*This Prospectus Supplement, together with the accompanying short form base shelf prospectus of Cominar Real Estate Investment Trust dated August 14, 2013 (the "**Base Shelf Prospectus**") and each document (or part thereof) incorporated by reference therein as of the date of this Prospectus Supplement for the purposes of the distribution of the securities to which this Prospectus Supplement pertains, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**1933 Act**") and accordingly will not be offered, sold or delivered, directly or indirectly, within the United States of America, its territories, its possessions and other areas subject to its jurisdiction or to, or for the account or for the benefit of, a U.S. person (as defined in Regulation S under the 1933 Act) without the availability of an exemption from registration. See "Plan of Distribution". The Base Shelf Prospectus, as supplemented by this Prospectus Supplement, does not constitute an offer to sell or solicitation of an offer to buy any of the securities offered hereby within the United States of America.*

***Information has been incorporated by reference in this Prospectus Supplement and in the Base Shelf Prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated therein and herein by reference may be obtained on request without charge from the Secretary of Cominar Real Estate Investment Trust at Complexe Jules-Dallaire, 2820 Laurier Blvd., Suite 850, Québec City, Québec, G1V 0C1, telephone (418) 681-8151 and are also available electronically at www.sedar.com.*

PROSPECTUS SUPPLEMENT

(to the short form base shelf prospectus dated August 14, 2013)

New Issue — September 17, 2014

COMINAR REAL ESTATE INVESTMENT TRUST

$250,000,000 principal amount of Series 6 Floating Rate Debentures due September 22, 2016
$300,000,000 principal amount of 3.62% Series 7 Debentures due June 21, 2019
(Senior Unsecured)

The Base Shelf Prospectus, as supplemented by this Prospectus Supplement, qualifies the distribution of $250,000,000 principal amount of Series 6 floating rate senior unsecured debentures due September 22, 2016 (the "**Series 6 Debentures**") and of $300,000,000 principal amount of 3.62% Series 7 senior unsecured debentures due June 21, 2019 (the "**Series 7 Debentures**" and, together with the Series 6 Debentures, the "**Debentures**") of Cominar Real Estate Investment Trust (the "**REIT**", which expression includes the REIT and its subsidiaries where the context so requires). The Series 6 Debentures are being offered at a price of $1,000 per $1,000 principal amount of Series 6 Debentures and the Series 7 Debentures are being offered at a price of $999.87 per $1,000 principal amount of Series 7 Debentures (collectively, the "**Offering**"). The terms of the Offering and the offering price of the Debentures were determined by negotiation between the REIT and the Agents (as defined below).

The Series 6 Debentures will bear interest at an annual rate equal to 3 Month CDOR (as defined herein) plus 1.08%, payable quarterly in arrears on March 22, June 22, September 22 and December 22 in each year, commencing on December 22, 2014. Interest on the Series 7 Debentures will be payable in equal (except for the first interest payment) semi-annual payments in arrears on June 21 and December 21 in each year commencing December 21, 2014, so long as such Series 7 Debentures are outstanding. Assuming the Series 7 Debentures are issued on September 22, 2014, the first interest payment to be made on December 22, 2014 will be $8.926 per $1,000 principal amount of Series 7 Debentures. Each semi-annual interest payment on the Series 7 Debentures after the first interest payment will be in an amount equal to $18.10 per $1,000 principal amount of Series 7 Debentures. See "Details of the Offering" for particulars of the material attributes of the Debentures.

The REIT will use the proceeds from the Offering, net of the fee of the Agents payable with respect to the Debentures to pay down debt outstanding under the Unsecured Revolving Credit Facility (as defined herein) and to pay a portion of the purchase price for the acquisition (the "**Acquisition**") of the Acquisition Properties (as defined herein) from Ivanhoé Cambridge Inc., the real estate subsidiary of la Caisse de dépôt et placement du Québec, and certain of its affiliates. The REIT currently expects the closing of the Acquisition to take place on or about October 1, 2014, but in any event no later than November 24, 2014. **There can be no assurances that the Acquisition will be completed and closing of this Offering is not subject to the closing of the Acquisition.** See "Recent Developments", "The Acquisition" and "Use of Proceeds" in this Prospectus Supplement.

There is no market through which any of the Debentures may be sold and purchasers may not be able to resell any of the Debentures purchased under this Prospectus Supplement. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures and the extent of issuer regulation. See "Risk Factors and Investment Considerations". Prospective investors should also be aware that the acquisition of Debentures may have tax consequences in Canada. For a summary of certain Canadian federal income tax considerations generally applicable to certain prospective purchasers of Debentures, see "Canadian Federal Income Tax Considerations".

(continued on next page)

	Price to the public	Agents' fee	Net Proceeds to the REIT (1)
Per $1,000 principal amount of Series 6 Debentures	$1,000	$2.00	$998.00
Per $1,000 principal amount of Series 7 Debentures (2)	$999.87	$3.00	$996.87
Total	$549,961,000	$1,400,000	$548,561,000

Note:

(1) Before deducting expenses of the Offering estimated to be approximately $450,000 which, together with the Agents' fee, will be paid from the proceeds of the Offering. See "Plan of Distribution".

(2) The effective yield of the Series 7 Debentures (if held to maturity) will be 3.624% per annum.

National Bank Financial Inc., BMO Nesbitt Burns Inc., Desjardins Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc. (collectively, the "**Agents**"), as agents, conditionally offer the Debentures, subject to prior sale, on a best efforts basis if, as and when issued by the REIT, and accepted by the Agents in accordance with the conditions contained in the agency agreement referred to under "Plan of Distribution" in this Prospectus Supplement and subject to the approval of certain legal matters on behalf of the REIT by Davies Ward Phillips & Vineberg LLP, and on behalf of the Agents by Lavery, de Billy, L.L.P.

There is no minimum amount of funds that must be raised under this Offering. This means that the REIT could complete this Offering after raising only a small proportion of the Offering amount set out above.

In connection with the Offering, the Agents may over-allot or effect transactions which stabilize or maintain the market price of the Debentures at levels other than those that otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

Each of National Bank Financial Inc., BMO Nesbitt Burns Inc., Desjardins Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc. is a subsidiary of financial institutions which are among the principal lenders of the REIT and its subsidiaries. Mr. Gérard Coulombe, a trustee of the REIT, is a director of the financial institution of which National Bank Financial Inc. is a subsidiary. Consequently, the REIT may be considered a "connected issuer" of such Agents within the meaning of applicable securities legislation. As at September 16, 2014, the consolidated indebtedness of the REIT to such financial institutions amounted to approximately $623.3 million in the aggregate. See "Relationship Between the REIT and the Agents".

Subscriptions for the Debentures will be received subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. On the date of closing of the Offering ("**Closing**"), the REIT will cause global certificates representing the Debentures to be delivered to, and registered in the name of, CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee. Except as described below (see "Details of the Offering – Depository Services"), the Debentures will be issued in "book-entry only" form and no purchaser of a Debenture will be entitled to a certificate or other instrument from the REIT or CDS evidencing the ownership of a Debenture. It is expected that Closing will take place on September 22, 2014 or on such other date as the REIT and the Agents may agree but, in any event, not later than September 29, 2014.

The REIT and the Debentures have received a rating of BBB (low), with a Stable trend, from DBRS Limited ("**DBRS**"). The requests for a credit rating in respect of the REIT and the Debentures were initiated by the REIT. The BBB (low), with a Stable trend, rating assigned by DBRS to the REIT and the Debentures is the fourth highest rating of DBRS' ten rating categories, which range from AAA to D. A rating trend, expressed as "Positive", "Stable" or "Negative", provides DBRS' opinion regarding the outlook for the rating in question over the medium term. **Under the DBRS rating system, debt securities rated BBB are of adequate credit quality and the capacity for payment of financial obligations is considered acceptable, but the entity may be vulnerable to future events. The credit rating assigned by DBRS to the REIT and the Debentures is not a recommendation to buy, hold or sell securities of the REIT. A rating is not a comment on the market price of a security nor is it an assessment of ownership given various investment objectives. Prospective investors should consult with DBRS with respect to the interpretation and implications of the rating. There is no assurance that any rating will remain in effect for any given period of time and ratings may be upgraded, downgraded, placed under review, confirmed and discontinued. See "Credit Ratings" and "Risk Factors and Investment Considerations – Credit Ratings".**

The REIT is an unincorporated closed-end investment trust created by contract of trust dated March 31, 1998, as amended, supplemented or restated from time to time, and is governed by the laws of the Province of Québec. **The REIT is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company.**

In this Prospectus Supplement, unless otherwise specified or the context otherwise requires, all dollar amounts are expressed in Canadian dollars. Defined terms used in this Prospectus Supplement that are not defined herein have the meanings ascribed thereto in the Base Shelf Prospectus.

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FORWARD-LOOKING STATEMENTS

Certain statements contained in the short form base shelf prospectus dated August 14, 2013 (the "**Base Shelf Prospectus**") of Cominar Real Estate Investment Trust (the "**REIT**", which expression includes the REIT and its subsidiaries where the context so requires), as supplemented by this prospectus supplement (the "**Prospectus Supplement**"), and in certain documents incorporated by reference therein and herein, constitute forward-looking statements. These statements relate to future events or the REIT's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These factors include general economic conditions in Canada and elsewhere in the world, the effects of competition in the markets where the REIT operates, the impact of changes in laws and regulations, including tax laws, successful execution of the REIT's strategy, the REIT's ability to complete and integrate acquisitions successfully, including the Acquisition (as defined below), the REIT's ability to attract and retain key employees and executives, the financial position of clients, the REIT's ability to refinance its debts upon maturity and to lease vacant space, the REIT's ability to complete developments according to plans and to raise capital to finance growth, as well as changes in interest rates. See "Risk Factors and Investment Considerations" in the Base Shelf Prospectus and in this Prospectus Supplement.

Although this is not an exhaustive list, the REIT cautions investors that statements concerning the following subjects are, or are likely to be, forward-looking statements: the ability of the REIT to continue to identify, pursue and consummate acquisition opportunities, the return on investment of the REIT's development and existing property enhancement projects, the status of the REIT for tax purposes, the access of the REIT to capital and debt markets, including the ability to refinance the Unsecured Revolving Credit Facility (as defined below) and the Unsecured Bridge Credit Facility (as defined below) and on terms favourable to the REIT, or at all, the ability of the REIT to complete the Acquisition, in whole, in part or at all, and to effectively integrate the Acquisition Properties (as defined below) in the REIT's current portfolio and the REIT's intention to meet its target leverage of approximately 50% of debt to Gross Book Value (as defined below) in the future. The REIT's actual results could differ materially from those anticipated in forward-looking statements, as applicable, including as a result of the risks associated with the ownership of immovable property, access to capital, current global financial conditions, competition in the real estate sector, acquisitions, the REIT's development program, dependence on key personnel, potential conflicts of interest, general uninsured losses, governmental regulation, and risks associated to reliance on credit ratings, credit risks related to the REIT, risks related to the prior ranking indebtedness of the REIT and the structural subordination of the Debentures (as defined below) offered hereunder and limits on activities of the REIT. See "Risk Factors and Investment Considerations" in the Base Shelf Prospectus and in this Prospectus Supplement. While the REIT believes that the expectations reflected in the forward-looking statements contained in the Base

Shelf Prospectus, as supplemented by this Prospectus Supplement, and in the documents incorporated by reference therein and herein, are reasonable, no assurance can be given that these expectations will prove to be correct, and such forward-looking statements included in, or incorporated by reference in, such documents should not be unduly relied upon. Unless otherwise indicated in the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, these statements speak only as of the date of the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, or as of the date specified in the documents incorporated by reference therein and herein, as the case may be. The REIT does not assume any obligation to update the aforementioned forward-looking statements, except as required by applicable laws.

NON-IFRS FINANCIAL MEASURES

The REIT issues guidance and reports on certain non-IFRS (as defined below) measures, including "net operating income", "adjusted net income", "recurring distributable income", "recurring funds from operations", "recurring adjusted funds from operations" and "proportionate consolidation adjustment", that it uses to evaluate its performance. Because non-IFRS measures do not have a standardized meaning and may differ from similar measures presented by other entities, securities regulations require that non-IFRS measures be clearly defined and qualified, reconciled with their nearest IFRS measure and given no more prominence than the closest IFRS measure. Such information is presented in the sections dealing with these financial measures herein, including "The Acquisition" and "Use of Proceeds", and in the documents incorporated by reference into the Base Shelf Prospectus and into this Prospectus Supplement.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Base Shelf Prospectus (together with this Prospectus Supplement, the "Prospectus") as of the date hereof and only for the purposes of the offering of the Debentures hereunder (the "Offering").

Information has been incorporated by reference in this Prospectus Supplement from documents filed with securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the REIT, Complexe Jules-Dallaire, 2820 Laurier Blvd., Suite 850, Québec City, Québec, G1V 0C1, Telephone: (418) 681-8151, and are also available electronically under the REIT's profile on SEDAR (as defined below) at *www.sedar.com*.

The following documents, filed with the various securities commissions or similar regulatory authorities in each of the provinces and territories of Canada, are specifically incorporated by reference in and form an integral part of this Prospectus Supplement:

(a) the annual information form ("**AIF**") of the REIT dated March 28, 2014 (the "**2013 AIF**");

(b) the comparative audited consolidated financial statements of the REIT for the year ended December 31, 2013, together with the notes thereto and the auditors' report thereon (the "**2013 Financial Statements**");

(c) the management's discussion and analysis of operating results and financial position ("**MD&A**") of the REIT for the year ended December 31, 2013 (the "**2013 MD&A**");

(d) the unaudited condensed interim consolidated financial statements of the REIT for the six-month period ended June 30, 2014, together with the notes thereto (the "**June 2014 Financial Statements**");

(e) the MD&A of the REIT for the six-month period ended June 30, 2014 (the "**June 2014 MD&A**");

(f) the management information circular of the REIT dated March 26, 2014 (the "**Circular**") in connection with the annual and special meeting of Unitholders (as defined below) held on May 13, 2014;

(g) the material change report of the REIT dated January 15, 2014 with respect to the sale of its 4.941% Series 4 senior unsecured debentures due July 27, 2020 (the "**Series 4 Debentures**") in the principal amount of $100 million (the "**January 2014 Series 4 Debentures**");

(h) the material change report of the REIT dated March 6, 2014 with respect to the sale of its Series 4 Debentures in the principal amount of $100 million (the "**March 2014 Series 4 Debentures**");

(i) the material change report of the REIT dated September 2, 2014 with respect to the offering of 13,158,000 Units (as defined below) at a price of $19.00 per Unit (the "**Unit Offering**"), the Acquisition and the subscription by Ivanhoé Cambridge (as defined below) to 13,158,000 Units at the Subscription Price (as defined below) (the "**Concurrent Private Placement**");

(j) the template version of the indicative term sheets for the Offering, both dated September 17, 2014 (together, the "**Debenture Indicative Term Sheets**"); and

(k) the Debenture Final Term Sheets (as defined below).

All material change reports (excluding confidential material change reports), AIFs, annual financial statements and the auditor's report thereon and related MD&A, interim financial reports and related MD&A, information circulars, business acquisition reports and any other documents as may be required to be incorporated by reference herein under applicable securities laws which are filed by the REIT with a securities commission or any similar regulatory authority in Canada after the date of this Prospectus Supplement shall be deemed to be incorporated by reference into this Prospectus Supplement.

Any statement contained in a document incorporated or deemed to be incorporated by reference in the Base Shelf Prospectus, this Prospectus Supplement or in a document incorporated or deemed to be incorporated by reference therein and herein for the purposes of the Offering shall be deemed to be modified or superseded, for purposes of this Prospectus Supplement, to the extent that a statement contained in this Prospectus Supplement, the Base Shelf Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference therein and herein modifies or replaces such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute part of the Base Shelf Prospectus or of this Prospectus Supplement.

MARKETING MATERIALS

The Debenture Indicative Term Sheets are not part of this Prospectus Supplement or the Base Shelf Prospectus to the extent that the contents of the Debenture Indicative Term Sheets have been modified or superseded by a statement contained in this Prospectus Supplement or any amendment. The Debenture Indicative Term Sheets did not include a number of terms of the Offering. The terms of this Offering have now been confirmed. Pursuant to subsection 9A.3(7) of National Instrument 44-102 – *Shelf Distributions* (referred to in Québec as *Regulation 44-102 respecting Shelf Distributions*), the REIT has prepared final template versions of the Debenture Indicative Term Sheets dated September 17, 2014 (together, the "**Debenture Final Term Sheets**") to reflect, among other things, (i) the aggregate principal amount of this Offering, (ii) the spread between 3 Month CDOR and the Series 6 Interest Rate (as defined below) in respect of the Series 6 Debentures and (iii) the interest rate of the Series 7 Debentures. Blacklines to show such modifications have been prepared. Copies of the Debenture Final Term Sheets and associated blacklines are available electronically under the REIT's profile at *www.sedar.com*.

Any "template version" of "marketing materials" (as such terms are defined in National Instrument 41-101 – General Prospectus Requirements (referred to in Québec as *Regulation 41-101 respecting General Prospectus Requirements*)) filed with the securities commission or similar regulatory authority in each of the provinces and territories of Canada in connection with this Offering after the date hereof but prior to the termination of the distribution of the Debentures under this Prospectus Supplement (including any amendments to, or an amended version of, any of the Debenture Final Term Sheets) will be deemed to be incorporated by reference into the Base Shelf Prospectus and into this Prospectus Supplement.

SUMMARY

The following is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere or incorporated by reference in this Prospectus Supplement. Please refer to the section entitled "Glossary" beginning on page 8 of this Prospectus Supplement for the meaning of the terms used but not otherwise defined in this summary. Unless otherwise indicated, this summary gives effect to the acquisition by the REIT of a 100%-interest in the Acquisition Properties. See "The Acquisition – Purchase Agreement".

Issuer:	Cominar Real Estate Investment Trust
Offering:	$250,000,000 aggregate principal amount of Series 6 floating rate senior unsecured debentures due September 22, 2016 ("**Series 6 Debentures**"). $300,000,000 aggregate principal amount of 3.62% Series 7 senior unsecured debentures due June 21, 2019 ("**Series 7 Debentures**").
Price to the Public:	100% of the principal amount or $1,000 per $1,000 principal amount of Series 6 Debentures. 99.987% of the principal amount or $999.87 per $1,000 principal amount of Series 7 Debentures.
Interest Rate and Interest Payment Dates:	The Series 6 Debentures will bear interest at an annual rate equal to the 3 Month CDOR (as defined in "Details of the Offering") plus 1.08%, payable quarterly in arrears on March 22, June 22, September 22 and December 22 in each year, commencing on December 22, 2014. Interest on the Series 7 Debentures will be payable in equal (except for the first interest payment) semi-annual payments in arrears on June 21 and December 21 in each year commencing December 21, 2014. See "Details of the Offering – General".
Issue Date:	September 22, 2014.
Maturity Date:	The Series 6 Debentures will mature on September 22, 2016. The Series 7 Debentures will mature on June 21, 2019.
Ranking:	The Debentures will be direct senior unsecured obligations of the REIT and will rank equally and rateably with one another and with all other unsecured and unsubordinated Indebtedness of the REIT including the Unsecured Debentures, except to the extent prescribed by law. See "Details of the Offering – Rank".
Optional Redemption:	The Series 6 Debentures are not redeemable. The Series 7 Debentures are redeemable, in whole at any time, or in part from time to time, prior to maturity on payment of a redemption price described in this Prospectus Supplement. See "Details of the Offering – Redemption by the REIT".
Change of Control:	In the event of a Change of Control (as defined in "Details of the Offering"), the holders of Debentures may require the REIT to repurchase their Debentures, in whole or in part, at a price of (i) 101% of the principal amount of such Debentures plus (ii) all accrued interest to the date of repurchase. See "Details of the Offering – Change of Control".
Certain Covenants:	The Trust Indenture contains certain customary covenants in favour of the holders of Debentures that provide for, among other things: • the limitation on the ability of the REIT to consolidate with, amalgamate or merge with or into or sell, assign, transfer or lease all or substantially all of its properties and assets; • the maintenance by the REIT of a ratio of Consolidated EBITDA to Consolidated Interest Expense (as such terms are defined in "Details of the Offering") of not less than 1.65 to 1;

- the limitation on the ability of the REIT to incur or assume, or permit any Subsidiary to incur or assume, any Indebtedness (as defined in "Details of the Offering");
- the maintenance by the REIT of an Adjusted Unitholders' Equity (as defined in the "Details of the Offering") of not less than $500 million; and
- the maintenance by the REIT of Unencumbered Aggregate Adjusted Assets in an amount of not less than 130% of the aggregate principal amount of its Consolidated Unsecured Indebtedness (other than Subordinated Indebtedness) (as such terms are defined in "Details of the Offering").

For further information, see "Details of the Offering – Certain Trust Indenture Covenants" and "Details of the Offering – Certain Covenants Regarding the Debentures".

Amount of Offering and Use of Proceeds: The estimated total net proceeds to be received by the REIT from this Offering will amount to approximately $548.1 million, after deducting the Agents' fee in respect of this Offering and the estimated expenses of this Offering. The net proceeds from the Offering will be used to pay down debt outstanding under the Unsecured Revolving Credit Facility and to finance a portion of the Acquisition. There can be no assurances that the Acquisition will be completed and Closing is not subject to the closing of the Acquisition. In the event that the Acquisition is not completed, the net proceeds of this Offering will be used by the REIT to pay down debt outstanding under the Unsecured Revolving Credit Facility, to finance the REIT's ongoing acquisition and development pipeline and for general and trust purposes. See "Use of Proceeds".

Credit Ratings: DBRS Limited: BBB (low), with Stable trend.

The credit rating assigned by DBRS to the REIT and to the Debentures is not a recommendation to buy, hold or sell securities of the REIT. For further information, see "Credit Ratings".

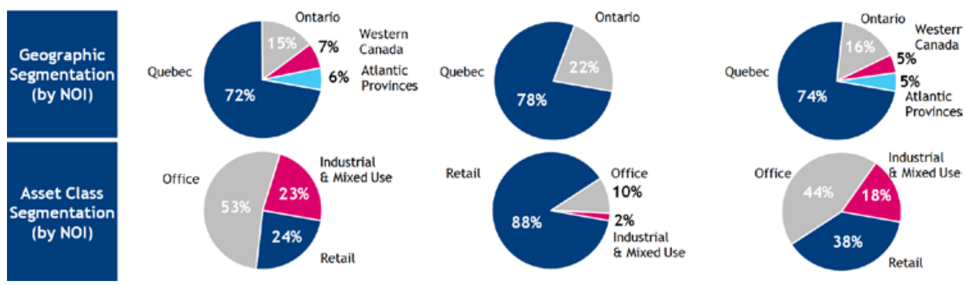
The Acquisition: Pursuant to the Purchase Agreement, Ivanhoé Cambridge and certain of its affiliates have agreed to sell, transfer, assign and convey to the REIT the Acquisition Properties for an aggregate purchase price of approximately $1.527 billion, subject to certain adjustments and the exercise of rights of first refusal and the potential purchase of third-party interests in certain of the Acquisition Properties. Assuming that such third parties elect to sell their interests in such Acquisition Properties to the REIT and that no rights of first refusal are exercised, the purchase price of the Acquisition would be increased to approximately $1.63 billion, subject to certain adjustments. In addition to the net proceeds of this Offering, the purchase price of the Acquisition, together with the transaction expenses, will be funded through the Otéra Hypothecary Loan of $250 million, the Unsecured Bridge Credit Facility as to approximately $275 million, the Concurrent Private Placement, and the balance from the Unsecured Revolving Credit Facility and cash on hand. The Acquisition is expected to close on or about October 1, 2014, or three business days after the conditions set out in the Purchase Agreement have been met or waived, but in any event no later than November 24, 2014, following satisfaction of all customary closing conditions. See "The Acquisition" and "Financing of the Acquisition".

Concurrent Private Placement: The REIT has entered into the Purchase Agreement with respect to the Acquisition which contemplates, *inter alia*, that a portion of the purchase price for the Acquisition Properties will be funded through the subscription by Ivanhoé Cambridge to 13,158,000 Placement Units (as defined below) at the Subscription Price for a total of approximately $250 million. The closing of the Concurrent Private Placement is subject to the closing of the Acquisition and will occur concurrently with such closing. The Placement Units will be subject to a statutory hold period, and, unless otherwise approved by the REIT, Ivanhoé Cambridge has agreed not to sell any Placement Unit for a period of nine months from the Acquisition Closing Date (as defined below), and has also agreed not to sell one-half of the Placement Units for an additional period of three months from the end of such nine-month period. See "Financing of the Acquisition – Concurrent Private Placement".

Portfolio Composition: The Acquisition Properties include 15 properties in the provinces of Québec and Ontario and comprise a total of approximately 5.7 million square feet of GLA. The Acquisition Properties include 11 retail properties (representing approximately 4.9 million square feet), three office properties (representing approximately 660,000 square feet), including one property under development, and one industrial and mixed-use property (representing approximately 99,000 square feet), with an occupancy rate of approximately 96.7%. See "The Acquisition – The Acquisition Properties".

Pro Forma Portfolio Composition: Upon completion of the Acquisition, the REIT will own 541 properties, comprised of a total of approximately 45.2 million square feet of GLA. The REIT's portfolio on a *pro forma* basis, after giving effect to the Acquisition, will continue to be well diversified by asset class and geography on a NOI basis. The Acquisition enhances the NOI contribution of its retail sector from 24% to 38%, with the office sector at 44% and the industrial and mixed-use sector at 18%, as shown below:

Current REIT Properties **Acquisition Properties** **Pro Forma Portfolio Composition**



See "The Acquisition – Pro Forma Portfolio Composition".

Pro Forma Leverage: After giving effect to this Offering, the Unit Offering (including the exercise in full of the over-allotment option granted in connection with the Unit Offering), the Concurrent Private Placement, the Acquisition and the financing thereof (including through the use of the net proceeds of this Offering, the Unit Offering as described above and the Concurrent Private Placement), the indebtedness of the REIT, expressed as a percentage of the Gross Book Value (including proportionate consolidation adjustment), is estimated by Management to be approximately 56.7% (approximately 54.5%, excluding the Convertible Debentures). The REIT's long-term target leverage remains at approximately 50% of debt to Gross Book Value. See "The Acquisition – Purchase Agreement", "Use of Proceeds" and "Changes in Units Outstanding and Loan Capital".

