CT Real Estate Investment Trust

2021 First Quarter Report to Unitholders

For the quarter ended March 31, 2021

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CT REAL ESTATE INVESTMENT TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS
FIRST QUARTER 2021

Forward-looking Disclaimer

This Management's Discussion and Analysis ("MD&A") contains statements that are forward-looking. Actual results or events may differ materially from those forecasted in this disclosure because of the risks and uncertainties associated with the business of CT Real Estate Investment Trust® and its subsidiaries, (referred to herein as "CT REIT", "Trust" or "REIT", unless the context requires otherwise), and the general economic environment. CT REIT cannot provide any assurance that any forecasted financial or operational performance will actually be achieved or, if achieved, that it will result in an increase in the price of CT REIT's Units. See section 14.0 in this MD&A for a more detailed discussion of the REIT's use of forward-looking statements.

1.0 PREFACE

1.1 Basis of Presentation

The following MD&A is intended to provide readers with an assessment of the performance of CT REIT® for the three months ended March 31, 2021 and should be read in conjunction with the REIT's unaudited condensed consolidated interim financial statements ("interim financial statements") and accompanying notes for the three months ended March 31, 2021, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). In addition, the following MD&A should be read in conjunction with CT REIT's forward-looking information statement found in section 14.0 of this MD&A. Information about CT REIT, including the 2020 Annual Information Form ("AIF"), its 2020 audited annual consolidated financial statements and all other continuous disclosure documents required by the Canadian securities regulators, can be found on the System for Electronic Document Analysis and Retrieval ("SEDAR") website at www.sedar.com and on CT REIT's website at www.ctreit.com under the tab "Investors" in the Financial Reporting section.

1.2 Definitions

In this document, the terms "CT REIT", "REIT", and "Trust", refer to CT Real Estate Investment Trust® and its subsidiaries unless the context requires otherwise. In addition, "Company", "CTC" and "Corporation" refer to Canadian Tire Corporation, Limited, entities that it controls (other than CT REIT) and their collective businesses unless the context requires otherwise.

This document contains certain trade-marks and trade names of CTC which are the property of CTC. Solely for convenience, the trade-marks and trade names referred to herein may appear without the ® or ™ symbol.

Any term not defined in this MD&A can be found in the Glossary of Terms in the 2020 Annual Report filed on SEDAR at www.sedar.com and on CT REIT's website at www.ctreit.com under the tab "Investors" in the Financial Reporting section.

1.3 Accounting Estimates and Assumptions

The preparation of the interim financial statements in accordance with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the interim financial statements and the reported amounts of revenues and expenses during the reporting period. Refer to section 10.0 in this MD&A for further information.

This MD&A includes material information as at May 10, 2021. Disclosure contained in this document is current to that date, unless otherwise noted.

1.4 Quarterly and Annual Comparisons in this MD&A

Unless otherwise indicated, all comparisons of results for Q1 2021 (three months ended March 31, 2021) are against results for Q1 2020 (three months ended March 31, 2020).

1.5 Currency and Rounding

All amounts in this MD&A are in thousands of Canadian dollars, except per unit, unit, square foot amounts or unless otherwise indicated. Rounded numbers are used in this MD&A and, as such, totals may not add up to 100 percent.

1.6 Key Operating Performance Measures and Additional Non-GAAP Measures

The key operating performance measures used by management may not be comparable to similar measures presented by other real estate investment trusts or enterprises. Net income prepared in accordance with IFRS is also subject to varying degrees of judgment, and some meaningful differences in accounting policies exist between publicly traded entities in Canada. Accordingly, net income as presented by CT REIT may not be comparable to net income presented by other real estate investment trusts or enterprises.

Net operating income ("NOI"), same store NOI, same property NOI, funds from operations ("FFO"), FFO per unit - basic, FFO per unit - diluted, adjusted funds from operations ("AFFO"), AFFO per unit - basic, AFFO per unit - diluted, AFFO payout ratio, adjusted cashflow from operations ("ACFO") and earnings before interest and other financing costs, taxes and fair value adjustments ("EBITFV") are measures used by management to track and assess CT REIT's performance in meeting its principle objective of creating Unitholder value (collectively referred to as "non-GAAP measures"). These non-GAAP measures are not defined by IFRS and therefore should not be construed as alternatives to net income and comprehensive income or cash flow from operating activities calculated in accordance with IFRS.

For further information on the non-GAAP measures used by management and for reconciliations to the nearest generally accepted accounting principles ("GAAP") measures, refer to section 11.0 of this MD&A.

1.7 Review and Approval by the Board of Trustees

The Board of Trustees (the "Board"), on the recommendation of its Audit Committee, approved this MD&A for issuance on May 10, 2021.

1.8 Nature and Formation

CT REIT is an unincorporated, closed-end real estate investment trust established on July 15, 2013 pursuant to a declaration of trust as amended and restated as of October 22, 2013 and as further amended and restated as of April 5, 2020 and as may be further amended from time to time ("Declaration of Trust"). CT REIT commenced operations on October 23, 2013. The principal, registered and head office of CT REIT is located at 2180 Yonge Street, Toronto, Ontario, M4P 2V8. CTC owned a 69.2% effective interest in CT REIT as at March 31, 2021, consisting of 33,989,508 of the issued and outstanding units of CT REIT ("Units") and all of the issued and outstanding Class B limited partnership units ("Class B LP Units") of CT REIT Limited Partnership (the "Partnership"), which are economically equivalent to and exchangeable for Units. The holders of Units and Class B LP Units are collectively referred to as "Unitholders". CTC also owns all of the issued and outstanding Class C limited partnership units ("Class C LP Units") of the Partnership. The Units are listed on the Toronto Stock Exchange ("TSX") and are traded under the symbol CRT.UN.

CT REIT has one segment for financial reporting purposes which comprises the ownership and management of primarily net leased single-tenant retail investment properties located across Canada.

2.0 FACTORS AFFECTING THE REIT AS A RESULT OF THE COVID-19 PANDEMIC

The following section contains forward-looking information and readers are cautioned that actual results may vary.

The global spread of the coronavirus (Covid-19) disease (the "Pandemic") continues to impact the Canadian and global economies, as well as the REIT's business and operations. The REIT continues to remain committed to the health and safety of its employees and tenants, as well as its tenants' employees and customers. Many of the measures that were introduced at the outset of the Pandemic to reduce the spread of the virus, remain in place, including REIT employees continuing to work from home. The REIT may be required to take further actions in response to directives of government and public health authorities or that are in the best interests of its employees and tenants, as well as its tenants' employees and customers.

Since the onset of the Pandemic, certain operating restrictions have been imposed on many of the REIT's tenants, including CTC. Due to restrictions announced in certain jurisdictions at the end of Q4 2020, certain Canadian Tire stores remained temporarily closed at the beginning of Q1 2021 until such restrictions were lifted. In April 2021, certain jurisdictions once again announced additional mandated closures of non-essential retail stores, which impacted CTC. The Canadian Tire stores which remain open continue to operate with various combinations of restrictions on products being sold, restricted operating hours, enhanced cleaning protocols and measures to support physical distancing. Those Canadian Tire stores which are now temporarily closed, as required by current government guidelines and restrictions, remain open to curbside pickup in support of online sales and delivery to home. Regardless of operating status, there have been no rental interruptions, abatements or deferrals impacting rent collections from these stores.

Impact on Property Revenue

The REIT has considered the impact of the Pandemic on the likelihood of collection of current receivables. Rental collections remain strong and generally in-line with the REIT's pre-Pandemic historical average. This, however, may not be indicative of the REIT's ability to continue collecting rent at these levels in the future, given the evolving circumstances surrounding the Pandemic such as, its duration and the possibility of future waves, the availability and distribution of vaccines, the spread of the virus, and any further actions that may be taken to contain the Pandemic.

The federal government's primary measure currently in place to support small and medium-sized businesses significantly impacted by the Pandemic is the Canada Emergency Rent Subsidy ("CERS"), announced in late 2020 with an end date of June 2021. In the 2021 Federal Budget, the federal government extended CERS to September 2021, subject to official enactment and implementation. CERS is provided directly to tenants on a sliding scale up to a maximum of 65% of eligible expenses, thereby supporting property owners with rental payments from CERS subsidized amounts. In addition to the 65% subsidy, a 25% CERS top-up is available to tenants who are temporarily closed by a mandatory public health order issued by a qualifying public health authority. These subsidy amounts and eligibility requirements for qualifying periods after July 4, 2021 have been amended in the 2021 Federal Budget.

For the three months ended March 31, 2021, the REIT incurred $0.4 million (Q1 2020 - nil) of expected credit losses related to tenants who had been significantly impacted by the Pandemic.

Impact on Valuation of Investment Properties

The REIT's assessment of the value of its investment properties, as at March 31, 2021, was reflected in the fair value adjustment of investment properties taken in the quarter.

In determining the fair value of investment properties for these financial statements, management considered, among other factors, the impact of the Pandemic on its tenant base. On a quarterly basis, management reviews the cash flow assumptions and investment metrics for those properties within its the portfolio. The impact of this review is reflected in the fair value adjustment on investment properties and should be considered together with the sensitivity analysis included in Note 4 of the financial statements.

Impact to Liquidity

Management believes the REIT remains well positioned to manage through the Pandemic based on its strong balance sheet, a portfolio that is 99.3% occupied, its 73.6% payout ratio, an indebtedness ratio of 42.5%, a high proportion of unencumbered assets (97.4%) and a liquidity position of approximately $301 million of committed undrawn Credit Facilities (as defined below) and cash on hand, coupled with no debt maturities for the balance of 2021, but there remains ongoing uncertainties surrounding the Pandemic and its potential impact on the REIT's business and operations.

As at March 31, 2021 the REIT was in compliance with the financial covenants contained in the Declaration of Trust, the Credit Facilities and the trust indenture dated June 9, 2015, as supplemented by supplemental indentures thereto (collectively, the "Trust Indenture").

Key Risks and Risk Management

While vaccination programs are underway throughout Canada, industries, including retail and commercial real estate, continue to be affected in varying degrees by the Pandemic. It continues to be difficult to predict the duration and extent of the impact of the Pandemic on the REIT's business and operations, both in the short and long-term. The REIT has instituted comprehensive and evolving risk management strategies to support its business and operations in a manner that aims to address impacts on its key risks. The impact of the Pandemic on liquidity, cash flows, property operations and head office facilities has been considered while ensuring the maintenance of controls that aim to protect the integrity of the REIT's reported financial information and safeguard systems and information. These strategies allow the REIT to maintain a financially strong business and to continue to support employees, tenants and their employees and customers. Refer to section 12.0, "Enterprise Risk Management" for a further discussion of key risks and Pandemic impacts to the REIT's operations, its tenants and financial performance.

3.0 GROWTH STRATEGY AND OBJECTIVES

The following section contains forward-looking information and readers are cautioned that actual results may vary.

The principal objective of CT REIT, as a real estate investment trust investing primarily in net lease assets, is to create Unitholder value over the long-term by generating reliable, durable and growing monthly distributions on a tax-efficient basis. To achieve this objective, management is focused on expanding the REIT’s asset base while also increasing its AFFO per unit[1].

Future growth is expected to continue to be achieved from a number of sources including:

1. the portfolio of Canadian Tire store leases, which generally contain contractual rent escalations of approximately 1.5% per year, on average, over their initial term and have a weighted average remaining lease term of 8.7 years;
2. contractual arrangements with CTC whereby CT REIT has a right of first offer (“ROFO”) [2] on all CTC properties which meet the REIT’s investment criteria and through preferential rights, subject to certain exceptions, to participate in the development of, and to acquire, certain new retail properties; and
3. its relationship with CTC, which CT REIT will continue to leverage in order to obtain insights into potential real estate acquisitions and development opportunities in markets across Canada.

[1] *Non-GAAP measure. Refer to section 11.0 for further information.*

[2] *The ROFO Agreement continues in effect until the later of October 2023 and such time as CTC ceases to hold a majority of the voting units, being the Units and Special Voting Units (as defined in section 8.0).*

4.0 SUMMARY OF SELECTED FINANCIAL AND OPERATIONAL INFORMATION

Readers are reminded that certain key performance measures may not have standardized meanings under GAAP. For further information on the REIT's operating measures and non-GAAP measures, refer to section 1.0 and section 11.0.

(in thousands of Canadian dollars, except unit, per unit and square footage amounts)	Three Months Ended		
For the periods ended March 31,	**2021**	2020	Change
Property revenue	**$ 129,903**	$ 126,845	2.4 %
EBITFV [1]	**$ 97,800**	$ 94,431	3.6 %
Net operating income [1]	**$ 99,024**	$ 95,319	3.9 %
Net income	**$ 74,558**	$ 43,196	72.6 %
Net income per Unit - basic [2]	**$ 0.323**	$ 0.189	70.9 %
Net income per Unit - diluted [3]	**$ 0.281**	$ 0.173	62.4 %
Funds from operations [1]	**$ 71,163**	$ 66,885	6.4 %
FFO per Unit - diluted (non-GAAP) [1,2,4]	**$ 0.308**	$ 0.293	5.1 %
Adjusted funds from operations [1]	**$ 63,221**	$ 58,174	8.7 %
AFFO per Unit - diluted (non-GAAP) [1,2,4]	**$ 0.273**	$ 0.254	7.5 %
Distributions per Unit - paid [2]	**$ 0.201**	$ 0.197	2.0 %
AFFO payout ratio [1]	**73.6 %**	77.6 %	(5.2)%
Excess of AFFO [1] over distributions:			
Cash retained from operations before distribution reinvestment [5]	**$ 16,824**	$ 13,230	27.2 %
Per Unit - diluted (non-GAAP) [2,4,5]	**$ 0.073**	$ 0.058	25.9 %
Cash generated from operating activities	**$ 95,140**	$ 98,817	(3.7)%
Adjusted cashflow from operations [1]	**$ 56,733**	$ 55,118	2.9 %
Weighted average number of Units outstanding [2]			
Basic	**231,126,631**	228,350,645	1.2 %
Diluted [3]	**321,699,476**	348,948,514	(7.8)%
Diluted (non-GAAP) [1,4]	**231,421,655**	228,596,901	1.2 %
Period-end Units outstanding [2]	**231,690,199**	228,501,308	1.4 %
Total assets	**$ 6,185,305**	$ 6,069,044	1.9 %
Total indebtedness	**$ 2,630,244**	$ 2,588,789	1.6 %
Book value per Unit [2]	**$ 14.74**	$ 14.60	1.0 %
Market price per Unit - Close (end of period)	**$ 16.35**	$ 11.70	39.7 %
OTHER INFORMATION			
Weighted average interest rate [6]	**3.86 %**	4.06 %	(4.9)%
Indebtedness ratio	**42.5 %**	42.7 %	(0.5)%
Interest coverage (times)	**3.68**	3.43	7.3 %
Weighted average term to debt maturity (in years) [6]	**7.7**	7.7	— %
Gross leasable area (square feet) [7]	**28,659,093**	27,711,965	3.4 %
Occupancy rate [7,8]	**99.3 %**	99.4 %	(0.1)%

[1] *Non-GAAP measure. Refer to section 11.0 for further information.*

[2] *Total units means Units and Class B LP Units outstanding.*

[3] *Diluted units determined in accordance with IFRS includes restricted and deferred units issued under various plans and the effect of assuming that all of the Class C LP Units will be settled with Class B LP Units. Refer to section 8.0.*

[4] *Diluted units used in calculating non-GAAP measures include restricted and deferred units issued under various plans and exclude the effect of assuming that all of the Class C LP Units will be settled with Class B LP Units. Refer to section 8.0.*

[5] *Refer to section 8.0 for further information.*

[6] *Excludes the Credit Facilities. Refer to section 7.10 for definition.*

[7] *Excludes Development Properties and Properties Under Development. Refer to the Glossary of Terms in the 2020 Annual Report for definition.*

[8] *Occupancy and other leasing key performance measures have been prepared on a committed basis which includes the impact of existing lease agreements contracted on or before March 31, 2021 and March 31, 2020.*

5.0 OVERVIEW OF THE PROPERTY PORTFOLIO

5.1 Property Profile

The property portfolio, as at March 31, 2021, consisted of 357 retail properties, four industrial properties, one mixed-use commercial property and one Development Property (collectively, "Properties"). The Properties are located in each of the provinces and in two territories across Canada. The retail properties, industrial properties and mixed-use commercial property contain approximately 28.7 million square feet of gross leasable area ("GLA").

