MAPLEWOOD
INTERNATIONAL REIT

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and nine months ended September 30, 2014

November 11, 2014

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") outlines the financial position and results of operations of Maplewood International Real Estate Investment Trust ("Maplewood" or the "REIT") for the three and six months ended September 30, 2014. This MD&A should be read in conjunction with the REIT's interim condensed consolidated financial statements and accompanying notes for the three and six months ended September 30, 2014, together with the consolidated financial statements and accompanying notes and MD&A for the period from January 15, 2013 to December 31, 2013.

The information contained in the MD&A, including forward-looking information, is based on information available to Management as of November 11, 2014.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to our future outlook and anticipated events or results and may include statements regarding the future financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes and plans and objectives of or involving the REIT. Particularly, statements regarding our future operating results and economic performance are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Forward looking-information is subject to certain factors, including risks and uncertainties, which could cause actual results to differ materially from what we currently expect. The forward-looking statements made in this MD&A relate only to events or information as of the date on which the statements are made in this MD&A. Except as specifically required by applicable Canadian law, the REIT undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

BASIS OF PRESENTATION

This MD&A should be read in conjunction with the REIT's interim condensed consolidated financial statements and accompanying notes for the three and six months ended September 30, 2014, prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting. This MD&A should also be read in conjunction with the REIT's audited financial statements and accompanying notes for the period from January 15, 2013 to December 31, 2013, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The REIT's functional currency is the Canadian dollar. Unless otherwise stated, amounts expressed in this MD&A are in Canadian dollars.

NON-IFRS MEASURES

Certain terms used in this MD&A such as funds from operations ("FFO"), adjusted funds from operations ("AFFO") and net operating income ("NOI"), including their derivations such as recurring FFO, recurring AFFO, and property AFFO, are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. FFO, AFFO and NOI are supplemental measures of a Canadian real estate investment trust's performance and the REIT believes that FFO, AFFO and NOI are relevant measures of its ability to earn and distribute cash returns to the Unitholders. The IFRS measurements most directly comparable to FFO, AFFO and NOI are cash flow from operating activities and net income.

The REIT calculates FFO in accordance with the guidelines set out by the Real Property Association of Canada ("REALpac"), as issued in April 2014.

The REIT believes that AFFO is an important measure of our economic performance and is indicative of our ability to pay distributions; however, it does not represent cash flow from operating activities as defined under IFRS.

"NOI" is defined as investment properties revenue less investment properties operating expenses.

FFO, AFFO and NOI should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS as indicators of the REIT's performance. The REIT's method of calculating FFO, AFFO and NOI may differ from other issuers' methods and accordingly may not be comparable to measures used by other issuers.

BUSINESS OVERVIEW

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, as amended and restated on September 9, 2013.

Prior to its reorganization as a real estate investment trust, the REIT was known as Holland Global Capital Corporation ("Holland Global"), a capital pool company, as defined in Policy 2.4 of the TSX Venture Exchange (the "TSXV"). Holland Global was incorporated under the Business Corporations Act (Ontario) on January 15, 2013. Holland Global completed its initial public offering on April 5, 2013 and Holland Global's shares were listed for trading on the TSXV on April 11, 2013.

Pursuant to a plan of arrangement on September 9, 2013, the common shares of Holland Global were exchanged for REIT Units of the REIT, or Class B LP Units of Maplewood International Limited Partnership ("MILP"), a wholly-owned subsidiary of the REIT (the "Plan of Arrangement"). The REIT became the continuing public entity with its REIT Units listed on the TSXV under the symbol MWI.UN.

The REIT is considered to be a continuation of Holland Global following the continuity of interest method of accounting. As a result, the financial statements reflect a continuation of the Holland Global with the results of the Holland Global from January 15, 2013 to September 9, 2013, and the REIT from that date forward.

On September 16, 2013, the REIT completed the acquisition of its first investment property located at Einsteinstraat 1 in s'-Gravenzande, the Netherlands (the "Initial Property"), otherwise known as the Qualifying Transaction previously announced by Holland Global.

