoption of the standard is not expected to have an impact on the Trust's consolidated financial statements.

4. INVESTMENT PROPERTY AND DISCONTINUED OPERATIONS

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.

On August 30, 2018, the Master LP, through the Investments LP, sold 22nd Avenue for a sale price of $6,750,000 less standard closing costs and adjustments. The mortgages on the property were repaid on August 31, 2018.

Expressed in Canadian Dollars

4. INVESTMENT PROPERTY AND DISCONTINUED OPERATIONS (continued)

The loss on disposal of the investment property as at December 31, 2018 is determined as follows:

Gross proceeds	$	6,750,000
Selling commission and other selling costs		(104,112)
Net proceeds		6,645,888
Fair value of investment property		(6,750,000)
Loss on disposal of investment property	**$**	**(104,112)**

The results of operations of the investment property from January 1, 2017 until its disposal have been shown as discontinued operations in the statement of loss and comprehensive loss.

The balance of the investment property as at December 31, 2018 and December 31, 2017 has been determined as follows:

		2018
Balance, January 1, 2018	$	6,580,000
Straight-line rent adjustment		243
Increase in fair value of investment property		169,757
Disposition of investment property		(6,750,000)
Balance, December 31, 2018	$	–

		2017
Balance, January 1, 2017	$	6,520,000
Straight-line rent adjustment		6,781
Increase in fair value of investment property		53,219
Balance, December 31, 2017	$	6,580,000

The fair value of the investment property was determined based on market value. As set out in note 3(C), in arriving at its estimates of market value, management used its market knowledge and professional judgment and did not rely solely on historical transactional comparisons. During the year ended December 31, 2018, the Trust recorded a fair value gain on investment property based on an unconditional contract to sell 22nd Avenue, which was indicative of the property's fair value on June 30, 2018.

For the year ended December 31, 2017, an appraisal was obtained from an accredited independent appraiser with recognized and relevant professional qualifications and with recent experience in the location and category of the investment property being valued. Management reviewed the appraisal as part of the year end valuation process and ensured that the assumptions used below were reasonable and the final fair value amount reflected those assumptions used in the determination of the fair value of the property.

The Trust does not expect to obtain an appraisal at each reporting date. Where the Trust does not obtain an appraisal for its 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 December 31, 2017 was valued using the overall capitalization rate ("OCR") method, an income based approach, whereby the stabilized net operating income is capitalized at the requisite OCR.

Expressed in Canadian Dollars

4. INVESTMENT PROPERTY AND DISCONTINUED OPERATIONS (continued)

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(I).

	December 31, 2018			December 31, 2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investment property	$ –	$ –	$ –	$ –	$ –	$6,580,000

Significant assumptions made relating to the valuation of the investment property are set out below:

	December 31, 2018	December 31, 2017
Capitalization rate	–	6.75%

5. RESTRUCTURING OF EQUITY-ACCOUNTED INVESTMENT

In May 2015, the Trust, through the Developments LP, acquired 4,000,000 units of WCPG VII LP, which gave the Trust, through the Developments LP, an 88.9% ownership interest in WCPG VII LP. The Trust accounted for its investment in WCPG VII LP as an equity-accounted investment.

During the year ended December 31, 2018, WCPG VII LP was restructured as follows:

A. Assignment of Mortgages

On December 20, 2017, a third-party second mortgage payable by WCPG VII LP and secured by Garrison Landing was in default. On the same date, a court order was issued under which WCPG VII LP had until June 20, 2018 to redeem the mortgage, failing which the property could be repossessed. On August 2, 2018, the second mortgage was assigned to FSJ Northwest LP for consideration of $2,117,180 net of a discount of $200,658 on the interest receivable. As at December 31, 2018, the outstanding mortgage debt and interest of $2,436,798 has been eliminated on consolidation and the discount on the interest receivable of $200,658 has been recorded as a settlement gain on the consolidated statement of loss and comprehensive loss. The mortgage has been extended on a month-to-month basis.

On August 3, 2018, Developments LP received a demand letter from the third party holder of the first mortgage on Garrison Landing, requesting repayment of the mortgage pursuant to a guarantee given by Developments LP. The mortgage bears interest at prime plus 1.50% and matured in December 2017. On September 10, 2018, the mortgage was assigned to WCPG Fort St. John Homes 2 Ltd. (“Homes 2”), which is related to Ground Floor Capital Management Ltd. (“Ground Floor”), one of the limited partners of WCPG VII LP, by virtue of common control. As at December 31, 2018, the outstanding mortgage debt was $950,000.

