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PROSPECTUS

Initial Public Offering

October 26, 2012



SLATE U.S. OPPORTUNITY (NO. 2) REALTY TRUST (the "Trust")

**Minimum: U.S.\$10,000,000 of Class A Units, Class F Units and/or Class U Units
(Minimum 1,000,000 Class A Units, Class F Units and/or Class U Units)**

**Maximum: U.S.\$50,000,000 of Class A Units, Class F Units and/or Class U Units
(Maximum 5,000,000 Class A Units, Class F Units and/or Class U Units)**

This Prospectus qualifies the distribution of up to 5,000,000 class A units (the "Class A Units"), class F units (the "Class F Units") and/or class U units (the "Class U Units" and collectively with the Class A Units and the Class F Units, the "Retail Units") of the Trust (the "Offering") at a price of C\$10.00 per Class A Unit or Class F Unit and U.S.\$10.00 per Class U Unit. The Class A Units and Class F Units are designed for investors wishing to make their investment and receive distributions in Canadian dollars. The Class F Units are designed for fee-based accounts.

The Trust's investment objectives are to: (a) indirectly acquire, own and lease a portfolio of diversified revenue-producing commercial real estate properties in the U.S. with a focus on anchored retail properties; (b) make quarterly distributions commencing upon the earlier of (i) the end of the fiscal quarter in which the Investable Funds are substantially invested and (ii) September 30, 2013; and (c) enhance the potential for long-term growth of capital through value-added enhancements to the properties indirectly owned by the Trust and organic growth in rental rates, combined with an overall reduction in capitalization rates.

**Price: C\$10.00 per Class A Unit or Class F Unit and U.S.\$10.00 per Class U Unit
Minimum Purchase: 100 Class A Units, Class F Units or Class U Units**

	Price to the Public ⁽¹⁾	Agents' Fee	Net Proceeds to the Trust ⁽²⁾
Per Class A Unit	C\$10.00	C\$0.525	C\$9.475
Per Class F Unit	C\$10.00	C\$0.225	C\$9.775
Per Class U Unit	U.S.\$10.00	U.S.\$0.525	U.S.\$9.475
Minimum Offering ⁽³⁾	U.S.\$10,000,000	U.S.\$525,000	U.S.\$9,475,000
Maximum Offering ⁽³⁾⁽⁴⁾	U.S.\$50,000,000	U.S.\$2,625,000	U.S.\$47,375,000

Notes:

- (1) The terms of the Offering were determined by negotiation between the Agents and the Manager, on behalf of the Trust.
- (2) Before deduction of the expenses of the Offering and the Private Placement (estimated at U.S.\$165,000 in the case of the Minimum Offering and U.S.\$520,000 in the case of the Maximum Offering) which, subject to a maximum of 1.5% of the gross proceeds of the Offering and the Private Placement, will, together with the Agents' Fee, be paid out of the proceeds of the Offering and the Private Placement.
- (3) Assumes no Class F Units are sold in the Offering.
- (4) The Maximum Offering will be calculated based on the subscription proceeds received from the issuance of Class U Units and the subscription proceeds (as converted into U.S. dollars) received from the issuance of Class A Units and Class F Units.

There will be no closing unless a minimum of U.S.\$10,000,000 of Class A Units, Class F Units and/or Class U Units are sold pursuant to the Offering. The distribution under this Offering will not continue for a period of more than 90 days after the date of the receipt for the final prospectus for the Offering (the “Final Prospectus”), unless the persons or companies who subscribed within that period consents to the continuation and an amendment to the Final Prospectus is filed for which a receipt is provided. During such 90-day period, funds received from subscriptions will be held by the Agents in trust. If the minimum number of Units are not sold during the 90-day period, these funds will be returned to the subscribers, without interest or deduction, unless the subscribers have otherwise instructed the Agents.

This is a “blind pool” Offering. Although the Trust expects that the available net proceeds of the Offering will be applied to purchase one or more Properties, the specific Properties in which the net proceeds will be invested have not yet been determined. An investment in the securities offered by this Prospectus must be considered speculative as the securities are subject to certain risk factors as set out under the heading “Risk Factors”. An investment in Units is appropriate only for Purchasers who have the capacity to absorb a loss of some or all of their investment.

The Trust has received a commitment from Slate Properties Inc. (“Slate”) for Slate or one of its affiliates to subscribe for a minimum of U.S.\$1,000,000 of Class I Units by way of a private placement (the “Private Placement”). The Private Placement will close contemporaneously with the closing of the Offering.

If the Maximum Offering is sold, the Trust expects that approximately U.S.\$132,319,075, which amount includes the net proceeds of the Mortgage Loans, the Offering and the Private Placement, will be applied to the purchase price and other acquisition costs of the Properties (including the Acquisition Fee payable as described herein), and to the creation of working capital reserves and reserves for renovations and upgrades.

There is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. As at the date of this Prospectus, the Trust does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the United States of America. See “Risk Factors”.

While the Trust Declaration contains a redemption right, such redemption right is not intended to be the primary mechanism for Unitholders to liquidate their investment. The total cash amount available for the payment of the redemption price of Units by the Trust is limited to U.S.\$100,000 in each calendar quarter and is also limited in any 12-month period to 1% of the aggregate Gross Subscription Proceeds of all Units that were issued and outstanding at the start of such 12-month period. If redemptions in excess of these cash limits occur, the redemption of Units may be paid and satisfied by way of an *in specie* distribution of property of the Trust, and/or unsecured subordinated notes of the Trust, as determined by the Trustees in their discretion, to the redeeming Unitholder. Such property may not be liquid and generally will not be a qualified investment for Plans and may be a prohibited investment for RRSPs, RRIFs and TFSAs. See “Risk Factors – Limited Liquidity of Units and – Risks Associated with Redemptions”.

In order to provide Unitholders with liquidity, the Manager intends to complete a liquidity event before September 30, 2018. The liquidity event may be (i) the listing of the Units on a stock exchange or the exchange of Units for securities listed on a stock exchange, or (ii) the sale of the Properties, the Holding LP Units, the Investment LP Units or Units for cash or securities listed on a stock exchange or a combination of cash and securities listed on a stock exchange. A liquidity event may include the aggregation of properties owned by GAR I (as defined below), SUSO 1 (as defined below) and the Trust into a publicly traded REIT or a sale of properties owned by all three funds to an existing REIT or third party buyer. If a liquidity event has not been completed prior to September 30, 2018, the Trust will notify, or otherwise update, Unitholders regarding the plan for liquidation of the Properties and/or the Trust and the current market situation in respect of the potential liquidity event. The Trust expects that there will be limited liquidity until such time that a liquidity event occurs.

In the event a liquidity event is not completed by September 30, 2019, the Trust will call a meeting of Unitholders to determine by Special Resolution whether the Trust will: (a) pursue a liquidity event, and if so, the type of liquidity event to be pursued, or (b) continue in operation.

Although the Trust intends to distribute its available cash to the Unitholders, such cash distributions may be reduced or suspended. The ability of the Trust to make cash distributions and the actual amount distributed will depend on the ability of the Trust to indirectly acquire the Properties and the ongoing operations of the Properties, and will be subject to various factors including those referenced in the “Risk Factors” section of this Prospectus. The Minimum Return of 8% per annum payable by the Holding LP to the Investment LP, which will ultimately form part of the distributions available from the Trust to the Unitholders, is a preferred return, but is not guaranteed and may not be paid on a current basis in each year or at all. The return on an investment in the Units is not comparable to the return on an investment in a fixed income security. Cash distributions, including a return of a Unitholder’s original investment, are not guaranteed and the anticipated return on investment is based upon many performance assumptions. It is important for Purchasers to consider the particular risk factors that may affect the real estate investment markets generally and therefore the availability and stability of the

distributions to Unitholders. See “Risk Factors” for a more complete discussion of these risks and their potential consequences.

On the closing of the Offering, the Trust will convert the subscription amount received from the issuance of Class A Units and Class F Units into U.S. dollars. The relative entitlement of a holder of a Class A Unit or Class F Unit to receive distributions from the Trust and to receive proceeds on a redemption of Units and/or upon the termination of the Trust (as compared to the entitlement of a holder of a Class U Unit) will depend on the Canadian/U.S. dollar exchange rate at which the Trust is able to convert such proceeds on the Closing Date. Distributions on the Units, including any returns of capital and the distribution of proceeds on the termination of the Trust, will be determined and declared in U.S. dollars. In respect of the Class A Units and Class F Units, the Trust will convert the U.S. dollar distribution payable on the Class A Units and Class F Units into Canadian dollars at the spot exchange rate available to the Trust in respect of such distribution and holders of Class A Units and Class F Units will receive Canadian dollar distributions. As a result, although holders of Class A Units and Class F Units will receive Canadian dollar distributions, the amount of such distributions will be determined based upon the Canadian/U.S. dollar exchange rate at the time of such distribution. See “Description of the Securities Distributed – Distributions”. The Trust is not entering into any hedging arrangements to limit the impact of changes in the Canadian/U.S. dollar exchange rate for holders of Class A Units and Class F Units and therefore holders of Class A Units and Class F Units will have full exposure to changes in the exchange rate between the Canadian and U.S. dollar. See “Risk Factors”.

The after-tax return from an investment in Units to Unitholders who are subject to Canadian income tax can be made up of both a return on and a return of capital, and will depend, in part, on the composition for tax purposes of distributions paid by the Trust (portions of which distributions may be fully or partially taxable or may be tax deferred). Income (i.e., return on capital) is generally taxed in the hands of a Unitholder as ordinary income or capital gains. Amounts in excess of the income of the Trust that are paid or payable by the Trust to a Unitholder (i.e., return of capital) are generally non-taxable to a Unitholder (but reduce the Unitholder’s adjusted cost base in the Unit for purposes of the Tax Act). Reference should be made to “Certain Canadian Federal Income Tax Considerations” and “Certain U.S. Federal Income Tax Considerations” below.

CIBC World Markets Inc. (the “**Lead Agent**”) and RBC Dominion Securities Inc., GMP Securities L.P., BMO Nesbitt Burns Inc., Scotia Capital Inc., Raymond James Ltd., Macquarie Private Wealth Inc., National Bank Financial Inc., Canaccord Genuity Corp. and Dundee Securities Ltd. (collectively with the Lead Agent, the “**Agents**”) conditionally offer the Units on a best efforts basis, subject to prior sale, if, as and when issued by the Trust and accepted by the Agents in accordance with the conditions contained in the Agency Agreement (defined under “Plan of Distribution”), and subject to the approval of certain legal matters on behalf of the Trust and the Manager by Goodmans LLP and on behalf of the Agents by McCarthy Tétrault LLP. See “Plan of Distribution”.

Registration and transfers of Retail Units will be effected only through the book entry only system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). A Purchaser of Retail Units will receive only a customer confirmation from the registered dealer which is a CDS participant and from or through which Retail Units are purchased. Beneficial owners of Retail Units will not have the right to receive physical certificates evidencing their ownership of such securities. See “Plan of Distribution”.

In this Prospectus, all dollar amounts are expressed in either U.S. dollars (U.S.\$) or in Canadian dollars (C\$). Closing of the Offering is expected to occur on or about November 19, 2012, but in any event not later than 90 days after a Receipt for the Final Prospectus is issued.

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FORWARD-LOOKING STATEMENTS

This Prospectus includes statements with respect to the Trust, including its business operations and strategy, and financial performance and condition, which may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, “**forward-looking information**”) within the meaning of Canadian securities laws. Forward-looking information may relate to this Prospectus, the Trust’s future outlook and anticipated events or results and, in some cases, can be identified by terminology such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “should”, “believe” or “continue”, or the negative thereof, or other similar expressions concerning matters that are not historical facts.

Forward-looking information in this Prospectus includes, but is not limited in any manner to:

- (a) statements with respect to the current state of the U.S. economy and real estate markets and the expectation that economic recovery will lead to increases in the demand for and values of real estate properties in the targeted markets;
- (b) the stated expectation that properties will be available for acquisition at prices which provide an initial annual return on the unlevered purchase price of approximately 7% to 9% and that mortgage financing will be available at annual interest rates of between 4% and 6%, and the stated intention to utilize mortgage financing of up to a 60% to 70% loan-to-value ratio;
- (c) the stated intention to use the net proceeds from the Offering to acquire, own and lease a portfolio of diversified revenue-producing commercial real estate properties in the U.S. with a focus on anchored retail properties;
- (d) statements with respect to SUSO 1’s anticipated net operating income and adjusted funds from operations for the 12 months ended November 30, 2013;
- (e) the stated intention to make distributions quarterly; and
- (f) the expectation that the Trust will satisfy the requirements stipulated by the Tax Act to qualify as a “mutual fund trust”.

Important factors and assumptions used by management of the Trust to develop the forward-looking information include, but are not limited to, management’s current expectations about: the availability of Properties for acquisition and the price at which such Properties may be acquired; the availability of mortgage financing and current interest rates; the extent of competition for Properties; assumptions about the markets in which the Holding LP intends to operate; the global and North American economic environment; and changes in governmental regulations or tax laws. Statements with respect to SUSO 1’s anticipated net operating income and adjusted funds from operations for the 12 months ended November 30, 2013 assume that the properties currently under contract are acquired by SUSO 1 in the third or fourth quarter of 2012 and that all of SUSO 1’s properties, including properties under contract, operate as expected including with respect to occupancy levels, property expenses and capital expenditures.

Although Slate believes that the expectations reflected in such forward-looking statements are reasonable and represent the Trust’s internal projections, expectations and belief at this time, such statements involve known and unknown risks and uncertainties which may cause the Trust’s actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from the Trust’s expectations include, among other things, the availability of suitable Properties for purchase by the Trust, the availability of mortgage financing for such Properties, and general economic and market factors, including interest rates, business competition, changes in government regulations or in tax laws, in addition to those factors discussed or referenced in the “Risk Factors” section. See “Risk Factors”.

Investors are cautioned against placing undue reliance on forward-looking statements.

The Trust will report in its quarterly management discussion and analysis on any events or circumstances which occurred during the relevant period which are reasonably likely to cause actual results to differ materially from material forward-looking statements contained in this Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Goodmans LLP, counsel to the Trust, and McCarthy Tétrault LLP, counsel to the Agents, based on the current provisions of the Tax Act, and subject to the provisions of any particular plan, provided that the Trust qualifies at all times as a “mutual fund trust” (as defined in the Tax Act), the Units will be a qualified investment for trusts governed by an RRSP, registered education savings plan, RRIF, deferred profit sharing plan, registered disability savings plan or a TFSA.

Notwithstanding the foregoing, if the Units are a “prohibited investment” (as defined in the Tax Act) for a trust governed by a TFSA, RRSP or RRIF, the holder or annuitant thereof will be subject to a penalty tax as set out in the Tax Act. The Units will not be a prohibited investment for a TFSA, RRSP or RRIF provided the holder or annuitant of such Plan deals at arm’s length with the Trust, for purposes of the Tax Act, and does not have a significant interest in the Trust or a corporation, partnership or trust with which the Trust does not deal at arm’s length. Generally, a holder or annuitant will have a significant interest in the Trust if the holder or annuitant and/or persons not dealing at arm’s length with the holder or annuitant own, directly or indirectly, 10% or more of the fair market value of the Units. Prospective purchasers who intend to hold Units in a TFSA, RRSP or RRIF are advised to consult their personal tax advisors.

NON-IFRS MEASURES

Adjusted funds from operations (“**AFFO**”) and net operating income (“**NOI**”) are key measures of performance used by real estate businesses. However, such measures are not defined by IFRS and do not have standardized meanings prescribed by IFRS. The Trust believes that AFFO is an important measure of economic performance while NOI is an important measure of operating performance and the performance of real estate properties owned by an entity.

“**AFFO**” is defined as net income in accordance with IFRS, adjusted (i) to exclude the impact of: (A) fair value adjustments to investment properties; (B) gains (or losses) from sales of investment properties; (C) amortization of tenant incentives; (D) deferred income tax expense, (E) amortization of fair value mark-to-market adjustments on mortgages acquired; (F) amortization of deferred financing and leasing costs; and (G) differences resulting from recognizing property revenues on a straight-line basis; and (ii) to deduct a reserve for normalized maintenance capital expenditures and leasing costs.

“**Net Operating Income**” or “**NOI**” for a property and for a given period, is defined as the sum of the following: (a) cash rents and other cash revenues received in the ordinary course from such property (excluding pre-paid rents and revenues and security deposits except to the extent applied in satisfaction of tenants’ obligations for rent) minus (b) all expenses paid or accrued related to the ownership, operation or maintenance of such properties.

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 SUSO 1’s performance. The Trust’s method of calculating AFFO and NOI may differ from other issuers’ methods and accordingly may not be comparable to measures used by other issuers.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Reference is made to the "Glossary of Terms" for the meanings of defined terms used in this summary. In this Prospectus, references to the Trust include its subsidiaries where the context requires and, all dollar amounts are expressed in either U.S. dollars (U.S.\$) or in Canadian dollars (C\$). On October 25, 2012, the noon rate in Canadian dollars as quoted by the Bank of Canada was C\$1.00 = U.S.\$1.0058.

- Issuer:** Slate U.S. Opportunity (No. 2) Realty Trust (the "**Trust**") is an unincorporated, open-ended investment trust formed under and governed by the laws of the Province of Ontario. The Trust was established for the primary purpose of indirectly acquiring, owning and leasing a portfolio of diversified revenue-producing commercial real estate properties in the U.S. (the "**Properties**") with a focus on anchored retail properties.
- The Manager:** The Trust is managed by Slate Properties Inc. ("**Slate**"), a Toronto-based commercial real estate investor and asset manager engaged in the identification, acquisition, ownership, operation and disposition of revenue-producing commercial real estate properties. Slate's principals, Blair Welch and Brady Welch, have experience identifying undervalued properties, acquiring such properties, enhancing value through refurbishment, repositioning and re-tenanting, and realizing value through diversified individual asset or portfolio sales.
- Offering:** Class A Units (C\$), Class F Units (C\$) and Class U Units (U.S.\$) (Maximum of 5,000,000 Retail Units).
- Issue Size:** Minimum Offering: U.S.\$10,000,000 of Class A Units, Class F Units and/or Class U Units.
Maximum Offering: U.S.\$50,000,000 of Class A Units, Class F Units and/or Class U Units.
The size of the Offering will be calculated based on the subscription proceeds received from the issuance of Class U Units and the subscription proceeds (as converted into U.S. dollars) received from the issuance of Class A Units and Class F Units.
- Price:** C\$10.00 per Class A Unit or Class F Unit.
U.S.\$10.00 per Class U Unit.
- Minimum Purchase:** C\$1,000.00 (100 Class A Units), C\$1,000.00 (100 Class F Units) or U.S.\$1,000.00 (100 Class U Units).
- Investment Objectives:** The Trust's investment objectives are to:
- (a) indirectly acquire, own and lease a portfolio of diversified revenue-producing commercial real estate properties in the U.S. with a focus on anchored retail properties;
 - (b) make quarterly distributions commencing upon the earlier of (i) the end of the fiscal quarter in which the Investable Funds are substantially invested and (ii) September 30, 2013; and
 - (c) enhance the potential for long-term growth of capital through value-added enhancements to the properties owned indirectly by the Trust and organic growth in rental rates, combined with an overall reduction in capitalization rates.

Investment Strategy:

Acquire Commercial Real Estate and Anchored Retail Properties in Secondary U.S. Markets at Attractive Valuations

- Identify undervalued Properties by leveraging Slate’s relationships with a network of U.S.-based brokers. Many of these opportunities may be “off-market” and not widely marketed for sale.
- Target diversified real estate assets and/or mortgages with the intent to own real estate collateral:
 - (i) Located in U.S. secondary markets demonstrating sustainable population and employment statistics;
 - (ii) Located in well-developed sub-markets with limited risk of new development; and
 - (iii) With anchor tenants, which typically are the dominant retailer within the sub-market, with a proven track record of strong sales and profitability.
- Negotiate with sellers to place Properties under contract and conduct a thorough due diligence process including review and analysis of leases, cash flow models, market studies, environmental reports, and structural reports (typically over a 30 to 60-day period).
- Source debt financing terms from various lenders, finalize diligence and debt financing with the selected Lender (if applicable), and acquire the asset.

Apply Slate’s Hands-On Asset Management Philosophy to Increase the Value of Properties

- Prepare a business plan for each Property addressing the Property’s needs and areas of improvement and apply an entrepreneurial philosophy of maintaining distributions and increasing value over the medium to long term.
- Assess each Property to determine how to optimally refurbish, reposition and re-tenant. In a number of situations, it is the existing owner who is distressed and not the asset. This creates an opportunity to reposition the Property through modest and targeted capital projects and/or operational improvements. Slate will work closely with contractors to reduce operating costs and will oversee capital expenditure projects to ensure they are on budget and completed on time.
- Using Slate’s hands-on approach, focus on rebuilding and strengthening tenant relationships with a view to gaining incremental business and extending stable tenant leases. The health of these relationships is not only core to generating cash flow stability but also creates incremental origination opportunities for other Properties owned indirectly by the Trust where these tenants are leasing.
- By outsourcing property management and other real estate property functions, lower the current operating costs borne by the tenants. This cost reduction further improves tenant relationships and will increase the net operating income of the Properties.

Realize Value Through Sales of Properties

- Slate will continually monitor the commercial real estate investment and capital markets with a view towards maximizing disposition proceeds.
- Once an individual Property or Properties have been stabilized through the application of Slate’s asset management strategy, they will be evaluated for sale to realize on value creation. Gains are created by an increase in net operating income and capitalization rate compression. Slate will consider disposition alternatives on an individual Property, portfolio, or public market basis.

U.S. Market Focus and Asset Selection

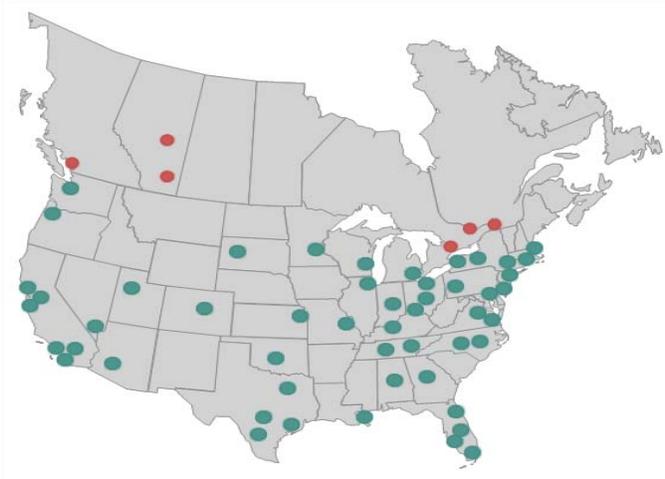
Slate has identified markets in the U.S. where it believes current economic conditions have created attractive investment opportunities for revenue-producing commercial real estate properties. The tightening of credit markets in the U.S., coupled with a broad-based worldwide economic slowdown, has caused commercial real estate prices across the U.S. to decline and remain depressed. Slate intends to focus on properties located in secondary markets within the Eastern U.S. However, to the extent opportunities arise outside of these markets, Slate will consider them.

Slate has refined its approach to asset selection based on the following three criteria:

(1) *Secondary Markets vs. Primary Markets* – Primary U.S. markets (New York, Los Angeles, Washington, etc.) continue to receive the most attention from investors. Slate will target secondary U.S. cities (Pittsburgh, Columbus, Charlotte, etc.) where there is typically less competition for quality assets. Secondary U.S. markets are much larger than primary Canadian markets. By way of example, the 50th most populous Metropolitan Statistical Area (“MSA”) in the U.S. is Birmingham-Hoover, Alabama (1.13 million), roughly equal to Edmonton, Alberta (1.16 million) which is the 6th largest Census Metropolitan Area (CMA) in Canada. Toronto would rank 8th in the U.S. by population.

Based on the most recent data from the U.S. Census Bureau, there are currently 51 MSAs in the U.S. with a population of over one million. Such MSAs have a total estimated population of 169,068,000. In the Eastern U.S., there are 33 MSAs, with a total population of approximately 104,582,000. In Canada, only six metropolitan areas have a population over one million, with such CMAs having a total population of 15,332,000. With respect to commercial real estate inventory, the 51 U.S. MSAs comprise approximately 15.4 billion square feet of inventory and the 33 MSAs in the Eastern U.S. comprise approximately 9.1 billion square feet of inventory compared to 1.9 billion square feet in the six Canadian markets.

Map: Metropolitan Area of 1 Million or Greater Population, Canada (CMA) & U.S. (MSA)



(2) *Transaction Size* – Slate believes that an opportunity exists to acquire high-quality assets priced between \$2 million and \$30 million (including the impact of leverage). Each such transaction would be expected to require approximately \$1 million to \$7 million of equity investment. Slate has opted to focus on transactions of this size since assets in this price range are generally too small to attract large institutional investors yet too large for private investors. Slate believes that this will result in fewer competitive bidders, thereby increasing the ability of the Trust to acquire real estate assets at attractive prices.

(3) *Asset Quality* – Demand remains strong for ‘A’ quality trophy commercial real estate throughout the U.S. and bidding in this class remains extremely competitive. Slate believes an

opportunity exists in the 'A-' and 'B' quality markets where the pool of buyers is smaller and not as well capitalized.

Slate believes that this three step investment strategy will yield the greatest opportunity to acquire quality, revenue-producing properties at attractive valuations.

**Investment
Rationale:**

Slate believes there is currently an opportunity to acquire well-located, good quality commercial properties in large secondary markets across the U.S. at significant discounts to their stabilized value and replacement cost.

In Slate's judgment, amidst volatile global capital market conditions and a chronically low yield environment, an investment providing a return driven by revenue-producing commercial real estate properties with a medium to long-term investment horizon compares favourably to other publicly traded asset classes.

In addition to providing stable cash flows, Slate believes that quality commercial real estate offers an opportunity for significant capital appreciation due to the low interest rate environment that is expected to continue for the medium to long term and the continued capitalization rate compression on commercial real estate that traditionally follows this cycle.

Since inception, Slate has acquired 43 commercial real estate assets across North America, and has also entered into committed agreements to acquire an additional six properties, bringing the total value of its anticipated portfolio to over C\$1 billion while establishing its reputation as a preferred counterparty in the market. Slate's extensive relationships with brokers, managers and other market participants have resulted in a significant number of the acquisitions occurring on an "off-market" basis. It is preferred to acquire assets in this fashion as "off-market" opportunities are typically bought at a discount to the current market pricing due to the lack of a competitive bidding process. Slate employs a dedicated acquisition team which over the past 30 months has established Slate as an active market participant in the anchored retail property segment in secondary U.S. markets. The volume of investment opportunities available in this market segment in the U.S. is significantly greater than in Canada and its ownership far more fragmented between institutional and private ownership which provides for a greater volume of "off-market" acquisitions and market pricing arbitrage opportunities.

In Slate's judgment, over the last 12 to 30 months, real estate investment trusts ("REITs") and institutional investors have primarily focused their investments on large gateway U.S. cities and trophy assets in an effort to reduce perceived risk. Trophy assets in prime cities are often associated with higher liquidity and improved lending characteristics. These factors have caused the pricing on this asset class to increase significantly. In future periods, Slate believes increased pricing coupled with a low interest rate environment will force buyers to expand their investment criteria to include secondary U.S. markets with stable cash flows in search of new investment opportunities; a pattern observed in previous real estate cycles. Slate has significant experience assembling individual real estate assets into portfolios, maximizing property cash flows and selling to institutional investors.

In April 2012, Slate U.S. Opportunity (No. 1) Realty Trust ("SUSO 1"), an entity managed by Slate, completed its initial public offering. SUSO 1's investment objectives are to indirectly acquire, own and lease a portfolio of diversified revenue-producing commercial real estate properties in the U.S. with a focus on anchored retail properties. To date, SUSO 1 has acquired seven properties with an aggregate purchase price of U.S.\$64,075,000 and has also entered into binding agreements to purchase an additional six properties for an aggregate purchase price of U.S.\$67,340,000 which are scheduled to close before the end of 2012, subject to customary closing conditions. Thus, the aggregate purchase price for both acquired and committed transactions amounts to U.S.\$131,415,000. Assuming these six additional properties are acquired, for the 12 months ended November 30, 2013, Slate anticipates that SUSO 1's net operating income will be U.S.\$10,900,000 and its adjusted funds from operations will be approximately U.S.\$6,100,000. Under this scenario, Slate will have invested U.S.\$45,600,000 of equity in acquisitions for a total purchase price of U.S.\$131,415,000. When the costs associated with the acquisition of these properties are taken into consideration (which costs

include, but are not limited to, agents' commissions, professional fees, financing and acquisition fees, reserves and other closing costs) assuming the closing of the committed acquisitions, SUSO 1 will have deployed almost 98% of its available capital and will have only U.S.\$3,168,170 left to deploy. On this basis, immediately following closing, Slate will be in a position to commence sourcing acquisitions for the Trust (provided that to the extent an acquisition has a purchase price equal to or less than the funds remaining to be deployed in SUSO 1 at any time, such Property will be acquired by SUSO 1).

The table below describes the seven properties acquired by SUSO 1 to date and the six properties for which it has unconditional purchase agreements.

Completed Acquisitions						
Property	Location	Area (sq.ft)	Purchase Price (per sq. ft.)	Purchase Date	Cap Rate	Anchor(s)
Highland Square	Crossville, TN	179,243	U.S.\$12,250,000 (U.S.\$68)	July 2012	8.5%	Kroger, Tractor Supply Co.
Errol Plaza	Orlando, FL	71,490	U.S.\$6,125,000 (U.S.\$86)	July 2012	8.3%	Winn-Dixie
St. Elmo Central	Chattanooga, TN	74,978	U.S.\$6,100,000 (U.S.\$81)	August 2012	10.3%	BI-LO, CVS, Family Dollar
Triangle Food Lion	Charlotte, NC	41,349	U.S.\$2,150,000 (U.S.\$52)	August 2012	9.1%	Food Lion
County Line Plaza	Philadelphia, PA	75,640	U.S.\$9,600,000 (U.S.\$127)	September 2012	8.0%	Food Basics, Big Lots
North Pointe	Columbia, SC	64,255	U.S.\$7,850,000 (U.S.\$122)	September 2012	8.2%	Publix
Summit Ridge	Mount Pleasant, PA	227,733	U.S.\$20,000,000 (U.S.\$88)	October 2012	8.1%	Walmart
Total Purchase Price			U.S.\$64,075,000			
Committed Acquisitions						
Property	Location	Area (sq.ft)	Purchase Price (per sq. ft.)	Purchase Date	Cap Rate	Anchor(s)
Westhaven Town Center ⁽¹⁾	Franklin, TN	97,052	U.S.\$14,500,000 (U.S.\$149)	Q4 2012	8.2%	Harris Teeter
Gaston Marketplace ⁽¹⁾	Gaston, SC	44,133	U.S.\$4,900,000 (U.S.\$111)	Q4 2012	8.4%	Food Lion, Family Dollar
Fuquay Crossing ⁽¹⁾	Fuquay-Varnia, NC	124,773	U.S.\$13,100,000 (U.S.\$105)	Q4 2012	8.7%	Kroger
Bowling Green Plaza ⁽¹⁾	Bowling Green, VA	49,850	U.S.\$2,790,000 (U.S.\$56)	Q4 2012	8.9%	Food Lion, Family Dollar
Madison Plaza ⁽¹⁾	Madison, VA	49,607	U.S.\$5,150,000 (U.S.\$104)	Q4 2012	8.7%	Food Lion, Family Dollar
Cambridge Crossing ⁽¹⁾	Troy, MI	238,963	\$26,900,000 (U.S.\$113)	Q4 2012	8.0%	Walmart
Total Purchase Price:			U.S.\$67,340,000			
TOTAL		1,339,066	U.S.\$131,415,000 (U.S.\$98)		8.4%	

Note:

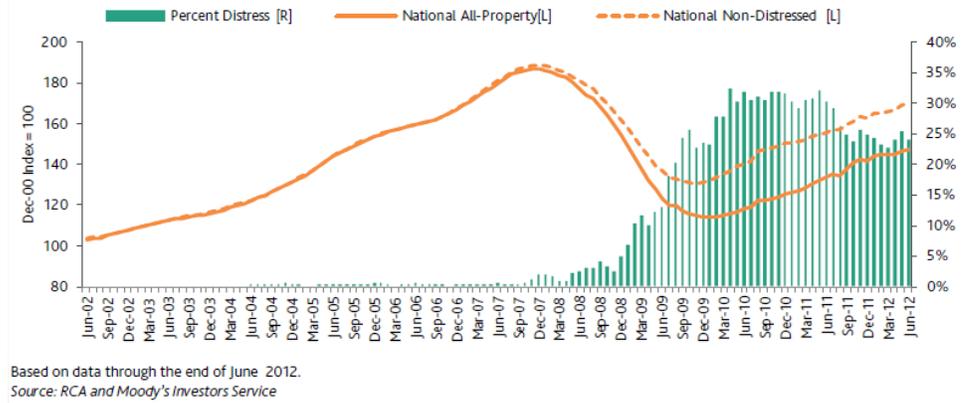
⁽¹⁾ SUSO 1 has entered into purchase and sale agreements regarding these properties and has waived conditions under such purchase and sale agreements. These acquisitions are expected to close in the fourth quarter of 2012.

Investment Highlights:

Opportune Investment Timing

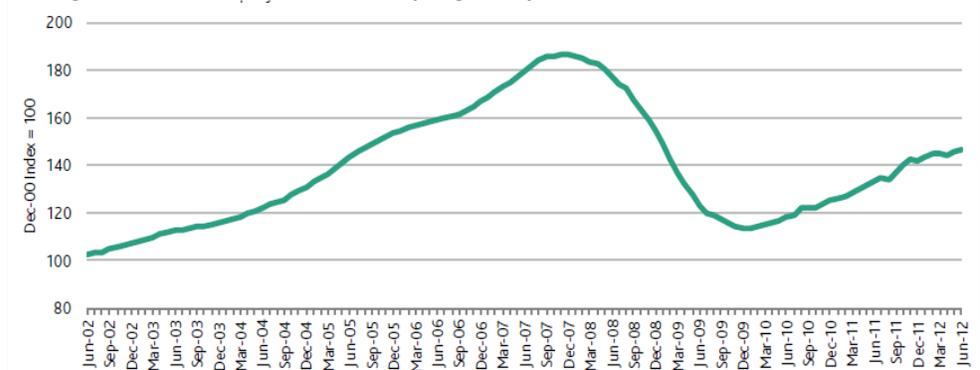
- Economic Uncertainty Provides Opportunity* – In the past four years, the U.S. economy has witnessed a period of extreme volatility and anemic growth. Consumer and corporate confidence has been eroded and the outlook remains challenged. Instability in equity markets, debate over deficit reduction, the U.S. credit-rating downgrade, effects of the European sovereign debt crisis and stagnant job growth continue to hinder the nascent U.S. economic recovery. As the economy continues to suffer through many false starts and continued concerns of “double-dip recessions”, Slate believes that the timing is opportune for targeted value-based commercial real estate investment in the U.S.

Moody's/RCA CPPI – Non-Distressed Transactions in National Composite³



- Supply of Revenue-Producing Property* – There is a substantial inventory of quality income-producing anchored retail properties across all U.S. markets. Slate believes that it can acquire these assets at a significant discount to both peak value and replacement cost. Slate expects that the current economic environment will force owners of quality properties to be forced to liquidate for purposes of debt repayment obligations and/or capital re-allocation, thereby contributing to an ongoing supply imbalance.

Moody's/RCA CPPI – National All-Property Composite Index

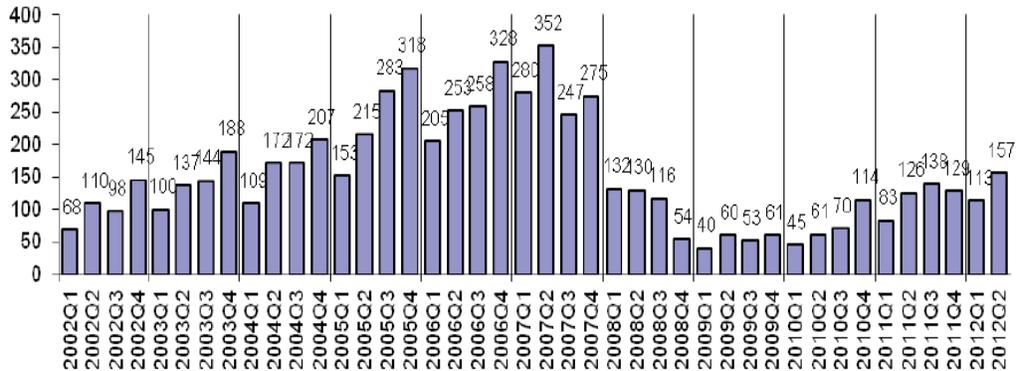


- Defensive Nature of Commercial Real Estate and Anchored Retail Property* – Slate believes that well-located, commercial real estate and anchored retail properties represent a defensive asset class with limited downside in volatile markets. The ability to provide consumer staples and services such as grocery stores, drugstores, banks and fast food restaurants, provide investors with a diverse tenant base and also limited exposure to more volatile specialty retail centres or big box retail outlets. Slate believes

that the defensive nature of anchored retail properties limits the downside, but also provides opportunity during times of economic prosperity.

- *Limited Debt Availability* – The combination of tightening lending standards and reduction in overall lending capacity among banks and other institutional lenders has created difficult conditions for obtaining acquisition financing. For similar reasons, conduit financing has significantly reduced since its peak. The limited access to credit financing has reduced the number of competing buyers thereby creating more opportunity for well-capitalized investors.

Commercial/Multifamily Mortgage Bankers Originations Index
2001 quarterly average = 100



Source: Mortgage Bankers Association’s Quarterly Originations Index (based on information through June 2012)

- *Constraints on Development* – Higher vacancy rates and depressed rental rates have made new developments uneconomical in most U.S. markets. In addition, Slate expects that the limited availability of credit financing will contribute to a decrease in the construction of new revenue-producing properties. As a result, Slate will focus its acquisition strategy on assets priced at a significant discount to replacement cost.

Alignment of Interests

Slate believes that individual investors should have the same opportunities as institutions, pension funds and high net worth individuals with respect to real estate investing. With this in mind, an investment in Units has been structured to align the interests of Slate (through the Manager and the General Partner) with those of the Unitholders. Accordingly, in the event of any capital transaction in respect of the Properties, the General Partner will be entitled to receive any unpaid amount on its General Partner Interest only after 100% of the equity invested in the Holding LP has been returned to the Investment LP and the Investment LP has received full payment of the Minimum Return. In addition, Slate is making an investment in Class I Units to further align Slate’s interests with those of Unitholders and intends to retain this investment throughout the term of the Trust. Slate believes that grocery-anchored retail properties in the U.S. represent an attractive investment opportunity. Following the closing of the Offering, Slate will have invested an aggregate of U.S.\$5.4 million in GAR I, SUSO 1 and the Trust, each of which is a fund focused on acquiring grocery-anchored retail properties in the U.S. See “Private Placement” below.

Management: The trustees of the Trust are Samuel Altman, Patrick Flatley, Peter Tesché, Blair Welch and Brady Welch. The officers of the Trust are Blair Welch, Chief Executive Officer, and Brady Welch, Chief Financial Officer. The directors and officers of the Manager are Blair Welch and Brady Welch. See “Trustees and Officers”.

Leverage: The current commercial real estate debt financing market offers debt financing at attractive interest rates which Slate intends to fully utilize in order to increase return on equity. Slate expects that Properties will be available for acquisition at prices which provide a capitalization

rate of approximately 7% to 9%, with favourable long-term financing, providing positive financial leverage upon acquisition. As well, the Manager will target an overall loan-to-value ratio of the Mortgage Loans at 60% to 70% of the value of the Properties (which is conservative by U.S. standards, but traditional in Canada) of the purchase price of the Properties as a whole, plus the amount of any property improvement reserve account approved by the Lenders. Notwithstanding the foregoing, the total indebtedness of the Trust is limited to no more than 75% of the Investable Funds (or, at the discretion of the Board, the appraised value of the Properties).