CT REIT's consolidated financial position, results of operations and property portfolio metrics include the REIT's one-half interest in Canada Square, a mixed-use commercial property in Toronto, Ontario ("Toronto (Canada Square)"). CTC is CT REIT's most significant tenant. As at March 31, 2021, CTC represented 92.5% of total GLA (December 31, 2020 - 92.2%) and 91.8% of annualized base minimum rent (December 31, 2020 - 91.6%).

CT REIT's occupancy, excluding Properties Under Development, is as follows:

	As at March 31, 2021		
(in square feet)	**GLA**	**Occupied GLA**	**Occupancy rate [2]**
Property Type			
Retail			
Canadian Tire stores	**22,001,425**	**21,999,435**	**100.0 %**
Other CTC Banners [1]	**609,907**	**609,907**	**100.0 %**
Third party retail tenants	**1,855,362**	**1,664,086**	**89.7 %**
Industrial properties	**3,914,371**	**3,914,371**	**100.0 %**
Mixed-use property	**278,028**	**256,613**	**92.3 %**
Total	**28,659,093**	**28,444,412**	**99.3 %**

[1] Includes Mark's and L'Équipeur, SportChek, Sports Experts, and Canadian Tire Bank (referred to herein as "Other CTC Banners").

[2] Occupancy and other leasing key performance measures have been prepared on a committed basis which includes the impact of existing lease agreements contracted on or before March 31, 2021.

	As at December 31, 2020		
(in square feet)	GLA	Occupied GLA	Occupancy rate [1]
Property Type			
Retail			
Canadian Tire stores	21,993,621	21,993,621	100.0 %
Other CTC Banners	617,669	617,669	100.0 %
Third party retail tenants	1,935,392	1,744,924	90.2 %
Industrial properties	3,914,026	3,914,026	100.0 %
Mixed-use property	278,028	256,613	92.3 %
Total	28,738,736	28,526,853	99.3 %

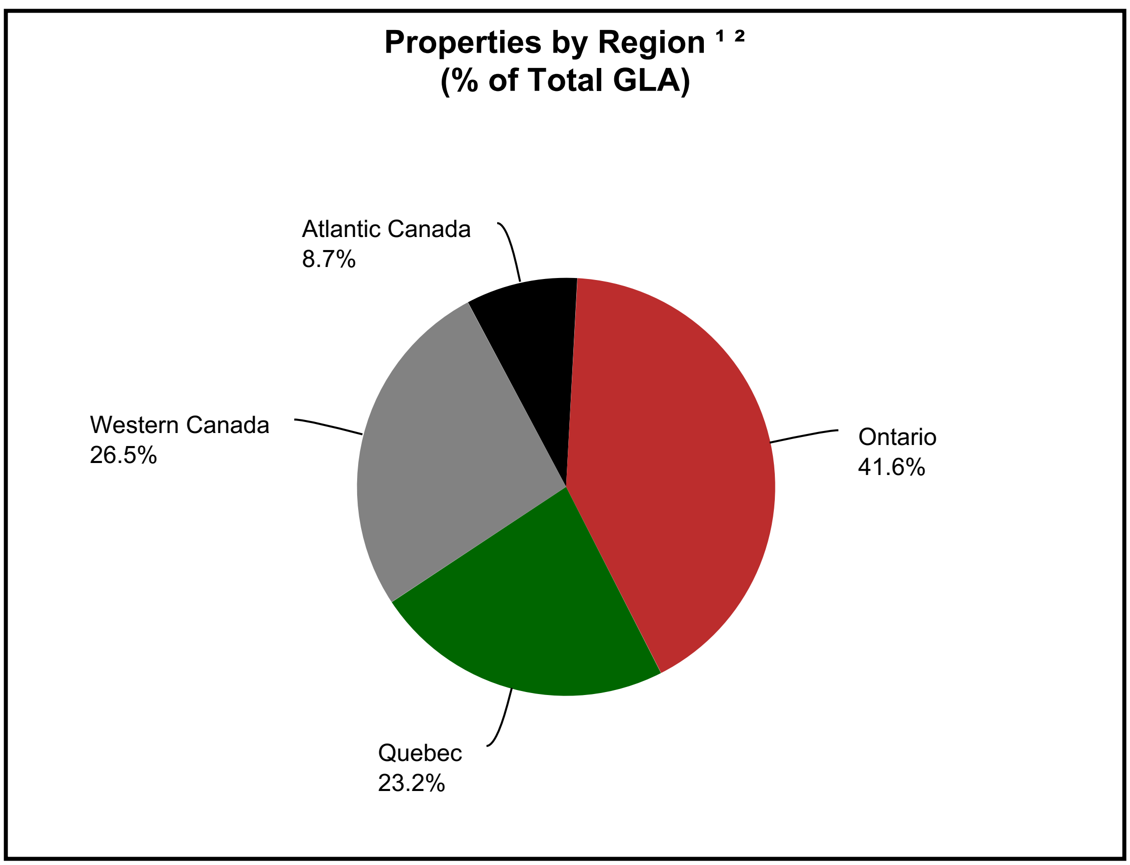
[1] Occupancy and other leasing key performance measures have been prepared on a committed basis which includes the impact of existing lease agreements contracted on or before December 31, 2020.

The REIT's property portfolio consists of:

As at	**March 31, 2021**	December 31, 2020
Canadian Tire single tenant properties	**262**	261
Other single tenant properties	**25**	25
Multi-tenant properties anchored by Canadian Tire store	**63**	64
Multi-tenant properties not anchored by Canadian Tire store	**7**	7
Industrial properties	**4**	4
Mixed-use property	**1**	1
Total operating properties	**362**	362
Development Properties	**1**	1
Total properties	**363**	363

As at	**March 31, 2021**	December 31, 2020
Gas bars at retail properties	**111**	111

CT REIT's Properties by region, as a percentage of total GLA, as at March 31, 2021 are as follows:

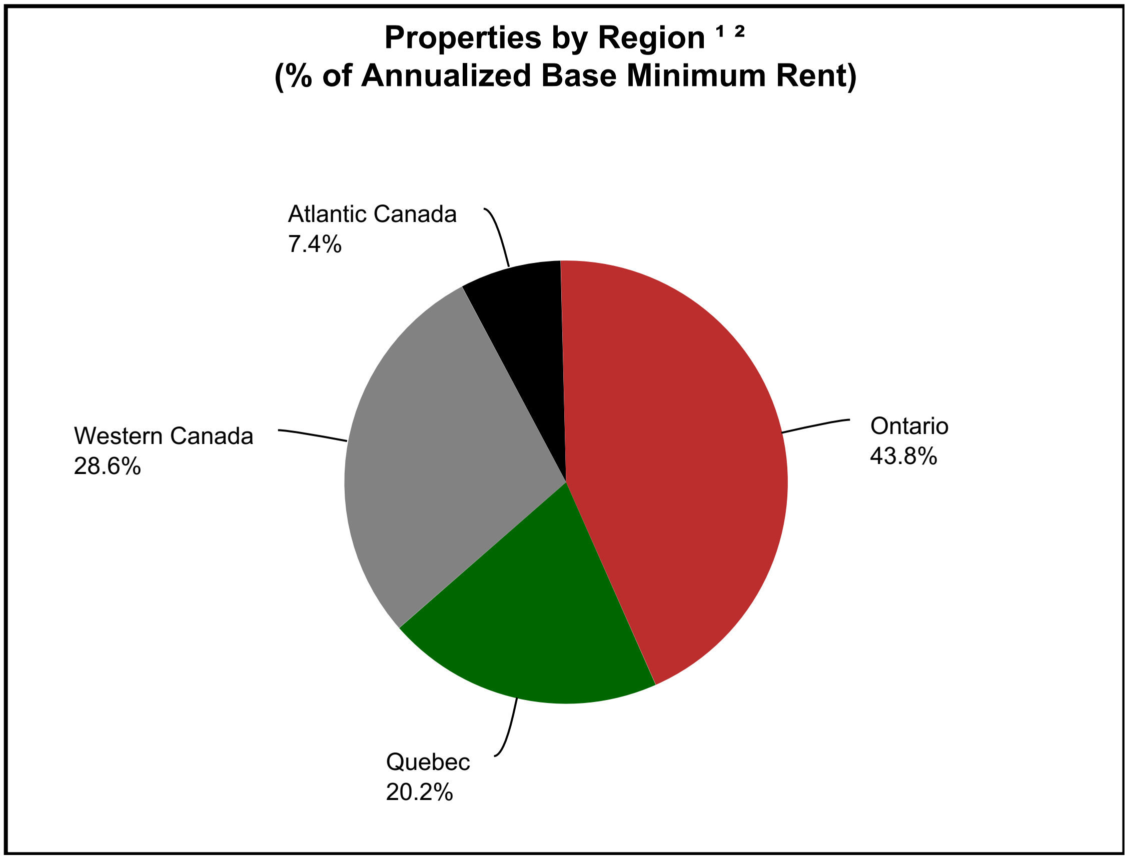


[1] Excluding Properties Under Development.

[2] Occupancy and other leasing key performance measures have been prepared on a committed basis which includes the impact of existing lease agreements contracted on or before March 31, 2021.

5.2 Revenue by Region

CT REIT's Properties by region, as a percentage of annualized base minimum rent, as at March 31, 2021 are as follows:



[1] *Excluding Properties Under Development.*

[2] *Occupancy and other leasing key performance measures have been prepared on a committed basis which includes the impact of existing lease agreements contracted on or before March 31, 2021.*

5.3 Six Largest Urban Markets

A significant portion of CT REIT's Properties are located in the following six largest urban markets:

As at	**March 31, 2021**	December 31, 2020
Vancouver	**3.1 %**	3.1 %
Edmonton	**4.9 %**	4.9 %
Calgary	**2.7 %**	2.7 %
Toronto	**20.2 %**	20.2 %
Ottawa	**3.9 %**	3.8 %
Montreal	**10.8 %**	10.8 %
Percentage of Annualized Base Minimum Rent [1, 2]	**45.6 %**	45.5 %

[1] *Excluding Properties Under Development.*

[2] *Occupancy and other leasing key performance measures have been prepared on a committed basis which includes the impact of existing lease agreements contracted on or before March 31, 2021.*

5.4 Fair Value of Property Portfolio

The fair value of the Properties represents 99.6% of the total assets of CT REIT as at March 31, 2021.

	Three Months Ended March 31, 2021			Year Ended December 31, 2020		
(in thousands of Canadian dollars)	**Income-producing properties**	**Properties Under Development**	**Total investment properties**	Income-producing properties	Properties Under Development	Total investment properties
Balance, beginning of period	**6,083,145**	**57,855**	**6,141,000**	5,932,864	74,118	6,006,982
Property acquisitions (including transaction costs)	**10,583**	**—**	**10,583**	131,762	—	131,762
Intensifications	**—**	**1,528**	**1,528**	—	23,047	23,047
Developments	**—**	**651**	**651**	—	53,197	53,197
Capitalized interest and property taxes	**—**	**129**	**129**	—	1,283	1,283
Transfers from PUD	**1,568**	**(1,568)**	**—**	111,224	(111,224)	—
Transfers to PUD [1]	**—**	**—**	**—**	(17,434)	17,434	—
Transfer to asset held for sale [2]	**—**	**—**	**—**	(20,600)	—	(20,600)
Right-of-use assets [3]	**—**	**—**	**—**	5,403	—	5,403
Fair value adjustment on investment properties	**4,346**	**—**	**4,346**	(87,359)	—	(87,359)
Straight-line rent	**1,734**	**—**	**1,734**	10,014	—	10,014
Recoverable capital expenditures	**1,029**	**—**	**1,029**	18,091	—	18,091
Dispositions	**—**	**—**	**—**	(820)	—	(820)
Balance, end of period	**$ 6,102,405**	**$ 58,595**	**$ 6,161,000**	$ 6,083,145	$ 57,855	$ 6,141,000

[1] *Relates to Toronto (Canada Square), Ontario.*

[2] *In January 2021, CT REIT sold its Arnprior Mall property in Arnprior, Ontario.*

[3] *Reflects impact of Toronto (Canada Square), Ontario increase in ownership to 50% interest from 33% interest.*

Investment properties are measured at fair value, determined using the discounted cash flow method. Under this methodology, discount rates are applied to the projected annual operating cash flows, generally over a minimum term of ten years, including a terminal valued based on a capitalization rate applied to the estimated NOI in the terminal year. The portfolio is internally valued each quarter with external appraisals performed for a portion of the portfolio on a bi-annual basis. Approximately 80% (by value) of the property portfolio is appraised externally by an independent national real estate appraisal firm over a four-year period.

Included in CT REIT's property portfolio are 10 properties which are situated on ground leases with remaining initial terms up to 35 years, and an average remaining initial term of approximately 15 years. Assuming all extensions are exercised, the ground leases have on average approximately 31 years of remaining lease term.

The significant inputs used to determine the fair value of CT REIT's income-producing properties using the discounted cash flow method are as follows:

	Three Months Ended March 31, 2021	Year Ended December 31, 2020
Number of properties	**363**	363
Value at the period end	**$ 6,161,000**	$ 6,141,000
Discount rate[1]	**7.15 %**	7.15 %
Terminal capitalization rate[1]	**6.67 %**	6.67 %
Hold period (years)	**12**	12

[1] *Weighted average rate based on the fair value as at the period end date*

The estimates of fair value are sensitive to changes in the investment metrics and forecasted future cash flows for each property. The sensitivity analysis in the table below indicates the approximate impact on the fair value of the property portfolio resulting from changes in the terminal capitalization and discount rates assuming no changes in other inputs.

	Three Months Ended March 31, 2021		Year Ended December 31, 2020	
Rate sensitivity	**Fair value**	**Change in fair value**	Fair value	Change in fair value
+ 75 basis points	**$ 5,568,000**	**$ (593,000)**	$ 5,545,000	$ (596,000)
+ 50 basis points	**5,763,000**	**(398,000)**	5,742,000	(399,000)
+ 25 basis points	**5,988,000**	**(173,000)**	5,967,000	(174,000)
Period ended	**$ 6,161,000**	**$ —**	$ 6,141,000	$ —
- 25 basis points	**6,393,000**	**232,000**	6,371,000	230,000
- 50 basis points	**6,646,000**	**485,000**	6,623,000	482,000
- 75 basis points	**$ 6,926,000**	**$ 765,000**	$ 6,898,000	$ 757,000

5.5 2021 Investment Activities

The following table presents income-producing properties acquired, intensified, developed, or redeveloped during the three months ended March 31, 2021.

(in thousands of Canadian dollars, except for GLA amounts)	Transaction date	GLA	Total investment cost
Property Location			
Lower Sackville, NS [1]	March 2021	**52,510**	**$ 10,035**

[1] Acquisition of income-producing property.

The following section contains forward-looking information and readers are cautioned that actual results may vary.