B. Change of Ownership

On December 31, 2018, the Trust, through Developments LP, entered into an agreement with Ground Floor which owned 500,000 LP units of WCPG VII LP, giving it an 11.1% interest in WCPG VII LP. Under the agreement, Ground Floor forgave loans totalling $181,941 owing from WCPG VII LP to Ground Floor; WCPG VII LP transferred six lots at Garrison Landing having a fair value of $750,000 to Ground Floor; WCPG VII LP repurchased the 500,000 units of WCPG VII LP owned by Ground Floor for cancellation; a subsidiary of the Master GP acquired an additional 50% interest in the general partner of WCPG VII LP, giving it a 100% interest in the general partner; the Developments LP acquired a loan of $33,200 owing from the general partner of WCPG VII LP; and WCPG Fort St. John Homes 2 Ltd. agreed to forbear from enforcing the mortgage on Garrison Landing until December 31, 2019. As a result of the repurchase and cancellation of Ground Floor’s units, Developments LP became the sole limited partner of WCPG VII LP.

Expressed in Canadian Dollars

5. RESTRUCTURING OF EQUITY-ACCOUNTED INVESTMENT (continued)

C. Acquisition of Control

On December 31, 2018, subsequent to the change in ownership, the limited partnership agreement for WCPG VII LP was amended and as a result, the Trust, through the Master LP and Developments LP, acquired control of WCPG VII LP on December 31, 2018.

The Trust recorded a fair value adjustment to property inventory in the amount of $5,423 on acquisition of control. As a result of the acquisition of control of WCPG VII LP, the Trust has recognized the following assets and liabilities of WCPG VII LP in its consolidated statement of financial position on December 31, 2018:

Current assets		
Property inventory	$	8,034,611
Deposits		50,000
Cash held in trust		191
Cash		3,076
		8,087,878
Current liabilities		
Mortgages payable		945,000
Accounts payable and accrued liabilities		89,285
		1,034,285
Net assets	**$**	**7,053,593**

6. EQUITY-ACCOUNTED INVESTMENTS

As of December 31, 2018, the Trust had two equity-accounted investments, as follows:

A. FSJ Industrial Properties Limited Partnership

The Trust, through the Developments LP, owns 3,273,247 Class B units of FSJ Industrial, resulting in the Trust having an ownership interest of 87.5% in FSJ Industrial.

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

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.

Expressed in Canadian Dollars

6. EQUITY-ACCOUNTED INVESTMENTS (continued)

B. FSJ Aurora Developments Limited Partnership

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.

FSJ Industrial owns approximately 17 acres of industrial property (the "BCR Lands") in Fort St. John, British Columbia. 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.

The Trust, through the Developments LP, owns 2,300,000 limited partnership units of FSJ Aurora Developments Limited Partnership ("FSJ Aurora LP"), which gives the Trust a 50% interest in FSJ Aurora LP. FSJ Aurora LP owns approximately 144 acres of bare land (the "Aurora Lands"), which were located immediately outside of the northeast boundary of the City of Fort St. John at the date of purchase but are now included within city boundaries. The Aurora Lands are currently in the Agricultural Land Reserve.

The principal place of business for FSJ Aurora is 910 – 925 West Georgia Street, Vancouver, British Columbia V6C 3L2.

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 FSJ Industrial and FSJ Aurora LP and had significant influence over WCPG VII LP until acquisition of control at December 31, 2018.

The carrying value of the Trust's equity-accounted investments as at December 31, 2018 and December 31, 2017 has been determined as follows:

	WCPG VII LP	FSJ Industrial	FSJ Aurora LP	Total
Balance, December 31, 2016	$ 4,101,793	$ 3,232,462	$ 2,278,134	$ 9,612,389
Contributions	–	30,625	–	30,625
Share of income (loss)	(391,605)	(40,885)	17,717	(414,773)
Balance, December 31, 2017	$ 3,710,188	$ 3,222,202	$ 2,295,851	$ 9,228,241
Contributions	–	48,125	–	48,125
Share of loss	(427,649)	(49,193)	(7,140)	(583,674)
Acquisition of control (note 5)	(3,282,539)	–	–	(3,182,847)
Balance, December 31, 2018	**$ –**	**$ 3,221,134**	**$ 2,288,711**	**$ 5,509,845**

Expressed in Canadian Dollars

6. EQUITY-ACCOUNTED INVESTMENTS (continued)

The summarized financial position of the Trust's equity-accounted investments as at December 31, 2018 was as follows:

	WCPG VII LP	FSJ Industrial	FSJ Aurora LP	Total
Current assets	$ –	$ 3,684,446	$ 1,638	$ 3,686,084
Non-current assets	–	–	4,650,000	4,650,000
Current liabilities	–	(3,050)	(74,105)	(77,155)
Net assets at 100%	–	3,681,396	4,577,533	8,258,929
Trust's ownership interest	–	87.5%	50%	
Trust's share of net assets	**$ –**	**$ 3,221,134**	**$ 2,288,711**	**$ 5,509,845**

The summarized financial position of the Trust's equity-accounted investments as at December 31, 2017 was as follows:

	WCPG VII LP	FSJ Industrial	FSJ Aurora LP	Total
Current assets	$ 8,742,424	$ 3,688,094	$ 992	$ 12,431,510
Non-current assets	–	–	4,650,000	4,650,000
Current liabilities	(4,402,952)	(5,477)	(59,179)	(4,467,608)
Net assets at 100%	4,339,472	3,682,617	4,591,813	12,613,902
Trust's ownership interest	88.9%	87.5%	50%	
Trust's share of net assets	**$ 3,857,308**	**$ 3,222,290**	**$ 2,295,907**	**$ 9,375,505**

The summarized results of operations of the Trust's equity-accounted investments for the year ended December 31, 2018 are as follows:

	WCPG VII LP	FSJ Industrial	FSJ Aurora LP	Total
Rental & sales expenses	$ (38,347)	$ (48,638)	$ (9,842)	$ (96,828)
Finance income (expenses)	(503,099)	–	122	(502,977)
Other income (expenses)	47,867	(7,583)	(4,560)	(35,724)
Net income loss at 100%	(493,579)	(56,221)	(14,280)	(564,081)
Trust's share of net income loss	**$ (427,649)**	**$ (49,193)**	**$ (7,140)**	**$ (483,983)**

The summarized results of operations of the Trust's equity-accounted investments for the year ended December 31, 2017 are as follows:

	WCPG VII LP	FSJ Industrial	FSJ Aurora LP	Total
Rental & sales expenses	$ (31,324)	$ (42,123)	$ (8,559)	$ (82,006)
Finance expenses	(395,219)	–	–	(395,219)
Other income (expenses)	(14,013)	(4,603)	44,094	25,478
Net income (loss) at 100%	(440,556)	(46,726)	35,535	(451,747)
Trust's share of net income (loss)	**$ (391,605)**	**$ (40,885)**	**$ 17,717**	**$ (414,773)**

Expressed in Canadian Dollars

7. PROPERTY INVENTORY

WCPG VII LP owns Garrison Landing in Fort St. John, British Columbia. Garrison Landing is expected to be developed in five phases, and to generate, in aggregate, approximately 153 single family lots which will be offered for sale after servicing is complete. As at December 31, 2018, two phases comprising 55 subdivision lots were substantially complete and 25 of those lots had been sold or transferred.

The carrying amount of the Trust's property inventory was as follows:

	December 31, 2018	December 31, 2017
Serviced land	$ 3,556,351	$ –
Unserviced land	4,478,260	–
	$ 8,034,611	$ –

8. DEPOSITS

Deposits are held pursuant to a service agreement for Garrison Landing, under which WCPG VII LP advanced $50,000 in 2017 to a gas service provider against future residents of Garrison Landing connecting to gas services. WCPG VII LP is entitled to a refund of the deposit on each anniversary date of the five-year agreement, with the amount of the refund determined by the number of eligible services connected at that date. As at December 31, 2018, deposits of $50,000 were held by the service provider (December 31, 2017 – $50,000).

9. CASH HELD IN TRUST

Cash held in trust consists of cash held by legal counsel on behalf of FSJ Northwest LP, the Developments LP and WCPG VII LP. As at December 31, 2018, the balance of cash held in trust was $18,506 (December 31, 2017 – $nil).

10. MORTGAGES 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 was secured by a mortgage on the property. On August 31, 2018, following the sale of 22nd Avenue, the mortgage of $4,193,934 was repaid in full.

As at December 31, 2018, the Trust, through WCPG VII LP, had an outstanding mortgage payable on Garrison Landing for $950,000 which bears interest at prime plus 1.50%. On December 31, 2018, the lender agreed to forbear from enforcing the mortgage until December 31, 2019, with interest payable monthly (note 5(A)).

The mortgage payable is recorded at amortized cost and bears an effective interest rate of 5.74% as at December 31, 2018 (December 31, 2017 – 3.75%).

The carrying value of the mortgage payable at December 31, 2018 was $945,000 (December 31, 2017 – $4,251,115). Included in mortgage payable at December 31, 2018 were the related unamortized mortgage transaction costs of $5,000 (December 31, 2017 – $29,006), which are amortized over the term of the mortgages using the effective interest rate method.