See “Capitalization – Long-Term Debt” and “Description of the Business of the Trust – Investment Restrictions and Operating Policies”.

Distributions: The Trust intends to declare quarterly cash distributions on March 31, June 30, September 30 and December 31 in a given year with the first of these distributions declared upon the earlier of (i) the end of the fiscal quarter in which the Investable Funds are substantially invested and (ii) September 30, 2013. The Trust will, indirectly through the Investment LP, own all of the issued and outstanding limited partnership units of the Holding LP. The Investment LP, as a limited partner of the Holding LP, will be entitled to receive from Distributable Cash a minimum return of 8% per annum (cumulative but not compounded), calculated on its Invested Capital in the Holding LP (the “**Minimum Return**”) and, after the return of its Invested Capital invested in the Holding LP, the balance of the Distributable Cash of the Holding LP will be distributed 80% to Investment LP and 20% to the General Partner, as the General Partner Interest. Distributions will be paid within 15 days following the end of the quarter in which the distribution is declared. Although the Minimum Return has been set at 8% per annum, the Investment LP is targeting quarterly cash distributions prior to a liquidity event of 7% per annum. As described above, the General Partner will not be entitled to receive any distributions until the Minimum Return of 8% per annum is achieved (which is expected to be satisfied by a combination of quarterly cash distributions generated by the properties and capital gains earned upon disposition).

The Investment LP will elect to be classified as a corporation for U.S. federal income tax purposes. Accordingly, Investment LP will be subject to applicable U.S. income and withholding taxes, as further described herein. Investment LP will satisfy its U.S. tax liability, or make sufficient reserves for its applicable U.S. taxes, prior to making distributions to the Trust. The Trust will distribute the after tax proceeds received from the Investment LP to the Unitholders, based on the proportionate interest of the Class A Units, Class F Units, Class I Units and Class U Units. A Canadian resident Unitholder (other than a Plan) generally will be entitled to a credit in computing its Canadian taxable income in respect of the U.S. taxes paid by the Investment LP to the extent permitted by the detailed rules in the Tax Act. See “Certain Canadian Federal Income Tax Considerations”, “Certain U.S. Federal Income Tax Considerations”, “Risk Factors – Risk Factors Relating to the Trust’s Canadian Tax Status” and “Risk Factors – Risk Factors Relating to the Trust’s U.S. Tax Status”.

On the closing of the Offering, the Trust will convert the subscription amount received from the issuance of Class A Units and Class F Units into U.S. dollars. The relative entitlement of a holder of a Class A Unit or Class F Unit to receive distributions from the Trust and to receive proceeds on a redemption of Units and/or upon termination of the Trust (as compared to the entitlement of a holder of a Class U Unit) will depend on the Canadian/U.S. dollar exchange rate at which the Trust is able to convert such proceeds at the Closing Date. Distributions on the Units, including any returns of capital and the distribution of proceeds on the termination of the Trust, will be determined and declared in U.S. dollars. In respect of the Class A Units and Class F Units, the Trust will convert the U.S. dollar distribution payable on the Class A Units and Class F Units into Canadian dollars at the spot exchange rate available to the Trust in respect of such distribution and holders of Class A Units and Class F Units will receive Canadian dollar distributions. As a result, although holders of Class A Units and Class F Units will receive Canadian dollar distributions, the amount of such distributions will be determined based upon the Canadian/U.S. dollar exchange rate at the time of such distribution. See “Description of the Securities Distributed – Distributions”. **The Trust is not entering into any hedging**

arrangements to limit the impact of changes in the Canadian/U.S. dollar exchange rate for holders of Class A Units and Class F Units and therefore holders of Class A Units and Class F Units will have full exposure to changes in the exchange rate between the Canadian and U.S. dollar. See “Risk Factors”.

The ability of the Trust to make cash distributions and the actual amount distributed will depend on the ability of the Trust to indirectly acquire the Properties and the ongoing operations of the Properties, and will be subject to various factors including those referenced in the “Risk Factors” section of this Prospectus. The Minimum Return of 8% per annum payable by the Holding LP to the Investment LP, which will ultimately form part of the distributions available from the Trust to the Unitholders, is a preferred return, but is not guaranteed and may not be paid on a current basis in each year or at all. The return on an investment in the Units is not comparable to the return on an investment in a fixed income security. Cash distributions, including a return of a Unitholder’s original investment, are not guaranteed and the anticipated return on investment is based upon many performance assumptions.

See “Description of the Securities Distributed – Distributions”.

Term: In order to provide Unitholders with liquidity, the Manager intends to complete a liquidity event before September 30, 2018. The liquidity event may be (i) the listing of the Units on a stock exchange or the exchange of Units for securities listed on a stock exchange, or (ii) the sale of the Properties, the Holding LP Units, the Investment LP Units or Units for cash or securities listed on a stock exchange or a combination of cash and securities listed on a stock exchange. A liquidity event may include the aggregation of properties owned by GAR I, SUSO 1 and the Trust into a publicly traded REIT or a sale of properties owned by all three funds to an existing REIT or third party buyer. If a liquidity event has not been completed prior to September 30, 2018, the Trust will notify, or otherwise update, Unitholders regarding the plan for liquidation of the Properties and/or the Trust and the current market situation in respect of the potential liquidity event. The Trust expects that there will be limited liquidity until such time that a liquidity event occurs.

In the event a liquidity event is not completed by September 30, 2019, the Trust will call a meeting of Unitholders to determine by Special Resolution whether the Trust will: (a) pursue a liquidity event, and if so, the type of liquidity event to be pursued, or (b) continue in operation.

See “Description of the Securities Distributed – Termination of the Trust” and “Risk Factors”.

Commission: 5.25% for the Class A Units and Class U Units.
2.25% for the Class F Units.

Redemption: The Units will be redeemable at a value of 95% of the fair market value of the Units on the redemption date. However, the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the following limitations: (i) the total amount payable by the Trust by cash payment in respect of the redemption of Units for any calendar quarter shall not exceed U.S.\$100,000; and (ii) the total amount payable by the Trust by cash payment in respect of the redemption of Units in any 12-month period ending at the end of that calendar quarter shall not exceed 1% of the aggregate Gross Subscription Proceeds of all Units that were issued and outstanding at the start of such 12-month period.

If redemptions in excess of these cash limits occur, the Trust may satisfy the redemption of Units by way of an *in specie* distribution of property of the Trust and/or unsecured subordinated promissory notes of the Trust, which property may not be liquid and generally will not be a qualified investment for Plans and may be a prohibited investment for RRSPs, RRIFs and TFSAs. The redemption right is not intended to be the primary mechanism for Unitholders to liquidate their investment.

See “Description of the Securities Distributed – Redemption” and “Risk Factors – Limited Liquidity of Units”.

Use of Assuming that the Maximum Offering is sold, the gross proceeds to the Trust from the Offering

Proceeds: and the Private Placement will be U.S.\$51,000,000. The Trust will use these proceeds net of Trust expenses to acquire Investment LP Units and Investment LP Notes. The Trust may also temporarily hold cash and investments for the purposes of paying its expenses and liabilities, paying amounts in connection with the redemption of any Units, and making distributions to Unitholders.

The Investment LP will invest the proceeds from the issuance of Investment LP Units and Investment LP Notes to the Trust to acquire Holding LP Units, and the Holding LP will invest the proceeds from such issuance to directly or indirectly acquire the Properties.

Slate is targeting deployment of the proceeds within 10 months following Closing. The timing of such investment will depend, among other things, upon the identification of Properties meeting the criteria for acquisition. Pending investment to acquire the Properties, the proceeds from the issuance of Units and other funds not fully invested in the Properties from time to time will be held in cash and bank deposits.

If the Trust has not invested at least 80% of the Net Subscription Proceeds in the acquisition of Properties within 36 months following Closing, the Trust will call a meeting of Unitholders to determine by Special Resolution whether the Trust will: (a) distribute the remaining proceeds and pursue a liquidity event regarding any acquired Properties, and if so, the type of liquidity event to be pursued, or (b) continue in operation.

See “Investment Structure” and “Use of Proceeds”.

Eligibility for Investment: Based on the current provisions of the Tax Act, and subject to the provisions of any particular Plan, provided that the Trust qualifies at all times as a “mutual fund trust” (as defined in the Tax Act), the Units will be a qualified investment for trusts governed by an RRSP, registered education savings plan, RRIF, deferred profit sharing plan, registered disability savings plan or a TFSA. See “Eligibility for Investment”.

Listing: The Units will not be listed on any stock exchange.

Private Placement Investment: The Trust has received a commitment from Slate Properties Inc. (“**Slate**”) for Slate or one of its affiliates to subscribe for a minimum of U.S.\$1,000,000 of Class I Units by way of a private placement (the “**Private Placement**”). The Private Placement will close contemporaneously with the closing of the Offering.

Risk Factors: These securities are speculative in nature. Purchasers should consider the following risk factors before purchasing Units:

This is a Blind Pool Offering – Although the Trust expects that the available net proceeds of the Offering will be applied to the purchase of one or more Properties, Slate has not identified any Properties for potential investment by the Holding LP. The Unitholders’ return on their investments in the Units will vary depending on the return on investment achieved on the Properties that may be acquired with the net proceeds of the Offering.

Limited Liquidity of Units – There is no market for the Units and the Trust does not plan to list the Units on any stock exchange or market. As a result, the liquidity of the Units will be limited. Although the Trust intends to complete a liquidity event by September 30, 2018, there can be no assurance that the Trust will be wound up or that Unitholders will receive a return of their invested capital by that time. While the Trust Declaration contains a redemption right, such redemption right is not intended to be the primary mechanism for Unitholders to liquidate their investment.

Reliance on the Manager – Prospective purchasers assessing the risks and rewards of this investment should appreciate that they will, in large part, be relying on the good faith and expertise of Slate and its principals, Blair Welch and Brady Welch. If Slate loses the services of one of both of these individuals, the business, financial condition and results of operations of the Trust may be materially adversely affected.

No Market for Units – There is currently no market for the Units and it is expected that there will be no market for the Units. Accordingly, an investment in Units is suitable solely for

persons able to make and bear the economic risk of a long-term investment.

Less than Full Offering – If less than all of the U.S.\$50,000,000 of Class A Units, Class F Units and/or Class U Units are sold pursuant to this Offering, then less than the maximum proceeds will be available to the Trust. Consequently, the Trust’s business development plans and prospects could be adversely affected, since fewer Properties will be purchased, owned and leased by the Holding LP.

Distributions may be Reduced or Suspended – Although the Trust intends to distribute its available cash to Unitholders, such cash distributions may be reduced or suspended. The ability of the Trust to make cash distributions and the actual amount distributed will depend on the ability of the Trust to indirectly acquire the Properties and the ongoing operations of the Properties. The Minimum Return of 8% per annum payable by the Holding LP to the Investment LP, which will ultimately form part of the distributions available from the Trust to the Unitholders, is a preferred return, but is not guaranteed and may not be paid on a current basis in each year or at all. The return on an investment in the Units is not comparable to the return on an investment in a fixed income security. Cash distributions, including a return of a Unitholder’s original investment, are not guaranteed and their recovery by an investor is at risk and the anticipated return on investment is based upon many performance assumptions. It is important for Purchasers to consider the particular risk factors that may affect the real estate investment markets generally and therefore the availability and stability of the distributions to Unitholders.

Experience of Trustees and Officers – While the Trustees and officers of the Trust have significant experience in commercial real estate and private equity in Canada and the U.S., their direct experience in the type of commercial real estate properties targeted by the Trust is more limited. Investors are cautioned that the experience of the Trustees and officers of the Trust may not be relevant to the acquisition of anchored retail properties in the U.S. or to their achievement of the investment objectives of the Trust.

Non-IFRS Measures – Certain cash returns on investment in previous Slate trust and partnership entities set out in this Prospectus are not stated in accordance with International Financial Reporting Standards (“**IFRS**”). Such returns are variously referred to as an annualized internal rate of return (“**IRR**”), capitalization rate, net operating income or a total pre-tax cash return on investment. Such measures do not have standardized meanings and are therefore unlikely to be comparable to similar measures presented by other issuers. There is no directly comparable measure calculated in accordance with IFRS, as such measures are based on investment which is external to the issuer. The measures used are meaningful to the investors as they are based on the average investor’s individual investment in the entities mentioned. Slate uses such unaudited measures to provide investors with an estimated guideline as to the investment returns received on its previous investment offerings. Investors are cautioned that historical returns on other Slate investment offerings and similar offerings by others are not predictive of the returns which may be achieved by Unitholders from an investment in Units.

Risks of Real Estate Ownership – An investment in Units is an investment in U.S. real estate through the Trust’s indirect interest in the Holding LP and the Properties, directly or indirectly, acquired by it. Investment in real estate is subject to numerous risks, which include but are not limited to the following:

- (a) *Acquisition Risk* – The acquisition of Properties entails risks that investments will fail to perform in accordance with expectations, including the risks that the Properties will not achieve anticipated occupancy levels and that estimates of the costs of improvements to bring an acquired Property up to standards established for the market position intended for that Property may prove inaccurate.
- (b) *General Real Estate Ownership Risks* – All real property investments are subject to a degree of risk and uncertainty and are affected by various factors including general economic conditions, local real estate markets, demand for

leased premises, competition from other available premises, leasing risk, exposure to defaulting tenants and various other factors.

- (c) *Financing Risks* – There is no assurance that the Manager will be able to obtain sufficient Mortgage Loans to finance the acquisition of Properties on commercially acceptable terms or at all. There is also no assurance that any Mortgage Loans, if obtained, will be renewed when they mature. In the absence of mortgage financing, the number of Properties which the Holding LP will be able to purchase will decrease and the return from the ownership of Properties (and ultimately the return on an investment in Units) will be reduced.

The Manager may not be able to generate sufficient funds through the operation of the Properties to make the payments of principal and interest due on the Mortgage Loans, and, upon default, one or more Lenders could exercise their rights including, without limitation, foreclosure or sale of the Properties.

- (d) *Interest Rate Fluctuations* – The Mortgage Loans may include indebtedness with interest rates based on variable lending rates that will result in fluctuations in the Holding LP's cost of borrowing.
- (e) *Environmental Matters* – Under various environmental and ecological laws, the Holding LP and/or its subsidiaries could become liable for the costs of removal or remediation of certain hazardous or toxic substances that may be released on or in one or more of the Properties or disposed of at other locations. The failure to deal effectively with such substances may adversely affect the Manager's ability to sell such Property or to borrow using the Property as collateral, and could potentially also result in claims against the Holding LP by third parties.
- (f) *Uninsured Losses* – The General Partner will arrange for comprehensive insurance of the type and in the amounts customarily obtained for properties similar to those to be owned by the Holding LP or its subsidiaries and will endeavour to obtain coverage where warranted against earthquakes and floods. However, in many cases certain types of losses are either uninsurable or not economically insurable.
- (g) *Reliance on Property Management* – The General Partner may rely upon independent management companies to perform property management functions in respect of each of the Properties. To the extent, the General Partner relies upon such management companies, the employees of such management companies will devote as much of their time to the management of the Properties as in their judgement is reasonably required and may have conflicts of interest in allocating management time, services and functions among the Properties and their other development, investment and/or management activities.
- (h) *Competition for Real Property Investments* – The Manager will compete for suitable investments with other individuals, corporations, REITs and similar vehicles, and institutions which are presently seeking or which may seek in the future real property investments similar to those sought by the Manager. Such competition would tend to increase purchase prices of real estate properties and reduce the yield on such investments.
- (i) *Revenue Shortfalls* – Revenues from the Properties may not increase sufficiently to meet increases in operating expenses or debt service payments under the Mortgage Loans or to fund changes in any variable rates of interest charged in respect of such loans.
- (j) *Fluctuations in Capitalization Rates* – As interest rates fluctuate in the lending

market, generally so too do capitalization rates which affect the underlying value of real estate. As such, when interest rates rise, generally capitalization rates should be expected to rise. Over the period of investment, capital gains and losses at the time of disposition can occur due to the increase or decrease of these capitalization rates.

- (k) *Joint Ventures* – The Manager may invest in, or be a participant in, joint ventures and partnerships with third parties in respect of the Properties. A joint venture or partnership involves certain additional risks which could result in additional financial demands, increased liability and a reduction in the Manager’s control over the Properties and its ability to sell its interests in a Property within a reasonable time frame.
- (l) *U.S. Market Factors* – The Properties will be located in the U.S. and economic conditions since the beginning of 2008 have been challenging in the North American economy. U.S. markets are currently experiencing increased levels of volatility due to a combination of many factors, including but not limited to macro-level global economic and political instability coupled with U.S. specific factors (high unemployment, stagnant economic growth, lower consumer spending, limited access to credit markets and decreasing home values). The U.S. economy has seemingly not returned to operating at “normal” capacity and the effects of the current market dislocation has forced the U.S. Federal Reserve to introduce Quantitative Easing 3 (QE3) in September 2012 to help stimulate U.S. economic growth and help grow consumer and market confidence. Concern about the stability of the markets generally and the strength of the economic recovery may lead lenders to reduce or cease to provide funding to businesses and consumers, and force financial institutions to continue to take the necessary steps to restructure their business and capital structures. As a result, this economic downturn has reduced demand for space and removed support for rents and property values. Although a recovery in the real estate market is in its early stages, the Trust cannot predict when the real estate markets will return to their pre-downturn levels. The value of Properties acquired may decline if current market conditions persist or worsen.

Reliance on Assumptions – The Trust’s investment objectives and strategy have been formulated based on Slate’s analysis and expectations regarding recent economic developments in the U.S., the future recovery of U.S. real estate markets generally, and the U.S. to Canadian dollar exchange rate. Such analysis may be incorrect and such expectations may not be realized, in which event the Holding LP may not generate sufficient funds to pay the Minimum Return.

Timing for Investment of Net Subscription Proceeds – Although Slate is targeting deployment of the proceeds within 10 months following Closing, the time period for the full investment of the net proceeds of the Offering in Properties is not certain and may exceed 10 months. The timing of such investment will depend, among other things, upon the identification of Properties meeting the criteria for acquisition. There is a risk that the Manager may not invest all proceeds of the Offering in Properties in a timely manner and may not be able to generate sufficient funds to pay the Minimum Return.

Same Management Group for Various Slate Entities – Due to the fact that Slate manages other investment portfolios and realty trusts in similar asset classes, including SUSO 1, there is a risk that conflicts may arise regarding the allocation of tenants amongst the various Slate managed entities. In the future, Slate may acquire properties for other investment portfolios or realty trusts and intends that every transaction which comes to the attention of the Manager and which would be a suitable investment for the Trust will be acquired through the Trust. Slate may acquire properties for other investment portfolios or realty trusts in the future. In such circumstances, there is a risk that conflicts may arise regarding the allocation of properties among the various Slate managed entities.

Risks Associated with Redemptions

- (a) *Use of Available Cash* – The payment in cash by the Trust of the redemption price of Units will reduce the amount of cash available to the Trust for the payment of distributions to the Unitholders, as the payment of the amount due in respect of redemptions will take priority over the payment of cash distributions.
- (b) *Redemption Price is at 95% of Value* – The amount required to be paid by the Trust for each Unit redeemed is 95% of the value of a Unit calculated in accordance with the Trust Declaration.
- (c) *Limitation on Payment of Redemption Price in Cash* – The total cash amount available for the payment of the redemption price of Units by the Trust is limited to U.S.\$100,000 in each calendar quarter and is also limited in any 12-month period to 1% of the aggregate Gross Subscription Proceeds of all Units that were issued and outstanding at the start of such 12-month period.
- (d) *Payment of Redemption Price in Kind* – If redemptions in excess of the cash limits described above occur, the redemption of Units may be paid and satisfied by way of an *in specie* distribution of property of the Trust, and/or unsecured subordinated notes of the Trust, as determined by the Trustees in their discretion, to the redeeming Unitholder. Such property may not be liquid and generally will not be a qualified investment for Plans and may be a prohibited investment for RRSPs, RRIFs and TFSAs. Adverse tax consequences generally may apply to a Unitholder, or Plan and/or its annuitant, beneficiary thereunder or holder thereof, as a result of the redemption of Units. Accordingly, investors that propose to invest in Units through Plans should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Units.

Currency Exchange Rate Risk – Although investors in the Class A Units and Class F Units will be investing in Canadian dollars and will receive distributions in Canadian dollars, the distributions will be calculated based on the Canadian dollar equivalent of a given distribution (which calculation shall use the U.S. dollar spot exchange rate available to the Trust in respect of such distribution). The Canadian dollar is not maintained at a fixed exchange rate compared to foreign currencies but rather the value of the Canadian dollar has a floating exchange rate in relation to the U.S. dollar. Additionally, the business of the Trust’s subsidiaries and their affiliates will be conducted in the U.S. Consequently, any income and gains will be earned and any expenses and losses will be incurred in U.S. dollars. As a result of fluctuations in the Canada/U.S. dollar exchange rate, the value of an investment in Class A Units or Class F Units and the distributions on the Class A Units or Class F Units, when expressed in Canadian dollars, may be greater or less than that determined only with reference to U.S. dollars. Accordingly, investors who purchase Class A Units or Class F Units are subject to currency exchange rate risk.

Tax Matters – The Trust and its subsidiaries (including the Investment LP and the Holding LP) will be subject to the tax laws of Canada and the U.S., as applicable. The tax treatment of such entities may have a material adverse effect on the Trust’s financial position and may adversely impact funds available for distribution to Unitholders. In addition, future legislative, judicial or administrative changes to Canadian and U.S. tax laws could affect the tax implications to the Trust, its subsidiaries and Unitholders. There are numerous Canadian and U.S. tax risks associated with an investment in Units. Prospective purchasers are advised to refer to “Certain Canadian Federal Income Tax Considerations”, “Certain U.S. Federal Income Tax Considerations”, “Risk Factors – Risk Factors Relating to the Trust’s Canadian Tax Status” and “Risk Factors – Risk Factors Relating to the Trust’s U.S. Tax Status”.

For a more complete discussion of the risks associated with an investment in Units, see “Risk Factors” and also “Potential Conflicts of Interest (Directors and Officers)”.

SUMMARY OF FEES AND EXPENSES

The following table contains a summary of the fees and expenses payable by the Trust.

<u>Type of fee</u>	<u>Amount and Description</u>
Agents' Fee:	C\$0.525 per Class A Unit (5.25%), C\$0.225 per Class F Unit (2.25%) and U.S.\$0.525 per Class U Unit (5.25%). The Agents' Fee will be paid out of the proceeds of the Offering.
Expenses of the Offering:	The expenses of the Offering and the Private Placement are estimated to be U.S.\$165,000 in the case of the Minimum Offering and U.S.\$520,000 in the case of the Maximum Offering (but not to exceed 1.5% of the gross proceeds of the Offering and the Private Placement) which, together with the Agents' Fee, will be paid by the Trust.
Asset Management Fee:	<p>In consideration for providing management services, the Holding LP will pay the Manager an asset management fee (the "Asset Management Fee"), in an annual amount, equal to 1.0% of the Gross Subscription Proceeds, plus an amount equal to 0.5% of the Gross Subscription Proceeds (which amount will be used by the Manager to pay the Service Fee, as described below). The Asset Management Fee is payable on the last day of each month during the term of the Management Agreement in an amount equal to 1/12th of the annual Asset Management Fee.</p> <p>See "The Manager and the Management Agreement – The Management Agreement".</p>
Acquisition Fee:	<p>In consideration for providing financing and other services in connection with the acquisition of the Properties, the Holding LP will pay the Manager an Acquisition Fee, in an amount equal to 0.75% of the gross purchase price of each Property (or interest in a Property), including the price, due diligence costs, closing costs, legal fees, and additional capital costs for all Properties indirectly acquired by the Trust.</p> <p>See "The Manager and the Management Agreement – The Management Agreement".</p>
Service Fee:	The Manager will pay an annual service fee equal to 0.5% of the Gross Subscription Proceeds received for the Class A Units and Class U Units to registered dealers based on the number of Class A Units and Class U Units held by clients of such registered dealers at the end of the relevant quarter (calculated and paid at the end of each calendar quarter commencing on December 31, 2012). The Manager will also pay an annual amount equal to 0.5% of the Gross Subscription Proceeds received for the Class F Units and the Class I Units to the holders of such Units (calculated and paid at the end of each calendar quarter commencing on December 31, 2012).
Ongoing Expenses of the Trust:	<p>The Trust will pay for all ordinary expenses incurred in connection with its operation and administration. It is expected that these expenses will include, without limitation: mailing and printing expenses for periodic reports to Unitholders and other Unitholder communications; any reasonable out-of-pocket expenses incurred by the Manager or its agents and paid to third parties in connection with their on-going obligations to the Trust; fees payable to the auditors and legal advisors of the Trust; regulatory filing fees, administrative expenses and costs incurred in connection with the public filing requirements of the Trust and investor relations, costs and expenses arising as a result of complying with all applicable laws, regulations and policies, extraordinary expenses the Trust may incur and any expenditures incurred upon the termination of the Trust. The aggregate amount of these fees and expenses is estimated to range from approximately U.S.\$125,000 per annum (if the Minimum Offering is sold) to approximately U.S.\$300,000 per annum (if the Maximum Offering is sold). See "Description of the Business of the Trust – Operating Expenses of the Trust".</p> <p>In addition, because the Trust is indirectly owning and operating physical real estate assets, the Trust will be indirectly responsible for the payment of ordinary course operating expenses which are customary for real estate related entities. See "Description of the Business of the Trust – Operating Expenses of the Trust".</p>

General Partner Interest:

After (i) payment of all expenses of the Holding LP, the Investment LP and the Trust, (ii) payment of the Minimum Return by the Holding LP to the Investment LP, and (iii) repayment of the Investment LP's Invested Capital by the Holding LP, the General Partner will be entitled to receive 20% of all distributions made by the Holding LP (the "**General Partner Interest**").

The General Partner will only be entitled to receive its General Partner Interest after 100% of the equity invested in the Holding LP has been returned to the Investment LP and the Investment LP has received full payment of the Minimum Return.

Certain holders of Class I Units may be entitled to receive a portion of the General Partner Interest.

GLOSSARY OF TERMS

Certain terms and abbreviations used in this Prospectus are defined below:

“**Agency Agreement**” means an agreement dated as of October 26, 2012 among the Trust, the Manager, Slate and the Agents;

“**Agents’ Fee**” means a fee, equal to (i) 2.25% of the aggregate purchase price of Class F Units sold under the Offering and (ii) 5.25% of the aggregate purchase price of Class A Units and Class U Units sold under the Offering;

“**Agents**” means the Lead Agent and RBC Dominion Securities Inc., GMP Securities L.P., BMO Nesbitt Burns Inc., Scotia Capital Inc., Raymond James Ltd., Macquarie Private Wealth Inc., National Bank Financial Inc., Canaccord Genuity Corp. and Dundee Securities Ltd.;

“**Asset Management Fee**” means an annual fee payable to the Manager by the Holding LP in accordance with the terms of the Management Agreement, in consideration of the Manager providing management services to the Holding LP, as described in “Executive Compensation – Management Agreement”, below;

“**Acquisition Fee**” means a fee payable to the Manager by the Holding LP pursuant to the Management Agreement in consideration of the Manager providing financing and other services to the Holding LP, as described in “Executive Compensation – Management Agreement”, below;

“**Board**” means the board of trustees of the Trust;

“**Business Day**” means any day which is not a Saturday, Sunday or statutory holiday in the Province of Ontario;

“**capitalization rate**” or “**cap rate**” means the yield of a property calculated by dividing the net operating income of the property by the purchase price of the property calculated as a percentage;

“**Cash Flow**” means, for any Distribution Period:

- (a) the sum of all cash amounts received by the Trust for or in respect of such Distribution Period, including interest received on the Investment LP Notes, amounts received as a limited partner holding Investment LP Units in the Investment LP pursuant to the terms of the Investment LP Agreement and all other income, interest, distributions, dividends, proceeds from the investment in the Investment LP Units (other than by way of security interest), returns of capital and repayments of indebtedness, as well as all amounts received by the Trust in any prior Distribution Period to the extent not previously distributed; less
- (b) all costs and expenses of the Trust that, in the opinion of the Board, may reasonably be considered to have accrued and become owing in respect of, or which relate to, such Distribution Period or a prior Distribution Period if not accrued in such prior period; less
- (c) all amounts payable in cash that relate to the redemption or repurchase of Units and that have become payable by the Trust in such Distribution Period or prior Distribution Period; and less
- (d) any interest expense incurred by the Trust between distributions,

provided that any funds borrowed by the Trust or the proceeds of the issuance of Units or other securities of the Trust and related transactions in connection therewith will not be included in the calculations of Cash Flow in respect of any Distribution Period;

“**CBCA**” means the *Business Corporations Act* (Canada), as amended from time to time;

“**Class A Units**” means the units of beneficial interest in the Trust, designated as “Class A Units”;

“**Class F Units**” means the units of beneficial interest in the Trust, designated as “Class F Units”;

“**Class I Units**” means the units of beneficial interest in the Trust, designated as “Class I Units”;

“**Class U Units**” means the units of beneficial interest in the Trust, designated as “Class U Units”;

“**Closing Date**”: means the closing date of the Offering, which is expected to occur on or about November 19, 2012, but in any event not later than 90 days after a Receipt for the Final Prospectus is issued;

“**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time;

“**Distributable Cash Flow**” means, for any Distribution Period, an amount equal to the Cash Flow for such Distribution Period, less any amount that the Board may reasonably consider to be necessary to provide for the payment of any costs or expenses, including any tax liability of the Investment LP or the Trust, that have been or are reasonably expected to be incurred in the activities and operations of the Investment LP or the Trust (to the extent that such costs or expenses have not otherwise been taken into account in the calculation of the Cash Flow) and less such reserves or amounts as are, in the opinion of the Board, necessary or desirable;

“**Distributable Cash**” means, for any period, an amount equal to the Gross Rents from the operations of the Properties, less the Operating Expenses incurred in the operation of the Properties, less any other costs or expenses payable by the Holding LP, and less reasonable reserves determined by the General Partner to be necessary to lease the Properties or manage the affairs of the Holding LP in a prudent and businesslike manner, but does not include Extraordinary Distributions;

“**Distribution Payment Date**” in respect of any Distribution Period, means a date on which the Trust is required to make a distribution of Distributable Cash Flow, which date shall be on or before the 15th day of the next calendar month immediately following the end of the Distribution Period or, if such day is not a Business Day, the immediately following Business Day, except in the case of the distribution for any Distribution Period ending December 31, in which case the Distribution Payment Date will be the immediately preceding Business Day or such other date determined from time to time by the Board;

“**Distribution Period**” means each quarter of each calendar year, being any of the periods ending on March 31, June 30, September 30 and December 31 in each year;

“**Entity**” means any one of the Trust, Investment LP, Investment GP, Holding LP, General Partner, and “**Entities**” means two or more of them;

“**Extraordinary Distributions**” means distributions to the partners of the Holding LP arising from or related to funds received by the Holding LP on account of matters other than revenues arising from the ordinary course of operations of the Properties, including distributions arising from a refinancing or a sale of a Property, but excluding distributions of Distributable Cash;

“**Final Prospectus**” means the final version of this Prospectus which will be filed by the Trust with the securities commissions or other securities regulatory authorities in the Qualifying Provinces and Territories;

“**GAR I**” means U.S. Grocery-Anchored Retail (1A), (1B) and (1C) Limited Partnerships;

“**General Partner**” means Slate U.S. Opportunity (No. 2) Holding (GP) L.P., a Delaware limited partnership and the general partner of the Holding LP;

“**General Partner Interest**” means the General Partner’s interest in the allocations and distributions of the Holding LP, being a 20% interest in the balance of such allocations and distributions after the payment of expenses of the Holding LP, the Investment LP and the Trust, the payment of the Minimum Return, and the repayment of the Investment LP’s Invested Capital;

“Gross Rents” means, for any period, all rental and other income from the Properties (including interest income earned on any such monies prior to their distribution) but excluding therefrom security deposits and advance rents, unless and until applied, tenant incentive payments or allowances, tenant expense recoveries, net proceeds from refinancing, and net proceeds from sale;

“Gross Subscription Proceeds” means the gross proceeds (in U.S. dollars) received by the Trust for the issuance of Class I Units and Class U Units plus the U.S. dollar equivalent of the gross proceeds received by the Trust for the issuance of Class A Units and Class F Units (calculated based on the U.S. dollar spot exchange rate available to the Trust on the Closing Date);

“Holding LP” means Slate U.S. Opportunity (No. 2) Holding L.P., a Delaware limited partnership established by the Investment LP and the General Partner pursuant to the laws of Delaware and the Holding LP Agreement for the identification, acquisition, ownership and leasing of the Properties;

“Holding LP Agreement” means the agreement establishing the Holding LP between the Investment LP and the General Partner;

“Holding LP Unit Value” means, on any particular date:

- (a) the aggregate value of the real estate assets directly or indirectly held by the Holding LP on the last day of the most recent calendar quarter that ends prior to such date; plus
- (b) the aggregate value of the cash, working capital and other assets of the Holding LP on such date; less
- (c) the aggregate of:
 - (i) the aggregate value of the Holding LP’s liabilities on such date (including the aggregate amount of the Mortgage Loans outstanding on such date);
 - (ii) the amount to which the General Partner would be entitled under the Holding LP Agreement (to the extent not taken into account in (c)(i) above) if the Holding LP was terminated and liquidated on such date; and
 - (iii) the amount which would be payable to the Manager (other than amounts included in (c)(i) above) if the Management Agreement was terminated on such date,

divided by the number of outstanding Holding LP Units on such date;

“Holding LP Units” means limited partnership units of the Holding LP;

“Investable Funds” means the sum of (i) the net proceeds from the Offering of the Class A Units, the Class F Units and Class U Units; (ii) the net proceeds from the Private Placement; and (iii) the net proceeds received from the Mortgage Loans;

“Invested Capital” means, in the case of the Holding LP, the cash paid by Investment LP in respect of its Holding LP Units (which shall be an amount equal to the Gross Subscription Proceeds) less the aggregate of any Extraordinary Distributions and Distributable Cash used to repay all or a portion of the invested capital;

“Investment GP” means Slate U.S. Opportunity (No. 2) Investment GP, Inc., an Ontario corporation;

“Investment LP” means Slate U.S. Opportunity (No. 2) Investment L.P., an Ontario limited partnership;

“Investment LP Agreement” means the agreement establishing the Investment LP made between the Trust and the Investment GP;

“Investment LP Notes” means the subordinated unsecured promissory notes to be issued by the Investment LP from time to time;

“Investment LP Units” means limited partnership units of the Investment LP;

“Lead Agent” means CIBC World Markets Inc.;

“Lender” means a lender and mortgagee of any of the Mortgage Loans;

“Manager” means Slate Properties Inc., an Ontario corporation and the manager of the Holding LP pursuant to the Management Agreement;

“Management Agreement” means an agreement to be entered into between the Trust, the Investment LP, the Holding LP, and the Manager pursuant to which the Manager will provide certain services relating to the Properties;

“Maximum Offering” means the offering of a maximum of U.S.\$50,000,000 of Class A Units, Class F Units and/or Class U Units;

“Minimum Offering” means the offering of at least U.S.\$10,000,000 of Class A Units, Class F Units and/or Class U Units;

“Minimum Return” means a minimum return to the Investment LP equal to 8% per annum, calculated on the Investment LP’s Invested Capital in the Holding LP, which amount represents a cumulative preferential entitlement of the Investment LP to distributions of Distributable Cash and Extraordinary Distributions of the Holding LP;

“Mortgage Loans” means one or more mortgages, charges, pledges, hypothecs, liens, security interests or other encumbrances of any kind or nature whatsoever of the Properties, to be granted by the Holding LP (or, if a Property is held by a subsidiary or nominee entity on behalf of a Holding LP, by such entity) to one or more Lenders, the proceeds of which will be used to finance the purchase, ownership and leasing of such Property;

“Net Asset Value” means the greater of: (a) the total cash proceeds from this Offering and the Private Placement which are invested in the acquisition of Properties; and (b) the total purchase price of the Properties, including all fees and expenses and cash reserves, less the outstanding Mortgage Loans made in respect of the Properties;

“net operating income” means income from a property after operating expenses have been deducted, but before deducting income taxes and financing expenses (interest and principal payments);

“Net Subscription Proceeds” means the Gross Subscription Proceeds minus the Total Agents’ Fee;

“Non-Resident” means either a “non-resident” of Canada within the meaning of the Tax Act or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act;

“Offering” means the offering of up to U.S.\$50,000,000 of Class A Units, Class F Units and/or Class U Units;

“Offering Price” means C\$10.00 per Class A Unit and U.S.\$10.00 per Class F Unit or Class U Unit;

“Operating Expenses” means all amounts paid or payable on account of expenses in the operation of and/or leasing of the Properties;

“Ordinary Resolution” means a resolution of the unit holders, limited partners or shareholders of an Entity, as the case may be, approved by not less than 50% of the votes cast by those persons who vote in person or by proxy at a duly convened meeting of the respective entity, or a written resolution signed by the unitholders, limited partners or shareholders of an Entity, entitled, in the aggregate, to not less than 50% of the aggregate number of votes of those persons;

“**Plans**” means RRSPs, registered education savings plans, TFSAs, RRIFs and deferred profit sharing plans, as those phrases are defined in the Tax Act, and “**Plan**” means any of them;

“**Private Placement**” means the issuance of U.S.\$1,000,000 of Class I Units to Slate Properties Inc. or one of its affiliates by way of a private placement;

“**Properties**” means the lands and premises located in the U.S. or interests therein to be purchased, owned and leased, directly or indirectly, by the Holding LP;

“**Property**” means one of the Properties;

“**Proportionate Class A Interest**” is equal to (i) the U.S. dollar equivalent of the gross proceeds received by the Trust for the issuance of Class A Units less the Agents’ Fee payable in respect of the Class A Units, divided by (ii) the Net Subscription Proceeds;

“**Proportionate Class F Interest**” is equal to (i) the U.S. dollar equivalent of the gross proceeds received by the Trust for the issuance of the Class F Units less the Agents’ Fee payable in respect of the Class F Units, divided by (ii) the Net Subscription Proceeds;

“**Proportionate Class I Interest**” is equal to (i) the gross proceeds received by the Trust for the issuance of the Class I Units, divided by (ii) the Net Subscription Proceeds;

“**Proportionate Class U Interest**” is equal to (i) the gross proceeds received by the Trust for the issuance of the Class U Units less the Agents’ Fee payable in respect of the Class U Units, divided by (ii) the Net Subscription Proceeds;

“**Prospectus**” means this prospectus and any amendments hereto;

“**Purchaser**” means a purchaser of Units;

“**Qualifying Provinces and Territories**” means all of the provinces and territories of Canada;

“**Redemption Value**” means the total redemption value of the Units, calculated in U.S. dollars, as described under “Description of the Securities Distributed – Units – Redemption”;

“**Retail Units**” means the Class A Units, the Class F Units and the Class U Units, collectively;

“**RRIFs**” means registered retirement income funds as defined in the Tax Act;

“**RRSPs**” means registered retirement savings plans as defined in the Tax Act;

“**Service Fee**” means a fee equal to 0.5% of the Gross Subscription Proceeds from the sale of Class A Units and Class U Units paid by the Manager on an annual basis in arrears to registered dealers based on the number of Class A Units and Class U Units held by clients of such registered dealers at the end of the relevant quarter;

“**SIFT Rules**” means the provisions of the Tax Act applicable to SIFT trusts, SIFT partnerships and their unitholders, as applicable;

“**Special Resolution**” means a resolution of the unitholders, limited partners or shareholders of an Entity, as the case may be, approved by not less than 66 2/3% of the votes cast by those persons who vote in person or by proxy at a duly convened meeting of the respective entity, or a written resolution signed by the unitholders, limited partners or shareholders of an Entity, entitled, in the aggregate, to not less than 66 2/3% of the aggregate number of votes of those persons;

“**Slate**” means Slate Properties Inc., an Ontario corporation, and the promoter of this Offering;

“**SUSO 1**” means Slate U.S. Opportunity (No. 1) Realty Trust;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time;

“**TFSAs**” means tax-free savings accounts as defined in the Tax Act;

“**Total Agents’ Fee**” means the aggregate Agents’ Fee payable in respect of the Class U Units plus the U.S. dollar equivalent of the aggregate Agents’ Fee payable in respect of the Class A Units and Class F Units (calculated based on the U.S. dollar spot exchange rate available to the Trust on the Closing Date);

“**Trust**” means Slate U.S. Opportunity (No. 2) Realty Trust, an open-ended investment trust established pursuant to the laws of the Province of Ontario, and, where the context requires, includes its subsidiaries;

“**Trust Declaration**” means the Declaration of Trust establishing the Trust made as of September 18, 2012 among Blair Welch, as settlor, and all persons who become Unitholders as provided therein;

“**Trust Property**” means all of the property and assets of the Trust held pursuant to the Trust Declaration;

“**Trustees**” means the trustees of the Trust;

“**Units**” means the Class A Units, the Class F Units, the Class I Units and the Class U Units, collectively;

“**Unitholder**” means a holder of record of any Units; and

“**U.S.**” means the United States of America.