Risk Factors: An investment in the Debentures is subject to certain risks. Investors should carefully consider the risk factors and investment considerations described in "Risk Factors and Investment Considerations" and in the Base Shelf Prospectus, the risk factors described in the 2013 AIF, the 2013 MD&A and the June 2014 MD&A incorporated by reference in the Prospectus, and other information elsewhere in the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, prior to making an investment in the Debentures.

GLOSSARY

The following terms used in this Prospectus Supplement have the meanings set out below:

"**1933 Act**" means the United States *Securities Act of 1933*, as amended.

"**2013 AIF**" has the meaning ascribed thereto under "Documents Incorporated by Reference".

"**2013 Financial Statements**" has the meaning ascribed thereto under "Documents Incorporated by Reference".

"**2013 MD&A**" has the meaning ascribed thereto under "Documents Incorporated by Reference".

"**Acquisition**" means the direct and/or indirect acquisition by the REIT from Ivanhoé Cambridge and certain of its affiliates of all of the Acquisition Properties pursuant to the terms of the Purchase Agreement.

"**Acquisition Closing Date**" means on or about October 1, 2014, or three business days after the conditions set out in the Purchase Agreement have been met or waived, but in any event no later than November 24, 2014.

"**Acquisition Properties**" means, collectively, the properties described herein under "The Acquisition – Description of the Acquisition Properties".

"**affiliate**" has the meaning ascribed thereto in the *Securities Act* (Québec), as amended.

"**Agency Agreement**" means the agency agreement dated September 17, 2014 between the REIT and the Agents.

"**Agents**" means, collectively, NBF, BMO, Desjardins Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc.

"**AIF**" has the meaning ascribed thereto under "Documents Incorporated by Reference".

"**Amended Trust Indenture**" has the meaning ascribed thereto under "Details of the Offering".

"**associate**" has the meaning ascribed thereto in the CBCA, except under "Legal Matters".

"**Base Shelf Prospectus**" has the meaning ascribed thereto under "Forward-looking Statements".

"**BMO**" means BMO Nesbitt Burns Inc.

"**Bridge Lenders**" has the meaning ascribed thereto under "Financing of the Acquisition – Unsecured Bridge Credit Facility".

"**CBCA**" means the *Canada Business Corporations Act*, as amended.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**Circular**" has the meaning ascribed thereto under "Documents Incorporated by Reference".

"**Closing**" has the meaning ascribed thereto under "Details of the Offering".

"**Competition Act**" means the *Competition Act* (Canada) and the regulations promulgated thereunder, as amended from time to time.

"**Competition Bureau**" means the agency responsible for the administration and enforcement of the Competition Act.

“**Concurrent Private Placement**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**Consolidated Interest Coverage Ratio**” has the meaning ascribed thereto under “Interest and Earnings Coverage”.

“**Convertible Debentures**” means, collectively, (i) the series D 6.50% convertible unsecured subordinated debentures due September 30, 2016, and (ii) the series E 5.75% convertible unsecured subordinated debentures due June 30, 2017, of the REIT, and includes where the context so requires, convertible unsecured subordinated debentures of the REIT which may be issued by the REIT from time to time in the future under that certain trust indenture made as of September 17, 2004 between the REIT and Natcan Trust Company (subsequently replaced by Computershare Trust Company of Canada), as trustee, subject to their specific terms and conditions upon issuance thereof.

“**CRA**” means the Canada Revenue Agency.

“**Debenture Final Term Sheets**” has the meaning ascribed thereto under “Marketing Materials”.

“**Debenture Indicative Term Sheets**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**DBRS**” means DBRS Limited.

“**Debentureholder**” has the meaning ascribed thereto under “Canadian Federal Income Tax Considerations”.

“**Debentures**” means, collectively, the Series 6 Debentures and the Series 7 Debentures.

“**DRIP**” means the distribution reinvestment plan of the REIT, as amended and restated, as described under “Distribution Reinvestment Plan” on page 62 of the 2013 AIF.

“**Equity Incentive Plan**” means the equity-based incentive plan of the REIT, as amended and restated, as described in Exhibit 1 to Schedule “A” to the Circular.

“**GLA**” means gross leasable area.

“**Global Debenture**” has the meaning ascribed thereto under “Details of the Offering – Depositary Services”.

“**Gross Book Value**” means, at any time, the book value of the assets of the REIT, as shown on its then most recent balance sheet, plus the amount of accumulated depreciation shown thereon.

“**Holder**” has the meaning ascribed thereto under “Canadian Federal Income Tax Considerations” and applies only to such section and to “Risk Factors and Investment Considerations – Risk Factors Related to the Ownership of Units – Status for tax purposes”.

“**IFRS**” means the generally accepted accounting principles determined with reference to International Financial Reporting Standards, as issued by the International Accounting Standards Board, and which have been prescribed as being Canadian generally accepted accounting principles for publicly accountable enterprises by the Accounting Standards Board of the Chartered Professional Accountants of Canada, as amended from time to time.

“**Indenture Trustee**” means Computershare Trust Company of Canada.

“**Ivanhoé Cambridge**” means Ivanhoé Cambridge Inc., the real estate subsidiary of la Caisse de dépôt et placement du Québec.

“**January 2014 Series 4 Debentures**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**June 2014 Financial Statements**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**June 2014 MD&A**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**Management**” means the management of the REIT.

“**March 2014 Series 4 Debentures**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**MD&A**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**NBF**” means National Bank Financial Inc.

“**NOI**” means net operating income.

“**Offering**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**Otéra**” has the meaning ascribed thereto under “Financing of the Acquisition – Otéra Hypothecary Loan”.

“**Otéra Hypothecary Loan**” has the meaning ascribed thereto under “Financing of the Acquisition – Otéra Hypothecary Loan”.

“**Participants**” has the meaning ascribed thereto under “Details of the Offering – Depositary Services”.

“**Placement Units**” means the Units to be issued in connection with the Concurrent Private Placement.

“**Prospectus Supplement**” has the meaning ascribed thereto under “Forward-looking Statements”.

“**Purchase Agreement**” means the agreement of purchase and sale bearing the date of August 26, 2014 among the REIT, Ivanhoé Cambridge and certain of its affiliates in respect of the sale of the Acquisition Properties by Ivanhoé Cambridge and such affiliates to the REIT, as amended, supplemented or otherwise modified from time to time.

“**Real Estate Investment Trust Exception**” has the meaning ascribed thereto under “Risk Factors and Investment Considerations – Risk Factors Related to the Ownership of Debentures – Tax Risk”.

“**Registration Rights Agreement**” has the meaning ascribed thereto under “Financing of the Acquisition – Concurrent Private Placement”.

“**Regulations**” means the regulations under the Tax Act.

“**REIT**” means Cominar Real Estate Investment Trust, except as otherwise set forth herein.

“**RRIF**” means registered retirement income fund, as defined in the Tax Act.

“**RRSP**” means registered retirement savings plan, as defined in the Tax Act.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators.

“**Series 4 Debentures**” has the meaning ascribed thereto under “Documents Incorporated by Reference”.

“**Series 6 Debentures**” means the Series 6 floating rate senior unsecured debentures due September 22, 2016 of the REIT.

“**Series 7 Debentures**” means the 3.62% Series 7 senior unsecured debentures due June 21, 2019 of the REIT.

"**Seventh Supplemental Indenture**" has the meaning ascribed thereto in "Details of the Offering".

"**shadow tenant**" means a person who occupies a property located proximate to a shopping centre, but who is not part of such shopping centre, who shares certain of the operating costs of the shopping centre or contributes revenue to the shopping centre, and has the potential to generate traffic for the centre.

"**SIFT**" means specified investment flow-through trust, as defined in the Tax Act.

"**SIFT Rules**" means the provisions of the Tax Act which address the taxation of SIFTs and their unitholders.

"**Subscription Agreement**" has the meaning ascribed thereto under "Financing of the Acquisition – Concurrent Private Placement".

"**Subscription Price**" means $19.00 per Unit.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended.

"**Tax Proposals**" means all specific proposals to amend the Tax Act announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Prospectus Supplement.

"**TFSA**" means a tax free savings account, as defined in the Tax Act.

"**Trust Indenture**" has the meaning ascribed thereto under "Details of the Offering".

"**Trustee**" means a trustee of the REIT.

"**TSX**" means the Toronto Stock Exchange.

"**Unit**" means a unit of interest in the REIT.

"**Unit Offering**" has the meaning ascribed thereto under "Documents Incorporated by Reference".

"**Unitholder**" means a holder of Units.

"**Unsecured Bridge Credit Facility**" has the meaning ascribed thereto under "Financing of the Acquisition – Unsecured Bridge Credit Facility".

"**Unsecured Bridge-to-Accordion Facility**" means the $100 million unsecured loan made to the REIT by the Bridge Lenders on August 26, 2014 to fund the payment of a deposit on the purchase price of the Acquisition.

"**Unsecured Debentures**" means, collectively, the 4.274% Series 1 senior unsecured debentures of the REIT due June 15, 2017, the 4.23% Series 2 senior unsecured debentures of the REIT due December 4, 2019, the 4.00% Series 3 senior unsecured debentures of the REIT due November 2, 2020, the 4.941% Series 4 senior unsecured debentures of the REIT due July 27, 2020 and the Series 5 floating rate senior unsecured debentures of the REIT due October 9, 2015.

"**Unsecured Revolving Credit Facility**" means the REIT's operating and acquisition credit facility, which was entered into on August 4, 2014, in the stated amount of $350 million, which was increased to $550 million on September 17, 2014. See "Recent Developments".

ELIGIBILITY FOR INVESTMENT

In the opinion of Davies Ward Phillips & Vineberg LLP, counsel to the REIT, and Lavery, de Billy, L.L.P., counsel to the Agents, provided the REIT is a mutual fund trust within the meaning of the Tax Act on the date of issue and provided the Units are listed on a designated stock exchange in Canada (which currently includes the TSX) on the date of issue, the Debentures offered hereby, will be, on the date of issue, qualified investments under the Tax Act for trusts governed by RRSPs, RRIFs, deferred profit sharing plans, registered education savings plans, registered disability savings plans and TFSAs (except that such Debentures are not a qualified investment for a trust governed by a deferred profit sharing plan for which any employer is the REIT).

Notwithstanding that the Debentures may be qualified investments for a TFSA, RRSP or RRIF, the holder of a TFSA or the annuitant of an RRSP or RRIF as the case may be, will be subject to a penalty tax on the Debentures if the Debentures are a “prohibited investment” (as defined in the Tax Act) and other tax consequences may result if the Debentures are a “prohibited investment”. Provided that the holder of a TFSA, or an annuitant of an RRSP or RRIF, (i) does not hold a “significant interest” (as defined in the Tax Act) in the REIT or in a corporation, partnership or trust with which the REIT does not deal at arm’s length for purposes of the Tax Act, and (ii) deals at arm’s length with the REIT within the meaning of the Tax Act, then the Debentures offered by the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, will not be a prohibited investment for a trust governed by such TFSA, RRSP or RRIF, as applicable. Annuitants of RRSPs and RRIFs and holders of TFSAs should consult their own tax advisors as to whether the Debentures will be prohibited investments in their particular circumstances. The foregoing opinions assume that there will be no change in the applicable provisions of the Tax Act or any administrative position of the CRA which would have an impact on the foregoing opinions prior to the closing of this Offering.

RECENT DEVELOPMENTS

The following is a summary of significant developments in the operations and affairs of the REIT which have occurred since June 30, 2014, being the last day of the period in respect of which the REIT has filed the June 2014 Financial Statements and the June 2014 MD&A.

1. On August 4, 2014, the REIT replaced its secured credit facility of up to $300 million by the Unsecured Revolving Credit Facility for $350 million, which was increased to $550 million on September 17, 2014. The Unsecured Revolving Credit Facility replaced the REIT’s prior $300 million secured credit facility and provides borrowing availability based, among other things, on the REIT maintaining unencumbered aggregate assets in an amount of not less than 130% of the aggregate principal amount of its outstanding senior unsecured indebtedness. Borrowings under the Unsecured Revolving Credit Facility are priced off a ratings grid and the REIT benefits from a reduction of 30 basis points compared to its prior secured lending facility. Borrowings under the Unsecured Revolving Credit Facility rank *pari passu* with the Unsecured Debentures. The Unsecured Revolving Credit Facility will mature in August 2017.

2. On August 7, 2014, the REIT announced an increase in its monthly distributions from $0.12 to $0.1225 per Unit, commencing for the distribution to Unitholders of record on August 29, 2014, which was paid on September 15, 2014. See “Distribution Policy” in the Base Shelf Prospectus.

3. On August 26, 2014, the REIT announced that it had entered into the Purchase Agreement for the acquisition of the Acquisition Properties, which comprise a portfolio of 15 properties, including 11 retail properties, three office properties, including one property under development, and one industrial and mixed-use property in Québec and Ontario, representing approximately 5.7 million square feet of leasable area in the aggregate, with an occupancy rate of approximately 96.7%, from Ivanhoé Cambridge and certain of its affiliates, for a purchase price of approximately $1.527 billion, subject to certain adjustments and the exercise of rights of first refusal and similar rights and the potential purchase of third-party interests in certain of the Acquisition Properties. On the same day, the REIT announced the Unit Offering and the Concurrent Private Placement. On September 15, 2014, the third party/tenant which has a right of first refusal on Rockland, a 649,174 square foot enclosed shopping mall located in the Town of Mont-Royal, Québec, advised Ivanhoé Cambridge that it is considering the exercise of its right of first refusal and requested additional information. See “The Acquisition”.

4. On September 9, 2014, the REIT entered into a sixth supplemental indenture to the Trust Indenture, thereby introducing an additional covenant in the Trust Indenture governing the Unsecured Debentures to maintain Unencumbered Aggregate Adjusted Assets in an amount of not less than 130% of the aggregate principal amount of its Consolidated Unsecured Indebtedness (other than Subordinated Indebtedness) (as such terms are defined in "Details of the Offering"). The REIT's Unencumbered Aggregate Adjusted Assets currently stand at $2.8 billion ($3.3 billion after giving effect to this Offering but before the closing of the Acquisition) representing 189% (165% after giving effect to this Offering but before the closing of the Acquisition) of aggregate principal amount of its Consolidated Unsecured Indebtedness (other than Subordinated Indebtedness).

5. On September 10, 2014, the REIT received a no-action letter and a waiver of the applicable waiting period from the Competition Bureau in connection with the Acquisition.

6. On September 16, 2014, the REIT closed the Unit Offering and issued 15,131,700 Units (including 1,973,700 Units upon the exercise in full of the over-allotment option granted in connection with the Unit Offering) at a price of $19.00 per Unit for total net proceeds to the REIT of approximately $275.7 million, after deducting the underwriters' fee and the estimated expenses of the Unit Offering.

7. On September 16, 2014, the REIT repaid in full the Unsecured Bridge-to-Accordion Facility.

Consistent with its past practice and in the normal course, while the REIT is actively pursuing the Acquisition, it may have outstanding non-binding letters of intent and/or conditional agreements or may otherwise be engaged in discussions with respect to other possible acquisitions of new properties which may or may not be material. However, there can be no assurance that any of these letters, agreements and/or discussions will result in an acquisition and, if they do, what the final terms or timing of any acquisition would be.

THE ACQUISITION

The Acquisition constitutes a significant acquisition for the REIT under securities legislation in Canada. See "Unaudited Pro Forma Consolidated Financial Statements of Cominar Real Estate Investment Trust as at June 30, 2014" in this Prospectus Supplement. Unless otherwise indicated, this Prospectus Supplement gives effect to the acquisition by the REIT of a 100%-interest in the Acquisition Properties. See "– Purchase Agreement".

Purchase Agreement

On August 26, 2014, the REIT, Ivanhoé Cambridge and certain of its affiliates entered into the Purchase Agreement for the purchase and sale of the Acquisition Properties.

Purchase Price: Pursuant to the Purchase Agreement, Ivanhoé Cambridge and certain of its affiliates have agreed, to sell, transfer, assign and convey to the REIT the Acquisition Properties, which the REIT agreed to purchase, together with, *inter alia*, all leases, offers to lease and contracts related thereto and all equipment, machinery, moveables and trade names owned by Ivanhoé Cambridge and certain of its affiliates and used principally in the maintenance, repair or operation of the Acquisition Properties, for an aggregate purchase price of approximately $1.527 billion, subject to certain adjustments and the exercise of rights of first refusal and the potential purchase of third-party interests in certain of the Acquisition Properties. Assuming that such third parties elect to sell their interests in such Acquisition Properties to the REIT and that no rights of first refusal are exercised, the purchase price of the Acquisition would be increased to approximately $1.63 billion, subject to certain adjustments.

Consideration and Sources of Funds: In addition to the net proceeds of this Offering, the purchase price of the Acquisition, together with the transaction expenses, will be funded through the Otéra Hypothecary Loan of $250 million, the Unsecured Bridge Credit Facility as to approximately $275 million, the Concurrent Private Placement, and the balance from the Unsecured Revolving Credit Facility and cash on hand. See "Use of Proceeds".

Rights of First Refusal and Other Rights: Mail Champlain, Rockland and Les Galeries de Hull are subject to rights of first refusal or similar rights in favour of third parties, two of which third parties are co-owners. The third parties which own a 50%-interest in Mail Champlain and a 15%-interest in Les Galeries de Hull, respectively, have advised Ivanhoé Cambridge of their respective interest in selling their stake in Mail Champlain and Les Galeries de Hull to the REIT, and therefore, of their intention not to exercise their right of first refusal. The third party/tenant which has a right of first refusal on Rockland advised Ivanhoé Cambridge that it is considering the exercise of its right of first refusal and requested additional information. Assuming that such third parties elect to sell their interests in such Acquisition Properties to the REIT and that no rights of first refusal are exercised, the purchase price of the Acquisition would be increased to approximately $1.63 billion, subject to certain adjustments. The REIT has made a distinct offer to Ivanhoé Cambridge as regards Rockland. If the third parties who benefit from such rights of first refusal exercise them, the said Acquisition Properties will not be sold to the REIT and the purchase price will be reduced by an amount agreed to by the REIT and Ivanhoé Cambridge. See “Risk Factors and Investment Considerations – Closing of the Acquisition and Acquisition of Third Party Interests”.

Closing and Closing Conditions: The closing of the Acquisition will take place on the Acquisition Closing Date (on or about October 1, 2014, or three business days after the conditions set out in the Purchase Agreement have been met or waived, but in any event no later than November 24, 2014). The closing of the Acquisition is subject to certain conditions, such as the obtaining of all material third party consents, approvals or waivers, the confirmation of certain representations and warranties set out in the Purchase Agreement as at the Acquisition Closing Date and the obtaining of estoppel certificates from certain tenants of the Acquisition Properties. See “Risk Factors and Investment Considerations – Closing of the Acquisition and Acquisition of Third Party Interests”.

Adjustments: Pursuant to the Purchase Agreement, the purchase price of the Acquisition may be adjusted 36 months after the Acquisition Closing Date to reflect (i) 75% of any increase in the fair market value of Rockland, in respect of which Ivanhoé Cambridge has invested significant amounts in improvements, and (ii) 50% of any increase in the fair market value of 3055 Boul. St-Martin Ouest, a property under development, in each case net of tenant inducements, certain commissions, base-building construction costs and other leasing costs; provided that in respect of Rockland, the maximum fair market value that will be used for the adjustment will be $306 million. In addition, the purchase price of the Acquisition may be adjusted following the exercise of rights of first refusal, “buy-sell” provisions and similar rights. In the event that any such right is exercised, the purchase price of the Acquisition will be increased or decreased, as the case may be, in an amount corresponding to the value of the applicable Acquisition Properties.

Head Lease: Ivanhoé Cambridge has head leased approximately 56,000 square feet of leasable retail space for a period of three years at $1.6 million per annum. In addition, Ivanhoé Cambridge has also agreed to supplement rent shortfall in respect of certain tenants under rental assistance or benefitting from leasing concessions, and to accelerate certain step ups.

Employee Matters: Following the Acquisition, approximately 120 employees of Ivanhoé Cambridge and certain of its affiliates who are engaged principally in the operation, management, leasing and development of the Acquisition Properties will become employees of the REIT.

The Acquisition Properties

The following table sets forth a brief description of the Acquisition Properties:

	Property	Location	Gross Leasable Area (GLA)[1]
Retail	Mail Champlain	Brossard, Québec	717,990
	Centropolis	Laval, Québec	673,762
	Rockland	Town of Mount-Royal, Québec	649,174
	Galeries Rive-Nord	Repentigny, Québec	569,341
	Les Rivières	Trois-Rivières, Québec	421,920
	Dixie Outlet Mall	Mississauga, Ontario	419,054
	Carrefour Rimouski	Rimouski, Québec	345,398
	Centre commercial Rivière-du-Loup	Rivière-du-Loup, Québec	311,590
	Carrefour St-Georges	St-Georges, Québec	310,543
	Les Galeries de Hull	Gatineau, Québec	305,703
	Carrefour Frontenac	Thetford Mines, Québec	180,052
Total Retail			**4,904,527**
Office	Édifice de la Haute-Ville	Québec City, Québec	284,005
	55 University Ave.	Toronto, Ontario	258,093
	3055 Boul. St-Martin Ouest	Laval, Québec	118,000
Total Office			**660,098**
Industrial	505 Parc Technologique	Québec City, Québec	99,344
	Total		**5,663,969**

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[1] In square feet

Rationale for the Acquisition

Management believes that the Acquisition:

● represents a unique opportunity to acquire a sizeable portfolio of landmark assets at an attractive price;

● is a natural and complementary fit with the REIT's existing portfolio and its deep knowledge of the Québec real estate marketplace;

● will strengthen the REIT's position as the leading provider of retail space in the Province of Québec, increasing its retail portfolio from 8 million square feet of GLA to 12.9 million square feet of GLA;

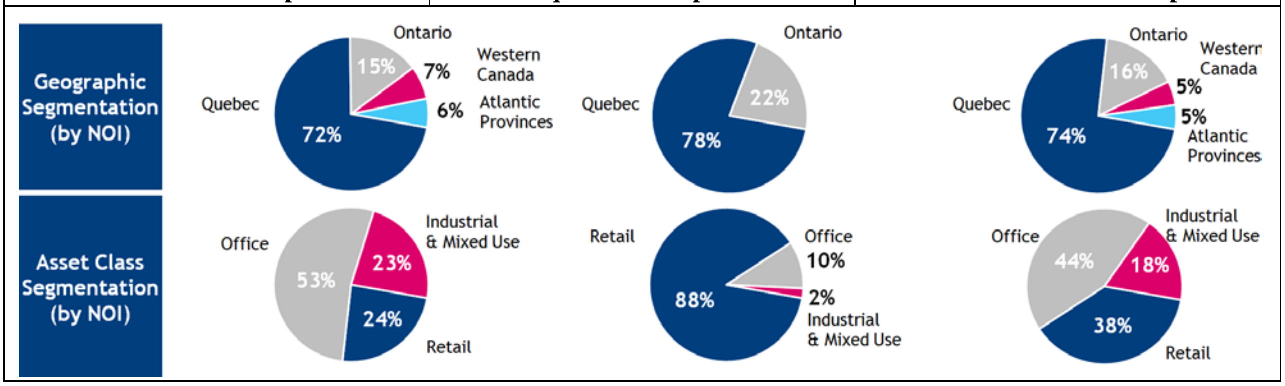
● will be immediately accretive to the REIT's adjusted funds from operations (AFFO) on a leverage neutral basis; and

● further increases the REIT's entry in the Greater Toronto Area with the Acquisitions Properties including one downtown class A office property and one suburban retail property.

Pro Forma Portfolio Composition

Upon completion of the Acquisition, the REIT will own 541 properties, comprised of a total of approximately 45.2 million square feet of GLA. The REIT's portfolio on a *pro forma* basis, after giving effect to the Acquisition, will continue to be well diversified by asset class and geography on a NOI basis. The Acquisition enhances the NOI contribution of the retail sector from 24% to 38%, with the office sector at 44% and the industrial and mixed-use sector at 18%, as shown below:

Current REIT Properties	Acquisition Properties	Pro Forma Portfolio Composition



Description of the Acquisition Properties

Management believes that the sellers, namely Ivanhoé Cambridge and certain of its affiliates, have maintained the Acquisition Properties to a high standard. The Acquisition Properties have an occupancy rate of approximately 96.7%.

The following is a detailed description of the Acquisition Properties. As the REIT does not currently own the Acquisition Properties, the following information has been prepared from information made available by Ivanhoé Cambridge, upon which the REIT has relied entirely. Summary leasing information is as at the date of this Prospectus Supplement.

Retail Properties

Mail Champlain, Brossard, Québec

Mail Champlain is a 717,990 square foot enclosed shopping mall that is occupied by 134 tenants and is 96% leased. Significant tenants include The Bay and Sears. This property is 50%-owned by an affiliate of Ivanhoé Cambridge and 50%-owned by a third party. The sale of this property is subject to a right of first refusal in favour of the co-owner. The governing agreement related to this property also contains a buy-sell provision. The co-owner has advised Ivanhoé Cambridge of its interest in selling its stake in this property to the REIT. See "– Purchase Agreement".

Centropolis, Laval, Québec

Centropolis is a 673,762 square foot retail complex that is occupied by 64 tenants and is 95.5% leased. Significant tenants include Colossus and Fruiterie 440.

Rockland, Town of Mount-Royal, Québec

Rockland is a 649,174 square foot enclosed shopping mall that is occupied by 150 tenants and is 95.3% leased. Significant tenants include The Bay. This property is subject to a right of first refusal in favour of a third party/tenant. That third party/tenant advised Ivanhoé Cambridge that it is considering the exercise of its right of first refusal and requested additional information. See "– Purchase Agreement". The REIT has made a distinct offer to Ivanhoé Cambridge with respect to Rockland.