Expressed in Canadian Dollars

11. DEBENTURES

On July 31, 2018, the Master LP issued debentures totaling $6,500 to settle outstanding trust unit redemption requests in excess of its limit on cash payments for such redemptions (note 13). The debentures are subordinated, unsecured, will mature in July 2023 and pay interest monthly in arrears at an annual interest rate of 2.19%. The Master LP may repay the debentures at any time.

The debentures are recorded at amortized cost. The carrying value of the debentures on December 31, 2018 was $4,047 (December 31, 2017 – $nil). Included in the debentures were the related unamortized debenture transaction costs of $2,453 as at December 31, 2018 (December 31, 2017 – $nil), which are amortized over the term of the debentures using the effective interest rate method. The debentures bear an effective interest rate of 13.22% as at December 31, 2018 (December 31, 2017 – nil%). During the year ended December 31, 2018, the Trust incurred debenture interest of $219 (year ended December 31, 2017 – $nil).

12. NON-CONTROLLING INTEREST

As at December 31, 2018, the initial limited partners of the Master LP, the general partner of the Master LP, the general partner of the Investments LP, the general partner of the Developments LP, the general partner of FSJ Northwest and the general partner of WCPG VII LP collectively represented the non-controlling interest of the Trust.

The non-controlling interest of the Trust at December 31, 2018 and December 31, 2017 is as follows:

Non-controlling interest	Ownership as at December 31, 2018	Ownership as at December 31, 2017
Initial limited partners of the Master LP	13.40%	13.25%
General partner of the Master LP	0.00%	0.00%
General partner of the Investments LP	0.00%	0.00%
General partner of the Developments LP	0.00%	0.00%
General partner of FSJ Northwest LP	9.09%	–
General partner of WCPG VII LP	0.00%	–

The general partner of the Master LP, the general partner of the Investments LP and the general partner of the Developments LP had nominal ownership interests of less than 0.01% as at December 31, 2018 and December 31, 2017. The general partner of WCPG VII LP had a nominal ownership interest of less than 0.01% as at December 31, 2018.

Distributable cash for FSJ Northwest LP is allocated first to the limited partners until they have received a return in full of their net equity; second, to the general partner to a maximum of $100 per annum; and finally, the balance to the limited partners.

Expressed in Canadian Dollars

12. NON-CONTROLLING INTEREST (continued)

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 to 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.

During the year ended December 31, 2018, the Trust redeemed limited partnership units of the Master LP as follows:

Redemption Date	Number of Units Redeemed	Total Redemption Price
March 13, 2018	3	$ 3,000
March 15, 2018	25	25,000
March 28, 2018	25	25,000
April 11, 2018	30	30,000
April 25, 2018	25	25,000
May 8, 2018	10	10,000
September 6, 2018	1	1,000
October 2, 2018	4	4,000
November 14, 2018	10	10,000
November 26, 2018	30	30,000
	163	$ 163,000

As a result of the unit redemptions in 2018, the ownership interest of the initial limited partners of the Master LP increased from 13.25% as at December 31, 2017 to 13.40% as at December 31, 2018.

During the year ended December 31, 2017, the Trust redeemed limited partnership units of the Master LP as follows:

Redemption Date	Number of Units Redeemed	Total Redemption Price
January 25, 2017	15	$ 15,000
February 9, 2017	60	60,000
May 4, 2017	27	27,000
October 3, 2017	4	4,000
November 16, 2017	4	4,000
	110	$ 110,000

13. UNITHOLDERS' EQUITY

Unitholders' equity represents Trust units. 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.

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 included agents' fees of $60 per 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 has invested in the Master LP, which in turn has invested in the Investments LP and the Developments LP, and the Developments LP has invested in FSJ Northwest LP and WCPG VII LP, the Trust indirectly is a limited partner in the Investments LP, the Developments LP, FSJ Northwest LP and WCPG VII 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.

Expressed in Canadian Dollars

13. UNITHOLDERS' EQUITY (continued)

Redemptions

During the year ended December 31, 2018, the Trust received 10 redemption requests which were effective as of the date of receipt, as follows:

Redemption Date	Number of Units Redeemed	Total Redemption Price
March 13, 2018	3	$ 2,462
March 15, 2018	25	20,520
March 28, 2018	25	20,520
April 11, 2018	30	24,624
April 25, 2018	25	20,520
May 8, 2018	10	8,208
September 6, 2018	1	821
October 2, 2018	4	3,283
November 14, 2018	10	8,208
November 26, 2018	30	24,624
	163	$ 133,790

The aggregate redemption price payable by the Trust is subject to limitations. The Trust will not be required to pay the redemption price by way of a cash payment if the total amount payable by the Trust in any quarter will exceed $100,000 or if the amount payable in any twelve month period ending at the end of that quarter will exceed 0.75% of the aggregate subscription price of all Trust units that were issued and outstanding at the start of such twelve month period. During the year ended December 31, 2018, the Trust exceeded its twelve-month limit on cash redemptions and issued $6,500 in debentures to settle several redemptions in excess of the limit (note 12).

