MAPLEWOOD
INTERNATIONAL REIT

Condensed Consolidated Interim Financial Statements

(In Canadian Dollars)

For the three and nine months ended September 30, 2015

(Unaudited)

NOTICE TO READER

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of the REIT have been prepared by and are the responsibility of the REIT's management. The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

Maplewood International Real Estate Investment Trust
Condensed Consolidated Interim Balance Sheet (Unaudited)
(In Canadian Dollars)

	Note	**September 30, 2015**	December 31, 2014
Assets			
Non-current assets			
Investment property	5	**$ 11,005,000**	$ 10,319,000
		11,005,000	10,319,000
Current assets			
Cash and cash equivalents		**134,746**	91,422
Amounts receivable and other assets	6	**56,592**	61,720
		191,338	153,142
Total assets		**$ 11,196,338**	$ 10,472,142
Liabilities and Equity			
Non-current liabilities			
Long-term debt	7	**$ 5,463,681**	$ 5,241,440
Class B LP Units	8	**1,636,250**	2,975,000
Unit options	10	**9,896**	28,940
		7,109,827	8,245,380
Current liabilities			
Amounts payable and accrued liabilities	11	**442,100**	598,172
Warrants	12	**-**	24,556
Current portion of long-term debt	7	**168,399**	157,899
Unit options	10	**38,619**	98,626
		649,118	879,253
Total liabilities		**7,758,945**	9,124,633
Unitholders' equity		**3,437,393**	1,347,509
Total liabilities and unitholder's equity		**$ 11,196,338**	$ 10,472,142

On behalf of the Board of Trustees:

"Nick Kanji"______________________ Trustee "Kursat Kacira"_____________________ Trustee

See accompanying notes to the unaudited condensed consolidated interim financial statements.

Maplewood International Real Estate Investment Trust

Condensed Consolidated Interim Statements of Income and Comprehensive Income (Unaudited)

(In Canadian Dollars)

	Note	**For the three months ended September 30 2015**	For the three months ended September 30 2014	**For the nine months ended September 30 2015**	For the nine months ended September 30 2014
Investment property revenue		**$ 277,667**	$ 273,905	**$ 802,321**	$ 839,783
Investment property operating expenses		**(17,007)**	(20,658)	**(51,696)**	(54,754)
Net property income		**260,660**	253,247	**750,635**	785,029
Finance costs - operations		**(55,044)**	(58,483)	**(160,485)**	(180,430)
Finance costs - distributions on Class B LP Units		**-**	-	**-**	(297,544)
General and administrative expenses		**(68,553)**	(84,545)	**(240,924)**	(294,178)
Asset management fees		**(9,267)**	(9,267)	**(27,801)**	(27,801)
Due diligence costs	18	**-**	(85,160)	**-**	(85,160)
Unit-based compensation recovery		**(17,313)**	12,007	**79,051**	269,533
Interest income		**2**	7	**9**	44
Operating income		**110,485**	27,806	**400,485**	169,493
Fair value adjustments to investment property	5	**-**	144,362	**-**	758,596
Fair value adjustment to warrants	9	**-**	2,602	**24,556**	123,268
Fair value adjustments to Class B LP Units	8	**(361,250)**	217,500	**1,338,750**	7,917,500
Net income (loss)		**(250,765)**	392,270	**1,763,791**	8,968,857
Other comprehensive income					
Foreign currency translation adjustments		**476,631**	(138,564)	**326,093**	(208,119)
Comprehensive income		**$ 225,866**	$ 253,706	**$ 2,089,884**	$ 8,760,738

See accompanying notes to the unaudited condensed consolidated interim financial statements.