5.6 Development Activities

The following table provides details of the REIT's development activities as at March 31, 2021. The total building area represents the maximum anticipated area of the developments. The "Not committed to lease" column includes areas which may be under construction but not committed to lease. The "Committed additional investment" column represents the approximate financial commitment required to complete the "Committed to lease" areas and related site works.

		Gross leasable area (in square feet)			Total investment (in thousands of Canadian dollars)		
Property [1]	Anticipated date of completion	Committed to lease	Not committed to lease	Total [9]	Incurred to-date [9]	Committed additional investment	Total
Cochrane, ON [2]	Q4 2021	11,000	—	11,000			
Pad Developments [3]	2021/2022	21,000	2,000	23,000			
Brampton - Trinity Commons, ON [2]	Q2 2022	16,000	—	16,000			
Midland, ON [2]	Q2 2022	41,000	—	41,000			
Orillia, ON - Phase 2 [4]	Q2 2022	28,000	34,000	62,000			
Fort St John, BC - Phase 2 [2]	Q3 2022	—	7,000	7,000			
Charlottetown, PEI [2]	Q4 2022	28,000	—	28,000			
Dryden, ON [2]	Q4 2022	43,000	—	43,000			
La Plaine, QC [2]	Q4 2022	26,000	—	26,000			
Lethbridge South, AB [2]	Q4 2022	28,000	—	28,000			
Sept-Iles, QC [2]	Q4 2022	18,000	—	18,000			
Welland, ON [5]	Q4 2022	79,000	—	79,000			
Coteau-du-Lac, QC [2]	Q1 2023	322,000	—	322,000			
Brampton McLaughlin, ON [2]	Q2 2023	28,000	—	28,000			
Fenelon Falls, ON [2]	Q2 2023	26,000	—	26,000			
Mission, BC [2]	Q2 2023	7,000	—	7,000			
Casselman, ON [2]	Q3 2023	24,000	—	24,000			
Milton, ON [2]	Q3 2023	43,000	—	43,000			
Summerside, PEI [2]	Q4 2023	28,000	—	28,000			
Calgary, AB [6]	TBD	TBD	TBD	TBD			
Toronto (Canada Square), ON [7,8]	TBD	TBD	TBD	TBD			
TOTAL		**817,000**	**43,000**	**860,000**	**$ 58,595**	**$ 181,878**	**$ 240,473**

[1] Properties Under Development under 5,000 square feet that are not anticipated to be completed within the next 12 months have not been included.

[2] Intensification of an existing income-producing property.

[3] Related to third party pad development projects that are estimated to be completed in the next 12 months.

[4] Redevelopment property.

[5] Acquired development land for the intensification of an existing income-producing property.

[6] Industrial development lands. Potential building area and investment costs to be determined ("TBD").

[7] Redevelopment property. Potential building area and investment costs to be determined ("TBD").

[8] Land lease.

[9] Includes amounts related to projects in early stages of development.

As at March 31, 2021, CT REIT had committed lease agreements for approximately 817,000 square feet, representing 95.0% of total GLA under development, of which 97.7% has been leased to CTC. A total of $58,595 has been expended to date on these developments, and CT REIT anticipates investing an additional $181,878 to complete the developments, of which $146,544 is due to CTC. In the next 12 months, the REIT expects to spend $34,000 on these development activities. These commitments do not include the future development costs related to the Calgary, Alberta and Toronto (Canada Square), Ontario properties, other than previously approved pre-development consultant related costs.

5.7 Investment and Development Funding

Funding of investment and development activities for the three months ended March 31, 2021 was as follows:

	Q1 2021 Investment and Development Activity			
(in thousands of Canadian dollars)	Property investments	Developments	Intensifications	Total
Funded with working capital to CTC	$ 3,000	$ —	$ 566	$ 3,566
Funded with working capital to third parties [1]	703	651	962	2,316
Capitalized interest and property taxes	—	129	—	129
Issuance of Class B LP Units to CTC	6,880	—	—	6,880
Total costs	$ 10,583	$ 780	$ 1,528	$ 12,891

[1] Includes $613 for the construction of Other CTC Banner stores.

Funding of investment and development activities for the year ended December 31, 2020 was as follows:

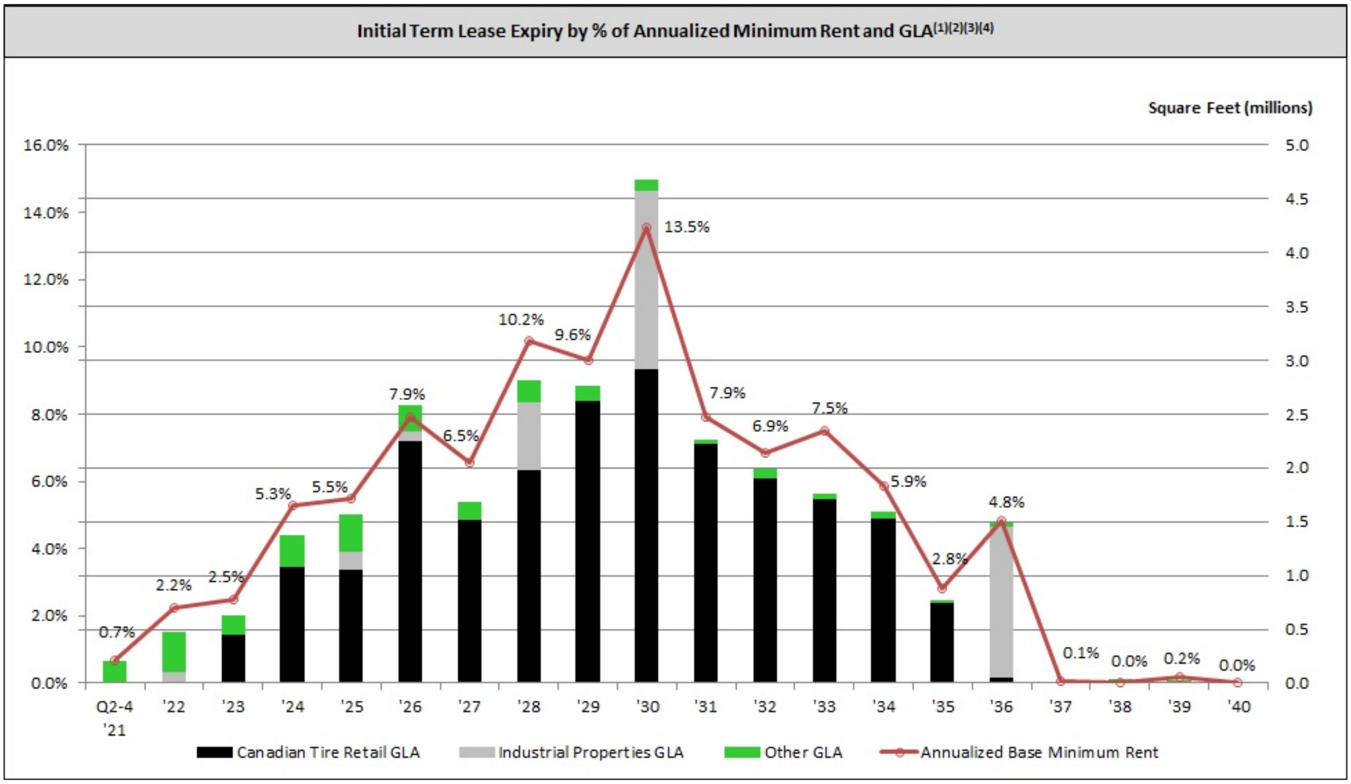
	2020 Investment and Development Activity			
(in thousands of Canadian dollars)	Property investments	Developments	Intensifications	Total
Funded with working capital to CTC	$ 3,050	$ 38,091	$ 20,765	$ 61,906
Funded with working capital to third parties [1]	22,825	15,106	2,282	40,213
Funded with CTC Credit Facilities	63,200	—	—	63,200
Capitalized interest and property taxes	—	1,283	—	1,283
Issuance of Class B LP Units to CTC	24,120	—	—	24,120
Mortgage payable	18,567	—	—	18,567
Total costs	$ 131,762	$ 54,480	$ 23,047	$ 209,289

[1]Includes $5,918 for the construction of Other CTC Banner stores.

5.8 Lease Maturities

CTC is CT REIT's most significant tenant. As at March 31, 2021, CTC, including Canadian Tire stores and Other CTC Banners, had leased 26.5 million square feet of GLA, with approximately 86.1% and 13.9% of the GLA attributable to retail and office, and industrial properties, respectively. The weighted average term of the retail leases with CTC, including Canadian Tire stores and Other CTC Banners, was 8.6 years, excluding the exercise of any renewal options. The weighted average term of the Canadian Tire store leases was 8.7 years, with a weighted average rental rate of $14.00 per square foot. The weighted average lease term for the CTC industrial properties was 12.6 years. The weighted average lease term of all leases in the REIT's portfolio, excluding Properties Under Development, was 8.7 years.

The following graph presents the lease maturity profile from 2021 to 2040 (assuming tenants do not exercise renewal options or termination rights, if any) as a percentage of annualized base minimum rent and GLA as of the time of the lease expiry.



[1] *Excludes Properties Under Development.*
[2] *Total base minimum rent excludes future contractual escalations.*
[3] *Toronto (Canada Square), Ontario is included at the REIT's one-half interest. Refer to section 5.5 for further information.*
[4] *Occupancy and other leasing key performance measures have been prepared on a committed basis which includes the impact of existing lease agreements contracted on or before March 31, 2021.*

5.9 Top 10 Tenants Excluding CTC Related Tenancies

CT REIT's 10 largest tenants, excluding all CTC related tenancies, as represented by the percentage of total annualized base minimum rent, are:

Rank	Tenant Name	Percentage of total annualized base minimum rent [1]
1	Save-On-Foods/Buy-Low Foods	0.68 %
2	Loblaws/Shoppers Drug Mart/No Frills	0.51 %
3	Bank of Montreal	0.51 %
4	Sobeys/FreshCo/Farm Boy	0.45 %
5	Canadian Imperial Bank of Commerce	0.42 %
6	Winners/Marshalls	0.40 %
7	Best Buy	0.22 %
8	Tim Hortons	0.21 %
9	GoodLife Fitness	0.20 %
10	Dollarama	0.20 %
	Total	**3.80 %**

[1] Occupancy and other leasing key performance measures have been prepared on a committed basis which includes the impact of existing lease agreements contracted on or before March 31, 2021.

5.10 Leasing Activities

The future financial performance of CT REIT will be impacted by occupancy rates, trends in rental rates achieved on leasing or renewing currently leased space, and contractual increases in rent. As at March 31, 2021, the REIT's occupancy rate, excluding Properties Under Development was 99.3% (Q1 2020 - 99.4%). Refer to section 5.1 for further details.

5.11 Recoverable Capital Costs

Many of the capital costs that will be incurred by CT REIT are recoverable from tenants pursuant to the terms of their leases. The recoveries will occur either in the year in which such expenditures are incurred or, in the case of a major item of replacement or betterment, on a straight-line basis over the expected useful life thereof together with an imputed rate of interest on the unrecovered balance at any point in time. Capital expenditures of $1,029 (Q1 2020 - $2,366) were incurred during the three months ended March 31, 2021. Most of the REIT's recoverable capital expenditures relate to parking lots, roofs and heating, ventilation and air conditioning equipment, the incurrence of which are typically seasonal in nature. As a result, the actual recoverable capital costs may vary widely from period to period.

6.0 RESULTS OF OPERATIONS

6.1 Financial Results for the Three Months Ended March 31, 2021

CT REIT's financial results for the three months ended March 31, 2021 and March 31, 2020 are summarized below:

(in thousands of Canadian dollars, except per unit amounts)	Three Months Ended		
For the periods ended March 31,	**2021**	2020	Change [1]
Property revenue	**$ 129,903**	$ 126,845	2.4 %
Property expense	**(29,145)**	(28,937)	0.7 %
General and administrative expense	**(3,977)**	(2,983)	33.3 %
Net interest and other financing charges	**(26,569)**	(27,488)	(3.3)%
Fair value adjustment on investment properties	**4,346**	(24,241)	NM
Net income and comprehensive income	**$ 74,558**	$ 43,196	72.6 %
Net income per unit - basic	**$ 0.323**	$ 0.189	70.9 %
Net income per unit - diluted	**$ 0.281**	$ 0.173	62.4 %

[1] *NM - not meaningful.*

Property Revenue

Property revenue includes all amounts earned from tenants pursuant to lease agreements including property taxes, operating costs and other recoveries. Many of CT REIT's expenses are recoverable from tenants pursuant to the terms of their leases, with the REIT absorbing these expenses to the extent that vacancies exist.

Total revenue for the three months ended March 31, 2021 was $129,903 which was $3,058 (2.4%) higher compared to the same period in the prior year, primarily due to contractual rent escalations, additional base rent related to properties acquired, and developments and intensification completed during 2021 and 2020. Total revenue for the three months ended March 31, 2021 also included property operating expense recoveries in the amount of $27,554 (Q1 2020 - $27,383).

The total amount of base rent to be received from operating leases is recognized on a straight-line basis over the term of the lease. For the three months ended March 31, 2021, straight-line rent of $1,734 (Q1 2020 - $2,589) was included in total property revenue.

Property Expense

Property expense consists primarily of property taxes, operating costs, property management costs (including any outsourcing of property management services) and other recoveries. The majority of property expenses are recoverable from tenants with the REIT absorbing these expenses to the extent that vacancies exist.

Property expenses for the three months ended March 31, 2021 were comparable to the same period in the prior year.

General and Administrative Expense

CT REIT has a number of broad categories of general and administrative expenses: (i) personnel; (ii) public entity and other costs, including external audit fees, trustee compensation expense, legal and professional fees, travel, income tax expense (recovery) related to CT REIT GP Corp.'s ("GP") activities; and (iii) outsourced costs, which may fluctuate depending on when such costs are incurred. The personnel, public entity and other costs reflect the expenses related to ongoing operations of CT REIT. The outsourced costs are largely related to certain administrative, information technology, internal audit and other support services provided by CTC to the REIT pursuant to the Services Agreement, as further described in section 9.0 of this MD&A.

(in thousands of Canadian dollars)	Three Months Ended		
For the periods ended March 31,	**2021**	2020	Change
Personnel expense [1]	**$ 2,081**	$ 1,279	62.7 %
Services Agreement with CTC	**287**	331	(13.3)%
Public entity and other [1]	**1,609**	1,373	17.2 %
General and administrative expense	**3,977**	2,983	33.3 %
As a percent of property revenue	**3.1 %**	2.4 %	
Adjusted general and administrative expense as a percent of property revenue [2]	**2.8 %**	3.6 %	

[1] Includes unit-based awards including loss (gain) adjustments as a result of the change in the fair market value of the Units of $352 (Q1 2020 - $(1,607)) for the three months ended March 31, 2021.

[2] Adjusted for fair value adjustments on unit-based awards.

General and administrative expenses amounted to $3,977 or 3.1% of property revenue for the three months ended March 31, 2021 which is $994 (33.3%) higher compared to the same period in the prior year primarily due to:

- increased personnel compensation and trustee fees due to the fair value adjustment on unit-based awards, and
- timing of professional fees; partially offset by
- lower income tax expense recorded in connection with GP's activities.

Net Interest and Other Financing Charges

As at March 31, 2021 the Partnership had 1,451,550 Class C LP Units outstanding with a face value of $1,451,550 and bearing a weighted average distribution rate of 4.41% per annum. The Class C LP Units are subject to redemption rights. Accordingly, the Class C LP Units are classified as financial liabilities and distributions on the Class C LP Units are presented in the net interest and other financing charges in the interim statements of income and comprehensive income.