During the year ended December 31, 2017, the Trust received five redemption requests which were effective as of the date of receipt, as follows:

Redemption Date	Number of Units Redeemed	Total Redemption Price
January 25, 2017	15	$ 13,538
February 9, 2017	60	54,150
May 4, 2017	27	24,367
October 3, 2017	4	3,610
November 16, 2017	4	3,610
	110	$ 99,275

As of December 31, 2018, redemptions totaling $11,491 were outstanding and included in accounts payable and accrued liabilities (December 31, 2017 – $7,220).

14. 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.

Expressed in Canadian Dollars

14. CAPITAL MANAGEMENT (continued)

On a quarterly 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 15% as at December 31, 2018 (December 31, 2017 – 69%). The Trust was in compliance with the loan-to-value restriction and all other non-financial restrictions during the years ended December 31, 2018 and December 31, 2017.

The capital structure consisted of the following components at December 30, 2018 and December 31, 2017:

	December 31, 2018	December 31, 2017	Change
Capital			
Mortgages payable	$ 945,000	$ 4,251,115	$ (3,306,115)
Unitholders' equity	10,988,053	11,225,411	(237,358)
Total capital	$ 11,933,053	$ 15,476,526	$ (3,543,473)

During the year ended December 31, 2018, the Trust's total capital decreased due to the repayment of the mortgage on 22nd Avenue (note 10), the redemption of a total of 163 trust units (note 13) and the net loss incurred during the year.

15. FINANCIAL INSTRUMENTS

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Assets and liabilities measured at fair value in the statement of financial position or for which fair value disclosure is required in the notes to the financial statements are classified based on a three-level hierarchy that reflects the significance of the inputs used when determining the fair value as described in note 3(I).

For assets and liabilities that are recognized at fair value in the financial statements on a recurring basis, the Trust determines whether transfers have occurred between levels in the hierarchy by reassessing categorization based on the lowest level input that is significant to the fair value measurement as a whole at the end of each reporting period.

The investment property, prior to its disposition in 2018, was the only asset measured at fair value by the Trust on the statement of financial position. The investment property is measured under level 3 of the fair value hierarchy. The Trust does not have any liabilities designated as fair value through profit or loss.

For the purpose of fair value disclosures, the Trust has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained in note 3(I).

Expressed in Canadian Dollars

15. FINANCIAL INSTRUMENTS (continued)

Fair value of financial instruments (continued)

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

	December 31, 2018		December 31, 2017	
Financial instruments	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash	$ 153,669	$ 153,669	$ 258,682	$ 258,682
Cash held in trust	18,506	18,506	–	–
Amounts receivable	304	304	384	384
Due from related parties	69,351	69,351	1,099,827	1,099,827
Accounts payable and accrued liabilities	402,616	402,616	190,086	190,086
Mortgage payable	945,000	949,995	4,251,115	4,494,005
Debentures	4,047	7,137	–	–

The valuation techniques and inputs for the Trust's financial instruments are as follows:

(i) Mortgage payable and debentures

The fair values of amounts due for the mortgage payable and debentures 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 3 of the fair value hierarchy since the discount rates are either provided by the lenders or are observable on the open market (note 3(I)).

(ii) Other financial assets and liabilities

The carrying values of financial assets and financial liabilities not measured at fair value, including cash, cash held in trust, amounts receivable, due from related parties and accounts payable and accrued liabilities, approximate their fair values due to the immediate or short-term maturity of these financial instruments or because they are receivable or payable on demand.

There were no transfers between levels in the fair value hierarchy during the years ended December 31, 2018 and December 31, 2017.

16. 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.

a. Credit risk

Credit risk is the risk of financial loss to the Trust if a tenant or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Trust's receivables from tenants and related parties. As at December 31, 2018, the Trust no longer has any tenants following the sale of 22nd Avenue (note 4).