INVESTMENT OBJECTIVE AND STRATEGY

Maplewood was established as a Canadian based international real estate investment vehicle to invest in high-quality income producing commercial real estate outside of Canada. Our initial geographic focus is on the investment grade countries of Europe, with an initial target market of the Netherlands.

The objectives of the REIT are to:

(a) provide Canadian investors with international real estate diversification that delivers attractive risk-adjusted investment yields;

(b) build a diversified, growth-oriented portfolio of income producing commercial properties in target markets outside of Canada, with an initial focus on the Netherlands;

(c) grow the value of assets and maximize the long-term value of REIT Units through the active and efficient management of the REIT's assets; and

(d) provide predictable, sustainable and growing cash distributions on a tax-efficient basis.

The Netherlands

Management believes that the current yields on certain commercial real estate in certain European countries are higher than yields currently available from commercial real estate in Canada. Notably, in certain European countries that have attractive sovereign credit ratings, such as the Netherlands, the higher yields on commercial real estate are even more compelling on a risk-adjusted basis.

The Netherlands enjoys a strong economic position within Europe and globally. The Netherlands has a market-based mixed economy that is noted for its stable industrial relations, moderate unemployment and inflation, a sizable trade surplus, and an important role as a European transportation hub. Dutch industrial activity is predominantly in food processing, chemicals, petroleum refining, and electrical machinery. The Netherlands' location gives it prime access to markets in the United Kingdom and Germany, with the port of Rotterdam being the largest port in Europe.

Management believes these are positive indicators of a stable and growing economy, one that is appealing to investors seeking stable, sustainable and growing cash flows. In addition, Management believes the Netherlands' operating and business environment in the real estate sector is comparable to Canada's in many important ways. For example, in comparing the Dutch market to the Canadian market, Management believes there is a similar focus in the Netherlands on building and maintaining long-term relationships with tenants, the brokerage community and lenders, as well as a similar leasing environment.

Target Markets

In addition to investments in the Dutch market, the REIT will seek opportunities to invest in income-producing properties outside of Canada that provide stable, sustainable and growing cash flows. In considering future acquisitions, the REIT will focus on countries with a stable business and operating environment, a liquid market for real estate investments, a legal framework that provides adequate rights and protections for owners of property and a manageable foreign investment regime.

Although the REIT will not be restricted in the geographies in which it may invest outside of Canada, it will have an initial focus primarily on the following target markets:

- the Netherlands, where Management believes there will be more opportunities for acquiring additional assets to complement the Initial Property;
- Germany, whose economy is the largest in Europe and one of the most stable; and
- other investment grade countries in Europe, to the extent that those markets are compelling to Management and provide the potential to realize synergies with the REIT's asset base.

SUMMARY OF SELECTED FINANCIAL AND OPERATIONAL INFORMATION

Investment Property Information	September 30, 2014	June 30, 2014	March 31, 2014	December 31, 2013
Gross leasable area (sq. ft.)	**130,405**	130,405	130,405	130,405
Occupancy rate	**100%**	100%	100%	100%
Weighted average lease term (years)	**6.8**	7.0	7.3	7.5
Leverage Information				
Debt to gross book value of assets	**51.9%**	52.2%	53.4%	53.9%
Weighted average interest rate on debt	**3.9%**	3.9%	3.9%	3.9%
Weighted average term to maturity on debt	**4.0**	4.3	4.5	4.8
Interest coverage ratio (1)	**4.3**	4.4	4.3	4.3
Debt service coverage ratio (2)	**2.6**	2.6	2.5	2.4

	For the three months ended September 30, 2014	For the three months ended June 30, 2014	For the three months ended March 31, 2014	For the three months ended December 31, 2013
Results of Operations				
Net operating income ("NOI")	**$ 253,247**	$ 266,702	$ 265,080	$ 252,691
NOI margin	**92.5%**	93.9%	94.0%	94.9%
NOI yield (3)	**10.3%**	10.9%	10.8%	10.3%
Recurring funds from operations ("FFO") (4)	**$ 112,966**	$ 319,309	$ 119,922	$ (89,044)
Recurring adjusted funds from operations ("AFFO") (4)	**$ 99,954**	$ 99,888	$ 79,658	$ 75,783
Recurring FFO per Unit (basic) (5)	**$ 0.02**	$ 0.05	$ 0.02	$ (0.02)
Recurring AFFO per Unit (basic) (5)	**$ 0.02**	$ 0.02	$ 0.01	$ 0.01
Property AFFO (6)	**$ 184,499**	$ 195,401	$ 193,778	$ 183,656
Property AFFO yield (7)	**17.0%**	18.0%	17.9%	17.0%

(1) Calculated as net operating income divided by interest expense on debt.