Net interest and other financing charges are comprised of the following:

(in thousands of Canadian dollars)	Three Months Ended		
For the periods ended March 31,	**2021**	2020	Change
Interest on Class C LP Units [1]	**$ 15,991**	$ 17,055	(6.2)%
Interest and financing costs - debentures	**9,058**	9,031	0.3 %
Interest and financing costs - Credit Facilities [2]	**412**	254	62.2 %
Interest on mortgages payable	**340**	559	(39.2)%
Interest on lease liabilities	**901**	908	(0.8)%
	$ 26,702	$ 27,807	(4.0)%
Less: capitalized interest	**(129)**	(243)	(46.9)%
Interest expense and other financing charges	**$ 26,573**	$ 27,564	(3.6)%
Less: interest income	**(4)**	(76)	(94.7)%
Net interest and other financing charges	**$ 26,569**	$ 27,488	(3.3)%

1 CTC elected to defer receipt of distributions on Series 3-9 and Series 16 and 19 of the Class C LP Units for the three months ended March 31, 2021 in the amount of $10,660 (Q1 2020 -$11,278), until the first business day following the end of the fiscal year. The deferred distributions have been netted against interest payable on Class C LP Units and are included under the heading "other liabilities" on the interim balance sheets.

2 See section 7.10 for details on Credit Facilities.

Net interest and other financing charges for the three months ended March 31, 2021 was $919 (3.3%) lower compared to the same period in the prior year largely due to decreased interest on the Class C LP Units from resetting the interest rates as of June 1, 2020 on the Series 3, 16, 17, 18 and 19 Class C LP Units with CTC and decreased interest capitalization on development projects in 2020, partially offset by increased utilization on the Credit Facilities.

Fair Value Adjustment on Investment Properties

The fair value adjustment on investment properties for the three months ended March 31, 2021 was $4,346, an increase of $28,587 compared to the adjustment in the same period in the prior year. The fair value adjustment on investment properties for the three months ended March 31, 2021 was not significant as fair values remained stable during quarter. The fair value adjustment on investment properties for the three months ended March 31, 2020 reflected updates to the property appraisal models for the impacts of the Pandemic. Refer to section 2.0.

Income Tax Expense

Management operates CT REIT in a manner that enables the REIT to continue to qualify as a real estate investment trust pursuant to the Income Tax Act (Canada) ("ITA"). CT REIT distributes 100% of its taxable income to Unitholders and therefore does not incur income tax expense in relation to its activities. The REIT only records income tax expense or recovery in relation to the GP activities.

If CT REIT fails to distribute the required amount of taxable income to Unitholders, or if CT REIT fails to qualify as a "real estate investment trust" under the ITA, substantial adverse tax consequences may occur. Refer to section 12.0 for further information.

Net Income

(in thousands of Canadian dollars, except per unit amounts)	Three Months Ended		
For the periods ended March 31,	**2021**	2020	Change
Net income and comprehensive income	**$ 74,558**	$ 43,196	72.6 %
Net income per unit - basic	**$ 0.323**	$ 0.189	70.9 %
Net income per unit - diluted	**$ 0.281**	$ 0.173	62.4 %

Net income increased by $31,362 (72.6%) for the three months ended March 31, 2021 compared to the same period in the prior year for the reasons discussed above.

Net income per unit - basic increased by $0.134 (70.9%) for the three months ended March 31, 2021 compared to the same period in the prior year primarily due to increased net income, as discussed above, exceeding the increase in the weighted average number of units outstanding - basic.

For the three months ended March 31, 2021 net income per unit - diluted increased by $0.108 (62.4%) compared to the same period in the prior year primarily due to increased net income, as discussed above, as well as by a decrease in the weighted average number of units outstanding - diluted.

6.2 Non-GAAP Measures

In addition to the GAAP measures previously described, management uses non-GAAP measures in assessing the financial performance of CT REIT. Refer to section 1.0 and section 11.0 in this MD&A for further information.

(in thousands of Canadian dollars, except per unit amounts)	Three Months Ended		
For the periods ended March 31,	**2021**	2020	Change
Net operating income	**$ 99,024**	$ 95,319	3.9 %
Same store NOI	**$ 95,289**	$ 93,710	1.7 %
Same property NOI	**$ 96,084**	$ 93,761	2.5 %
Funds from operations	**$ 71,163**	$ 66,885	6.4 %
FFO per unit - basic	**$ 0.308**	$ 0.293	5.1 %
FFO per unit - diluted (non-GAAP)	**$ 0.308**	$ 0.293	5.1 %
Adjusted funds from operations	**$ 63,221**	$ 58,174	8.7 %
AFFO per unit - basic	**$ 0.274**	$ 0.255	7.5 %
AFFO per unit - diluted (non-GAAP)	**$ 0.273**	$ 0.254	7.5 %
AFFO payout ratio	**73.6 %**	77.6 %	(5.2)%
ACFO	**$ 56,733**	$ 55,118	2.9 %
EBITFV	**$ 97,800**	$ 94,431	3.6 %

Net Operating Income

NOI for the three months ended March 31, 2021 increased $3,705 (3.9%) compared to the same period in the prior year primarily due to the rent escalations for CTC banner leases and the acquisition of income-producing properties completed in 2021 and 2020, which contributed $1,579 and $1,263 to NOI growth, respectively.

Same store NOI for the three months ended March 31, 2021 increased $1,579 (1.7%), when compared to the prior year primarily for the following reasons:

- contractual rent escalations of 1.5% per year, on average, contained within the Canadian Tire store and CTC's industrial property leases, which are generally effective January 1st, contributed $1,871 to NOI growth; and
- recovery adjustments to operating expenses and property taxes increased NOI by $113, partially offset by
- expected credit losses for tenants significantly impacted by the Pandemic decreased NOI by $410.

Same property NOI for the three months ended March 31, 2021 increased $2,323 (2.5%), respectively, when compared to the prior year for the following reasons:

- increase in same store NOI by $1,579 per above; and
- Intensifications completed in 2021 and 2020 which contributed $744 to NOI growth.

Funds From Operations

FFO for the three months ended March 31, 2021 amounted to $71,163 or $0.308 per unit (diluted non-GAAP) which was $4,278 (6.4%) and $0.015 (5.1%) per unit (diluted non-GAAP) higher than the same period in 2020 primarily due to the impact of NOI variances, lower interest expense and timing of professional fees, discussed earlier.

Adjusted Funds From Operations

AFFO for the three months ended March 31, 2021 amounted to $63,221 or $0.273 per unit (diluted non-GAAP) which was $5,047 (8.7%) and $0.019 (7.5%), respectively, higher than the same period in 2020 primarily due to the impact of NOI variances, lower interest expense and timing of professional fees, discussed earlier.

Adjusted Funds From Operations Payout Ratio

The AFFO payout ratio for the three months ended March 31, 2021 was 73.6%, a decrease of 5.2% from the same period in 2020 due to the increase in AFFO per unit exceeding the rate of increase in the monthly distribution rate, which commenced on September 1, 2020.

Adjusted Cashflow From Operations

ACFO for the three months ended March 31, 2021 increased by $1,615 or 2.9% over the same period in 2020 primarily due to the impact of NOI variances, discussed earlier and an increase in the non-operating adjustments to changes in working capital related to the payment and timing of property taxes, recognition of net commodity taxes payable and a net increase in the accrued statutory payroll taxes.

Earnings Before Interest and Other Financing Costs, Taxes and Fair Value Adjustments

EBITFV for the three months ended March 31, 2021 increased by $3,369 (3.6%) over the same period in 2020, primarily due to the impact of NOI variances discussed earlier.

7.0 LIQUIDITY AND FINANCIAL CONDITION

The following section contains forward-looking information and readers are cautioned that actual results may vary.

7.1 Liquidity

CT REIT intends to fund capital expenditures for acquisitions and development activities through a combination of (i) cash on hand, (ii) issuances of Class B LP Units and/or Class C LP Units, (iii) draws on Credit Facilities, (iv) assumption of existing debt, and/or (v) new public or private issuance of debt or equity.

(in thousands of Canadian dollars) As at		**March 31, 2021**		December 31, 2020
Cash and cash equivalents	**$**	**6,583**	$	4,531
Unused portion of available Bank Credit Facility [1]		**294,195**		294,436
Liquidity	**$**	**300,778**	$	298,967

[1] *See section 7.10 for details on Credit Facilities.*

Cash flow generated from operating the property portfolio represents the primary source of liquidity to service debt and to fund planned maintenance expenditures, leasing costs, general and administrative expenses and distributions (other sources being interest income as well as cash on hand).

(in thousands of Canadian dollars)		**Three Months Ended**			
For the periods ended March 31,		**2021**		2020	Change
Cash generated from operating activities	**$**	**95,140**	$	98,817	(3.7)%
Cash (used for) investing activities		**(10,997)**		(26,174)	(58.0)%
Cash (used for) financing activities		**(82,091)**		(62,204)	32.0 %
Cash generated in the period	**$**	**2,052**	$	10,439	(80.3)%

7.2 Discussion of Cash Flows

Cash generated for the three months ended March 31, 2021 of $2,052 was primarily the result of cash generated from operating activities, partially offset by investing activities, distribution payments and repayment of the CTC Credit Facility.

7.3 Credit Ratings

The senior unsecured debt of CT REIT is rated by S&P Global Ratings acting through Standard and Poor's Rating Services (Canada), a business unit of S&P Global Canada Corp. ("S&P") and by DBRS Morningstar ("DBRS Morningstar"), two independent credit rating agencies which provide credit ratings of debt securities for commercial entities. A credit rating generally provides an indication of the risk that the borrower will not fulfill its full obligations in a timely manner with respect to both interest and principal commitments. Rating categories range from highest credit quality (generally "AAA") to default in payment (generally "D").

These ratings are related to and currently equivalent to those of CTC, as CTC holds a significant ownership position in CT REIT and CTC is CT REIT's most significant tenant. On February 26, 2021, S&P revised its outlook on CT REIT's BBB long-term rating from 'negative' to 'stable'.

The following table sets out CT REIT's issuer and senior unsecured debenture credit ratings:

	DBRS Morningstar		S&P	
	Credit Rating	Trend	Credit Rating	Outlook
Issuer Rating	**BBB**	**Stable**	**BBB**	**Stable**
Senior unsecured debentures	**BBB**	**Stable**	**BBB**	**-**

7.4 Debt and Capital Structure

CT REIT's debt and capital structure is as follows:

(in thousands of Canadian dollars) As at	March 31, 2021	December 31, 2020
Class C LP Units	**$ 1,451,550**	$ 1,451,550
Mortgages payable	**65,828**	$ 65,956
Debentures	**1,070,866**	1,071,635
Credit Facilities [1]	**42,000**	63,200
Total indebtedness	**$ 2,630,244**	$ 2,652,341
Unitholders' equity	**1,499,184**	1,481,849
Non-controlling interests	**1,916,231**	1,894,021
Total capital under management	**$ 6,045,659**	$ 6,028,211

[1] *See section 7.10 for details on Credit Facilities.*

CT REIT's total indebtedness as at March 31, 2021 was lower than at December 31, 2020 primarily due to repayments on the Credit Facilities. Refer to section 7.6 of this MD&A for further details.

CT REIT's Unitholders' equity and non-controlling interests as at March 31, 2021 increased as compared to December 31, 2020 primarily as a result of net income exceeding distributions.

Future payments in respect of CT REIT's indebtedness as at March 31, 2021 are as follows:

	Mortgages payable					
(in thousands of Canadian dollars)	**Principal amortization**	**Maturities**	**Class C LP Units**	**Debentures [1]**	**Credit Facilities**	**Total**
2021	315	—	—	—	$ 42,000	42,315
2022	255	9,460	—	150,000	—	159,715
2023		55,700	—	—	—	55,700
2024	—	—	200,000	—	—	200,000
2025 and thereafter	—	—	1,251,550	925,000	—	2,176,550
Total contractual obligation	$ 570	$ 65,160	$ 1,451,550	$ 1,075,000	$ 42,000	$ 2,634,280
Unamortized portion of mark to market on mortgages payable assumed on the acquisition of properties	—	184	—	—	—	184
Unamortized transaction costs	—	(86)	—	(4,134)	—	(4,220)
	$ 570	**$ 65,258**	**$ 1,451,550**	**$ 1,070,866**	**$ 42,000**	**$ 2,630,244**

[1] *Refer to section 7.8.*

Interest rates on CT REIT's indebtedness range from 1.82% to 5.00%. The maturity dates on the indebtedness range from June 2022 to May 2038. On January 6, 2021, CT REIT issued Series G senior unsecured debentures and used the proceeds to redeem all outstanding Series C senior unsecured debentures due June 1, 2021, on January 10, 2021. No other indebtedness matures in 2021.

Total indebtedness as at March 31, 2021 had a weighted average interest rate of 3.86% and a weighted average term to maturity of 7.7 years, excluding the Credit Facilities.

As at March 31, 2021, variable rate and fixed rate indebtedness were $97,700 and $2,532,544, respectively.

As at	**March 31, 2021**	December 31, 2020
Variable rate debt	**$ 97,700**	$ 118,900
Total indebtedness	**2,630,244**	2,652,341
Variable rate debt / total indebtedness	**3.71 %**	4.48 %

CT REIT's variable rate debt-to-total indebtedness ratio as at March 31, 2021 decreased as compared to December 31, 2020 primarily due to decreased borrowings drawn on the CTC Credit Facility.

The table below presents CT REIT's interest in investment properties at fair value that are available to it to finance and/or refinance its debt as at March 31, 2021:

(in thousands of Canadian dollars)	**Number of properties**	**Fair value of investment properties**	**Percentage of total assets**	**Mortgages payable**	**Loan to value ratio**
Unencumbered investment properties	361	$ 6,022,117	97.4 %	$ —	—
Encumbered investment properties	2	138,883	2.2 %	65,828	47.4 %
Total	**363**	**$ 6,161,000**	**99.6 %**	**$ 65,828**	**1.1 %**

The table below presents CT REIT's secured debt as a percentage of total indebtedness:

(in thousands of Canadian dollars)

As at	**March 31, 2021**	December 31, 2020
Secured debt	**$ 65,828**	$ 65,956
Total indebtedness	**2,630,244**	2,652,341
Secured debt / total indebtedness	**2.50 %**	2.49 %

CT REIT's secured debt to total indebtedness ratio as at March 31, 2021 is comparable to December 31, 2020.

Indebtedness to EBITFV ratios are used to measure an entity's ability to meet its debt obligations. Generally, the lower the ratio, the less an entity is leveraged which might increase its ability to pay off its debts.

The table below presents CT REIT's indebtedness to EBITFV ratio:

(in thousands of Canadian dollars) As at		March 31, 2021		December 31, 2020
Total indebtedness	$	**2,630,244**	$	2,652,341
EBITFV [1]	$	**391,200**		378,814
Total indebtedness / EBITFV		**6.72**		7.00

[1] Non-GAAP measure. Refer to section 11.0 for further information. 2021 EBITFV is annualized based on EBITFV for the three months ended March 31, 2021.

CT REIT's indebtedness to EBITFV ratio as at March 31, 2021 decreased as compared to the indebtedness to EBITFV ratio at December 31, 2020 primarily due to the growth of EBITFV exceeding the growth of total indebtedness.

7.5 Interest Coverage Ratio

Interest coverage ratios are used to measure an entity's ability to service its debt. Generally, the higher the ratio is, the lower the risk of default on debt. The ratio is calculated as follows:

(in thousands of Canadian dollars)	**Three Months Ended**			
For the periods ended March 31,		**2021**		2020
EBITFV [1] (A)	$	**97,800**	$	94,431
Interest expense and other financing charges (B)	$	**26,573**	$	27,564
Interest coverage ratio [1] (A)/(B)		**3.68**		3.43

[1] Non-GAAP measure. Refer to section 11.0 for further information.