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16. RISK MANAGEMENT (continued)

a. Credit risk (continued)

The Trust's exposure to credit risk is also influenced by the individual characteristics of parties to whom it lends funds. The Trust has mitigated the risk by having officers and directors in common with the parties to whom it has loaned funds as at December 31, 2018.

b. Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. Real estate property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may tend to limit the Trust's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the Trust were required to liquidate a real estate property investment, the proceeds to the Trust might be significantly less than the aggregate carrying value of such property.

The Trust's approach to managing liquidity risk is to ensure that it will have sufficient cash available to meet its liabilities when due. The Trust intends to refinance the mortgage payable with a new lender prior to its maturity or settle the mortgage from the proceeds of the sale of all or part of its property inventory.

The following table provides the future non-discounted scheduled payments of financial liabilities, including estimated interest payments:

	2019	2020	2021	2022	2023	2024 & thereafter
Mortgage payable (principal and interest)	$ 999,400	$ –	$ –	$ –	$ –	$ –
Debentures	142	142	142	142	6,583	–
Accounts payable and accrued liabilities	402,616	–	–	–	–	–
	$1,402,158	$ 142	$ 142	$ 142	$ 6,583	$ –

c. Currency risk

The Trust is not exposed to currency risk since it has no foreign subsidiaries and does not enter into foreign currency transactions.

d. Lease rollover risk

Lease rollover risk arises from the possibility that the Trust may experience difficulty renewing leases as they expire or in re-leasing space vacated by tenants upon lease expiry. As at December 31, 2018, the Trust no longer has any leases due to the sale of 22nd Avenue and is therefore not currently exposed to lease rollover risk.

e. Income tax risk

Mutual Fund Trust – If the Trust does not qualify or ceases to qualify as a "mutual fund trust" under the Tax Act, adverse consequences may arise including that: (i) the Trust may become liable to pay certain additional tax liabilities (with the result that the amount of cash available for distribution by the Trust would be reduced and Trust unitholders may otherwise be adversely affected), and (ii) the Trust units may not be or may cease to be qualified investments for RRSP or similar plans (with the result that a plan, its annuitant, beneficiary thereunder or its holder thereat will generally become subject to additional tax or penalties or may be otherwise adversely affected).

Expressed in Canadian Dollars

16. RISK MANAGEMENT (continued)

e. Income tax risk (continued)

SIFT Rules – The exposure of the Trust to tax imposed by the SIFT Rules depends in part on whether or not the Trust units, Master LP units or units of any other subsidiary partnerships are listed or traded on a stock exchange or other public market. If the Trust units, the Master LP units or units of any other subsidiary partnerships were to be listed or traded on a stock exchange or public market, adverse consequences could arise including that the non-deductible distributions amount or the taxable non-portfolio earnings could be taxable to the Trust, to the Master LP or such subsidiary partnerships, as the case may be (with the result that the amount of cash available for distribution by the Trust would be reduced), and such amount would also, depending on the circumstances, be included in the income of Trust unitholders for purposes of the Tax Act as taxable dividends.

Changing Tax Laws – There can be no assurance that income tax laws (or the judicial interpretation thereof or the administrative and assessing practices of Canada Revenue Agency) and/or the treatment of "mutual fund trusts" or SIFTS will not be changed in a manner which would adversely affect the Trust unitholders, including on a retroactive basis.

f. Interest rate risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Trust is exposed to interest rate risk from the interest rate differentials between the market rate and the rates used on these financial instruments.

The Trust manages its financial instruments and interest rate risks based on its cash flow needs and with a view to minimizing interest expense. Whenever possible, the Trust tries to obtain fixed rate mortgages to mitigate its interest rate risk. The Trust is exposed to interest rate risk on the variable rate mortgage on Garrison Landing.

The interest rate profile of the Trust's interest-bearing financial instruments was:

	Face Value	
	December 31, 2018	December 31, 2017
Fixed rate instruments		
Fixed rate mortgage payable	$ –	$ 4,280,121
Debentures	4,047	–
Variable rate instruments		
Variable rate mortgage payable	950,000	–

g. Environmental risk

The Trust, through the Investments LP, the Developments LP, WCPG VII LP and its equity-accounted investments, is subject to various provincial and municipal laws relating to the environment. Prior to acquisition, the Trust conducts environmental inspections of its properties and appropriate testing by qualified environmental consultants when required to ensure compliance with all applicable environmental laws.

h. Redemption risk

The Trust unitholders are entitled to have their units redeemed at any time on demand. The aggregate redemption price payable by the Trust is subject to limitations. The Trust will not be required to pay the redemption price by way of a cash payment if the total amount payable by the Trust in any quarter will exceed $100,000 or if the amount payable in any twelve month period ending at the end of that quarter will exceed 0.75% of the aggregate subscription price of all Trust units that were issued and outstanding at the start of such twelve month period.