(2) Calculated as net operating income divided by the sum of interest expense on debt and principal repayment on debt.

(3) Calculated as annualized NOI divided by original purchase price of the Initial Property (calculated as purchase price of €6,750,000 plus land transfer tax of €405,000, translated to at an exchange rate of 1.37284 on the acquisition closing date).

(4) Recurring FFO and AFFO for the three months ended September 30, 2014 exclude the impact on one-time due diligence costs write-off. Recurring FFO and AFFO for the three months ended December 31, 2013, exclude the impact of non-recurring plan of arrangement costs. See FFO and AFFO for calculations.

(5) Including Class B LP Units.

(6) Calculated as Recurring AFFO plus general and administrative expenses

(7) Calculated as annualized Property AFFO divided by the original equity investment in the Initial Property (calculated as purchase price of €6,750,000 plus land transfer tax of €405,000 less mortgage debt of €4,000,000, translated to at an exchange rate of 1.37284 on the acquisition closing date).

RESULTS OF OPERATIONS

The REIT's results of operations for the three month period ended September 30, 2014 are not directly comparable to the three months ended September 30, 2013, as the REIT acquired the Initial Property on September 16, 2013 and there were only 15 days of property operations for the three months ended September 30, 2013. As a result, the REIT has presented a more meaningful quarter-over-quarter comparison between the three months ended September 30, 2014, three months ended June 30, 2014, three months ended March 31, 2014 and the three months ended December 31, 2013.

	For the three months ended September 30, 2014	For the three months ended June 30, 2014	For the three months ended March 31, 2014	For the three months ended December 31, 2013
Investment property revenue	**$ 273,905**	$ 284,007	$ 281,871	$ 266,371
Investment property operating expenses	**(20,658)**	(17,305)	(16,791)	(13,680)
Net operating income	**253,247**	266,702	265,080	252,691
Finance costs - operations	**(58,483)**	(60,924)	(61,023)	(59,001)
Finance costs - distributions on Class B LP	**-**	-	(297,544)	(347,136)
Plan of arrangement costs	**-**	-	-	(45,686)
General and administrative expenses	**(84,545)**	(95,513)	(114,120)	(107,873)
Asset management fees	**(9,267)**	(9,267)	(9,267)	(9,267)
Due diligence costs	**(85,160)**			
Unit-based compensation recovery (expense)	**12,007**	218,309	39,217	(165,855)
Interest income	**7**	2	35	261
Operating income (loss)	**27,806**	319,309	(177,622)	(481,866)
Fair value adjustment to investment property	**144,362**	236,534	377,700	-
Fair value adjustment to warrants	**2,602**	70,793	49,873	110,618
Fair value adjustment to Class B LP Units	**217,500**	6,212,500	1,487,500	2,187,500
Net income (loss)	**392,270**	6,839,136	1,737,451	1,816,252
Other comprehensive income				
Foreign currency translation adjustments	**(138,564)**	(210,894)	141,339	230,935
Comprehensive income (loss)	**$ 253,706**	$ 6,628,242	$1,878,790	$ 2,047,187

Investment Property Revenue

Investment property revenue includes base rents. For the three months ended September 30, 2014, investment property revenue was $273,905, as compared to $284,007 for the three months ended June 30, 2014. The variance of $10,102 was the result of the Euro weakening against the Canadian dollar during the quarter.

Investment Property Operating Expenses

Investment property operating expenses include operating costs, repairs and maintenance, property taxes, property insurance, and property management fees. For the three months ended September 30, 2014, investment property expense was $20,658, as compared to $17,305 for the three months ended June 30, 2014. The variance of $3,353 was due to an increase in maintenance costs of $4,115, partially offset by the impact of a weakening Euro against Canadian dollar of $762.