Maplewood International Real Estate Investment Trust

Condensed Consolidated Interim Statement of Changes in Unitholders' Equity (Unaudited)

Nine months ended September 30, 2015 and September 30, 2014

(In Canadian Dollars)

	Unit capital	Deficit	Accumulated other comprehensive income (loss)	Total
Unitholders' equity at January 1, 2015	$ 2,813,476	$ (1,471,885)	$ 5,918	$ 1,347,509
Net income and comprehensive income	-	1,763,791	326,093	2,089,884
Unitholders' equity at September 30, 2015	$ 2,813,476	$ 291,906	$ 332,011	$ 3,437,393

	Unit capital	Deficit	Accumulated other comprehensive income (loss)	Total
Unitholders' equity at January 1, 2014	$ 2,249,262	$ (11,112,278)	$ 224,183	$ (8,638,833)
Distributions paid	-	(101,095)	-	(101,095)
Class B LP Units exchanged for REIT Units	112,500	-	-	112,500
Distribution reinvestment plan	413,947	-	-	413,947
Net income and comprehensive income	-	8,968,857	(208,119)	8,760,738
Unitholders' equity at September 30, 2014	$ 2,775,709	$ (2,244,516)	$ 16,064	$ 547,257

Maplewood International Real Estate Investment Trust

Condensed Consolidated Interim Statement of Cash Flows (Unaudited)

(In Canadian Dollars)

	For the three months ended September 30 2015	For the three months ended September 30 2014	**For the nine months ended September 30 2015**	For the nine months ended September 30 2014
Cash flows from operating activities:				
Net income (loss)	**$ (250,765)**	$ 392,270	**$ 1,763,791**	$ 8,968,857
Fair value adjustment to investment property	**-**	(144,362)	**-**	(758,596)
Fair value adjustment to warrants		(2,602)	**(24,556)**	(123,268)
Fair value adjustment to Class B LP Units	**361,250**	(217,500)	**(1,338,750)**	(7,917,500)
Amortization of financing costs	**3,016**	2,995	**8,734**	9,236
Unit-based compensation expense	**17,313**	(12,007)	**(79,051)**	(269,533)
Finance costs - distributions on Class B LP Units	**-**	-	**-**	297,544
Change in non-cash working capital items:				
Amounts receivable and other assets	**20,674**	108,694	**5,128**	21,696
Amounts payable and accrued liabilities	**(71,303)**	(138,639)	**(156,072)**	(211,850)
Prepaid rents	**(316,859)**	-	**-**	(332,463)
Cash flow from operating activities	**(236,674)**	(11,151)	**179,224**	(315,877)
Cash flows from financing activities:				
Principal repayment of long-term debt	**(53,448)**	(40,002)	**(135,684)**	(127,404)
Distributions paid to unitholders	**-**	-	**-**	(115,735)
Cash flow from financing activities	**(53,448)**	(40,002)	**(135,684)**	(243,139)
Cash flows from investing activities:				
Building improvements	**-**	-	**-**	(61,152)
Cash flow used in investing activities	**-**	-	**-**	(61,152)
(Decrease) increase in cash and cash equivalents during the period	**(290,122)**	(51,153)	**43,540**	(620,168)
Effect of exchange rate change on cash	**1,593**	(2,005)	**(216)**	(7,270)
Cash and cash equivalents, beginning of period	**423,275**	136,984	**91,422**	711,264
Cash and cash equivalents, end of period	**$ 134,746**	$ 83,826	**$ 134,746**	$ 83,826

1. Nature of operations

Maplewood International Real Estate Investment Trust (the "REIT") is an unincorporated, open ended real estate investment trust established under the laws of the Province of Ontario pursuant to the Declaration of Trust dated May 30, 2013 and as amended and restated on September 9, 2013 ("the DOT"). The registered office of the REIT is located at 2425 Matheson Boulevard East, Suite 791, Mississauga, Ontario, Canada.

Prior to its reorganization as a real estate investment trust, the REIT was known as Holland Global Capital Corporation (the "Corporation"), a capital pool company, as defined in Policy 2.4 of the TSX Venture Exchange (the "Exchange"). The Corporation was incorporated under the Business Corporations Act (Ontario) on January 15, 2013 and completed its initial public offering on April 5, 2013. The shares of the Corporation were listed on the Exchange on April 11, 2013. Prior to completing the Plan of Arrangement on September 9, 2013, there were 40,500,000 shares of the Corporation issued and outstanding.