1. CORPORATE STRUCTURE

1.2 Name and Incorporation

The Trust

The Trust is an open-ended unincorporated investment trust governed by the laws of the Province of Ontario. The Trust was formed as of September 18, 2012 among Blair Welch as settlor, and all persons who become Unitholders as provided therein. The Trust will make an election pursuant to the Code to be classified as a corporation for U.S. federal income tax purposes. The trustees of the Trust are Samuel Altman, Patrick Flatley, Peter Tesché, Blair Welch and Brady Welch.

The Investment LP

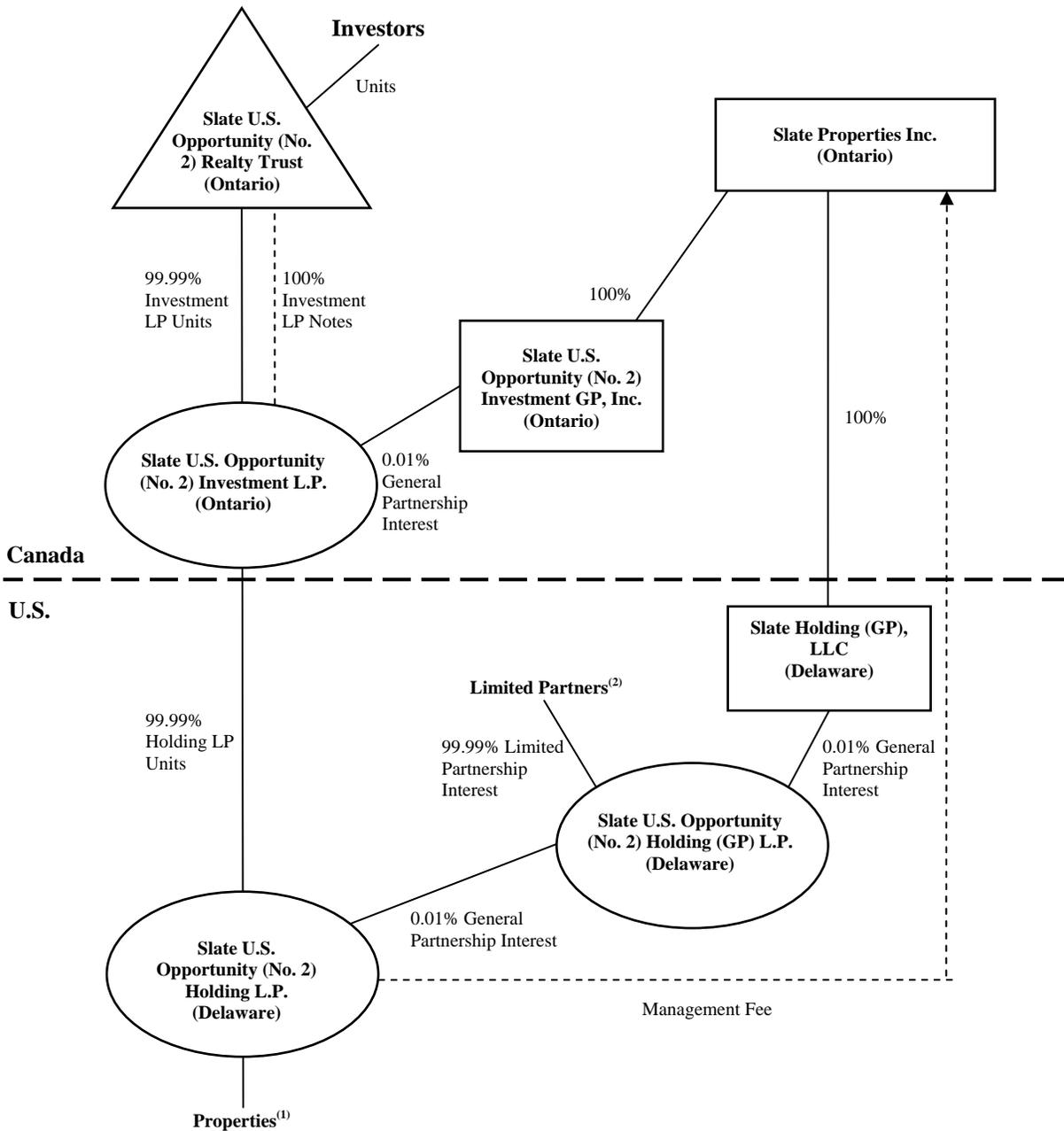
The Investment LP is a limited partnership formed pursuant to and governed by the laws of Ontario. The Investment LP will make an election pursuant to the Code to be classified as a corporation for U.S. federal income tax purposes effective on the date of its formation. The general partner of the Investment LP is Slate U.S. Opportunity (No. 2) Investment GP, Inc. a corporation incorporated pursuant to the laws of Ontario.

The Holding LP

The Holding LP is a limited partnership formed pursuant to and governed by the laws of Delaware. The general partner of the Holding LP is Slate U.S. Opportunity (No. 2) Holding (GP) L.P. (the “**General Partner**”), a limited partnership formed pursuant to and governed by the laws of Delaware. The general partner of the General Partner is Slate Holding (GP), LLC, a limited liability corporation formed pursuant to and governed by the laws of Delaware. All of the issued and outstanding shares of Slate Holding (GP), LLC are owned by Slate Properties Inc.

1.3 Intercorporate Relationships

The following chart sets forth the relationships among the Trust, the Investment LP, the Holding LP, the Manager and Slate (and certain related entities).



Notes:

⁽¹⁾ The Manager intends to have each of the Properties owned by a separate, single-purpose entity. These entities are expected to be limited partnerships established in the U.S., the sole limited partner of which will be the Holding LP.

⁽²⁾ The Limited Partners of Slate U.S. Opportunity (No. 2) Holding (GP) L.P. are expected to be Blair Welch, Brady Welch and certain other Class I investors.

2. INVESTMENT STRATEGY

Slate has established the Trust for the purposes of investing in U.S. revenue-producing properties, including, but not limited to, anchored retail properties. Slate believes there is an opportunity to acquire well-located, mispriced commercial real estate in large secondary markets across the U.S. at significant discounts to stabilized value and replacement cost.

2.1 Investment Objectives

The Trust's investment objectives are to:

- (a) indirectly acquire, own and lease a portfolio of diversified revenue-producing commercial real estate properties in the U.S. with a focus on anchored retail properties;
- (b) make quarterly distributions commencing upon the earlier of (i) the end of the fiscal quarter in which the Investable Funds are substantially invested and (ii) September 30, 2013; and
- (c) enhance the potential for long-term growth of capital through value-added enhancements to the properties owned indirectly by the Trust and organic growth in rental rates, combined with an overall reduction in capitalization rates.

2.2 Investment Strategy

Acquire Commercial Real Estate and Anchored Retail Properties in Secondary U.S. Markets at Attractive Valuations

- Identify undervalued Properties by leveraging Slate's relationships with a network of U.S.-based brokers. Many of these opportunities may be "off-market" and not widely marketed for sale.
- Target diversified real estate assets and/or mortgages with the intent to own real estate collateral:
 - (i) Located in U.S. secondary markets demonstrating sustainable population and employment statistics;
 - (ii) Located in well-developed sub-markets with limited risk of new development; and
 - (iii) With anchor tenants, which typically are the dominant retailer within the sub-market, with a proven track record of strong sales and profitability.
- Negotiate with sellers to place Properties under contract and conduct a thorough due diligence process including review and analysis of leases, cash flow models, market studies, environmental reports, and structural reports (typically over a 30 to 60-day period).
- Source debt financing terms from various lenders, finalize diligence and debt financing with the selected Lender (if applicable), and acquire the asset.

Apply Slate's Hands-On Asset Management Philosophy to Increase the Value of Properties

- Prepare a business plan for each Property addressing the Property's needs and areas of improvement and apply an entrepreneurial philosophy of maintaining distributions and increasing value over the medium to long term.
- Assess each Property to determine how to optimally refurbish, reposition and re-tenant. In a number of situations, it is the existing owner who is distressed and not the asset. This creates an opportunity to reposition the Property through modest and targeted capital projects and/or

operational improvements. Slate will work closely with contractors to reduce operating costs and will oversee capital expenditure projects to ensure they are on budget and completed on time.

- Using Slate's hands-on approach, focus on rebuilding and strengthening tenant relationships with a view to gaining incremental business and extending stable tenant leases. The health of these relationships is not only core to generating cash flow stability but also creates incremental origination opportunities for other Properties owned indirectly by the Trust where these tenants are leasing.
- By outsourcing property management and other real estate property functions, lower the current operating costs borne by the tenants. This cost reduction further improves tenant relationships and will increase the net operating income of the Properties.

Realize Value through Sales of Properties

- Slate will continually monitor the commercial real estate investment and capital markets with a view towards maximizing disposition proceeds.
- Once an individual Property or Properties have been stabilized through the application of Slate's asset management strategy, they will be evaluated for sale to realize on value creation. Gains are created by an increase in net operating income and capitalization rate compression. Slate will consider disposition alternatives on an individual Property, portfolio, or public market basis.

U.S. Market Focus and Asset Selection

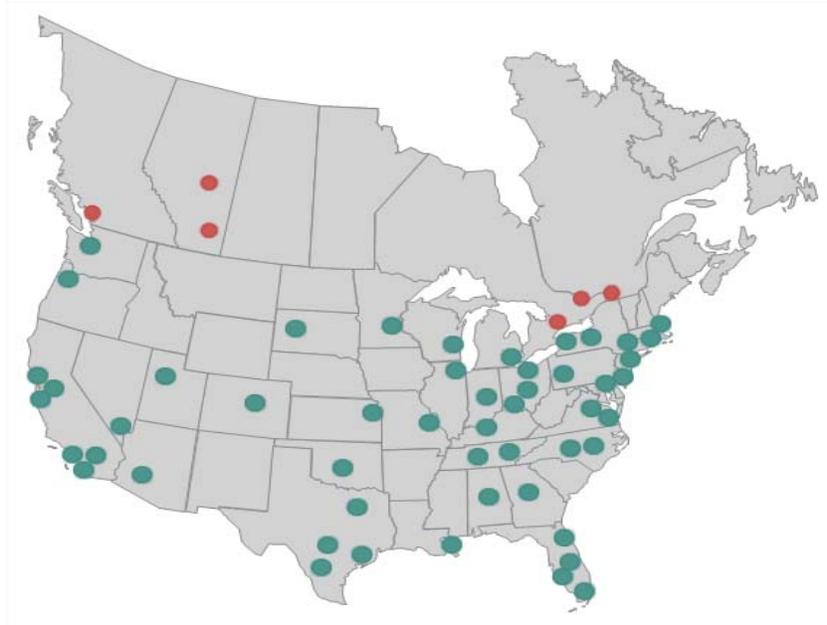
Slate has identified markets in the U.S. where it believes current economic conditions have created attractive investment opportunities for revenue-producing commercial real estate properties. The tightening of credit markets in the U.S., coupled with a broad-based worldwide economic slowdown, has caused commercial real estate prices across the U.S. to decline and remain depressed. Slate intends to focus on properties located in secondary markets within the Eastern U.S. However, to the extent opportunities arise outside of these markets, Slate will consider them.

Slate has refined its approach to asset selection based on the following three criteria:

- (1) *Secondary Markets vs. Primary Markets* – Primary U.S. markets (New York, Los Angeles, Washington, etc.) continue to receive the most attention from investors. Slate will target secondary U.S. cities (Pittsburgh, Columbus, Charlotte, etc.) where there is typically less competition for quality assets. Secondary U.S. markets are much larger than primary Canadian markets. By way of example, the 50th most populous Metropolitan Statistical Area (MSA) in the U.S. is Birmingham-Hoover, Alabama (1.13 million), roughly equal to Edmonton, Alberta (1.16 million) which is the 6th largest Census Metropolitan Area (CMA) in Canada. Toronto would rank 8th in the U.S. by population.

Based on the most recent census data, there are currently 51 MSAs in the U.S. with a population of over one million. Such MSAs have a total population of 169,068,000. In the Eastern U.S., there are 33 MSAs, with a total population of approximately 104,582,000. In Canada, only six metropolitan areas have a population over one million, with such CMAs having a total population of 15,332,000. With respect to commercial real estate inventory, the 51 U.S. MSAs comprise 15.4 billion square feet of inventory and the 33 MSAs in the Eastern U.S. comprise approximately 9.1 billion square feet of inventory compared to 1.9 billion square feet in the six Canadian markets.

Metropolitan Area of 1 Million or Greater Population, Canada (CMA) & U.S. (MSA)



- (2) *Transaction Size* – Slate believes that an opportunity exists to acquire high-quality assets priced between \$2 million and \$30 million (including the impact of leverage). Each such transaction would be expected to require approximately \$1 million to \$7 million of equity investment. Slate has opted to focus on transactions of this size since assets in this price range are generally too small to attract large institutional investors yet too large for private investors. Slate believes that this will result in fewer competitive bidders, thereby increasing the ability of the Trust to acquire real estate assets at attractive prices.
- (3) *Asset Quality* – Demand remains strong for ‘A’ quality trophy commercial real estate throughout the U.S. and bidding in this class remains extremely competitive. Slate believes an opportunity exists in the ‘A-’ and ‘B’ quality markets where the pool of buyers is smaller and not as well capitalized.

Slate believes that this three step investment strategy will yield the greatest opportunity to acquire quality, revenue-producing properties at attractive valuations.

Recent Developments in the U.S.

The U.S. economy continues to feel the lasting effects of the past recession and the ever-present threat of a double-dip recession as the world’s economy remains fragmented and unstable. Confidence in the market remains near all-time lows as investors are cautious to put capital at risk.

In an effort to stabilize the economy and improve consumer confidence, the U.S. and other G8/G20 countries have introduced various forms of fiscal policy and injected substantial monetary stimulus. Although unprecedented, this level of collaboration between the world’s Governments was required to prevent a financial collapse that still remains a current and constant threat.

The commercial real estate sector has not been immune to the broad-based decline of the U.S. economy. The U.S. commercial real estate market has suffered from increasing vacancies across all asset classes (notably retail, office & industrial) as tenants downsized, vacated and/or defaulted on existing lease obligations. Declining occupancy rates put downward pressure on revenues which drove down values and impaired associated credit facilities. The resulting deleveraging coupled with weak public and private sector demand led to a standstill in the

financing, purchasing and syndication of all commercial real estate regardless of the perceived strengths of individual assets.

Slate believes that the current market provides a window to invest in U.S. commercial real estate and anchored retail properties whose values have become impaired by broader systemic factors and not by the merits of the individual investment characteristics.

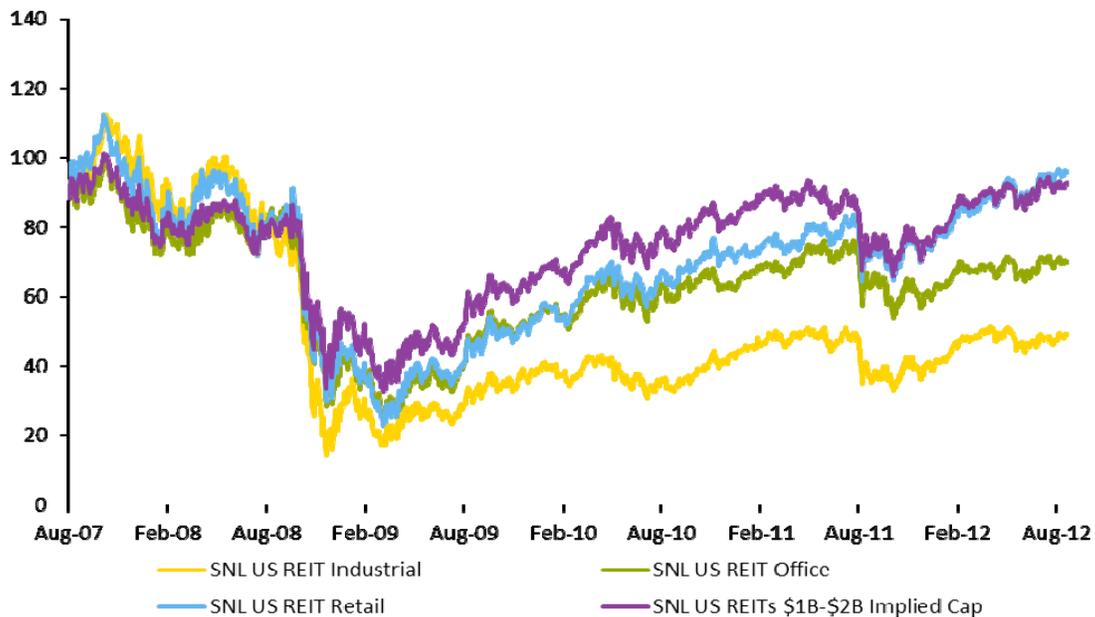
Recent Market Indicators

The recent sentiment in the U.S. market is that of a slow, tepid return to growth. Similar to the overall economy, the commercial real estate sector is undergoing a disjointed and disproportionate return to normalized investor demand for product, both in terms of location and asset class.

Slate believes that the current conditions in the U.S. commercial real estate sector provide an opportunity to acquire properties at a substantial discount to replacement cost and peak value. The ability to acquire these assets at a discount provides Slate with the opportunity to enhance value through repositioning, re-tenanting and rebranding.

The following chart provides an overview of the relative performance of U.S. REITs over the past five years. The recession in 2008 detracted a substantial amount of value from the balance sheets of U.S. REITs and since that time, has seen a slow, yet unstable return to more reasonable rates of return for investors.

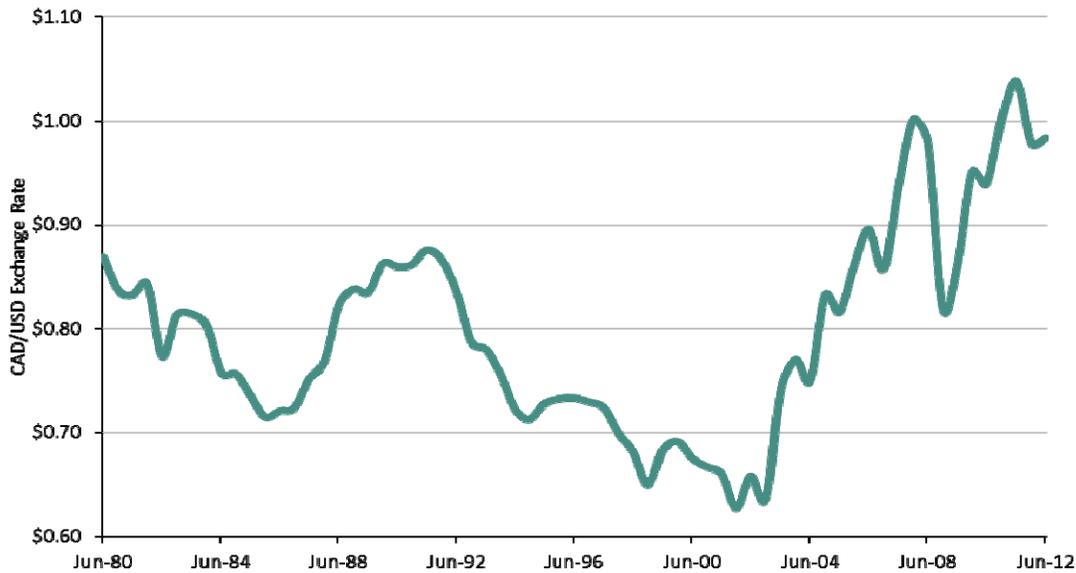
Relative Performance of U.S. REITs by Asset Class



Source: SNL Financial LC

The following chart depicts the current buying opportunity provided in the weakening of the U.S. dollar in relation to the Canadian dollar. Since June 1980, the Canadian dollar has traded at an average 20% discount to the U.S. dollar. As of the end of June 2012, the Canadian dollar was trading slightly under par. Slate believes the opportunity to purchase mispriced commercial real estate in the U.S. is further enhanced by the current exchange rate and provides a hedging strategy for investors to invest in the U.S. while avoiding the volatility of the stock markets.

Historical CAD/USD Exchange Rate



Source: Bloomberg Financial Markets

The Retail Property Market in the U.S.

The retail property market in the U.S. currently trends near 25 year high vacancy rates as decreased consumer spending and weak demand for non-essential services and goods has forced many large U.S. retailers to file for bankruptcy and close their locations. Prominent retailers, including Bed, Bath & Beyond, Linens N’ Things, Borders and Circuit City, are examples of the pressures faced by large U.S. retailers and their exposure and susceptibility to a decline in consumer confidence and spending.

Slate believes an opportunity exists to purchase well-located retail assets, specifically anchored retail properties, at a significant discount to peak market value and replacement cost. This strategy is an expansion upon Slate’s recent experience with the purchase of six U.S. grocery-anchored retail properties in the second quarter of 2011 through its first U.S. Fund, U.S. Grocery-Anchored Retail (1A), (1B) and (1C) Limited Partnerships (“**GAR I**”) and Slate U.S. Opportunity (No.1) Realty Trust’s (“**SUSO 1**”) acquisition of seven U.S. grocery-anchored retail properties in the third and fourth quarters of 2012, which are further described in the Prospectus.

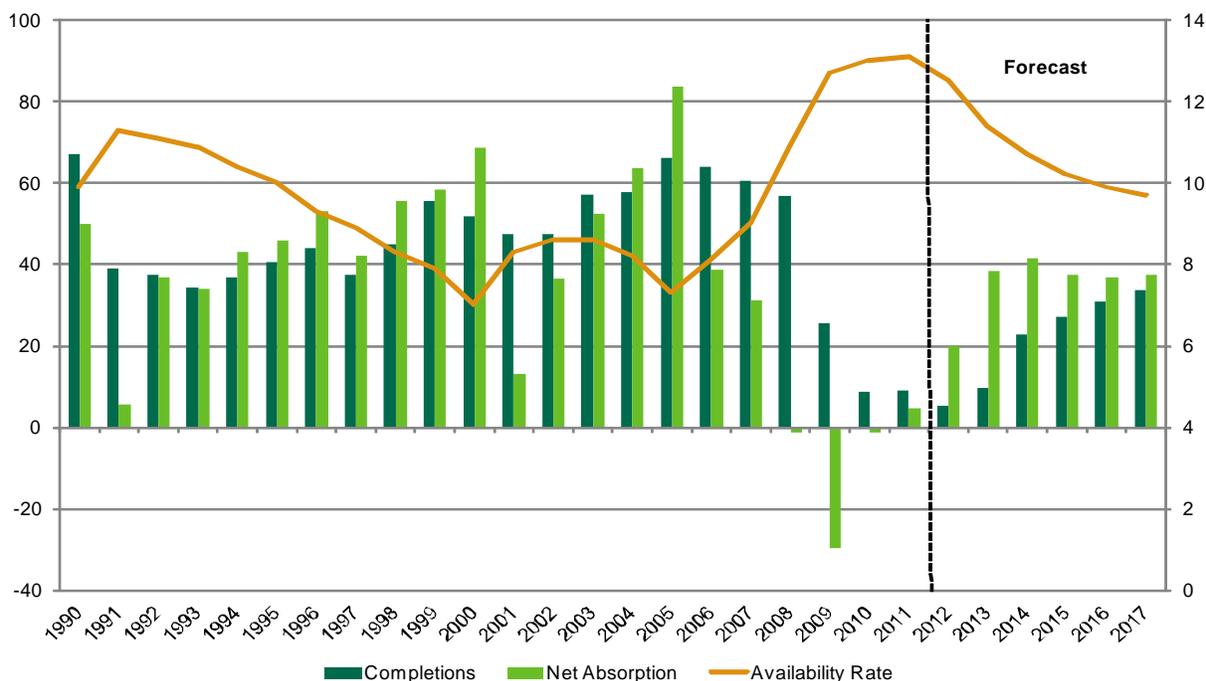
Slate further believes that anchored retail properties represent a defensive asset class to the otherwise volatile economic conditions present in the world. Well-located community shopping centres offering daily-needed products and services, such as supermarkets, drugstores, banks, liquor stores, fast food and coffee shops, have historically performed well during times of economic distress.

The chart below depicts the run-up of vacancy in retail assets and, in Slate’s opinion, points to an opportunity to acquire selective, high-quality, mispriced assets at attractive going-in capitalization rates.

U.S. Retail Cycle

Retail Completions & Net Absorption, SF X 1MM

Availability Rate (%)



Source: CBRE Econometric Advisors, September 2012

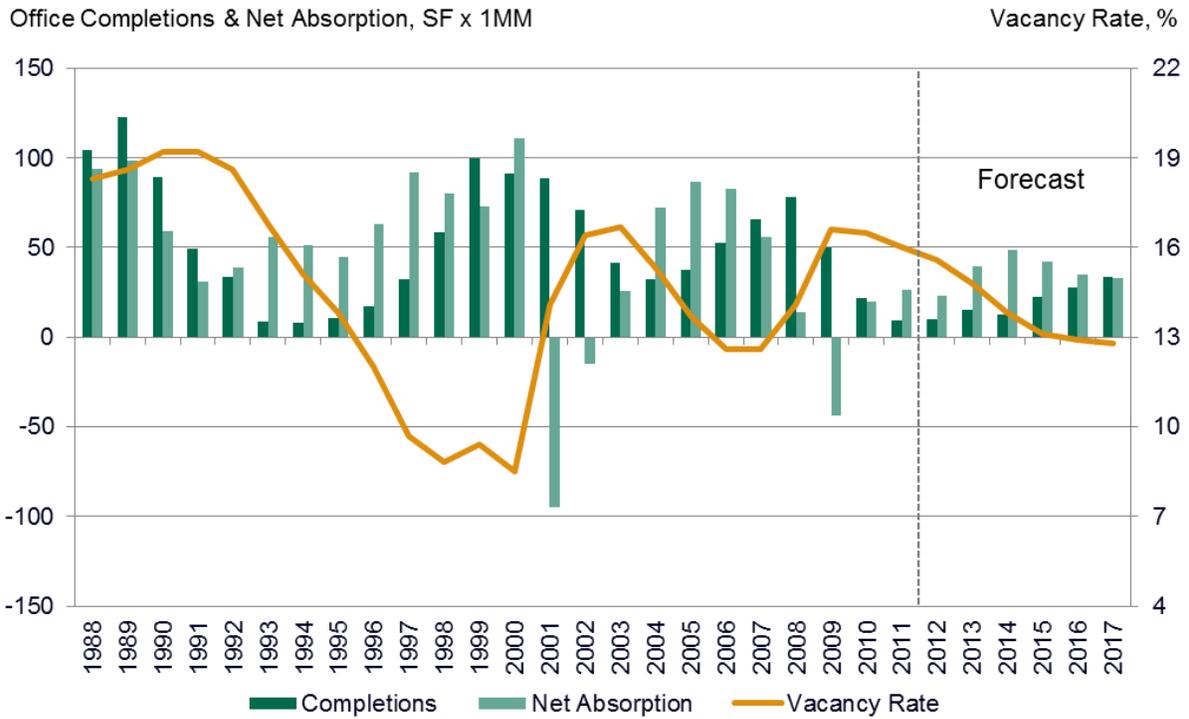
The Office and Industrial Property Markets in the U.S.

Historically, office and industrial real estate market indicators tend to lag the broader economy as the effects of a slowdown take a longer time to ripple through to business decisions associated with expiring leases, downsizing space in periods of stagnation or recession, or expanding space requirements and increasing rental rates in phases of expansion.

Provided that office and industrial real estate fundamentals typically lag behind the broader economy, future erosion of net operating income and associated commercial real estate valuations may not stabilize until a recovery in the broader economy has progressed beyond the short-to-medium term.

The chart below depicts the historical trending of the office vacancy rates in the U.S. market cycle. Slate believes it to be an ideal opportunity in the office market cycle to acquire assets which have strong underlying fundamentals (location, tenant base, stabilized occupancy, etc.), but are currently mispriced as a result of overall market uncertainty.

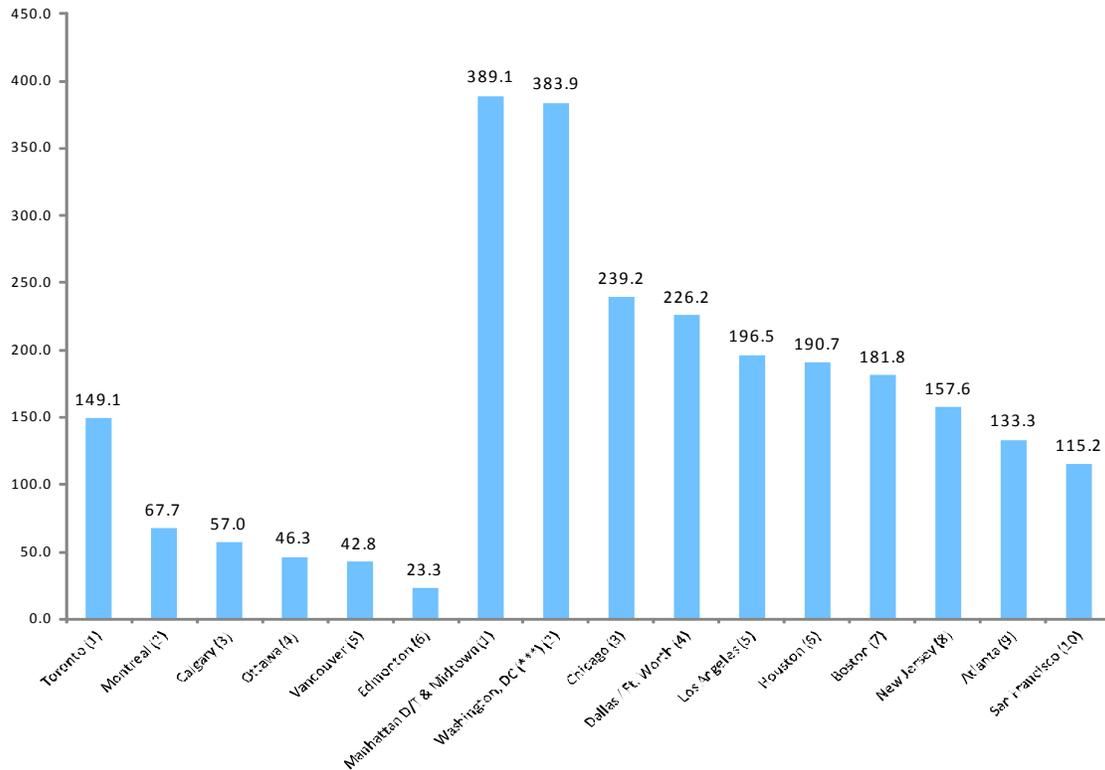
U.S. Office Market Cycle



Source: CBRE Econometric Advisors, September 2012

The following chart illustrates the size of the U.S. office market compared to the Canadian market. In Canada, where office assets trade at capitalization rates below 6%, similar-type assets can be found in major U.S. markets for high single digit to low-teen capitalization rates. Slate believes there is an opportunity to take advantage of mispriced capital to acquire well-located quality assets at a discount to both peak value and replacement.

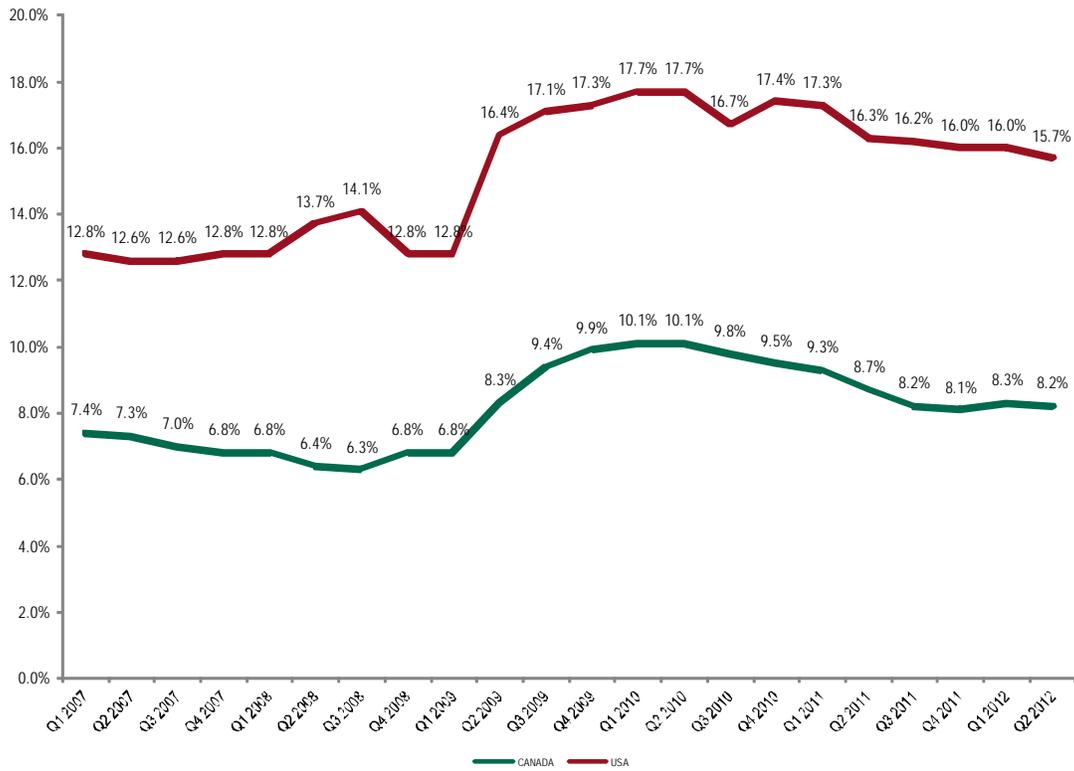
**Metropolitan (Downtown & Suburbs) Office Market Universe (square feet in millions)
Comparison (Canada and U.S.) (as at June 30, 2012)**



Source: CBRE Research

The following chart compares vacancy rates for the office markets in Canada and the U.S. It further illustrates the immediate and short-term effect of the most recent recession and the approximate 750 basis point spread between the two countries. Although it provides a short-term perspective of the trends, it provides a glimpse of the current discount-to-stabilized value buying opportunity that is available in a market that is exponentially larger than that of Canada.

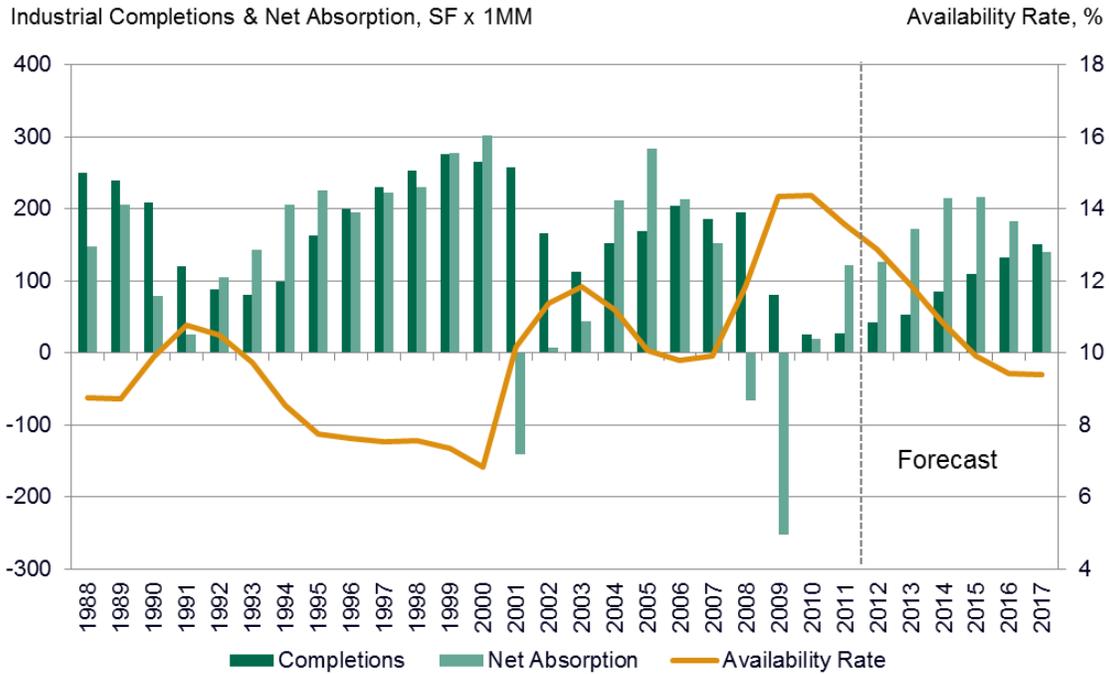
Metropolitan (Downtown & Suburbs) Office Market Vacancy Rate Comparison (Canada and U.S.)



Source: CBRE Research, June 2012

The industrial market, while currently facing challenging conditions, made some significant gains in 2012 driven by distribution, warehousing, and domestic and international demand for global logistics. The following chart illustrates the rebounding of the U.S. industrial market and the pending construction boom that is anticipated to occur over the coming years to align supply with demand. It should be noted that the industrial market remains more susceptible to global issues affecting trade, demand, etc. than other commercial real estate asset classes and may turn negative with the same pace at which it turns positive.

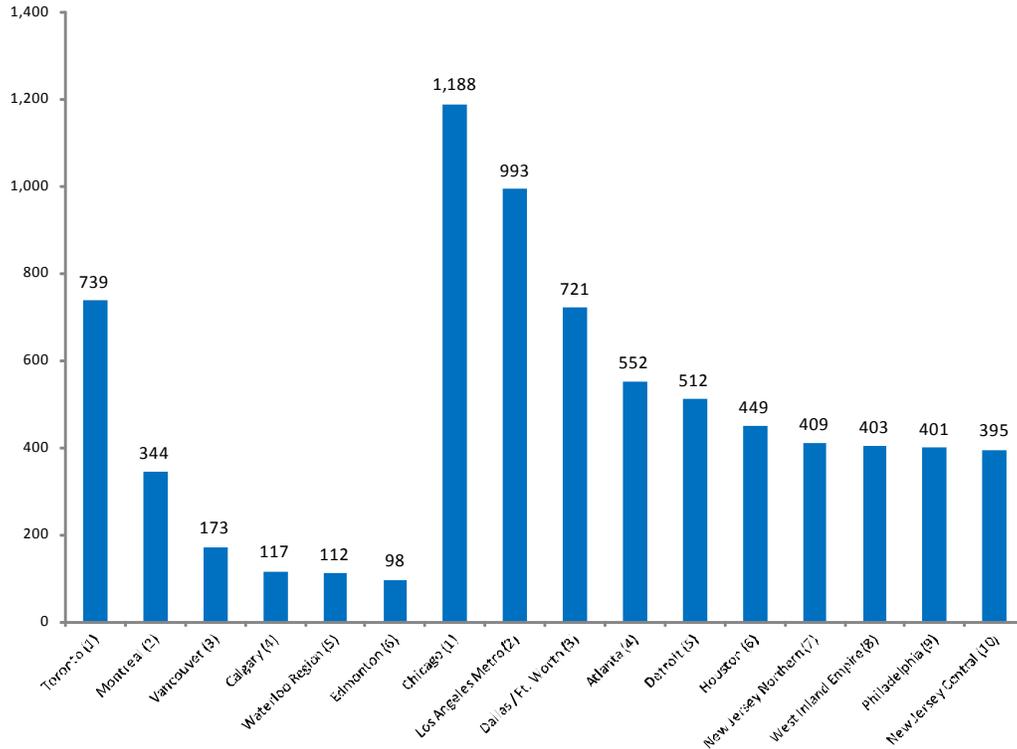
U.S. Industrial Market Cycle



CBRE Econometric Advisors, September 2012

The following chart provides a glimpse of the industrial market universe in the U.S. as it relates to Canada. Although Toronto ranks third in overall size in North America, the next largest market, Montreal, is below the tenth largest market in the U.S. and the drop-off from there is substantial.