Net Operating Income

Net operating income ("NOI") is not a measure defined by IFRS and, accordingly the term does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures defined by other issuers. We define NOI as investment property revenue less investment property operating expenses. NOI for the three months ended September 30, 2014 was $253,247, a decrease of $13,455 over the three months ended June 30, 2014 of $266,702. The decrease in NOI was primarily due to the impact of weakening of Euro of $9,340 and an increase in building maintenance costs of $4,115.

Finance Costs - Operations

Finance costs - operations includes interest expense on mortgages payable and amortization of deferred financing costs. For the three months ended September 30, 2014, finance costs-operation was $58,483, a decrease of $2,441 from $60,924 for the three months ended June 30, 2014. The variance was primarily due to the impact of weakening Euro of $2,157 and lower mortgage expense of $284.

Finance Costs - Distributions on Class B LP Units

The Class B LP Units are treated as a financial liability and hence distributions on Class B LP Units are recorded as a finance cost. For the three months ended September 30, 2014 and June 30, 2014, there was nil finance cost-distribution on Class B LP. On April 17, 2014, the REIT's Board of Trustees announced an amendment to the REIT's distribution policy to suspend monthly cash distributions, hence there were no distributions on Class B LP Units.

Plan of Arrangement Costs

In connection with the Plan of Arrangement, the REIT incurred certain one-time costs consisting of legal fees, tax advisory fees, audit fees, regulatory filing fees and other consulting fees. For the three months ended September 30, 2014 and June 30, 2014, there were no plan of arrangement costs.

General and Administrative Expenses

General and administrative expenses consist of management compensation expenses, head office costs and public company costs. For the three months ended September 30, 2014, general and administrative expenses were $84,545, a decrease of $10,968 as compared to the three months ended June 30, 2014, as a result of timing fluctuation of certain corporate expenses.

Asset Management Fees

Asset management fees for the three months ended September 30, 2014 were $9,267, same as for the three months ended June 30, 2014.

Due Diligence Costs

During the three month period ended September 30, 2014, due diligence costs of $85,160 incurred with respect to its conditional property acquisitions ("the Acquisitions") were expensed as the REIT will not proceed any further with the Acquisitions.

Unit-based Compensation Recovery (Expense)

Unit-based compensation recovery (expense) relates to the Unit options granted to trustees, officers, employees and consultants and is a non-cash recovery (expense). Unit options are recognized as liabilities and measured initially at fair value. The option liability is subsequently measured at fair value at each reporting period, with the change in fair value recognized in net income as unit-based compensation recovery (expense). For the three months ended September 30, 2014, unit-based compensation recovery of $12,007was recognized, as a result of the decrease in fair value of the Unit options, due to the decrease in the REIT Unit trading price. For the three months ended June 30, 2014, unit-based compensation recovery of $218,309 was recognized.

Fair Value Adjustment to Investment Property

The REIT has elected to use the fair value model to account for its investment property. For the three months ended September 30, 2014, the REIT recognized a fair value gain of $144,362. At September 30, 2014, the fair value of the investment property was determined by Management to be $10,334,000, using the discounted cash flow method with a discount rate of 8.5% and terminal capitalization rate of 8.75%.

Fair Value Adjustment to Warrants

Warrants issued in connection with the private placement are recognized as liabilities and measured initially at fair value. The warrants liability is re-measured to fair value at each reporting period and changes in fair value are recognized in net income as a fair value adjustment. For the three months ended September 30, 2014, a fair value gain of $2,602 was recognized, mainly reflecting a decrease in the trading price of REIT Units, compared to fair value gain of $70,793 for the three months ended June 30, 2014.

Fair Value Adjustment to Class B LP Units

The REIT's Class B LP Units are recorded as financial liabilities and measured at fair value at each reporting period. The change in fair value of Class B Units is based on the change in the trading price of the REIT Units. For the three months ended September 30, 2014, a fair value gain of $217,500 was recognized, mainly reflecting a decrease in the trading price of REIT Units, compared to fair value gain of $6,212,500 for the three months ended June 30, 2014.