Pursuant to the Plan of Arrangement approved on September 9, 2013 by the Corporation's shareholders and the Exchange, the common shares of the Corporation were exchanged, based on an exchange ratio of eight-for-one, for either REIT Units or Class B LP Units of Maplewood International Limited Partnership ("MILP"), a wholly-owned subsidiary of the REIT. In addition, outstanding options or warrants to purchase shares in the Corporation were exchanged for REIT Unit options or warrants having identical terms, subject to the adjustment of the number of Units based on the exchange ratio of one REIT Unit for every eight shares held. The REIT is now the continuing public entity with its Units listed on the Exchange, under the symbol MWI.UN.

2. Basis of presentation

(a) Statement of compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), including International Standard 34, Interim Financial reporting, as issued by the International Accounting Standards Board ("IASB") and do not include all of the information required for full annual financial statements and using accounting policies described herein. These unaudited condensed consolidated interim financial statements have not been reviewed by an independent accounting firm.

These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Trustees of the REIT on November 2, 2015.

(b) Basis of presentation and consolidation

The unaudited condensed consolidated interim financial statements comprise the financial statements of the REIT and its subsidiaries. Subsidiaries are entities controlled by the REIT. The financial statements of the subsidiaries are prepared for the same reporting periods as the REIT using consistent accounting policies. All intercompany transactions and balances between the REIT and its subsidiary entities have been eliminated upon consolidation.

The entities included in the REIT's unaudited condensed consolidated interim financial statements are as follows:

Entity	Type	Relationship
Maplewood International Real Estate Investment Trust ("REIT")	Trust	Parent
Maplewood International General Partner Corporation ("MIGP")	Corporation	100% owned by REIT
Maplewood International Limited Partnership ("MILP")	Partnership	Class A Units are owned by REIT, Class B LP Units are owned by Class B LP Holders, 0.01% owned by MIGP
Maplewood International Operating General Partnership Corporation ("MIOGP")	Corporation	100% owned by MILP
Maplewood International Operating Limited Partnership ("MIOLP")	Partnership	99.99% owned by MILP and 0.01% owned by MIOGP
Maplewood International Holdings B.V.	Dutch B.V.	100% owned by MIOLP

(c) Basis of measurement

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis except for investment properties, Class B LP Units and the Unit options and warrants, which are measured at fair values.

These unaudited condensed consolidated interim financial statements are presented in Canadian dollars which is also the functional currency of the REIT.

3. Significant accounting policies

Except as described below, the accounting policies applied by the REIT in these unaudited condensed consolidated interim financial statements are the same as those applied by the REIT as at December 31, 2014 and for the period from January 15, 2013 to December 31, 2013.

(a) Changes in accounting policies

The following are new and revised standards that are effective for annual periods beginning on or after January 1, 2014.

IFRS Interpretation Committee ("IFRIC") 21, "Levies" ("IFRIC 21")

The REIT has adopted IFRIC 21, with a date of initial application of January 1, 2014. IFRIC 21 provides guidance on accounting for levies in accordance with the requirements of IAS 37, Provisions, Contingent Liabilities, and Contingent Assets. IFRIC 21 is to be applied retrospectively. The REIT has assessed the impact of adopting IFRIC 21 and concluded there were no significant impacts on the unaudited condensed consolidated interim financial statements. Amendments to IFRS 7,"Financial Instruments: Disclosures" and IAS 32, "Financial Instruments: Presentation" prospectively; and IFRIC, "Levies" retrospectively.

The REIT has assessed the impact of the above and concluded there were no significant impacts on the unaudited condensed consolidated interim financial statements.