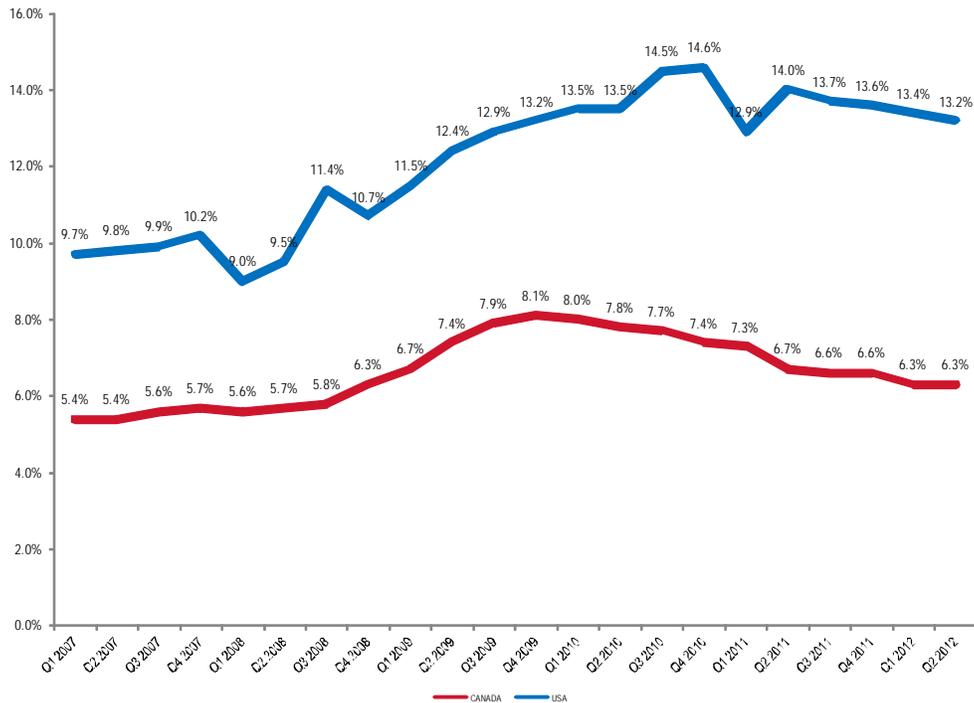
**Industrial Market Universe (square feet in millions)
Comparison (Canada and U.S.) (as at June 30, 2012)**



Source: CBRE Research, June 2012

The following chart compares vacancy rates for the industrial markets in Canada and the U.S. It further illustrates the immediate and short-term effect of the most recent recession and the approximate 700 basis point spread between the two countries. Although it provides a short-term perspective of the trends, Slate believes that it provides a glimpse of the current discount-to-stabilized value buying opportunity that is available in a market that is exponentially larger than that of Canada.

Industrial Market Vacancy Rate Comparison (Canada and U.S.)



Source: CBRE Research, June 2012

2.3 Investment Rationale

Slate believes there is currently an opportunity to acquire well-located, good quality commercial properties in large secondary markets across the U.S. at significant discounts to their stabilized value and replacement cost.

In Slate’s judgment, amidst volatile global capital market conditions and a chronically low yield environment, an investment providing a return driven by revenue-producing commercial real estate properties with a medium to long-term investment horizon compares favourably to other publicly traded asset classes.

In addition to providing stable cash flows, Slate believes that quality commercial real estate offers an opportunity for significant capital appreciation due to the low interest rate environment that is expected to continue for the medium to long term and the continued capitalization rate compression on commercial real estate that traditionally follows this cycle.

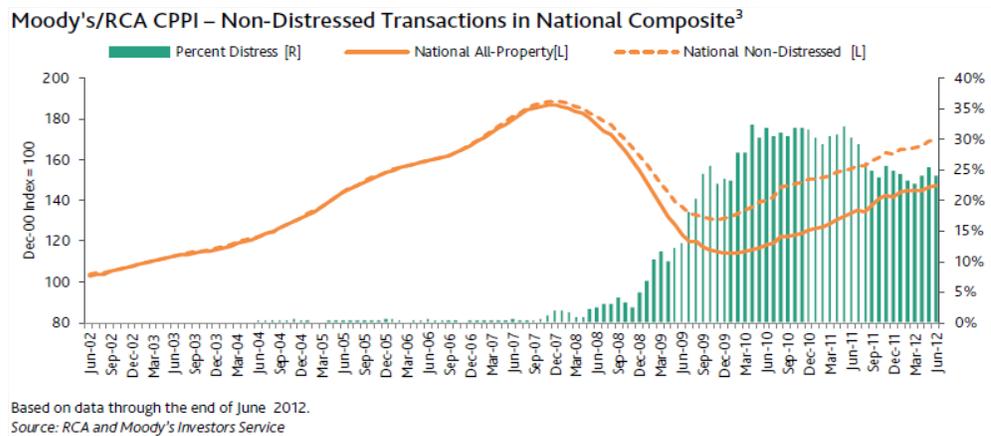
Since inception, Slate has acquired 43 commercial real estate assets across North America, and has also entered into committed agreements to acquire six additional properties, bringing the total value of its anticipated portfolio to over C\$1 billion while establishing its reputation as a preferred counterparty in the market. Slate’s extensive relationships with brokers, managers and other market participants have resulted in a significant number of the acquisitions occurring on an “off-market” basis. It is preferred to acquire assets in this fashion as “off-market” opportunities are typically bought at a discount to the current market pricing due to the lack of a competitive bidding process. Slate employs a dedicated acquisition team which over the past 30 months has established Slate as an active market participant in the anchored retail property segment in secondary U.S. markets. The volume of investment opportunities available in this market segment in the U.S. is significantly greater than in Canada and its ownership far more fragmented between institutional and private ownership which provides for a greater volume of “off-market” acquisitions and market pricing arbitrage opportunities.

In Slate’s judgment, over the last 12 to 30 months, REITs and institutional investors have primarily focused their investments on large gateway U.S. cities and trophy assets in an effort to reduce perceived risk. Trophy assets in prime cities are often associated with higher liquidity and improved lending characteristics. These factors have caused the pricing on this asset class to increase significantly. In future periods, Slate believes increased pricing coupled with a low interest rate environment will force buyers to expand their investment criteria to include secondary U.S. markets with stable cash flows in search of new investment opportunities; a pattern observed in previous real estate cycles. Slate has significant experience assembling individual real estate assets into portfolios, maximizing property cash flows and selling to institutional investors.

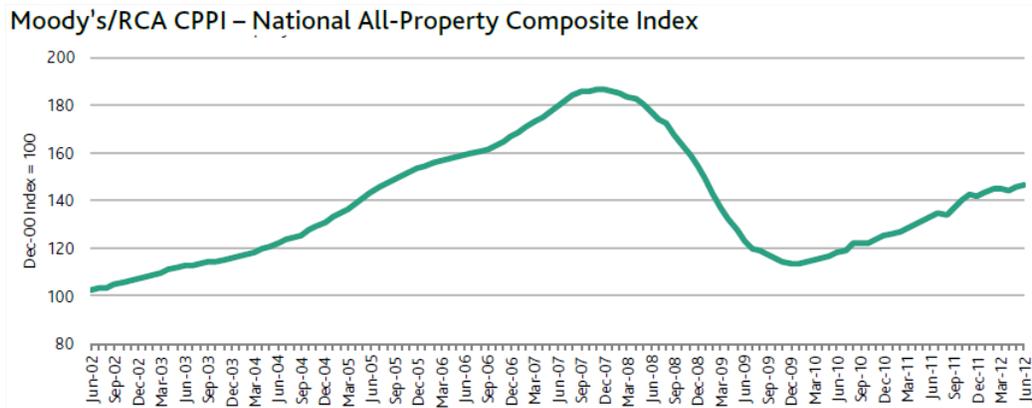
2.4 Investment Highlights

Opportune Investment Timing

- Economic Uncertainty Provides Opportunity* – In the past four and a half years, the U.S. economy has witnessed a period of extreme volatility and anaemic growth. Consumer and corporate confidence has been eroded and the outlook remains challenged. Instability in equity markets, debate over deficit reduction, the U.S. credit-rating downgrade, effects of the European sovereign debt crisis and stagnant job growth continue to hinder the nascent U.S. economic recovery. As the economy continues to suffer through many false starts and continued concerns of “double-dip recessions”, Slate believes that the timing is opportune for targeted value-based commercial real estate investment in the U.S.



- Supply of Revenue-Producing Property* – There is a substantial inventory of quality income-producing anchored retail properties across all U.S. markets. Slate believes that it can acquire these assets at a significant discount to both peak value and replacement cost. Slate expects that the current economic environment will force owners of quality properties to be forced to liquidate for purposes of debt repayment obligations and/or capital re-allocation, thereby contributing to an ongoing supply imbalance.

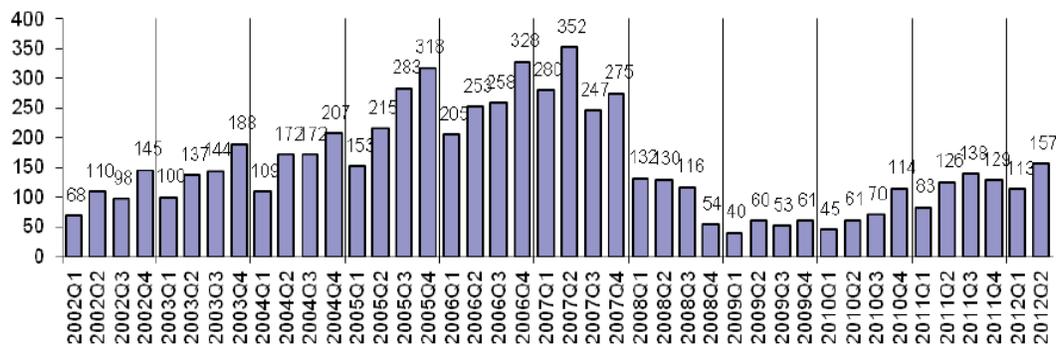


Based on data through the end of June 2012.

Source: RCA and Moody's Investors Service

- Defensive Nature of Commercial Real Estate and Anchored Retail Property* – Slate believes that well-located, commercial real estate and anchored retail properties represent a defensive asset class with limited downside in volatile markets. The ability to provide consumer staples and services such as grocery stores, drugstores, banks and fast food restaurants, provide investors with a diverse tenant base and also limited exposure to more volatile specialty retail centres or big box retail outlets. Slate believes that the defensive nature of anchored retail properties limits the downside, but also provides opportunity during times of economic prosperity.
- Limited Debt Availability* – The combination of tightening lending standards and reduction in overall lending capacity among banks and other institutional lenders has created difficult conditions for obtaining acquisition financing. For similar reasons, conduit financing has significantly reduced since its peak. The limited access to credit financing has reduced the number of competing buyers thereby creating more opportunity for well-capitalized investors.

Commercial/Multifamily Mortgage Bankers Originations Index
2001 quarterly average = 100



Source: Mortgage Bankers Association's Quarterly Originations Index (based on information through June 2012)

- Constraints on Development* – Higher vacancy rates and depressed rental rates have made new developments uneconomical in most U.S. markets. In addition, Slate expects that the limited availability of credit financing will contribute to a decrease in the construction of new revenue-producing properties. As a result, Slate will focus its acquisition strategy on assets priced at a significant discount to replacement cost.

Alignment of Interests

Slate believes that individual investors should have the same opportunities as institutions, pension funds and high net worth individuals with respect to real estate investing. With this in mind, an investment in Units has been structured to align the interests of Slate (through the Manager and the General Partner) with those of the Unitholders. Accordingly, in the event of any capital transaction in respect of the Properties, the General Partner will be entitled to receive any unpaid amount on its General Partner Interest only after 100% of the equity invested in the Holding LP has been returned to the Investment LP and the Investment LP has received full payment of the Minimum Return. In addition, Slate is making an investment in Class I Units to further align Slate's interests with those of Unitholders and intends to retain this investment throughout the term of the Trust. Slate believes that grocery-anchored retail properties in the U.S. represent an attractive investment opportunity. Following the closing of the Offering, Slate will have invested an aggregate of U.S.\$5.4 million in GAR I, SUSO 1 and the Trust, each of which is a fund focused on acquiring grocery-anchored retail properties in the U.S.

3. DESCRIPTION OF THE ACTIVITIES OF THE TRUST

The Trust will invest the proceeds from the issuance of Units in Investment LP Units and Investment LP Notes. The Investment LP will invest the proceeds from the issuance of such Investment LP Units and Investment LP Notes in Holding LP Units, and the Holding LP will use the proceeds from the issuance of the Holding LP Units to fund, directly or indirectly, the acquisition, ownership and leasing of the Properties. See "Investment Structure".

As a result, an investment in Units will be an indirect investment in the acquisition, ownership and leasing of the Properties and the Minimum Return and other returns on and of capital payable to the Investment LP will also ultimately form part of the Distributable Cash Flow and be available for distribution to Unitholders.

3.1 Activities of the Trust

The Trust was established on September 18, 2012 for the purpose of indirectly owning and leasing interests in a diversified portfolio of high quality, revenue-producing properties in the U.S. with a focus on anchored retail properties (or proportionate interests in such properties). Its principal undertaking will be to issue Units and to acquire, own and lease the Properties indirectly through the Holding LP. The Trust does not have an operating history. To date, Slate has not identified or entered into any agreements with respect to any Properties for investment by the Holding LP. None of the Trust, the Investment LP nor the Holding LP has made any property acquisitions or dispositions to date.

The Trust's long-term objective is to earn income and gains from the Trust's indirect interest in the Properties held through the Investment LP and the Holding LP, being a portfolio of high quality revenue-producing commercial real estate properties in the U.S. with a focus on anchored retail properties. An investment in Units is intended to provide Purchasers with the opportunity to receive cash distributions originating from the ongoing operation and/or leasing of the Properties and the opportunity to receive, in certain circumstances, the proceeds from a refinancing of a Mortgage Loan or a sale of a Property.

3.2 Business of the Investment LP and Holding LP

The Investment LP has been established for the purposes of issuing Investment LP Units and Investment LP Notes and investing in Holding LP Units. The Holding LP has been established for the purposes of owning and leasing a diversified portfolio of high quality revenue-producing commercial real estate properties in the U.S. with a focus on anchored retail properties (or interests in such properties). It is intended that the Properties will be owned by separate underlying limited partnerships established and owned by the Holding LP. See "Corporate Structure – Intercorporate Relationships".

3.3 Milestones

The Trust proposes to pursue the objectives set above in accordance with the following schedule:

			Estimated Costs	
Milestone	Target Date for Completion		Assuming Minimum Offering	Assuming Maximum Offering
Complete the Offering	November 19, 2012	Agents' Fee	U.S.\$525,000	U.S.\$2,625,000 ⁽¹⁾
		Expenses of this Offering (legal, accounting and audit, tax advice, printing, travel, securities filings)	U.S.\$165,000	U.S.\$520,000
		Subtotal	U.S.\$690,525	U.S.\$3,145,000

Note

⁽¹⁾ Assumes no Class F Units are sold in the Offering.

Investment in Properties

The Manager proposes to pursue the business objectives set forth above in accordance with the following schedule:

			Estimated Costs	
Milestone	Target Date for Completion		Assuming Minimum Offering	Assuming Maximum Offering
Document and Complete Purchase of Properties	September 30, 2013	Purchase Price	U.S.\$28,507,150	U.S.\$132,319,075
		Due diligence, documentation and financing costs, brokerage fees ⁽¹⁾	U.S.\$287,207	U.S.\$1,333,104
		Reserve for renovations and upgrades	U.S.\$294,571	U.S.\$1,367,286
		Working capital reserve	U.S.\$147,286	U.S.\$683,643
		Acquisition Fee	U.S.\$220,929	U.S.\$1,025,464
		Subtotal	U.S.\$29,457,143	U.S.\$139,728,572

Note:

⁽¹⁾ Includes all estimated closing costs for purchasing the Properties.

3.4 The Properties

The Manager intends to invest the proceeds realized from the issuance of Holding LP Units and from Mortgage Loans in high quality revenue-producing commercial real estate properties in the U.S. with a focus on anchored retail properties. The Manager intends to manage and reposition the Properties with the view to preserving capital and providing quarterly cash returns. The Manager will focus on purchasing Properties which, in the opinion of Slate, are currently operating below their full income-producing potential.

The Trust's investment objectives are to:

- (a) indirectly acquire, own and lease a portfolio of diversified revenue-producing commercial real estate properties in the U.S. with a focus on anchored retail properties;
- (b) make quarterly distributions commencing upon the earlier of (i) the end of the fiscal quarter in which the Investable Funds are substantially invested, and (ii) September 30, 2013; and
- (c) enhance the potential for long-term growth of capital through value-added enhancements to the properties owned indirectly by the Trust and organic growth in rental rates, combined with an overall reduction in capitalization rates.

Each Property purchased by the Trust will be expected to generate a positive return on the Trust's invested capital. The General Partner will be able to waive this minimum requirement for Properties which it believes provide unique value-added opportunities through replacement of management, re-leasing or similar initiatives.

The Trust will provide disclosure for each of the Properties acquired in its interim and annual management discussion & analysis, which disclosure is expected to be similar to that provided for properties acquired by Canadian real estate investment trusts. The Trust anticipates such information will include, for each Property, details on the location, size, age, key tenants, parking, lease terms for key tenants, Property occupancy, relevant competition in the surrounding area, going-in capitalization rate, purchase price and purchase date. Disclosure will also include any material capital expenditures intended to be made on the Property. If an appraisal is obtained for a Property acquisition, a summary of the results of the appraisal will also be included.

To the extent that the acquisition of a Property constitutes a "material change" or "significant acquisition" under National Instrument 51-102 – *Continuous Disclosure Obligations*, the Trust will file a press release, material change report and/or business acquisition report, as applicable, for the acquisition containing the disclosure required under such National Instrument.

3.5 Management and Leasing of the Properties

The Manager believes that maximizing revenue and careful scrutiny of capital expenditures is the key to driving value when investing in real estate. This philosophy of active asset management advocates that the Manager outsource daily property management operations allowing the Manager to spend time focusing on value creation opportunities that will have the most significant impact on investor returns.

To this end, the Manager intends to engage reputable third party property managers for the ongoing day-to-day management of the Properties and, if engaged, intends to structure each third party property management contract such that the property manager will be rewarded for increases in operating income that the property manager achieves through management of a Property, thereby aligning the interests of the property manager with that of the Holding LP. The Manager expects that the fee payable to property managers will be between 3% and 5% of the gross revenue from the managed Property or Properties. A portion of this fee is expected to be recoverable from the tenants of a Property under the lease terms.

The Manager may decide that it is in the best interest of the Holding LP to manage the Properties directly in which case the property management fee to be paid to the Manager or an affiliate of the Manager would be comparable to, and competitive with, the fees charged by arm's length property managers for management of properties of a like kind.

The Manager believes that active management of leasing is key to driving revenue as it allows the Manager to be intimately aware of tenant needs. This allows the Manager to anticipate future revenue opportunities or mitigate potential leasing risks. Unnecessary capital expenditures can easily increase an investor's cost basis and erode the investor's ultimate returns. As an investor in the Trust, Slate believes that it is aligned to ensure that capital will not be spent unnecessarily and only where it is beneficial to the long-term value of the investment. The Manager intends to engage reputable third party leasing brokers to lease the Properties.

3.6 Investment Restrictions and Operating Policies

Investment Restrictions

The Trust Declaration provides certain restrictions on investments that may be made directly or indirectly by the Trust. The assets of the Trust may be invested only in accordance with the following restrictions:

- (a) the Trust may only invest, directly or indirectly, in interests (including fee ownership and leasehold interests) in commercial real estate properties located in the U.S. with a focus on anchored retail properties and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the other investment restrictions of the Trust, provided that the Trust may invest up to 25% of the Investable Funds in real properties which do not comply with the foregoing, including, without limitation, office or industrial properties;
- (b) notwithstanding anything else contained in the Trust Declaration, the Trust shall not make any investment, take any action or omit to take any action that would result in the Trust not qualifying, at all times, as a “mutual fund trust” within the meaning of the Tax Act;
- (c) the purchase price for any one property shall not exceed U.S.\$30 million unless approved by the independent Trustees;
- (d) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, short-term government debt securities or money market instruments maturing prior to one year from the date of issue and except as permitted pursuant to the investment restrictions and operating policies of the Trust, the Trust may not hold securities of a person other than to the extent such securities would constitute an investment in real property (as determined by the Board);
- (e) the Trust shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (f) the Trust shall not invest, directly or indirectly, in properties whose primary business is that of a hotel, retirement home, senior care facility or self-storage facility;
- (g) the Trust shall not invest in raw land for development, except for the purpose of the renovation or expansion of existing properties;
- (h) the Trust may invest in mortgages (including participating or convertible mortgages) and similar instruments where: (i) the independent Trustees have approved such investment; (ii) the real property which is security therefor is income producing real property which otherwise meets the other investment restrictions of the Trust; (iii) the aggregate book value of the investments of the Trust in mortgages, after giving effect to the proposed investment, will not exceed 25% of the Investable Funds; (iv) such investments are not entered into for speculative purposes; and (v) the Manager believes that such investments will provide the Trust with the opportunity to acquire the Property underlying such investment within one year from the date such investment is made;
- (i) the Trust shall not take any action, or acquire, retain or hold any investment in any entity or other property that would result in the Trust being a “SIFT trust” as defined in the Tax Act;
- (j) the Trust will not hold any “non-portfolio property”, as defined in the Tax Act; and
- (k) the Trust shall not invest more than 10% of the Investable Funds in securities of a publicly traded entity.

Operating Policies

The Trust Declaration provides that operations and affairs of the Trust are to be conducted in accordance with the following policies:

- (a) the Trust shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term “hedging” has the meaning ascribed thereto by National Instrument 81-102 — *Mutual Funds* adopted by the Canadian Securities Administrators, as replaced or amended from time to time;
- (b) (i) any written instrument creating an obligation which is or includes the granting by the Trust of a mortgage; and (ii) to the extent the Board determines to be practicable and consistent with its fiduciary duty to act in the best interest of the Trust, any written instrument which is, in the judgment of the Board, a material obligation, shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise the private property of any of the Trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the Trust, but that only property of the Trust or a specific portion thereof is bound; the Trust, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the Trust upon the acquisition of real property;
- (c) the Trust may engage in construction or development of real property to maintain its real properties in good repair or to improve the income producing potential of properties in which the Trust has an interest;
- (d) title to each real property shall be held by and registered in the name of the Trust or the Holding LP, a corporation, a partnership or other entity wholly-owned, directly or indirectly, by the Trust or the Holding LP or jointly-owned, directly or indirectly, by the Trust or the Holding LP, with joint venturers;
- (e) the Trust shall not incur or assume any indebtedness if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of the Trust would be more than 75% of the Investable Funds provided that, if approved by the Board, the appraised value of the Properties may be used instead of Investable Funds for the purposes of this paragraph (e);
- (f) the Trust shall directly or indirectly obtain and maintain at all times property insurance coverage in respect of potential liabilities of the Trust and the accidental loss of value of the assets of the Trust from risks, in amounts, with such insurers, and on such terms as the Board considers appropriate, taking into account all relevant factors including the practice of owners of comparable properties; and
- (g) the Trust shall obtain a Phase I environmental site assessment of each real property to be acquired by it and, if the Phase I environmental site assessment report recommends that a further environmental site assessment be conducted, the Trust shall have conducted such further environmental site assessments, in each case by an independent and experienced environmental consultant; as a condition to any acquisition such assessments shall be satisfactory to the Manager.

For the purpose of the foregoing investment restrictions and operating policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the Trust will be deemed to be those of the Trust and they will be accounted for in accordance the methods prescribed by the International Financial Reporting Standards. In addition, any references in the foregoing investment restrictions and operating policies to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

Amendments to Investment Restrictions and Operating Policies

Pursuant to the Trust Declaration, all of the investment restrictions set out under the heading “Investment Restrictions” and the operating policy contained in paragraph (e) set out under the heading “Operating Policies” may be amended only with the approval of 66 2/3% of the votes cast by Unitholders of the Trust at a meeting of Unitholders called for such purpose. The remaining operating policies may be amended with the approval of a majority of the votes cast by Unitholders at a meeting called for such purpose.

Notwithstanding the foregoing paragraph, if at any time a government or regulatory authority having jurisdiction over the Trust or any property of the Trust shall enact any law, regulation or requirement which is in conflict with any investment guideline or operating policy of the Trust then in force (other than subparagraph (b) of the “Investment Restrictions”), such investment guideline or operating policy in conflict shall, if the Board on the advice of legal counsel to the Trust so resolve, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary, any such resolution of the Board shall not require the prior approval of Unitholders.

3.7 Operating Expenses of the Trust

The Trust will pay for all ordinary expenses incurred in connection with its operation and administration. It is expected that these expenses will include, without limitation: mailing and printing expenses for periodic reports to Unitholders and other Unitholder communications; any reasonable out-of-pocket expenses incurred by the Manager or its agents and paid to third parties in connection with their on-going obligations to the Trust; fees payable to the auditors and legal advisors of the Trust; regulatory filing fees, administrative expenses and costs incurred in connection with the continuous public filing requirements of the Trust and investor relations, costs and expenses arising as a result of complying with all applicable laws, regulations and policies, extraordinary expenses the Trust may incur and any expenditures incurred upon the termination of the Trust. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager (and any of its officers, directors, employees consultants or agents) or the Trustees or the executive officers of the Trust are entitled to an indemnity from the Trust. The aggregate amount of these fees and expenses is estimated to range from approximately U.S.\$125,000 per annum (if the Minimum Offering is sold) to approximately U.S.\$300,000 per annum (if the Maximum Offering is sold).

The Trust will be indirectly responsible for the payment of ordinary course operating expenses relating to real estate, which expenses are customary for real estate related entities. Certain of the operating expenses will be payable to the Manager in connection with its work as Manager of the Trust. Slate is focused on building strong investment returns first and foremost. As a result, Slate believes that compared to Canadian REITs, real estate operating companies and existing real estate oriented, retail structured products, the fees payable by the Trust are lower than average.

4. USE OF PROCEEDS

The Trust intends to spend the funds available to it as stated in this Prospectus in the indirect investment in Properties. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary.

Slate is targeting deployment of the proceeds within 10 months following Closing. The timing of such investment will depend upon, among other things, the identification of Properties meeting the criteria for acquisition. Pending their investment in the acquisition of Properties, the proceeds from the issuance of Units and other funds not fully invested in the Properties from time to time will be held in cash and bank deposits.

If the Trust has not invested at least 80% of the Net Subscription Proceeds in the acquisition of Properties within 36 months following Closing, the Trust will call a meeting of Unitholders to determine by Special Resolution whether the Trust will: (a) distribute the remaining proceeds and pursue a liquidity event regarding any acquired Properties, and if so, the type of liquidity event to be pursued, or (b) continue in operation.

The following table shows the intended use of the gross proceeds from the issuance of Units and from the Mortgage Loans by the Holding LP assuming the Maximum Offering is completed.

Sources of Funds	Assuming Minimum Offering	Assuming Maximum Offering
Proceeds from issuance of Class A Units, Class F Units and Class U Units	U.S.\$10,000,000	U.S.\$50,000,000
Proceeds from issuance of Class I Units	U.S.\$1,000,000	U.S.\$1,000,000
Mortgage Loans ⁽¹⁾	U.S.\$19,147,143	U.S.\$88,873,572
Total Sources of Funds:	U.S.\$30,147,143	U.S.\$139,873,572
Use of Funds		
Agents' Fee ⁽²⁾	U.S.\$525,000	U.S.\$2,625,000
Estimated expenses of this Offering (legal, accounting and audit, tax advice, printing, travel, securities filings)	U.S.\$165,000	U.S.\$520,000
Purchase Price of the Properties ⁽³⁾	U.S.\$28,507,150	U.S.\$132,319,075
Estimated closing costs for purchase of Properties (including transfer fees, legal, due diligence and financing costs) ⁽⁴⁾	U.S.\$287,207	U.S.\$1,333,104
Creation of reserve for renovation and upgrading of Properties ⁽⁵⁾	U.S.\$294,571	U.S.\$1,367,286
Creation of reasonable working capital reserves for the Properties ⁽⁶⁾	U.S.\$147,286	U.S.\$683,643
Acquisition Fee ⁽⁷⁾	U.S.\$220,929	U.S.\$1,025,464
Total Use of Funds:	U.S.\$30,147,143	U.S.\$139,873,572

Notes:

- (1) The Manager intends to finance a part of the purchase price of the Properties by way of Mortgage Loans from third party Lenders. The amounts and Lenders of such Mortgage Loan have not yet been identified and the amount shown in the table above on account of Mortgage Loans is an estimate only.
- (2) Assumes no Class F Units are sold in the Offering.
- (3) The purchase price of Properties shown is an estimate only, and may not be the actual aggregate price payable pursuant to the agreements of purchase and sale to be made between the Holding LP and vendors, or to be made between Slate (or its subsidiaries) and vendors and assigned to the Holding LP by Slate (or such subsidiaries).
- (4) The amount incurred in respect of the purchase of Properties by the Holding LP will include, without limitation, all due diligence inspections and reviews of the Properties, third party consultant's fees, closing adjustments, legal and accounting fees, acquisition fees paid to third party mortgage Lenders, insurers and brokers, other closing costs and transfer fees and taxes.
- (5) The Manager may undertake a refurbishment program with respect to one or more of the Properties. The amount shown is an estimate of the amount which may be required to establish a reserve for the payment of the anticipated and unanticipated costs of such programs for all of the Properties.
- (6) The Manager will establish working capital reserves for the Holding LP, to help ensure sufficient funds are on hand from time to time to pay anticipated and unanticipated operating and capital expenses of the Properties.
- (7) The Manager will be paid the Acquisition Fee for the provision of certain financial and other services to the Holding LP.

The proceeds will also be used from time to time by the Manager to make refundable and non-refundable deposits on account of the purchase price of Properties, to pay mortgage application fees and to pay property due diligence and inspection costs. These payments and costs will include amounts paid to arm's length third parties and all out-of-pocket costs incurred by the Manager in the conduct of property inspection and due diligence. Some Properties in respect of which non-refundable deposits, mortgage application fees and property due diligence and inspection costs are paid may not be acquired by the Holding LP, resulting in a possible loss of such deposits, fees and/or costs.

In determining what would constitute “reasonable reserves” for renovation and upgrading and working capital reserves for such Properties, the Manager will review a comprehensive third party due diligence report that will be produced for each Property. The amount of a renovation and upgrading reserve for a given Property will be assessed by the Manager having regard to, among other things, the Property’s age, general state of repair, and an assessment of whether anticipated revenues would be sufficient to cover all or a portion of the repairs or upgrades identified as reasonably necessary through the due diligence process. For the purposes of this Prospectus, the Manager has estimated that a reasonable reserve for renovation and upgrading of the Properties is 1.0% of the purchase price of the Properties.

In determining how much of a working capital reserve would be reasonable for a given Property, the Manager will generally target a working capital reserve of 0.5% of the purchase price of the Property. In the event that the Maximum Offering is sold, the estimated aggregate purchase price of the as yet unidentified Properties is U.S.\$132,319,075; if the Minimum Offering is sold, the estimated aggregate purchase price of the as yet unidentified Properties is U.S.\$28,507,150. The targeted working capital reserves in the event of a Maximum Offering, and completion of the Private Placement, is approximately U.S.\$683,643. The targeted working capital reserves in the event of a Minimum Offering, and completion of the Private Placement, is approximately U.S.\$147,286. However, for any given Property, the General Partner could allocate a larger or smaller amount to working capital reserves than the targeted amount of 0.5% of the purchase price of the Property, based on property-specific considerations.

5. SELECTED FINANCIAL INFORMATION

The audited financial statement of the Trust as of September 19, 2012 is included in this Prospectus. The Trust was only recently formed and capitalized with nominal capital. As the Trust has not carried on any business to date, it has no material assets, or cash flow from financing or from operations.

6. DESCRIPTION OF THE SECURITIES DISTRIBUTED

The Trust is offering a minimum of U.S.\$10,000,000 and a maximum of U.S.\$50,000,000 of Class A Units, Class F Units and/or Class U Units, at a purchase price of C\$10.00 per Class A Unit or Class F Unit and U.S.\$10.00 per Class U Unit.

6.1 Units

The rights and obligations of the Unitholders are governed by the Trust Declaration. The following is a summary of certain material provisions of the Trust Declaration. This summary does not purport to be complete and reference should be to the Trust Declaration itself, a copy of which is available from the Trust.

Capitalized terms in this summary which are not defined in this Prospectus are defined in the Trust Declaration.

Units

The beneficial interest in the net assets and net income of the Trust is divided into four classes of units, Class A Units, Class F Units, Class I Units and Class U Units. The Trust is authorized to issue an unlimited number of Units of each class.

The Class A Units are designed for investors wishing to make their investment and receive distributions in Canadian dollars. The Class I Units will be offered by private placement, simultaneously with the Offering, and are designed for Slate and institutional investors, will not be listed on a stock exchange and differ from the Class A Units, the Class F Units and the Class U Units in the following ways: (i) they are not offered pursuant to the Offering, and (ii) the Class I Units are not required to pay the Agents’ Fee.

The Class F Units are designed for fee-based accounts, will not be listed on a stock exchange and differ from the Class A Units and the Class U Units because the Agents’ Fee payable on the issuance of Class F units is

lower than those payable on the issuance of Class A Units and/or Class U Units. The proportionate entitlement of each class will not be the same once the different fees allocable to each class of Units are considered.

Each Unit entitles the holder to the same rights and obligations as a Unitholder and no Unitholder is entitled to any privilege, priority or preference in relation to any other holder of Units, subject to the proportionate entitlement of the holders of Class A Units, Class F Units, Class I Units and Class U Units to participate in distributions made by the Trust including distributions of net realized capital gains or income, if any, and to receive proceeds on a redemption of Units and/or upon termination of the Trust, based on the Proportionate Class A Interest, Proportionate Class F Interest, Proportionate Class I Interest and Proportionate Class U Interest, respectively.

On the redemption of Units, the Trust may in its sole discretion, designate payable to redeeming Unitholders, as part of the redemption price, any capital gains realized by, and income of, the Trust in the taxation year in which the redemption occurred. On termination or liquidation of the Trust, the Unitholders of record are entitled to receive on a proportionate basis based on the Proportionate Class A Interest, Proportionate Class F Interest, Proportionate Class I Interest and Proportionate Class U Interest, respectively, all of the assets of the Trust remaining after payment of all debts, liabilities and liquidation expenses of the Trust.

Holders of Class A Units and Class U Units pay higher Agents' Fees than holders of Class F Units in respect of their investment in the Trust. As a result, the tax characterization of distributions will vary between the three classes such that a higher percentage of the distribution to the holders of Class A Units and Class U Units will be characterized as return of capital rather than income (including net realized taxable capital gains).

Limitation on Non-Resident Ownership

In order for the Trust to maintain its status as a “mutual fund trust” under the Tax Act, the Trust must not be established or maintained primarily for the benefit of Non-Residents, except in limited circumstances. Among those circumstances are that all or substantially all of the mutual fund trust’s property is not “taxable Canadian property”, as defined by the Tax Act. Although it is not expected that the Trust will own “taxable Canadian property”, Non-Residents will not be permitted to be the beneficial owners of more than 49% of the Units and the Board will inform the transfer agent and registrar of this restriction. The Board may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Board becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 49% of the Units then outstanding are, or may be, Non-Residents or that such a situation is imminent, the Board shall inform the transfer agent and the transfer agent shall not accept a subscription for Units from or issue Units to a person unless the person provides a declaration that the person is not a Non-Resident. If, notwithstanding the foregoing, the Board determines that more than 49% of the Units are held by Non-Residents, the Board may send a notice to Non-Resident holders of Units, chosen in inverse order to the order of acquisition or registration or in such manner as the Board may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Board with satisfactory evidence that they are not Non-Residents within such period, the Board may, on behalf of such Unitholders sell such Units and, in the interim, suspend the voting and distribution rights attached to such Units. Upon such sale the affected holders will cease to be holders of Units and their rights will be limited to receiving the net proceeds of sale, subject to the right to receive payment of any distribution declared by the Board which is unpaid and owing to such Unitholders. The Board will have no liability for the amount received provided that they act in good faith.

Distributions

The Trust will distribute to its Unitholders its Distributable Cash Flow for each Distribution Period in which such amounts are realized. The Trust intends to declare quarterly cash distributions on March 31, June 30, September 30 and December 31 in a given year with the first of these distributions to be made upon the earlier of (i) the end of the fiscal quarter in which the Investable Funds are substantially invested; and (ii) September 30, 2013. The Trust will, indirectly through the Investment LP, own all of the issued and outstanding limited partnership units of the Holding LP. The Investment LP, as a limited partner of the Holding LP, will be entitled to receive from the Distributable Cash of the Holding LP a minimum return of 8% per annum (cumulative but not compounded), calculated on its Invested Capital in the Holding LP (the “**Minimum Return**”) and, after the return of its Invested

Capital invested in the Holding LP, the balance of the Distributable Cash of the Holding LP will be distributed 80% to Investment LP and 20% to the General Partner, as the General Partner Interest. Distributions will be paid within 15 days following the end of the quarter in which the distribution is declared. Although the Minimum Return has been set at 8% per annum, the Investment LP is targeting quarterly cash distributions prior to a liquidity event of 7% per annum. As described above, the General Partner will not be entitled to receive any distributions until the Minimum Return of 8% per annum is achieved (which is expected to be satisfied by a combination of quarterly cash distributions generated by the properties and capital gains earned upon disposition).

The Investment LP will elect to be classified as a corporation for U.S. federal income tax purposes. The Investment LP will be subject to applicable U.S. income and withholding taxes. The Investment LP will satisfy its U.S. tax liability, or make sufficient reserves for its applicable U.S. taxes, prior to making distributions to the Trust. The Trust will then distribute the Distributable Cash Flow to the Unitholders, based on the proportionate interest of the Net Subscription Proceeds attributable to each class of Units, as described below. A Canadian resident Unitholder (other than a Plan) generally will be entitled to a credit in respect of the U.S. taxes paid by the Investment LP in computing its Canadian taxable income to the extent permitted by the detailed rules in the Tax Act. See “Certain Canadian Federal Income Tax Considerations”, “Certain U.S. Federal Income Tax Considerations”, “Risk Factors – Risk Factors Relating to the Trust’s Canadian Tax Status” and “Risk Factors – Risk Factors Relating to the Trust’s U.S. Tax Status”.

Distributions on the Units, including any returns of capital and the distribution of proceeds on the termination of the Trust, will be determined and declared in U.S. dollars; however, holders of Class A Units will receive their distributions in Canadian dollars.