FFO AND AFFO

Funds from operations ("FFO") for the three months ended September 30, 2014, June 30, 2014, March 31, 2014 and December 31, 2013 are calculated as follow:

	For the three months ended September 30, 2014	For the three months ended June 30, 2014	For the three months ended March 31, 2014	For the three months ended December 31, 2013
Net income	**$ 392,270**	$ 6,839,136	$ 1,737,451	$ 1,816,252
Adjusted for:				
Fair value adjustment to investment property	**(144,362)**	(236,534)	(377,700)	-
Fair value adjustment to warrants	**(2,602)**	(70,793)	(49,873)	(110,618)
Fair value adjustment to Class B LP Units	**(217,500)**	(6,212,500)	(1,487,500)	(2,187,500)
Finance costs - distributions on Class B LP Units	**-**	-	297,544	347,136
FFO	**$ 27,806**	$ 319,309	$ 119,922	$ (134,730)
Add back:				
Non-recurring plan of arrangement costs	**-**	-	-	45,686
Due diligence costs	**85,160**	-	-	-
Recurring FFO	**$112,996**	$319,309	$ 119,922	$ (89,044)
Units outstanding, including Class B LP Units	**5,950,057**	5,950,057	5,906,209	5,780,338
Recurring FFO per Unit (basic)	**$ 0.02**	$ 0.05	$ 0.02	$ (0.02)

Adjusted funds from operations ("AFFO") for the three months ended September 30, 2014, June 30, 2014, March 31, 2014 and December 31, 2013 are calculated as follow:

	For the three months ended September 30, 2014	For the three months ended June 30, 2014	For the three months ended March 31, 2014	For the three months ended December 31, 2013
FFO	**$ 27,806**	$ 319,309	$ 119,922	$ (134,730)
Adjusted for:				
Unit-based compensation expense (recovery)	**(12,007)**	(218,309)	(39,217)	165,855
Amortization of financing costs	**2,995**	3,088	3,153	2,972
Normalized leasing costs	**-**	-	-	-
Normalized maintenance capital expenditures	**(4,000)**	(4,200)	(4,200)	(4,000)
AFFO	**$ 14,794**	$ 99,888	$ 79,658	$ 30,097
Add back:				
Non-recurring plan of arrangement costs	**85,160**	-	-	45,686
Due diligence costs				
Recurring AFFO	**$ 99,954**	$ 99,888	$ 79,658	$ 75,783
Units outstanding, including Class B LP Units	**5,950,057**	5,950,057	5,906,209	5,780,338
Recurring AFFO per Unit (basic)	**0.02**	0.02	0.01	0.01

Property AFFO

	For the three months ended September 30, 2014	For the three months ended June 30, 2014	For the three months ended March 31, 2014	For the three months ended December 31, 2013
Recurring AFFO	**$ 99,954**	$ 99,888	$ 79,658	$ 75,783
General and administrative expenses	**84,545**	95,513	114,120	107,873
Property AFFO	**184,499**	195,401	193,778	183,656
Property AFFO yield (1)	**17.0%**	18.0%	17.9%	17.0%

(1) Calculated as annualized Property AFFO divided by the original equity investment in the Initial Property (calculated as purchase price of €6,750,000 plus land transfer tax of €405,000 less mortgage debt of €4,000,000, translated to at an exchange rate of 1.37284 on the acquisition closing date).

The following is a reconciliation of AFFO and cash provided by operating activities for the three months ended September 30, 2014, June 30, 2014, March 31, 2014 and December 31, 2013.