(b) Future changes in accounting standards

IIFRS 9 Financial instruments

IFRS 9, Financial Instruments ("IFRS 9") is the first of a multi phase project to replace International Accounting Standard 39, Financial Instruments: Recognition and Measurement ("IAS 39"). It addresses the classification, measurement and derecognition of financial assets and financial liabilities.

IFRS 9 divides all financial assets that are currently in the scope of IAS 39 into two classifications, those measured at amortized cost and those measured at fair value. Classification is made at the time the financial asset is initially recognized when the entity becomes a party to the contractual provisions of the instrument. Most of the requirements in IAS 39 for the classification and measurement of financial liabilities have been carried forward, unchanged to IFRS 9. Where an entity chooses to measure its own debt at fair value, IFRS 9 now requires the amount of the change in fair value due to changes in the issuing entity's own credit risk to be presented in other comprehensive income (loss). An exception to the new approach is made where the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch in operating income, in which case all gains or losses on that liability are to be presented in operating income.

(In Canadian Dollars)

The tentative mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018. Early application is still permitted. Management is currently evaluating the impact of this standard.

4. Acquisitions

There have been no property acquisitions for the nine months ended September 30, 2015 or the year ended December 31, 2014.

5. Investment property

The reconciliation of the carrying amount of the investment property for the nine months ended September 30, 2015 and the year ended December 31, 2014 is set out below:

Balance, January 1, 2014	$	9,940,000
Building improvements		61,152
Fair value adjustment to investment property		758,596
Foreign currency translation		(440,748)
Balance, December 31, 2014		10,319,000
Foreign currency translation		686,000
Balance, September 30, 2015	$	11,005,000

As at September 30, 2015, the fair value of the investment property was determined by management to be $11,005,000 (or €7,300,000) (December 31, 2014, $10,319,000, or €7,300,000) using the discounted cash flow method with a discount rate of 8.5% and a terminal capitalization rate of 8.75%. Management determines fair value using the direct capitalization method and/or the discounted cash flow method. The direct capitalization method applies a capitalization rate to stabilized net operating income and incorporates allowances for vacancy and management fees. The resulting capitalized value is further adjusted for extraordinary costs to stabilize income and non-recoverable capital expenditures, where applicable. The discounted cash flow method discounts the expected future cash flows, generally over a term of ten years, and uses discount rate and a terminal capitalization rate.

(In Canadian Dollars)

6. Amounts receivable and other assets

	September 30, 2015	December 31, 2014
Amounts receivable	$ 42,094	$ 61,720
Prepaid expenses	14,498	-
	$ 56,592	$ 61,720

7. Long-term debt

As at September 30, 2015, the REIT had $5,668,576 (€3,760,000) of principal mortgages payable (December 31, 2014, $5,442,360, or €3,850,000). The mortgages carry a weighted average interest rate of 3.77% (December 31, 2014, $3.82%) and a weighted average term to maturity of 3.00 years (December 31, 2014, 3.75 years). One mortgage has a fixed rate and one mortgage has a variable rate. The mortgages are secured by a first charge on the investment property and are repayable as follows:

	Scheduled principal payments	Debt maturing during the year	Total mortgages payable
2015 - remainder of the year	$ 45,228	$ -	$ 45,228
2016	180,912	-	180,912
2017	180,912	-	180,912
2018	135,684	5,125,840	5,261,524
Face value			5,668,576
Unamortized financing costs			(36,496)
			$ 5,632,080

(In Canadian Dollars)

The following table provides a breakdown of current and non-current portions of mortgages payable at September 30 30, 2015 and December 31, 2014:

	September 30, 2015	December 31, 2014
Current:		
Mortgages payable	$ 180,912	$ 169,632
Unamortized financing costs	(12,513)	(11,733)
	168,399	157,899
Non-current:		
Mortgages payable	5,487,664	5,272,728
Unamortized financing costs	(23,983)	(31,288)
	5,463,681	5,241,440
	$ 5,632,080	$ 5,399,339

8. Class B LP Units

Pursuant to the Plan of Arrangement completed on September 9, 2013, 35,000,000 common shares of the Corporation were exchanged for 4,375,000 Class B LP Units in MILP on the basis of one Class B LP Unit for every eight common shares of the Company, resulting in 4,375,000 Class B LP Units being issued.