The increase in interest coverage ratio for the three months ended March 31, 2021, as compared to the same period in 2020 is primarily due to the growth of EBITFV as well as a decrease in interest and financing charges.

7.6 Indebtedness Ratio

CT REIT has adopted an indebtedness ratio guideline which management uses as a measure to evaluate its leverage and the strength of its equity position, expressed as a percentage of assets provided by debt. This ratio can help investors determine the REIT's risk levels. CT REIT's Declaration of Trust limits its indebtedness (plus the aggregate par value of the Class C LP Units) to a maximum of 60% of the gross book value, excluding convertible debentures, and 65% including convertible debentures. Gross book value is defined as total assets as reported on the latest consolidated balance sheets.

CT REIT calculates its indebtedness ratio as follows:

(in thousands of Canadian dollars)

As at		March 31, 2021		December 31, 2020
Total indebtedness [1] (A)	**$**	**2,630,244**	$	2,652,341
Total assets (B)	**$**	**6,185,305**	$	6,176,142
Indebtedness ratio (A)/(B)		**42.5 %**		42.9 %

[1] *Total indebtedness reflects the value of the Class C LP Units, mortgages payable, debentures and draws on the Credit Facilities.*

The indebtedness ratio as at March 31, 2021 decreased compared to the indebtedness ratio as at December 31, 2020 primarily due to the reduction of total indebtedness along with the growth of CT REIT's 2021 acquisition, intensification and development activities and fair value adjustments made to its Properties.

7.7 Class C LP Units

As at March 31, 2021, there were 1,451,550 Class C LP Units outstanding, all of which were held by CTC. The Class C LP Units are designed to provide CTC with an interest in the Partnership that entitles holders to a fixed cumulative monthly payment, during the fixed rate period for each series of Class C LP Units (the "Current Fixed Rate Period"). Such payments are made in priority to distributions made to holders of Class B LP Units and units representing an interest in the GP (subject to certain exceptions) if, as and when declared by the Board of Directors of the GP and are payable monthly at an annual distribution rate for each series as set out in the table below. In addition, the Class C LP Units are entitled to receive Special Voting Units, in certain limited circumstances. Refer to section 8.0 for further details.

On expiry of the Current Fixed Rate Period applicable to each series of Class C LP Units, and each five-year period thereafter, each such series of Class C LP Units is redeemable at par (together with all accrued and unpaid payments thereon) at the option of the Partnership or the holder, upon giving at least 120 days' prior notice. The Partnership also has the ability to settle any of the Class C LP Units at any time at a price equal to the greater of par and a price to provide a yield equal to the then equivalent Government of Canada bond yield plus a spread, so long as such redemption is in connection with a sale of properties.

During the five-year period beginning immediately following the completion of the initial fixed rate period, and each five-year period thereafter, if not redeemed, the fixed payment rate for Class C LP Units will be reset, and the holders of Class C LP Units will be entitled, subject to certain conditions, to elect either a fixed rate or variable rate option.

Such redemptions of Class C LP Units (other than upon a change of control of CT REIT) can be settled at the option of the Partnership, in cash or Class B LP Units of equal value.

The Partnership did not settle any Class C LP Units in Q1 2021.

The following table presents the details of the Class C LP Units:

Series of Class C LP Units		**Subscription price**	**Annual distribution rate during Current Fixed Rate Period**	**Expiry of Current Fixed Rate Period**	**% of Total Class C LP Units**
Series 3	$	200,000	2.37 %	May 31, 2025 (4.2 years)	13.78 %
Series 4		200,000	4.50 %	May 31, 2024 (3.2 years)	13.78 %
Series 5		200,000	4.50 %	May 31, 2028 (7.2 years)	13.78 %
Series 6		200,000	5.00 %	May 31, 2031 (10.2 years)	13.78 %
Series 7		200,000	5.00 %	May 31, 2034 (13.2 years)	13.78 %
Series 8		200,000	5.00 %	May 31, 2035 (14.2 years)	13.78 %
Series 9		200,000	5.00 %	May 31, 2038 (17.2 years)	13.78 %
Series 16		16,550	2.37 %	May 31, 2025 (4.2 years)	1.14 %
Series 17		18,500	2.37 %	May 31, 2025 (4.2 years)	1.27 %
Series 18		4,900	2.37 %	May 31, 2025 (4.2 years)	0.34 %
Series 19		11,600	2.37 %	May 31, 2025 (4.2 years)	0.79 %
Total / weighted average	**$**	**1,451,550**	**4.41 %**	**9.7 years**	**100.0 %**
Current	$	—			
Non-current		1,451,550			
Total	**$**	**1,451,550**			

The weighted average rate of the aggregate capital amount ascribed to the Class C LP Units was 4.41% as at March 31, 2021.

7.8 Debentures

		March 31, 2021				December 31, 2020		
Series		**Face value**		**Carrying amount**		Face value		Carrying amount
A, 2.85%, June 9, 2022	**$**	**150,000**	**$**	**149,800**	$	150,000	$	149,777
B, 3.53%, June 9, 2025		**200,000**		**199,277**		200,000		199,255
C, 2.16%, June 1, 2021		**—**		**—**		150,000		150,000
D, 3.29%, June 1, 2026		**200,000**		**199,285**		200,000		199,266
E, 3.47%, June 16, 2027		**175,000**		**174,276**		175,000		174,257
F, 3.87%, December 7, 2027		**200,000**		**199,179**		200,000		199,080
G, 2.37%, January 6, 2031		**150,000**		**149,049**		—		—
Total	**$**	**1,075,000**	**$**	**1,070,866**	$	1,075,000	$	1,071,635
Current	**$**	**—**	**$**	**—**	$	150,000	$	150,000
Non-current	**$**	**1,075,000**	**$**	**1,070,866**	$	925,000	$	921,635
Total	**$**	**1,075,000**	**$**	**1,070,866**	$	1,075,000	$	1,071,635

Debentures as at March 31, 2021 had a weighted average interest rate of 3.28% (December 31, 2020 - 3.25%).

On January 6, 2021, CT REIT completed the issuance of $150,000 of Series G unsecured debentures with a ten-year term and a coupon of 2.371% per annum. On January 10, 2021, the net proceeds, along with cash on hand, were used to redeem the Series C senior unsecured debentures in the aggregate principal amount of $150,000 with a coupon of 2.159% due June 1, 2021.

For the three months ended March 31, 2021, amortization of the transaction costs of $199 (Q1 2020 - $218) was included in net interest and other financing charges on the interim statement of income and comprehensive income. Refer to Note 13 of the interim financial statements.

The debentures are rated "BBB" by S&P and "BBB" by DBRS Morningstar. The debentures are direct senior unsecured obligations of CT REIT. Refer to section 7.3 for further details.

7.9 Mortgages Payable

Mortgages payable, secured by certain investment properties, include the following:

(in thousands of Canadian dollars)

As at		**March 31, 2021**		December 31, 2020
	Face value	**Carrying amount**	Face value	Carrying amount
Current	**$ 424**	**$ 519**	$ 420	$ 514
Non-current	**65,306**	**65,309**	65,415	65,442
Total	**$ 65,730**	**$ 65,828**	$ 65,835	$ 65,956

Mortgages payable as at March 31, 2021 had a weighted average interest rate of 2.23% (December 31, 2020 – 2.27%).

7.10 Credit Facilities

Bank Credit Facility

CT REIT has a committed, unsecured $300,000 revolving credit facility with a syndicate of major Canadian third-party banks ("Bank Credit Facility") expiring in December 2024. The Bank Credit Facility bears interest at a rate based on the bank's prime rate of interest or bankers' acceptances plus a margin. A standby fee is charged on the Bank Credit Facility.

As at March 31, 2021 the Bank Credit Facility had no amounts drawn under the revolving credit facility, and $5,805 (December 31, 2020 – $5,564) of outstanding letters of credit.

CTC Credit Facility

CT REIT has an uncommitted, unsecured $300,000 revolving credit facility with CTC ("CTC Credit Facility") expiring in December 2021, unless otherwise renewed. The CTC Credit Facility bears interest at a rate based on the bank's prime rate of interest or bankers' acceptances plus a margin.

As at March 31, 2021, $42,000 of borrowings were drawn on the CTC Credit Facility (December 31, 2020 – 63,200). As at March 31, 2021, borrowings under the CTC Credit Facility had an interest rate of 2.61% (December 31, 2020 – 2.45%).

The Bank Credit Facility and the CTC Credit Facility are collectively referred to as the "Credit Facilities".

The table below summarizes the details of the Credit Facilities as at March 31, 2021:

(in thousands of Canadian dollars)

	Maximum draw amount	Cash advances	Letters of credit	Available to be drawn
Bank Credit Facility	$ 300,000	$ —	$ 5,805	$ 294,195
CTC Credit Facility	$ 300,000	$ 42,000	$ —	$ — [1]

[1]*Uncommitted facility subject to CTC discretion.*

The following section contains forward-looking information and readers are cautioned that actual results may vary.

7.11 Capital Strategy

Management expects the REIT's future debt will be in the form of:

- Class C LP Units (treated as debt for accounting purposes);
- funds drawn on the Credit Facilities;
- unsecured public debt; and
- secured debt.

Management's objectives are to access an optimal cost of capital with the most flexible terms, to have a maturity/redemption schedule (for fixed term obligations) spread over a time horizon so as to manage refinancing risk and to be in a position to finance acquisition and development opportunities when they become available. The Declaration of Trust and the Trust Indenture limit the REIT's overall indebtedness ratio to 60% of total aggregate assets, excluding convertible debentures, and 65% including convertible debentures.

As at March 31, 2021, CT REIT's indebtedness ratio was 42.5%. Refer to section 7.6 of this MD&A for the definition and calculation of CT REIT's indebtedness ratio.

As at March 31, 2021, CT REIT was in compliance with the financial covenants contained in the Declaration of Trust, the Trust Indenture and the Credit Facilities.

For the three months ended March 31, 2021, CT REIT's interest coverage ratio was 3.7 times. Refer to section 7.5 of this MD&A for the definition and calculation of CT REIT's interest coverage ratio.

Assuming a future economic environment that is stable, management does not foresee any material impediments to refinancing future debt maturities. Refer to section 2.0.

The following section contains forward-looking information and readers are cautioned that actual results may vary.

7.12 Commitments and Contingencies

As at March 31, 2021, CT REIT had obligations of $181,878 (December 31, 2020 - $132,715) in future payments for the completion of developments, as described in section 5.6 of this MD&A. Included in the commitment is $146,544 due to CTC.

CT REIT has sufficient liquidity to fund these future commitments as a result of (i) its conservative use of leverage on the balance sheet; (ii) liquidity on hand; (iii) its Credit Facilities; (iv) an investment grade credit rating; (v) unencumbered assets; and (vi) sufficient operating cash flow retained in the business.

7.13 Base Shelf Prospectus

CT REIT has a short form base shelf prospectus under which it can raise up to $2.0 billion of debt and/or equity (including the sale of Units by CTC) expiring May 24, 2021.

Subsequent to the period ending March 31, 2021, CT REIT filed its short form base shelf prospectus under which it may raise up to $2.0 billion of debt and/or equity (including the sale of Units by CTC) over the 25-month period ending June 4, 2023.

8.0 EQUITY

8.1 Authorized Capital and Outstanding Units

CT REIT is authorized to issue an unlimited number of Units. As at March 31, 2021, CT REIT had a total of 105,403,878 Units outstanding, 33,989,508 of which were held by CTC, and 126,286,321 Class B LP Units outstanding (together with a corresponding number of Special Voting Units, as hereinafter defined), all of which were held by CTC.

Class B LP Units are economically equivalent to Units, are accompanied by a special voting unit (“Special Voting Unit”) and are exchangeable at the option of the holder for Units (subject to certain conditions). Holders of the Class B LP Units are entitled to receive distributions when declared by the Partnership equal to the per Unit amount of distributions payable on the Units. However, Class B LP Units have limited voting rights over the Partnership.

The following tables summarize the total number of Units issued:

	As at March 31, 2021		
	Units	**Class B LP Units**	**Total**
Total outstanding at beginning of year	**105,103,391**	**125,866,203**	**230,969,594**
Units issued [1]	**300,487**	**420,118**	**720,605**
Total outstanding at end of period	**105,403,878**	**126,286,321**	**231,690,199**

[1] 300,487 issued pursuant to the REIT's distribution reinvestment plan.

	As at December 31, 2020		
	Units	Class B LP Units	Total
Total outstanding at beginning of year	103,927,385	124,289,491	228,216,876
Units issued [1]	1,176,006	1,576,712	2,752,718
Total outstanding at end of year	105,103,391	125,866,203	230,969,594

[1] 1,176,006 issued pursuant to the REIT's distribution reinvestment plan.

Each Unit is transferable and represents an equal, undivided beneficial interest in the REIT and in any distributions from the REIT. Each Unit entitles the holder to one vote at all meetings of Unitholders.

Special Voting Units are only issued in tandem with Class B LP Units or in limited circumstances to holders of the Class C LP Units and are not transferable separately from the Class B LP Units or Class C LP Units to which they relate. Each Special Voting Unit entitles the holder thereof to one vote at all meetings of Unitholders or with respect to any written resolution of Unitholders. Except for the right to attend meetings and vote on resolutions, Special Voting Units do not confer upon the holders thereof any other rights.

Net income attributable to Unitholders and weighted average units outstanding used in determining basic and diluted net income per unit are calculated as follows:

	For the three months ended March 31, 2021		
(in thousands of Canadian dollars, except unit amounts)	**Units**	**Class B LP Units**	**Total**
Net income attributable to Unitholders - basic	**$ 33,955**	**$ 40,603**	**$ 74,558**
Income effect of settling Class C LP Units with Class B LP Units			**15,991**
Net income attributable to Unitholders - diluted			**$ 90,549**
Weighted average units outstanding - basic	**105,255,760**	**125,870,871**	**231,126,631**
Dilutive effect of other Unit plans			**295,024**
Dilutive effect of settling Class C LP Units with Class B LP Units			**90,277,821**
Weighted average units outstanding - diluted			**321,699,476**

	For the three months ended March 31, 2020		
(in thousands of Canadian dollars, except unit amounts)	Units	Class B LP Units	Total
Net income attributable to Unitholders - basic	$ 19,679	$ 23,517	$ 43,196
Income effect of settling Class C LP Units with Class B LP Units			17,055
Net income attributable to Unitholders - diluted			$ 60,251
Weighted average units outstanding - basic	104,061,154	124,289,491	228,350,645
Dilutive effect of other Unit plans			246,256
Dilutive effect of settling Class C LP Units with Class B LP Units			120,351,613
Weighted average units outstanding - diluted			348,948,514

8.2 Equity

(in thousands of Canadian dollars) As at	**March 31, 2021**	December 31, 2020
Equity - beginning of period, as previously reported	**$ 3,375,870**	$ 3,334,105
Net income and comprehensive income for the period	**74,558**	183,305
Issuance of Class B LP Units, net of issue costs	**6,880**	24,101
Distributions to non-controlling interests	**(25,273)**	(98,857)
Distributions to Unitholders	**(21,146)**	(83,022)
Issuance of Units under Distribution Reinvestment Plan and other	**4,526**	16,238
Equity - end of the period	**$ 3,415,415**	$ 3,375,870

The following section contains forward-looking information and readers are cautioned that actual results may vary.

8.3 Distributions

CT REIT's primary business goal is to accumulate a portfolio of high-quality real estate assets and deliver the benefits of such real estate ownership to Unitholders. The primary benefit to Unitholders is expected to be reliable, durable and growing distributions over time.