Galeries Rive-Nord, Repentigny, Québec

Galeries Rive-Nord is a 569,341 square foot enclosed shopping mall that is occupied by 116 tenants and is 98.5% leased. Significant tenants include Wal-Mart and Sears.

Les Rivières, Trois-Rivières, Québec

Les Rivières is a 421,920 square foot enclosed shopping mall that is occupied by 140 tenants and is 99.2% leased. Significant tenants include Sears (shadow tenant), Target and IGA.

Dixie Outlet Mall, Mississauga, Ontario

Dixit Outlet Mall is a 419,054 square foot outlet mall that is occupied by 120 tenants and is 96.2% leased. Significant tenants include No Frills (shadow tenant) and Sears (shadow tenant).

Carrefour Rimouski, Rimouski, Québec

Carrefour Rimouski is a 345,398 square foot enclosed shopping mall that is occupied by 73 tenants and is 98.4% leased. Significant tenants include Target, Canadian Tire and Maxi.

Centre commercial Rivière-du-Loup, Rivière-du-Loup, Québec

Centre commercial Rivière-du-Loup is a 311,590 square foot enclosed shopping mall that is occupied by 86 tenants and is 89.4% leased.

Carrefour St-Georges, St-Georges, Québec

Carrefour St-Georges is a 310,543 square foot enclosed shopping mall that is occupied by 69 tenants and is 98.5% leased. Significant tenants include Target and Sears.

Les Galeries de Hull, Gatineau, Québec

Les Galeries de Hull is a 305,703 square foot enclosed shopping mall that is occupied by 77 tenants and is 94.9% leased. Significant tenants include Sears. This property is 85%-owned by an affiliate of Ivanhoé Cambridge and 15%-owned by a third party. The sale of this property is subject to a right of first refusal in favour of the co-owner. The governing agreement related to this property also contains a buy-sell provision. The co-owner has advised Ivanhoé Cambridge of its interest in selling its stake in this property to the REIT. See "– Purchase Agreement".

Carrefour Frontenac, Thetford Mines, Québec

Carrefour Frontenac is a 180,052 square foot enclosed shopping mall that is occupied by 34 tenants and is 97.4% leased. Significant tenants include Rona and Maxi.

Office Properties

Édifice de la Haute-Ville, Québec City, Québec

Édifice de la Haute-Ville is a 284,005 square foot office building built in 1976. It has approximately 395 indoor parking spaces. This building is 100% leased by one tenant, namely Société immobilière du Québec.

55 University Ave., Toronto, Ontario

55 University Ave. is a 258,093 square foot office building built in 1977 and subsequently renovated in 1995. It has approximately 188 indoor parking spaces. The building, which comprises office as well as retail spaces, is occupied by 67 tenants and is 98.5% leased.

3055 Boul. St-Martin Ouest (Centropolis), Laval, Québec

3055 Boul. St-Martin Ouest is a 118,000 square foot office building built in 2014. This building is currently under development and negotiations are ongoing with potential tenants.

Industrial Properties

505 Parc Technologique, Québec City, Québec

505 Parc Technologique is a 99,344 square foot industrial building. This building is 100% leased by one tenant, namely Olympus. This property may not be sold without the prior consent of the initial seller of the property, which consent has been obtained by Ivanhoé Cambridge.

Pro Forma Financial Information and Financial Statements

The Acquisition constitutes a significant acquisition for the REIT under securities legislation in Canada. See "Unaudited Pro Forma Consolidated Financial Statements of Cominar Real Estate Investment Trust as at June 30, 2014" in this Prospectus Supplement.

FINANCING OF THE ACQUISITION

In addition to the net proceeds of this Offering, the purchase price of the Acquisition, together with the transaction expenses, will be funded through the Otéra Hypothecary Loan of $250 million, the Unsecured Bridge Credit Facility as to approximately $275 million, the Concurrent Private Placement, and the balance from the Unsecured Revolving Credit Facility and cash on hand.

Concurrent Private Placement

At the closing of the Acquisition, the REIT will issue the Placement Units to Ivanhoé Cambridge at the Subscription Price for a total of approximately $250 million. The closing of the Concurrent Private Placement is subject to the closing of the Acquisition and will occur concurrently with such closing.

Assuming completion of the Acquisition and the Concurrent Private Placement, Ivanhoé Cambridge will beneficially own, or exercise control or direction over, directly or indirectly, 13,158,000 Units, representing approximately 8.4% of the issued and outstanding Units. No commission or other fees will be paid to any underwriter or agent in connection with the Concurrent Private Placement. The TSX has conditionally approved the listing of the Placement Units, subject to the REIT fulfilling all of the listing requirements of the TSX on or before November 24, 2014. The Placement Units will be subject to a statutory hold period pursuant to Canadian securities legislation.

In connection with the Concurrent Private Placement, the REIT and Ivanhoé Cambridge have entered into a subscription agreement (the "**Subscription Agreement**"). Pursuant to the Subscription Agreement, unless otherwise approved by the REIT, Ivanhoé Cambridge has agreed not to (i) sell, offer, contract or grant any option or right to sell or otherwise dispose of the Placement Units it acquired in the Concurrent Private Placement (other than to a 90%-owned affiliate), (ii) enter into any swap agreement or any other agreement to transfer the economic consequence of ownership of the Placement Units (other than with a 90%-owned affiliate), (iii) publicly announce an intention to do any of the foregoing, or (iv) act jointly or in concert with any third party doing any of the foregoing for a period of nine months from the Acquisition Closing Date as for all of the Placement Units, and for an additional period of three months from the end of such nine-month period as for one-half of the Placement Units.

In connection with the Concurrent Private Placement, the REIT and Ivanhoé Cambridge will enter into a registration rights agreement (the "**Registration Rights Agreement**"). Pursuant to the Registration Rights Agreement, Ivanhoé Cambridge will be granted "demand" distribution rights. The demand distribution rights, if exercised, will require the REIT to file a prospectus to qualify for distribution in Canada under applicable securities laws any eligible Units held by Ivanhoé Cambridge or any of its affiliates. The demand distribution rights are subject to certain conditions and limitations as provided for in the Registration Rights Agreement.

Finally, Ivanhoé Cambridge has been granted the right to put forward, subject to the approval of the Nominating and Governance Committee of the REIT, a candidate for the annual election to the Board of Trustees of the REIT, so long as Ivanhoé Cambridge or any of its affiliates owns at least 5% of the outstanding Units.

Otéra Hypothecary Loan

The REIT has entered into offer letters with Otéra Capital Inc. ("**Otéra**"), an affiliate of Ivanhoé Cambridge, providing for secured loans for an aggregate of $250 million (collectively, the "**Otéra Hypothecary Loan**") to fund a portion of the cash consideration of the Acquisition Properties and the transaction expenses.

The obligations of Otéra to make advances under the Otéra Hypothecary Loan are subject to usual conditions precedent for hypothecary financings of this nature. The Otéra Hypothecary Loan contains covenants, events of default and other terms customary for hypothecary financings of this nature.

Unsecured Bridge Credit Facility

The REIT has entered into a commitment letter with two Canadian chartered banks (the "**Bridge Lenders**"), of which NBF and BMO are subsidiaries, for an up to $850 million unsecured non-revolving credit facility (the "**Unsecured Bridge Credit Facility**") to fund a portion of the cash consideration of the Acquisition and the transaction expenses. As a result of the net proceeds of this Offering being used to fund a portion of the Acquisition, the REIT does not intend to draw down on the Unsecured Bridge Credit Facility in full and currently expects to draw down an amount of approximately $275 million under the Unsecured Bridge Credit Facility at the closing of the Acquisition.

The obligation of the Bridge Lenders to make advances under the Unsecured Bridge Credit Facility is subject to usual conditions precedent for credit facilities of this nature. Amounts outstanding under the Unsecured Bridge Credit Facility will bear interest at varying rates depending upon, among other things, the facility and timing. Principal amounts outstanding under the Unsecured Bridge Credit Facility may be repaid or prepaid at any time without penalty or bonus, subject to normal breakage costs.

The Unsecured Bridge Credit Facility will be unsecured and will contain covenants, events of default and other terms customary for credit facilities of this nature, including certain restrictions on the disposition of properties of the REIT, the incurring of liens on its property, assets and undertakings and on the incurring of additional indebtedness. However, the Unsecured Bridge Credit Facility will contain a springing lien, requiring that security be granted on certain of the REIT's properties, if (i) the amount outstanding under the Unsecured Bridge Credit Facility is greater than $400 million four months after the Acquisition Closing Date, or (ii) the facility is not repaid in full within six months of the Acquisition Closing Date. The Unsecured Bridge Credit Facility matures 12 months from the Acquisition Closing Date.

CREDIT RATINGS

On May 15, 2012, the REIT received an Issuer Rating of BBB (low), with a Stable trend, from DBRS, which rating was confirmed by DBRS on July 9, 2013. The Unsecured Debentures have also received a rating of BBB (low), with a Stable trend, from DBRS, which rating was confirmed by DBRS on August 26, 2014 by way of a press release. On September 17, 2014, DBRS assigned a provisional credit rating of BBB (low), with a Stable trend, to the Debentures. The requests for such credit ratings were initiated by the REIT.

DBRS provides credit ratings of debt securities for commercial entities and the following description has been sourced from information made publicly available by DBRS. DBRS ratings are opinions that reflect the creditworthiness of an issuer, a security, or an obligation. They are opinions based on forward-looking measurements that assess an issuer's ability and willingness to make timely payments on outstanding obligations (whether principal, interest, dividend, or distributions) with respect to the terms of an obligation. Ratings are opinions based on the quantitative and qualitative analysis of information sourced and received by DBRS, which information is not audited or verified by DBRS. DBRS cautions that no two issuers possess exactly the same characteristics, nor are they likely to have the same future opportunities. Consequently, two issuers with the same rating should not be considered to be of exactly the same credit quality.

The DBRS long-term rating scale provides an opinion on the risk of default, that is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued.

The BBB (low), with a Stable trend, rating assigned by DBRS to the REIT and the Debentures is the fourth highest rating of DBRS' ten rating categories, which range from AAA to D. With the exception of the AAA and D categories, DBRS uses high or low designations to indicate the relative standing of the securities being rated within a particular rating category, and the absence of either a high or low designation indicates the rating is in the middle of the category. Under the DBRS rating system, debt securities rated BBB are of adequate credit quality and the capacity for payment of financial obligations is considered acceptable, but the entity may be vulnerable to future events.

DBRS uses "rating trends" for its ratings in, among other areas, the real estate investment trust sector. DBRS' rating trends provide guidance in respect of DBRS' opinion regarding the outlook for the rating in question, and such rating trends fall into one of three categories: "Positive", "Stable" or "Negative". The rating trend indicates the direction in which DBRS considers the rating is headed should present tendencies continue or, in some cases, unless challenges are addressed. In general, DBRS' view is based primarily on an evaluation of the issuer, but may also include consideration of the outlook for the industry or industries in which the issuer operates. A "Positive" or "Negative" trend assigned by DBRS is not an indication that a rating change is imminent, but represents an indication that there is a greater likelihood that the rating could change in the future than would be the case if a "Stable" trend was assigned.

The credit rating assigned by DBRS to the REIT and the Debentures is not a recommendation to buy, hold or sell the securities of the REIT. A rating is not a comment on the market price of a security nor is it an assessment of ownership given various investment objectives. There is no assurance that any rating will remain in effect for any given period of time and ratings may be upgraded, downgraded, placed under review, confirmed and discontinued. Non-credit risks that can meaningfully impact the value of the securities issued include market risk, trading liquidity risk and covenant risk. DBRS uses rating symbols as a simple and concise method of expressing its opinion to the market, although DBRS ratings usually consist of broader contextual information regarding the security provided by DBRS in rating reports, which generally set out the full rationale for the chosen rating symbol, and in other releases. See "Risk Factors and Investment Considerations – Credit Ratings".

The REIT paid to DBRS the customary fee in connection with the ratings assigned to the REIT, the Unsecured Debentures and the Debentures, and will continue to make payments to DBRS from time to time in connection with the confirmation of such ratings for purposes of the Base Shelf Prospectus and prospectus supplements thereto (including this Prospectus Supplement), or in connection with credit ratings to be assigned to debt securities of the REIT, if any, which may be offered for sale from time to time in the future under the Base Shelf Prospectus and prospectus supplements thereto (including this Prospectus Supplement), as the case may be. The REIT did not make any payments to DBRS in respect of any other service provided to the REIT by DBRS during the last two years.

INTEREST AND EARNINGS COVERAGE

The Trust Indenture (as defined under "Details of the Offering"), as it relates to the Debentures, contains a covenant that the REIT will maintain a ratio of Consolidated EBITDA (as defined under "Details of the Offering – Definitions") of the REIT to Consolidated Interest Expense (as defined under "Details of the Offering – Definitions") of the REIT (the "**Consolidated Interest Coverage Ratio**") of not less than 1.65 to 1. The calculation of such interest coverage ratio will be based on the defined terms of Consolidated EBITDA and Consolidated Interest Expense contained in the Trust Indenture and the methodology set out therein (see "Details of the Offering – Definitions" and "Details of the Offering – Certain Covenants Regarding the Debentures"). This interest coverage ratio differs from the earnings coverage ratios required to be calculated under applicable Canadian securities law disclosure requirements. Canadian securities laws require the calculation to be based upon earnings and includes a full 12 months of *pro forma* interest expense on indebtedness incurred subsequent to the end of the respective calculation periods as if the indebtedness was incurred at the beginning of the calculation period but gives no credit to income derived from the associated use of proceeds other than interest savings on the repayment, redemption or retirement of other indebtedness. The Consolidated Interest Coverage Ratio calculated in accordance with the terms of the Trust Indenture for the 12-month period ended June 30, 2014 gives *pro forma* effect to the Offering, the Unit Offering (including the exercise in full of the over-allotment option granted in connection with the Unit Offering) and to acquisitions and dispositions of income producing assets (including the Acquisition), debt incurred and debt retired during or subsequent to the calculation period and the associated annual income therefrom as if these transactions occurred at the beginning of the calculation period. This Consolidated Interest Coverage Ratio is set out below under "–Consolidated Interest Coverage Ratio" and has been calculated using the methodology that is prescribed by the Trust Indenture. The coverage ratios under "– Earnings Coverage Ratios" have been calculated using the methodology prescribed under applicable Canadian securities laws.

Consolidated Interest Coverage Ratio

The Consolidated Interest Coverage Ratio for the REIT for the 12-month period ended June 30, 2014 (including *pro forma* adjustments as required under the Trust Indenture) is approximately 2.82, as set out in the following table.

	***Pro forma* for the 12 months ended June 30, 2014**
Numerator – Consolidated EBITDA (in thousands of dollars)	381,123
Denominator – Consolidated Interest Expense (in thousands of dollars)	135,200
Consolidated Interest Coverage Ratio	2.82

Earnings Coverage Ratios

The following earnings coverage ratios and associated financial information have been calculated on a consolidated basis for the 12-month periods ended December 31, 2013 and June 30, 2014 based on the 2013 Financial Statements and the June 2014 Financial Statements, respectively.

	For the 12 months ended December 31, 2013	**For the 12 months ended December 31, 2013**[1]	**For the 12 months ended June 30, 2014**	**For the 12 months ended June 30, 2014**[2]
	(historical) (in thousands of dollars)	*(pro forma)* (in thousands of dollars)	*(historical)* (in thousands of dollars)	*(pro forma)* (in thousands of dollars)
Interest Expense	131,811	156,101	134,268	151,547
Capitalized Interest	4,266	4,266	6,472	6,472
Denominator for Earnings Coverage Ratio	136,077	160,367	140,740	158,019
Net earnings attributable to Unitholders	254,969	230,679	247,545	230,266
Interest Expense	131,811	156,101	134,268	151,547
Income Taxes	1,741	1,741	1,944	1,944
Fair value adjustment[3]	4,266	4,266	6,472	6,472
Numerator for Earnings Coverage Ratio	392,787	392,787	390,229	390,229
Earnings Coverage Ratio	2.89	2.45	2.77	2.47

Notes:

(1) The *pro forma* numbers take into account the use of proceeds from the Unit Offering (including the exercise in full of the over-allotment option granted in connection with the Unit Offering) and the issuance of the Debentures, the January 2014 Series 4 Debentures and the March 2014 Series 4 Debentures, and the use of proceeds therefrom.

(2) The *pro forma* numbers take into account the use of proceeds from the Unit Offering (including the exercise in full of the over-allotment option granted in connection with the Unit Offering) and the issuance of the Debentures, and the use of proceeds therefrom.

(3) Fair value adjustment to investment properties derived from the non-capitalization of interest.

The following also includes *pro forma* earnings coverage ratios for the periods of the *pro forma* income statement included in this Prospectus Supplement.

	Pro Forma **for the 12 months ended December 31, 2013**	***Pro Forma*** **for the 12 months ended December 31, 2013**[(1)]	***Pro Forma*** **for the 6 months ended June 30, 2014**	***Pro Forma*** **for the 6 months ended June 30, 2014**[(2)]
	(historical) (in thousands of dollars)	*(pro forma)* (in thousands of dollars)	*(historical)* (in thousands of dollars)	*(pro forma)* (in thousands of dollars)
Interest Expense	176,193	200,483	89,443	89,443
Capitalized Interest	4,266	4,266	3,915	3,915
Denominator for Earnings Coverage Ratio	180,459	204,749	93,358	93,358
Net earnings attributable to Unitholders	371,269	346,979	114,965	114,965
Interest Expense	176,193	200,483	89,443	89,443
Income Taxes	1,565	1,565	311	311
Fair value adjustment[(3)]	(80,231)	(80,231)	21,613	21,613
Numerator for Earnings Coverage Ratio	468,796	468,796	226,332	226,332
Earnings Coverage Ratio	2.60	2.29	2.42	2.42

Notes:

(1) The *pro forma* numbers take into account the January 2014 Series 4 Debentures and the March 2014 Series 4 Debentures, and the use of proceeds therefrom. The *pro forma* numbers do not take into account the use of proceeds from the Unit Offering (including the exercise in full of the over-allotment option granted in connection with the Unit Offering) and the issuance of the Debentures, and the use of proceeds therefrom, as these elements are already taken into account in the historical *pro forma* financial statements included in this Prospectus Supplement.

(2) The *pro forma* numbers do not take into account the use of proceeds from the Unit Offering (including the exercise in full of the over-allotment option granted in connection with the Unit Offering) and the issuance of the Debentures, and the use of proceeds therefrom, as these elements are already taken into account in the historical *pro forma* financial statements included in this Prospectus Supplement.

(3) Fair value adjustment to investment properties derived from the non-capitalization of interest.

CHANGES IN UNITS OUTSTANDING AND LOAN CAPITAL

As at June 30, 2014, there were 128,236,857 Units outstanding. As at September 16, 2014, there were 144,257,789 Units outstanding. The only changes in the number of outstanding Units since June 30, 2014 resulted from the issuance of 15,131,700 Units pursuant to the closing of the Unit Offering on September 16, 2014 (including 1,973,700 Units upon the exercise in full of the over-allotment option granted in connection with the Unit Offering), 807,409 Units pursuant to the DRIP, 8,323 Units pursuant to the settlement of deferred Units under the Equity Incentive Plan and 73,500 Units pursuant to the exercise of options granted under the Equity Incentive Plan.

After giving effect to the Concurrent Private Placement, Management expects the number of issued and outstanding Units to be 157,415,789.

As at June 30, 2014, the consolidated indebtedness of the REIT was approximately $3,440.2 million, excluding accounts payable and accrued liabilities, deferred tax liabilities and distributions payable to Unitholders. As at September 16, 2014, the actual indebtedness of the REIT was approximately $3,454 million, excluding accounts payable and accrued liabilities, deferred tax liabilities and distributions payable to Unitholders. Additional information regarding material indebtedness of the REIT is provided in the 2013 Financial Statements, the 2013 MD&A, the June 2014 Financial Statements and the June 2014 MD&A.

After giving effect to the issuance of the Debentures under the Offering, the Unit Offering (including the exercise in full of the over-allotment option granted in connection with the Unit Offering), the Acquisition and the Concurrent Private Placement, the consolidated indebtedness of the REIT, excluding accounts payable and accrued liabilities, deferred tax liabilities and distributions payable to Unitholders, will be approximately $4,586.1 million. See "Plan of Distribution" and "Use of Proceeds".

DETAILS OF THE OFFERING

The Debentures will be issued under a supplemental indenture (the "**Seventh Supplemental Indenture**"), to be dated the date of closing of the Offering (the "**Closing**"), to the trust indenture dated as at June 15, 2012 between the REIT and the Indenture Trustee, as amended by the first supplemental indenture dated as at September 14, 2012 between the REIT and the Indenture Trustee, as further amended by the sixth supplemental indenture dated as at September 9, 2014 between the REIT and the Indenture Trustee (collectively, the "**Amended Trust Indenture**", as supplemented by the second supplemental indenture dated as at December 4, 2012 between the REIT and the Indenture Trustee, by the third supplemental indenture dated as May 2, 2013 between the REIT and the Indenture Trustee, by the fourth supplemental indenture dated as July 25, 2013 between the REIT and the Indenture Trustee, by the fifth supplemental indenture dated as at October 10, 2013 between the REIT and the Indenture Trustee and as further supplemented by the Seventh Supplemental Indenture, the "**Trust Indenture**"). The Amended Trust Indenture authorizes the REIT to issue an unlimited aggregate principal amount of Debt Securities (as defined below) in one or more series, which include the Debentures. Each such issue, other than the Series 1 Debentures which were issued under the Amended Trust Indenture, was or will be made by way of a supplemental indenture to the Amended Trust Indenture which sets out or will set out the terms of the relevant series of Debt Securities. The terms of the Debentures will be set out in the Trust Indenture. The following is a summary of the material terms of applicable to each series of Debentures which does not purport to be complete. For full particulars of such terms, reference should be made to the Trust Indenture.

Definitions for the Debentures

For the purpose of the following discussion of certain provisions of the Trust Indenture, as it relates to each applicable series of Debentures, the following terms have the meanings set out below:

"**3 Month CDOR**" means, with respect to any Series 6 Interest Reset Date, the rate per annum (based on a year of 365 days) determined by the REIT as (a) the arithmetic average rounded to the fifth decimal place (with 0.000005 being rounded up) of the bid rate of interest for three month Canadian dollar bankers' acceptances for the applicable Series 6 Interest Period, as expressed on the Reuters CDOR page at 10:00 a.m. (Toronto time) on such Series 6 Interest Reset Date, if three or more such bid rates appear on such Reuters CDOR page at such time, or (b) if fewer than three such bid rates appear on the Reuters CDOR page at such time, the arithmetic average rounded to the fifth decimal place (with 0.000005 being rounded up) of the bid rate quotations for three month Canadian dollar bankers' acceptances for the applicable Series 6 Interest Period and that is representative of a single transaction in the market at such time, by the principal Toronto office of three of the five largest Schedule I Canadian chartered banks in the Canadian interbank market selected by the REIT at approximately 10:00 a.m. (Toronto time) on such Series 6 Interest Reset Date.

"**Adjusted Unitholders' Equity**" of the REIT, at any time, means the aggregate of the amount of Unitholders' equity of the REIT and the amount of accumulated depreciation of income properties, including all non-controlling interests, recorded in the books and records of the REIT at such time, calculated in accordance with generally accepted accounting principles.

"**Aggregate Assets**" of the REIT, at any time, means the total book value of the assets of the REIT, excluding goodwill, determined on a consolidated basis, plus accumulated depreciation of income properties, determined in accordance with generally accepted accounting principles.

"**Approved Rating Organization**" means any one of DBRS, Fitch Inc., Moody's Investors Service, Inc., Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any of their successors, and any other rating organization commonly used for the purpose of rating publicly-offered Canadian debt securities.

"**Balance Sheet Date**" means the date of the REIT's most recently published annual or interim consolidated balance sheet.

“**Business Day**” means any day, other than Saturday, Sunday, any statutory holiday in Montréal, Québec or Toronto, Ontario or any day on which the Indenture Trustee is closed for business in Montréal, Québec or Toronto, Ontario.

“**Calculation Reference Date**” means, with respect to any date, the last day of the most recently completed fiscal quarter of the REIT.

“**Capital Lease Obligation**” of any Person means the obligation of such Person, as lessee, to pay rent or other payment amounts under a lease of real or personal property which is required to be classified and accounted for as a capital lease asset and liability on a consolidated balance sheet of such Person in accordance with generally accepted accounting principles.

“**Capitalization Factor**” of the REIT means, as at the relevant Calculation Reference Date, the amount determined as the simple average of the weighted average capitalization rate published by the REIT in reference to the calculation of the fair value of its assets in the REIT’s annual or interim MD&A published for each of the 10 most recently completed fiscal quarters (including the fiscal quarter in which the relevant Calculation Reference Date occurs).

“**Change of Control**” means the acquisition by a Person, or group of Persons acting jointly or in concert, of Units (and/or securities convertible into Units) representing (on a diluted basis, but only giving effect to the conversion or exercise of convertible securities held by such Person or group of Persons) greater than 50% of the Units.

“**Consolidated EBITDA**” of the REIT for any period means Consolidated Net Income increased by the sum of (i) Consolidated Interest Expense, for such period, (ii) income tax expense of the REIT for such period (other than income taxes, either positive or negative, attributable to extraordinary or non-recurring gains or losses) determined on a consolidated basis in accordance with generally accepted accounting principles, (iii) amortization of income properties (including provisions for impairment of income properties) for such period, determined on a consolidated basis in accordance with generally accepted accounting principles, (iv) amortization of the fair value of intangible assets and liabilities of the REIT for such period, determined on a consolidated basis in accordance with generally accepted accounting principles, (v) amortization of deferred expenses of the REIT, determined on a consolidated basis in accordance with generally accepted accounting principles, (vi) any additional amortization of the REIT for such period, determined on a consolidated basis in accordance with generally accepted accounting principles, and (vii) other non-cash items in determining Consolidated Net Income for such period.

“**Consolidated Indebtedness**” of the REIT as at any time means the consolidated Indebtedness of the REIT as at such time determined (except as otherwise expressly provided in the Trust Indenture), in accordance with generally accepted accounting principles.