The amount of the distributions payable in respect of each class of Units will differ based on the proportionate interest of the Net Subscription Proceeds attributable to each class, determined as follows:

- (a) Class A Distributions (in U.S.\$) are equal to the Distributable Cash Flow multiplied by the Proportionate Class A Interest divided by the total number of outstanding Class A Units;
- (b) Class F Distributions (in U.S.\$) are equal to the Distributable Cash Flow multiplied by the Proportionate Class F Interest divided by the total number of outstanding Class F Units;
- (c) Class I Distributions are equal to the Distributable Cash Flow multiplied by the Proportionate Class I Interest divided by the total number of outstanding Class I Units;
- (d) Class U Distributions are equal to the Distributable Cash Flow multiplied by the Proportionate Class U Interest divided by the total number of outstanding Class U Units, and

in each case adjusted to reflect that (i) the Class F Units are subject to a lower Agents’ Fee; and (ii) the Class I Units are not subject to the Agents’ Fee.

The Class A Units and Class F Units are being offered in Canadian dollars solely for the convenience of investors wishing to pay the subscription price in Canadian dollars and receive distributions in Canadian dollars. On the closing of the Offering, the Trust will convert the subscription amount received from the issuance of Class A Units and Class F Units into U.S. dollars. The relative entitlement of a holder of a Class A Unit or Class F Unit to receive distributions from the Trust and to receive proceeds on a redemption of Units and/or upon termination of the Trust (as compared to the entitlement of a holder of a Class I Unit or Class U Unit) will therefore depend on the Canadian/U.S. dollar exchange rate at which the Trust is able to convert such proceeds on the Closing Date. Similarly, the Trust will convert the U.S. dollar distribution payable on the Class A Units and Class F Units into Canadian dollars at the spot exchange rate available to the Trust in respect of such distribution and holders of Class A Units and Class F Units will receive Canadian dollar distributions. As a result, although holders of Class A Units will receive Canadian dollar distributions, the amount of such distributions will be determined based upon the Canadian/U.S. dollar exchange rate at the time of such distribution. **The Trust is not entering into any hedging arrangements to limit the impact of changes in the Canadian/U.S. dollar exchange rate for holders of Class A**

Units and Class F Units and therefore holders of Class A Units and Class F Units will have full exposure to changes in the exchange rate between the Canadian and U.S. dollar. See “Risk Factors”.

The ability of the Trust to make cash distributions and the actual amount distributed will depend on the ability of the Trust to indirectly acquire the Properties and the ongoing operations of the Properties, and will be subject to various factors including those referenced in the “Risk Factors” section of this Prospectus. The Minimum Return of 8% per annum payable by the Holding LP to the Investment LP, which will ultimately form part of the distributions available from the Trust to the Unitholders, is a preferred return, but is not guaranteed and may not be paid on a current basis in each year or at all. The return on an investment in the Units is not comparable to the return on an investment in a fixed income security. Cash distributions, including a return of a Unitholder’s original investment, are not guaranteed and the anticipated return on investment is based upon many performance assumptions.

The Trust may designate for the purposes of the Tax Act any income or capital gains realized by the Trust as a result of the redemption of Units (including any income or capital gains realized by the Trust on an *in specie* redemption of Units) as being paid to the redeeming Unitholders, with the result that the taxable portion of such gains and income generally may be deductible by the Trust.

Distributions payable to Unitholders pursuant to the Trust Declaration shall be deemed to be distributions of income of the Trust, net realized taxable capital gains of the Trust, foreign source income, Trust capital or other items in such amounts as the Board, in its absolute discretion, determine and shall be so designated, where required, and allocated to the Unitholders in the same proportions as distributions received by the Unitholders, subject to the discretion of the Board to adopt an allocation method which the Board considers to be more reasonable in the circumstances. For greater certainty, any distribution of net realized capital gains of the Trust shall include the non-taxable portion of the capital gains of the Trust which are included in such distribution.

If, on a Distribution Payment Date, the Board determines that the Trust does not have cash in an amount sufficient to pay the full amount of any distribution to be made on such Distribution Payment Date, or for any other reason cannot pay the distribution in cash, or the Board otherwise elects in respect of any such distribution, the distribution payable to the Unitholders on such Distribution Payment Date will be distributed to Unitholders in the form of additional Units, or fractions of Units, having a value equal to the cash shortfall. Those additional Units will be issued under exemptions under applicable securities laws, discretionary exemptions granted by applicable securities regulatory authorities or a prospectus or similar filing.

Distribution on Termination of the Trust

On the termination of the Trust, the assets of the Trust shall be liquidated and the proceeds distributed in the following order:

- (a) to pay the liabilities of the Trust and to establish reserves for the contingent liabilities of the Trust; and
- (b) to redeem the Units from Unitholders, on a proportionate basis based on the Proportionate Class A Interest, Proportionate Class F Interest, Proportionate Class I Interest and Proportionate Class U Interest, respectively.

Meetings of Unitholders and Resolutions

The Board may, at any time, convene a meeting of the Unitholders and will be required to convene a meeting on receipt of a request in writing of Unitholders holding, in aggregate, 15% or more of the Units outstanding. A meeting of holders of a class of Units may be called by the Board if the nature of the business to be transacted at the meeting is only relevant to the Unitholders of the class of Units. A meeting of holders of a class of Units shall be called by the Board upon written request of the Unitholders of the class holding in the aggregate not less than 15% of the Units of the class then outstanding, which requisition must specify the purpose or purposes for which such meeting is to be called.

Any matter to be considered at a meeting of Unitholders, other than certain matters requiring the approval of Unitholders by Special Resolution, will require the approval of Unitholders by an Ordinary Resolution. A quorum for a meeting convened to consider such a matter will consist of two or more Unitholders or any class of Unitholders present in person or by proxy and representing not less than 10% of the Units or class of Units, as the case may be. If a quorum is not present at a meeting within 30 minutes after the time fixed for the meeting, the meeting, if convened pursuant to a request of Unitholders, will be cancelled, but otherwise will be adjourned to another day, not less than 10 days later, selected by the Board and notice will be given to the Unitholders of such adjourned meeting. The Unitholders present at any adjourned meeting will constitute a quorum.

Each Unitholder is entitled to one vote per Unit held and votes of Unitholders will be conducted with holders of Class A Units, Class F Units, Class I Units and Class U Units voting together as a single class. Notwithstanding the foregoing, if the Board determines that the nature of the business to be transacted at a meeting affects Unitholders of one class of Units in a manner materially different from its effect on Unitholders of another class of Units, the Units of such affected Class will be voted separately as a class.

The following matters require approval by Ordinary Resolution and shall be deemed approved, consented to or confirmed, as the case may be, upon the adoption of such Ordinary Resolution:

- (a) matters relating to the administration of the Trust for which the approval of the Unitholders is required by policies of the securities regulatory authorities or other applicable laws and regulations in effect from time to time, and such policies, laws or regulations do not require approval by Special Resolution;
- (b) subject to the requirements for a Special Resolution, any matter or thing stated in the Trust Declaration to be required to be consented to or approved by the Unitholders; and
- (c) any matter which the Board considers appropriate to present to the Unitholders for their confirmation or approval.

Each of the following actions requires approval by Special Resolution:

- (a) the amendment of the Trust Declaration (except as provided under “Amendments to the Trust Declaration” below) or changes to the Trust, including changes to the investment restrictions and operating policies as specified in the Trust Declaration;
- (b) any change in the basis of calculating fees or other expenses that are charged to the Trust which could result in an increase in charges to the Trust, other than a fee charged by a person or company that is arm’s length to the Trust;
- (c) a reduction in the amount payable on any outstanding Units upon liquidation of the Trust;
- (d) an increase in the liability of any Unitholders;
- (e) an amendment, modification or variation in the provisions or rights attaching to the Units; or
- (f) the alteration or elimination of any voting rights pertaining to any outstanding Units.

Notwithstanding the above or any other provision herein, no confirmation, consent or approval shall be sought or have any effect and no Unitholders shall be permitted to effect, confirm, consent to or approve, in any manner whatsoever, where the same increases the obligations of or reduces the compensation payable to or protection provided to the Board, except with the prior written consent of the Board.

Termination of the Trust

In order to provide Unitholders with liquidity, the Manager intends to complete a liquidity event before September 30, 2018. The liquidity event may be (i) the listing of the Units on a stock exchange or the exchange of Units for securities listed on a stock exchange; or (ii) the sale of the Properties, the Holding LP Units, the Investment LP Units or Units for cash or securities listed on a stock exchange or a combination of cash and securities listed on a stock exchange. A liquidity event may include the aggregation of properties owned by GAR I, SUSO 1 and the Trust into a publicly traded REIT or a sale of properties owned by all three funds to an existing REIT or third party buyer. For any liquidity transaction involving the aggregation or sale of properties owned by GAR I, SUSO 1 and the Trust as a portfolio, Slate will obtain independent third party valuations of each of the properties owned by GAR I, SUSO 1 and the Trust. If a liquidity event has not been completed prior to September 30, 2018, the Trust will notify, or otherwise update, Unitholders regarding the plan for liquidation of the Properties and/or the Trust and the current market situation in respect of the potential liquidity event. The Trust expects that there will be limited liquidity until such time that a liquidity event occurs.

In the event a liquidity event is not completed by September 30, 2019, the Trust will call a meeting of Unitholders to determine by Special Resolution whether the Trust will: (a) pursue a liquidity event, and if so, the type of liquidity event to be pursued; or (b) continue in operation.

In addition, the Board may at any time terminate and dissolve the Trust by giving written notice to each of the then Unitholders of its intention to terminate the Trust at least 90 days before the date on which the Trust is to be terminated. Upon termination, the net assets of the Trust will be distributed to the holders of each class of Units on a proportionate basis based on the Proportionate Class A Interest, the Proportionate Class F Interest, the Proportionate Class I Interest and the Proportionate Class U Interest, respectively. Prior to the termination date, the Board will convert the assets of the Trust to cash. After payment of the liabilities of the Trust, the holder of each class of Units registered as such at the close of business on the date fixed as the termination date will be entitled to receive from the Trust the proportionate share of the value of the Trust attributable to such class of Units based on the Proportionate Class A Interest, the Proportionate Class F Interest, the Proportionate Class I Interest and the Proportionate Class U Interest, respectively.

Amendments to the Trust Declaration

The Board may, without the approval of or notice to Unitholders, amend the Trust Declaration for certain limited purposes specified therein, including to:

- (a) remove any conflicts or other inconsistencies which may exist between any terms of the Trust Declaration and any provisions of any law or regulation applicable to or affecting the Trust;
- (b) providing, in the opinion of the Board, additional protection for the Unitholders or to obtain, preserve or clarify the provision of desirable tax treatment to Unitholders;
- (c) making amendments which, in the opinion of the Board, are necessary or desirable in the interests of the Unitholders as a result of changes in taxation laws or accounting rules or in their interpretation or administration;
- (d) which, in the opinion of the Trustees, are necessary or desirable to remove conflicts or inconsistencies between the disclosure in the Prospectus and the Trust Declaration;
- (e) make any change or correction in the Trust Declaration which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;
- (f) bring the Trust Declaration into conformity with applicable laws, including the rules and policies of Canadian securities regulators or with current practice within the securities or investment fund

industries provided that any such amendment does not adversely affect the rights, privileges or interests of Unitholders;

- (g) maintain, or permit the Manager to take such steps as may be desirable or necessary to maintain, the status of the Trust as a “mutual fund trust” and a “unit trust” for the purposes of the Tax Act or to respond to amendments to the Tax Act or to the interpretation thereof;
- (h) subject to (g), remove the limitation on Non-Resident ownership;
- (i) provide added protection to Unitholders; or
- (j) making amendments as are required to undertake an internal reorganization involving the sale, lease, exchange or other transfer of the Trust as a result of which the Trust has substantially the same interest, whether direct or indirect, in the Trust Property that it had prior to the reorganization and, for greater certainty, includes an amalgamation, arrangement or merger of the Trust and its affiliates with any entities provided that in the opinion of the Trustees, based on the advice of counsel, the rights of Unitholders are not materially prejudiced thereby.

Except for changes to the Trust Declaration which require the approval of Unitholders or changes described above which do not require approval of or prior notice to Unitholders, the Trust Declaration may be amended from time to time by the Manager upon not less than 30 days’ prior written notice to Unitholders.

Information and Reports

The Trust will furnish to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by the Trust Declaration and by applicable law. In addition, on or before March 31 in each calendar year, the Trust will forward to Unitholders tax reporting information in such manner as will enable such person to report the income tax consequences of investment in Units in the Unitholder’s annual Canadian income tax return.

Liability of Trustees and Unitholders

On December 16, 2004, the *Trust Beneficiaries’ Liabilities Act*, 2004 (Ontario), came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any act, default, obligation or liability of the trust if, when the act or default occurs or the liability arises, (a) the trust is a reporting issuer under the *Securities Act* (Ontario) and (b) the trust is governed by the laws of Ontario. The Trust will be a reporting issuer under the *Securities Act* (Ontario) following the closing of the Offering and is governed by the laws of Ontario by virtue of the provisions of the Trust Declaration.

The Trust Declaration provides that no Unitholder or annuitant or beneficiary of a trust governed by a Plan/or of any Plan of which a Unitholder acts as an annuitant will be held to have any personal liability as such, and that no resort shall be had to, nor shall recourse or satisfaction be sought from, the private property of any Unitholder or annuitant for any liability whatsoever, whether constituting extra contractual or contractual liability or arising in tort, contract or otherwise, to any Person in connection with the Trust’s property or our affairs, including for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Trust or of the Trustees or any obligation which a Unitholder or annuitant would otherwise have to indemnify a Trustee for any personal liability incurred by the Trustee as such (“**Trust Liability**”). Only the Trust’s assets are intended to be liable and subject to levy or execution for satisfaction of such Trust Liability. Each Unitholder and annuitant will be entitled to be reimbursed out of the Trust’s assets in respect of any payment of such Trust Liability made by such Unitholder or annuitant.

The Trust Declaration further provides that the Trustees shall cause the Trust’s operations to be conducted, with the advice of counsel, in such a way and in such jurisdictions as to avoid, to the extent they determine practicable and consistent with their fiduciary duty to act in the best interests of the Trust, any material risk of liability on the Unitholders for claims against the Trust. Any written instrument creating an obligation which is or

includes the granting by the Trust of a mortgage and, to the extent the Trustees determine it to be practicable and consistent with their fiduciary duties to act in the best interest of the Trust, any written instrument which is a material obligation, shall contain a provision that the obligation created is not personally binding upon the Trustees, the Unitholders or officers, employees or agents of the Trust, but that the Trust's only property or a specific portion thereof is bound.

Redemption

A Unitholder holding Units wishing to redeem the whole or any part of his or her Units (a "**Redemption**") may deliver a notice of such desire (the "**Redemption Notice**") to the Trust at any time. Upon receipt by the Trust of the Redemption Notice, the Unitholder shall thereafter cease to have any rights with respect to the Units tendered for redemption (other than to receive the redemption payment therefor) including the right to receive any distributions thereon that are declared payable to the Unitholders of record on a date that is subsequent to the date of receipt by the Trust of the Redemption Notice. Units shall be considered to be tendered for redemption on the date that the Trust has, to the satisfaction of the Board, received the Redemption Notice and further documents or evidence the Trust may reasonably require with respect to the identity, capacity or authority of the person giving such notice.

Subject to applicable laws and the conditions listed below, the Trust will redeem the Units specified in such Redemption Notice. The price per Unit payable upon redemption will differ for each class of Units and will be based on the total redemption value of the Units (the "**Redemption Value**"), calculated as follows:

- (a) where the Units are listed on a stock exchange or similar market, the Redemption Value will be an amount equal to the lesser of (i) 95% of the market price of the Units during the 10-trading day period after the redemption date; and (ii) 100% of the closing market price of the Units on the redemption date; or
- (b) where the Units are not listed on a stock exchange or similar market, the Redemption Value will be 95% of the aggregate of:
 - (i) the aggregate Holding LP Unit Value on the redemption date of the Holding LP Units held by the Investment LP on the last day of the most recently calendar quarter that ends prior to the redemption date; plus
 - (ii) the aggregate value of the cash, working capital, or other assets of the Trust on the redemption date, other than the Investment LP Units and Investment LP Notes; plus
 - (iii) the aggregate value of the cash, working capital, or other assets of the Investment LP on the redemption date, other than the Holding LP Units; less
 - (iv) the aggregate value of the liabilities of the Trust and the Investment LP on the redemption date; less
 - (v) the aggregate value on the redemption date of any interest in the Investment LP other than Investment LP Units held by the Trust, less
 - (vi) the U.S. tax liability that would be realized by Investment LP assuming a sale of the Properties and a distribution of the net proceeds to the Trust, as determined by the Trustees.

The redemption price per Unit payable in respect of each class of Units will differ based on the proportionate interest of the Net Subscription Proceeds attributable to each class, determined as follows:

- (a) the redemption price per Class A Unit (in U.S.\$) is equal to the Redemption Value multiplied by the Proportionate Class A Interest divided by the total number of outstanding Class A Units;

- (b) the redemption price per Class F Unit (in U.S.\$) is equal to the Redemption Value multiplied by the Proportionate Class F Interest divided by the total number of outstanding Class F Units;
- (c) the redemption price per Class I Unit is equal to the Redemption Value multiplied by the Proportionate Class I Interest divided by the total number of outstanding Class I Units;
- (d) the redemption price per Class U Unit is equal to the Redemption Value multiplied by the Proportionate Class U Interest divided by the total number of outstanding Class U Units; and

in each case the redemption price shall be adjusted, as necessary, to reflect that (i) the Class F Units are subject to a lower Agents' Fee; and (ii) the Class I Units are not subject to the Agents' Fee.

The Trust will convert the U.S. dollar redemption proceeds payable on the Class A Units and Class F Units into Canadian dollars at the spot exchange rate available to the Trust in respect of such redemption proceeds and holders of Class A Units and Class F Units will receive redemption proceeds in Canadian dollars. As a result, although holders of Class A Units and Class F Units will receive Canadian dollar redemptions, the amount of such redemptions will be determined based upon the Canadian/U.S. dollar exchange rate at the time of such redemption. **The Trust is not entering into any hedging arrangements to limit the impact of changes in the Canadian/U.S. dollar exchange rate for holders of Class A Units and Class F Units and therefore holders of Class A Units and Class F Units will have full exposure to changes in the exchange rate between the Canadian and U.S. dollar.** See "Risk Factors".

The redemption price per Unit multiplied by the number of Units tendered for Redemption will be paid to a Unitholder by way of a cash payment no later than the last day of the calendar month following the calendar quarter in which the Units were tendered for redemption, provided that:

- (a) the total amount payable by the Trust by cash payment in respect of the redemption of Units for that calendar quarter will not exceed U.S.\$100,000;
- (b) the total amount payable by the Trust by cash payment in respect of the redemption of Units in any 12-month period ending at the end of that calendar quarter will not exceed 1% of the aggregate Gross Subscription Proceeds of all Units that were issued and outstanding at the start of such 12-month period; and
- (c) in the event that the Units are listed on a stock exchange or similar market, the normal trading of the Units is not suspended or halted on any stock exchange on which the Units are listed for trading on the redemption date or for more than five trading days during the 10-day trading period commencing immediately after the redemption date.

See "Risk Factors – Limited Liquidity of Units".

If any of the conditions in paragraphs (a) to (c) above preclude the payment of the redemption price in cash (and the Board does not, in its sole discretion, waive such limitation in respect of all Units tendered for redemption in any particular calendar quarter), the redemption price shall be paid and satisfied by way of an *in specie* distribution of property of the Trust and/or unsecured subordinated notes of the Trust, as determined by the Trustees in their sole discretion. Property distributed by the Trust on a redemption may be illiquid, generally will not be qualified investments for Plans and may be prohibited investments for RRSP, RRIFs and TFSAs.

In respect of a cash payment to a holder of Class A Units or Class F Units, the redemption price per Unit as determined above will be converted by the Trust into Canadian dollars at the spot exchange rate available to the Trust in respect of such redemption amount, and the resulting Canadian dollar amount will be paid to the redeeming Unitholder.

Units will be redeemed according to the order in which Redemption Notices are received.

Powers and Responsibilities of the Board of Trustees

The Board has exclusive authority to manage the operations and affairs of the Trust and to make all decisions regarding the business of the Trust, and has authority to bind the Trust. The powers, authorities and responsibilities of the Board are limited to those expressly set forth in the Trust Declaration. The Board is responsible for managing the business and administration of the Trust and the conduct of the affairs of the Trust, including without limitation:

- (a) holding Trust Property in safekeeping; retaining moneys, securities, property, assets or investments; investing moneys from time to time forming part of the Trust Property (as such term is defined in the Trust Declaration);
- (b) ensuring that the Gross Subscription Proceeds are invested in Investment LP Units and Investment LP Notes net of any expenses incurred by the Trust;
- (c) borrowing money as necessary to pay distributions to Unitholders, and encumbering Trust Property in respect thereof;
- (d) paying properly incurred expenses out of Trust Property;
- (e) depositing moneys from time to time forming part of the Trust Property in accounts;
- (f) possessing and exercising rights, powers and privileges pertaining to ownership of or interest in Trust Property;
- (g) holding legal title to Trust Property;
- (h) reinvesting income and gains of the Trust and taking other actions besides the mere protection and preservation of the Trust Property;
- (i) ensuring compliance with applicable securities legislation;
- (j) preparing and filing or causing to be prepared and filed all requisite returns, reports and filings;
- (k) monitoring the Trust's tax status as a "mutual fund trust" and, if applicable, a "real estate investment trust" within the meaning of the Tax Act;
- (l) providing all requisite office accommodation and associated facilities;
- (m) providing or causing to be provided to the Trust all other administrative and other services and facilities required by the Trust; and maintaining or causing to be maintained complete records of all transactions in respect of the investment portfolio of the Trust;
- (n) prescribing any instrument provided for or contemplated by the Trust Declaration;
- (o) remitting distributions to Unitholders;
- (p) to appoint the auditors of and registrar and transfer agent for the Trust; and
- (q) except as prohibited by law, to delegate from time to time to the Trust's employees, consultants, agents and other persons including, without limitation, the Manager, the doing of such things and the exercise of such powers as the Board may from time to time deem expedient, so long as any such delegation is not inconsistent with any of the provisions of the Trust Declaration and subject at all times to the general control and supervision of the Board as provided for therein,

all subject to the terms and conditions set out in the Trust Declaration. The Trust Declaration provides that the Board may engage or employ persons in connection with the Trust and pay to them compensation out of Trust Property and may delegate its powers, authorities and duties. Pursuant to the Management Agreement, the Manager will be responsible for providing management and administration services to the Trust and will fulfil the responsibilities listed above, subject to the oversight of the Board.

The Trust Declaration provides that any Trustee may resign upon written notice to the Trust. A Trustee may be removed at any time with or without cause by a majority of the votes cast at a meeting of the Unitholders called for that purpose or by the written consent of the Unitholders holding in the aggregate not less than a majority of the outstanding Units entitled to vote thereon or with cause by a resolution passed by an affirmative vote of not less than two-thirds of the other Trustees. Any removal of a Trustee shall take effect immediately following the aforesaid vote or resolution. A vacancy occurring among the Trustees may be filled by resolution of the remaining Trustees, as long as they constitute a quorum and a majority of the Trustees constituting quorum are, or are deemed to be, resident in Canada for purposes of the Tax Act, or by the Unitholders at a meeting of the Unitholders. In the event that an independent Trustee ceases to be a Trustee, such vacancy shall be filled by a person that would qualify as an independent Trustee.

The Trust Declaration provides that the Trustees and executive officers of the Trust (and the directors and officers of any affiliated entity) will be indemnified out of the Trust Property in respect of any civil, criminal or administrative action or proceeding to which such person is made a party by reason of being or having been a Trustee or officer or director of the Trust or such affiliated entity, and/or in respect of any and all taxes, penalties or interest in respect of unpaid taxes or other governmental charges imposed upon such parties as a result of the exercise of his or her powers or duties under the Trust Declaration. However, any such party will not be indemnified in respect of unpaid taxes or other governmental charges that result from his or her failure to act honestly and in good faith with a view to the best interests of the Trust, or as a result of his or her failure to exercise that degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where such party did not have reasonable grounds for believing that his or her conduct was lawful.

In addition, the Trust Declaration contains other customary provisions limiting the liability of the Trustees and indemnifying the Trustees in respect of certain liabilities incurred by them in the carrying out of their duties.

Each of the Trustees are required to exercise their powers and discharge their duties honestly, in good faith and in the best interests of the Trust and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Conflicts of Interest

A Trustee who directly or indirectly has a material interest in a material contract or transaction or proposed material contract or transaction with the Trust, or an affiliate of the Trust, must disclose in writing to the Trust the nature and extent of such interest forthwith after becoming aware of the material contract or transaction or proposed material contract or transaction. Such Trustee must not vote on any resolution to approve the material contract or transaction, unless the material contract or transaction is one relating primarily to his or her remuneration as a Trustee or one for indemnity or insurance. Where a Trustee fails to disclose his or her interest in a material contract or transaction, any Trustee or any Unitholder, in addition to exercising any other rights or remedies in connection with such failure exercisable at law or in equity, may apply to a court for an order setting aside the material contract or transaction and directing that the Trustee account to the Trust for any profit or gain realized, provided that if the Trustee is acting honestly and in good faith, he or she will not be accountable to the Trust or to the Unitholders for any profit or gain realized from such material contract or transaction, and such material contract or transaction will not be void or voidable and may not be set aside, if: (i) the material contract or transaction was reasonable and fair to the Trust at the time it was approved; (ii) the material contract or transaction is confirmed or approved at a meeting of the Unitholders duly called for that purpose; and (iii) the nature and extent of the Trustee's interest in such contract or transaction is disclosed in reasonable detail in the notice calling the meeting of the Board.

All decisions of the Board will require the approval of a majority of the Trustees present in person or by phone at a meeting of the Board, except for each of the following matters which will also require the approval of a majority of the independent Trustees:

- (a) an acquisition of a Property or an investment in a Property, whether by co-investment or otherwise, in which Slate or any related party of the Trust has any direct or indirect interest, whether as owner, operator or manager;
- (b) a material change to any agreement with Slate or a related party of the Trust or any renewal, extension or termination thereof or any increase in any fees (including any transaction fees) or distributions payable thereunder;
- (c) any new fees or arrangements to be entered into with Slate or any related party of the Trust not contemplated in the Management Agreement;
- (d) the entering into of, or the waiver, exercise or enforcement of any rights or remedies under, any agreement entered into by the Trust, or the making, directly or indirectly, of any co-investment, in each case with (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or other similar capacity;
- (e) the refinancing, increase or renewal of any indebtedness owed by or to (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or other similar capacity;
- (f) decisions relating to any claims by or against one or more parties to any agreement with Slate or any related party of the Trust; or
- (g) an investment in mortgages (including participating or convertible mortgages) and similar instruments by the Trust.

In connection with any transaction involving the Trust, including any transaction which requires the approval of a majority of the independent Trustees, the Board shall have the authority to retain external legal counsel, consultants or other advisors to assist it in negotiating and completing such transaction without consulting or obtaining the approval of any officer of the Trust.

Rights of Unitholders

A Unitholder has substantially all of the same protections, rights and remedies as a shareholder would have under the CBCA, except as described herein. Many of the provisions of the CBCA respecting the governance and management of a corporation have been incorporated in the Trust Declaration. For example, Unitholders are entitled to exercise voting rights in respect of their Units in a manner comparable to shareholders of a CBCA corporation, and provisions relating to the calling and holding of meetings of Unitholders included in the Trust Declaration are comparable to those of the CBCA. Unlike shareholders of a CBCA corporation, the Trust will not be required to hold annual Unitholder meetings and Unitholders do not have a comparable right of a shareholder to make a proposal at a general meeting of the Trust. The matters in respect of which Unitholder approval is required under the Trust Declaration are generally less extensive than the rights conferred on the shareholders of a CBCA corporation. Unitholders do not have recourse to a dissent right under which shareholders of a CBCA corporation are entitled to receive the fair value of their shares where certain fundamental changes affecting the corporation are undertaken (such as an amalgamation, the sale of all or substantially all of its property, or a going private transaction). As an alternative, Unitholders seeking to terminate their investment in the Trust are entitled to receive, subject to certain conditions and limitations, their proportionate share of the Trust's net assets, through the exercise of the redemption rights described above under "Redemption". Unitholders similarly do not have recourse to the statutory oppression remedy that is available to shareholders of a CBCA corporation where the corporation

undertakes actions that are oppressive, unfairly prejudicial or disregard the interests of security holders and certain other parties.

Shareholders of a CBCA corporation may apply to a court to order the liquidation and dissolution of the corporation in certain circumstances, whereas Unitholders may rely only on the general provisions of the Trust Declaration which permit the winding-up of the Trust with the approval of a Special Resolution of the Unitholders. Shareholders of a CBCA corporation may also apply to a court for the appointment of an inspector to investigate the manner in which the business of the corporation and its affiliates is being carried on where there is reason to believe that fraudulent, dishonest or oppressive conduct has occurred. The CBCA also permits shareholders to bring or intervene in derivative actions in the name of the corporation or any of its subsidiaries, with the leave of a court. The Trust Declaration does not include comparable rights.

The foregoing is a summary only of certain of the material provisions of the Trust Declaration. For a complete understanding of all of the provisions of the Trust Declaration, reference should be made to the Trust Declaration itself, a copy of which is available from the Trust.

6.2 The Investment LP

The following is a summary only of certain of the material provisions of the Investment LP Agreement. For a complete understanding of all of the provisions of the Investment LP Agreement, reference should be made to the Investment LP Agreement itself, a copy of which will be available from the Investment GP. Capitalized terms in this summary which are not defined in this Prospectus are defined in the Investment LP Agreement.

The rights and obligations of the Investment GP and the parties holding Investment LP Units will be governed by the limited partnership agreement establishing the Investment LP among the Investment GP, the Trust as the initial limited partner and all persons who subsequently become limited partners of the Investment LP holding Investment LP Units.

Capital in the Investment LP

The capital of the Investment LP will consist of an unlimited number of Investment LP Units, the interests held by the Investment GP as general partner, and the Investment LP Notes. All of the Investment LP Units and the Investment LP Notes will be held by the Trust.

Allocation of Net Income and Net Losses

Net income and net losses of the Investment LP will be allocated (except for U.S. federal income tax purposes) among the Investment GP and the Trust on the following basis:

- (a) first, 0.01% of net income or net losses will be allocated to the Investment GP; and
- (b) second, the balance of net income or net losses will be allocated to the Trust.

Cash Flow Distributions

To the extent cash flow permits, the Investment LP will pay and distribute an amount equal to all cash flow from its investment in Holding LP Units in that year after payment of all current obligations of the Investment LP including accrued and unpaid interest on the Investment LP Notes. Cash flow will be distributed on a quarterly basis as follows:

- (a) 0.01% to the Investment GP; and
- (b) 99.99% to the Trust.

Distributions upon Wind-up, etc.

Upon the liquidation, dissolution or wind-up of the Investment LP, the assets of the Investment LP will be liquidated and the proceeds thereof will be distributed as follows:

- (a) first, to pay all expenses incurred in the winding-up of the Investment LP;
- (b) second, to pay all of the liabilities of the Investment LP, including the Investment LP Notes and any other loans or advances made by their respective limited partners and any amounts owing to the Investment GP in respect of costs and expenses owing to them;
- (c) third, to establish such reserves as the Investment GP consider necessary; and
- (d) fourth, the balance to the Investment GP and the Trust.

Alternatively, the limited partners holding Investment LP Units may approve by Special Resolution distributions of all assets of the Investment LP *in specie*, in which event the Investment GP and each limited partner holding Investment LP Units shall, subject to the provisions of the Investment LP Agreements, be entitled to receive an undivided interest in each and every asset of the Investment LP in accordance with such limited partner's Proportionate Share as of the date of dissolution or sale.

Additional Capital Contributions

No limited partner of the Investment LP will be required to make additional capital contributions to the Investment LP over and above the purchase price paid for such limited partner's units.

Management of the Investment LP

The Investment GP shall have continuing exclusive authority over the management of the Investment LP, the conduct of its affairs, and the management and disposition of the property of the Investment LP, except for certain limited matters being subject to votes of the limited partners holding Investment LP Units. The Investment GP does not have any rights to vote.

Removal of the Investment GP

The Trust may, by Special Resolution and upon 60 days' written notice to the Investment GP, remove the Investment GP without cause, and may immediately remove the Investment GP for cause, if such cause is not remedied after reasonable notice from the Trust. In either such case, the Trust will appoint, concurrently with the removal, a replacement general partner to assume all of the responsibilities and obligations of the removed general partner, and the removed general partner will be released of its liabilities under the Investment LP Agreement and indemnified for any damages and expenses with respect to events which occur in relation to the Investment LP after the appointment of the new general partner.

Voting

Each Investment LP Unit will have attached to it the right to exercise one vote at meetings of the Investment LP. Certain powers, relating generally to the existence and fundamental powers of the Investment LP, will be specified in the Investment LP Agreement to be exercisable only by way of a Special Resolution passed by the limited partners holding Investment LP Units of that Investment LP.

6.2 The Holding LP

The foregoing is a summary only of certain of the material provisions of the Holding LP Agreement. For a complete understanding of all of the provisions of the Holding LP Agreement, reference should be made to the Holding LP Agreement itself, a copy of which will be available from the General Partner.

Capitalized terms in this summary which are not defined in this Prospectus are defined in the Holding LP Agreement.

The rights and obligations of the General Partner and the parties holding Holding LP Units will be governed by the limited partnership agreement establishing the Holding LP among the General Partner, the Investment LP as the initial limited partner and all persons who subsequently become limited partners of the Holding LP.

Capital in the Holding LP

The capital of the Holding LP will consist of an unlimited number of Holding LP Units, plus the interest held by the General Partner as general partner.

Participation in GP Interest

Certain holders of Class I Units may be entitled to receive a portion of the GP Interest.

Cash Flow from Operations

In each fiscal year of the Holding LP, the Holding LP will pay and distribute an amount equal to all cash flow from operations of the Properties in that year after payment of all current obligations relating to the Properties, including all current principal and interest payments under the Mortgage Loans and after the creation of reasonable working capital and capital improvement reserves as determined by the General Partner. Cash flow arising from the ordinary course of operations of the Properties will be distributed as follows:

- (a) first, the Investment LP will be distributed the amount of the Minimum Return. The Minimum Return will be calculated on a non-compounded, cumulative basis such that in the years when the Minimum Return is not available from cash flow, it will accumulate and be distributed from cash flow in subsequent years.
- (b) second, the Investment LP will be distributed its Invested Capital; and
- (c) third, the balance will be distributed as to 80% to Investment LP and 20% to the General Partner.

Net Proceeds from Refinancings, Sale or other Capital Transactions

All net proceeds received by the Holding LP from any capital transaction in respect of the Properties and the creation of a reasonable reserve as determined by the General Partner, will be allocated and distributed on the following basis:

- (a) first, in the event of a sale of a Property, to pay any costs involved in the sale and to pay all amounts required to discharge any Mortgages or encumbrances registered against the Property;
- (b) second, to pay to the Investment LP that amount which is estimated by the General Partner to be required by the Investment LP to pay any income or other taxes arising as a result of the sale;
- (c) third, to pay all current obligations of the Holding LP, including without limitation, any loans advanced by the General Partner or the Investment LP, plus accrued interest;
- (d) fourth, if the Investment LP has not received full payment of the Minimum Return, to the Investment LP until it has received the full Minimum Return;
- (e) fifth, to the Investment LP until it has received repayment in full of the Invested Capital, to the extent not already paid;

- (f) sixth, if necessary, to the Investment LP in an amount equal to any allocation of net income or net loss in excess of the Minimum Return;
- (g) seventh, if the General Partner is allocated any net income or net loss, to the General Partner until such amount is paid to the General Partner; and
- (h) eighth, the balance will be distributed 80% to the Investment LP and 20% to the General Partner.

Allocation of Net Income

Net Income of the Holding LP will be allocated among the General Partner and the Investment LP on the following basis:

- (a) to the extent that Net Income arises from operations:
 - (i) first, to the Investment LP, to the extent the cumulative amount of Net Losses from operations previously allocated to the Investment LP for all prior Fiscal Years exceeds Net Income from operations previously allocated to the Investment LP for all prior Fiscal Years;
 - (ii) second, the Investment LP shall be allocated the Minimum Return;
 - (iii) third, the Investment LP will be repaid its Invested Capital; and
 - (iv) fourth, the balance of Net Income shall be allocated 80% to the Investment LP and 20% to the General Partner;
- (b) to the extent that Net Income arises from matters other than operations, including a Refinancing or a Sale of a Property:
 - (i) first, to the Investment LP, to the extent the cumulative amount of Net Losses from matters other than operations previously allocated to the Investment LP for all prior Fiscal Years exceeds the cumulative amount of Net Income from matters other than operations previously allocated to the Investment LP for all prior Fiscal Years;
 - (ii) second,
 - (A) if the Investment LP has not received repayment in full of the Invested Capital, the Investment LP shall be allocated the Net Income until it has received repayment of the Invested Capital in full;
 - (B) if the Investment LP has received repayment in full of the Invested Capital, the Investment LP shall be allocated the Minimum Return; and
 - (iii) third, the balance of Net Income shall be allocated 80% to the Investment LP and 20% to the General Partner.

Allocation of Net Loss

Net loss of the Holding LP will be allocated among the General Partner and the Investment LP on the following basis:

- (a) to the extent that Net Loss arises from operations:

- (i) first, 80% to the Investment LP and 20% to the General Partner in an amount equal to the excess, if any, of (i) the cumulative Net Income from operations allocated to the Investment LP and General Partner for all prior Fiscal Years over (ii) the cumulative Net Losses from operations allocated to the Investment LP and General Partner for all prior Fiscal Years;
 - (ii) second, 100% to the Investment LP, in an amount equal to the excess if any, of (i) the cumulative Net Income from operations allocated to the Investment LP for all prior Fiscal Years over (ii) the cumulative Net Losses from operations allocated to the Investment LP for all prior Fiscal Years; and
 - (iii) then, 100% to the Investment LP.
- (b) to the extent that Net Loss arises from matters other than operations, including a Refinancing or a Sale of a Property:
 - (i) first, 80% to the Investment LP and 20% to the General Partner in an amount equal to the excess, if any of (i) the cumulative Net Income from matters other than operations allocated to the Investment LP for all prior Fiscal Years over (ii) the cumulative Net Losses from matters other than operations allocated to the Investment LP for all prior Fiscal Years;
 - (ii) second, 100% to the Investment LP, the excess if any, of (i) the cumulative Net Income from matters other than operations allocated for all prior Fiscal Years over (ii) the cumulative Net Loss from matters other than operations allocated pursuant to the Investment LP; and
 - (iii) then, 100% to the Investment LP.

Allocation of Income and Losses for Tax and Accounting Purposes

For tax and accounting purposes, losses for each fiscal year of the Holding LP will be allocated first to the Investment LP to the extent of its equity account (being its Invested Capital less prior loss allocations and distributions plus prior income allocations and contributions). For tax and accounting purposes, net income for each fiscal year of the Holding LP will be allocated to the limited partners and the General Partner in the same manner and in the same priorities in which cash flow from operations and distributions of net proceeds from refinancings, sale or other capital transactions are ultimately distributed to such partners (excluding returns of capital and repayments of loans), subject to adjustments for prior loss allocations and such other adjustments as necessary to be made on a cumulative basis and subject to adjustments necessary to meet the U.S. federal income tax standards.

Additional Capital Contributions

No limited partner is required to make additional capital contributions to the Holding LP over and above the purchase price paid for such limited partner's Holding LP Units.

Distributions Upon Wind-up, etc.