The Class B Units are economically equivalent to REIT Units and are entitled to receive distributions equal to those provided to holders of REIT Units. These Class B Units have been classified as a liability in accordance with IFRS.

(In Canadian Dollars)

The following table shows the change in the carrying value of the Class B Units outstanding for the nine months ended September 30, 2015 and the year ended December 31, 2014:

	Class B LP Units		Amount
Outstanding, January 1, 2014	4,375,000	$	11,812,500
Class B LP Units exchanged for REIT Units	(125,000)		(112,500)
Fair value adjustment	-		(8,725,000)
Outstanding, December 31, 2014	4,250,000		2,975,000
Fair value adjustment	-		(1,338,750)
Outstanding, September 30, 2015	4,250,000	$	1,636,250

Upon completion of the Plan of Arrangement on September 9, 2013, the Class B LP Units were recorded at a cost of $0.80. The fair value of Class B LP Units at September 30, 2015 was determined based on the trading price of REIT Units of $0.385 ($0.70 at December 31, 2014).

On October 13, 2015, 4,125,000 Class B LP Units were exchanged to REIT Units.

9. Unitholders' equity

(a) Units

The REIT is authorized to issue an unlimited number of Units and an unlimited number of special voting units (the "Special Voting Units"). Each Unit confers the right to one vote at any meeting of unitholders and to participate pro rata in all distributions by the REIT and, in the event of termination or winding up of the REIT, in the net assets of the REIT. The unitholders have the right to require the REIT to redeem their Units on demand. The Units have no par value.

Upon receipt of the redemption notice by the REIT, all rights to and under the Units tendered for redemption shall cease and the holder thereof shall be entitled to receive a price per Unit ("Redemption Price"), as determined by a formula and outlined in the DOT. The Redemption Price will be paid in accordance with the conditions provided for in the DOT.

The Trustees have discretion in respect to the timing and amounts of distributions.

(In Canadian Dollars)

(b) Special voting units

The DOT and the exchange agreement provide for the issuance of the Special Voting Units which have no economic entitlement in the REIT or in the distribution or assets of the REIT, but are used to provide voting rights proportionate to the votes of the Units to holders of securities exchangeable into Units, including the Class B LP Units. Each Special Voting Unit is not transferable separately from the Class B LP Unit to which it is attached and will be automatically redeemed and cancelled upon exchange of the attached Class B LP Unit into a Unit. As the Special Voting Units have no economic entitlement in the REIT, no value has been assigned to the Special Voting Units in these condensed consolidated interim financial statements.

(c) Units outstanding

The following table summarizes the changes to Units for the nine months ended September 30, 2015 and the year ended December 31, 2014:

	Units	Amount
Balance, January 1, 2014	1,405,338	2,249,262
Distribution reinvestment plan	169,719	413,947
Class B LP Units exchanged for REIT Units	125,000	112,500
Options exercised	30,000	37,767
Balance, September 30, 2015 and December 31, 2014	1,730,057	$ 2,813,476

On February 7, 2013, the Corporation issued 10,000,000 common shares for cash of $500,000 in a seed financing. The shares are held in escrow and will be released in future periods in accordance with the Escrow Agreement entered into between the Corporation and the seed shareholders.

On February 8, 2013, the Corporation issued 26,500,000 common shares for cash of $2,650,000 in a private placement. Of these 26,500,000 common shares, 19,500,000 common shares are held in escrow and will be released in future periods in accordance with the Escrow Agreement entered into between the Corporation and the shareholders of the private placement.