In determining the amount of the monthly distributions paid to Unitholders, the Board applies discretionary judgment to forward-looking cash flow information, such as forecasts and budgets, in addition to many other factors including provisions in the Declaration of Trust, the macro-economic and industry-specific environment, debt maturities, covenants and taxable income.

The Board regularly reviews CT REIT's rate of distributions to ensure an appropriate level of distributions. The Board has discretion over the determination of monthly and annual distributions.

On March 15, 2021, CT REIT's Board declared a distribution of $0.06693 per unit payable on April 15, 2021 to holders of Units and Class B LP Units of record as of March 31, 2021.

On April 15, 2021, CT REIT's Board declared a distribution of $0.06693 per unit payable on May 17, 2021 to holders of Units and Class B LP Units of record as of April 30, 2021.

One of CT REIT's objectives is to grow monthly distributions. The distribution payments and increases since December 31, 2014 are as follows:

		Monthly distribution per Unit [1]	% increase		Annualized distribution per Unit		Annualized increase per Unit
2020 (September onward)	**$**	**0.06693**	**2.0 %**	**$**	**0.803**	**$**	**0.0160**
2020 (January - August)	$	0.06562	4.0 %	$	0.787	$	0.0300
2019	$	0.06310	4.0 %	$	0.757	$	0.0290
2018	$	0.06067	4.0 %	$	0.728	$	0.0280
2017	$	0.05833	2.9 %	$	0.700	$	0.0200
2016	$	0.05667	2.6 %	$	0.680	$	0.0170
2015	$	0.05525	2.0 %	$	0.663	$	0.0130
2014	$	0.05417	—	$	0.650	$	—

[1] The Board has discretion over the determination of monthly and annual distributions.

Net income prepared in accordance with IFRS recognizes certain revenues and expenses at time intervals that do not match the receipt or payment of cash. Therefore, in applying judgment, consideration is given to AFFO (a non-GAAP measure of recurring economic earnings used to assess distribution capacity, refer to section 11.0) and other factors when establishing distributions to unitholders.

(in thousands of Canadian dollars, except per unit amounts)	Three Months Ended			
For the periods ended March 31,		**2021**		2020
Distributions before distribution reinvestment - paid	**$**	**46,397**	$	44,944
Distribution reinvestment		**4,589**		4,287
Distributions net of distribution reinvestment - paid	**$**	**41,808**	$	40,657
Distributions per unit - paid	**$**	**0.201**	$	0.197

Distributions for the three months ended March 31, 2021 are higher than the same period in the prior year due to the increase in the annual rate of distributions which became effective as of the monthly distribution paid in September 2020.

CT REIT's distributions for the three months ended March 31, 2021 are less than the REIT's cash generated from operating activities, cash generated from operating activities reduced by net interest and other financing charges, and AFFO, a non-GAAP measure, which is an indicator of CT REIT's distribution capacity.

(in thousands of Canadian dollars, except per unit amounts)	Three Months Ended	
For the periods ended March 31,	**2021**	2020
AFFO [1]	**$ 63,221**	$ 58,174
Distributions before distribution reinvestment - paid	**46,397**	44,944
Excess of AFFO over distributions paid (A)	**$ 16,824**	$ 13,230
Weighted average units outstanding - diluted (non-GAAP)[1](B)	**231,421,655**	228,596,901
Excess of AFFO over distributions paid per unit (A)/(B) [1]	**$ 0.073**	$ 0.058

[1] Non-GAAP measure. Refer to section 11.0 for further information.

8.4 Book Value Per Unit

Book value per Unit represents total equity from the consolidated balance sheets divided by the sum of the period end Units and Class B LP Units outstanding. It is an indication of the residual book value available to Unitholders. As well, book value per Unit is compared to the REIT's Unit trading price in order to measure a premium or discount.

(in thousands of Canadian dollars, except for per unit amounts)		
As at	**March 31, 2021**	December 31, 2020
Total equity (A)	**$ 3,415,415**	$ 3,375,870
Period-end Units and Class B LP Units outstanding (B)	**231,690,199**	230,969,594
Book value per Unit (A)/(B)	**$ 14.74**	$ 14.62

CT REIT's book value per Unit as at March 31, 2021 increased from the book value per Unit as at December 31, 2020 primarily due to net income exceeding distributions.

9.0 RELATED PARTY TRANSACTIONS

On March 31, 2021, CT REIT's controlling Unitholder, CTC, held a 69.2% effective interest in the REIT, through the ownership of 33,989,508 Units and all of the issued and outstanding Class B LP Units. CTC also owns all of the Class C LP Units. Refer to section 7.7 of this MD&A for additional information on Class C LP Units.

In addition to its ownership interest, CTC is CT REIT's most significant tenant representing approximately 91.8% of the annualized base minimum rent earned by CT REIT and 92.5% of total GLA as at March 31, 2021.

In the normal course of its operations, CT REIT enters into various transactions with related parties that have been valued at amounts agreed to between the parties and recognized in the interim financial statements. Investment property transactions with CTC amounted to $10,446 (2020 - $556) for the three months ended March 31, 2021. Refer to Note 4 to the interim financial statements for additional information.

CT REIT entered into the CTC Credit Facility in December 2019. Refer to section 7.10 of this MD&A for additional information.

CT REIT's policy is to conduct all transactions and settle all balances, with related parties, on market terms and conditions. Pursuant to the Declaration of Trust, all related party transactions are subject to the approval of the independent trustees of the Board.

CT REIT and CTC are parties to a number of commercial agreements which govern the relationships among such parties, including the Services Agreement and the Property Management Agreement described below.

Services Agreement

Under the Services Agreement, CTC provides the REIT with certain administrative, information technology, internal audit and other support services as may be reasonably required from time to time (the "Services"). CTC provides these Services to the REIT on a cost recovery basis pursuant to which CT REIT reimburses CTC for all costs and expenses incurred by CTC in connection with providing the Services, plus applicable taxes. The Services Agreement is automatically renewable for one year terms, unless otherwise terminated in accordance with its terms. The Services Agreement was automatically renewed for 2021 and CTC will continue to provide such Services on a cost recovery basis.

Property Management Agreement

Under the Property Management Agreement, CTC provides the REIT with certain property management services (the ''Property Management Services''). CTC provides these Property Management Services to the REIT on a cost recovery basis pursuant to which the REIT reimburses CTC for all costs and expenses incurred by CTC in connection with providing the Property Management Services, plus applicable taxes. The Property Management Agreement is automatically renewable for one year terms, unless otherwise terminated in accordance with its terms. The Property Management Agreement was automatically renewed for 2021 and CTC will continue to provide such Property Management Services on a cost recovery basis.

CTC Credit Facility

CT REIT entered into the CTC Credit Facility, which is automatically renewed for one year terms, unless otherwise terminated in accordance with its terms. The CTC Credit Facility was renewed for 2021, and expires on December 31, 2021. The CTC Credit Facility bears interest at a rate based on the bank's prime rate of interest or bankers' acceptances, plus a margin.

Refer to CT REIT's 2020 AIF available on SEDAR at www.sedar.com and on CT REIT's website at www.ctreit.com under the tab "Investors" in the Financial Reporting section for additional information on related party agreements and arrangements with CTC.

The following table summarizes CT REIT's related party transactions as at March 31, 2021, excluding acquisition, intensification and development activities which are contained in section 5.0:

(in thousands of Canadian dollars)	Three Months Ended	
For the periods ended March 31,	**2021**	2020
Rental revenue	**$ 116,239**	$ 112,697
Property Management and Services Agreement expense	**$ 439**	$ 543
Distributions on Units	**$ 6,825**	$ 6,691
Distributions on Class B LP Units [1]	**$ 25,273**	$ 24,468
Interest expense on Class C LP Units	**$ 15,991**	$ 17,055
Interest expense on the CTC Credit Facility	**$ 100**	$ —

[1] Includes distributions deferred at the election of the holders of the Class B LP Units.

The net balance due to CTC is comprised of the following:

(in thousands of Canadian dollars) As at	**March 31, 2021**	December 31, 2020
Tenant and other receivables	**$ (9,033)**	$ (1,549)
Class C LP Units	**1,451,550**	1,451,550
Amounts payable on Class C LP Units	**15,991**	65,228
Loans receivable in respect of payments on Class C LP Units	**(10,660)**	(59,898)
Other liabilities	**8,757**	29,467
Distributions payable on Units and Class B LP Units [1]	**14,699**	31,343
Loans receivable in respect of distributions on Class B LP Units	**(3,999)**	(20,643)
CTC Credit Facility [2]	**42,000**	63,200
Net balance due to CTC	**$ 1,509,305**	$ 1,558,698

[1] Includes distributions deferred at the election of the holders of the Class B LP Units.
[2] See section 7.10 for details on the CTC Credit Facility. .

10.0 ACCOUNTING POLICIES AND ESTIMATES

10.1 Significant Areas of Estimation

The preparation of the interim financial statements requires management to apply judgments, and to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Estimates are based upon historical experience and on various other assumptions that are reasonable under the circumstances. The result of ongoing evaluation of these estimates forms the basis for applying judgment with regards to the carrying values of assets and liabilities and the reported amounts of revenues and expenses. Actual results may differ from estimates. CT REIT's critical judgments in applying significant accounting policies are described in Note 2 of CT REIT's 2020 audited annual consolidated financial statements, the most significant of which is the fair value of investment properties. CT REIT's critical judgments and estimates with respect to the recent the Pandemic, as described in Section 2.0.

Fair Value of Investment Properties

To determine fair value, CT REIT uses the income approach. The income approach used by CT REIT is derived from the DCF method, in which the cash flows are projected over the anticipated term of the investment plus a terminal value, and are then discounted using an appropriate discount rate. Properties Under Development are recorded at cost and are adjusted to fair value at each balance sheet date with the fair value adjustment recognized in earnings.

10.2 Standards, Amendments and Interpretations Issued but Not Yet Adopted

The following amendments have been issued but are effective for annual reporting periods beginning on or after January 1, 2023 and, accordingly, have not been applied in preparing these financial statements.

Improving accounting policy disclosures and clarifying distinction between accounting policies and accounting estimates (Amendments to IAS 1 and IAS 8)

In February 2021, the International Accounting Standards Board ("IASB") issued narrow-scope amendments to IAS 1 Presentation of Financial Statements, IFRS Practice Statement 2 Making Materiality Judgements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to IAS 8 clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. CT REIT is assessing the potential impact of these amendments.

11.0 NON-GAAP MEASURES

CT REIT uses non-GAAP measures including NOI, same store NOI, same property NOI, FFO, FFO per unit - basic, FFO per unit - diluted (non-GAAP), AFFO, AFFO per unit - basic, AFFO per unit - diluted (non-GAAP), AFFO payout ratio, ACFO and EBITFV. CT REIT believes these non-GAAP measures and ratios provide useful supplemental information to both management and investors in measuring the financial performance of CT REIT and its ability to meet its principle objective of the creation of Unitholder value, by generating reliable, durable and growing monthly distributions. When calculating diluted FFO and AFFO per unit, management excludes the effect of settling the Class C LP Units with Class B LP Units, which is required when calculating diluted units in accordance with IFRS.

These measures and ratios do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures and ratios presented by other publicly traded entities and should not be construed as an alternative to other financial measures determined in accordance with GAAP.

11.1 Net Operating Income

CT REIT defines NOI as property revenue less property expense adjusted further for straight-line rent. Management believes that NOI is a useful key indicator of performance as it represents a measure of property operations over which management has control. NOI is also a key input in determining the value of the portfolio.

(in thousands of Canadian dollars)		Three Months Ended		
For the periods ended March 31,		**2021**	2020	Change
Property revenue	**$**	**129,903**	$ 126,845	2.4 %
Less:				
Property expense		**(29,145)**	(28,937)	0.7 %
Property straight-line rent revenue		**(1,734)**	(2,589)	(33.0)%
Net operating income	**$**	**99,024**	$ 95,319	3.9 %

Same Store NOI

Same store NOI is a non-GAAP financial measure which reports the period-over-period performance of the same asset base having consistent GLA in both periods. CT REIT management uses this measure to gauge the change in asset productivity and asset value.

Same Property NOI

Same property NOI is a non-GAAP financial measure that is consistent with the definition of same store NOI above, except that same property includes the NOI impact of Intensifications. CT REIT management uses this measure to gauge the change in asset productivity and asset value, as well as measure the additional return earned by incremental capital investments in existing assets.

The following table summarizes the same store and same property components of NOI:

(in thousands of Canadian dollars)	Three Months Ended		
For the periods ended March 31,	**2021**	2020	Change [1]
Same store	**$ 95,289**	$ 93,710	1.7 %
Intensifications			
2020	**795**	51	NM
Same property	**$ 96,084**	$ 93,761	2.5 %
Acquisitions, developments and dispositions			
2021	**783**	1,048	(25.3)%
2020	**2,157**	510	NM
Net operating income	**99,024**	$ 95,319	3.9 %

[1] *NM - not meaningful.*

11.2 Funds From Operations and Adjusted Funds From Operations

The following table reconciles GAAP net income and comprehensive income to FFO and further reconciles FFO to AFFO:

(in thousands of Canadian dollars, except per unit amounts)	Three Months Ended		
For the periods ended March 31,	**2021**	2020	Change [1]
Net Income and comprehensive income	**$ 74,558**	$ 43,196	72.6 %
Fair value adjustment on investment property	**(4,346)**	24,241	NM
GP income tax expense	**663**	1,037	(36.1)%
Lease principal payments on right-of-use assets	**(225)**	(163)	38.0 %
Fair value adjustment of unit-based compensation	**352**	(1,607)	NM
Internal leasing expense	**161**	181	(11.0)%
Funds from operations	**$ 71,163**	$ 66,885	6.4 %
Property straight-line rent revenue	**(1,734)**	(2,589)	(33.0)%
Normalized capital expenditure reserve	**(6,208)**	(6,122)	1.4 %
Adjusted funds from operations	**$ 63,221**	$ 58,174	8.7 %
FFO per unit - basic	**$ 0.308**	$ 0.293	5.1 %
FFO per unit - diluted (non-GAAP) [2]	**$ 0.308**	$ 0.293	5.1 %
AFFO per unit - basic	**$ 0.274**	$ 0.255	7.5 %
AFFO per unit - diluted (non-GAAP) [2]	**$ 0.273**	$ 0.254	7.5 %
Weighted average units outstanding - basic	**231,126,631**	228,350,645	1.2 %
Weighted average units outstanding - diluted (non-GAAP)	**231,421,655**	228,596,901	1.2 %
Number of units outstanding, end of period	**231,690,199**	228,501,308	1.4 %

[1] *NM - not meaningful.*

[2] *For the purposes of calculating diluted per unit amounts, diluted units includes restricted and deferred units issued under various plans and excludes the effects of settling the Class C LP Units with Class B LP Units.*

Funds From Operations

FFO is a non-GAAP financial measure of operating performance used by the real estate industry, particularly by those publicly traded entities that own and operate income-producing properties. FFO should not be considered as an alternative to net income or cash flows provided by operating activities determined in accordance with IFRS. CT REIT calculates its FFO in accordance with Real Property Association of Canada's ("REALPAC") "White Paper on Funds From Operations & Adjusted

Funds From Operations for IFRS" ("White Paper on FFO & AFFO") which was issued in February 2019. The use of FFO, together with the required IFRS presentations, has been included for the purpose of improving the understanding of the operating results of CT REIT.

Management believes that FFO provides an operating performance measure that, when compared period-over-period, reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and property taxes, acquisition activities and interest costs, and provides a perspective of the financial performance that is not immediately apparent from net income determined in accordance with IFRS.

FFO adds back to net income items that do not arise from operating activities, such as fair value adjustments. FFO, however, still includes non-cash revenues related to accounting for straight-line rent and makes no deduction for the recurring capital expenditures necessary to sustain the existing earnings stream.