Upon the liquidation, dissolution or wind-up of the Holding LP, the assets of the Holding LP will be liquidated and all proceeds thereof collected by the General Partner, and all such proceeds shall be distributed as follows:

- (a) in the event that dissolution occurs upon the sale of the last of the Properties owned by the Holding LP, to pay any costs involved in the sale and to pay all amounts required to discharge any mortgages or encumbrances registered against the assets;

- (b) to pay all expenses incurred in the winding-up of the Holding LP;
- (c) to pay all of the liabilities of the Holding LP, including any loans or advances made by the Investment LP and any amounts owing to the General Partner in respect of costs and expenses owing to it pursuant to the Holding LP Agreement;
- (d) to establish such reserves as the General Partner considers necessary;
- (e) to return to the Investment LP the amount of the Investment LP's Invested Capital;
- (f) to return to the General Partner the balance in its capital account;
- (g) to pay to the Investment LP any unpaid portion of their Minimum Return; and
- (h) to distribute any balance then remaining 80% to the Investment LP and 20% to the General Partner.

Management of the Holding LP

Under the terms of the Holding LP Agreement, the General Partner is given full power and authority to manage, control, administer and operate the business of the Holding LP, except for certain matters being subject to votes of the limited partners. No limited partner is permitted to take part in the management of the business of the Holding LP. The General Partner has unlimited liability for the debts, liabilities and obligations of the Holding LP. A limited partner will not be liable for any debts, liabilities or obligations of either of the Holding LP in excess of such limited partner's paid capital contributions and any unpaid capital contributions agreed to be paid in respect of such limited partner's Holding LP Units, provided such limited partner does not take part in the control or management of the business of a Holding LP. The Trust, the Investment LP and the Holding LP have entered into the Management Agreement with the Manager to provide for the Management of the Holding LP

Removal of the General Partner

The limited partners may, by Special Resolution and upon 60 days' written notice to a General Partner, remove the General Partner as general partner of the Holding LP without cause, and may immediately remove the General Partner as general partner of the Holding LP for cause, if such cause is not remedied after reasonable notice from the limited partners. In either case, the limited partners will appoint, concurrently with the removal, a replacement general partner to assume all of the responsibilities and obligations of the removed General Partner, and the removed General Partner will be released of its liabilities under the Holding LP Agreement and indemnified for any damages and expenses with respect to events which occur in relation to the Holding LP after the appointment of the new general partner. The removal and replacement of the General Partner will not dissolve the Holding LP, and the business of the Holding LP will be continued by a new general partner.

Voting

Each of the Holding LP Units has attached to it the right to exercise one vote at meetings of the Holding LP. Certain powers, relating generally to the existence and fundamental powers of the Holding LP, are specified in the Holding LP Agreement to be exercisable only by way of a Special Resolution passed by the limited partners thereof.

Joint Ventures and other Ownership Structures

The Holding LP may invest a portion of the net proceeds from the issuance of Holding LP Units in joint ventures, partnerships, or other similar investment vehicles, through which the Holding LP will join with a third party investor which has a combination of investment capital, local knowledge or experience in the marketplace in which a Property is located, in order to broaden the number of Properties in which the Holding LP has an interest and enhance the return on the Holding LP's capital and the investor's yield.

7. CAPITALIZATION

7.1 Existing and Proposed Capitalization

The following table summarizes information about the outstanding securities of the Trust:

Description of Security	Number authorized to be issued	Number outstanding and carrying value as at September 27, 2012	Number outstanding and carrying value after Offering	
			(Assuming Minimum Offering)	(Assuming Maximum Offering)
Initial contribution by Blair Welch as settlor	unlimited	1 (U.S.\$10)	1 (U.S.\$10)	1 (U.S.\$10)
Class A Units, Class F Units and Class U Units	unlimited	Nil	U.S.\$10,000,000 ⁽¹⁾	U.S.\$50,000,000 ⁽¹⁾
Class I Units	unlimited	Nil	U.S.\$1,000,000	U.S.\$1,000,000

Note:

⁽¹⁾ The number of Class A Units, Class F Units and Class U Units outstanding after the Offering will be the number of Class A Units, Class F Units and Class U Units purchased which equal U.S.\$10,000,000 in the case of the Minimum Offering and U.S.\$50,000,000 in the case of the Maximum Offering.

7.2 Long-Term Debt

Neither the Trust nor the Investment LP has had any earnings to date, and neither currently has any outstanding long-term debt. The Holding LP has not had any earnings to date, and currently has no outstanding long-term debt. It is anticipated that upon the acquisition of the Properties, the Holding LP (or its subsidiaries) will incur Mortgage Loans in the aggregate principal amount of approximately U.S.\$19,147,143 (assuming the completion of the Minimum Offering) and U.S.\$88,873,572 (assuming the completion of the Maximum Offering). Lenders for the Loans are expected to be U.S.-based banks, life insurance companies and pension funds unrelated to the Manager. The General Partner will target an overall loan-to-value ratio (of mortgage loans) of not more than 60% to 70% of the purchase price of the Properties, plus the amount of any property improvement reserve account approved by the Lenders. However, the General Partner, having regard to all of the circumstances including the potential value of the Properties identified for investment, may cause the overall loan-to-value ratio of the Mortgage Loans to exceed this threshold. Such non-recourse loans will generally be for terms of three to five years, with fixed interest rates calculated with reference to the interest rate on a government bond with a similar term, plus an amount determined in accordance with market factors. The Mortgage Loans will be secured by mortgages registered on the Properties in respect of which the loans were advanced.

8. PRIOR SALES

There have been no prior sales of units of the Trust, other than the initial unit issued to Blair Welch on settlement of the Trust.

9. PRINCIPAL SECURITY HOLDERS

After giving effect to the Offering, to the best of the knowledge of the Board and the executive officers of the Trust, no persons will own, directly or indirectly, or exercise control or direction over Units carrying more than 9.9% of the votes attached to the issued and outstanding Class A Units, Class F Units, Class I Units, or Class U Units, respectively.

10. TRUSTEES AND OFFICERS

10.1 Name, Address, Occupation and Security Holdings

The following are the names, ages and municipalities of residence of the trustees and executive officers of the Trust, their respective offices with the Trust and their principal occupations during the past five years.

Name, Age, and Municipality of Residence	Position Held with Trust	Principal Occupation
Samuel Altman Age: 54 Montreal, Québec	Independent Trustee	President of Joddes Limited
Patrick Flatley Age: 48 Etobicoke, Ontario	Independent Trustee	Senior Vice President, Fidelity National Title Insurance Co.
Peter Tesché Age: 65 Fort Lauderdale, Florida	Independent Trustee	Director, Capital Markets, Pensam Capital, LLC
Blair Welch Age: 40 Burlington Ontario	Trustee and Chief Executive Officer of the Trust	Executive Officer of Slate Properties Inc.
Brady Welch Age: 43 Burlington, Ontario	Trustee and Chief Financial Officer of the Trust	Executive Officer of Slate Properties Inc.

Personal Profiles

Set out below is a biography of each of the Trustees and officers of the Trust. While the Trustees and officers of the Trust have significant experience in commercial real estate and private equity in Canada and the U.S., their direct experience in the type of commercial real estate properties targeted by the Trust is more limited. Investors are cautioned that the experience of the Trustees and officers of the Trust may not be relevant to the acquisition of anchored retail properties in the U.S. or to their achievement of the investment objectives of the Trust. See “Risk Factors – Experience of Trustees and Officers”.

Samuel Altman, Independent Trustee. Mr. Altman is the President of Joddes Limited, a Canadian-based investment company with major positions in several healthcare companies. Through this role, he is familiar with the U.S. tax (both corporate and personal) and securities regulatory environment, and, in particular, cross border issues. Mr. Altman is also a trustee of SUSO 1 and an Adjunct Partner with Signet Healthcare Partners. Prior to joining Signet Healthcare Partners, from 2003 to 2005, Mr. Altman was President and Chief Executive Officer of Pendopharm Inc., a Montreal-based OTC and pharmaceutical contract manufacturer, and was an independent consultant where he served and advised healthcare, and industrial marketing clients on strategy, corporate development and mergers and acquisitions. From 1993 to 1996, Mr. Altman led corporate strategy and investment for Scott’s Hospitality Inc. as Senior Vice President, Corporate Development. From 1987 to 1993, Mr. Altman was a management consultant at McKinsey and Company where he where he helped develop a real estate strategy for a leading Canadian retail chain and advised several U.S. based department store chains and mass merchants and, more generally, advised industrial and retail marketing clients across North America, Mexico and Europe. Mr. Altman received his J.D. (law) from Queen’s University, Kingston, Canada and his MBA from Johnson Graduate School of Management at Cornell University. He is a CFA charter holder and is a member of the Law Society of Upper Canada. Since 2006, Mr. Altman has invested in five U.S. focused real estate private equity funds, including a significant investment in Slate’s GAR I and SUSO 1. In addition, Mr. Altman has managed a substantial (institutional level) U.S. based investment portfolio.

Patrick Flatley, Independent Trustee. Mr. Flatley is a Senior Vice President of New York-based Fidelity National Title Insurance Co. where he represents the interests of Canadian commercial real estate owners and operators

completing cross border transactions. In this role Mr. Flatley has completed over 75 commercial title insurance policies in the U.S. for clients including Brookfield Properties, Cadillac Fairview, the Canada Pension Plan and Oxford Properties. In addition, Mr. Flatley is a trustee of SUSO 1 and, since 1998, has been a Partner of KenAidan Realty, a Toronto-based real estate developer. As a Founding Partner of Great American Bagel Enterprise, Mr. Flatley has sourced and secured retail locations for the company in various U.S. locations, including Chicago, Illinois; Naples, Florida; and Seattle, Washington. Great American Bagel Enterprise when combined with its Canadian counterpart, has 125 retail locations across North America. Prior to his career in the commercial real estate business, Mr. Flatley was a professional hockey player, whose NHL career spanned 14 seasons and 780 games, including four seasons as Captain of the New York Islanders. Mr. Flatley continues his involvement in professional hockey, working with the NHL, NHLPA, and MSG Networks in recent years.

Peter Tesché, Independent Trustee. Mr. Tesché serves as Director of Capital Markets for Pensam Capital LLC. He coordinates placement of new loan and equity investments with both existing as well as an expanding list of new investment partners of Pensam Capital. In his role, Mr. Tesché spends considerable time meeting with investors in South Florida and in Canada. Mr. Tesché is also a trustee of SUSO 1. Until May 2000, he was Managing Director at Deutsche Bank Canada, the successor to the Canadian subsidiary of Bankers Trust Company where he had been for 18 years prior to the June 1999 merger of the two institutions. Mr. Tesché created and ran a real estate merchant and investment banking function for the bank in Canada. Between 2000 and 2009 while based in Toronto, he acted as principal in his own corporate finance advisory firm, where Mr. Tesché raised capital in a variety of industries including financial services and real estate investment. Previously, Mr. Tesché held senior management positions with financial institutions in the U.S., Mexico and Brazil. Mr. Tesché received his B.A. from Allegheny College and attended the Graduate School of Business at the University of Pittsburgh. He is a CFA charter holder and an active member of the CFA Society of South Florida. He is also a past member of the Urban Land Institute (ULI).

Blair Welch, Chief Executive Officer and Trustee. Mr. Welch has over 17 years of experience in the real estate industry in North America and Asia and serves as chief executive officer and as a trustee of SUSO 1. Prior to co-founding Slate in 2004, Mr. Welch worked with First National Financial Corporation from 2002 until 2005 where he was responsible for developing a successful Canadian commercial mortgage-backed securities program and obtaining its rating as Master and Special Servicer. Prior to that, from 2001 to 2002, Mr. Welch was employed as a consultant by the General Motors Acceptance Corporation Commercial Mortgage to underwrite commercial assets for securitization. Initially based out of Atlanta, Georgia, and with a mandate to focus on assets across the U.S., Mr. Welch engaged property appraisers, environmental consultants and structural engineers underwriting retail, office, industrial, multi-family and hospitality assets. Mr. Welch also worked with General Motors Acceptance Corporation Commercial Mortgage in Toronto to assist with their Canadian commercial mortgage-backed securities program. Prior to that period, from 1997 to 2000, Mr. Welch was a Vice President and original member of New York-based Fortress Investment Group, spending time in Tokyo and Toronto, where he was responsible for originating office, retail, industrial and hospitality investment opportunities throughout both the U.S. and Canada. Mr. Welch began his career in the corporate finance group of Bankers Trust in New York and Toronto from 1996 to 1997, where he identified acquisition opportunities, oversaw due diligence, supervised property managers and leasing professionals, analyzed and approved capital expenditures and helped raise debt and equity capital for a variety of U.S. real estate clients. Mr. Welch also worked with Brazos Advisors (now Lonestar), participating in direct investment, securitization and corporate debt transactions in the U.S. and Canada. Mr. Welch holds a B.Com. from the University of British Columbia.

Brady Welch, Chief Financial Officer and Trustee. Mr. Welch has over 17 years of experience in the real estate industry in North America and Europe across a variety of asset classes, including office, industrial, multi-family and retail and serves as chief financial officer and a trustee of SUSO 1. He has spent the majority of his career managing real estate portfolios for large U.S. private equity firms. Prior to co-founding Slate in 2004, he held senior management positions with Fortress Investment Group from 1998 to 2005, including acting as a Vice-President and Managing Director, where he was responsible for overseeing all direct investments in commercial real estate in the U.S. In this capacity, Mr. Welch identified acquisition opportunities, underwrote asset values, oversaw due diligence, negotiated purchase and sale agreements, selected lenders and negotiated financing terms, supervised property managers and third party leasing professionals, approved large leasing contracts, approved capital expenditures, prepared annual operating budgets, provided updates on operating performance and developed and executed asset disposition strategies. During his eight year tenure at Fortress, Mr. Welch was involved in a significant number of real estate investments across retail, office, industrial, multi-family and hospitality asset

classes. From 1997 until 1998, Mr. Welch managed the joint venture investments of Truscan (the former real estate arm of Canada Trust) in Class A office towers in Canada's five major urban markets. Mr. Welch began his career in the mid-1990s with Brazos Advisors (now Lonestar), participating in the acquisition and work-out of Canadian distressed real estate loan pools from insurance companies and financial institutions. Mr. Welch holds a B.Com. from Mount Allison University.

Immediately after the closing of the Offering, the Trustees and executive officers of the Trust, as a group, are expected to beneficially own, directly or indirectly, or exercise control or direction over a minimum of approximately 350,000 Class I Units, representing an approximate minimum 6.42% effective interest in the Trust assuming the completion of the Maximum Offering. No Trustee or executive officer of the Trust is expected to beneficially own, directly or indirectly, or exercise control or direction over any Class A Units, Class F Units or Class U Units.

10.2 Insurance Coverage for Directors and Officers and Indemnification

The Trust and its subsidiary entities will obtain or cause to be obtained a policy or policies of insurance for the trustees and officers of each of the Trust and each corporate subsidiary entity. Under such policy or policies, each entity will have reimbursement coverage to the extent that it has indemnified the Trustees and officers. The policy or policies will include securities claims coverage, insuring against any legal obligation to pay on account of any securities claims brought against the Trust and its subsidiary entities, and their trustees, directors and officers. In addition, the Trust and its subsidiary entities will each indemnify its trustees, directors and officers from and against liability and costs in respect of any action or suit brought against them in connection with the execution of their duties of office.

11. THE MANAGER AND THE MANAGEMENT AGREEMENT

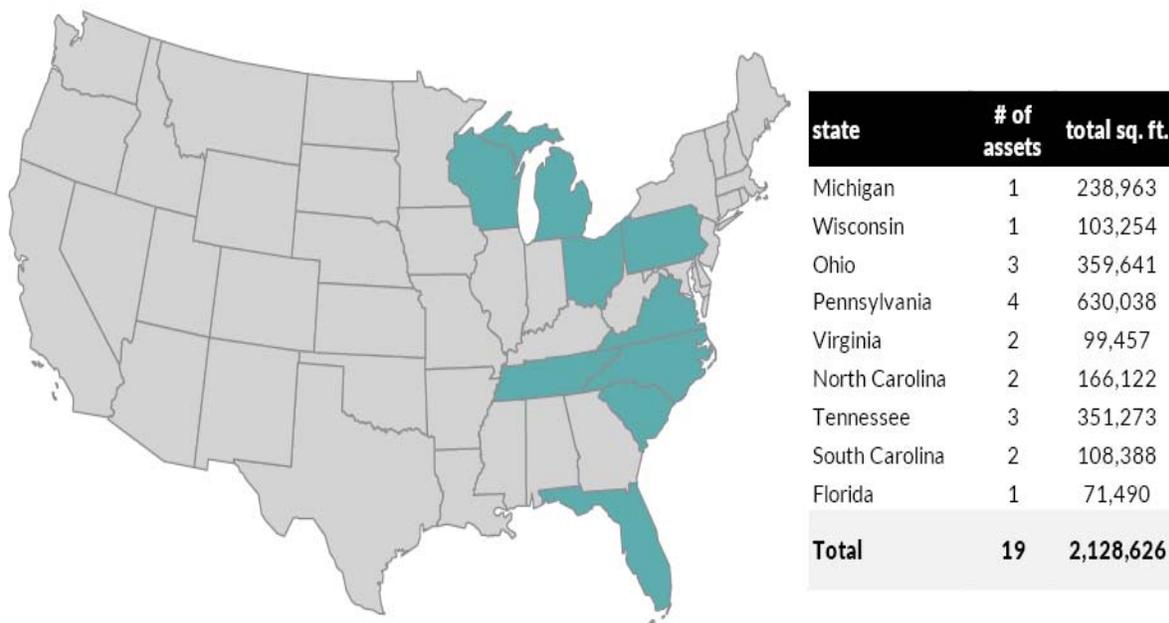
11.1 The Manager

The Trust is managed by Slate Properties Inc. (the "**Manager**"), a Toronto-based commercial real estate investor and asset manager that was incorporated under the laws of the Province of Ontario. The head office, registered office and principal business address of the Manager is 80 Richmond Street West, Suite 1300, Toronto, Ontario, M5H 2A4. The Manager is principally owned by Blair Welch and Brady Welch. See the biographies of Blair Welch and Brady Welch above under "Trustees and Officers – Personal Profiles".

The Manager employs a value oriented real estate investment philosophy. Slate's principals, Blair Welch and Brady Welch, have significant experience recognizing undervalued properties, acquiring such properties, enhancing value through refurbishment, repositioning and re-tenanting, and realizing value through diversified individual asset or portfolio sales on behalf of both private and institutional investors.

The Manager employs a dedicated acquisition team which over the past 30 months has established itself as an active market participant in the anchored retail property segment in secondary U.S. markets. As further described below, the Manager is also the manager of SUSO 1 which has near identical investment objectives, operating guidelines and strategy as the Trust.

Since the second quarter of 2011, the Manager has been actively expanding its presence throughout the Eastern U.S in the grocery-anchored retail asset class. In total, funds managed by Slate own 13 grocery-anchored retail properties and have unconditional purchase commitments to acquire an additional six grocery-anchored retail properties, all of which are located in the U.S. and which together represent over 2.1 million square feet of gross leasable area ("**GLA**") across nine states. The following map shows the states within which funds managed by Slate currently own or have entered into agreements to purchase grocery-anchored retail properties and the number of properties and square footage located in each such state:



In addition to the experience of Blair Welch and Brady Welch, the Manager’s team has experience in real estate acquisition, dispositions, financing and administration, property and asset management, construction and re-development.

Slate believes that the current operating platform of the Manager coupled with its expertise as a real estate investor and asset manager will be a competitive advantage of the Trust in its objective to invest in direct real estate investment opportunities. By targeting anchored retail properties in secondary U.S. markets, applying Slate’s investment strategy and leveraging its relationships with a network of U.S.-based brokers, Slate believes that there is an unprecedented opportunity to take advantage of undervalued U.S. real estate assets.

11.2 The Management Agreement

Pursuant to the terms of a management agreement to be entered into among the Trust, the Investment LP, the Holding LP and the Manager (the “**Management Agreement**”), the Manager has been appointed as the sole and exclusive manager of the affairs of the Trust. The Manager will provide the Trust with the strategic, advisory, asset management, administrative, property management, leasing, construction management and administrative services necessary to manage the day-to-day operations of the Trust and the Properties. In carrying out its obligations under the Management Agreement, the Manager will be required to exercise its powers and discharge its duties diligently, honestly, in good faith and in the best interests of the Trust, including exercising the standard of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

The services to be provided by the Manager under the terms of the Management Agreement include, without limitation: (a) the structuring of the Offering, the Trust the Investment LP and the Holding LP, (b) liaising with legal and tax counsel, (c) identifying Properties for acquisition, (d) maintaining ongoing relationships with the Lenders in respect of the Mortgage Loans for the Properties, (e) conducting continuous analysis of market conditions to monitor the Holding LP’s investment in the Properties, (f) advising the Holding LP with respect to the disposition of the Properties, (g) providing investor communication and reporting services to the Holding LP, and (h) doing all such other acts or things and entering into agreements or documents on behalf of the Trust to seek to achieve the investment objectives of the Trust.

Notwithstanding the above, it may at times be prudent for the Manager to delegate certain of its responsibilities under the Management Agreement to third party providers. In the event that the Manager was to

outsource any of its obligations under the Management Agreement, such delegation will be done at the expense of the Manager and will not relieve the Manager of its obligations under the Management Agreement.

The personnel engaged by the Manager will not be employees of the Trust. The Manager will provide such administrative, executive and management personnel as may be reasonably necessary to perform its obligations by using its own employees and will therefore be responsible for all employment matters with respect to such employees. Pursuant to the terms of the Management Agreement, the Manager will bear all costs and expenses incurred by the Manager in connection with all salaries, employee expenses, office rent and equipment, and other expenses customarily considered to be overhead expenses. The Manager will provide the services of each of Blair Welch, as Chief Executive Officer, and Brady Welch, as Chief Financial Officer, to the Trust.

The term of the Management Agreement will continue, subject to earlier termination in certain circumstances, until the earlier of the sale of Properties or the winding-up or dissolution of the Holding LP, the Investment LP and the Trust and December 31, 2022. The Management Agreement can be terminated early in certain circumstances, including (i) upon the dissolution, liquidation, bankruptcy, insolvency or winding-up of the Manager; and (ii) in the event that both of Blair Welch and Brady Welch are no longer associated with the Manager.

The Management Agreement contains indemnification provisions whereby the Trust indemnifies the Manager against any loss, expense, damage or injury suffered in the scope of its authority under the Management Agreement, provided the same does not result from wilful misconduct, bad faith, gross negligence or breach of its standard of care owed under the Management Agreement. In addition, under the Management Agreement, the Manager indemnifies the Trust against any loss, expense, damage or injury suffered as a result of the Manager's wilful misconduct, bad faith, gross negligence or breach of its standard of care owed under the Management Agreement.

For its services, the Manager will be paid the following fees:

- (a) In consideration for providing management services, the Holding LP will pay the Manager an asset management fee (the "**Asset Management Fee**"), in an annual amount, equal to 1.0% of the Gross Subscription Proceeds, plus an amount equal to 0.5% of the Gross Subscription Proceeds (which amount will be used by the Manager to pay the Service Fee). The Asset Management Fee is payable on the last day of each month during the term of the Management Agreement in an amount equal to 1/12th of the annual Asset Management Fee.
- (b) In consideration for providing financing and other services in connection with the acquisition of the Properties, the Holding LP will pay the Manager an acquisition fee (the "**Acquisition Fee**"), in an amount equal to 0.75% of the gross purchase price of each Property (or interest in a Property), including the price, due diligence costs, closing costs, legal fees, and additional capital costs for all Properties indirectly acquired by the Trust.

Slate U.S. Opportunity (No. 1) Realty Trust

In April 2012, SUSO 1, with Slate Properties Inc. as manager, completed its initial public offering and related private placement of trust units for total gross proceeds of approximately U.S.\$57,030,000. Additionally, in September 2012, Slate U.S. Opportunity (No. 1) Holding L.P. a subsidiary of SUSO 1, entered into a U.S.\$100 million credit facility with KeyBanc Capital Markets and CIBC as joint lead arrangers. The credit facility matures on September 13, 2015 with two one-year extension options and bears interest at a rate of LIBOR plus 300 basis points or Prime Rate plus 200 basis points. SUSO 1 intends to use the proceeds of the credit facility together with the proceeds from its initial public offering and related private placement to fund existing and future acquisitions and for general purposes.

The investment objectives of SUSO 1 are to: (a) indirectly acquire, own and lease a portfolio of diversified revenue-producing commercial real estate properties in the U.S. with a focus on anchored retail properties; (b) make quarterly distributions commencing upon the earlier of (i) the end of the fiscal quarter in which the Investable Funds (as defined in the Prospectus) are substantially invested and (ii) December 31, 2012; and (c) enhance the potential

for long-term growth of capital through value-added enhancements to the properties owned indirectly by the Trust and organic growth in rental rates, combined with an overall reduction in capitalization rates.

To date, SUSO 1 has acquired seven properties with an aggregate purchase price of U.S.\$64,075,000 and has also entered into binding agreements to purchase an additional six properties for an aggregate purchase price of U.S.\$67,340,000 which are scheduled to close before the end of 2012, subject to customary closing conditions. Thus, the aggregate purchase price for both acquired and committed transactions amounts to U.S.\$131,415,000. Assuming these six additional properties are acquired, for the 12 months ended November 30, 2013, Slate anticipates that SUSO 1's net operating income will be U.S.\$10,900,000 and its adjusted funds from operations will be approximately U.S.\$6,100,000. Under this scenario, Slate will have invested U.S.\$45,600,000 of equity in acquisitions for a total purchase price of U.S.\$131,415,000. When the costs associated with the acquisition of these properties are taken into consideration (which costs include, but are not limited to, agents' commissions, professional fees, financing and acquisition fees, reserves and other closing costs) assuming the closing of the committed acquisitions, SUSO 1 will have deployed almost 98% of its available capital and will have only U.S.\$3,168,170 left to deploy. On this basis, immediately following closing, Slate will be in a position to commence sourcing acquisitions for the Trust (provided that to the extent an acquisition has a purchase price equal to or less than the funds remaining to be deployed in SUSO 1 at any time, such Property will be acquired by SUSO 1).

The table below describes the seven properties acquired by SUSO 1 to date and the six properties for which it has unconditional purchase agreements.

Completed Acquisitions						
Property	Location	Area (sq.ft)	Purchase Price (per sq. ft.)	Purchase Date	Cap Rate	Anchor(s)
Highland Square	Crossville, TN	179,243	U.S.\$12,250,000 (U.S.\$68)	July 2012	8.5%	Kroger, Tractor Supply Co.
Errol Plaza	Orlando, FL	71,490	U.S.\$6,125,000 (U.S.\$86)	July 2012	8.3%	Winn-Dixie
St. Elmo Central	Chattanooga, TN	74,978	U.S.\$6,100,000 (U.S.\$81)	August 2012	10.3%	BI-LO, CVS, Family Dollar
Triangle Food Lion	Charlotte, NC	41,349	U.S.\$2,150,000 (U.S.\$52)	August 2012	9.1%	Food Lion
County Line Plaza	Philadelphia, PA	75,640	U.S.\$9,600,000 (U.S.\$127)	September 2012	8.0%	Food Basics, Big Lots
North Pointe	Columbia, SC	64,255	U.S.\$7,850,000 (U.S.\$122)	September 2012	8.2%	Publix
Summit Ridge	Mount Pleasant, PA	227,733	U.S.\$20,000,000 (U.S.\$88)	October 2012	8.1%	Walmart
Total Purchase Price			U.S.\$64,075,000			
Committed Acquisitions						
Property	Location	Area (sq.ft)	Purchase Price (per sq. ft.)	Purchase Date	Cap Rate	Anchor(s)
Westhaven Town Center ⁽¹⁾	Franklin, TN	97,052	U.S.\$14,500,000 (U.S.\$149)	Q4 2012	8.2%	Harris Teeter
Gaston Marketplace ⁽¹⁾	Gaston, SC	44,133	U.S.\$4,900,000 (U.S.\$111)	Q4 2012	8.4%	Food Lion, Family Dollar
Fuquay Crossing ⁽¹⁾	Fuquay-Varnia, NC	124,773	U.S.\$13,100,000 (U.S.\$105)	Q4 2012	8.7%	Kroger
Bowling Green Plaza ⁽¹⁾	Bowling Green, VA	49,850	U.S.\$2,790,000 (U.S.\$56)	Q4 2012	8.9%	Food Lion, Family Dollar
Madison Plaza ⁽¹⁾	Madison, VA	49,607	U.S.\$5,150,000 (U.S.\$104)	Q4 2012	8.7%	Food Lion, Family Dollar
Cambridge Crossing ⁽¹⁾	Troy, MI	238,963	\$26,900,000 (U.S.\$113)	Q4 2012	8.0%	Walmart
Total Purchase Price:			U.S.\$67,340,000			
TOTAL		1,339,066	U.S.\$131,415,000 (U.S.\$98)		8.4%	

Note:

⁽¹⁾ SUSO 1 has entered into purchase and sale agreements regarding these properties and has waived conditions under such purchase and sale agreements. These acquisitions are expected to close in the third and fourth quarter of 2012.

Assuming that the six grocery-anchored retail properties for which Slate has entered into committed purchase agreements close as anticipated, anchor tenants (defined as those tenants with a GLA equal to or greater than 20,000 square feet) are expected to account for approximately 60% of SUSO 1's gross revenue for the 12 months ended November 30, 2013. The following table shows the 13 grocery anchor tenants that together are expected to comprise approximately 83% of SUSO 1's anchor tenant gross revenue for the 12 months ending November 30, 2013:

Grocer	Average Term Remaining (years)	% Total Anchor Revenue ⁽¹⁾
Walmart	7.6	31%
Delhaize Group	7.5	14%
Kroger Co.	8.2	12%
BI-LO/Winn-Dixie	4.4	10%
Publix	4.4	7%
A&P	3.4	5%
Harris Teeter	17.0	4%
	7.5⁽²⁾	83%

Note:

⁽¹⁾ Total revenue derived from anchor tenants (defined as those tenants with a GLA equal to or greater than 20,000 square feet) is expected to comprise 60% of total portfolio revenue for the 12 months ended November 30, 2013. The percentages in each row represent each grocer's proportionate share of total portfolio revenue derived from anchor tenants.

⁽²⁾ This figure is calculated as a weighted average remaining term (by GLA) for the 13 anchor tenants.

Closed Acquisitions

Highland Square

On July 16, 2012, SUSO 1 completed the acquisition of Highland Square in Crossville, Tennessee. Highland Square is anchored by Kroger supermarket, and other tenants include Tractor Supply Co., Dunham's Sporting Goods, and Goody's as junior anchors. The junior anchors backfilled 100% of an old format Walmart location between 2005 and 2011 which speaks to the asset's desirability. Kroger has consistently performed well with very high sales per square foot.



Photo: Highland Square – Crossville, TN

Property:	Highland Square
Location:	Crossville, TN
Size – Square Feet (Acres):	179,243 (25.1)
Year Built (Remodelled):	1988 (2005)
Anchor Tenants:	Kroger, Tractor Supply Co., Dunham’s, Goody’s

Weighted Average Remaining Lease Term:	5.9 years
Occupancy (as of September 27, 2012):	94%
Purchase Price (per square foot):	U.S.\$12,250,000 (\$68)
Cap Rate:	8.5%

Errol Plaza

On July 17, 2012, SUSO 1 completed the acquisition of Errol Plaza in Apopka, Florida (Greater Orlando). The property has recently undergone a major capital renovation to position it for new growth in the area. A “ring road” is currently being constructed which will enhance the trade area. Winn-Dixie performs well in this mature market which already contains all national retailers.



Photo: Errol Plaza – Apopka, FL (Greater Orlando)

Property:	Errol Plaza
Location:	Apopka, FL (Orlando)
Size – Square Feet (Acres):	71,490 (8.0)
Year Built (Remodelled):	1986 (2011)
Anchor Tenant:	Winn-Dixie

Weighted Average Remaining Lease Term:	5.6 years
Occupancy (as of September 27, 2012):	96%
Purchase Price (per square foot):	U.S.\$6,125,000 (\$86)
Cap Rate:	8.3%

St. Elmo Central

On August 15, 2012, SUSO 1 completed the acquisition of St. Elmo Central in Chattanooga, Tennessee. The property is well established in the neighbourhood and serves a broad market. Chattanooga has seen solid growth in jobs. Volkswagen recently completed the development of their North American plant in Chattanooga.



Photo: St. Elmo Central – Chattanooga, TN

Property:	St. Elmo Plaza
Location:	Chattanooga, TN
Size – Square Feet (Acres):	74,978 (10.3)
Year Built (Remodelled):	1995
Anchor Tenants:	BI-LO, CVS Pharmacy, Family Dollar

Weighted Average Remaining Lease Term:	3.6 years
Occupancy (as of September 27, 2012):	100%
Purchase Price (per square foot):	U.S.\$6,100,000 (\$81)
Cap Rate:	10.3%

Triangle Food Lion

On August 15, 2012, SUSO 1 completed the acquisition of Triangle Food Lion in Concord, North Carolina (Greater Charlotte). The property has recently been remodelled and is 100% leased to Food Lion on a completely net basis.



Photo: Triangle Food Lion – Concord, NC (Greater Charlotte)

Property:	Triangle Food Lion
Location:	Concord, NC (Charlotte)
Size – Square Feet (Acres):	41,349 (3.6)
Year Built	1983 (2012)

Weighted Average Remaining Lease Term:	6.2 years
Occupancy (as of September 27, 2012):	100%
Purchase Price (per square foot):	U.S.\$2,150,000 (\$52)
Cap Rate:	9.1%

(Remodelled):	
Anchor Tenant:	Food Lion

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County Line Plaza

On September 10, 2012, SUSO 1 completed the acquisition of County Line Plaza in Philadelphia, Pennsylvania. The property is 100% occupied, anchored by Food Basics and Big Lots, and located in a mature in-fill area with strong historical occupancy and many major national retailers present.



Photo: County Line Plaza – Philadelphia, PA

Property:	County Line Plaza
Location:	Philadelphia, PA
Size – Square Feet (Acres):	75,649 (7.7)
Year Built (Remodelled):	1997 (2006)
Anchor Tenant:	Food Basics, Big Lots

Weighted Average Remaining Lease Term:	4.0 years
Occupancy (as of September 27, 2012):	100%
Purchase Price (per square foot):	U.S.\$9,600,000 (\$127)
Cap Rate:	8.0%

North Pointe

On September 24, 2012, SUSO 1 completed the acquisition of North Pointe, a grocery-anchored retail centre in Columbia, South Carolina. The asset is 100% occupied, anchored by Publix.



Photo: North Pointe – Columbia, SC

Property:	North Pointe
Location:	Columbia, SC
Size – Square Feet (Acres):	64,255 (7.4)
Year Built (Remodelled):	1982 (1997)
Anchor Tenant:	Publix

Weighted Average Remaining Lease Term:	4.5 years
Occupancy (as of September 27, 2012):	100%
Purchase Price (per square foot):	U.S.\$7,850,000 (\$122)
Cap Rate:	8.2%

Summit Ridge

On October 2, 2012, SUSO 1 completed the acquisition of Summit Ridge, a Walmart-anchored retail centre in Mount Pleasant, Pennsylvania (Greater Pittsburgh). The property is 100% occupied.



Photo: Summit Ridge – Mount Pleasant, PA (Greater Pittsburgh)

Property:	Summit Ridge
Location:	Mount Pleasant, PA (Pittsburgh)
Size – Square Feet (Acres):	227,733 (35.0)
Year Built (Remodelled):	1999
Anchor Tenant:	Walmart

Weighted Average Remaining Lease Term:	6.3 years
Occupancy (as of September 27, 2012):	100%
Purchase Price (per square foot):	U.S.\$20,000,000 (\$88)
Cap Rate:	8.1%

Firm/Committed Acquisitions

Westhaven Town Center

On September 19, 2012, SUSO 1 entered into a binding agreement to purchase Westhaven Town Center, a newly-constructed anchored retail development in Franklin, Tennessee (Greater Nashville). The property is 100% occupied, anchored by a Harris Teeter grocery store on a long term lease. The acquisition is expected to be completed in fourth quarter 2012 and remains subject to customary closing conditions.



Photo: Westhaven Town Center – Franklin, TN (Greater Nashville)

Property:	Westhaven Town Center	Weighted Average Remaining Lease Term:	14.3 years
Location:	Franklin, TN (Nashville)	Occupancy (as of September 27, 2012):	96%
Size – Square Feet (Acres):	97,052 (5.0)	Purchase Price (per square foot):	U.S.\$14,500,000 (\$149)
Year Built (Remodelled):	2008-2010	Cap Rate:	8.2%
Anchor Tenant:	Harris Teeter		

Gaston Marketplace

On September 26, 2012, SUSO 1 entered into a binding agreement to purchase Gaston Marketplace, an anchored retail centre in Gaston, South Carolina (Greater Columbia). The property is 94% occupied, anchored by Food Lion and Family Dollar. The acquisition is expected to be completed in fourth quarter 2012 and remains subject to customary closing conditions.



Photo: Gaston Marketplace – Gaston, SC (Greater Columbia)

Property:	Gaston Marketplace	Weighted Average Remaining Lease Term:	9.8 years
Location:	Gaston, SC (Columbia)	Occupancy (as of September 27, 2012):	94%
Size – Square Feet (Acres):	44,133 (8.5)	Purchase Price (per square foot):	U.S.\$4,900,000 (\$111)

Year Built (Remodelled):	2004
Anchor Tenant:	Food Lion, Family Dollar

Cap Rate:	8.4%
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Fuquay Crossing

On October 22, 2012, SUSO 1 entered into a binding agreement to purchase Fuquay Crossing, an anchored retail centre in Fuquay-Varina, North Carolina (Greater Raleigh). The property is 94% occupied, anchored by Kroger and Dollar Tree. The acquisition is expected to be completed in fourth quarter 2012 and remains subject to customary closing conditions.



Photo: Fuquay Crossing – Fuquay-Varina, NC

Property:	Fuquay Crossing
Location:	Fuquay-Varina, NC (Raleigh)
Size – Square Feet (Acres):	124,773 (14.5)
Year Built (Remodelled):	2002
Anchor Tenant:	Kroger

Weighted Average Remaining Lease Term:	6.4 years
Occupancy (as of October 26, 2012):	94%
Purchase Price (per square foot):	U.S.\$13,100,000 (\$105)
Cap Rate:	8.7%

Bowling Green Plaza

On October 24, 2012, SUSO 1 entered into a binding agreement to purchase Bowling Green Plaza, an anchored retail centre in Bowling Green, Virginia. The property is 87% occupied, anchored by Food Lion and Family Dollar. The acquisition is expected to be completed in fourth quarter 2012 and remains subject to customary closing conditions.



Photo: Bowling Green Plaza – Bowling Green, VA

Property:	Bowling Green Plaza
Location:	Bowling Green, VA
Size – Square Feet (Acres):	49,850 (6.3)
Year Built (Remodelled):	1994
Anchor Tenant:	Food Lion, Family Dollar

Weighted Average Remaining Lease Term:	1.5 years
Occupancy (as of October 26, 2012):	87%
Purchase Price (per square foot):	U.S.\$2,790,000 (\$56)
Cap Rate:	8.9%

Madison Plaza

On October 24, 2012, SUSO 1 entered into a binding agreement to purchase Madison Plaza, an anchored retail centre in Madison, Virginia. The property is 99% occupied, anchored by Food Lion and Family Dollar. The acquisition is expected to be completed in fourth quarter 2012 and remains subject to customary closing conditions.



Photo: Madison Plaza – Madison, VA

Property:	Madison Plaza
Location:	Madison, VA
Size – Square Feet (Acres):	49,607 (10.2)
Year Built (Remodelled):	2003
Anchor Tenant:	Food Lion, Family Dollar

Weighted Average Remaining Lease Term:	9.0 years
Occupancy (as of October 26, 2012):	99%
Purchase Price (per square foot):	U.S.\$5,150,000 (\$104)
Cap Rate:	8.7%

Cambridge Crossing

On October 26, 2012, SUSO 1 entered into a binding agreement to purchase Cambridge Crossing, a Walmart-anchored retail centre in Troy, Michigan. The property is 95% occupied. The acquisition is expected to be completed in fourth quarter 2012 and remains subject to customary closing conditions.