	For the three months ended September 30, 2014	For the three months ended June 30, 2014	For the three months ended March 31, 2014	For the three months ended December 31, 2013
Cash flow from operating activities	**$ (11,151)**	$ (23)	$ (304,703)	$ 162,413
Change in non-cash working capital	**29,945**	104,111	388,561	(128,316)
Normalized maintenance capital expenditures	**(4,000)**	(4,200)	(4,200)	(4,000)
AFFO	**$ 14,794**	$ 99,888	$ 79,658	$ 30,097
Add back:				
Non-recurring plan of arrangement costs	**-**	-	-	45,686
Due diligence costs	**85,160**			
Recurring AFFO	**$ 99,954**	$ 99,888	$ 79,658	$ 75,783

INVESTMENT PROPERTY

On September 16, 2013, the REIT completed the acquisition of the Initial Property, located at Einsteinstraat 1 in s'-Gravenzande, the Netherlands. The Initial Property is a large-scale industrial complex, comprised of approximately 130,450 square feet of gross leasable area of which approximately 20,785 square feet are used for an integrated 3-storey office building. The Initial Property is 100% leased pursuant to an annual inflation-indexed lease with a remaining lease term of approximately 6.8 years, and with unlimited automatic five-year renewal terms, to Rexnord FlatTop Europe B.V.,a wholly-owned subsidiary of Rexnord Corporation ("Rexnord"), a leading global industrial components company headquartered in Milwaukee, Wisconsin, USA, with approximately 7,400 employees worldwide. Rexnord has a corporate history dating back to 1892 and is listed on the New York Stock Exchange.

As at September 30, 2014, the fair value of investment property determined by Management was $10,334,000. 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 the stabilized net operating income. 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 a discount rate and a terminal capitalization rate.

MORTGAGES PAYABLES

As at June 30, 2014, the REIT had $5,446,509 of principal mortgages payable, which were secured by a first charge on the Initial Property. The mortgages carry a weighted average interest rate of 3.87% and a weighted average term to maturity of 4.0 years. As at September 30, 2014, one mortgage had a fixed rate 4.53% and one mortgage had a variable rate of 3.20%.

	As at September 30, 2014
Current:	
Mortgages payable	$ 169,872
Unamortized financing costs	(11,750)
	158,122
Non-current:	
Mortgages payable	$ 5,322,656
Unamortized financing costs	(34,269)
	5,288,387
	$ 5,446,509

EQUITY

REIT Units and Class B LP Units

The discussion of equity includes Class B LP Units, which along with related Special Voting Units are economically equivalent to the REIT Units, and are exchangeable at the option of the holder on a one-for-one basis for the REIT Units. The Class B LP Units meet the definition of a financial liability under IAS 32, Financial Instrument-Presentation and are classified as fair value through profit or loss, measured at fair value at each reporting period with any changes in fair value recorded in profit or loss. The distributions on Class B LP Units are accounted for as finance costs.

The REIT's Declaration of Trust authorizes the issuance of an unlimited number of REIT Units. Each REIT Unit represents a unitholder's ownership interest in the REIT and carries voting rights.

Pursuant to the Plan of Arrangement on September 9, 2013, 40,500,000 common shares of Holland Global shares were exchanged for 687,500 REIT Units and 4,375,000 Class B LP Units.

On September 10, 2013, the REIT issued 625,000 Private Placement Units, comprised of one REIT Unit and one warrant, at a price of $3.20 per Private Placement Unit, for gross proceeds of $2,000,000. Each warrant entitles the holder to purchase a REIT Unit at an exercise price of $3.20 within 24 months of the date of issuance.

As at September 30, 2014, there were 1,700,057 REIT Units outstanding and 4,250,000 Class B LP Units outstanding.

Unit Option Plan

Under the REIT's Unit Option Plan, the Board of Trustees may from time to time, at its discretion, grant trustees, officers, employees and consultants options to purchase REIT Units.

Pursuant to the Plan of Arrangement, on September 9, 2013, 4,050,000 of outstanding options of Holland Global were exchanged for Unit Options on an eight-for-one basis.

As at September 30, 2014, there were 506,250 Unit Options outstanding. Each Unit Option entitles the holder to purchase one REIT Unit, at an exercise price of $0.80.

Warrants

Agent's Warrants

On April 5, 2013, in connection with the Initial Public Offering, Holland Global 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. ("Agent's Warrants"). The Agent's Warrants will expire 24 months from the date the common shares of Holland Global were listed on the TSXV.

Pursuant to the Plan of Arrangement on September 9, 2013, 400,000 of outstanding Agent's Warrants have been exchanged for 50,000 REIT unit warrants at an exercise of $0.80 per unit warrant.