Adjusted Funds From Operations

AFFO is a non-GAAP measure of recurring economic earnings used in the real estate industry to assess an entity's distribution capacity. AFFO should not be considered as an alternative to net income or cash flows provided by operating activities determined in accordance with IFRS. CT REIT calculates its AFFO in accordance with REALPAC's White Paper on FFO & AFFO.

CT REIT calculates AFFO by adjusting FFO for non-cash income and expense items such as amortization of straight-line rents. FFO is also adjusted for a reserve for maintaining productive capacity required for sustaining property infrastructure and revenue from real estate properties and direct leasing costs. As property capital expenditures do not occur evenly during the fiscal year or from year to year, the normalized capital expenditure reserve in the AFFO calculation, which is used as an input in assessing the REIT's distribution payout ratio, is intended to reflect an average annual spending level. The reserve is primarily based on average expenditures as determined by building condition reports prepared by independent consultants.

The following table compares capital expenditures during the 2017-2021 period to the normalized capital expenditure reserve used in the calculation of AFFO:

(in thousands of Canadian dollars) For the periods indicated		Normalized capital expenditure reserve		Capital expenditures		Variance
2017						
Q1	$	5,065	$	348	$	4,717
Q2		5,109		5,445		(336)
Q3		5,139		8,307		(3,168)
Q4		5,173		4,862		311
Year ended December 31, 2017	$	20,486	$	18,962	$	1,524
2018						
Q1	$	5,598	$	(371)	$	5,969
Q2		5,618		2,425		3,193
Q3		5,632		9,867		(4,235)
Q4		5,669		5,778		(109)
Year ended December 31, 2018	$	22,517	$	17,699	$	4,818
2019						
Q1	$	5,779	$	257	$	5,522
Q2		5,854		5,253		601
Q3		5,883		10,311		(4,428)
Q4		5,915		4,728		1,187
Year ended December 31, 2019	$	23,431	$	20,549	$	2,882
2020						
Q1	$	6,122	$	2,366	$	3,756
Q2		5,922		1,904		4,018
Q3		6,069		5,876		193
Q4		6,141		7,945		(1,804)
Year ended December 31, 2020	$	24,254	$	18,091	$	6,163
2021						
Q1	**$**	**6,208**	**$**	**1,029**	**$**	**5,179**

The normalized capital expenditure reserve exceeded actual capital expenditures by $20,566 during the period from 2017 through 2021. The normalized capital expenditure reserve per square foot has increased since 2017, which reflects changes in asset mix (primarily due to an increase in multi-tenanted retail investment properties) and inflation in expected costs. Management expects there will be periods in the future where actual capital expenditures will exceed the normalized capital expenditure reserve. The current period reserve is based upon unit costs that are anticipated to be realized in work to be completed in the current period.

The normalized capital expenditure reserve varies from the capital expenditures incurred due to the seasonal nature of the expenditures. As such, CT REIT views the normalized capital expenditure reserve as a more meaningful measure. Refer to section 5.11 for additional information.

11.3 AFFO Payout Ratio

The AFFO payout ratio is a non-GAAP measure of the sustainability of the REIT's distribution payout. CT REIT uses this metric to provide transparency on performance and the overall management of the existing portfolio of assets. Management considers the AFFO payout ratio to be the best measure of the REIT's distribution capacity.

	Three Months Ended		
For the periods ended March 31,	**2021**	2020	Change
Distribution per unit - paid (A)	**$ 0.201**	$ 0.197	2.0 %
AFFO per unit - diluted (non-GAAP) [1] (B)	**$ 0.273**	$ 0.254	7.5 %
AFFO payout ratio (A)/(B)	**73.6 %**	77.6 %	(5.2)%

[1] For the purposes of calculating diluted per unit amounts, diluted units include restricted and deferred units issued under various plans and excludes the effects of settling the Class C LP Units with Class B LP Units.

11.4 Diluted Non-GAAP per Unit Calculations

Management calculates the weighted average units outstanding - diluted (non-GAAP) by excluding the full conversion of the Class C LP Units with Class B LP Units which is not considered a likely scenario. As such, the REIT's fully diluted per unit FFO and AFFO amounts are calculated excluding the effects of settling the Class C LP Units with Class B LP Units, which management considers as a more meaningful measure.

The following table reconciles the calculation of the weighted average units outstanding - diluted (non-GAAP) to weighted average units outstanding - diluted:

	Three Months Ended	
For the periods ended March 31,	**2021**	2020
Weighted average units outstanding - diluted (non-GAAP)	**231,421,655**	228,596,901
Dilutive effect of settling Class C LP Units with Class B LP Units	**90,277,821**	120,351,613
Weighted average units outstanding - diluted	**321,699,476**	348,948,514

11.5 Adjusted Cash Flow From Operations

ACFO is a non-GAAP financial measure developed by REALPAC for use by the real estate industry as a sustainable economic cash flow metric. ACFO should not be considered as an alternative to cash flows provided by operating activities determined in accordance with IFRS. CT REIT calculates its ACFO in accordance with REALPAC's "White Paper on Adjusted Cashflow from Operations for IFRS" ("White Paper on ACFO") issued in February 2019. The purpose of the White Paper on ACFO is to provide guidance on the definition of ACFO to promote consistent disclosure amongst reporting issuers.

CT REIT calculates ACFO from cash flow generated from operating activities by adjusting for non-operating adjustments to changes in working capital and other, net interest and other financing charges and normalized capital expenditure reserve.

A reconciliation from the IFRS term "Cash Generated from Operating Activities" (refer to the Consolidated Statements of Cash Flows for the three months ended March 31, 2021 and March 31, 2020) to ACFO is as follows:

(in thousands of Canadian dollars)	Three Months Ended			
For the periods ended March 31,	2021		2020	Change [1]
Cash generated from operating activities	**95,140**	$	98,817	(3.7)%
Non-operating adjustments to changes in working capital and other	**(5,405)**		(9,926)	(45.5)%
Net interest and other financing charges	**(26,569)**		(27,488)	(3.3)%
Normalized capital expenditure reserve	**(6,208)**		(6,122)	1.4 %
Lease principal payments on right-of-use assets	**(225)**		(163)	38.0 %
Adjusted cashflow from operations	**56,733**	$	55,118	2.9 %

[1] *NM - not meaningful.*

The non-operating adjustments to changes in working capital and other for three months ended March 31, 2021 is primarily due to the payment and timing of property taxes, recognition of net commodity taxes payable and a net increase in the accrued statutory payroll taxes.

11.6 Earnings Before Interest and Other Financing Costs, Taxes and Fair Value Adjustments

EBITFV is a non-GAAP measure of a REIT's operating cash flow and it is used in addition to IFRS net income because it excludes major non-cash items (including fair value adjustments), interest expense and other financing costs, income tax expense, losses or gains on disposition of property, and other non-recurring items that may occur under IFRS that management considers non-operating in nature. EBITFV should not be considered as an alternative to net income or cash flows provided by operating activities determined in accordance with IFRS.

EBITFV is used as an input in some of CT REIT's debt metrics, providing information with respect to certain financial ratios that CT REIT uses in measuring its debt profile and assessing its ability to satisfy its obligations, including servicing its debt.

For the three months ended March 31, 2021, EBITFV was calculated as follows:

(in thousands of Canadian dollars)	Three Months Ended				
For the periods ended March 31,		2021		2020	Change [1]
Net income and comprehensive income	**$**	**74,558**	$	43,196	72.6 %
Fair value adjustment on investment properties		**(4,346)**		24,241	NM
Fair value adjustment on unit-based awards		**352**		(1,607)	NM
Interest expense and other financing charges		**26,573**		27,564	(3.6)%
GP income tax expense		**663**		1,037	(36.1)%
EBITFV	**$**	**97,800**	$	94,431	3.6 %

[1] *NM - not meaningful.*

11.7 Non-GAAP Measures Referenced in Other Sections of the MD&A

The interest coverage ratio under section 7.5 is calculated using EBITFV, a non-GAAP measure.

11.8 Selected Quarterly Consolidated Information

(in thousands of Canadian dollars, except per unit amounts)	**2021**	2020				2019		
As at and for the quarter ended	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Property revenue	**$ 129,903**	$ 126,833	$ 123,172	$ 125,498	$ 126,845	$ 123,692	$ 121,763	$ 121,994
Net income	**$ 74,558**	$ 14,032	$ 64,107	$ 61,970	$ 43,196	$ 76,890	$ 80,138	$ 78,720
Net income per unit								
- basic	**$ 0.323**	$ 0.061	$ 0.280	$ 0.271	$ 0.189	$ 0.338	$ 0.362	$ 0.357
- diluted	**$ 0.281**	$ 0.093	$ 0.240	$ 0.235	$ 0.173	$ 0.294	$ 0.301	$ 0.297
FFO per unit - diluted (non-GAAP) [1]	**$ 0.308**	$ 0.296	$ 0.299	$ 0.294	$ 0.293	$ 0.293	$ 0.303	$ 0.291
AFFO per unit - diluted (non-GAAP) [1]	**$ 0.273**	$ 0.260	$ 0.262	$ 0.256	$ 0.254	$ 0.252	$ 0.261	$ 0.249
Total assets	**$6,185,305**	$6,176,142	$6,139,575	$6,112,837	$6,069,044	$6,024,512	$6,001,912	$5,928,005
Total indebtedness	**$2,630,244**	$2,652,341	$2,588,976	$2,588,889	$2,588,789	$2,572,294	$2,570,162	$2,609,049
Total distributions, net of distribution reinvestment, to Unitholders - paid	**$ 41,808**	$ 41,886	$ 41,282	$ 41,326	$ 40,657	$ 39,352	$ 39,337	$ 39,337
Total distributions per unit - paid	**$ 0.201**	$ 0.201	$ 0.199	$ 0.197	$ 0.197	$ 0.189	$ 0.189	$ 0.189
Book value per unit	**$ 14.74**	$ 14.62	$ 14.75	$ 14.67	$ 14.60	$ 14.61	$ 14.46	$ 14.31
Market price per unit								
- high	**$ 16.51**	$ 15.90	$ 14.50	$ 14.30	$ 17.22	$ 16.30	$ 15.05	$ 14.77
- low	**$ 15.11**	$ 15.04	$ 13.28	$ 11.02	$ 9.14	$ 14.51	$ 13.97	$ 13.54
- close (end of period)	**$ 16.35**	$ 15.67	$ 13.97	$ 13.58	$ 11.70	$ 16.14	$ 15.03	$ 14.22

[1] Non-GAAP measure. Refer to section 11.0 for further information.

Property revenue, distributions and other financial and operational results noted above have grown at a steady rate. However, macroeconomic, market trends, and the Pandemic may have an influence on the demand for space, occupancy levels, and consequently, the REIT's operating performance. See section 2.0.

Refer to CT REIT's respective annual and interim MD&A's issued for a discussion and analysis relating to those periods.

12.0 ENTERPRISE RISK MANAGEMENT

To preserve and enhance Unitholder value over the long-term, CT REIT takes a balanced approach to risk-taking together with effective risk management. Effective risk management is a key priority for the Board and senior management, and as such, the REIT has adopted an Enterprise Risk Management Framework ("ERM Framework") for identifying, assessing, monitoring, mitigating and reporting key risks.

The ERM Framework is designed to provide an integrated and disciplined approach to risk management that safeguards the REIT's reputation, supports the achievement of the REIT's growth strategy and objectives, preserves and enhances Unitholder value, and supports business planning and operations by providing a cross functional perspective to risk management. It is integrated with strategic planning and reporting processes which is described in further detail in section 12.0 of CT REIT's 2020 annual MD&A and section 4 of the REIT's 2020 AIF available on SEDAR at www.sedar.com and on CT REIT's website at www.ctreit.com under the tab "Investors" in the Financial Reporting section.

The potential outcomes and results of the Pandemic may impact the REIT's key risks in a manner that could have a material adverse effect on the REIT, particularly if further prolonged. The REIT's and its tenants' businesses, results of operations, financial condition and cash flows may be significantly affected. The potential inability of the REIT's tenants to meet their payment obligations, due to disruptions in supply chains and transactional activities, reduced consumer demand for tenants' products or services, reduced population mobility, potential for continued widespread closures and other restrictions imposed by governmental authorities, may have a material adverse effect on the REIT. The Pandemic has caused a global economic slowdown and has increased volatility in financial markets, which could have a negative impact on the market price of CT REIT's Units. Governments and central banks have responded with monetary and fiscal interventions intended to stabilize economic conditions. However, it is not currently known how these interventions will continue to impact debt and equity markets or the economy generally. Although the ultimate impact of the Pandemic on global, national and local economies and its duration remains uncertain, disruptions caused by it may materially and adversely affect the performance of the REIT. The economic uncertainty resulting from the Pandemic, could if prolonged, materially adversely impact the REIT's cash flows, financial condition, results from operations, and ability to access capital on favourable terms, or at all.

Given the evolving circumstances surrounding the Pandemic, which CT REIT is closely monitoring, it is difficult to predict with certainty the nature, duration and extent of the Pandemic and the overall impact it will have on the operations of CT REIT's tenants and the REIT's results. The impact of the Pandemic is highly dependent on future developments, which include, among others, its duration, any future waves, the availability and distribution of vaccines and any further actions required to contain or manage its impact.

13.0 INTERNAL CONTROLS AND PROCEDURES

Details related to disclosure controls and procedures, and internal control over financial reporting are disclosed in section 13.0 of CT REIT's 2020 MD&A.

Changes in Internal Control Over Financial Reporting

During the three months ended March 31, 2021, there were no changes in CT REIT's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, CT REIT's internal control over financial reporting.

14.0 FORWARD-LOOKING INFORMATION

This MD&A, and the documents incorporated by reference herein, contain forward-looking statements that involve a number of risks and uncertainties, including statements regarding the outlook for CT REIT's business and results of operations and the effect of the Pandemic on the REIT's business and operations. Forward-looking statements are provided for the purposes of providing information about CT REIT's future outlook and anticipated events or results and may include statements regarding known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from those indicated. Such factors include but are not limited to: general economic conditions; financial position; business strategy; availability of acquisition opportunities; budgets; capital expenditures; financial results, including fair value adjustments and cash flow assumptions upon which they are based; cash and liquidity; taxes; and plans and objectives of or involving CT REIT. In addition, the effects of the Pandemic, including its duration, any future waves, the spread and severity of the Pandemic and its impact on the business, operations and financial condition of the REIT, create additional uncertainties. In particular, the impact of the virus and government authorities' and public health officials' responses thereto may effect: our tenants' ability to pay rent in full or at all; domestic and global credit and capital markets, and our ability to access capital on favourable terms, or at all; the health and safety of our employees and our tenants' employees and customers; and domestic and global supply chains. Given the evolving circumstances surrounding the Pandemic, such as its duration, any future waves, the availability and distribution of vaccines and the spread and severity of its impact on the REIT's business and financial results cannot be estimated with certainty as the extent of the impact will largely depend on future developments, including any additional actions taken to contain the Pandemic. Statements regarding future acquisitions, developments, distributions, results, performance, achievements, prospects or opportunities for CT REIT or the real estate industry and the impact of the Pandemic are forward-looking statements. In some cases, forward-looking information can be identified by such terms such as "may", "might", "will", "could", "should", "would", "occur", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue", "likely", "schedule", or the negative thereof or other similar expressions concerning matters that are not historical facts.