Photo: Cambridge Crossing – Troy, MI

Property:	Cambridge Crossing	Weighted Average Remaining Lease Term:	4.2 years
Location:	Troy, MI	Occupancy (as of October 26, 2012):	95%
Size – Square Feet (Acres):	238,963 (24.0)	Purchase Price (per square foot):	U.S.\$26,900,000 (\$113)
Year Built (Remodelled):	2001	Cap Rate:	8.0%
Anchor Tenant:	Walmart		

Slate/Blackstone Canadian Office Portfolio

Slate, in association with its partner The Blackstone Group (“**Blackstone**”), acquired 30 office assets located across the major Canadian markets. During its ownership period and up to the disposition of the portfolio, in August 2011, Slate repositioned the assets through a modest capital expenditure program and an aggressive, hands-on approach to leasing. During its ownership period Slate completed in excess of 820 lease transactions. In November 2006, Slate sold its first office asset (located in Toronto) and sold 29 office assets to Dundee Real Estate Investment Trust in August 2011.

In its partnership with Blackstone, Slate’s responsibilities included, but were not limited to: (a) developing an investment strategy; (b) identifying the properties to be acquired; (c) performing due diligence; (d) obtaining financing; (e) effecting the closing of all transactions; (f) engaging property managers and leasing agents; (g) preparing audited reports; (h) managing capital expenditures; (i) negotiating and approving all leasing transactions; and (j) developing and executing a complex disposition strategy. Slate, in its role as the Manager will be providing the same functions to the Trust.

Slate U.S. Retail Portfolio

In the second quarter of 2011, Slate successfully closed its first U.S. Fund, GAR I. The portfolio comprises six grocery-anchored shopping plazas in Ohio, Wisconsin, and Pennsylvania totalling 790,000 square feet with a total transaction value of U.S.\$44.8 million.

Current Occupancy : **Over 95%**
 Average Investment Hold Period: **5.0 years**

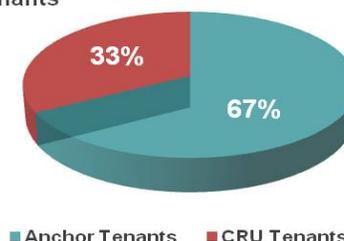
Projected Returns

Equity Multiple: **~2.0x**
 IRR: **~20%**



- Anchor tenants represent 67% of the GLA and 54% of gross revenue
- 86% of GLA is below market rent; 100% of anchor leases are below market rent
- 75% LTV, non-recourse, 10-year financing at a 5.8% coupon

GLA Distribution (SF)
 Anchor vs. CRU
 Tenants



Property	Location	Area	Purchase Price	Purchase Date	Anchor(s)
Cudahy Center	Milwaukee, WI	103,254	U.S.\$5,847,000	Apr-11	Pick 'n Save
Kennywood Shops	Pittsburgh, PA	197,860	U.S.\$7,017,000	Apr-11	Giant Eagle
Pinewood Plaza	Dayton, OH	88,701	U.S.\$4,182,000	Apr-11	Kroger
Springboro Plaza	Dayton, OH	154,035	U.S.\$7,866,000	Apr-11	Kroger; Kmart
Buckeye Plaza	Cleveland, OH	116,905	U.S.\$11,683,000	Apr-11	Giant Eagle
Field Club Commons	New Castle, PA	128,805	U.S.\$8,180,000	Apr-11	Save-A-Lot
Total Purchase Price			U.S.\$44,775,000		

11.3 Potential Conflicts of Interest (Directors and Officers)

The Manager is owned indirectly and controlled by Blair Welch and Brady Welch. Pursuant to the Management Agreement, the Manager will be receiving various fees and payments from the Holding LP in respect of the acquisition and disposition of Properties and asset management. The General Partner is owned indirectly and controlled by Blair Welch and Brady Welch. Pursuant to the limited partnership agreement for the Holding LP, the General Partner will be participating in the profits of the Holding LP.

Neither of Blair Welch nor Brady Welch is in any way limited or affected in their ability to carry on other business ventures for their own accounts and for the accounts of others, and are now, and intend in the future to be, engaged in the development of, investment in and management of other real estate properties. None of these persons will have any obligation to account to the Trust or the Unitholders for profits made in such other activities.

Due to the fact that Slate manages other investment portfolios and realty trusts in similar asset classes, including SUSO 1, there is a risk that conflicts may arise regarding the allocation of tenants amongst the various Slate managed entities. In the future, Slate may acquire properties for other investment portfolios or realty trusts and although Slate intends that every transaction which comes to the attention of the Manager and which would be a suitable investment for the Trust will be acquired through the Trust, Slate may acquire properties for other

investment portfolios or realty trusts in the future. In such circumstances, there is a risk that conflicts may arise regarding the allocation of properties among the various Slate managed entities.

12. EXECUTIVE COMPENSATION

Executive and Trustee Compensation

The Trust is a newly incorporated entity and has not completed a financial year. For the period from formation on September 19, 2012 to October 26, 2012, no compensation was paid by the Trust to the Trustees or to the executive officers. The Trust intends to pay Samuel Altman, Patrick Flatley and Peter Tesché annual compensation in the amount of C\$12,500 per annum. Blair Welch and Brady Welch will not be compensated for serving as Trustees. No compensation will be paid to the executive officers of the Trust.

Long Term Incentive Plan, Stock Appreciation Rights and Stock Option Grants

The Trust does not and will not have a long term incentive plan pursuant to which cash or non-cash compensation has been or will be paid or distributed to any executive officer or Trustee. The Trust does not and will not have any stock appreciation rights or incentive plans. The Trust has not issued and will not issue any stock options to any executive officer or Trustee.

Pension Plan Benefits

The Trust does not have and will not implement a pension plan for its executive officers or Trustees.

Termination of Employment, Change in Responsibilities and Employment Contracts

The Trust has not entered into and will not enter into any employment contracts or arrangements with its executive officers or Trustees.

12.1 Compensation Committee

The Trust does not have a compensation committee.

12.2 Indebtedness of Trustees and Executive Officers

None of the Trustees or executive officers of the Trust are indebted to the Trust.

13. AUDIT COMMITTEE AND CORPORATE GOVERNANCE

13.1 Audit Committee

The audit committee of the Trust will be comprised of Samuel Altman and Blair Welch. Samuel Altman is “independent” within the meaning of National Instrument 52-110 – *Audit Committees*. Both Messrs Altman and Welch are financially literate within the meaning of applicable securities laws. See the biographies of Messrs Altman and Welch above under “Trustees” for a description of the experience that is relevant to the performance of their responsibilities as audit committee members.

The audit committee will assist the Trust in fulfilling its responsibilities of oversight and supervision of its accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, and the quality and integrity of its financial statements. In addition, the audit committee will be responsible for directing the auditors’ examination of specific areas, for the selection of the Trust’s independent auditors and for the approval of all non-audit services for which its auditors may be engaged.

The Board has adopted a written charter for the audit committee which sets out the audit committee’s responsibility in reviewing the financial statements of the Trust and public disclosure documents containing

financial information and reporting on such review to the Board, review of the Trust's public disclosure documents that contain financial information, oversight of the work and review of the independence of the external auditors and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management.

At no time since the establishment of the Trust has the audit committee relied on the exemptions in Sections 2.4 or Part 8 of National Instrument 52-110 – *Audit Committees*. At no time since the establishment of the Trust has a recommendation of the audit committee to nominate or compensate an external auditor not been adopted by the directors. The audit committee has not yet adopted specific policies and procedures for the engagement of non-audit services.

The Trust is newly established and has not yet had a fiscal year end. As a result, there have been no fees billed to the Trust by its auditors, Deloitte & Touche LLP, in respect of the Trust's last two fiscal years.

13.2 Corporate Governance

Following the closing of the Offering, a majority of the Trustees will be independent within the meaning of applicable securities laws. Samuel Altman, Patrick Flatley and Peter Tesché are independent Trustees. Blair Welch and Brady Welch are non-independent Trustees.

At each of the regularly scheduled meetings of the Board, there will be an in-camera meeting at which any non-independent directors and management are not present. The Board has not yet appointed a chair of the Board, but such chair will be required to be independent. The Board has held one meeting since the establishment of the Trust.

The mandate of the Board will be one of stewardship and oversight of the Trust and its business. In fulfilling its mandate, the Board will adopt a written charter setting out its responsibility, among other things, for (i) supervising the activities and managing the investments and affairs of the Trust; (ii) approving major decisions regarding the Trust; (iii) overseeing the Manager and the fulfilment of its responsibilities under the Management Agreement; (iv) identifying and managing risk exposure; (v) ensuring the integrity and adequacy of the Trust's internal controls and management information systems; (vi) succession planning; (vii) maintaining records and providing reports to Unitholders; (viii) ensuring effective and adequate communication with Unitholders, other stakeholders and the public; (ix) determining the amount and timing of distributions to Unitholders; and (x) acting for, voting on behalf of and representing the Trust as a holder of Investment LP Units.

The Board has not developed written position descriptions for any committee chairs or the Chief Executive Officer. The Board will delineate the roles and responsibilities of any chair of the Board or of committee chairs by consensus among the Trustees from time to time.

The Trust will adopt a written code of conduct (the "**Code of Conduct**") that applies to all Trustees, officers, and the Manager and its employees. The objective of the Code of Conduct is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the Trust and its Subsidiaries. The Code of Conduct addresses conflicts of interest, protecting the Trust's assets, confidentiality, fair dealing with security holders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. As part of the Code of Conduct, any person subject to the Code of Conduct is required to avoid or fully disclose interests or relationships that are harmful or detrimental to the Trust's best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Board will have the ultimate responsibility for the stewardship of the Code of Conduct. The Code of Conduct will also be filed with the Canadian securities regulatory authorities on SEDAR at www.sedar.com.

The standard of care and duties of the Trustees provided in the Declaration of Trust will be similar to those imposed on directors of a corporation governed by the CBCA. Accordingly, each Trustee will be required to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of the Trust and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. The Declaration of Trust provides that each Trustee will be

entitled to indemnification from the Trust in respect of the exercise of the Trustee's powers and the discharge of the Trustee's duties, provided that the Trustee acted honestly and in good faith with a view to the best interests of the Trust or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the Trustee had reasonable grounds for believing that his or her conduct was lawful.

If and when a Trustee resigns or is unwilling to stand for re-election as a Trustee, the remaining Trustees will identify potential candidates for nomination to the Board, with a view to ensuring overall diversity of experience and skill.

The Trust intends to pay Samuel Altman, Patrick Flatley and Peter Tesché annual compensation in the amount of C\$12,500 per annum. Blair Welch and Brady Welch will not be compensated for serving as Trustees. No compensation will be paid to the executive officers of the Trust. The Board does not have a compensation committee. The Board has no committees other than the audit committee. The Trustees will be regularly assessed with respect to their effectiveness and contribution.

14. PLAN OF DISTRIBUTION

14.1 Maximum Offering

The Agents, by this Prospectus, are offering to sell to the public in each of the provinces and territories of Canada up to a maximum of U.S.\$50,000,000 of Class A Units, Class F Units and/or Class U Units at a price of C\$10.00 per Class A Unit and U.S.\$10.00 per Class F Unit or Class U Unit.

Purchasers are required to acquire a minimum of 100 Retail Units.

14.2 Minimum Offering

There will be no closing unless a minimum of U.S.\$10,000,000 of Class A Units, Class F Units and/or Class U Units are sold pursuant to this Offering. The distribution under this Offering will not continue for a period of more than 90 days after the date of the Receipt for the Final Prospectus, unless each of the persons or companies who subscribed within that period consents to the continuation and an amendment to the Final Prospectus is filed for which a receipt is provided. During such 90-day period, funds received from subscriptions will be held by the Agents in trust. If the minimum number of Units are not sold during the 90-day period these funds will be returned to the subscribers, without interest or deduction, unless the subscribers have otherwise instructed the Agents.

14.3 Securities Not Listed

As at the date of this Prospectus, the Trust does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside Canada and the U.S.

14.4 Agency Agreement

Pursuant to an Agency Agreement made as of October 26, 2012, the Agents have agreed to offer the Units for sale on a "best efforts" basis until November 19, 2012, but in any event not later than 90 days after a Receipt for the Final Prospectus is issued, in consideration of the Agents' Fee equal to 2.25% of the Class F Units sold under the Offering and 5.25% of the aggregate purchase price of Class A Units and Class U Units sold under the Offering.

The obligations of the Agents under the Agency Agreement may be terminated at any time at the Lead Agent's discretion on the basis of its assessment of the state of the financial markets and may also be terminated at any time on the occurrence of certain stated events.

Currently, the Agents do not beneficially own, directly or indirectly, any securities of the Trust. Other than as disclosed in this section, there are no payments in cash, securities or other consideration being made, or to be made, to a promoter, finder, or any other person or company in connection with this Offering.

The price to the public of Units was determined by negotiation between the Lead Agent and the Manager, on behalf of the Trust.

Registration and transfers of Retail Units will be effected only through the book entry only system administered by CDS. Book entry only certificates representing the Class A Units, the Class F Units and the Class U Units will be issued in registered form only to CDS or its nominee, and will be deposited with CDS on the closing of the Offering. A purchaser of Retail Units will receive only customer confirmation from the registered dealer which is a CDS participant and from or through which Retail Units are purchased. Beneficial owners of Retail Units will not have the right to receive physical certificates evidencing their ownership of such securities.

Registration and transfers of Units will be effected by Equity Financial Trust Company as transfer agent.

15. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Goodmans LLP, counsel to the Trust, and McCarthy Tétrault LLP, counsel to the Underwriters, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a Unitholder who acquires Units pursuant to this Offering. This summary is applicable to a Unitholder who is an individual (other than a trust) and who, for the purposes of the Tax Act and at all relevant times, is resident in Canada, deals at arm's length with and is not affiliated with the Trust and holds the Units as capital property. The Units generally will be considered to be capital property to a Unitholder provided that the Unitholder does not hold such Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Unitholders who might not otherwise be considered to hold Units as capital property may be entitled to make the irrevocable election permitted by subsection 39(4) of the Tax Act to have their Units and all other "Canadian securities" as defined in the Tax Act owned or subsequently acquired by them treated as capital property. Unitholders who do not hold their Units as capital property should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to holders who are (i) "financial institutions" which are subject to the mark-to-market provisions of the Tax Act, (ii) "specified financial institutions", (iii) partnerships, (iv) persons an interest in which would be a "tax shelter investment", or (v) persons that have elected to determine their Canadian tax results in a foreign currency pursuant to the "functional currency" reporting rules, all within the meaning of the Tax Act. Such holders should consult their own tax advisors. In addition, this summary does not address the deductibility of interest by a holder who has borrowed money to acquire Units under the Offering.

This summary is based on the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**"), counsel's understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**") published in writing by it, and relies upon a certificate as to certain factual matters from an executive officer of the Trust. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign tax legislation or considerations which may differ significantly from the Canadian federal income tax considerations discussed herein. There can be no assurance that the Proposed Amendments will be enacted in the form publicly announced or at all.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units. The income and other tax consequences of acquiring, holding or disposing of Units will vary depending on an investor's particular circumstances including the province or territory in which the investor resides or carries on business. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular investor. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in Units, based on their particular circumstances.

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Units must be expressed in Canadian dollars. Amounts denominated in another currency must be converted into Canadian dollars based on exchange rates as determined in accordance with the Tax Act.

Status of the Trust

This summary assumes that the Trust will qualify at all times as a “mutual fund trust” within the meaning of the Tax Act and that the Trust will validly elect under the Tax Act to be a mutual fund trust from the date it was established. An executive officer of the Trust has advised counsel that it intends to ensure that the Trust will meet the requirements necessary for it to qualify as a mutual fund trust upon closing of the Offering and at all times thereafter, and to file the necessary election so that the Trust will qualify as a mutual fund trust throughout its first taxation year.

This summary assumes that the Trust will at no time be a “SIFT trust” (as defined in the Tax Act). Provided that the Trust does not hold any “non-portfolio property” (as defined in the Tax Act), it will not be a SIFT trust. The investment restrictions set out in the Trust Declaration prohibit the Trust from owning any non-portfolio property.

If the Trust were not to qualify as a mutual fund trust at all times or the Trust were to become a SIFT trust, the income tax considerations described below would, in some respects, be materially and adversely different.

Taxation of the Trust

The taxation year of the Trust is the calendar year. The Trust is subject to tax in each taxation year on its income for the year, including net realized taxable capital gains. The Trust is required to include in its income for each taxation year all interest on the Investment LP Notes that accrues to the Trust to the end of the year, or that becomes receivable or is received by it before the end of the year, except to the extent that such interest was included in computing its income for a preceding taxation year. The Trust will also be required to include in computing its income its *pro rata* share of the income of Investment LP, as more fully described below. Costs incurred in the issuance of Units generally may be deducted by the Trust on a five year, straight line basis. The Trust also will be entitled to deduct reasonable current administrative and other expenses that are incurred to earn income.

The Tax Act requires the Trust to compute its income or loss for a taxation year as though it were an individual resident in Canada. If the Trust has any taxable income for a taxation year, taking into account, among other things, the inclusions and deductions outlined above, the existing provisions of the Tax Act permit the Trust to deduct all amounts which are paid or become payable by it to Unitholders in such year. An amount will be considered to be payable in a taxation year if it is paid to the Unitholder in the year by the Trust or if the Unitholder is entitled in the year to enforce payment of the amount. Where the Trust does not have sufficient cash to distribute such amounts in a particular taxation year, the Trust will make one or more in-kind distributions in the form of additional Units. Income of the Trust payable to Unitholders in the form of additional Units generally will be deductible to the Trust in computing its income. Counsel has been advised by an executive officer of the Trust that it is the current intention of the Trustees to make payable to Unitholders each year sufficient amounts such that the Trust is not liable to pay tax under Part I of the Tax Act.

A distribution by the Trust of its property upon a redemption of Units will be treated as a disposition by the Trust of such property for proceeds of disposition equal to the fair market value thereof. The Trust will realize a capital gain (or a capital loss) to the extent that the proceeds from the disposition of the property exceed (or are less than) the adjusted cost base of the relevant property and any reasonable costs of disposition.

In the event the Trust would otherwise be liable for tax on its net realized taxable capital gains for a taxation year, it would be entitled for such taxation year to reduce (or receive a refund in respect of) its liability for such tax by an amount determined under the Tax Act based on the redemption of Units of the Trust during the year (the “**capital gains refund**”). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the Trust’s tax liability for the taxation year arising in connection with the transfer of property *in specie* to redeeming Unitholders on the redemption of Units. The Trust Declaration provides that all or a portion of any capital gain or income realized by the Trust in connection with such redemptions may, at the discretion of the Trustees, be treated as capital gains or income paid to, and designated as capital gains or income of, the redeeming

holder. Such income or the taxable portion of the capital gain so designated must be included in the income of the redeeming holder (as income or taxable capital gains) and will be deductible by the Trust in computing its income.

In computing its income, the Trust is required to include its share of the income of Investment LP ending in the taxation year. The adjusted cost base of the Investment LP interest held by the Trust will be increased at a particular time by the Trust's share of the amount of income of Investment LP for a fiscal year of Investment LP ended before that time, and will be reduced by all distributions of cash or other property made by Investment LP to the Trust before that time. If at the end of any fiscal year of Investment LP, the adjusted cost base of the Investment LP interest held by the Trust would otherwise be less than zero, the Trust will be deemed to have realized a capital gain equal to the negative amount and the adjusted cost base of the Investment LP interest will be increased by the amount of such deemed capital gain.

Taxation of the Partnerships

This summary assumes that the Investment LP and the Holding LP (individually a “**Partnership**” and collectively the “**Partnerships**”) are not “SIFT partnerships” (as defined in the Tax Act). Provided that the Partnerships do not hold any non-portfolio property, they will not be SIFT partnerships. The limited partnership agreements of each Partnership prohibit the Partnerships from owning any non-portfolio property.

If either Partnership were to become a SIFT partnership, the income tax considerations described below would, in some respects, be materially and adversely different.

The Partnerships are not subject to tax under the Tax Act. Each partner of the Partnerships is required to include in computing its income for a particular taxation year, the partner's share of the income or loss of the Partnership (subject, in the case of a loss, to the application of the “at risk” rules described below) for its fiscal year ending in, or coincidentally with, the partner's taxation year, whether or not any of that income is distributed to the partner in the year. For this purpose, the income or loss of the Partnerships will be computed for each fiscal year as if the Partnership were a separate person resident in Canada. In computing the income or loss of the Partnerships, the Partnerships are entitled to deduct their reasonable administrative and other expenses incurred by them to earn income. The income or loss of the Partnerships for a fiscal year will be computed according to Canadian tax principles and allocated to the partners of the Partnerships in the manner set out in the limited partnership agreement of each Partnership, subject to the detailed rules in the Tax Act.

If a Partnership incurs a loss for tax purposes, the partner will be entitled to deduct in computing its income its share of such loss to the extent that the partner's investment is considered to be “at risk” within the meaning of the Tax Act. In general, the amount considered to be “at risk” for an investor in a limited partnership for any taxation year will be the adjusted cost base of the investor's partnership interest at the end of the year, plus any undistributed income allocated to the limited partner for the year and minus the amount of any guarantee or indemnity provided to a limited partner against the loss of the limited partner's investment.

Taxation of Unitholders

Trust Distributions

A Unitholder generally will be required to include in computing its income for a particular taxation year of the Unitholder, as income from property, the portion of the net income of the Trust, including net realized taxable capital gains, that is paid or payable to the Unitholder in that taxation year, whether or not those amounts are received in cash, additional Units or otherwise. Any loss of the Trust for purposes of the Tax Act cannot be allocated to, or treated as a loss of, a Unitholder.

Provided that the appropriate designations are made by the Trust, such portion of its net taxable capital gains and foreign source income, as the case may be, shall be treated as such in the hands of the Unitholder for purposes of the Tax Act. Foreign taxes paid by Investment LP will be allocated pursuant to its limited partnership agreement. Each partner's share of the “business-income tax” and “non-business-income tax” paid in a foreign country for a year will be creditable against its Canadian federal income tax liability to the extent permitted by the

detailed rules contained in the Tax Act. Although the foreign tax credit provisions are designed to avoid double taxation, the maximum credit is limited. Because of this, and because of timing differences in recognition of expenses and income and other factors, double taxation may arise.

Proposed Amendments released on August 27, 2010 address certain foreign tax credit generator transactions (the “**Foreign Tax Credit Generator Proposals**”). Under the Foreign Tax Credit Generator Proposals, the foreign “business income tax” or “non-business-income tax”, each as defined in the Tax Act, for any taxation year may be limited in certain circumstances, including where a partner’s share of the partnership’s income under the income tax laws of any country (other than Canada) under whose laws the income of the partnership is subject to income taxation, is less than the partner’s share of such income for purposes of the Tax Act. No assurances can be given that the Foreign Tax Credit Generator Proposals will not apply to any Unitholder. If the Foreign Tax Credit Generator Proposals apply, a Unitholder’s foreign tax credits will be limited.

The non-taxable portion of any net realized capital gains of the Trust (currently being one-half thereof) that is paid or payable to a Unitholder in a year will not be included in computing the Unitholder’s income for the year. Any other amount in excess of the net income of the Trust that is paid or payable to a Unitholder in a year generally should not be included in the Unitholder’s income for the year. However, such an amount which becomes payable to a Unitholder will reduce the adjusted cost base of the Units held by such Unitholder, except to the extent that the amount either was included in the income of the Unitholder or was the Unitholder’s share of the non-taxable portion of the net capital gains of the Trust, the taxable portion of which was designated by the Trust in respect of the Unitholder. To the extent that the adjusted cost base of a Unit otherwise would be less than zero, the Unitholder will be deemed to have realized a capital gain equal to the negative amount and the holder’s adjusted cost base of the Units will be increased by the amount of such deemed capital gain.

Disposition of Units

Upon the disposition or deemed disposition of Units by a Unitholder, whether on a redemption or otherwise, the Unitholder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition (excluding any amount payable by the Trust which represents an amount that must otherwise be included in the Unitholder’s income as described herein) are greater (or less) than the aggregate of the Unitholder’s adjusted cost base of the Units immediately before such disposition and any reasonable costs of disposition.

The adjusted cost base to a holder of a Unit for tax purposes acquired pursuant to this Offering generally will include all amounts paid by the holder for the Unit, subject to certain adjustments. The cost of additional Units received in lieu of a cash distribution will be the amount of income of the Trust distributed by the issuance of such additional Units. For purposes of determining the adjusted cost base to a holder of Units, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the holder as capital property.

A redemption of Units in consideration for cash or other assets of the Trust, as the case may be, will be a disposition of such Units for proceeds of disposition equal to such cash or the fair market value of such other assets, as the case may be, less any income or capital gain realized by the Trust in connection with the redemption of those Units to the extent that such income or capital gain is designated by the Trust to the redeeming holder. Unitholders exercising the right of redemption will consequently realize a capital gain, or sustain a capital loss, depending upon whether such proceeds of disposition exceed, or are exceeded by, the adjusted cost base of the Units redeemed. Where income or capital gain realized by the Trust in connection with the distribution of property *in specie* on the redemption of Units has been designated by the Trust to a redeeming holder, the holder will be required to include in income the income or taxable portion of the capital gain so designated. The cost of any property distributed *in specie* by the Trust to a holder upon a redemption of Units will be equal to the fair market value of that property at the time of the distribution. The holder will thereafter be required to include in its income interest or other income derived from the property, in accordance with the provisions of the Tax Act.

Capital Gains and Losses

One-half of any capital gain realized by a holder from a disposition of Units and the amount of any net taxable capital gains designated by the Trust in respect of the holder will be included in the holder's income under the Tax Act as a taxable capital gain. One-half of any capital loss (an "**allowable capital loss**") realized on the disposition of a Unit will be deducted against any taxable capital gains realized by the holder in the year of disposition, and any excess of allowable capital losses over taxable capital gains may be carried back to the three preceding taxation years or forward to any subsequent taxation year and applied against net taxable capital gains in those years, subject to the detailed rules contained in the Tax Act.

Alternative Minimum Tax

A Unitholder may have an increased liability for alternative minimum tax as a result of capital gains realized on a disposition of Units and net income of the Trust, paid or payable, or deemed to be paid or payable, to the holder and that is designated as net taxable capital gains.

16. CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

Circular 230

To comply with U.S. Treasury Department Circular 230, prospective investors are advised that: (a) any discussion of U.S. federal tax issues in this Prospectus is not intended or written to be used, and cannot be used, by prospective investors for the purpose of avoiding penalties; (b) such discussion is being used in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor.

The following is a summary of certain material U.S. federal income tax considerations applicable to the Trust, Investment LP and Holding LP (as it affects the Trust and Investment LP) that was prepared by Hodgson Russ LLP, special U.S. tax counsel to the Trust. This summary does not address any U.S. federal tax considerations applicable to a Unitholder. U.S. alternative minimum tax, and state, local, non-U.S. and U.S. federal non-income tax matters, are not discussed herein. No legal or U.S. tax opinion is being given, nor will any rulings be sought from the Internal Revenue Service ("**IRS**"), with respect to any U.S. federal income tax issue. As a result, there can be no assurance that the IRS will not assert positions contrary to the U.S. federal income tax treatment described herein. U.S. federal income tax consequences that are different from those described in this summary, as a result of a successful challenge by the IRS, could negatively impact the cash available for distribution to the Unitholders and the value of the Units.

This summary does not address all possible U.S. federal income tax considerations applicable to the Trust, Investment LP, or Holding LP. This summary is of a general nature only and is not intended to be legal or tax advice to any prospective purchaser of Units. **Prospective investors should consult their own tax advisors regarding the application of the U.S. federal tax rules to their particular circumstances as well as the state, local, non-U.S. and other tax consequences to them of the purchase, ownership and disposition of the Units.**

This summary is based on the Code, Treasury Regulations, IRS rulings and official pronouncements, judicial decisions and the Convention between the United States of America and Canada with Respect to Taxes on Income and Capital, signed September 26, 1980, as amended (the "**U.S.-Canada Tax Treaty**"), all as in effect on the date of this Prospectus and all of which are subject to change, possibly with retroactive effect, or different interpretations, which could affect the accuracy of the analysis set forth below.

United States Federal Income Taxation of Foreign Corporations

As described below, each of the Trust and Investment LP will make an election under applicable Treasury Regulations to be classified as a corporation for U.S. federal tax purposes, effective on the date of each entity's formation. Consequently, each will be considered a "foreign corporation" for U.S. federal income tax purposes.

A foreign corporation engaged in a U.S. trade or business generally is subject to U.S. federal income tax on income that is “effectively connected” with such U.S. trade or business and, if an income tax treaty with the United States applies, is attributable to a permanent establishment maintained by the foreign corporation in the United States (“**ECI**”). A foreign corporation that is a partner in a partnership engaged in a U.S. trade or business will itself be deemed to be engaged in a U.S. trade or business (through a permanent establishment if the partnership itself has a place of business in the U.S.). Income earned from rental operations of U.S. real property by a partnership engaged in such business generally will be ECI with respect to a foreign corporation, as will the income and gain on disposition of such real property.

A foreign corporation will be subject to U.S. federal income tax on its taxable ECI at the regular U.S. federal graduated rates of tax (with the highest corporate tax rate presently at 35%). A foreign corporation’s taxable ECI is computed by claiming allowable deductions that are attributable to its effectively connected gross income on a timely filed U.S. federal income tax return. A foreign corporation that derives ECI from a partnership engaged in a U.S. trade or business generally is subject to U.S. federal income tax withholding at the highest applicable rate of tax (presently 35%) under Section 1446 of the Code on the income and gains allocable to such foreign corporation as a partner in the partnership, and the foreign corporation is required to file a U.S. federal income tax return to report its allocable share of the partnership income, gains, deductions, losses and credits. Withheld tax is allowed as a credit in computing the foreign corporation’s U.S. tax liability on such return. Furthermore, a foreign corporation with ECI may also be subject to U.S. federal branch profits taxes, as discussed below under “United States Federal Income Taxation of Investment LP – Branch Taxes”.

A foreign corporation that owns “United States Real Property Interests” (“**USRPI**”), including an interest in a partnership that owns U.S. real property as its primary assets, is subject to U.S. federal income tax on gains arising on the sale of such real property or on the sale of such partnership interest, at the graduated rates applicable to corporations. Presently, there is no preferential U.S. federal capital gains tax rate for a foreign corporation on the gain derived on disposition of a USRPI (such as an interest in a partnership owning U.S. real property), or the gain allocated to such foreign corporation on the disposition of U.S. real property by the partnership. Withholding on gains from the disposition of a USRPI is required under Section 1445 of the Code (the “**FIRPTA**” rules), although if withholding is made under the Section 1446 rules applicable to income allocable to non-U.S. partners of a partnership engaged in a U.S. trade or business, the FIRPTA withholding rules generally will also be satisfied.

A foreign corporation is also subject to a 30% U.S. withholding tax on certain types of U.S. source income which are not ECI, unless the foreign corporation otherwise establishes an exemption from, or a reduced rate of, withholding under an applicable income tax treaty. These types of income generally include passive income such as dividends, rents (that are not otherwise ECI), interest and royalties, and other “fixed or determinable annual or periodic” income (collectively referred to as “**FDAP**”). Unless an exception applies, a foreign corporation will be subject to U.S. withholding tax on the gross amount of any FDAP income, and will not be entitled to deductions for any expenses to the extent allocable to FDAP income.

United States Federal Income Taxation of the Trust

As noted, the Trust will elect under applicable Treasury Regulations to be treated as a corporation for U.S. federal income tax purposes. The Trust does not intend to be engaged in a U.S. trade or business nor does it expect to be a direct member of a partnership or disregarded entity that is engaged in a U.S. trade or business. Therefore, the Trust does not expect to have any ECI that would be subject to U. S. federal income tax.

While the Trust will have FDAP in the form of U.S. source interest income arising on the Investment LP Notes, the rate of U.S. withholding tax on such interest income is reduced to zero under the U.S.-Canada Tax Treaty. Thus, no U.S. federal income tax liability arises for the Trust on such interest. See discussion below under “United States Federal Income Taxation of Investment LP – Branch Taxes”.

United States Federal Income Taxation of Investment LP

As noted, Investment LP will elect under applicable Treasury Regulations to be treated as a corporation for U.S. federal income tax purposes effective on the date of formation. Holding LP, which is classified as a partnership for U.S. federal income tax purposes, will not itself be subject to U.S. federal income tax but rather will “flow

through” its (and its allocable share from subsidiary limited partnerships) income, gains, deductions, losses and credits to its partners, including Investment LP, based on the partners’ allocable shares in Holding LP. Investment LP, because it is a partner in Holding LP, will have a permanent establishment in the U.S. and will be subject to U.S. federal income tax on any ECI of its own or that flows through to it as a partner of Holding LP. Thus, Investment LP will be subject to U.S. federal income taxation on its allocable share of rental income derived directly or indirectly by Holding LP, on a net basis (e.g., taking into account allowable deductions). Furthermore, the gain from a sale of any of the U.S. real properties owned (directly or indirectly through a subsidiary limited partnership) by Holding LP that is allocable to Investment LP, or a sale or other disposition by Investment LP of its limited partnership interest in Holding LP, will also be considered ECI with respect to Investment LP and subject to U.S. federal income taxation at the regular tax rates applicable to corporations. Income or gains of Holding LP allocable to Investment LP generally will be subject to U.S. withholding tax under Section 1446 of the Code at the highest corporate tax rate (presently 35%), which will also apply in lieu of any FIRPTA withholding requirements otherwise arising on disposition of a USRPI by Investment LP or Holding LP. Such U.S. withholding tax will be allowed as a credit against U.S. tax as shown on the Investment LP’s U.S. federal income tax return. See “United States Federal Income Taxation of Foreign Corporations”, above.

In computing Investment LP’s U.S. federal taxable income derived from ECI, certain deductions (subject to limitations) will be allowed, such as the “ordinary and necessary” business expenses of Holding LP (including interest expense on mortgages related to the Properties and reasonable manager fees), depreciation of the rental properties (as computed under U.S. federal income tax rules) of Holding LP and the subsidiary limited partnerships, and interest expense with respect to the Investment LP Notes of Investment LP. See “– Deductions”, below.

In addition to the U.S. federal income tax on taxable income which is ECI, Investment LP generally will be liable for a 5% branch profits tax on its after-tax earnings attributable to ECI. See “– Branch Taxes”, below. Moreover, any FDAP of Investment LP will be subject to U.S. withholding tax on a gross basis at 30%, or such lower reduced rate of withholding tax as may be applicable under the US-Canada Tax Treaty.

Deductions

In addition to the capital it will contribute to Investment LP, the Trust will loan funds to Investment LP in the form of the Investment LP Notes, to enable Investment LP to pay for its limited partnership interest in Holding LP. A number of U.S. federal income tax rules affect the treatment of the Investment LP Notes and the interest arising thereon.

The Trust and Investment LP intend to treat the Investment LP Notes as debt allocable to Investment LP’s interest in Holding LP for U.S. federal income tax purposes; however neither the Trust nor Investment LP have obtained an opinion of counsel on this issue. The determination of whether the Investment LP Notes are debt or equity for U.S. federal income tax purposes is based on an analysis of the facts and circumstances. Generally, the IRS will not issue a ruling on whether an advance is to be treated as debt or equity. There is no clear definition of debt under the Code, and its characterization is governed by principles developed in case law, which analyzes numerous factors that are intended to identify the economic substance of the particular instrument. Although the Trust and Investment LP intend to treat the Investment LP Notes as debt for U.S. federal income tax purposes, the IRS could challenge this position. If such a challenge were successful, interest payments on the Investment LP Notes would be recharacterized as non-deductible and Investment LP’s taxable income which is ECI, and thus its U.S. federal income tax liability, would be increased. Branch profits tax may also be increased in such situation. As a result, Investment LP’s cash flow would be reduced, which would negatively impact the cash available for distribution to the Unitholders and the value of the Units.

The “earnings stripping” rules of Section 163(j) of the Code may also limit the amount of interest that is deductible by Investment LP in calculating its taxable income from ECI in a particular tax year. In general, Section 163(j) limits a corporation’s deductions for interest paid to related non-U.S. persons exempt from U.S. tax in years that: (i) the debt-to-equity ratio of the corporate taxpayer exceeds 1.5 to 1; and (ii) the corporation’s net interest expense (i.e., the excess of interest expense over interest income) exceeds 50% of “adjusted taxable income”. Adjusted taxable income is generally defined as the corporation’s taxable income before net interest expense, depreciation, and amortization. A corporation and a creditor of the corporation will be “related” if the creditor owns, directly or by attribution, more than 50% of the corporation by vote or value. The Trust owns 99.99% of the

Units of Investment LP, and is therefore related to Investment LP under the earnings stripping rules. If the earnings stripping rules apply in a given tax year, any interest not deductible under the rules of Section 163(j) of the Code in such tax year may be carried forward indefinitely (within certain limitations) to be used in future tax years to reduce gross ECI.

In addition, other limitations on the deductibility of interest under U.S. federal income tax laws could apply, potentially including, but not limited to, limitations (i) that require the interest to actually be paid in order for the interest to be deducted, regardless of the Investment LP's method of accounting, because the Investment LP and the Trust are "related parties", (ii) if the IRS claims that the interest rate on the Investment LP Notes is in excess of an arm's-length rate (in which case a portion of the interest could be recharacterized as a non-deductible distribution), and (iii) if the Investment LP Notes are issued with "original issue discount". In any such case, the Investment LP's taxable income (and thus its tax liability) could be increased. As a result, the amount of funds available for distribution to Unitholders could be reduced and the value of Units adversely affected.

Branch Taxes

Under the "branch profits tax" rules of Section 884 of the Code (as modified by the U.S.-Canada Tax Treaty), Investment LP generally will be subject to an additional 5% tax on its effectively connected earnings and profits for the taxable year which exceed U.S.\$500,000, as adjusted for certain items. Reductions in the "U.S. net equity" of Investment LP in the U.S. trade or business conducted through Holdings LP by, for example, Investment LP's distributions to the Trust, may result in the imposition of the branch profits tax. If deductions for interest paid on the Investment LP Notes are denied or limited (as discussed above), Investment LP's earnings and profits and its resulting liability for branch profits tax could increase substantially. If the branch profits tax were to apply, Investment LP's after-tax cash flow would be reduced, thus negatively impacting the cash available for distribution to the Unitholders and the value of the Units.

Provided that the Investment LP Notes are respected as debt for U.S. federal income tax purposes (see "United States Federal Income Taxation of Investment LP – Deductions"), as long as more than 80% of the assets of Investment LP are United States assets (or such debt is properly reflected as a liability on books maintained with respect to Investment LP's U.S. trade or business arising from its ownership of an interest in Holding LP), interest paid on the Investment LP Notes will be "branch interest" under Code Section 884 and will be treated as U.S. source income paid by a U.S. corporation. Generally, such interest is FDAP of the Trust and subject to U.S. withholding tax, but under the U.S.-Canada Tax Treaty this U.S. withholding tax is reduced to zero.

Unitholders that receive Investment LP Notes on the redemption of Units by the Trust should consult their own tax advisers regarding the U.S. federal income tax rules applicable to interest paid on such Investment LP Notes, as well the U.S. federal, state, local, non-U.S. and other tax consequences to such Unitholders of the acquisition, ownership and disposition of the Investment LP Notes.

Recent Legislative Developments

Under recently enacted U.S. federal income tax legislation, the Trust may, in order to avoid a loss of benefits under the U.S.-Canada Tax Treaty on U.S. source FDAP income subject to U.S. withholding tax, require Unitholders that are "U.S. persons", as defined in the Code, to provide certain tax and reporting information necessary for the Trust to comply with new reporting obligations. If a U.S. person does not provide such information, the U.S. person will generally be subject to U.S. withholding tax on payments made by the Trust after January 1, 2014 in accordance with this new legislation.