Private Placement Warrants

On September 10, 2013, the REIT issued 625,000 Private Placement Units, comprised of one REIT Unit and one warrant, at a price of $3.20 per Private Placement Unit, for gross proceeds of $2,000,000. Each warrant entitles the holder to purchase a REIT Unit at an exercise price of $3.20 within 24 months of the date of issuance.

LIQUIDITY AND CAPITAL RESOURCES

The REIT's primary sources of capital are cash generated from operations, mortgage financing, equity and debt issues. The REIT's primary uses of capital include the payment of distributions, debt servicing, property maintenance, tenant improvements, leasing costs and property acquisitions.

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, 2014, this ratio was 51.9% according to the calculation as defined in the Declaration of Trust.

For the three months ended September 30, 2014, the changes in cash and cash equivalents are summarized as follows:

Operating activities used cash flows of $11,151.

Financing activities used $40,002 of cash flow, for the principal repayments of long-term debt.

There was no cash flows from investing activities.

SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies, including significant judgments and critical accounting estimates made by management of the REIT, are described in Note 3 of the REIT's consolidated financial statements for the period from January 15, 2013 to December 31, 2013. There are no material changes to the REIT's significant accounting policies as of September 30, 2014, which have not been disclosed herein or in notes 1 and 2 of the REIT's consolidated financial statements for the period ended December 31, 2013.

INTERNAL CONTROLS

The REIT'S Chief Executive Officer and Chief Financial Officer are designing or causing to be designed disclosure controls and procedures and internal controls over financial reporting, as those terms are defined in National Instrument 52-109, "Certification of Disclosure in Issuers' annual and interim Fillings" to provide reasonable assurance regarding the reliability of financial reporting.

RISKS AND UNCERTAINTIES

The REIT's MD&A for the year ended December 31, 2013, the management information circular of Holland Global dated August 9, 2013 (the "Circular") and the prospectus of Holland Global dated August 9, 2013 (the "Prospectus"), each contains a detailed summary of risk factors pertaining to the REIT and its business, all of which are available on SEDAR at www.sedar.com. There have been no changes to the nature or the number of risk factors pertaining to the REIT.

QUARTERLY RESULTS

The results by quarter are as follows:

	For the three months ended September 30, 2014 [1]	For the three months ended June 30, 2014 [1]	For the three months ended March 31, 2014 [1]	For the three months ended December 31, 2013 [1]
Investment property revenue	**$273,905**	$284,007	$281,871	$266,371
Investment property operating expenses	**(20,658)**	(17,305)	(16,791)	(13,680)
Net operating income	**253,247**	266,702	265,080	252,691
Finance costs - operations	**(58,483)**	(60,924)	(61,023)	(59,001)
Finance costs - distributions on Class B LP Units	**-**	-	(297,544)	(347,136)
Plan of arrangement costs	**-**	-	-	(45,686)
General and administrative expenses	**(84,545)**	(95,513)	(114,120)	(107,873)
Asset management fee	**(9,267)**	(9,267)	(9,267)	(9,267)
Due diligence costs	**(85,160)**			
Unit-based compensation recovery (expense)	**12,007**	218,309	39,217	(165,855)
Interest income	**7**	2	35	261
Income (loss) before undernoted:	**27,806**	319,309	(177,622)	(481,866)
Fair value adjustment to investment property	**144,362**	236,534	377,700	-
Fair value adjustment to warrants	**2,602**	70,793	49,873	110,618
Fair value adjustment to Class B LP Units	**217,500**	6,212,500	1,487,500	2,187,500
Net income (loss)	**$392,270**	$6,839,136	$1,737,451	$1,816,252
Other comprehensive income (loss):				
Foreign currency translation adjustments	**(138,564)**	(210,894)	141,339	230,935
Comprehensive income (loss)	**253,706**	6,628,242	$1,878,790	$ 2,047,187
Net income (loss)	**$392,270**	$6,839,136	$1,737,451	$1,816,252
Adjusted for:				
Fair value adjustment to investment property	**(144,362)**	(236,534)	(377,700)	-
Fair value adjustment to warrants	**(2,602)**	(70,793)	(49,873)	(110,618)
Fair value adjustment to Class B LP Units	**(217,500)**	(6,212,500)	(1,487,500)	(2,187,500)
Finance costs - distributions on Class B LP Units	**-**	-	297,544	347,136
FFO	**27,806**	319,309	119,922	(134,730)
Add back:				
Non-recurring plan of arrangement costs	**-**	-	-	45,686
Due diligence costs	**85,160**	-	-	-
Recurring FFO	**$ 112,966**	$ 319,309	$ 119,922	$(89,044)
Recurring FFO per Unit (basic) [2]	**$ 0.02**	$ 0.05	$ 0.02	$ (0.02)
FFO	**$ 27,806**	$ 319,309	$ 119,922	$ (134,730)
Adjusted for:				
Unit-based compensation expense	**(12,007)**	(218,309)	(39,217)	165,855
Amortization of financing costs	**2,995**	3,088	3,153	2,972
Normalized leasing costs	**-**	-	-	-
Normalized maintenance capital expenditure	**(4,000)**	(4,200)	(4,200)	(4,200)
AFFO	**14,794**	99,888	79,658	$ 30,097
Add back:				
Non-recurring plan of arrangement costs	**-**	-	-	45,686
Due diligence costs	**85,160**			
Recurring AFFO	**$ 99,954**	$ 99,888	$ 79,658	$ 75,783
Recurring AFFO per Unit (basic) [2]	**$ 0.02**	$ 0.02	$ 0.01	$ 0.01