“**Consolidated Interest Expense**” of the REIT for any period means, without duplication, the aggregate amount of interest expense of the REIT in respect of Indebtedness, Capital Lease Obligations, the original issue discount of any Indebtedness issued at a price less than the face amount thereof paid, accrued or scheduled to be paid or accrued by the REIT during such period and, to the extent interest has been capitalized on projects that are under development or held for future development during the period, the amount of interest so capitalized, all as determined on a consolidated basis in accordance with generally accepted accounting principles (provided that, notwithstanding its presentation under generally accepted accounting principles, all interest expense of the REIT in respect of convertible debt Indebtedness will be included (without duplication) in determining Consolidated Interest Expense).

“**Consolidated Net Income**” of the REIT for any period means the net income (loss) of the REIT for such period determined on a consolidated basis in accordance with generally accepted accounting principles, excluding, in each case determined on a consolidated basis (i) any gain or loss (net of any tax impact) attributable to the sale or other disposition of any asset of the REIT, other than the sale or disposition of income properties specifically acquired and held for resale, determined in accordance with generally accepted accounting principles, (ii) any extraordinary gains and losses of the REIT, determined in accordance with generally accepted accounting principles, and (iii) other non-recurring items identified by the REIT determined in accordance with generally accepted accounting principles.

“**Consolidated Unsecured Indebtedness**” of the REIT at any date means the consolidated unsecured Indebtedness of the REIT and its Subsidiaries as at such date determined in accordance with generally accepted accounting principles and giving effect to the Proportionate Consolidation Adjustments, provided that the term

"Consolidated Unsecured Indebtedness" will exclude any security or instrument on which the REIT pays distributions, even if such security or instrument is recognized or treated as a liability under generally accepted accounting principles.

"**Debt Securities**" means the unsecured debt securities of the REIT issued and certified from time to time pursuant to the Trust Indenture either in registered form, unregistered form or registered as to principal only and includes the Debentures.

"**Encumbered**" when used, as of any date, in reference to any asset of the REIT, means an asset which is encumbered by any Lien that secures the payment of any obligations under any Indebtedness (other than Permitted Encumbrances). The designation of a particular asset as Encumbered at any particular time shall not necessarily result in its continued designation as such at any future time and *vice versa* (i.e., assets previously designated Encumbered may cease to qualify as such in accordance with the foregoing definition and assets previously not designated as such may become designated Encumbered upon meeting the qualification criteria of the foregoing definition).

"**Extraordinary Resolution**" means, for any series of Debt Securities, instruments in writing signed by the holders of not less than 66⅔% (or 75% in certain events as described under "Modification and Waiver") of the aggregate outstanding principal amount of such series of Debt Securities or a resolution passed as an Extraordinary Resolution by the affirmative vote of the holders of not less than 66⅔% (or 75% in certain events as described under "Modification and Waiver") of the aggregate outstanding principal amount of such series of Debt Securities represented and voting at a meeting of holders of such series of Debt Securities duly convened and held in accordance with the Trust Indenture, all upon compliance with the procedures specified in the Trust Indenture.

"**generally accepted accounting principles**" means the generally accepted accounting principles described and promulgated by the Canadian Institute of Chartered Accountants which are applicable as at the date on which any determination or calculation using generally accepted accounting principles is made.

"**Indebtedness**" of any Person means (without duplication), on a consolidated basis, (i) any obligation of such Person for borrowed money (including, for greater certainty, the full principal amount of convertible debt, notwithstanding its presentation under generally accepted accounting principles), (ii) any obligation of such Person incurred in connection with the acquisition of property, assets or businesses, (iii) any obligation of such Person issued or assumed as the deferred purchase price of property, (iv) any Capital Lease Obligation of such Person, and (v) any obligations of the type referred to in clauses (i) through (iv) of another Person, the payment of which such Person has guaranteed or for which such Person is responsible or liable; provided that, for the purpose of clauses (i) through (v) (except in respect of convertible debt, as described above), an obligation will constitute Indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of such Person in accordance with generally accepted accounting principles. Obligations referred to in clauses (i) through (iii) exclude (a) trade accounts payable, (b) distributions payable to Unitholders, (c) accrued liabilities arising in the ordinary course of business which are not overdue or which are being contested in good faith, (d) indebtedness with respect to the unpaid balance of instalment receipts, where such indebtedness has a term not in excess of 12 months, (e) intangible liabilities, and (f) deferred revenues, all of which will be deemed not to be Indebtedness for the purposes of this definition.

"**Joint Venture Arrangements**" means any real estate asset or operation in which the REIT participates where it does not own 100% of the equity interests in the asset or operation.

"**Lien**" means, with respect to any property or asset, any hypothec, charge, hypothecation, pledge, priority, encumbrance on, or other security interest in, such property or asset.

"**Material Subsidiary**" means, at any date, any Subsidiary the book value of the assets of which exceeds (on a stand-alone basis) 10% of the Adjusted Unitholders' Equity of the REIT calculated as at such date.

"**Non-Recourse Indebtedness**" means any Indebtedness of a Subsidiary of the REIT which is a single purpose company or entity or whose principal assets and business are constituted by a particular project or property and pursuant to the terms of such Indebtedness payment is to be made from the revenues arising out of such project or property with recourse to such Subsidiary for such payment being limited to the revenues or the assets of such single purpose company or entity or such project or property.

"**Permitted Encumbrance**" means (i) Liens imposed by law for taxes or other governmental charges, (a) that are not yet due, or (b) where (A) the validity or amount thereof is being contested in good faith by appropriate proceedings, (B) the REIT has adequate reserves with respect thereto in accordance with generally accepted accounting principles, and (C) the failure to make payment pending such contest could not reasonably be expected to have a material adverse effect on the REIT, (ii) carriers', warehousemen's, mechanics', materialmen's, repairman's, construction and other Liens imposed by applicable law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the REIT has adequate reserves with respect thereto in accordance with generally accepted accounting principles, and (c) the failure to make payment pending such contest could not reasonably be expected to have a material adverse effect on the REIT, (iii) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security laws or regulations, (iv) deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature, in each case in the ordinary course of business, and (v) servitudes, easements, zoning restrictions, rights-of-way, restrictive covenants, agreements with municipalities or public utility or hydro commissions or other third parties, by-laws and similar encumbrances on real property imposed by applicable law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or materially interfere with the ordinary use of the property (provided same have been complied with to date in all material respects), provided that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness.

"**Person**" includes an individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"**Proportionate Consolidation Adjustments**" means the effects on assets, liabilities, unitholders' equity, revenues and expenses of accounting for Joint Venture Arrangements using the proportionate consolidation method irrespective of, and in place of, the accounting treatment applied under generally accepted accounting principles.

"**Rating**" means the final rating, if any, assigned to the senior unsecured debt of a Person or to such Person, as applicable, by an Approved Rating Organization.

"**Reference Period**" means the most recently completed four fiscal quarters preceding the date of a calculation for which consolidated financial statements of the REIT have been publicly released.

"**Reuters CDOR page**" means the display designated as page "CDOR" on the Reuters Monitor Money Rates Service (or such other page as may replace the CDOR page on that service) for purposes of displaying Canadian dollar bankers' acceptance rates.

"**Series 6 Interest Payment Date**" means, in respect of any of the Series 6 Debentures, March 22, June 22, September 22 and December 22 of each year that any such Series 6 Debentures are outstanding.

"**Series 6 Interest Period**" means, in respect of any of the Series 6 Debentures, the period commencing on each Series 6 Interest Reset Date and ending on the day immediately preceding the next following Series 6 Interest Payment Date.

"**Series 6 Interest Reset Date**" means, in respect of any of the Series 6 Debentures, December 22, 2014 and each Series 6 Interest Payment Date thereafter up to and including June 22, 2016, provided that if any such day is not a Business Day, the applicable Interest Reset Date will be the following Business Day unless the next Business Day is in the next calendar month, in which case the Interest Reset Date will be the first preceding day which is a Business Day.

"**Series 7 Interest Payment Date**" means, in respect of any of the Series 7 Debentures, June 21 and December 21 of each year that any such Series 7 Debentures are outstanding.

"**Series 7 Interest Period**" means, in respect of any of the Series 7 Debentures, the period commencing on the later of (a) the date of issue of the Series 7 Debentures and (b) immediately preceding the Series 7 Interest Payment Date on which interest has been paid, and ending on the date immediately preceding the Series 7 Interest Payment Date in respect of which interest is payable.

"**Subordinated Indebtedness**" means Indebtedness of the REIT (or its successor) that is expressly subordinate in right of payment to the Debentures (i) the payment of principal and interest of which can be satisfied, at the REIT's (or its successor's) sole option, through the issuance of Units, and (ii) in connection with the issuance of which, each Approved Rating Organization confirms in writing that its Rating, if any, for the Debentures upon issuance of the Indebtedness will be at least equal to the Rating accorded to the Debentures immediately prior to the issuance of the Indebtedness.

"**Subsidiary**" of any Person has the meaning attributed to it in National Instrument 45-106 – *Prospectus and Registration Exemptions* of the Canadian Securities Administrators (referred to in Québec as *Regulation 45-106 respecting Prospectus and Registration Exemptions*).

"**Unencumbered Aggregate Adjusted Assets**" as at any date means, as at the relevant Calculation Reference Date, the Aggregate Assets (excluding any amount relating to assets that are Encumbered) after giving effect to the Proportionate Consolidation Adjustments, provided that (i) the component amount thereof that would otherwise comprise the amount shown as "Investment properties – income properties" (or its equivalent) on a balance sheet shall be instead calculated as the amount obtained by applying the Capitalization Factor as at such Calculation Reference Date to determine the fair value of the REIT's assets that would comprise "Investment properties – income properties" (excluding assets that are Encumbered) using the investment properties valuation methodology described by the REIT in its then most recently published annual or interim management's discussion and analysis, applied consistently in accordance with past practice, and (ii) the term "Unencumbered Aggregate Adjusted Assets" will exclude other non-cash items reducing Aggregate Assets resulting from a change in accounting principles in determining Aggregate Assets for such period.

General

Each series of Debentures will be issued in $1,000 denominations or integral multiples thereof and will be unlimited as to principal amount. The Series 6 Debentures issued in the Offering will be limited to $250,000,000 principal amount and will be deemed to be issued and dated as of September 22, 2014. The Series 7 Debentures issued in the Offering will be limited to $300,000,000 principal amount and will be deemed to be issued and dated as of September 22, 2014.

Series 6 Debentures

The Series 6 Debentures will mature on September 22, 2016, the date that the Series 6 Debentures become due and payable, together with all accrued interest and unpaid interest thereon (the "**Series 6 Maturity Date**"). The Series 6 Debentures are not redeemable by the REIT. Interest on the Series 6 Debentures will be payable quarterly in arrears on each Series 6 Interest Payment Date in each year, beginning on December 22, 2014. Interest on the Series 6 Debentures in respect of each Series 6 Interest Period, or in respect of periods after the Series 6 Maturity Date, will be calculated on the basis of a year of 365 days (or 366 days in the case of a leap year) and the actual number of days elapsed in the relevant period and will accrue from day to day.

If the date for payment of any amount of principal or interest on any Series 6 Debenture is not a Business Day, then payment will be made on the next Business Day, unless such Business Day falls in the next calendar month, in which case payment will be made on the immediately preceding Business Day, and holders of Series 6 Debentures will not be entitled to any further interest or other payment in respect of the delay.

The Series 6 Debentures will bear interest on the unpaid principal amount thereof at the floating rate determined and adjusted as specified below from their date of issue payable in arrears on each Series 6 Interest Payment Date. Interest payments for the Series 6 Debentures will include accrued interest from and including the date of issue or from and including the last date in respect of which interest has been paid, as the case may be, to but excluding the next Series 6 Interest Payment Date.

The interest rate (the "**Series 6 Interest Rate**") applicable to the outstanding principal amount of Series 6 Debentures in respect of each Series 6 Interest Period (and in effect for each day during such period) shall be equal to the 3 Month CDOR determined on the Series 6 Interest Reset Date at the commencement of such Series 6 Interest Period, plus 1.08% (108 basis points). On each Series 6 Interest Reset Date, the Series 6 Interest Rate shall be reset as of such date.

Calculation of the Series 6 Interest Rate applicable to each Series 6 Interest Period shall be made on each Series 6 Interest Reset Date by the REIT. Upon request of the holder of any Series 6 Debenture or the Indenture Trustee, the REIT will provide the Series 6 Interest Rate then in effect. The Indenture Trustee shall be entitled to rely on the calculation provided by the REIT.

Series 7 Debentures

The Series 7 Debentures will mature on June 21, 2019, the date that the Series 7 Debentures become due and payable, together with all accrued interest and unpaid interest thereon. The Series 7 Debentures will bear interest in respect of each Series 7 Interest Period on the unpaid principal amount thereof at the rate of 3.62% per annum from September 22, 2014 to, but excluding, the applicable maturity date or the date fixed for redemption, as the case may be. Interest on the Series 7 Debentures will be payable in equal (except for the first interest payment) semi-annual payments in arrears on the Series 7 Interest Payment Dates, being June 21 and December 21 in each year commencing December 21, 2014, so long as such Series 7 Debentures are outstanding. Assuming the Series 7 Debentures are issued on September 22, 2014, the first interest payment to be made on December 22, 2014 will be in an amount equal to $8.926 per $1,000 principal amount of Series 7 Debentures. Each semi-annual interest payment on the Series 7 Debentures after the first interest payment will be in an amount equal to $18.10 per $1,000 principal amount of Series 7 Debentures.

Rank

The Debentures will be direct senior unsecured obligations of the REIT and will rank equally and rateably with one another and with all other unsecured and unsubordinated Indebtedness of the REIT including the Unsecured Debentures, except to the extent prescribed by law.

Redemption by the REIT

The Series 6 Debentures are not redeemable by the REIT.

At its option, the REIT may redeem any of the Series 7 Debentures, in whole at any time, or in part from time to time, prior to maturity on payment of a redemption price equal to the greater of (i) the Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption. The REIT will give notice of any redemption at least 10 days but not more than 30 days prior to the date fixed for redemption. In the event less than all of any Series 7 Debentures are to be redeemed pursuant to their terms, the Series 7 Debentures to be so redeemed will be redeemed on a *pro rata* basis according to the principal amount of Series 7 Debentures registered in the respective name of each holder of Series 7 Debentures or in such other manner as the Indenture Trustee may consider equitable.

For the purposes of the foregoing provisions, the following terms in respect of the Series 7 Debentures will be defined in the Trust Indenture substantially as follows:

"**Canada Yield Price**" means a price equal to the price of a Series 7 Debenture calculated to provide a yield to maturity, compounded semi-annually and calculated in accordance with generally accepted financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Montréal time) on the date on which the REIT gives notice of redemption pursuant to the terms of the Trust Indenture, plus 0.49%.

"**Government of Canada Yield**" on any date means the yield to maturity on such date, compounded semi-annually and calculated in accordance with generally accepted financial practice, which a non-callable Government of Canada bond would carry if issued in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the remaining term to maturity, calculated as of the redemption date, of the applicable Series 7 Debentures, such yield to maturity, being the average of the yields provided by two major Canadian investment dealers selected by the REIT.

Purchase of Debt Securities

The REIT may at any time and from time to time purchase all or any of the Debt Securities (including the Debentures) in the market (which will include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by invitation to tender or private contract at any price. Debt Securities that are so purchased will be cancelled and no Debt Securities will be issued in substitution therefor.

Certain Trust Indenture Covenants

The Trust Indenture contains covenants substantially to the following effect in favour of holders of the Debt Securities (including the Debentures).

Maintenance of properties

The REIT will maintain and keep or cause to be maintained and kept in good condition, repair and working order all of the properties owned by it or any of its Subsidiaries used in its business or in the business of any of its Subsidiaries. The REIT will make or cause to be made all necessary repairs and renewals to and replacements and improvements of these properties as in its judgment may be necessary to carry on its business properly and prudently. Notwithstanding the foregoing, the REIT and its Subsidiaries will not be prohibited from selling or transferring their properties in the ordinary course of business.

Insurance

The REIT will maintain and will cause its Subsidiaries to maintain such property and liability insurance as would be maintained by a prudent owner.

Restrictions on amalgamation, merger and sale of certain assets

The REIT may not consolidate with, amalgamate or merge with or into or sell, assign, transfer or lease all or substantially all of its properties and assets unless, among other things:

(a) the entity (the "**Successor**" including, if required in the case of a joint venture, the parties to such joint venture) formed by such consolidation or amalgamation or into which the REIT is merged or the entity which acquires by operation of law or by conveyance or by transfer the assets of the REIT substantially as an entirety is a corporation, trust, partnership, limited partnership, joint venture or unincorporated organization organized or existing under the laws of Canada or any province or territory thereof and (except where such assumption is deemed to have occurred solely by the operation of law), the Successor assumes under a supplemental indenture with the Indenture Trustee in form satisfactory to counsel to the Indenture Trustee (who may be counsel to the REIT) all the obligations of the REIT under the Trust Indenture, any supplemental indenture and the Debt Securities, and such transaction to the satisfaction of the Indenture Trustee and in the opinion of counsel will be upon such terms to preserve and not impair any of the rights and powers of the Indenture Trustee and the holders of Debt Securities under the Trust Indenture;

(b) immediately before and immediately after giving effect to such transaction, no Event of Default (as defined in the Trust Indenture) has occurred and is continuing; and

(c) where any supplemental indenture includes a covenant restricting the amount of Indebtedness the REIT may incur, immediately after giving effect to such transaction, the Successor could incur at least $1.00 of additional Indebtedness under such supplemental indenture.

Certain Covenants Regarding the Debentures

The Trust Indenture contains, as it relates to the Debentures, covenants substantially to the following effect in favour of the holders of the Debentures.

Consolidated EBITDA to Consolidated Interest Expense ratio

The REIT will maintain a ratio of Consolidated EBITDA of the REIT to Consolidated Interest Expense of the REIT of not less than 1.65 to 1, calculated from time to time in respect of the most recently completed Reference Period.

Restrictions on additional Indebtedness

The REIT will not incur or assume, or permit any Subsidiary to incur or assume, any Indebtedness, except for certain permitted indebtedness (as described in the Trust Indenture) unless the quotient (expressed as a percentage) obtained by dividing the Consolidated Indebtedness of the REIT by the Aggregate Assets of the REIT, calculated on a *pro forma* basis as described below (the "**Indebtedness Percentage**"), would be less than or equal to 65%.

The Trust Indenture provides that the Indebtedness Percentage will be calculated on a *pro forma* basis as at the date of the REIT's most recently published balance sheets (the "**Balance Sheet Date**") giving effect to the incurrence of the Indebtedness to be incurred or assumed and the application of the proceeds therefrom and to any other event that has increased or decreased Consolidated Indebtedness of the REIT or Aggregate Assets of the REIT since the Balance Sheet Date to the date of calculation.

Equity maintenance

The REIT will ensure the maintenance of an Adjusted Unitholders' Equity of the REIT of not less than $500 million, determined as at the date of the REIT's most recently published balance sheet.

Maintenance of Unencumbered Aggregate Adjusted Assets

The REIT will calculate at all times a coverage ratio (expressed as a percentage) obtained by dividing the Unencumbered Aggregate Adjusted Assets (excluding construction assets) by the aggregate principal amount of the REIT's outstanding Consolidated Unsecured Indebtedness (other than Subordinated Indebtedness) (the

"**Unencumbered Asset Coverage Ratio**"). The REIT will maintain at all times a Unencumbered Asset Coverage Ratio of not less than 130%. For greater certainty, except as otherwise expressly provided in the Trust Indenture or in a supplemental indenture to the Trust Indenture, and subject to the REIT's obligation as aforesaid to maintain the aforementioned Unencumbered Asset Coverage Ratio, there shall be no restriction on the REIT's ability to sell, assign, transfer, lease, pledge, hypothecate, mortgage or otherwise dispose of or encumber any of its assets by virtue of the REIT's obligations set forth in the Trust Indenture.

The Unencumbered Asset Coverage Ratio will be calculated on a *pro forma* basis as at the Balance Sheet Date giving effect to the incurrence of the Indebtedness to be incurred and the application of proceeds therefrom and to any other event that has increased or decreased Consolidated Unsecured Indebtedness (other than Subordinated Indebtedness) or Unencumbered Aggregate Adjusted Assets (excluding construction assets) since the Balance Sheet Date to the date of calculation.

Events of Default

The Trust Indenture provides that each of the following events will constitute an event of default (each, an "**Event of Default**") in respect of each series of Debt Securities (including the Debentures):

(a) default in payment of principal when due of any Debt Security of such series;

(b) default in payment of any interest when due on the Debt Securities in that series where such default continues for a period of three business days after the relevant interest payment date;

(c) a default in the performance or a breach of any covenant of the REIT under the Trust Indenture, the Debt Securities or a supplemental indenture in connection with that series of Debt Securities where such default or breach continues for a period of 30 days after the Indenture Trustee has given notice in writing to the REIT specifying the nature of such default or breach, and requiring that it be remedied, unless the Indenture Trustee (having regard to the subject matter of such breach or default) agrees to a longer period, and in such event, within the period agreed to by the Indenture Trustee;

(d) the rendering of a final judgment or judgments (not subject to appeal) against the REIT or any Material Subsidiary in an aggregate amount in excess of $25 million by a court or courts of competent jurisdiction, which remains or remain undischarged and unstayed for a period of 60 days after the date on which the right or rights to appeal has or have expired, as the case may be;

(e) default by the REIT or any Material Subsidiary under the terms of any Indebtedness (other than Non-Recourse Indebtedness) where that default results in the acceleration of that Indebtedness (after expiration of any applicable grace period) unless such acceleration is waived or rescinded; provided that the aggregate of all such Indebtedness which is accelerated exceeds $25 million; and

(f) certain events of bankruptcy, insolvency, winding up or dissolution related to the REIT or a Material Subsidiary as set out in the Trust Indenture.

Subject to the provisions of the Trust Indenture relating to the duties of the Indenture Trustee, in case an Event of Default applicable to a series of Debt Securities occurs and is continuing, the Indenture Trustee will be under no obligation to exercise any of its rights or powers under the Trust Indenture at the request or direction of any of the holders of Debt Securities of such series, unless such holders have advanced sufficient funds to commence or continue such action and furnished an indemnity to the Indenture Trustee to its reasonable satisfaction.

If an Event of Default (other than an Event of Default described in paragraph (f) above) occurs and is continuing with respect to a particular series of Debt Securities, either the Indenture Trustee may, at its discretion, or will, upon receipt of a request in writing from the holders of at least 25% in aggregate principal amount of the outstanding Debt Securities of such series, accelerate the maturity of all Debt Securities of such series; provided that, notwithstanding any other provisions of the Trust Indenture, any supplemental indenture or any Debt Securities, after such acceleration, but before a judgment or decree based on acceleration, the holders of a majority in aggregate principal amount of outstanding Debt Securities of that series may rescind and annul such acceleration in certain circumstances described in the Trust Indenture. See "– Modification and Waiver". If an Event of Default specified in paragraph (f) above occurs, the outstanding Debt Securities will become immediately due and payable without any declaration or other act on the part of the Indenture Trustee or any holder of Debt Securities. If the maturity of the Debt Securities of a series has been accelerated, legal action against the REIT may be authorized by an Extraordinary Resolution of the holders of the Debt Securities of such series.

Depository Services

Except as otherwise provided below, each series of Debentures will be issued in "book-entry only" form and must be purchased or transferred through participants ("**Participants**") in the depository service of CDS or a successor, which include securities brokers and dealers, banks and trust companies. On Closing, the REIT will cause a global certificate (a "**Global Debenture**") representing each series of Debentures to be delivered to, and registered in the name of, CDS or its nominee. Except as described below, no purchaser of a Debenture will be entitled to a certificate or other instrument from the REIT or CDS evidencing the ownership of a Debenture by that holder of a Debenture, and no holder of a Debenture will be shown on the records maintained by CDS except through a book-entry account of a Participant acting on behalf of such holder of a Debenture. Each holder of a Debenture will receive a customer confirmation of purchase from the registered dealer from which the Debenture is purchased in accordance with the practices and procedures of that registered dealer. Practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its Participants having interests in any of the Debentures.

Debentures will be issued in fully registered form to holders or their nominees other than CDS or its nominee if (i) the REIT determines that CDS is no longer willing or able to discharge properly its responsibilities as depository and the REIT is unable to find a qualified successor, (ii) the REIT at its option elects to terminate the book-entry system through CDS or such book-entry system ceases to exist, (iii) after the occurrence of an Event of Default, holders of Debentures representing beneficial interests aggregating over 50% of the outstanding principal amount of such Debentures, as the case may be, determine that the continuation of the book-entry system is no longer in their best interests, or (iv) the REIT is required to do so by applicable law.

Transfers

Transfers of ownership in the Debentures will be effected only through records maintained by CDS or its nominee for such Debentures with respect to interests of Participants and on the records of Participants with respect to interests of persons other than Participants. Holders of Debentures who are not Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interest in the Debentures, may do so only through Participants.

The ability of a holder of a Debenture to pledge a Debenture or otherwise take action with respect to such holder's interest in a Debenture (other than through a Participant) may be limited due to the lack of a physical certificate.

Payment of Interest and Principal

Except in the case of payment on maturity, in which case payment may be made on surrender of the applicable Global Debenture, payments of interest and principal on each Global Debenture will be made to CDS as registered holder of that Global Debenture. Interest payments on the Global Debentures will be made by cheque (less any tax required by law to be deducted) dated the date interest is payable and delivered to CDS at least two days before the date interest is payable. Payments of interest may also be made by electronic funds transferred to CDS at the option of the REIT at the written request of CDS. Principal payments on the Global Debenture will be made by cheque dated the maturity date delivered to CDS at maturity against receipt of the applicable Global Debenture. As long as CDS is the registered holder of any Global Debenture(s), CDS will be considered the sole owner of such Global Debenture(s) for the purpose of receiving payment on any of the Debentures and for all other purposes under the Trust Indenture and any of the Debentures.