17. RISK FACTORS

The purchase of securities hereunder involves a number of risk factors. The risks described below are not the only risks involved with an investment in the Units. If any of the following risks occur, or if others occur, the Trust's business, operating results and financial condition could be seriously harmed and purchasers may lose all of their investment. Risks affecting the Trust will affect its ability to make distributions on the Units. In addition to

the risk factors set forth elsewhere in this Prospectus, prospective purchasers should consider the following risks associated with a purchase of such securities:

This is a Blind Pool Offering – This is a “blind pool” Offering. Although the Trust expects that the available net proceeds of the Offering will be applied to the purchase of one or more Properties, Slate has not identified any Properties for potential investment by the Holding LP. If the Maximum Offering is sold, the Trust expects that approximately U.S.\$136,728,571 which amount includes the net proceeds of the Mortgage Loans, the Offering and the Private Placement, will be applied to the purchase price and other acquisition costs of the Properties (including the Acquisition Fee payable as described herein), and to the creation of working capital reserves and reserves for renovations and upgrades. If only the Minimum Offering is sold, the Trust expects that approximately U.S.\$29,457,143 which amount includes the net proceeds of the Mortgage Loans, the Offering and the Private Placement, will be applied to the purchase price and other acquisition costs of the Properties (including the Acquisition Fee payable as described herein), and to the creation of working capital reserves and reserves for renovations and upgrades. The Unitholders’ return on their investments in the Units will vary depending on the return on investment achieved on the Properties that may be acquired with the net proceeds of the Offering.

Limited Liquidity of Units – There is no market for the Units and the Trust does not plan to list the Units on any stock exchange or market. As a result, the liquidity of the Units will be limited. Although the Trust intends to complete a liquidity event by September 30, 2018, there can be no assurance that the Trust will be wound up or that Unitholders will receive a return of their invested capital by that time. While the Trust Declaration contains a redemption right, such redemption right is not intended to be the primary mechanism for Unitholders to liquidate their investment.

Reliance on the Manager – Prospective purchasers assessing the risks and rewards of this investment should appreciate that they will, in large part, be relying on the good faith and expertise of Slate and its principals, Blair Welch and Brady Welch. In particular, prospective purchasers will have to rely on the discretion and ability of Slate and their principals in determining the composition of the portfolio of Properties, and in negotiating the pricing and other terms of the agreements leading to the acquisition of Properties. The ability of Slate to successfully implement the Trust’s investment strategy will depend in large part on the continued employment of Blair Welch and Brady Welch. None of the Trust nor Slate maintains key person life insurance for any of these named individuals. If Slate loses the services of one or both of these individuals, the business, financial condition and results of operations of the Trust may be materially adversely affected.

No Market for Units – There is no market for the Units and it is expected that there will be no market for the Units. Consequently, holders of such securities may not be able to sell them readily, and Units may not be readily accepted as collateral for a loan. Purchasers should be prepared to hold these securities indefinitely and cannot expect to be able to liquidate their investment even in the case of an emergency. Accordingly, an investment in Units is suitable solely for persons able to make and bear the economic risk of a long-term investment.

Less than Full Offering – There can be no assurance that more than the Minimum Offering will be sold. If less than all of the U.S.\$50,000,000 of Class A Units, Class F Units and/or Class U Units are sold pursuant to this Offering, then less than the maximum proceeds will be available to the Trust. Consequently, the Trust’s business development plans and prospects could be adversely affected, since fewer Properties will be purchased, owned and leased by the Holding LP.

Distributions may be Reduced or Suspended – Although the Trust intends to distribute its available cash to Unitholders, such cash distributions may be reduced or suspended. The ability of the Trust to make cash distributions and the actual amount distributed will depend on the ability of the Trust to indirectly acquire the Properties and the ongoing operations of the Properties. The Minimum Return of 8% per annum payable by the Holding LP to the Investment LP, which will ultimately form part of the distributions available from the Trust to the Unitholders, is a preferred return, but is not guaranteed and may not be paid on a current basis in each year or at all. The return on an investment in the Units is not comparable to the return on an investment in a fixed income security. Cash distributions, including a return of a Unitholder’s original investment, are not guaranteed and their recovery by an investor is at risk and the anticipated return on investment is based upon many performance assumptions. It is important for Purchasers to consider the particular risk factors that may affect the real estate investment markets generally and therefore the availability and stability of the distributions to Unitholders.

Experience of Trustees and Officers – While the Trustees and officers of the Trust have significant experience in commercial real estate and private equity in Canada and the U.S., their direct experience in the type of commercial real estate properties targeted by the Trust is more limited. Investors are cautioned that the experience of the Trustees and officers of the Trust may not be relevant to the acquisition of anchored retail properties in the U.S. or to their achievement of the investment objectives of the Trust.

Non-IFRS Measures – Certain cash returns on investment in previous Slate trust and partnership entities set out in this Prospectus are not stated in accordance with IFRS. Such returns are variously referred to as an annualized IRR, capitalization rate, net operating income or a total pre-tax cash return on investment. Such measures do not have standardized meanings and are therefore unlikely to be comparable to similar measures presented by other issuers. There is no directly comparable measure calculated in accordance with IFRS, as such measures are based on investment which is external to the issuer. The measures used are meaningful to the investors as they are based on the average investor's individual investment in the entities mentioned. The Manager uses such unaudited measures to provide investors with an estimated guideline as to the investment returns received on its previous investment offerings. Investors are cautioned that historical returns on other Slate investment offerings and similar offerings by others are not predictive of the returns which may be achieved by Unitholders from an investment in Units.

Risks of Real Estate Investment and Ownership – An investment in Units is an investment in U.S. real estate through the Trust's indirect interest in the Holding LP and the Properties, directly or indirectly, acquired by it. Investment in real estate is subject to numerous risks, including the factors listed below and other events and factors which are beyond the control of the Trust:

- (a) *Acquisition Risk* – The Manager intends to acquire Properties selectively. The acquisition of Properties entails risks that investments will fail to perform in accordance with expectations. In undertaking such acquisitions, the Manager will incur certain risks, including the expenditure of funds on, and the devotion of management's time to, transactions that may not come to fruition. Additional risks inherent in acquisitions include risks that the Properties will not achieve anticipated occupancy levels and that estimates of the costs of improvements to bring an acquired Property up to standards established for the market position intended for that Property may prove inaccurate.
- (b) *General Real Estate Ownership Risks* – All real property investments are subject to a degree of risk and uncertainty. Property investments are affected by various factors including general economic conditions, local real estate markets, demand for leased premises, competition from other available premises and various other factors. The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants. Distributable Cash will be adversely affected if one or more major tenants or a significant number of tenants of the Properties were to become unable to meet their obligations under their leases or if a significant amount of available space in the Properties is not able to be leased on economically favourable lease terms. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and substantial costs in protecting the Holding LP's investment may be incurred. The ability to rent unleased space in the Properties will be affected by many factors. Costs may be incurred in making improvements or repairs to Property required by a new tenant. A prolonged deterioration in economic conditions could increase and exacerbate the foregoing risks. The failure to rent unleased space on a timely basis or at all would likely have an adverse effect on the Trust's financial condition.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether a Property is producing any income. Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relationship with demand for and the perceived desirability of such investments. Such illiquidity will tend to limit the Trust's ability to vary its portfolio promptly in response to changing economic or investment conditions. If for whatever reason, liquidation of assets is required, there is a risk that sale proceeds realized might be less than the current book value of the Trust's investments or that

market conditions would prevent prompt disposition of assets. The Trust may, in the future, be exposed to a general decline of demand by tenants for space in properties. As well, certain of the leases of the Properties held by the Trusts may have early termination provisions which, if exercised, would reduce the average lease term.

- (c) *Financing Risks* – There is no assurance that the Manager will be able to obtain sufficient Mortgage Loans to finance the acquisition of Properties, or, if available, that the Manager will be able to obtain Mortgage Loans on commercially acceptable terms. Further, there is no assurance or guarantee that any Mortgage Loans, if obtained, will be renewed when they mature or, if renewed, renewed on the same terms and conditions (including the rate of interest). In the absence of mortgage financing, the number of Properties which the Holding LP is able to purchase will decrease and the return from the ownership of Properties (and ultimately the return on an investment in Units) will be reduced. Even if the Manager is successful in obtaining adequate Mortgage Loans, the Manager may not be able to generate sufficient funds through the operation of the Properties to service the Mortgage Loans. If a default occurs under any of the Mortgage Loans, one or more of the Lenders could exercise its rights including, without limitation, foreclosure or sale of the Properties.
- (d) *Interest Rate Fluctuations* – The Mortgage Loans may include indebtedness with interest rates based on variable lending rates that will result in fluctuations in the Trust's cost of borrowing.
- (e) *Environmental Matters* – Under various environmental and ecological laws, the Holding LP and/or its subsidiaries could become liable for the costs of removal or remediation of certain hazardous or toxic substances released on or in one or more of the Properties or disposed of at other locations. The failure to deal effectively with such substances may adversely affect the Manager's ability to sell such Property or to borrow using the Property as collateral, and could potentially also result in claims against the Holding LP by third parties.
- (f) *Uninsured Losses* – The General Partner will, under the terms of the Holding LP Agreement, arrange for comprehensive insurance, including fire, liability and extended coverage, of the type and in the amounts customarily obtained for properties similar to those to be owned by the Holding LP or its subsidiaries and will endeavour to obtain coverage where warranted against earthquakes and floods. However, in many cases certain types of losses (generally of a catastrophic nature) are either uninsurable or not economically insurable. Should such a disaster occur with respect to any of the Properties, the Trust could suffer a loss of capital invested and not realize any profits which might be anticipated from the disposition of such Properties.
- (g) *Reliance on Property Management* – The General Partner may rely upon independent management companies to perform property management functions in respect of each of the Properties. To the extent, the General Partner relies upon such management companies, the employees of such management companies will devote as much of their time to the management of the Properties as in their judgement is reasonably required and may have conflicts of interest in allocating management time, services and functions among the Properties and their other development, investment and/or management activities.
- (h) *Competition for Real Property Investments* – The Manager will compete for suitable real property investments with individuals, corporations, REITs and similar vehicles, and institutions (both Canadian and foreign) which are presently seeking or which may seek in the future real property investments similar to those sought by the Manager. An increased availability of investment funds allocated for investment in real estate would tend to increase competition for real property investments and increase purchase prices, reducing the yield on such investments.
- (i) *Revenue Shortfalls* – Revenues from the Properties may not increase sufficiently to meet increases in operating expenses or debt service payments under the Mortgage Loans or to fund changes in the variable rates of interest charged in respect of such loans.

- (j) *Fluctuations in Capitalization Rates* – As interest rates fluctuate in the lending market, generally so too do capitalization rates which affect the underlying value of real estate. As such, when interest rates rise, generally capitalization rates should be expected to rise. Over the period of investment, capital gains and losses at the time of disposition can occur due to the increase or decrease of these capitalization rates.
- (k) *Joint Ventures* – The Manager may invest in, or be a participant in, joint ventures and partnerships with third parties in respect of the Properties. A joint venture or partnership involves certain additional risks, including, (i) the possibility that such co-venturers/partners may at any time have economic or business interests or goals that will be inconsistent with the Manager’s or take actions contrary to the Manager’s instructions or requests or to the Manager’s policies or objectives with respect to the Properties, (ii) the risk that such co-venturers/partners could experience financial difficulties or seek the protection of bankruptcy, insolvency or other laws, which could result in additional financial demands to maintain and operate such Properties or repay the co-venturers’/partners’ share of property debt guaranteed by the Holding LP or for which the Holding LP will be liable and/or result in the Holding LP suffering or incurring delays, expenses and other problems associated with obtaining court approval of joint venture or partnership decisions, (iii) the risk that such co-venturers/partners may, through their activities on behalf of or in the name of, the ventures or partnerships, expose or subject the Holding LP to liability, and (iv) the need to obtain co-venturers’/partners’ consents with respect to certain major decisions, including the decision to distribute cash generated from such properties or to refinance or sell a property. In addition, the sale or transfer of interests in certain of the joint ventures and partnerships may be subject to rights of first refusal or first offer and certain of the joint venture and partnership agreements may provide for buy-sell or similar arrangements. Such rights may be triggered at a time when the Manager may not desire to sell but may be forced to do so because the Holding LP does not have the cash to purchase the other party’s interests. Such rights may also inhibit the Manager’s ability to sell an interest in a property or a joint venture/partnership within the time frame or otherwise on the basis the Manager desires.
- (l) *U.S. Market Factors* – The Properties will be located in the U.S. and economic conditions since the beginning of 2008 have been challenging in the North American economy. U.S. markets are currently experiencing increased levels of volatility due to a combination of many factors, including, but not limited to, macro-level global economic and political instability coupled with U.S. specific factors (high unemployment, stagnant economic growth, lower consumer spending, limited access to credit markets, decreasing home values). The U.S. economy has seemingly not returned to operating at “normal” capacity and the effects of the current market dislocation has forced the U.S. Federal Reserve to introduce Quantitative Easing 3 (QE3) in September 2012 to help stimulate U.S. economic growth and help grow consumer and market confidence. Concern about the stability of the markets generally and the strength of the economic recovery may lead lenders to reduce or cease to provide funding to businesses and consumers, and force financial institutions to continue to take the necessary steps to restructure their business and capital structures. As a result, this economic downturn has reduced demand for space and removed support for rents and property values. Although a recovery in the real estate market is in its early stages, the Trust cannot predict when the real estate markets will return to their pre-downturn levels. The value of Properties acquired may decline if current market conditions persist or worsen.

Reliance on Assumptions – The Trust’s investment objectives and strategy have been formulated based on Slate’s analysis and expectations regarding recent economic developments in the U.S., the future recovery of U.S. real estate markets generally, and the U.S. to Canadian dollar exchange rate. Such analysis may be incorrect and such expectations may not be realized, in which event the Holding LP may not generate sufficient funds to pay the Minimum Return.

Timing for Investment of Net Subscription Proceeds – Although Slate is targeting deployment of the proceeds within 10 months following Closing, the time period for the full investment of the net proceeds of the Offering in Properties is not certain and may exceed 10 months. The timing of such investment will depend, among

other things, upon the identification of Properties meeting the criteria for acquisition. There is a risk that the Manager may not invest all proceeds of the Offering in Properties in a timely manner and may not be able to generate sufficient funds to pay the Minimum Return.

Same Management Group for Various Slate Entities – Due to the fact that Slate manages other investment portfolios and realty trusts in similar asset classes, including SUSO 1, there is a risk that conflicts may arise regarding the allocation of tenants amongst the various Slate managed entities. In the future, Slate may acquire properties for other investment portfolios or realty trusts and intends that every transaction which comes to the attention of the Manager and which would be a suitable investment for the Trust will be acquired through the Trust. Slate may acquire properties for other investment portfolios or realty trusts in the future. In such circumstances, there is a risk that conflicts may arise regarding the allocation of properties among the various Slate managed entities.

Risks Associated with Redemptions

- (a) *Use of Available Cash* – The payment in cash by the Trust of the redemption price of Units will reduce the amount of cash available to the Trust for the payment of distributions to Unitholders, as the payment of the amount due in respect of redemptions will take priority over the payment of cash distributions.
- (b) *Redemption Price is at 95% of Value* – The amount required to be paid by the Trust for each Trust unit redeemed is 95% of the value of a Unit calculated in accordance with the Trust Declaration.
- (c) *Limitation on Payment of Redemption Price in Cash* – The total cash amount available for the payment of the redemption price of Units by the Trust is limited to U.S.\$100,000 in each calendar quarter and is limited in any 12-month period to 1% of the aggregate Gross Subscription Proceeds of all Units that were issued and outstanding at the start of such 12-month period.
- (d) *Payment of Redemption Price in Kind* – The redemption of Units may be paid and satisfied by way of an *in specie* distribution of property of the Trust, and/or unsecured subordinated notes of the Trust, as determined by the Trustees in their discretion, to the redeeming Unitholder. Such property may not be liquid and generally will not be a qualified investment for Plans and may be a prohibited investment for RRSPs, RRIFs and TFSAs. Adverse tax consequences generally may apply to a Unitholder, or Plan and/or its annuitant, beneficiary thereunder or holder thereof, as a result of the redemption of Units. Accordingly, investors that propose to invest in Units through Plans should consult their own tax advisors before doing so to understand the potential tax consequences of exercising their redemption rights attached to such Units.

Currency Exchange Rate Risk – Although investors in the Class A Units and Class F Units will be investing in Canadian dollars and will receive distributions in Canadian dollars, the distributions will be calculated based on the Canadian dollar equivalent of a given distribution (which calculation shall use the U.S.\$ spot exchange rate available to the Trust in respect of such distribution). The Canadian dollar is not maintained at a fixed exchange rate compared to foreign currencies but rather the value of the Canadian dollar has a floating exchange rate in relation to the U.S. dollar. Additionally, the business of the Trust's subsidiaries and their affiliates will be conducted in the U.S. Consequently, any income and gains will be earned and any expenses and losses will be incurred in U.S. dollars. As a result of fluctuations in the Canada/U.S. dollar exchange rate, the value of an investment in Class A Units or Class F Units distributions on the Class A Units or Class F Units, when expressed in Canadian dollars, may be greater or less than that determined only with reference to U.S. dollars. Accordingly, investors who purchase Class A Units or Class F Units are subject to currency exchange rate risk.

Risk Factors Relating to the Trust's Canadian Tax Status

- (a) *Non-Resident Ownership* – The Trust intends to comply with the requirements under the Tax Act at all relevant times such that it maintains its status as a “unit trust” and a “mutual fund trust” for purposes of the Tax Act. Under current law, a trust may lose its status under the Tax Act as a mutual fund trust if it can reasonably be considered that the trust was established or is maintained primarily for the benefit of Non-Residents. However, the restrictions on Non-Resident ownership will not apply where all or substantially all of the mutual fund trust’s property is not “taxable Canadian property”, as defined in the Tax Act. Even though the Trust will not own any taxable Canadian property, Non-Residents may not be the beneficial owners of more than 49% of the Units. The Trustees will also have various powers that can be used for the purpose of monitoring and controlling the extent of Non-Resident ownership of the Units. See “Description of the Trust – Limitation on Non-Resident Ownership”.

The restrictions on the issuance of Units by the Trust to Non-Residents may negatively affect the Trust’s ability to raise financing for future acquisitions or operations. In addition, the Non-Resident ownership restrictions could negatively impact the liquidity of the Units and the market price at which Units can be sold.

- (b) *Taxation of Trusts and Partnerships* – There can be no assurance that Canadian federal income tax laws and the administrative policies and assessing practices of the CRA respecting mutual fund trusts will not be changed in a manner that adversely affects Unitholders. In addition, the Tax Act requires the Trust to satisfy certain factual conditions in order for it to qualify as a mutual fund trust, including, among other things, that at least 150 beneficiaries of the Trust own not less than one block of units of any one class having an aggregate fair market value of not less than \$500. Should the Trust cease to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading “Certain Canadian Federal Income Tax Considerations” would be materially and adversely different in certain respects and the Units may cease to be qualified investments for Plans.

The SIFT Rules apply to a trust that is a “SIFT trust” and a partnership that is a “SIFT partnership”, each as defined in the Tax Act. Provided that a trust or partnership does not own “non-portfolio property” (as defined in the Tax Act), it will not be subject to the SIFT Rules. Based on the investment restrictions of the Trust and the limitations imposed on the Partnerships under their respective limited partnership agreements, the Trust and the Partnerships will not acquire any non-portfolio property and, therefore, will not be subject to the SIFT Rules. However, there can be no assurance that the SIFT Rules or the administrative policies or assessing practices of the CRA will not be changed in a manner that adversely affects the Trust, the Partnerships and Unitholders.

- (c) *Distribution of Additional Units* – Interest on the Investment LP Notes accrues at the Trust level for Canadian federal income tax purposes, whether or not actually paid. The Trust Declaration provides that a sufficient amount of the Trust’s net income and net realized capital gains will be distributed each year to Unitholders in order to eliminate the Trust’s liability for tax under Part 1 of the Tax Act. Where such amount of net income (including interest on the Investment LP Notes) and net realized capital gains on the Trust in a taxation year exceeds the cash available for distribution in the year, such excess net income and net realized capital gains will be distributed to Unitholders in the form of additional Units. Unitholders will generally be required to include an amount equal to the fair market value of those Units in their taxable income, even in circumstances where they do not receive a cash distribution.
- (d) *Foreign Taxes* – Foreign taxes paid by Investment LP will be allocated pursuant to its limited partnership agreement. Each partner’s share of the “business-income tax” and “non-business-income tax” paid in a foreign country for a year will be creditable against its Canadian federal income tax liability to the extent permitted by the detailed rules contained in the Tax Act. Although the foreign tax credit provisions are designed to avoid double taxation, the maximum

credit is limited. Because of this, and because of timing differences in recognition of expenses and income and other factors, double taxation may arise.

Under the Foreign Tax Credit Generator Proposals, the foreign “business income tax” or “non-business-income tax”, each as defined in the Tax Act, for any taxation year may be limited in certain circumstances, including where a partner’s share of the partnership’s income under the income tax laws of any country (other than Canada) under whose laws the income of the partnership is subject to income taxation, is less than the partner’s share of such income for purposes of the Tax Act. No assurances can be given that the Foreign Tax Credit Generator Proposals will not apply to any Unitholder. If the Foreign Tax Credit Generator Proposals apply, a Unitholder’s foreign tax credits will be limited.

- (e) *Differences in Canadian and U.S. Tax Laws* – The Trust is required to compute its income as though it were an individual resident in Canada. The Trust is, therefore, subject to the provisions of the Tax Act which may differ materially from the applicable provisions of the Code. In addition, the effective tax rate under the Tax Act and the Code may differ, in which case Unitholders generally will be subject to the higher effective tax rate.
- (f) *Dispositions of Real Property* – In the ordinary course and/or in connection with the termination of the Trust, the Trust may effect a sale of U.S. real property by disposing of securities of an underlying entity (such as Holding LP or any of its subsidiary partnerships) or by disposing of the property directly. In these circumstances, Investment LP’s effective tax rate under the Code on such dispositions will be greater than the effective tax rate on capital gains under the Tax Act. In the event that a sale of real property is structured in this manner, the net cash available for distribution to Unitholders will be reduced.
- (g) *Change of Law* – There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, the terms of the U.S. – Canada Tax Treaty, or the administrative and assessing practices and policies of the CRA and the Department of Finance (Canada) will not be changed in a manner that adversely affects Unitholders. Any such change could increase the amount of tax payable by the Trust or its affiliates or could otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of such distributions.
- (h) *Non-Residents of Canada* – The Tax Act may impose additional withholding or other taxes on distributions made by the Trust to Unitholders who are Non-Residents. These taxes and any reduction thereof under a tax treaty between Canada and another country may change from time to time. In addition, this Prospectus does not describe the tax consequences under the Tax Act to Non-Residents, which may be more adverse than the consequences to other Unitholders. Prospective Purchasers who are Non-Residents should consult their own tax advisors.
- (i) *Foreign Currency* – For purposes of the Tax Act, the Trust generally is required to compute its Canadian tax results using Canadian currency. Where an amount that is relevant in computing a taxpayer’s Canadian tax results is expressed in a currency other than Canadian currency, such amount must be converted to Canadian currency using the rate of exchange quoted by the Bank of Canada at noon on the day such amount first arose, or using such other rate of exchange as is acceptable to the CRA. As a result, the Trust may realize gains and losses for tax purposes by virtue of the fluctuation of the value of foreign currencies relative to Canadian dollars.

Risk Factors Relating to the Trust’s U.S. Tax Status

- (j) *Investment LP is subject to U.S. Federal Income Tax* – The Investment LP is subject to U.S. federal income tax as a “foreign” corporation engaged in a U.S. trade or business, and will have both ECI (and may have FDAP) which are U.S. source items subject to U.S. federal income tax law. The Trust also will have U.S. source FDAP income from interest paid on the Investment LP Notes. The Investment LP hopes to benefit from certain deductions under U.S. federal income tax

rules in order to reduce its overall tax burden, including but not limited to deduction of interest expense on the Investment LP Notes, but such deductions may be restricted depending upon a variety of factors, as discussed in “Certain U.S. Federal Income Tax Considerations”. If the Investment LP’s deductions were limited, the IRS were to successfully challenge a U.S. tax position Investment LP were to take, the Trust or the Investment LP were to fail to qualify for benefits under the U.S.-Canada Tax Treaty, or U.S. tax laws or the U.S.-Canada Tax Treaty were to change (perhaps retroactively), U.S. federal income tax costs could increase, thus decreasing cash available for distribution to the Unitholders and the value of the Units.

- (k) *Change of Law* – There can be no assurance that U.S. federal income tax laws, the terms of the U.S.-Canada Tax Treaty, and the IRS and Department of the Treasury administrative and legislative policies respecting the U.S. federal income tax consequences described herein will not be changed, possibly on a retroactive basis, in a manner that adversely affects Unitholders. In particular, any such change could increase the amount of U.S. federal income tax or withholding tax payable by the Trust or its subsidiaries, reducing the amount of distributions which the Trust would otherwise receive and thereby reducing the amount available to pay distributions to Unitholders.

For all of the above reasons and others set forth herein, the Units involve a certain degree of risk. Any person considering the purchase of Units should be aware of these and other factors set forth in this Prospectus and should consult with his or her legal, tax and financial advisors prior to making an investment in the Units. The Units should only be purchased by persons who can afford to lose all of their investment.

18. PROMOTER

Slate may be considered to be the promoter of the Trust by reason of its initiative in organizing the business of the Trust and taking the steps necessary for the public distribution of the Units. As at the date hereof, neither Slate nor any of its directors, officers or shareholders beneficially owns, controls or directs, directly or indirectly, any Units other than one Unit issued to Blair Welch to settle the Trust. However, following the closing of the Private Placement, Slate will own 100,000 of the Class I Units. In its role as the Manager, Slate will receive payment from the General Partner for services provided to the General Partner in respect of the acquisition or disposition of Properties and the ongoing management of the Properties and the Holding LP.

19. LEGAL PROCEEDINGS

There are no outstanding legal proceedings to which the Trust is a party, nor are any such proceedings known to be contemplated.

20. INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Trust was only recently formed and has not carried on any business to date. Other than as disclosed herein, neither Slate nor any of its directors, executive officers or shareholders, or any of their associates or affiliates has a material interest in any transaction carried out by the Trust or its subsidiaries within the three years before the date of this Prospectus that has materially affected or is reasonably expected to materially affect the Trust or any of its subsidiaries.

21. AUDITOR

The auditor of the Trust is Deloitte & Touche LLP, of Toronto, Ontario.

22. REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent for the Units is Equity Financial Trust Company at its principal office in Toronto. Registration and transfers of Units will be effected only through the book-entry only system administered

by CDS. A purchaser of Units will receive only customer confirmation from the registered dealer which is a CDS participant and from or through which Units are purchased. See “Plan of Distribution”.

23. MATERIAL CONTRACTS

The following are the only material agreements, other than contracts entered into in the ordinary course of business, which the Trust has entered into during the last two years. **Copies of these agreements are available for inspection during regular business hours at the offices of Slate, located at 80 Richmond Street West, Suite 1300, Toronto, Ontario, M5H 2A4.**

23.1 Particulars of Material Contracts

- 1) *Trust Declaration* – described in “Description of the Securities Distributed – The Trust”.
- 2) *Investment LP Agreement* – described in “Description of the Securities Distributed – The Investment LP”.
- 3) *Holding LP Agreement* – described in “Description of Business of the Trust – The Holding LP”.
- 4) *Management Agreement* – described in “Management Agreement”.
- 5) *Agency Agreement* – described in “Plan of Distribution – Agency Agreement”.

23.2 Inspection of Contracts and Reports

There are no material contracts except as disclosed in this Prospectus or entered into in the ordinary course of the Trust’s business, all of which may be inspected at the registered office of the Manager, located at 80 Richmond Street West, Suite 1300, Toronto, Ontario, M5H 2A4, during normal business hours while the Offering under this Prospectus is in progress, and for a period of 30 days thereafter.

24. EXPERTS

No professional person providing an opinion in this Prospectus expects to be elected, appointed or employed as a Trustee, director, senior officer or employee of the Trust or of an associate of the Trust, or is a promoter of the Trust or of any associate of the Trust.

Certain legal matters in connection with this Offering will be passed upon by Goodmans LLP, on behalf of the Trust, and by McCarthy Tétrault LLP, on behalf of the Agents. As at the date of this Prospectus, partners and associates of Goodmans LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Trust and its respective associates and affiliates. As at the date of this Prospectus, partners and associates of McCarthy Tétrault LLP, as a group, beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Trust and its respective associates and affiliates.

Hodgson Russ LLP, in its capacity as special U.S. tax counsel to the Trust, has prepared the summary of principal U.S. federal income tax considerations set out under the heading “Certain U.S. Federal Income Tax Considerations”. As at the date of this Prospectus, Hodgson Russ LLP beneficially owned, directly or indirectly, less than 1% in the outstanding securities of the Trust and its respective associates and affiliates.

25. PURCHASERS’ STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides Purchasers with the right to withdraw from an agreement to purchase securities within two Business Days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, securities legislation further provides a Purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the Purchaser, provided that such remedies for rescission or

damages are exercised by the Purchaser within the time limit prescribed by the securities legislation of the applicable province or territory. The Purchaser should refer to the securities legislation in the province or territory in which the Purchaser resides for the particulars of these rights or consult with a legal advisor.

INDEPENDENT AUDITOR'S CONSENT

We have read the prospectus of Slate U.S. Opportunity (No. 2) Realty Trust (the "**Trust**") dated October 26, 2012 relating to the sale and issue of Units of the Trust. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the Board of Trustees of the Trust on the statement of financial position of the Trust as at September 19, 2012. Our report on the Trust is dated October 26, 2012.

Deloitte & Touche LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Canada
October 26, 2012

FINANCIAL STATEMENT
of
Slate U.S. Opportunity (No. 2) Realty
Trust

September 19, 2012

Slate U.S. Opportunity (No. 2) Realty Trust

September 19, 2012

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Deloitte & Touche LLP
400 Applewood Crescent
Suite 500
Vaughan ON L4K 0C3
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

Independent Auditor's Report

To the Board of Trustees of
Slate U.S. Opportunity (No. 2) Realty Trust

We have audited the accompanying financial statement of Slate U.S. Opportunity (No. 2) Realty Trust, which comprise the statement of financial position as at September 19, 2012, and the related notes including a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statement 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Opinion

In our opinion, the financial statement presents fairly, in all material respects, the financial position of Slate U.S. Opportunity (No. 2) Realty Trust as at September 19, 2012 in accordance with International Financial Reporting Standards.

(signed) Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
October 26, 2012

SLATE U.S. OPPORTUNITY (No. 2) REALTY TRUST

Statement of Financial Position

(Expressed in United States dollars)

As at September 19, 2012

Assets

Cash U.S.\$ 10

Unitholders' Equity

Units:

Authorized: Unlimited

Issued: 1 unit

U.S.\$ 10

See accompanying notes to financial statement.

Approved on behalf of the Board of Trustees of Slate U.S. Opportunity (No. 2) Realty Trust:

(signed) Samuel Altman

Trustee

(signed) Patrick Flatley

Trustee

(signed) Peter Tesché

Trustee

(signed) Blair Welch

Trustee

(signed) Brady Welch

Trustee

1. Description of the trust and operations

Slate U.S. Opportunity (No. 2) Realty Trust (the “**Trust**”) is an unincorporated, open-ended investment trust formed under and governed by the laws of the Province of Ontario and resident in Canada. The Trust was established for the primary purpose of indirectly acquiring, owning and leasing a portfolio of diversified revenue-producing commercial real estate properties (the “**Properties**”) with a focus on anchored retail properties in the U.S.

The principal business of the Trust will be to issue trust units and acquire promissory notes or units of Slate U.S. Opportunity (No. 2) Investment L.P. (the “**Investment LP**”). The Investment LP will acquire units of Slate U.S. Opportunity (No. 2) Holding L.P. (the “**Holding LP**”), which will invest the proceeds from such issuance to directly or indirectly acquire the Properties.

There has been no activity in the Trust except for the receipt of a capital contribution. Accordingly, no statement of operations or statement of cash flows for this period have been presented.

2. Significant accounting policies

(a) *Statement of Compliance*

The preparation of the financial statement is in conformity with International Financial Reporting Standards.

3. Unitholders' equity

The beneficial interest in the net assets and net income of the Trust is divided into four classes of units, Class A Units, Class F Units, Class I Units and Class U Units. The Trust is authorized to issue an unlimited number of Units of each class. Rights and characteristics of each Class A Unit, Class F Unit, Class I Unit and Class U Unit are identical, with the exception that distributions for Class A Units and Class F Units are paid out in Canadian dollars and distributions for Class U Units and Class I Units are paid out in U.S. dollars.

Each Unitholder is entitled to one vote for each Unit held. Each Unit entitles the holder to the same rights and obligations as a Unitholder and no Unitholder is entitled to any privilege, priority or preference in relation to any other holder of Units, subject to the proportionate entitlement of the holders of Class A Units, Class F Units, Class I Units and Class U Units to participate in distributions made by the Trust including distributions of net realized capital gains or income, if any, and to receive proceeds on a redemption of Units and/or upon termination of the Trust, based on the Proportionate Class A Interest, Proportionate Class F Interest, Proportionate Class U Interest and Proportionate Class I Interest, respectively.

The Units are redeemable for cash at a value based on the estimated fair market value on the redemption date, subject to the certain restrictions.

4. Subsequent event

The Trust, along with Holding LP and Slate Properties Inc., entered into an agreement dated October 26, 2012 pursuant to which it filed a prospectus dated October 26, 2012 in each of the Provinces and territories of Canada in connection with its Initial Public Offering (the “**Offering**”) to sell a minimum of 1,000,000 and a maximum of 5,000,000 Class A Units, Class F Units or Class U Units of the Trust at a price of \$10 Canadian dollars for each Class A Unit or Class F Unit and \$10 U.S. dollars for each Class U Unit. Estimated costs relating to the Offering include agents' fees of \$0.525 Canadian dollar for each Class A Unit, \$0.225 Canadian dollar for each Class F Unit and U.S.\$0.525 U.S. for each Class U Unit.

The proceeds for the Offering will be used by the Trust to acquire units in and contribute to general partner capital of Holding LP.

The Trust has received a commitment from Slate Properties Inc. (“**Slate**”) for Slate or one of its affiliates to subscribe for a minimum of U.S.\$1,000,000 of Class I Units by way of a private placement (the “**Private Placement**”). The Private Placement will close contemporaneously with the closing of the Offering.

The expenses of the Offering and the Private Placement are estimated to be U.S.\$520,000 (but not to exceed 1.5% of the gross proceeds of the Offering and the Private Placement) which, together with the Agents' Fee, will be paid by the Trust.

5. Approval of financial statement

The financial statement was approved by the trustees and authorized for issue on October 26, 2012.

CERTIFICATE OF THE TRUST

Dated: October 26, 2012

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Prince Edward Island, New Brunswick, Nova Scotia and Newfoundland and Labrador, and the Yukon, Northwest Territories, and Nunavut.

SLATE U.S. OPPORTUNITY (NO. 2) REALTY TRUST

By: (Signed) Blair Welch
Chief Executive Officer

By: (Signed) Brady Welch
Chief Financial Officer

ON BEHALF OF THE BOARD OF TRUSTEES

By: (Signed) Samuel Altman
Trustee

By: (Signed) Patrick Flatley
Trustee

PROMOTER

SLATE PROPERTIES INC.
as Promoter

By: (Signed) Blair Welch
Director

CERTIFICATE OF THE AGENTS

Dated: October 26, 2012

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Prince Edward Island, New Brunswick, Nova Scotia and Newfoundland and Labrador, and the Yukon, Northwest Territories, and Nunavut.

**CIBC WORLD MARKETS
INC.**

**RBC DOMINION
SECURITIES INC.**

By: (signed) Michael D. Shuh

By: (signed) Reinhart Plessl

GMP SECURITIES L.P.

By: (signed) Andrew Kiguel

**BMO NESBITT
BURNS
INC.**

**SCOTIA CAPITAL
INC.**

**RAYMOND JAMES
LTD.**

**MACQUARIE
PRIVATE
WEALTH INC.**

**NATIONAL BANK
FINANCIAL INC.**

By: (signed) Robin G.
Tessier

By: (signed) Bryce
Stewart

By: (signed) J. Graham
Fell

By: (signed) Brent
Larkan

By: (signed) Timothy D.
Evans

CANACCORD GENUITY CORP. DUNDEE SECURITIES LTD.

By: (signed) Ron Sedran

By: (signed) Aaron Unger

SCHEDULE A AUDIT COMMITTEE CHARTER

Slate U.S. Opportunity (No. 2) Realty Trust (the “Trust”)

1. Mandate

The primary function of the audit committee (the “**Committee**”) is to assist the Trust in fulfilling its responsibilities of oversight and supervision of its accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, and the quality and integrity of its financial statements.

The Committee’s primary duties and responsibilities are to:

- (a) serve as an objective party to monitor the Trust’s financial reporting and internal control system and review the Trust’s financial statements;
- (b) review the performance of the Trust’s external auditors; and
- (c) provide an open avenue of communication among the Trust’s auditors, the trustees of the Trust and senior management of Slate Properties Inc., in its capacity as manager of the Trust (the “**Manager**”).

2. Composition

The Committee shall be comprised of two trustees of the Trust as determined by the trustees of the Trust, one of whom shall be free from any relationship that, in the opinion of the trustees, would interfere with the exercise of his or her independent judgment as a member of the Committee.

- (a) At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Audit Committee Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Trust’s financial statements.
- (b) The members of the Committee shall be appointed by the trustees of the Trust. Unless a Chair is elected by the trustees, the members of the Committee may designate a Chair. The Chair shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings and reporting to the trustees.

3. Meetings

The Committee shall meet four times annually, or more frequently as circumstances dictate.

- (a) If so requested by a member of the Committee, the external auditor shall attend any meeting of the committee held during the term of office of the external auditor.

4. Authority

The Committee is granted the authority to investigate any matter brought to its attention, with full access to all books, records, facilities and personnel of the Trust. The Committee has the power to engage and determine funding for outside counsel or other experts or advisors as the Committee deems necessary for these purposes and as otherwise necessary or appropriate to carry out its duties.

5. Duties and Responsibilities

The Committee shall:

Documents/Reports Review

- (1) Review the Trust's financial statements, management's discussion and analysis of financial results ("MD&A") and any financial press releases before the Trust publicly discloses this information.
- (2) Review and assess the adequacy of procedures in place for the review of the Trust's public disclosure of financial information extracted or derived from the Trust's financial statements, other than the Trust's financial statements, MD&A and financial press releases.

(b) External Auditor

- (1) Oversee the work of the external auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Trust, including reviewing with management of the Manager and the external auditor the overall scope and plans for the audit.
- (2) Review annually the performance of the external auditors, who shall be ultimately accountable to the trustees of the Trust and the Committee as representatives of the unitholders of the Trust.
- (3) Recommend to the trustees of the Trust the selection and compensation and, where applicable, the replacement of the external auditor nominated for the purpose of preparing or issuing an auditor's report or performing other audit review services for the Trust.
- (4) Consult with the external auditor, without the presence of management of the Manager about the quality of the Trust's accounting principles, internal controls and the completeness and accuracy of the Trust's financial statements.
- (5) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Trust's external auditors.

(c) Financial Reporting Processes

- (1) In consultation with the external auditor, review with management of the Manager the integrity of the Trust's financial reporting process, both internal and external, and approve, if appropriate, changes to the Trust's auditing and accounting practices.
- (2) Review and assist with the resolution of any significant disagreement among management of the Manager and the external auditor in connection with the preparation of the financial statements.
- (3) Establish procedures for (A) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and (B) the confidential anonymous submission by the Manager's employees of concerns regarding questionable accounting or auditing matters.

(d) Risk Management

- (1) Be aware of the risks of the business and ensure management of the Manager has adequate processes in place to monitor, manage and mitigate these risks as they arise.

6. Other

The Committee shall review any related-party transactions not in the ordinary course of business in the absence of a special committee of the board of trustees designated for such purpose.