16. RISK MANAGEMENT (continued)

h. Redemption risk (continued)

During the year ended December 31, 2018, the Trust redeemed 163 units for total consideration of $133,790 (note 13), which represented 1.05% of the aggregate subscription price of all Trust units that were issued and outstanding as at December 31, 2017 (December 31, 2017 – 110 units for total consideration of $99,275, which represented 0.78% of all Trust units issued and outstanding as at December 31, 2016). The total consideration paid for redemptions during the year ended December 31, 2018 included the issuance of debentures by the Master LP totaling $6,500 (year ended December 31, 2017 – $nil) (note 12).

17. RELATED PARTY TRANSACTIONS

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 year ended December 31, 2018, Pure Commercial charged the Trust asset management fees of $132,655 (December 31, 2017 – $133,658). As at December 31, 2018, asset management fees of $166,014 (December 31, 2017 – $33,360) 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 provided property management services to 22nd Avenue and collected 2.0% of the basic annual rent as a property management fee. During the year ended December 31, 2018, Pure Commercial charged the Trust property management fees of $6,204 (December 31, 2017 – $9,254).

During the year ended December 31, 2018, Pure Commercial advanced $21,000 to WCPG VII LP on the Developments LP's behalf. As at December 31, 2018, $21,000 was owing to Pure Commercial and included in accounts payable and accrued liabilities (December 31, 2017 – $nil).

Transactions with Sui Generis Investments Ltd.

Sui Generis Investments Ltd. ("Sui Generis") is related to the Trust by virtue of having officers in common. The Master LP has entered into an agreement whereby Sui Generis provides certain consulting and advisory services for a fee of $15,000 per annum plus any applicable taxes, payable quarterly. During the year ended December 31, 2018, the Master LP recorded fees, inclusive of taxes, of $15,750 to Sui Generis (December 31, 2017 – $15,750). As of December 31, 2018, $27,563 was included in accounts payable and accrued liabilities (December 31, 2017 – $11,813).

Transactions with In Re Capital Inc.

In Re Capital Inc. ("In Re Capital") is related to the Trust by virtue of having officers in common. On October 24, 2017, WCPG VII LP sold a lot at Garrison Landing to In Re Capital for a sale price of $100,000 plus adjustments of $191 in order to fund working capital requirements. The full amount of $100,191 was received on the date of sale and used to reduce mortgage debt secured by Garrison Landing and to fund working capital requirements.

17. RELATED PARTY TRANSACTIONS (continued)

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. 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 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 December 31, 2018, $151 was outstanding and included in due from related parties (December 31, 2017 – $151).

Trustee Compensation

Each trustee of the Trust, other than Stephen Evans, is entitled to an annual fee of $12,500. During the year ended December 30, 2018, the Trust paid accrued trustee fees of $25,000 and annual trustee fees of $25,000 (December 31, 2017 – $nil and $25,000 respectively). As at December 31, 2018, trustee fees of $nil were included in accounts payable and accrued liabilities (December 31, 2017 – $25,000).

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, holds a 50% ownership interest in FSJ Aurora LP (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 prior years, the Trust, through the Developments LP, advanced funds to FSJ Aurora LP to cover working capital requirements. The loans are non-interest bearing and repayable on demand. During the year ended December 31, 2018, the Trust, through the Developments LP, advanced $3,759 to FSJ Aurora LP to cover working capital requirements and paid invoices totalling $205 on FSJ Aurora LP's behalf (December 31, 2017 – $1,583 and $nil respectively). During the year ended December 31, 2018, FSJ Aurora repaid $205 to the Trust (December 31, 2017 – $nil). As at December 31, 2018, $36,000 was outstanding and included in due from related parties (December 31, 2017 – $32,241).

Transactions with Triple E Ventures Inc.

On August 2, 2018, Triple E Ventures Inc., which is related to the Trust by virtue of having trustees/directors in common, loaned $2,150,000 to FSJ Northwest LP. The loan was secured by a mortgage on 22nd Avenue, bore interest at 6.00% and was repayable upon demand. The mortgage was repaid on August 31, 2018, following the sale of 22nd Avenue.

Transactions with WCPG Garrison Landing Ltd.

As at December 31, 2018, WCPG Garrison Landing Ltd., which is the general partner of WCPG VII LP, owed the Trust, through Developments LP, $33,200 (December 31, 2017 – $nil).