On April 5, 2013, the Corporation issued 4,000,000 common shares for cash of $400,000 in an initial public offering (the "Initial Public Offering"). Costs related to the issuance, including the agent's commission, legal, audit and filing fees, of $173,424 were charged directly to shareholders' equity.

In connection with the Initial Public Offering, the Corporation granted on the closing date to the agent of the offering, warrants to purchase up to 400,000 common shares, at a price of $0.10 per share. The agent's warrants expired 24 months from the date the common shares of the Corporation are listed on the Exchange. The fair value of warrants issued have been included in unit issuance costs.

(In Canadian Dollars)

On April 11, 2013, the Corporation's common shares began trading on the Exchange.

The Plan of Arrangement was completed September 9, 2013, whereby 5,500,000 common shares of the Corporation were exchanged for REIT Units on the basis of one REIT Unit for every eight common shares of the Company (687,500 REIT Units at a value of $376,576). The remaining 35,000,000 common shares were exchanged for Class B LP Units in MILP on the basis of one Class B LP Unit for every eight common shares of the Company (4,375,000 Class B LP Units at a value of $3,000,000). On completion of the Plan of Arrangement, the REIT issued 625,000 Private Placement Units which include one Unit and one warrant by way of a private placement at $3.20 per Unit for gross proceeds of $2,000,000. Each warrant entitles the holder to purchase a Unit at an exercise price of $3.20 within 24 months of the date of issuance.

On October 13, 2015, 4,125,000 Class B LP Units were exchanged to REIT Units.

10. Unit options

The REIT has adopted a Unit based compensation plan (the "Plan"). Under the terms of the Plan, the Board of Trustees of the REIT may from time to time, in its discretion, and in accordance with Exchange requirements, grant trustees, officers, employees and consultants to the REIT, non-transferable options to purchase REIT Units, exercisable for a period of up to five years from the date of grant. These Units vest according to the vesting schedule over a three year period from the grant date. The total numbers of REIT Units reserved under option for issuance may not exceed 10% of the REIT Units outstanding.

Pursuant to the Plan of Arrangement approved by the Corporation's shareholders and the Exchange, 4,050,000 of outstanding options, issued at an exercise price of $0.10 per share to purchase shares in the Corporation, were exchanged for 506,250 Unit options at an exercise price of $0.80 per Unit option. The Unit options have terms identical to the share options. As part of this exchange, the fair value adjustment on conversion has been recognized through deficit.

The fair value associated with the Unit options outstanding as at September 30, 2015 was calculated using the Black Scholes model for option valuation, assuming volatility of 116% on the underlying Units, distribution yield of 0.0%, and the risk-free rate 0.53% (equivalent Government of Canada bond yield) that corresponds to the option life and expected average remaining life of 1.65 years. An average vesting probability of 94% was used to determine the compensation expense.

		Unit options	Weighted average exercise price
Balance, January 1, 2014	-	506,250	$ 0.80
Options exercised on November 12, 2014	-	(30,000)	0.80
Balance, September 30, 2015 and December 31, 2014	-	476,250	$ 0.80
Exercisable, December 31, 2014		138,750	
Exercisable, September 30, 2015		307,500	

(In Canadian Dollars)

11. Amounts payable and accrued liabilities

	September 30, 2015	December 31, 2014
Legal fees payable	$ 289,973	$ 439,973
Other amounts payable	5,189	28,572
Accrued liabilities	88,429	74,842
VAT Payable	58,509	54,785
	$ 442,100	$ 598,172

12. Warrants

On April 5, 2013, in connection with the Initial Public Offering, the Corporation granted on the closing date to the agent of the offering, an option to purchase up to 400,000 common shares, at a price of $0.10 per share. The agent's warrants expired 24 months from the date the common shares of the Corporation are listed on the Exchange.

Pursuant to the Plan of Arrangement approved by the Corporation's shareholders and the Exchange, 400,000 of outstanding warrants, issued at an exercise price of $0.10 per share to purchase shares in the Corporation, have been exchanged for 50,000 REIT Unit warrants at an exercise of $0.80 per Unit warrant. The Unit warrants have terms identical to the share warrants. As part of this exchange, the fair value adjustment on conversion has been recognized through deficit.