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	For the three months ended September 30, 2013 (1)	For the three months ended June 30, 2013 (1)	For the period from January 15 to March 31, 2013 (1)
Investment property revenue	$51,628	$ -	$ -
Investment property operating expenses	(4,051)	-	-
Net operating income	47,577	-	-
Finance costs - operations	(11,721)	-	-
Finance costs - distributions on Class B LP Units	-	-	-
Plan of arrangement costs	(305,934)	(593,916)	(5,410)
General and administrative expenses	(12,550)	(201)	(7,459)
Asset management fee	(1,853)		
Due diligence costs			
Unit-based compensation recovery (expense)	(63,767)	(16,373)	-
Interest income	4,053	7,132	-
Income (loss) before undernoted:	(344,195)	(603,358)	(12,869)
Fair value adjustment to investment property	(705,928)	-	-
Fair value adjustment to warrants	19,768	-	-
Fair value adjustment to Class B LP Units	(11,000,000)	-	-
Net income (loss)	$(12,030,355)	$(603,358)	$(12,869)
Other comprehensive income (loss):			
Foreign currency translation adjustments	(6,752)	-	-
Comprehensive income (loss)	$(12,037,107)	(603,358)	(12,869)
Net income (loss)	$(12,030,355)	$(603,358)	$(12,869)
Adjusted for:			
Fair value adjustment to investment property	n/a	n/a	n/a
Fair value adjustment to warrants	n/a	n/a	n/a
Fair value adjustment to Class B LP Units	n/a	n/a	n/a
Finance costs - distributions on Class B LP Units	n/a	n/a	n/a
FFO	n/a	n/a	n/a
Add back:			
Non-recurring plan of arrangement costs	n/a	n/a	n/a
Due diligence costs			
Recurring FFO	n/a	n/a	n/a
Recurring FFO per Unit (basic) (2)	n/a	n/a	n/a
FFO	n/a	n/a	n/a
Adjusted for:			
Unit-based compensation expense	n/a	n/a	n/a
Amortization of financing costs	n/a	n/a	n/a
Normalized leasing costs	n/a	n/a	n/a
Normalized maintenance capital expenditure	n/a	n/a	n/a
AFFO	n/a	n/a	n/a
Add back:			
Non-recurring plan of arrangement costs	n/a	n/a	n/a
Due diligence costs			
Recurring AFFO	n/a	n/a	n/a
Recurring AFFO per Unit (basic) (2)	n/a	n/a	n/a

(1) The REIT had its first two full quarters of property operations in the three months ended March 31, 2014 and December 31, 2013 and commenced reporting FFO and AFFO in these quarters.

(2) Including Class B LP Units.