18. 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 reviews operations based on earnings from property operations and sales. As at December 31, 2018, the Trust operated one development property and had interests in one additional development property and one investment property through its equity-accounted investments (note 6). As at December 31, 2017, the Trust operated one investment property and had interests in one additional investment property and two development properties through its equity-accounted investments. Assets and liabilities are reviewed on a total basis by management and therefore are not included in the following segmented disclosure.

Expressed in Canadian Dollars

18. SEGMENTED INFORMATION (continued)

The following summarizes the results of operations for the Trust's segments for the year ended December 31, 2018:

Year ended December 31, 2018	Development	Investment	Trust	Total
NET FINANCE INCOME (EXPENSE)				
Interest income	122,701	2,074	104,177	228,952
Settlement gain	–	–	200,658	200,658
Debenture interest	–	–	(219)	(219)
Loan interest	–	–	(10,249)	(10,249)
	122,701	2,074	294,367	419,142
NET OTHER INCOME (EXPENSES)				
General and administrative	(21,762)	(5,272)	(138,827)	(165,861)
Asset management fees	–	–	(132,655)	(132,655)
Fair value adjustment to property inventory	5,423	–	–	5,423
	(16,339)	(5,272)	(271,482)	(293,093)
INCOME (EXPENSES) FROM DISCONTINUED OPERATIONS				
Rental revenue and recoveries	–	464,679	–	464,679
Insurance	–	(6,746)	–	(6,746)
Management fees	–	(6,204)	–	(6,204)
Property taxes	–	(141,279)	–	(141,279)
Mortgage interest	–	(133,413)	–	(133,413)
Fair value adjustments to investment property	–	169,757	–	169,757
Loss on sale of investment property	–	(104,112)	–	(104,112)
	–	242,682	–	242,682
SHARE OF INCOME (LOSS) OF EQUITY-ACCOUNTED INVESTMENTS	(476,843)	(7,140)	–	(483,983)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	$ (370,481)	$ 232,344	$ 22,885	$ (115,252)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Unitholders from continuing operations	(321,109)	(8,752)	16,125	(313,736)
Unitholders from discontinued operations	–	210,168	–	210,168
Non-controlling interest	(49,372)	30,928	6,760	(11,684)
	$ (370,481)	$ 232,344	$ 22,885	$ (115,252)
Earnings (loss) per unit				
Basic and diluted	$ (25.49)	$ 15.99	$ 1.28	$ (8.22)
Weighted average number of units				
Basic and diluted	12,597	12,597	12,597	12,597

Expressed in Canadian Dollars

18. SEGMENTED INFORMATION (continued)

The following summarizes the results of operations for the Trust's segments for the year ended December 31, 2017:

Year ended December 31, 2017	Development	Investment	Trust	Total
NET FINANCE INCOME (EXPENSE)				
Interest income	$ 114,977	$ 963	$ 495	$ 116,435
	114,977	963	495	116,435
NET OTHER INCOME (EXPENSES)				
General and administrative	(19,247)	(8,555)	(132,342)	(160,144)
Asset management fees	–	–	(133,658)	(133,658)
	(19,247)	(8,555)	(266,000)	(293,802)
INCOME (EXPENSES) FROM DISCONTINUED OPERATIONS				
Rental revenue and recoveries	–	691,361	–	691,361
Insurance	–	(10,010)	–	(10,010)
Management fees	–	(9,254)	–	(9,254)
Property taxes	–	(203,048)	–	(203,048)
Mortgage interest	–	(177,520)	–	(177,520)
Fair value adjustments to investment property	–	53,219	–	53,219
	–	344,748	–	344,748
SHARE OF INCOME (LOSS) OF EQUITY-ACCOUNTED INVESTMENTS	(432,490)	17,717	–	(414,773)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)	$ (336,760)	$ 354,873	$ (265,505)	$ (247,392)
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Unitholders from continuing operations	(292,224)	8,872	(233,688)	(517,040)
Unitholders from discontinued operations	–	299,069	–	299,069
Non-controlling interest	(44,536)	46,932	(31,817)	(29,421)
	$ (336,760)	$ 354,873	$ (265,505)	$ (247,392)
Earnings (loss) per unit				
Basic and diluted	$ (22.99)	$ 24.22	$ (18.38)	$ (17.15)
Weighted average number of units				
Basic and diluted	12,713	12,713	12,713	12,713

19. SUBSEQUENT EVENTS

On January 31, 2019, the Trust paid the outstanding redemption amount of $11,491 related to the October 2, 2018 and November 14, 2018 redemptions totalling 14 Trust units (note 13).

On January 7, 2019; March 12, 2019; and March 22, 2019, the Trust received requests to redeem 19 units, 10 units and 10 units respectively. The redemptions were effective on the date the requests were received.