The REIT expects that CDS, upon receipt of any payment of principal or interest in respect of a Global Debenture, will credit Participants' accounts, on the date principal or interest is payable, with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Debenture as shown on the records of CDS. The REIT also expects that payments of principal and interest by Participants to the owners of beneficial interests in such Global Debenture held through such Participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participants. The responsibility and liability of the REIT and the Indenture Trustee in respect of Debentures represented by the Global Debentures is limited to making payment of any principal and interest due on such Global Debentures to CDS.

If the date for payment of any amount of principal or interest on any Debenture is not a Business Day at the place of payment, then payment will be made on the next Business Day and the holder of the Debenture will not be entitled to any further interest or other payment in respect of the delay.

Change of Control

In the event of a Change of Control, the holders of Debentures may require the REIT to repurchase their Debentures, in whole or in part, at a price of (i) 101% of the principal amount of such Debentures plus (ii) all accrued interest to the date of repurchase.

Defeasance

The Trust Indenture contains provisions requiring the Indenture Trustee to release the REIT from its obligations under the Trust Indenture and any supplemental indenture relating to a particular series of Debt Securities (including the Debentures) provided that, among other things, the REIT satisfies the Indenture Trustee that it has deposited funds or made due provision for, among other things, the payment of (i) the expenses of the Indenture Trustee and (ii) all principal, premium (if any), interest and other amounts due or to become due in respect of such series of Debt Securities.

Modification and Waiver

Certain rights of the holders of Debt Securities issued under the Trust Indenture and any supplemental indenture may be modified if authorized by Extraordinary Resolution. If the proposed modification affects the rights of the holders of a separate series of Debt Securities rather than all of the Debt Securities, the approval of a like proportion of the holders of such separate series of Debt Securities outstanding will be required.

The approval threshold for an Extraordinary Resolution will generally be 66⅔% but will be 75% for the following: (i) to change the stated maturity of the principal or redemption price of or any premium or instalment of interest on, any Debt Securities of such series; (ii) to reduce the principal amount of, or interest or premium (if any) on, any Debt Securities of such series; (iii) to change the place or currency of payment of the principal of, premium (if any) on redemption price of or interest on, any Debt Securities of such series; or (iv) to amend the percentage of Debt Securities of such series necessary to approve an Extraordinary Resolution. See the definition of "Extraordinary Resolution" under "- Definitions".

Subject to certain rights of the Indenture Trustee as provided in the Trust Indenture, the holders of a majority of the outstanding principal amount of the Debt Securities of a series (including the Debentures), on behalf of all holders of Debt Securities of such series, may waive certain Events of Default under the Trust Indenture with respect to such series of Debt Securities.

PLAN OF DISTRIBUTION

Under the Agency Agreement, the Agents have agreed to act as the REIT's agents to offer $250,000,000 aggregate principal amount of Series 6 Debentures and $300,000,000 aggregate principal amount of Series 7 Debentures for sale to the public on a best efforts basis, if, as and when issued by the REIT, subject to compliance with all necessary legal requirements and in accordance with the terms and conditions of the Agency Agreement. The offering price of each series of Debentures was established by negotiation between the REIT and the Agents. The Agents will receive a fee equal to $2.00 per $1,000 principal amount of Series 6 Debentures and a fee equal to $3.00 per $1,000 principal amount of Series 7 Debentures.

The obligations of the Agents under the Agency Agreement may be terminated at their discretion in certain circumstances, including on the basis of their assessment of the state of the financial markets and also upon the occurrence of certain stated events. While the Agents have agreed to use their best efforts to sell the Debentures offered under this Prospectus Supplement, the Agents will not be obligated to purchase any Debentures which are not sold. The REIT has agreed to indemnify the Agents against certain liabilities, including liabilities under applicable Canadian provincial securities legislation in certain circumstances, or to contribute to payments the Agents may be required to make because of such liabilities.

The Agents may not, throughout the period of distribution, bid for or purchase the Debentures. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Debentures. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making/market balancing activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. In connection with the Offering, the Agents may, subject to applicable laws, effect transactions that are intended to stabilize or maintain the market price of the Debentures at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

There is no market through which the Debentures may be sold and purchasers may not be able to resell the Debentures purchased under this Prospectus Supplement. The REIT does not intend to list any of the Debentures on any securities exchange. See "Risk Factors and Investment Considerations – Trading Market for Debentures".

The Offering is being made in all the provinces and territories of Canada. No sales of the Debentures will be effected in any province or territory of Canada by any Agent not duly registered as a securities dealer under the laws of such province or territory, other than sales effected pursuant to the exemption from the registration requirements under the laws of such province or territory.

The Offering is not being made in the United States of America. The Debentures have not been, and will not be, registered under the 1933 Act, or any state securities laws and may not be offered or delivered, directly or indirectly, or sold in the United States of America except in certain transactions exempt from the registration requirements of the 1933 Act and in compliance with any applicable state securities laws. The Agents have agreed that they will not offer or sell the Debentures within the United States of America, its territories and its possessions or to, or for the account or benefit of, a "U.S. person" (as defined in Regulation S under the 1933 Act). This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of the Debentures in the United States of America. In addition, until 40 days after the commencement of the Offering, an offer or sale of Debentures within the United States of America by any dealer (whether or not participating in the Offering) may violate the registration requirements of the 1933 Act.

RELATIONSHIP BETWEEN THE REIT AND THE AGENTS

Each of NBF, BMO, Desjardins Securities Inc., RBC Dominion Securities Inc., Scotia Capital Inc. and TD Securities Inc. is a subsidiary of financial institutions which are lenders to the REIT and its subsidiaries. Mr. Gérard Coulombe, a Trustee, is a director of the financial institution of which NBF is a subsidiary. Consequently, the REIT may be considered to be a "connected issuer" of those Agents under National Instrument 33-105 – *Underwriting Conflicts* (referred to in Québec as *Regulation 33-105 respecting Underwriting Conflicts*).

As at September 16, 2014, the consolidated indebtedness of the REIT to the above-mentioned financial institutions amounted to approximately $623.3 million in the aggregate; namely (i) approximately $165.9 million of hypothecary loans owed to the financial institution of which Desjardins Securities Inc. is a subsidiary, approximately $9.3 million of hypothecary loans owed to the financial institution of which RBC Dominion Securities Inc. is a subsidiary, approximately $113.9 million of hypothecary loans owed to the financial institution of which Scotia Capital Inc. is a subsidiary, approximately $107 million of hypothecary loans owed to the financial institution of which TD Securities Inc. is a subsidiary, and (ii) approximately $227.2 million outstanding under the Unsecured Revolving Credit Facility, in respect of which the lenders are the financial institutions of which NBF (as to approximately $53 million), BMO (as to approximately $53 million), Desjardins Securities Inc. (as to approximately $37.9 million), RBC Dominion Securities Inc. (as to approximately $30.3 million), Scotia Capital Inc. (as to approximately $30.3 million) and TD Securities Inc. (as to approximately $22.7 million) are subsidiaries, as the case may be.

After giving effect to the Offering and the use of proceeds therefrom, the indebtedness of the REIT, on a consolidated *pro forma* basis, to the above-mentioned financial institutions will amount to approximately $396.1 million in the aggregate; namely approximately $165.9 million of hypothecary loans owed to the financial institution of which Desjardins Securities Inc. is a subsidiary, approximately $9.3 million of hypothecary loans owed to the financial institution of which RBC Dominion Securities Inc. is a subsidiary, approximately $113.9 million of hypothecary loans owed to the financial institution of which Scotia Capital Inc. is a subsidiary, approximately $107 million of hypothecary loans owed to the financial institution of which TD Securities Inc. is a subsidiary. No amounts will be outstanding under the Unsecured Revolving Credit Facility.

The REIT is not in breach of the terms of the agreements governing such indebtedness, in any material respect, and therefore no breach has been waived. Additional information regarding such security interests is provided in the 2013 AIF which is available electronically under the REIT's profile at *www.sedar.com*. Moreover, financial institutions of which NBF and BMO are subsidiaries have entered into commitment letters with the REIT in respect of the Unsecured Bridge Credit Facility to fund a substantial portion of the purchase price of the Acquisition. See "Financing of the Acquisition" and "Use of Proceeds".

The decision of each Agent that is a subsidiary of an aforesaid financial institution to participate in the Offering was made independently of such financial institution and was not required by such financial institutions.

None of the Agents will receive any benefit from the Offering, other than its respective portion of the fee payable by the REIT. See "Plan of Distribution".

USE OF PROCEEDS

The estimated total net proceeds to be received by the REIT from this Offering will amount to approximately $548.1 million, after deducting the Agents' fee in respect of the Offering and the estimated expenses of this Offering. The net proceeds from the Offering will be used to pay down debt outstanding under the Unsecured Revolving Credit Facility and to finance a portion of the Acquisition. See "Financing of the Acquisition". Indebtedness incurred under the Unsecured Revolving Credit Facility was used by the REIT to acquire real estate properties, to finance real estate developments of the REIT and for general trust purposes.

The aggregate cost to the REIT to acquire the Acquisition Properties is approximately $1.527 billion, plus estimated acquisition costs of $41.3 million. Assuming the acquisition by the REIT of third-party interests in two of the Acquisition Properties and that no rights of first refusal are exercised, the aggregate cost to the REIT is approximately $1.63 billion, plus estimated acquisition costs of $41.3 million. In addition to the net proceeds of this Offering (assuming no rights of first refusal or other similar rights have been exercised), the purchase price of the Acquisition, together with the transaction expenses, will be funded through the Otéra Hypothecary Loan of $250 million, the Unsecured Bridge Credit Facility as to approximately $275 million, the Concurrent Private Placement, and the balance from the Unsecured Revolving Credit Facility and cash on hand.

After giving effect to this Offering, the Unit Offering (including the exercise in full of the over-allotment option granted in connection with the Unit Offering), the Concurrent Private Placement, the Acquisition and the financing thereof (including through the use of the net proceeds of this Offering, the net proceeds of the Unit Offering as described above and the Concurrent Private Placement), the indebtedness of the REIT, expressed as a percentage of the Gross Book Value (including proportionate consolidation adjustment), is estimated by Management to be approximately 56.7% (approximately 54.5%, excluding the Convertible Debentures). The REIT's long-term target leverage remains at approximately 50% of debt to Gross Book Value.

After giving effect to this Offering, the Unit Offering (including the exercise in full of the over-allotment option granted in connection with the Unit Offering), the Concurrent Private Placement, the Acquisition and the financing thereof (including through the use of the net proceeds of this Offering, the net proceeds of the Unit Offering as described above and the Concurrent Private Placement), the indebtedness of the REIT, expressed as a percentage of the *pro forma* Gross Book Value as at June 30, 2014 is estimated by Management to increase from approximately 53.4% to 56.5%, including the Unsecured Debentures and the Convertible Debentures (from approximately 50.6% to 54.3%, excluding the Convertible Debentures), as per the unaudited pro forma consolidated financial statements of the REIT as at June 30, 2014. See "Changes in Units Outstanding and Loan Capital" and "Unaudited Pro Forma Consolidated Financial Statements of Cominar Real Estate Investment Trust as at June 30, 2014".

In the event that the Acquisition is not completed, the net proceeds of this Offering will be used by the REIT to pay down debt outstanding under the Unsecured Revolving Credit Facility, to finance the REIT's ongoing acquisition and development pipeline and for general and trust purposes.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Davies Ward Phillips & Vineberg LLP, counsel to the REIT, and Lavery, de Billy, L.L.P., counsel to the Agents, the following is a summary of the principal Canadian federal income tax considerations generally applicable to a prospective purchaser of Debentures pursuant to the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, who, at all relevant times and for purposes of the Tax Act, is or is deemed to be, resident in Canada, holds Debentures as capital property, deals at arm's length with the REIT, and is not affiliated with the REIT (a "**Debentureholder**"). Provided a Debentureholder does not hold Debentures in the course of carrying on a business or as an adventure in the nature of trade, such Debentures generally will be considered to be capital property to such holder. Certain holders who might not otherwise be considered to hold their Debentures as capital property may in certain circumstances be entitled to have such Debentures, along with all other "Canadian securities" (as defined in the Tax Act) held by such holders, treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such Debentureholders should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Debentureholder: (i) that is a "financial institution" for the purposes of the mark-to-market rules; (ii) that is a "specified financial institution"; (iii) an interest in which is a "tax shelter investment"; (iv) that enters into, with respect to the Debentures, a "derivative forward agreement"; or (v) that reports its "Canadian tax results" in a currency other than Canadian currency, each as defined in the Tax Act. Such Debentureholders are urged to consult their own tax advisors. In addition, this summary does not address the deductibility of interest expense or other expenses incurred by a Debentureholder in connection with debt incurred in connection with the acquisition or holding of Debentures.

This summary is of a general nature only and is based on (i) the facts and assumptions set out in the Base Shelf Prospectus and in this Prospectus Supplement (including the documents incorporated therein and herein by reference); (ii) a certificate of an officer of the REIT as to certain factual matters; (iii) the current provisions of the Tax Act, the Regulations and the Tax Proposals; and, (iv) counsel's understanding of the current administrative policies and assessing practices of the CRA made publicly available prior to the date hereof. This summary assumes that the Tax Proposals will be enacted as proposed, but no assurance can be given that this will be the case. Modification or amendment of the Tax Act, the Regulations or the Tax Proposals could significantly alter the tax status of the REIT, and the tax consequences of holding Debentures.

This summary is not exhaustive of all possible Canadian federal income tax consequences and, except for the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, governmental, administrative or judicial action, nor does it take into account provincial or foreign tax legislation or considerations, which may differ from the Canadian federal income tax considerations described herein. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any prospective Debentureholder. Accordingly, prospective Debentureholders should consult their own tax advisors with respect to the tax consequences to them having reading to their own particular circumstances.

Status of the REIT

This summary assumes that the REIT qualifies, and will continue at all times to qualify, as a "mutual fund trust" for purposes of the Tax Act. To qualify as a mutual fund trust, the REIT must be a "unit trust" as defined in the Tax Act, must be resident in Canada, must not be established or maintained primarily for the benefit of non-residents, and must restrict its undertaking to: (i) the investing of its funds in property (other than real property or an interest in real property or an immovable or a real right in an immovable); (ii) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the REIT; or (iii) any combination of the activities described in (i) or (ii). In addition, the REIT must have at least 150 unitholders holding not less than one "block of units" of a class which have an aggregate fair market value of not less than $500. It must also be the case that either (a) units of such class are qualified for distribution to the public (within the meaning of the Regulations), or (b) in the case of a trust created before 2000 which satisfies certain prescribed conditions or a trust created after 1999, there has been a lawful distribution in a province to the public of units of such class, and under the laws of that province, no prospectus, registration statement or similar document is required to be filed in respect of such distribution. It is understood that the Units are currently qualified for distribution to the public.

If the REIT were not to qualify as a mutual fund trust at any particular time, the Canadian federal income tax considerations described herein may, in some respects, be materially different.

Interest on Debentures

A Debentureholder that is a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on a Debenture that accrues (or is deemed to accrue) to it to the end of the particular taxation year (or if the Debentureholder disposes of a Debenture in the year, that accrues or is deemed to accrue to it until the time of disposition) or that has become receivable by or is received by the Debentureholder before the end of that taxation year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Debentureholder's income for a preceding taxation year.

Any other Debentureholder will be required to include in computing income for a taxation year all interest on a Debenture that is received or receivable by such Debentureholder in that taxation year (depending on the method regularly followed by the Debentureholder in computing income), including on a redemption or repayment on maturity, except to the extent that the interest was included in the Debentureholder's income for a preceding taxation year. Such a Debentureholder may also be required to include in computing the Debentureholder's income for a taxation year all interest (not otherwise required to be included in income) that accrues or is deemed to accrue on the Debentureholder's Debentures to the end of any "anniversary day" (as defined in the Tax Act) in that year. For this purpose, an anniversary day means the day that is one year after the day immediately preceding the date of issue of a Debenture, the day that occurs at every successive one year interval from that day and the day on which the Debenture is disposed of.

A Debentureholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6⅔% on certain investment income for the year, including interest.

Redemption or Repayment of Debentures

If the REIT redeems a Debenture prior to maturity or repays a Debenture upon maturity, the Debentureholder will be considered to have disposed of the Debenture for proceeds of disposition equal to the amount received by the Debentureholder (other than the amount received on account of interest, including any premium deemed to be interest as described below) on such redemption or repayment. The Debentureholder may realize a capital gain or capital loss computed as described below under "Dispositions of Debentures". Note that the Series 6 Debentures are not redeemable by the REIT, but the Series 7 Debentures are redeemable, as more fully described in "Details of the Offering – Redemption by the REIT".

The fair market value of any premium paid by the REIT to a Debentureholder on a redemption or repayment of a Debenture will generally be deemed to be interest received at that time by such Debentureholder if such premium is paid by the REIT because of the redemption or repayment by it of the Debenture before maturity, but only to the extent that such premium can reasonably be considered to relate to, and does not exceed the value on the date of redemption of, the interest that would have been paid or payable by the REIT on the Debenture for taxation years of the REIT ending after the date of redemption or repayment.

Dispositions of Debentures

Upon a disposition or deemed disposition of a Debenture, interest accrued thereon to the date of disposition and not yet due will be included in computing the Debentureholder's income, except to the extent that such amount was otherwise included in the Debentureholder's income, and will be excluded in computing the Debentureholder's proceeds of disposition of the Debenture. A Debentureholder who has over-accrued interest income in respect of a Debenture generally will be entitled to a deduction in computing the Debentureholder's income for the taxation year in which the Debenture is disposed of at fair market value in an amount equal to such over-accrued interest income.

A disposition or deemed disposition of a Debenture by a Debentureholder (including a redemption or repayment) generally will result in the Debentureholder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition exceed (or are less than) the aggregate of the Debentureholder's adjusted cost base thereof and any reasonable costs of disposition. For this purpose, proceeds of disposition generally will not include amounts required to be included in income as interest.

One-half of any capital gain realized by a Debentureholder on a disposition, or deemed disposition, of a Debenture generally will be included in the Debentureholder's income as a taxable capital gain. One-half of any capital loss realized by a Debentureholder on a disposition, or deemed disposition, of a Debenture generally must be deducted only from taxable capital gains of the Debentureholder in the year of disposition, and any excess of one-half of such capital losses over taxable capital gains may generally be deducted in computing taxable income in the three preceding taxation years or in any subsequent taxation year, to the extent and under the circumstances described in the Tax Act.

Taxable capital gains realized on a disposition of Debentures by a Debentureholder who is an individual or a trust may give rise to alternative minimum tax, depending on the Debentureholder's particular circumstances.

A Debentureholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6⅔% on certain investment income for the year, including taxable capital gains.

RISK FACTORS AND INVESTMENT CONSIDERATIONS

An investment in the Debentures is subject to certain risks. Investors should carefully consider the risk factors and investment considerations described below and in the Base Shelf Prospectus, the risk factors described in the 2013 AIF, the 2013 MD&A and the June 2014 MD&A incorporated by reference in the Prospectus, and other information elsewhere in the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, prior to making an investment in the Debentures. If any of such or other risks occur, the REIT's business, prospects, financial condition, results of operations and cash flows could be materially adversely impacted. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the below described or other unforeseen risks.

Risk Factors Related to the Business of the REIT

Debt Financing

The REIT has and will continue to have substantial outstanding consolidated borrowings comprised primarily of hypothecs, property mortgages, debentures, bridge loan, and borrowings under its acquisition and operating credit facilities. The REIT intends to finance its growth strategy, including acquisitions and developments, through a combination of its working capital and liquidity resources, including cash flows from operations, additional borrowings and public or private sales of equity or debt securities. The REIT's activities are therefore partially dependent upon the interest rates applied to its existing debt. The REIT may not be able to refinance its existing debt or renegotiate the terms of repayment at favourable rates. In addition, the terms of the REIT'S indebtedness generally contain customary provisions that, upon an event of default, result in accelerated repayment of the amounts owed and that restrict the distributions that may be made by the REIT. Therefore, upon an event of default under such borrowings or an inability to renew same at maturity, the REIT's ability to make distributions will be adversely affected.

A portion of the REIT's cash flows is dedicated to servicing its debt, and there can be no assurance that the REIT will continue to generate sufficient cash flows from operations to meet required interest or principal payments, such that it could be required to seek renegotiation of such payments or obtain additional financing, including equity or debt financing. The Unsecured Revolving Credit Facility in the stated amount of $550 million is repayable in one tranche in August 2017. As at September 16, 2014, $265 million was drawn under the Unsecured Revolving Credit Facility. In addition, the REIT had cash on hand of approximately $170 million as at September 16, 2014.

The Unsecured Bridge Credit Facility matures 12 months from the Acquisition Closing Date.

The REIT is exposed to debt financing risks, including the risk that the existing hypothecary borrowings secured by its properties, the Unsecured Revolving Credit Facility and the Unsecured Bridge Credit Facility cannot be refinanced or that the terms of such refinancing will not be as favourable as the terms of the existing loans. In order to minimize this risk as regards the hypothecary borrowings, the REIT tries to appropriately structure the timing of the renewal of significant tenant leases on its respective properties in relation to the times at which the hypothecary borrowings on such properties become due for refinancing.

Other Risks Factors Related to the Business of the REIT

See "Risk Factors and Investment Considerations" in the Base Shelf Prospectus.

Risk Factors Related to the Ownership of Debentures

Credit Ratings

The credit ratings assigned to the REIT and the Debentures by DBRS are not a recommendation to buy, hold or sell securities of the REIT. A rating is not a comment on the market price of a security nor is it an assessment of ownership given various investment objectives. There is no assurance that any rating will remain in effect for any given period of time and ratings may be upgraded, downgraded, placed under review, confirmed and discontinued. Non-credit risks that can meaningfully impact the value of the securities issued include market risk, trading liquidity risk and covenant risk. DBRS uses rating symbols as a simple and concise method of expressing its opinion to the market, although DBRS ratings usually consist of broader contextual information regarding the security provided by DBRS in rating reports, which generally set out the full rationale for the chosen rating symbol, and in other releases.

Debentures Credit Risk, Prior Ranking Indebtedness and Structural Subordination of the Debentures

The likelihood that purchasers of the Debentures will receive payments owing to them under the terms of the Debentures will depend on the financial health of the REIT and its creditworthiness. In addition, the Debentures are unsecured obligations of the REIT and, therefore, if the REIT becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, the REIT's assets will be available to pay its obligations with respect to the Debentures only after it has paid all of its secured indebtedness in full. There may be insufficient assets remaining following such payments to pay amounts due on any or all of the Debentures then outstanding.

Liabilities of a parent entity with assets held by various subsidiaries may result in the structural subordination of the lenders of the parent entity. The parent entity is entitled only to the residual equity of its subsidiaries after all debt obligations of its subsidiaries are discharged. In the event of a bankruptcy, liquidation or reorganization of the REIT, holders of indebtedness of the REIT (including holders of Debentures) may become subordinate to lenders to the subsidiaries of the REIT. See "Interest and Earnings Coverage", which is relevant to an assessment of the risk that the REIT will be unable to pay principal or interest on the Debentures when due.

Trading Market for Debentures

There is no market through which the Debentures may be sold and purchasers may not be able to resell Debentures purchased under the Base Shelf Prospectus, as supplemented by this Prospectus Supplement. This may affect the pricing of the Debentures in the secondary market, the transparency and availability of trading prices, the liquidity of the Debentures and the extent of issuer regulation. No assurance can be given as to whether an active trading market will develop or be maintained for the Debentures. To the extent that an active trading market for the Debentures does not develop, the liquidity and trading prices for the Debentures may be adversely affected.

Market Price or Value Fluctuation

If the Debentures are traded after their initial issuance, they may trade at a discount from their initial public offering price. The market price or value of the Debentures depends on many factors, including liquidity of the Debentures, prevailing interest rates and the markets for similar securities, general economic conditions and the REIT's financial condition, historic financial performance and prospects.

Prevailing interest rates will affect the market price or value of the Series 6 Debentures. The amount of interest payable on the Series 6 Debentures is set only once per period based on 3 Month CDOR on the Series 6 Interest Reset Date, which rate may fluctuate significantly. In the past, the 3 Month CDOR has experienced significant fluctuations. Historical levels, fluctuations and trends of 3 Month CDOR are not necessarily indicative of future levels. Any historical upward or downward trend in 3 Month CDOR is not an indication that 3 Month CDOR is more or less likely to increase or decrease at any time during a Series 6 Interest Period, and historical levels of 3 Month CDOR should not be taken as an indication of its future performance. Although actual 3 Month CDOR on a Series 6 Interest Payment Date or at other times during a Series 6 Interest Period may be higher than 3 Month CDOR on the applicable Series 6 Interest Reset Date, holders of Series 6 Debentures will not benefit from 3 Month CDOR at any time other than on the Series 6 Interest Reset Date for such Series 6 Interest Period. As a result, changes in 3 Month CDOR may not result in a comparable change in the market price or value of the Series 6 Debentures.

Assuming all other factors remain unchanged, the market price or value of the Series 7 Debentures, which carry a fixed interest rate, will likely decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

Challenging market conditions, the health of the economy as a whole and numerous other factors beyond the control of the REIT may have a material effect on the business, financial condition, liquidity and results of operations of the REIT. In recent years, financial markets have experienced significant price and volume fluctuations that have particularly affected the market prices of securities of issuers and that have often been unrelated to the operating performance, underlying asset values or prospects of such issuers. There can be no assurance that such fluctuations in price and volume will not occur. Accordingly, the market price of the Debentures may decline even if the REIT's operating results, underlying asset values or prospects have not changed. In periods of increased levels of volatility and market turmoil, the REIT's operations could be adversely impacted and the market price of the Debentures may be adversely affected.

Series 7 Debentures Redemption Right Risk

The REIT may choose to redeem the Series 7 Debentures prior to maturity, in whole or in part, at any time or from time to time, especially when prevailing interest rates are lower than the rate borne by the Series 7 Debentures. If prevailing rates are lower at the time of redemption, a purchaser may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as the interest rate on the Series 7 Debentures being redeemed. See "Details of the Offering – Redemption by the REIT".

Inability of the REIT to Purchase Debentures on a Change of Control

The REIT may be required to purchase all outstanding Debentures upon the occurrence of a Change of Control. However, it is possible that following a Change of Control, the REIT will not have sufficient funds at that time to make any required purchase of outstanding Debentures or that restrictions contained in other indebtedness will restrict those purchases. See "Details of the Offering – Change of Control".