	Number of Unit warrants	Weighted average exercise price
Balance, January 1, 2014	50,000	$ 0.80
Balance, December 31, 2014	50,000	$ 0.80
Warrants expired	(50,000)	
Balance, September 30, 2015	-	-
Exercisable, December 31, 2014	50,000	
Exercisable, September 30, 2015	-	

The agent's warrants expired on April 5, 2015.

On September 10, 2013, the REIT issued 625,000 Private Placement Units which include one Unit and one warrant by way of a private placement at $3.20 per Unit for gross proceeds of $2,000,000. Each warrant entitles the holder to purchase a Unit at an exercise price of $3.20 within 24 months of the date of issuance. The warrants have expired.

(In Canadian Dollars)

	Number of Unit warrants	Weighted average exercise price
Balance, January 1, 2014	625,000	$ 3.20
Balance, December 31, 2014	625,000	$ 3.20
Warrants expired	(625,000)	
Balance, September 30, 2015	-	-
Exercisable, December 31, 2014	625,000	
Exercisable, September 30, 2015	-	

The private placement warrants expired on September 10, 2015.

13. Distributions

The following table breaks down distribution payments for the period ended September 30, 2015:

	REIT Units	Class B LP Units	Total
Paid in cash	$ 107,249	$ 8,485	$ 115,734
Paid by way of reinvestment in REIT Units	25,705	388,242	413,947
Less: payable at December 31, 2013	(31,859)	(99,184)	(131,043)
	101,095	297,543	398,638
Plus: payable at December 31, 2014	-	-	-
Plus: payable at September 30, 2015	-	-	-
Total	$ 101,095	$ 297,543	$ 398,638

On April 17, 2014, the REIT's Board of Trustees announced an amendment to the REIT's distribution policy to suspend monthly cash distributions to unitholders, effective immediately.

14. Capital management

The REIT defines its capital as the aggregate of unitholders' equity, Class B LP Units, mortgages payable. The REIT's objectives when managing capital are to safeguard and build long-term unitholder value, fund its ongoing long-term business strategies and provide reasonable returns to unitholders taking into account levels of risk.

The REIT's Declaration of Trust provides that total indebtedness of the REIT may not exceed 65% of the Gross Book Value as defined; as at September 30, 2015, this ratio was 50.6% according to the calculation as defined in the Declaration of Trust.

15. Risk management and fair values

(a) Risk management

In the normal course of business, the REIT is exposed to a number of risks that can affect its operating performance. These risks and the actions taken to manage them are as follows:

(i) Interest rate risk:

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. Obtaining long-term mortgages with fixed interest rates minimizes cash flow risk. One of the REIT's outstanding mortgages is subject to floating interest rate. For the nine month ended September 30, 2015, a 100 basis point change in interest rates would have resulted in a $20,100 change in the REIT’s interest expense.

(ii) Credit risk:

Credit risk is the risk that one party to a financial instrument will cause a loss to another party by failing to pay for its obligations. The REIT is subject to credit risk with respect to its cash and cash equivalents. The REIT mitigates credit risk by depositing cash with and investing with chartered banks.

As at September 30, 2015, the REIT had a single tenant, resulting in concentration of credit risk. The REIT mitigates the credit risk with respect to the tenant by evaluating their creditworthiness on a periodic basis.

The REIT's amounts receivable of $42,094 are primarily input tax credits on HST paid, for which management consider the collection risk to be minimal.

(iii) Liquidity risk

Liquidity risk is the risk that the REIT will not have the financial resources required to meet its financial obligations as they become due. The REIT manages this risk by ensuring it has sufficient cash and cash equivalents on hand to meet obligations as they become due by forecasting cash flows from operations, cash required for investing activities and cash from financing activities. There is a risk that lenders will not refinance maturing debt on terms and conditions acceptable to the REIT. Management's strategy mitigates the REIT's exposure to excessive amounts of debt maturing in any one year.