Tax Risk

No assurance can be given that Canadian federal income tax laws respecting the taxation of income trusts and other flow-through entities will not be changed in a manner that adversely affects the REIT. A special tax regime applies to SIFTs and investors in SIFTs, under which SIFTs are generally subject to entity-level income tax at rates approximating corporate income tax rates. The REIT will not be considered to be a SIFT in respect of a particular taxation year and, accordingly, will not be subject to the SIFT Rules in that year, if it qualifies as a "real estate investment trust" for the year (the "**Real Estate Investment Trust Exception**").

Based on a review of the REIT's assets and revenues, management expects that the REIT will satisfy the tests to qualify for the Real Estate Investment Trust Exception for 2014. In addition, management's current intention is to qualify for the Real Estate Investment Trust Exception at all future times. However, there can be no assurances that the REIT will qualify for the Real Estate Investment Trust Exception for 2014 or in any future year.

Further information regarding the SIFT Rules and the Real Estate Investment Trust Exception, and related risk factors and investment considerations is contained in the Base Shelf Prospectus under the heading "Risk Factors and Investment Considerations – Risk Factors Related to the Ownership of Securities – Status for tax purposes".

Risk Factors Related to the Acquisition

Caution Regarding Unaudited Pro Forma Financial Statements

This Prospectus Supplement contains unaudited pro forma consolidated balance sheet as at June 30, 2014, unaudited pro forma consolidated statement of net income for the six-month period ended June 30, 2014 and unaudited pro forma consolidated statements of net income for the year ended December 31, 2013, giving effect to the acquisition of the retail and office properties forming part of the Acquisition Properties, which comprise substantially all of the Acquisition Properties, in the manner set forth therein. Such unaudited *pro forma* financial statements have been prepared using certain of the REIT's and Ivanhoé Cambridge's respective financial statements as more particularly described in the notes to such unaudited *pro forma* financial statements. Such unaudited *pro forma* financial statements are not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected therein occurred on the dates indicated. Actual amounts recorded upon consummation of the Acquisition will differ from such unaudited *pro forma* financial statements. Potential synergies, if any, that may be realized after consummation of the Acquisition have been excluded from such unaudited *pro forma* financial statements. Since the unaudited *pro forma* financial statements have been developed to retroactively show the effects of a transaction that occurred at a later date (even though this was accomplished by following generally accepted practices using reasonable assumptions), there are limitations inherent in the very nature of *pro forma* data. The data contained in the unaudited *pro forma* financial statements represents only a simulation of the potential impact of the acquisition of the retail and office properties forming part of the Acquisition Properties, which comprise substantially all of the Acquisition Properties. Undue reliance should not be placed on such unaudited *pro forma* financial statements.

Closing of the Acquisition and Acquisition of Third Party Interests

Mail Champlain, Rockland and Les Galeries de Hull are subject to rights of first refusal or similar rights in favour of third parties, two of which third parties are co-owners. The third parties which own a 50%-interest in Mail Champlain and a 15%-interest in Les Galeries de Hull, respectively, have advised Ivanhoé Cambridge of their respective interest in selling their stake in Mail Champlain and Les Galeries de Hull to the REIT, and therefore, of their intention not to exercise their right of first refusal. The third party/tenant which has a right of first refusal on Rockland advised Ivanhoé Cambridge that it is considering the exercise of its right of first refusal and requested additional information. If the third parties who benefit from such rights of first refusal exercise them, the said Acquisition Properties will not be sold to the REIT and the purchase price will be reduced by an amount agreed to by the REIT and Ivanhoé Cambridge. See "The Acquisition – Purchase Agreement". There can be no assurances that the Acquisition Properties subject to rights of first refusal will be purchased by the REIT in the Acquisition. In addition, there can be no assurances that the REIT will be able to acquire the third-party interests of the co-owners of Mail Champlain and Les Galeries de Hull on terms favourable to the REIT, or at all. In the event the REIT is not able to acquire such interests, Mail Champlain and Les Galeries de Hull will remain subject to co-ownership rights of third parties.

The completion of the Acquisition is also subject to receipt of material third party consents, approvals or waivers, the confirmation of certain representations and warranties set out in the Purchase Agreement as at the Acquisition Closing Date and the obtaining of estoppel certificates from certain tenants of the Acquisition Properties. A delay in obtaining such consents, approvals or certificates, the failure to do so or the imposition of unfavourable terms or conditions in order to do so could have a material adverse effect on the Acquisition.

The REIT intends to consummate the Acquisition as soon as practicable after such conditions are met. However, the REIT has no control over whether or not the closing conditions of the Acquisition will be met and there is no assurance that such conditions will be satisfied at all. Accordingly, there can be no assurances that the Acquisition will be completed and Closing is not subject to the closing of the Acquisition. In the event the Acquisition is not completed, the net proceeds received by the REIT from this Offering would be used in full to pay down debt outstanding under the Unsecured Revolving Credit Facility, to finance the REIT's ongoing acquisition and development pipeline and for general and trust purposes.

Unexpected Costs or Liabilities Related to the Acquisition

Although the REIT has conducted due diligence in connection with the Acquisition, an unavoidable level of risk remains regarding any undisclosed or unknown liabilities of, or issues concerning, the Acquisition Properties. Following the Acquisition, the REIT may discover that it has acquired undisclosed liabilities. The REIT will not be able to claim indemnification from Ivanhoé Cambridge, as it has agreed to purchase the Acquisition Properties on an "as is, where is" basis. The existence of any undisclosed liabilities and the REIT's inability to claim indemnification from Ivanhoé Cambridge could have a material adverse effect on the REIT.

Integration Related Risks

To effectively integrate the Acquisition Properties into its current portfolio, the REIT must establish appropriate operational, administrative, finance, management systems and controls and marketing functions relating to the Acquisition Properties. This will require substantial attention from Management. This diversion of Management's attention, as well as any other difficulties which the REIT may encounter in completing the transition and integration process after the closing of the Acquisition, could have a material adverse impact on the REIT. There can be no assurance that the REIT will be successful in integrating the Acquisition Properties, or that the expected benefits of the Acquisition will be realized.

Ownership of Retail Properties

Retail shopping centres have traditionally relied on the presence of a number of anchor tenants, such as department stores, discount department stores and grocery stores. Following the Acquisition, the REIT will own 11 additional retail properties, including 10 enclosed shopping centres and one retail complex, some of them being reliant on anchor tenants. In recent years, certain major retailers have announced their intentions to resize their space requirements, including RONA and Best Buy in 2012. Significant deterioration of the retail shopping centre market in general or the financial health of the REIT's anchor tenants could have an adverse effect on the REIT's business, financial condition or results of operation.

INDENTURE TRUSTEE

The Indenture Trustee for the Debentures is Computershare Trust Company of Canada at its principal offices in Montréal, Québec. Computershare Investor Services Inc., an affiliate of the Indenture Trustee, is the transfer agent and registrar for the Units of the REIT.

LEGAL MATTERS

Certain legal matters in connection with the issuance of the Debentures offered hereby will be passed upon at the date of Closing on behalf of the REIT by Davies Ward Phillips & Vineberg LLP and on behalf of the Agents by Lavery, de Billy, L.L.P.

As of the date of this Prospectus Supplement, partners and associates of Davies Ward Phillips & Vineberg LLP, as a group, and partners and associates of Lavery, de Billy, L.L.P., as a group, each owned, beneficially or of record, less than 1% of the outstanding securities of the REIT or other outstanding securities of any of the REIT's associates or affiliates.

INTEREST OF EXPERTS

The auditors of the REIT are PricewaterhouseCoopers LLP, a partnership of Chartered Professional Accountants.

Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, are the external auditors who prepared the auditor's report to the management and Board of Directors of Ivanhoé Cambridge dated August 29, 2014 with respect to the Acquisition Properties for the financial year ended December 31, 2013 which is included in this Prospectus Supplement. Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, are independent with respect to Ivanhoé Cambridge within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

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. The right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

INDEX TO FINANCIAL STATEMENTS

Cominar Real Estate Investment Trust

Pro Forma Consolidated Financial Statements
June 30, 2014
(Unaudited)

Cominar Real Estate Investment Trust

Pro Forma Consolidated Balance Sheet

As at June 30, 2014

(Unaudited, in thousands of Canadian dollars, except per unit amounts)

	Cominar Real Estate Investment Trust $	Portfolio Acquired $	Note	Pro Forma Adjustment $	Pro Forma Consolidated Balance Sheet $
Assets					
Investment properties					
Income properties	5,993,500	1,450,595	2(a)	149,305	7,593,400
Properties under development	77,375	17,083	2(a)	11,117	105,575
Land held for future development	58,886	-		-	58,886
	6,129,761	1,467,678		160,422	7,757,861
Investment in a joint venture	25,622	93,630	2(a)	(93,630)	25,622
Goodwill	166,971	-		-	166,971
Mortgage receivable	8,250	-		-	8,250
Deferred tax assets	-	518		-	518
Prepaid expenses and other assets	38,552	8,605	2(a)	1,282	48,439
Accounts receivable	58,516	674		-	59,190
Bond investments	4,975	-		-	4,975
Cash and cash equivalents	7,100	70,267	2(a)	(70,267)	7,100
	6,439,747	1,641,372		(2,193)	8,078,926
Liabilities					
Mortgages payable	1,862,767	64,402	2(a)	(64,402)	2,111,767
			2(d)	250,000	
			2(d)	(1,000)	
Debentures	1,198,059	-	2(a)	550,000	1,746,170
			2(a)	(1,889)	
Convertible debentures	182,413	-		-	182,413
Bank indebtedness	196,951	-	2(c)	55,253	251,634
			2(c)	(570)	
Bridge credit facility	-	-	2(b)	275,437	274,563
			2(b)	(874)	
Advances from the owner	-	67,032	2(a)	(67,032)	-
Accounts payable and accrued liabilities	103,437	11,303	2(a)	1,022	115,762
Deferred tax liability	10,857	-		-	10,857
Distributions payable to unitholders	15,388	-		-	15,388
	3,569,872	142,737		995,945	4,708,554
Unitholders'/owners' equity	2,869,875	1,498,635	2(e)	287,502	3,370,372
			2(e)	250,002	
			2(e)	(1,498,635)	
			2(e)	(23,960)	
			2(e)	(11,800)	
			2(b)	(1,247)	
Total liabilities and unitholders'/owners' equity	6,439,747	1,641,372		(2,193)	8,078,926

All terms capitalized but not otherwise defined herein shall have the meaning given to them in the prospectus supplement of Cominar Real Estate Investment Trust dated September 17, 2014 ("Supplement").

Cominar Real Estate Investment Trust

Pro Forma Consolidated Statement of Net Income

For the six-month period ended June 30, 2014

(Unaudited, in thousands of Canadian dollars, except per unit amounts)

	Cominar Real Estate Investment Trust $	Portfolio Acquired $	Note	Pro Forma Adjustment $	Pro Forma Consolidated Statement of Net Income $
Operating revenues					
Rental revenue from investment properties	351,130	71,883	3(a)	10,560	437,831
			3(a)	713	
			3(d)	3,545	
	351,130	71,883		14,818	437,831
Operating expenses	163,078	37,471	3(a)	5,502	206,421
			3(a)	370	
	163,078	37,471		5,872	206,421
Net operating income	188,052	34,412		8,946	231,410
Share of net income (loss) from investment in a joint venture	1,288	(8,993)	3(a)	8,993	1,288
Fair value adjustment – Investment properties	-	4,919	3(a)	(23,044)	(21,613)
			3(a)	57	
			3(d)	(3,545)	
Fair value adjustment – Term loan	-	(238)	3(c)	238	-
Financial expense	(68,034)	(1,699)	3(b)	1,699	(89,443)
			3(b)	(21,000)	
			3(b)	(409)	
Trust administrative expenses	(6,366)	-		-	(6,366)
Income before income taxes	114,940	28,401		(28,065)	115,276
Income taxes	(311)	-		-	(311)
Net income	114,629	28,401		(28,065)	114,965
Net income per unit (note 4)					
Basic	0.90				0.74
Diluted	0.88				0.73

All terms capitalized but not otherwise defined herein shall have the meaning given to them in the Supplement.

Cominar Real Estate Investment Trust

Pro Forma Consolidated Statement of Net Income

For the year ended December 31, 2013

(Unaudited, in thousands of Canadian dollars, except per unit amounts)

	Cominar Real Estate Investment Trust $	Portfolio Acquired $	Note	Pro Forma Adjustment $	Pro Forma Consolidated Statement of Net Income $
Operating revenues					
Rental revenue from investment properties	662,053	154,331	3(a)	21,950	846,488
			3(a)	1,481	
			3(d)	6,673	
	662,053	154,331		30,104	846,488
Operating expenses	293,843	75,230	3(a)	10,972	380,853
			3(a)	808	
	293,843	75,230		11,780	380,853
Net operating income	368,210	79,101		18,324	465,635
Share of net income from investment in a joint venture	-	12,001	3(a)	(12,001)	-
Fair value adjustment – Investment properties	17,150	58,221	3(a)	13,024	80,231
			3(a)	(1,491)	
			3(d)	(6,673)	
Fair value adjustment – Term loan	-	2,437	3(c)	(2,437)	-
Financial expense	(131,811)	(8,847)	3(b)	8,847	(176,193)
			3(b)	(39,934)	
			3(b)	(4,448)	
Trust administrative expenses	(12,063)	-		-	(12,063)
Restructuring charges	(1,062)	-		-	(1,062)
Gain on disposal of a subsidiary	8,010	-		-	8,010
Gains on disposal of investment properties	3,370	-		-	3,370
Other revenues	4,906	-		-	4,906
Income before income taxes	256,710	142,913		(26,789)	372,834
Income taxes	(1,741)	175	3(a)	1	(1,565)
Net income	254,969	143,088		(26,788)	371,269
Net income per unit (note 4)					
Basic	2.03				2.42
Diluted	1.98				2.35

All terms capitalized but not otherwise defined herein shall have the meaning given to them in the Supplement.

(Unaudited, in thousands of Canadian dollars, except per unit amounts)

1 Basis of presentation

The unaudited pro forma consolidated balance sheet of Cominar Real Estate Investment Trust ("Cominar" or the "Trust") as at June 30, 2014 and the unaudited pro forma consolidated statements of net income for the six-month period ended June 30, 2014 and for the year ended December 31, 2013 have been prepared by management of Cominar to give effect to the proposed acquisition (the "Acquisition") of the Retail and Office Portfolio of Ivanhoé Cambridge Inc. ("Ivanhoé Cambridge"), the real estate subsidiary of the Caisse de dépôt et placement du Québec, and certain of its affiliates, by Cominar on the basis of the assumptions and adjustments described below.

A third party owns 50% of Mail Champlain, and this property is subject to a right of first refusal in favour of such third party. Mail Champlain is accounted for as a joint venture by Ivanhoé Cambridge. Another third party owns 15% of Les Galeries de Hull, and this property is subject to a right of first refusal in favour of such third party. Les Galeries de Hull is accounted for as a joint operation by Ivanhoé Cambridge. Both third parties confirmed their intention to sell their respective portion of the properties to Ivanhoé Cambridge and to not use their right of first refusal.

Consequently, the unaudited pro forma consolidated balance sheet of Cominar as at June 30, 2014 and the unaudited pro forma consolidated statements of net income for the six-month period ended June 30, 2014 and for the year ended December 31, 2013 also give effect to the acquisition of those third party interests in Mail Champlain and Les Galeries de Hull.

Rockland is subject to a right of first refusal in favour of a third party and 505 Parc Technologique may not be sold without the prior consent of the initial seller of the property. The third party, which has a right of first refusal on Rockland, advised Ivanhoé Cambridge that it is considering the exercise of its right of first refusal and requested additional information. The unaudited pro forma consolidated financial statements assume that this right will not be exercised and that the prior consent will be obtained.

In the opinion of management, the unaudited pro forma consolidated balance sheet as at June 30, 2014 and the unaudited pro forma consolidated statements of net income for the six-month period ended June 30, 2014 and for the year ended December 31, 2013 include all adjustments necessary for the fair presentation of the transactions described in the notes to the unaudited pro forma consolidated financial statements on a basis consistent with Cominar's accounting policies applied in the unaudited condensed interim consolidated financial statements for the quarter ended June 30, 2014.

The unaudited pro forma consolidated financial statements may not be indicative of the financial position that would have prevailed and operating results that would have been obtained if the transactions had taken place on the dates indicated or of the financial position or operating results which may be obtained in the future. The unaudited pro forma consolidated financial statements are not a forecast or projection of future results. The actual financial position and results of operations of the Trust for any period following the closing of the Acquisition will likely vary from the amounts set forth in the unaudited pro forma consolidated financial statements, and such variation may be material.

(Unaudited, in thousands of Canadian dollars, except per unit amounts)

The unaudited pro forma consolidated financial statements should be read in conjunction with the unaudited condensed interim consolidated financial statements of Cominar as at and for the three-month and six-month periods ended June 30, 2014 and the unaudited condensed interim combined financial statements of the Retail and Office Portfolio of Ivanhoé Cambridge as at and for the six-month period ended June 30, 2014, both of which are prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, and with the audited consolidated financial statements of Cominar as at and for the year ended December 31, 2013 and the audited combined financial statements of the Retail and Office Portfolio of Ivanhoé Cambridge for the year ended December 31, 2013, both of which are prepared in accordance with IFRS.

The unaudited pro forma consolidated balance sheet as at June 30, 2014 has been prepared using information from the unaudited interim consolidated balance sheet of Cominar as at June 30, 2014, the unaudited interim combined balance sheet of the Retail and Office Portfolio of Ivanhoé Cambridge as at June 30, 2014, and the adjustments and assumptions outlined below. The unaudited pro forma consolidated balance sheet gives effect to the Acquisition as if it had occurred on June 30, 2014.

The unaudited pro forma consolidated statement of net income for the six-month period ended June 30, 2014 has been prepared using information from the unaudited interim consolidated statement of comprehensive income of Cominar for the six-month period ended June 30, 2014, the unaudited interim combined statement of income and comprehensive income of the Retail and Office Portfolio of Ivanhoé Cambridge for the six-month period ended June 30, 2014, and the adjustments and assumptions outlined below. The unaudited pro forma consolidated statement of net income for the six-month period ended June 30, 2014 gives effect to the Acquisition as if it had occurred on January 1, 2013.

The unaudited pro forma consolidated statement of net income for the year ended December 31, 2013 has been prepared using information from the audited consolidated statement of comprehensive income of Cominar for the year ended December 31, 2013, the audited combined statement of income and comprehensive income of the Retail and Office Portfolio of Ivanhoé Cambridge for the year ended December 31, 2013, and the adjustments and assumptions outlined below. The unaudited pro forma consolidated statement of net income for the year ended December 31, 2013 gives effect to the Acquisition as if it had occurred on January 1, 2013.

2 Pro forma assumptions and consolidated balance sheet adjustments

(a) Acquisition of the Retail and Office Portfolio

Pursuant to the Purchase Agreement, Ivanhoé Cambridge and certain of its affiliates accepted to sell, transfer, assign and convey to Cominar a Retail and Office Portfolio for a purchase price of approximately $1,526,000. In the unaudited pro forma consolidated financial statements, the aggregate purchase price amounting to $1,628,100 includes the amounts to be paid to third parties owning 50% of Mail Champlain and 15% of Les Galeries de Hull, assuming that those transactions will be made under similar conditions and excludes the potential exercise of rights of first refusal or similar rights.

The unaudited pro forma consolidated balance sheet has been adjusted to reflect the ownership at 100% by Cominar for both properties. Furthermore, the investment of 50% in Mail Champlain accounted for as an investment in a joint venture amounting to $93,630 has been removed and prepaid expenses and other assets of $1,282 and accounts payables and accrued liabilities of $1,022 have been added.

(Unaudited, in thousands of Canadian dollars, except per unit amounts)

In anticipation of the closing of the Acquisition, on September 9, 2014, Cominar issued 15,131,700 units of Cominar ("Cominar Units") for gross proceeds of $287,502 (the "September 9 Issuance").

The Acquisition is assumed to be paid partly by the issuance of Cominar Units under the September 9 Issuance, by the issuance of Cominar Units to Ivanhoé Cambridge under the Concurrent Private Placement and by the issuance of Series 6 and Series 7 debentures under this Supplement, all together with other loans and credit facilities described below.

The transaction costs amounting to $23,960 are charged directly to unitholders'/owners' equity. These costs are to be written off through net income but have not resulted in a pro forma adjustment to the unaudited pro forma consolidated statements of net income since these charges are non-recurring expenses directly attributable to the Acquisition.

Cominar's sources and uses of funds after completion of the Acquisition are as follows:

	Note	$
Unsecured Bridge Credit Facility	2(b)	275,437
Otéra Hypothecary Loan	2(d)	250,000
Cominar Units issued under the September 9 Issuance	2(e)	287,502
Cominar Units issued under the Concurrent Private Placement	2(e)	250,002
Series 6 and Series 7 debentures issued under the Supplement		550,000
Bank indebtedness (considering working capital adjustment)		55,253
Consideration paid including acquisition costs		1,668,194

Financing costs related to the Series 6 and Series 7 debentures amount to $1,889 and are presented against debentures.

Cash and cash equivalents totalling $70,267, mortgage payable amounting to $64,402 and advances from the owner amounting to $67,032 are assets and liabilities excluded from the Acquisition.

(b) Unsecured Bridge Credit Facility

Cominar has entered into a commitment letter with Canadian chartered banks for an unsecured non-revolving credit facility of up to $850,000, repayable in one year and bearing interest at a variable rate with an increasing spread over the term. Cominar is assumed to have drawn down $275,437.

Financing costs related to the Unsecured Bridge Credit Facility amount to $2,121 of which $874 are presented against the amount drawn and $1,247 are charged directly to unitholders'/owners' equity. These costs are to be written off through net income but have not resulted in a pro forma adjustment to the unaudited pro forma consolidated statements of net income since these charges are non-recurring expenses directly attributable to the Acquisition.

(Unaudited, in thousands of Canadian dollars, except per unit amounts)

(c) Unsecured Bridge-to-Accordion Facility

Cominar has entered into a credit agreement with the Bridge Lenders for a $100,000 unsecured facility, with a maturity date in August 2017 and bearing interest at a variable rate. Cominar drew down $100,000 on this facility and reimbursed it subsequently using the proceeds from the September 9 Issuance.

Financing costs related to the Unsecured Bridge-to-Accordion Facility amounted to $570 and are presented against bank indebtedness.

(d) Otéra Hypothecary Loan

Cominar has entered into offer letters with Otéra Capital Inc., a subsidiary of the Caisse de dépôt et placement du Québec, providing for secured mortgages for an aggregate of $250,000. The Otéra Hypothecary Loan has a term of 10 years and bears interest at a fixed rate of 4%.

Financing costs related to the Otéra Hypothecary Loan amount to $1,000 and are presented against mortgages payable.

(e) Unitholders'/owners' equity

The pro forma adjustments to unitholders'/owners' equity arising from the Acquisition reconcile as follows:

	Note	$
Cominar Units issued under the September 9 Issuance (15,131,700 x $19.00)		287,502
Cominar Units issued under the Concurrent Private Placement (13,158,000 x $19.00)		250,002
Elimination of the equity on portfolio acquired		(1,498,635)
Transaction costs	(a)	(23,960)
September 9 Issuance costs		(11,800)
Financing costs written off	(b)	(1,247)
		(998,138)

3 Pro forma assumptions and consolidated statement of net income adjustments for the six-month period ended June 30, 2014 and for the year ended December 31, 2013

(a) Third party rights

The pro forma consolidated statements of net income have been adjusted to reflect the ownership at 100% by Cominar of Mail Champlain and Les Galeries de Hull. Furthermore, the shares of net income (loss) from investment in a joint venture in Mail Champlain amounting to $(8,993) for the six-month period ended June 30, 2014 and $12,001 for the year ended December 31, 2013 have been removed.

(Unaudited, in thousands of Canadian dollars, except per unit amounts)

The other adjustments for each property for the six-month period ended June 30, 2014 are as follows:

	Mail Champlain $	Les Galeries de Hull $
Rental revenue from investment properties	10,560	713
Operating expenses	5,502	370
Net operating income	5,058	343
Fair value adjustment – Investment properties	(23,044)	57
Net income (loss)	(17,986)	400

The other adjustments for each property for the year ended December 31, 2013 are as follows:

	Mail Champlain $	Les Galeries de Hull $
Rental revenue from investment properties	21,950	1,481
Operating expenses	10,972	808
Net operating income	10,978	673
Fair value adjustment – Investment properties	13,024	(1,491)
Income (loss) before income taxes	24,002	(818)
Income taxes	-	1
Net income (loss)	24,002	(817)

(b) Financial expense

Financial expense has been adjusted to reflect interest expense on the Trust's financing for the Acquisition, the duration fee and the amortization of financing costs.

Financial expenses of the Retail and Office Portfolio of Ivanhoé Cambridge totalling $1,699 for the six-month period ended June 30, 2014 and $8,847 for the year ended December 31, 2013 have been removed since they are related to liabilities excluded from the Acquisition, as mentioned in note 2(a).

Interest expenses relating to the Unsecured Bridge Credit Facility, the Otéra Hypothecary Loan, the Series 6 and Series 7 debentures, the additional Bank indebtedness and the duration fee relating to the Unsecured Bridge-to-Accordion Facility would amount to a total of $21,000 for the six-month period ended June 30, 2014 and $39,934 for the year ended December 31, 2013.

(Unaudited, in thousands of Canadian dollars, except per unit amounts)

The amortization expense of the related financing costs represents a total of $409 for the six-month period ended June 30, 2014 and $4,448 for the year ended December 31, 2013.

(c) Fair value adjustment – Term loan

The fair value adjustment related to the term loan has been removed to conform to Cominar's accounting policies.

(d) Reclassification

Reclassification adjustments have been made to Ivanhoé Cambridge's presentation to be in accordance with Cominar's presentation.

4 Pro forma Cominar Units outstanding

The average number of Cominar Units used in the computation of pro forma basic and diluted net income per unit has been determined as follows:

	Basic		**Diluted**	
	2014 (6 months)	**2013 (12 months)**	**2014 (6 months)**	**2013 (12 months)**
Historical weighted average number of Cominar Units issued and outstanding	127,476,701	125,369,581	138,026,611	136,015,866
Cominar Units issued under the September 9 Issuance *	15,131,700	15,131,700	15,131,700	15,131,700
Cominar Units issued under the Concurrent Private Placement *	13,158,000	13,158,000	13,158,000	13,158,000
Pro forma weighted average Cominar Units outstanding	155,766,401	153,659,281	166,316,311	164,305,566

* Assuming the issuance of a total of 28,289,700 Cominar Units on January 1, 2013 as a result of the Acquisition (note 2(a)).

Retail and Office Portfolio

Combined Financial Statements
December 31, 2013

Raymond Chabot Grant Thornton

Independent Auditor's Report

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To the Management and Board of Directors of
Ivanhoe Cambridge Inc.

We have audited the accompanying combined financial statements of Retail and Office Portfolio (as defined in Note 1), which comprise the combined balance sheet as at December 31, 2013 and the combined statement of income and comprehensive income, the combined statement of changes in owner's equity and the combined statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the combined financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these combined financial statements 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements 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 combined financial statements.

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 combined financial statements present fairly, in all material respects, the financial position of Retail and Office Portfolio as at December 31, 2013 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Other Matter

The combined financial statements of Retail and Office Portfolio for the year ended December 31, 2012 were not audited.

Raymond Chabot Grant Thornton LLP[1]

Montréal
August 29, 2014

[1] CPA auditor, CA public accountancy permit no. A121855

Retail and Office Portfolio
Combined Balance Sheets

December 31, 2013
(In thousands of dollars)

	2013	(Unaudited) 2012
	$	$
ASSETS		
Non-current assets		
Investment properties (Note 3)	**1,456,249**	1,379,993
Interest in a joint venture (Note 17)	**105,056**	98,330
Deferred tax assets (Note 4)	**518**	343
	1,561,823	1,478,666
Current assets		
Receivables	**577**	–
Advances to the Owner, without interest or repayment terms	**–**	16,751
Cash	**57,004**	68,889
Prepaid expenses	**1,880**	1,538
	59,461	87,178
Total assets	**1,621,284**	1,565,844
LIABILITIES		
Non-current liabilities		
Term loans (Note 5)	**63,295**	65,746
Current liabilities		
Term loans (Note 5)	**1,717**	161,852
Advances from the Owner (Note 6)	**68,119**	–
Accounts payable and accrued liabilities (Note 7)	**17,919**	11,100
	87,755	172,952
Total liabilities	**151,050**	238,698
OWNER'S EQUITY	**1,470,234**	1,327,146
Total liabilities and owner's equity	**1,621,284**	1,565,844

The accompanying notes are an integral part of the combined financial statements.

Retail and Office Portfolio
Combined Statements of Income and Comprehensive Income
Year ended December 31, 2013
(In thousands of dollars)

	2013	(Unaudited) 2012
	$	$
Rental revenues (Note 9)	**154,331**	152,280
Expenses (Note 10)		
Operating	**44,567**	44,755
Property taxes	**30,663**	29,010
	75,230	73,765
Operating income	**79,101**	78,515
Change in fair value of investment properties (Note 3)	**58,221**	106,098
Change in fair value of term loans	**2,437**	6,710
Share of net income of interest in a joint venture (Note 17)	**12,001**	14,915
Income before the following items and income taxes	**151,760**	206,238
Financial revenues	**108**	88
Financial expenses (Note 11)	**(8,955)**	(15,956)
	142,913	190,370
Income taxes (Note 12)	**175**	(36)
Net income and comprehensive income	**143,088**	190,334

The accompanying notes are an integral part of the combined financial statements.

Retail and Office Portfolio
Combined Statements of Changes in Owner's Equity
Year ended December 31, 2013
(In thousands of dollars)

	2013	(Unaudited) 2012
	$	**$**
Balance, beginning of year	**1,327,146**	1,136,812
Net income	**143,088**	190,334
Balance, end of year	**1,470,234**	1,327,146

The accompanying notes are an integral part of the combined financial statements.

Retail and Office Portfolio
Combined Statements of Cash Flows

Year ended December 31, 2013

(In thousands of dollars)

	2013	(Unaudited) 2012
	$	$
OPERATING ACTIVITIES		
Net income	**143,088**	190,334
Non-cash items		
Change in fair value of investment properties	**(58,221)**	(106,098)
Change in fair value of term loans	**(2,437)**	(6,710)
Amortization of lease incentives, initial direct leasing costs and brokers' commissions	**6,673**	6,429
Recognition of rent on a straight-line basis	**929**	1,524
Share of net income of interest in a joint venture	**(12,001)**	(14,915)
Deferred income taxes	**(175)**	36
	77,856	70,600
Changes in assets and liabilities related to operations	**(1,529)**	(143)
Cash flows provided by operating activities	**76,327**	70,457
INVESTING ACTIVITIES		
Capital expenditures for investment properties	**(18,208)**	(91,089)
Distributions from the joint venture	**5,275**	1,250
Cash flows used in investing activities	**(12,933)**	(89,839)
FINANCING ACTIVITIES		
Repayment of term loans	**(160,149)**	(5,411)
Advances from the Owner	**84,870**	34,791
Cash flows provided by (used in) financing activities	**(75,279)**	29,380
Net increase (decrease) in cash	**(11,885)**	9,998
Cash, beginning of year	**68,889**	58,891
Cash, end of year	**57,004**	68,889
Supplemental information		
Interest paid	**9,905**	15,932

The accompanying notes are an integral part of the combined financial statements.

1 - COMBINED FINANCIAL STATEMENTS

These combined financial statements have been prepared for the purpose of presenting the historical results of the legal entities, properties and interest in a joint venture being disposed of (the "Transaction") by Ivanhoe Cambridge Inc. (the "Owner").

The combined financial statements include the accounts of six entities under common control including Ivanhoe Rive-Nord Inc., Centres Commerciaux Régionaux du Québec Limitée, Ivanhoe Champlain Inc., Les Rivières Shopping Centre Limited, 9130-1168 Quebec Inc. and 9130-1093 Québec Inc., and fifteen properties namely Centropolis, Rockland, Carrefour Rimouski, Centre commercial Rivière-du-Loup, Carrefour St-Georges, Carrefour Frontenac, Les Rivières, Dixie Outlet Mall, Galeries Rive-Nord, Mail Champlain, Les Galeries de Hull, Place Haute Ville, 505 Parc Technologique, 55 University Avenue, and 3055 Blvd. St-Martin West (collectively the "Retail and Office Portfolio" or the "Properties"). These entities and properties are all wholly owned by the Owner at the date of the Transaction except for Galeries de Hull which the Owner holds 85% of the property and Ivanhoe Champlain Inc. which the Owner holds 50% and represents the interest in the joint venture.

These combined financial statements include only the assets, liabilities, revenues and expenses that are directly related to the Properties and at the percentage interest that the Owner had at the the time of the Transaction.

These combined financial statements were authorized for issuance by management of the Properties on August 29, 2014.

2 - SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The combined financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter "IFRS"). Since this is the first time that these combined financial statements have been prepared, they have been prepared in accordance with IFRS in effect as at December 31, 2013 and that for all comparative years presented.

Basis of preparation

The combined financial statements are presented in Canadian dollars, the presentation currency of the Properties, and tabular amounts are rounded to the nearest thousand. The combined financial statements are prepared using the significant accounting policies and measurement bases described below.

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

The combined financial statements encompass the combined accounts of the companies and properties described in Note 1. All intercompany balances, transactions, revenues and expenses, as well as related gains and losses, are eliminated in full.

Joint arrangements

Joint arrangements are enterprises over which the Properties and other parties have joint control. Joint control is the contractually agreed sharing of control of an investee, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture.

The Properties hold substantial interests in two properties through joint arrangements. These interests are classified and accounted for as follows:

- Joint operation, when the Properties have rights to the assets, and obligations for the liabilities, relating to the joint arrangement. The Properties account for each of the assets, liabilities, revenues and expenses and its interest in the transactions incurred jointly from the joint operation in the respective items of the combined financial statements.

- Joint venture, when the Properties have rights to the net assets. Interests in joint ventures are recognized at cost and thereafter under the equity method.

The Properties' combined financial statements include its interest in the net income and other comprehensive income according to the financial statements of the joint venture.

If the Properties' share of losses of the joint venture equals or exceeds its interest in the joint venture, the Properties discontinue recognizing its share of further losses. If the Properties' interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Properties have incurred legal or constructive obligations or made payments on behalf of the joint venture.

The year-end of the companies, properties and joint arrangements included in these combined financial statements are all December 31. As necessary, amounts presented in the financial statements of the investee are adjusted to ensure compliance with the Properties' accounting policies.

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment properties

Investment properties include income producing properties and properties under construction.

Income producing properties

Income producing properties comprise land, buildings and property held for development and are held to earn rental income and/or for capital appreciation. Income producing properties are measured initially at acquisition cost, including transaction costs. The Properties capitalize the costs incurred in order to increase their capacity and to make improvements after the acquisition date. The Properties also capitalize the major repair and maintenance expenses provided they will provide benefits beyond the reporting period. Subsequent to initial recognition, income producing properties are measured at fair value based on external valuations made by independent appraisers at the balance sheet date. Gains and losses arising from changes in fair value or sale of an income producing property are recognized in the combined statement of income and comprehensive income in the period in which they occur. Gains or losses on disposal of income producing properties are calculated in comparison with their latest fair value available. The gain or loss is recorded in combined net income under the caption "change in fair value of investment properties."

Properties under construction

Properties under construction are held by the Properties for future use as income producing properties. They are carried at their cost until reliable fair value can be determined or construction is completed whichever occurs earlier. The fair value is determined by using the same valuation method as used for evaluating the fair value of investment properties as described in Note 3. The Properties capitalize all direct costs incurred for the construction of these buildings. Costs include initial acquisition costs, direct costs, borrowing costs and initial lease incentives. Capitalized interest is calculated using the Properties’ weighted average cost of borrowing after adjusting for borrowing associated with specific developments. Where a borrowing is associated with specific developments, the amount capitalized is the gross interest incurred on the borrowing less any investment income arising from the temporary investment of such borrowings. Capitalization of interest is suspended if there are prolonged periods when development is interrupted. The Properties begin capitalizing costs when they incur expenditures for the properties and they undertake activities that are necessary to prepare these properties for their intended use. Capitalization ceases when the asset is ready for its intended use.

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

Financial assets and liabilities are recognized when the Properties become a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

Financial instruments are initially carried at fair value. For those not carried at fair value through profit or loss, transaction costs directly related to their acquisition or issuance are included in their carrying amounts. The transaction costs related to financial instruments recorded at fair value through profit or loss are presented in the combined statement of income and comprehensive income. For the purpose of subsequent measurement, financial instruments are classified under one of the following categories at initial recognition: fair value through profit or loss, loans and receivables, available-for-sale and financial liabilities.

Financial instruments recorded at fair value through profit or loss are classified as held for trading or designated at fair value through profit or loss upon initial recognition.

Financial instruments, in accordance with their respective initial classification, are subsequently measured at fair value or amortized cost with the resulting gains and losses presented in the combined statement of income and comprehensive income.

The Properties classify their financial instruments as follows:

– Cash is classified as loans and receivables and is measured at cost after initial recognition;

– Receivables and advances to the Owner are classified as loans and receivables and are measured after initial recognition, at amortized cost less an allowance for credit losses. Receivables are subject to an impairment test at least at each balance sheet date and are impaired when there is objective evidence of impairment;

– Term loans are classified as financial liabilities designated at fair value through profit or loss. Gains and losses resulting from revaluation are presented in the combined statement of income and comprehensive income.

– Advances from the Owner and accounts payable and accrued liabilities are classified as other financial liabilities at amortized cost. After initial recognition, they are measured at amortized cost using the effective interest rate method. Interest calculated using the effective interest rate method is presented in the combined statement of income and comprehensive income;

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (continued)

Fair value hierarchy of financial and non-financial items

The fair value hierarchy that applies in determining fair value requires that observable market data be used if such data exists. An asset or liability is classified at the lowest hierarchical level when significant unobservable market data has been used in the fair value measurement.

The Properties use the following hierarchy for the fair value determination of financial and non-financial items:

– Level 1: the fair value is determined directly by reference to unadjusted quoted prices in an active market for identical assets or liabilities;

– Level 2: the fair value is estimated using a valuation technique based on observable market data, either directly or indirectly;

– Level 3: the fair value is estimated using a valuation technique based on unobservable data.

The Properties recognize transfers between levels of the fair value hierarchy at the date of the event or change in circumstances that caused the transfer.

Rental revenues

Rental revenues include minimum rents, percentage rents, property tax and operating cost recoveries, amortization of lease incentives, lump sum lease termination fees, management fees and other incidental income. The Properties maintain substantially all of the risks and benefits of ownership of its investment properties and, therefore, the Properties account for leases with its tenants as operating leases. Minimum rents less initial direct costs of entering into the leases are accounted for using the straight-line method over the terms of the related leases. Percentage rents are recognized as revenues when they are probable and reasonably estimated. Property tax and operating cost recoveries are accounted for in the year the applicable costs are chargeable to tenants. Lease incentives are recognized as a reduction of rental revenues on a straight-line basis over the term of the lease. Lump sum lease termination fees are recognized in rental revenues when they are probable and reasonably estimated. Management fees and other incidental income are recognized as services are rendered or as contractual activities are conducted.

Income taxes

Income taxes recognized in the combined statement of income and comprehensive income comprise the sum of current tax and deferred tax. Such income taxes are related to the legal entities included in the combined financial statements. Income tax related to the operating of the properties is taxed in the hands of the Owner.

The current tax expense is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes (continued)

Deferred income taxes are calculated using the liability method. Under this method, deferred income tax assets and liabilities are determined according to temporary differences between the carrying amount and tax bases of assets and liabilities. Deferred tax assets are recognized for deductible temporary differences to the extent that convincing evidence shows that the deferred tax assets will be used. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets and liabilities are offset only when the Properties have a legal right to offset and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

Deferred income tax assets and liabilities are measured, without discounting, by applying, at the balance sheet date, the enacted or substantially enacted tax rates and laws for the years in which the temporary differences are expected to reverse. The evaluation of deferred tax assets and liabilities must reflect the tax impacts that the Properties expect upon settlement or recovery of the carrying amounts of those assets and liabilities as at the balance sheet date.

Provisions and contingent liabilities

Provisions for litigation or other claims are recognized when the Properties have a present legal or constructive obligation as a result of a past event where an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The timing or amount of the outflow may be uncertain.

The measurement of provisions corresponds to the estimated expenses required to settle the obligation, based on the most reliable evidence available at the balance sheet date, including the risks and uncertainties relating to the present obligation. Provisions are discounted when the time value of money is significant.

No liability is recognized if it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation. In this case a contingent liability is disclosed unless the possibility of any outflow in settlement is remote.

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting judgments, estimates and assumptions

The preparation of the combined financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts recorded in the combined financial statements and the notes thereto. These judgments, estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances based on historical experience and actions that the Properties may undertake in the future. Actual results may differ from these judgments, estimates and assumptions.

Judgments

Judgments that have the most significant effect on the combined financial statements of the Properties are as follows:

Income taxes

When calculating deferred income taxes, the tax rate applicable to temporary differences depends on the manner in which the Properties expect, at the date of the combined financial statements, to recover or settle the carrying amount of its assets and liabilities. When changing the method of recovery or settlement, following a final settlement or review of the Properties' expectations, such differences will impact the income taxes in the period in which the change occurs.

Joint arrangements

The classification of joint arrangements in accordance with IFRS 11 Joint Arrangements may require the judgment of management, particularly if there are several agreements related to the joint arrangement.

Estimates and assumptions

Estimates and assumptions that have the most significant effect on the combined financial statements of the Properties are as follows:

Fair value measurement

Valuation of investment properties

Investment properties are stated at fair value at the balance sheet date. Independent appraisal values obtained are subject to significant estimates and assumptions about market conditions in effect at the reporting date. The estimates and assumptions used in the valuation of investment properties are described in Note 3.

Judgment is also applied in determining whether certain costs are additions to the carrying value of the investment property, and for properties under construction, identifying the point at which completion of the property occurs and identifying the directly attributable borrowing costs to be included in the carrying value of the property under construction.

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant accounting judgments, estimates and assumptions (continued)

Estimates and assumptions (continued)

Fair value of financial instruments

The fair value of financial instruments not quoted in an active market is estimated using a valuation technique based on observable market data, either directly or indirectly. As such, the fair value of term loans is determined based on discounted values of future contractual cash flows using interest rates which the Properties could obtain as at the balance sheet date, for instruments with similar terms and conditions.

Bad debts

The amount recognized as bad debts is based on the Properties' assessment of the risk associated with each of the Properties' receivables including loss and recovery experience and the impact of current and projected economic conditions.

Future changes in accounting policies

At the date of authorization of these combined financial statements, certain new standards, amendments and interpretations to existing standards have been published by the International Accounting Standards Board (hereinafter "IASB") but are not yet effective, and have not been adopted early by the Properties. Management anticipates that all of the relevant pronouncements will be adopted in the Properties' accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Properties' combined financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Properties' combined financial statements.

IFRIC 21 *Levies*

This new interpretation was issued by the IASB in May 2013. IFRIC 21 provides guidance on the accounting for levies within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The main features of IFRIC 21 are as follows:

– The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation;

– The liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

The interpretation is effective for years beginning on or after January 1, 2014 and management of the Properties has assessed that this interpretation will have no impact on its combined financial statements.

(Tabular amounts are in thousands of dollars)

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future changes in accounting policies (continued)

IFRS 15 *Revenues from contracts with Customers* (IFRS 15)

In May 2014, the IASB published IFRS 15 which replaces IAS 18 Revenue, IAS 11 Construction Contracts and some revenue-related interpretations. IFRS 15 establishes a new control-based revenue recognition model, changes the basis for deciding when revenue is recognized at a point in time or over time, provides new and more detailed guidance on specific topics and expands and improves disclosures about revenue. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2017. Earlier application is permitted. The Properties' have yet to assess the impact of this new standard on its combined financial statements.

IFRS 9 *Financial Instruments*

In July 2014, the IASB published IFRS 9 which replaces IAS 39 Financial Instruments: Recognition and Measurement (IAS 39). IFRS 9 introduces improvements which include a logical model for classification and measurement of financial assets, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted. The Properties have yet to assess the impact of this new standard on its combined financial statements.

3 - INVESTMENT PROPERTIES

	2013	(Unaudited) 2012
	$	$
Fair value		
Income producing properties	**1,444,560**	1,379,399
Properties under construction	**11,689**	594
	1,456,249	1,379,993

The fair value measurements of investment properties are classified in level 3 of the fair value hierarchy.

	2013	(Unaudited) 2012
	$	$
Balance, beginning of year	**1,379,993**	1,189,575
Capital expenditures for existing properties	**8,718**	87,520
Capital expenditures for properties under construction	**11,095**	805
Fair value adjustment - unrealized	**58,221**	106,098
Lease incentives, initial direct leasing costs and brokers' commissions	**5,824**	3,948
Amortization of lease incentives, initial direct leasing costs and brokers' commissions	**(6,673)**	(6,429)
Straight-line rent adjustment	**(929)**	(1,524)
Balance, end of year	**1,456,249**	1,379,993

(Tabular amounts are in thousands of dollars)

3 - INVESTMENT PROPERTIES (Continued)

Valuation process

The fair values of the investment properties are determined by independent appraisers who have appropriate qualifications and relevant experience in the valuation of properties. Evaluations are performed in accordance with the evaluation standards in the market. The valuation method used (income approach) is based on two accepted techniques: the capitalization of initial annual cash flows and discounting, generally over a ten-year period, of the projected cash flows at market rates. The fair values observed in transactions of properties of comparable quality are used to determine the financial parameters.

As at December 31, 2013, substantially all of the income producing properties were evaluated independently.

The key valuation metrics for investment properties are set out below:

	December 31, 2013		December 31, 2012 (Unaudited)	
	Range	**Weighted average**	Range	Weighted average
	%	**%**	%	%
Properties in Retail				
Ending capitalization rate	**5.38 - 8.25**	**5.98**	5.50 - 8.50	6.16
Discount rate	**6.25 - 9.00**	**6.86**	6.50 - 9.25	7.05
Properties in Office				
Ending capitalization rate	**5.75 - 7.47**	**6.07**	5.75 - 8.38	6.21
Discount rate	**6.50 - 7.25**	**6.87**	6.50 - 7.25	6.88
Total weighted average rate				
Ending capitalization rate	**5.38 - 8.25**	**6.00**	5.50 - 8.50	6.17
Discount rate	**6.25 - 9.00**	**6.87**	6.50 - 9.25	7.17

The Properties have determined that an increase (decrease) of 25 basis points in the ending capitalization rate and the discount rate would result in an increase or decrease in the fair value of the investment properties as at December 31, 2013, as follows:

	Impact of 0.25% change	
	Increase	Decrease
Properties in Retail	(58,300)	63,300
Properties in Office	(14,200)	15,800
Total	(72,500)	79,100

(Tabular amounts are in thousands of dollars)

4 - DEFERRED INCOME TAXES

	January 1, 2013	**Recognized in net income**	**December 31, 2013**
	$	**$**	**$**
Deferred tax assets (liabilities)			
Investment properties	**296**	**66**	**362**
Deferred revenue	**–**	**(6)**	**(6)**
Unused tax losses	**47**	**115**	**162**
Recognized as deferred income tax asset	**343**	**175**	**518**

	January 1, 2012	Recognized in net income	(Unaudited) December 31, 2012
	$	$	$
Investment properties	222	74	296
Deferred revenue	12	(12)	–
Unused tax losses	145	(98)	47
Recognized as deferred income tax asset	379	(36)	343

5 - TERM LOANS

	2013	(Unaudited) 2012
	$	$
4.65% term loan, secured by fixed and floating charges on all of a property's present and future assets, payable in monthly instalments of $379,000, principal and interest, maturing in August 2017	**65,012**	67,386
5.458% term loan, secured by fixed and floating charges on all of a property's present and future assets, payable in monthly instalments of $815,000, principal and interest, matured in 2013	**–**	123,318
10.5% term loan, secured by fixed and floating charges on all of a property's present and future assets, payable in monthly instalments of $438,000, principal and interest, matured in 2013	**–**	36,894
Total	**65,012**	227,598
Current portion	**1,717**	161,852
Non-current portion	**63,295**	65,746

Pursuant to certain loan agreements, the Properties must maintain certain financial ratios. As at and for the year ended December 31, 2013, the Properties were in compliance with all of its obligations.

(Tabular amounts are in thousands of dollars)

5 - TERM LOANS (Continued)

The total undiscounted amount repayable at maturity in respect of the term loan is $62,315,000 ($222,464,000 as at December 31, 2012). The difference between the carrying amount and the amount repayable equals $2,697,000 ($5,134,000 as at December 31, 2012).

As at December 31, 2013, the undiscounted term loan repayments over the following years are as follows:

	Total
	$
2014	1,717
2015	1,798
2016	1,882
2017	56,918
	62,315

6 - ADVANCES FROM THE OWNER

The advances from the Owner include advances in the form of promissory notes for an amount of $23,359,000. The advances in the form of promissory notes bear interest at 10% and mature on June 30, 2014. The remaining advances bear no interest and have no repayment terms. On March 31, 2014, the promissory notes were cancelled and converted into regular advances with no interest or repayment terms. This transaction had no effect on the Properties' cash flows.

7 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2013	(Unaudited) 2012
	$	$
Accounts payable	**3,063**	2,667
Accrued liabilities	**2,793**	2,987
Accounts payable – investment properties construction	**8,986**	2,160
Accrued interest	**384**	1,254
Construction holdbacks	**761**	158
Deferred revenues	**94**	55
Tenant deposits	**1,838**	1,787
Other	**–**	32
	17,919	11,100

(Tabular amounts are in thousands of dollars)

8 - CAPITAL STOCK

Included in Owner's equity is the capital stock of the following companies:

Authorized

Ivanhoe Rive-Nord Inc.
Unlimited number of common shares

Centres Commerciaux Régionaux du Québec Limitée
Unlimited number of common shares and special class "A" shares

Les Rivières Shopping Centre Limited
Unlimited number of common shares

9130-1168 Québec Inc.
Unlimited number of common shares and preferred shares

9130-1093 Québec Inc.
Unlimited number of common shares and preferred shares

Issued and fully paid

	2013		(Unaudited) 2012	
	Shares	**$**	Shares	$
Ivanhoe Rive-Nord Inc.				
Common shares	**2**	**–**	2	–
Centres Commerciaux Régionaux du Québec Limitée				
Special class "A" shares	**100**	**–**	100	–
Les Rivières Shopping Centre Limited				
Common shares	**100**	**–**	100	–
9130-1168 Québec Inc.				
Common shares	**1**	**–**	1	–
9130-1093 Québec Inc.				
Common shares	**1**	**–**	1	–
	204	**–**	204	–

(Tabular amounts are in thousands of dollars)

9 - RENTAL REVENUES

	2013	(Unaudited) 2012
	$	$
Minimum rents	**88,243**	88,352
Percentage rents	**2,155**	1,549
Property tax recoveries	**28,085**	26,798
Operating cost recoveries	**36,530**	36,273
Amortization of lease incentives	**(6,673)**	(6,429)
Management fees	**198**	536
Other rental income and miscellaneous income	**5,793**	5,201
	154,331	152,280

10 - RELATED PARTY TRANSACTIONS

Operating expenses include a charge amounting to $6,334,000 ($6,067,000 in 2012) related to employee salary and benefit expenses that are charged by the Owner.

These transactions, concluded in the normal course of operations, were accounted for at the exchange amount being the amount established and accepted by the parties.