(In Canadian Dollars)

The estimated maturities of the REIT's financial liabilities, excluding options and warrants, are outlined below:

	Amounts payable and accrued liabilities	Class B LP Units	Long-term debt	Total
2015	$ 442,100	$ -	$ 45,228	$ 487,328
2016	-	-	180,912	180,912
2017	-	-	180,912	180,912
2018 and thereafter	-	1,636,250	5,261,524	6,897,774
	$ 442,100	$ 1,636,250	$ 5,668,576	$ 7,746,926

(iv) Currency risk:

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The REIT's functional and presentation currency is Canadian dollars. The REIT's operating subsidiaries' functional currency is the Euro; accordingly the assets and liabilities are translated at the prevailing rate at period-end, and comprehensive income is translated at the average rate for the period. The REIT may periodically enter into derivative contracts to manage part of the foreign exchange risk exposures.

For the nine month period ended September 30 2015, a $0.10 strengthening in the Euro against the Canadian dollar would have decreased net loss by approximately $59,000 and unrealized foreign currency translation adjustment included in other comprehensive loss by approximately $659,000. Conversely, a $0.10 weakening in the Euro against the Canadian dollar would have had an equal but opposite effect.

(b) Fair values

The fair values of the REIT's financial assets, which include cash and other receivables, as well as financial liabilities, which include tenant rental deposits, finance costs payable and accounts payable and accrued liabilities, approximate their recorded values due to their short-term nature.

The REIT uses a fair value hierarchy to categorize the type of valuation techniques from which fair values are derived. The REIT's use of quoted market prices (Level 1), internal models using observable market information as inputs (Level 2) and internal models without observable market information as inputs (Level 3).

(In Canadian Dollars)

The following table provides information on financial assets and liabilities measured at fair value as at September 30, 2015:

	Level 1	Level 2	Level 3	Total
Financial assets				
Investment property	$ -	$ -	$ 11,005,000	$ 11,005,000
Total financial assets	$ -	$ -	$ 11,005,000	$ 11,005,000
Financial liabilities				
Mortgages payable	$ -	$ 5,668,000	$ -	$ 5,668,000
Class B LP Units	-	1,636,250	-	1,636,250
Unit options	-	48,515	-	48,515
Warrants	-	-	-	-
Total financial liabilities	$ -	$ 7,352,765	$ -	$ 7,352,765

There were no transfers between Level 1, Level 2 or Level 3 for the period ended September 30, 2015.

16. Management Compensation

Key management personnel received $52,280 as employment compensation for the three months ended September 30, 2015 ($51,411 for the three months ended September 30, 2014), and $159,769 for the nine months ended September 30, 2015 ($156,884 for the nine months ended September 30, 2014).

17. Operating lease

The REIT receives rental income from operating leases. The minimum future base rent payments to the REIT under non-cancelable operating leases for the period October 1, 2015 to March 31, 2016 is $555,335.

Operating lease payments representing rental payments by the REIT for its head office is $2,547 for the period from October 1, 2015 to October 31, 2015. The head office lease has been renewed for a one year term from November 1, 2014 to October 31, 2015 with total rental payments of $30,564.

18. Due diligence costs

During the year ended December 31, 2014, due diligence costs of $85,160 incurred by the REIT with respect to conditional property acquisitions were expensed, as the REIT did not proceed any further with those acquisitions.

19. Announcement of value maximization process

On September 8, 2015, the REIT announced that it initiated a value maximization process, approved by the Board of Trustees, involving a series of proposed transactions whereby, subject to receiving all necessary regulatory and unitholder approvals, the REIT intends to dispose of its sole investment property in the Netherlands and return the REIT's capital to unitholders, with a view to ultimately winding-up and terminating the REIT's business and affairs.