11 - FINANCIAL EXPENSES

	2013	(Unaudited) 2012
	$	$
Interest on term loans	**6,699**	13,485
Interest on promissory notes	**2,336**	2,336
Interest capitalized to cost of investment properties	**(139)**	(4)
Other financial expenses	**59**	139
	8,955	15,956

(Tabular amounts are in thousands of dollars)

12 - INCOME TAXES

The income tax expense is related to the legal entities included in the combined financial statements. Income tax related to the operating of the properties is taxed in the hands of the Owner.

The provision for income taxes (recovery) consists of the following:

	2013	(Unaudited) 2012
	$	$
Current	**–**	–
Deferred	**(175)**	36
	(175)	36

The difference between the statutory income tax rate and the effective income tax rate results primarily from the earnings of the properties that are not taxed at the property level.

13 - FINANCIAL INSTRUMENTS

As at December 31, 2013, the classification of the financial instruments as well as their carrying amounts and fair values are as follows:

	Carrying amount and fair value	
	Loans and receivables	**Total**
	$	**$**
Financial assets		
Receivables	**577**	**577**
Cash	**57,004**	**57,004**
	57,581	**57,581**

	Carrying amount and fair value		
	Liabilities designated at fair value through profit or loss	**Financial liabilities at amortized cost**	**Total**
	$	**$**	**$**
Financial liabilities			
Term loans	**65,012**	**–**	**65,012**
Advances from the Owner	**–**	**68,119**	**68,119**
Accounts payable and accrued liabilities	**–**	**17,919**	**17,919**
	65,012	**86,038**	**151,050**

(Tabular amounts are in thousands of dollars)

13 - FINANCIAL INSTRUMENTS (Continued)

As at December 31, 2012, the classification of the financial instruments as well as their carrying amounts and fair values are as follows:

	(Unaudited) Carrying amount and fair value	
	Loans and receivables	Total
	$	$
Financial assets		
Advances to the Owner	16,751	16,751
Cash	68,889	68,889
	85,640	85,640

	(Unaudited) Carrying amount and fair value		
	Liabilities designated at fair value through profit or loss	Financial liabilities at amortized cost	Total
	$	$	$
Financial liabilities			
Term loans	227,598	–	227,598
Accounts payable and accrued liabilities	–	11,100	11,100
	227,598	11,100	238,698

The fair value of the financial instruments was determined using the following methods and assumptions:

Long-term financial instruments

The fair value of term loans is determined by discounting future cash flows using rates which the Properties could obtain as at the balance sheet date for loans with similar terms and conditions. When the debt is repayable at any time without penalty, the cash flows are equivalent to the loan balance at the measurement date.

Current financial instruments

The fair value of current financial instruments including cash, receivables, advances to and from the Owner, and accounts payable and accrued liabilities is equivalent to their carrying amount, given their short-term nature.

13 - FINANCIAL INSTRUMENTS (Continued)

Fair value hierarchy

The financial instruments presented at fair value on the combined balance sheet are classified as follows at December 31:

				2013
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial liabilities				
Term loans	**–**	**65,012**	**–**	**65,012**

				(Unaudited) 2012
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial liabilities				
Term loans	–	227,598	–	227,598

Risk management

In the normal course of operations, the Properties are exposed to a number of risks that can affect its operating performance. These risks and the actions to mitigate them are discussed below.

Credit risk

Credit risk corresponds to the risk that a party to a financial instrument will incur a financial loss if the other party fails to discharge its obligations. Generally, the carrying amount reported on the Properties' combined balance sheet for its financial assets exposed to credit risk, net of any applicable provisions for losses, represents the maximum amount exposed to credit risk.

– Cash:

  Cash is deposited and cash related transactions are conducted with several reputable financial institutions, from which management believes the risk of loss is negligible.

– Receivables:

  Credit risk arises from the possibility that tenants may not fulfill their lease obligations. The Properties mitigate the credit risk, as well as any concentration of credit risk, by ensuring that they have a diversified tenant mix.

(Tabular amounts are in thousands of dollars)

13 - FINANCIAL INSTRUMENTS (Continued)

Liquidity risk

Liquidity risk is the risk that the Properties will not be able to meet their financial obligations that are settled by delivering cash or another financial asset. The Properties' liquidity risk management approach is to ensure that they have sufficient cash flows from its operating activities and available sources of financing to meet planned cash requirements. The Properties' management regularly reviews and approves operating budgets and capital expenditures, as well as any material transactions out of the normal course of operations.

As at December 31, 2013, the Properties have cash totalling $57,004,000 ($68,889,000 as at December 31, 2012). Given the Properties' available liquidity resources and the timing of the payments of their liabilities that are due, management assesses the Properties' liquidity risk as acceptable.

The following maturity analysis for non-derivative financial liabilities is based on the remaining contractual maturities as at the balance sheet date. The amounts disclosed reflect the contractual undiscounted cash flows categorized by their earliest contractual maturity date on which the Properties can be required to pay their obligation.

The maturity analysis for financial liabilities is as follows:

				2013
	Less than one year	**1 to 5 year**	**Over 5 years**	**Total**
	$	**$**	**$**	**$**
Term loans	**1,717**	**60,598**	**–**	**62,315**
Interest payable on term loans	**2,834**	**4,318**	**–**	**7,152**
Advances from the Owner	**68,119**	**–**	**–**	**68,119**
Accounts payable and accrued liabilities	**17,919**	**–**	**–**	**17,919**
	90,589	**64,916**	**–**	**155,505**

				(Unaudited) 2012
	Less than one year	1 to 5 year	Over 5 years	Total
	$	$	$	$
Term loans	160,149	62,315	–	222,464
Interest payable on term loans	7,569	7,075	–	14,644
Accounts payable and accrued liabilities	11,100	–	–	11,100
	178,818	69,390	–	248,208

(Tabular amounts are in thousands of dollars)

13 - FINANCIAL INSTRUMENTS (Continued)

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the underlying market prices. Market risk mainly results from interest rate risk.

Interest rate risk

The Properties are exposed to interest rate risk through its term loans. The interest rate risk related to the term loans is mitigated as the term loans bear interest at fixed rates.

14 - CAPITAL MANAGEMENT

The primary use of the Properties' capital is to finance capital expenditures as well as to maintain appropriate working capital. The Properties' primary sources of financing to meet its liquidity needs include cash flows from operating activities and advances from its Owner.

There are no externally imposed capital requirements.

The managed capital as at December 31, 2013 and 2012 is detailed as follows:

	2013	(Unaudited) 2012
	$	$
Term loans	**65,012**	227,598
Advances from (to) the Owner	**68,119**	(16,751)
Owner's equity	**1,470,234**	1,327,146
	1,603,365	1,537,993

15 - OPERATING LEASES – PROPERTIES AS LESSOR

The Properties, as lessor, have entered into leases. The average lease term is from 3 to 10 years and the leases typically include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. Some leases contain options to terminate before the end of the lease term.

Future minimum rentals receivable under non-cancellable operating leases as at December 31, 2013 are as follows:

	$
Within 1 year	83,484
After 1 year, but not more than 5 years	237,063
More than 5 years	108,613
	429,160

(Tabular amounts are in thousands of dollars)

16 - CONTINGENCIES

In the normal course of operations, the Properties are contingently liable with respect to claims and litigations that arise from time to time. In the opinion of management of the Properties, any liability, which may arise from such contingencies, would not have material effect on the combined financial statements of the Properties.

17 - JOINT ARRANGEMENTS

The Properties have interests in joint arrangements including one which is considered to be a joint operation and one which is considered to be a joint venture.

The Properties have an interest in the following joint operation:

	Interest	
		(Unaudited)
	2013	2012
	%	%
Les Galeries de Hull	**85**	85

The Properties have an interest in the following joint venture:

	Interest	
		(Unaudited)
	2013	2012
	%	%
Ivanhoe Champlain Inc.	**50**	50

The following tables present summarized financial information for the joint venture:

		(Unaudited)
	2013	2012
	$	$
Non-current assets	**211,000**	197,000
Current assets		
Cash	**488**	362
Receivables	**–**	220
Prepaid expenses	**394**	500
Total current assets	**882**	1,082
Total assets	**211,882**	198,082
Current liabilities		
Accounts payable and accrued liabilities	**1,654**	1,372
Other liabilities	**116**	50
Total liabilities	**1,770**	1,422
Net assets	**210,112**	196,660
Proportion of ownership interests held by the Owner	**50%**	50%
Carrying amount of the investment in Ivanhoe Champlain Inc.	**105,056**	98,330

(Tabular amounts are in thousands of dollars)

17 - JOINT ARRANGEMENTS (Continued)

	2013	(Unaudited) 2012
	$	$
Rental revenues	**21,950**	22,747
Expenses		
Operating	**6,304**	11,885
Property taxes	**4,668**	5,062
	10,972	16,947
Operating income	**10,978**	5,800
Changes in fair value of the investment property	**13,002**	24,000
Other	**22**	30
Net income and comprehensive income	**24,002**	29,830
Proportion of ownership interests held by the Owner	**50%**	50%
Share of net income of interest in a joint venture	**12,001**	14,915

Retail and Office Portfolio

Condensed Interim
Combined Financial Statements
June 30, 2014

Retail and Office Portfolio
Combined Balance Sheets

June 30, 2014
(In thousands of dollars)
(Unaudited)

	June 30, 2014	December 31, 2013
	$	$
ASSETS		
Non-current assets		
Investment properties (Note 4)	**1,467,678**	1,456,249
Interest in a joint venture (Note 12)	**93,630**	105,056
Deferred tax assets	**518**	518
	1,561,826	1,561,823
Current assets		
Receivables	**674**	577
Cash	**70,267**	57,004
Prepaid expenses	**8,605**	1,880
	79,546	59,461
Total assets	**1,641,372**	1,621,284
LIABILITIES		
Non-current liabilities		
Term loan (Note 5)	**62,645**	63,295
Current liabilities		
Term loan (Note 5)	**1,757**	1,717
Advances from the Owner (Note 6)	**67,032**	68,119
Accounts payable and accrued liabilities (Note 7)	**11,303**	17,919
	80,092	87,755
Total liabilities	**142,737**	151,050
OWNER'S EQUITY	**1,498,635**	1,470,234
Total liabilities and owner's equity	**1,641,372**	1,621,284

The accompanying notes are an integral part of the condensed interim combined financial statements.

Retail and Office Portfolio
Combined Statements of Income and Comprehensive Income

For the six-month periods ended June 30, 2014 and 2013

(In thousands of dollars)

(Unaudited)

	June 30, 2014	June 30, 2013
	$	$
Rental revenues (Note 8)	**71,883**	76,627
Expenses (Note 9)		
Operating	**21,489**	21,033
Property taxes	**15,982**	15,340
	37,471	36,373
Operating income	**34,412**	40,254
Change in fair value of investment properties (Note 4)	**4,919**	58,086
Change in fair value of term loans	**(238)**	2,238
Share of net income (loss) of interest in a joint venture (Note 12)	**(8,993)**	7,151
Income before the following items	**30,100**	107,729
Financial revenues	**50**	55
Financial expenses (Note 10)	**(1,749)**	(5,887)
Net income and comprehensive income	**28,401**	101,897

The accompanying notes are an integral part of the condensed interim combined financial statements.

Retail and Office Portfolio
Combined Statements of Changes in Owner's Equity

For the six-month periods ended June 30, 2014 and 2013
(In thousands of dollars)
(Unaudited)

	June 30, 2014	June 30, 2013
	$	$
Balance, beginning of period	**1,470,234**	1,327,146
Net income	**28,401**	101,897
Balance, end of period	**1,498,635**	1,429,043

The accompanying notes are an integral part of the condensed interim combined financial statements.

Retail and Office Portfolio
Combined Statements of Cash Flows

For the six-month periods ended June 30, 2014 and 2013
(In thousands of dollars)
(Unaudited)

	June 30, 2014	June 30, 2013
	$	$
OPERATING ACTIVITIES		
Net income	**28,401**	101,897
Non-cash items		
Change in fair value of investment properties	**(4,919)**	(58,086)
Change in fair value of term loans	**238**	(2,238)
Amortization of lease incentives, initial direct leasing costs and brokers' commissions	**3,545**	3,212
Recognition of rent on a straight-line basis	**1,673**	544
Share of loss (net income) of interest in a joint venture	**8,993**	(7,151)
	37,931	38,178
Changes in assets and liabilities related to operations	**(6,540)**	(7,048)
Cash flows provided by operating activities	**31,391**	31,130
INVESTING ACTIVITIES		
Capital expenditures for investment properties	**(18,626)**	(4,995)
Distributions from the joint venture	**2,433**	2,492
Cash flows used in investing activities	**(16,193)**	(2,503)
FINANCING ACTIVITIES		
Repayment of term loans	**(848)**	(39,333)
Advances from the Owner	**(1,087)**	(2,366)
Cash flows used in financing activities	**(1,935)**	(41,699)
Net increase (decrease) in cash	**13,263**	(13,072)
Cash, beginning of period	**57,004**	68,889
Cash, end of period	**70,267**	55,817
Supplemental information		
Interest paid	**2,148**	6,209

The accompanying notes are an integral part of the condensed interim combined financial statements.

1 - CONDENSED INTERIM COMBINED FINANCIAL STATEMENTS

These condensed interim combined financial statements have been prepared for the purpose of presenting the historical results of the legal entities, properties and interest in a joint venture being disposed of (the "Transaction") by Ivanhoe Cambridge Inc. (the "Owner").

The condensed interim combined financial statements include the accounts of six entities under common control including Ivanhoe Rive-Nord Inc., Centres Commerciaux Régionaux du Québec Limitée, Ivanhoe Champlain Inc., Les Rivières Shopping Centre Limited, 9130-1168 Quebec Inc. and 9130-1093 Québec Inc., and fifteen properties namely Centropolis, Rockland, Carrefour Rimouski, Centre commercial Rivière-du-Loup, Carrefour St-Georges, Carrefour Frontenac, Les Rivières, Dixie Outlet Mall, Galeries Rive-Nord, Mail Champlain, Les Galeries de Hull, Place Haute Ville, 505 Parc Technologique, 55 University Avenue, and 3055 Blvd. St-Martin West (collectively the "Retail and Office Portfolio" or the "Properties"). These entities and properties are all wholly owned by the Owner at the date of the Transaction except for Galeries de Hull which the Owner holds 85% of the property and Ivanhoe Champlain Inc. which the Owner holds 50% and represents the interest in the joint venture.

These condensed interim combined financial statements include only the assets, liabilities, revenues and expenses that are directly related to the Properties and at the percentage interest that the Owner had at the time of the Transaction.

2 - BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

The condensed interim combined financial statements are for the six-month period ended June 30, 2014. They are presented in Canadian dollars, which is the functional currency of the Properties, and tabular amounts are rounded to the nearest thousand. They have been prepared in accordance with IAS 34 Interim Financial Reporting (IAS 34), as issued by the International Accounting Standards Board ("IASB") and using the significant accounting policies and measurement bases described herein. The condensed interim combined financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual combined financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") in effect at that time.

The condensed interim combined financial statements were authorized for issuance by management of the Properties on August 29, 2014.

3 - SIGNIFICANT ACCOUNTING POLICIES

The condensed interim combined financial statements have been prepared in accordance with the accounting policies adopted in the Properties' most recent annual combined financial statements for the year ended December 31, 2013, except for the application of IFRIC 21 Levies (IFRIC 21):

IFRIC 21 *Levies*

This new interpretation was issued by the IASB in May 2013. IFRIC 21 provides guidance on the accounting for levies within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

The main features of IFRIC 21 are as follows:

– The obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation;

– The liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

The adoption of IFRIC 21 had no impact on the condensed interim combined financial statements.

Significant accounting judgments, estimates and assumptions

The preparation of the condensed interim combined financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts recorded in the condensed interim combined financial statements and the notes thereto. These judgments, estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances based on historical experience and actions that the Properties may undertake in the future. Actual results may differ from these judgments, estimates and assumptions.

The judgments, estimates and assumptions applied in the condensed interim combined financial statements, including the key sources of estimation uncertainty were the same as those applied in the Properties' last annual audited combined financial statements for the year ended December 31, 2013.

(Tabular amounts are in thousands of dollars)

3 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future changes in accounting policies

At the date of authorization of these interim combined financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective, and have not been adopted early by the Properties. Management anticipates that all of the relevant pronouncements will be adopted in the Properties' accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Properties' combined financial statements is provided below.

IFRS 15 *Revenues from contracts with Customers* (IFRS 15)

In May 2014, the IASB published IFRS 15 which replaces IAS 18 Revenue, IAS 11 Construction Contracts and some revenue-related interpretations. IFRS 15 establishes a new control-based revenue recognition model, changes the basis for deciding when revenue is recognized at a point in time or over time, provides new and more detailed guidance on specific topics and expands and improves disclosures about revenue. IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2017. Earlier application is permitted. The Properties' have yet to assess the impact of this new standard on its combined financial statements.

IFRS 9 *Financial Instruments*

In July 2014, the IASB published IFRS 9 which replaces IAS 39 Financial Instruments: Recognition and Measurement (IAS 39). IFRS 9 introduces improvements which include a logical model for classification and measurement of financial assets, a single, forward-looking "expected loss" impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018. Earlier application is permitted. The Properties have yet to assess the impact of this new standard on its combined financial statements.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Properties' combined financial statements.

4 - INVESTMENT PROPERTIES

	June 30, 2014	December 31, 2013
	$	$
Fair value		
Income producing properties	**1,450,595**	1,444,560
Properties under construction	**17,083**	11,689
	1,467,678	1,456,249

(Tabular amounts are in thousands of dollars)

4 - INVESTMENT PROPERTIES (Continued)

	June 30, 2014	December 31, 2013
	$	$
Balance, beginning of period	**1,456,249**	1,379,993
Capital expenditures for existing properties	**2,691**	8,718
Capital expenditures for properties under construction	**5,421**	11,095
Fair value adjustment - unrealized	**4,919**	58,221
Lease incentives, initial direct leasing costs and brokers' commissions	**3,616**	5,824
Amortization of lease incentives, initial direct leasing costs and brokers' commissions	**(3,545)**	(6,673)
Straight-line rent adjustment	**(1,673)**	(929)
Balance, end of period	**1,467,678**	1,456,249

Valuation process

The fair values of the investment properties are determined by independent appraisers who have appropriate qualifications and relevant experience in the valuation of properties. Evaluations are performed in accordance with the evaluation standards in the market. The valuation method used (income approach) is based on two accepted techniques: the capitalization of initial annual cash flows and discounting, generally over a ten-year period, of the projected cash flows at market rates. The fair values observed in transactions of properties of comparable quality are used to determine the financial parameters.

As at June 30, 2014, fair values are based on the valuations prepared as at December 31, 2013 updated for changes in the underlying assumptions to reflect changes in market conditions that occurred in the period. The updated valuations were prepared by independent appraisers.

5 - TERM LOAN

The total undiscounted amount repayable at maturity in respect of the term loan is $61,466,000 ($62,315,000 as at December 31, 2013). The difference between the carrying amount and the amount repayable equals $2,936,000 ($2,697,000 as at December 31, 2013).

6 - ADVANCES FROM THE OWNER

As at December 31, 2013, the advances from the Owner include advances in the form of promissory notes for an amount of $23,359,000. The advances in the form of promissory notes bear interest at 10% and mature on June 30, 2014. The remaining advances bear no interest and have no repayment terms. On March 31, 2014, the promissory notes were cancelled and converted into regular advances with no interest or repayment terms. This transaction had no effect on the Properties’ cash flows.

(Tabular amounts are in thousands of dollars)

7 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2014	December 31, 2013
	$	$
Accounts payable	**4,385**	3,063
Accrued liabilities	**2,075**	2,793
Accounts payable – investment properties construction	**1,031**	8,986
Accrued interest	**236**	384
Construction holdbacks	**1,818**	761
Deferred revenues	**–**	94
Tenant deposits	**1,758**	1,838
	11,303	17,919

8 - RENTAL REVENUES

	June 30, 2014	June 30, 2013
	$	$
Minimum rents	**42,868**	44,166
Percentage rents	**220**	1,381
Property tax recoveries	**13,836**	14,225
Operating cost recoveries	**16,976**	17,462
Amortization of lease incentives	**(3,545)**	(3,212)
Management fees	**84**	90
Other rental income and miscellaneous income	**1,444**	2,515
	71,883	76,627

9 - RELATED PARTY TRANSACTIONS

Operating expenses include a charge amounting to $3,400,000 and $3,204,000 for the six months ended June 30, 2014 and 2013, respectively, related to employee salary and benefit expenses that are charged by the Owner.

These transactions, concluded in the normal course of operations, were accounted for at the exchange amount being the amount established and accepted by the parties.

10 - FINANCIAL EXPENSES

	June 30, 2014	June 30, 2013
	$	$
Interest on term loans	**1,420**	4,718
Interest on promissory notes	**580**	1,158
Interest capitalized to cost of investment properties	**(329)**	(26)
Other financial expenses	**78**	37
	1,749	5,887

(Tabular amounts are in thousands of dollars)

11 - FINANCIAL INSTRUMENTS

IAS 34 requires that interim financial statements include certain of the disclosures about fair value of financial instruments set out in IFRS 13 and IFRS 7.

Fair value hierarchy

The financial instruments presented at fair value on the condensed interim combined balance sheet are classified as follows at June 30, 3014 and December 31, 2013:

				June 30, 2014
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Financial liabilities				
Term loans	**–**	**64,402**	**–**	**64,402**

Fair value hierarchy (continued)

				December 31, 2013
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Financial liabilities				
Term loans	–	65,012	–	65,012

There were no transfers between Level 1 and Level 2 during the six month period to June 30, 2014 or during the year to December 31, 2013.

As at June 30, 2014, the classification of the financial instruments as well as their carrying amounts and fair values are as follows:

	Carrying amount and fair value	
	Loans and receivables	**Total**
	$	**$**
Financial assets		
Receivables	**674**	**674**
Cash	**70,267**	**70,267**
	70,941	**70,941**

(Tabular amounts are in thousands of dollars)

11 - FINANCIAL INSTRUMENTS (Continued)

	Carrying amount and fair value		
	Liabilities designated at fair value through profit or loss	**Financial liabilities at amortized cost**	**Total**
	$	**$**	**$**
Financial liabilities			
Term loans	**64,402**	**–**	**64,402**
Advances from the Owner	**–**	**67,032**	**67,032**
Accounts payable and accrued liabilities	**–**	**11,303**	**11,303**
	64,402	**78,335**	**142,737**

As at December 31, 2013, the classification of the financial instruments as well as their carrying amounts and fair values are as follows:

	Carrying amount and fair value	
	Loans and receivables	Total
	$	$
Financial assets		
Receivables	577	577
Cash	57,004	57,004
	57,581	57,581

	Carrying amount and fair value		
	Liabilities designated at fair value through profit or loss	Financial liabilities at amortized cost	Total
	$	$	$
Financial liabilities			
Term loans	65,012	–	65,012
Advances from the Owner	–	68,119	68,119
Accounts payable and accrued liabilities	–	17,919	17,919
	65,012	86,038	151,050

(Tabular amounts are in thousands of dollars)

12 - JOINT ARRANGEMENTS

The Properties have interests in joint arrangements including one which is considered to be a joint operation and one which is considered to be a joint venture.

The Properties have an interest in the following joint operation:

	Interest	
	June 30, 2014	December 31, 2013
	%	%
Les Galeries de Hull	**85**	85

The Properties have an interest in the following joint venture:

	Interest	
	June 30, 2014	December 31, 2013
	%	%
Ivanhoe Champlain Inc.	**50**	50

The following tables present summarized financial information for the joint venture:

	June 30, 2014	December 31, 2013
	$	$
Non-current assets	**187,000**	211,000
Current assets		
Cash	**18**	488
Receivables	**138**	–
Prepaid expenses	**1,126**	394
Total current assets	**1,282**	882
Total assets	**188,282**	211,882
Current liabilities		
Accounts payable and accrued liabilities	**759**	1,654
Other liabilities	**263**	116
Total liabilities	**1,022**	1,770
Net assets	**187,260**	210,112
Proportion of ownership interests held by the Owner	**50%**	50%
Carrying amount of the investment in Ivanhoe Champlain Inc.	**93,630**	105,056

(Tabular amounts are in thousands of dollars)

12 - JOINT ARRANGEMENTS (Continued)

	June 30, 2014	June 30, 2013
	$	$
Rental revenues	**10,560**	10,870
Expenses		
Operating	**3,108**	3,102
Property taxes	**2,394**	2,344
	5,502	5,446
Operating income	**5,058**	5,424
Changes in fair value of the investment property	**(23,052)**	8,868
Other	**8**	10
Net income (loss) and comprehensive income	**(17,986)**	14,302
Proportion of ownership interests held by the Owner	**50%**	50%
Share of net income (loss) of interest in a joint venture	**(8,993)**	7,151

13 - CONTINGENCIES

In the normal course of operations, the Properties are contingently liable with respect to claims and litigations that arise from time to time. In the opinion of management of the Properties, any liability, which may arise from such contingencies, would not have material effect on the combined financial statements of the Properties.

14 - EVENTS AFTER THE REPORTING DATE

No events have occurred between the reporting date of these condensed interim combined financial statements and the date of authorization.

CERTIFICATE OF THE REIT

Dated: September 17, 2014

The short form base shelf prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces and territories of Canada.

(signed) MICHEL DALLAIRE President and Chief Executive Officer	(signed) GILLES HAMEL Executive Vice-President and Chief Financial Officer

On behalf of the Trustees

(signed) ROBERT DESPRÉS Trustee	(signed) JOHANNE M. LÉPINE Trustee

CERTIFICATE OF THE AGENTS

Dated: September 17, 2014

To the best of our knowledge, information and belief, the short form base shelf prospectus, together with the documents incorporated in the prospectus by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces and territories of Canada.

NATIONAL BANK FINANCIAL INC.	BMO NESBITT BURNS INC.
By: (signed) LOUIS GENDRON	By: (signed) GRÉGOIRE BAILLARGEON

DESJARDINS SECURITIES INC.

By: (signed) FRANÇOIS CARRIER

RBC DOMINION SECURITIES INC.	SCOTIA CAPITAL INC.
By: (signed) DAVID DULBERG	By: (signed) CHARLES ÉMOND

TD SECURITIES INC.

By: (signed) LOUIS G. VÉRONNEAU