Some of the specific forward-looking statements in this document include, but are not limited to, statements with respect to CT REIT's:

- assessment of factors affecting the REIT as a result of the Pandemic under section 2.0;
- growth strategy and objectives under section 3.0;
- fair value of property portfolio under section 5.4;
- development activities under section 5.6;
- leasing activities under section 5.10;
- recoverable capital costs under section 5.11;
- capital expenditures to fund acquisitions and development activities under section 7.1;
- capital strategy under section 7.11;
- commitments as at March 31, 2021 under section 7.12;
- distributions under section 8.3;
- capital expenditures under section 11.2;
- access to available sources of debt and/or equity financing;
- expected tax treatment and its distributions to Unitholders;
- ability to expand its asset base, make accretive acquisitions, develop or intensify its Properties and participate with CTC in the development or intensification of the Properties; and
- ability to continue to qualify as a "real estate investment trust", as defined pursuant to the ITA.

CT REIT has based these forward-looking statements on factors and assumptions about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs. Such factors and assumptions include but are not limited to: that the Canadian economy will stabilize over the next 12 months and inflation will remain relatively low, despite government stimulus; that tax laws will remain unchanged; that the REIT will continue to manage its liquidity and debt covenants; that conditions within the real estate market, including competition for acquisitions, will normalize to historical levels in the near- to medium-term; that Canadian capital markets will provide CT REIT with access to equity and/or debt at reasonable rates when required; that CTC will continue its involvement with CT REIT on the basis described in its 2020 AIF and that for the near- to medium-term, Canadian Tire stores will remain open, either fully, or for curbside pick-up or delivery to home, or other available manner as stipulated by government officials; and the fair value ascribed to the CTC tenanted properties will not be materially impacted by temporary Pandemic restrictions. However, given the evolving circumstances surrounding the Pandemic, including any future waves of the virus and/or the availability of vaccines, it is difficult to predict how significant the adverse impact of the Pandemic will be on the global and domestic economy, interest or tax rates, the general business environments and the operations and financial position of the REIT's tenants, including Canadian Tire, the fair value ascribed to CTC tenanted properties and the business, operations and future financial position of the REIT.

Although the forward-looking statements contained in this MD&A are based upon assumptions that management of CT REIT believes are reasonable, given information currently available to management, there can be no assurance that actual results will be consistent with these forward-looking statements. Forward-looking statements necessarily involve known and unknown risks and uncertainties, many of which are beyond the REIT's control, that may cause CT REIT's, or the industry's, actual results, performance, achievements, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, the factors discussed in section 12.0 of this MD&A and under the "Risk Factors" section of the 2020 AIF.

For more information on the risks, uncertainties and assumptions that could cause CT REIT's actual results to differ from current expectations, please also refer to CT REIT's public filings available on SEDAR at www.sedar.com and by a link at www.ctreit.com.

CT REIT cautions that the foregoing list of important factors and assumptions is not exhaustive and other factors could also materially and adversely affect its results. Investors and other readers are urged to consider the foregoing risks, uncertainties, factors and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information. Statements that include forward-looking information do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made have on CT REIT's business. For example, they do not include the effect of any dispositions, acquisitions, asset write-downs or other charges announced or occurring after such statements are made. The forward-looking information in this MD&A is based on certain factors and assumptions made as of the date hereof or the date of the relevant document incorporated herein by reference, as applicable. CT REIT does not undertake to update the forward-looking information, whether written or oral, that may be made from time to time by it or on its behalf, to reflect new information, future events or otherwise, except as required by applicable securities laws.

Information contained in or otherwise accessible through the websites referenced in this MD&A does not form part of this MD&A and is not incorporated by reference into this MD&A. All references to such websites are inactive textual references and are for information only.

Commitment to disclosure and investor communication

The Investors section of the REIT's website by a link at www.ctreit.com includes the following documents and information of interest to investors:

- Annual Information Form;
- Condensed Consolidated financial statements and accompanying notes for the three months ended March 31, 2021;
- Management Information Circular;
- the Base Shelf Prospectus and related prospectus supplements;
- quarterly financial statements and related MD&As; and
- conference call webcasts (archived for one year).

Additional information about the REIT has been filed electronically with various securities regulators in Canada through SEDAR and is available online at www.sedar.com.

If you would like to contact the Investor Relations department directly, call Marina Davies (416) 544-6134 or email investor.relations@ctreit.com.

May 10, 2021

FIRST QUARTER 2021

CT REAL ESTATE INVESTMENT TRUST
INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

Condensed Consolidated Balance Sheets (Unaudited)

(Canadian dollars, in thousands) As at	Note	March 31, 2021	December 31, 2020
Assets			
Non-current assets			
Investment properties	4	**$ 6,161,000**	$ 6,141,000
Other assets		**783**	1,486
		6,161,783	6,142,486
Current assets			
Tenant and other receivables		**10,188**	4,911
Other assets		**6,751**	3,614
Cash and cash equivalents		**6,583**	4,531
		23,522	13,056
Asset classified as held for sale		**—**	20,600
Total assets		**$ 6,185,305**	$ 6,176,142
Liabilities			
Non-current liabilities			
Class C LP Units	5	**$ 1,451,550**	$ 1,451,550
Mortgages payable	6	**65,309**	65,442
Debentures	7	**1,070,866**	921,635
Lease liabilities		**65,593**	65,830
Other liabilities		**3,557**	5,276
		2,656,875	2,509,733
Current liabilities			
Mortgages payable	6	**519**	514
Credit facilities	8	**42,000**	63,200
Debentures	7	**—**	150,000
Lease liabilities		**1,062**	1,052
Other liabilities		**53,927**	60,314
Distributions payable	9	**15,507**	15,459
		113,015	290,539
Total liabilities		**2,769,890**	2,800,272
Equity			
Unitholders' equity	9	**1,499,184**	1,481,849
Non-controlling interests	9, 10	**1,916,231**	1,894,021
Total equity		**3,415,415**	3,375,870
Total liabilities and equity		**$ 6,185,305**	$ 6,176,142

The related notes form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statements of Income and Comprehensive Income (Unaudited)

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

For the three months ended March 31,	Note		**2021**		2020
Property revenue	11	**$**	**129,903**	$	126,845
Property expense	11		**(29,145)**		(28,937)
General and administrative expense	12		**(3,977)**		(2,983)
Net interest and other financing charges	13		**(26,569)**		(27,488)
Fair value adjustment on investment properties	4		**4,346**		(24,241)
Net income and comprehensive income		**$**	**74,558**	$	43,196
Net income and comprehensive income attributable to:					
Unitholders		**$**	**33,955**	$	19,679
Non-controlling interests	10		**40,603**		23,517
		$	**74,558**	$	43,196
Net income per unit - basic	9	**$**	**0.323**	$	0.189
Net income per unit - diluted	9	**$**	**0.281**	$	0.173

The related notes form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statements of Changes in Equity (Unaudited)

(Canadian dollars, in thousands)

	Note	Units	Retained Earnings	Unitholders' Equity	Non-controlling interests	Total Equity
Balance at December 31, 2020		**$ 1,073,734**	**$ 408,115**	**$ 1,481,849**	**$ 1,894,021**	**$ 3,375,870**
Net income and comprehensive income for the period		**—**	**33,955**	**33,955**	**40,603**	**74,558**
Issuance of Class B LP Units, net of issue costs	9	**—**	**—**	**—**	**6,880**	**6,880**
Distributions	9	**—**	**(21,146)**	**(21,146)**	**(25,273)**	**(46,419)**
Issuance of Units under Distribution Reinvestment Plan and other	9	**4,526**	**—**	**4,526**	**—**	**4,526**
Balance at March 31, 2021		**$ 1,078,260**	**$ 420,924**	**$ 1,499,184**	**$ 1,916,231**	**$ 3,415,415**

	Note	Units	Retained Earnings	Unitholders' Equity	Non-controlling interests	Total Equity
Balance at December 31, 2019		**$ 1,057,496**	**$ 407,443**	**$ 1,464,939**	**$ 1,869,166**	**$ 3,334,105**
Net income and comprehensive income for the period		—	19,679	19,679	23,517	43,196
Distributions	9	—	(20,498)	(20,498)	(24,468)	(44,966)
Issuance of Units under Distribution Reinvestment Plan and other	9	4,289	—	4,289	—	4,289
Balance at March 31, 2020		**$ 1,061,785**	**$ 406,624**	**$ 1,468,409**	**$ 1,868,215**	**$ 3,336,624**

The related notes form an integral part of these condensed consolidated financial statements.

Condensed Consolidated Statements of Cash Flows (Unaudited)

(Canadian dollars, in thousands) For the three months ended March 31,	Note		2021		2020
Cash generated from (used for):					
Operating activities					
Net income		**$**	**74,558**	$	43,196
Add/(deduct):					
Fair value adjustment on investment properties	4		**(4,346)**		24,241
Property straight-line rent revenue	11		**(1,734)**		(2,589)
Deferred income tax			**663**		1,037
Net interest and other financing charges	13		**26,569**		27,488
Changes in working capital and other	14		**(570)**		5,444
Cash generated from operating activities		**$**	**95,140**	$	98,817
Investing activities					
Income-producing property			**(4,155)**		(14,178)
Development activities and land investments			**(25,472)**		(8,971)
Capital expenditures recoverable from tenants			**(2,341)**		(3,297)
Proceeds of disposition			**20,971**		272
Cash (used for) investing activities		**$**	**(10,997)**	$	(26,174)
Financing activities					
Proceeds from issuance of debentures	7		**150,000**		—
Proceeds from redemption of debentures	7		**(150,000)**		—
Unit distributions			**(16,535)**		(16,189)
Class B LP Unit distributions paid or loaned			**(25,273)**		(24,468)
Payments on Class C LP Units paid or loaned	5		**(15,991)**		(17,055)
Credit facilities draws (repayments), net	8		**(21,200)**		(2,000)
Lease principal payments on right-of-use assets			**(225)**		(230)
Mortgage principal repayments	6		**(105)**		(99)
Net interest paid			**(1,955)**		(2,163)
Debt settlement costs			**(743)**		—
Class B LP Unit issuance costs			**(64)**		—
Cash (used for) financing activities		**$**	**(82,091)**	$	(62,204)
Cash generated in the period		**$**	**2,052**	$	10,439
Cash and cash equivalents, beginning of period			**4,531**		9,734
Cash and cash equivalents, end of period		**$**	**6,583**	$	20,173

The related notes form an integral part of these condensed consolidated financial statements.

Notes to the Condensed Consolidated Financial Statements (Unaudited)

For the three months ended March 31, 2021 and 2020

(All dollar amounts are in thousands, except unit and per unit amounts)

1. NATURE OF CT REAL ESTATE INVESTMENT TRUST

CT Real Estate Investment Trust is an unincorporated, closed-end real estate investment trust. CT Real Estate Investment Trust and its subsidiaries, unless the context requires otherwise, are together referred to in these consolidated financial statements as “CT REIT” or the “REIT”. CT REIT commenced operations on October 23, 2013, and was formed to own income-producing commercial properties located primarily in Canada. The principal and registered head office of CT REIT is located at 2180 Yonge Street, Toronto, Ontario M4P 2V8.

Canadian Tire Corporation, Limited (“CTC”) owned a 69.2% effective interest in CT REIT as of March 31, 2021, consisting of 33,989,508 of the issued and outstanding units of CT REIT (“Units”) and all of the issued and outstanding Class B limited partnership units (“Class B LP Units”) of CT REIT Limited Partnership (the “Partnership”), which are economically equivalent to and exchangeable for Units. CTC also owns all of the issued and outstanding Class C limited partnership units (“Class C LP Units”) of the Partnership (see Note 5). The Units are listed on the Toronto Stock Exchange (the “TSX”) under the symbol CRT.UN.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). CT REIT prepared these interim financial statements for the three months ended March 31, 2021 in accordance with International Accounting Standard (“IAS”) 34 – *Interim Financial Reporting*. These interim financial statements should be read in conjunction with the REIT’s 2020 audited annual consolidated financial statements. Other than standards, amendments and interpretations adopted as disclosed in Note 2(d), these interim financial statements have been prepared using the accounting policies that were described in Note 3 to the REIT’s 2020 audited annual consolidated financial statements.

These interim financial statements were approved for issuance by CT REIT’s Board of Trustees (the “Board”), on the recommendation of its Audit Committee, on May 10, 2021.

(b) Basis of presentation

These interim financial statements have been prepared on the historical cost basis except for investment properties and liabilities for unit-based compensation plans, which are measured at fair value.

These interim financial statements are presented in Canadian dollars (“C$”), which is CT REIT’s functional currency, rounded to the nearest thousand, except per unit amounts.

(c) Judgments and estimates

The preparation of these interim financial statements in accordance with IFRS requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of these interim financial statements and the reported amounts of revenues and expenses during the reporting periods presented. Actual results may differ from estimates made in these interim financial statements.

Judgments are made in the selection and assessment of CT REIT's accounting policies. Estimates are used mainly in determining the measurement of recognized transactions and balances. Estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Judgment and estimates are often interrelated. CT REIT's judgments and estimates are continually re-evaluated to ensure they remain appropriate. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Details of the accounting policies subject to judgments and estimates that CT REIT believes could have the most significant impact on the amounts recognized in these interim financial statements are described in Note 2 to CT REIT's 2020 audited annual consolidated financial statements. Judgments and estimates made related to the Pandemic are detailed in Note 3 below.

(d) Standards, amendments and interpretations issued and not yet adopted

The following amendments have been issued but are effective for annual reporting periods beginning on or after January 1, 2023 and, accordingly, have not been applied in preparing these financial statements.

Improving accounting policy disclosures and clarifying distinction between accounting policies and accounting estimates (Amendments to IAS 1 and IAS 8)

In February 2021, the International Accounting Standards Board ("IASB") issued narrow-scope amendments to IAS 1 Presentation of Financial Statements, IFRS Practice Statement 2 Making Materiality Judgements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to IAS 8 clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. CT REIT is assessing the potential impact of these amendments.

3. THE PANDEMIC

The global spread of the coronavirus (Covid-19) disease (the "Pandemic") continues to impact the Canadian and global economies, as well as the REIT's business and operations. The REIT continues to remain committed to the health and safety of its employees and tenants, as well as its tenants' employees and customers. Many of the measures that were introduced at the outset of the Pandemic to reduce the spread of the virus, remain in place, including REIT employees continuing to work from home. The REIT may be required to take further actions in response to directives of government and public health authorities or that are in the best interests of its employees and tenants, as well as its tenants' employees and customers.

Since the onset of the Pandemic, certain operating restrictions have been imposed on many of the REIT's tenants, including CTC. Due to restrictions announced in certain jurisdictions at the end of Q4 2020, certain Canadian Tire stores remained temporarily closed at the beginning of Q1 2021 until such restrictions were lifted. In April 2021, certain jurisdictions once again announced additional mandated closures of non-essential retail stores, which impacted CTC. The Canadian Tire stores which remain open continue to operate with various combinations of restrictions on products being sold, restricted operating hours, enhanced cleaning protocols and measures to support physical distancing. Those Canadian Tire stores which are now temporarily closed, as required by current government guidelines and restrictions, remain open to curbside pickup in support of online sales and delivery to home. Regardless of operating status, there have been no rental interruptions, abatements or deferrals impacting rent collections from these stores.

The following are the accounting policies that are subject to judgments and estimates that have been impacted by the Pandemic.

Valuation of Investment Properties

Given the continuously evolving circumstances surrounding the Pandemic, it is difficult to predict with certainty the nature, duration, and extent of the Pandemic and the extent of the impact on the operations of CT REIT's tenants and the REIT's results. The impact of the Pandemic is highly dependent on future developments, which include among other things, emerging information concerning the Pandemic, the third and potential future waves of the Pandemic, and the actions required to contain or manage its impact.

The REIT's assessment of the value of its investment properties, as at March 31, 2021, was reflected in the fair value adjustment of investment properties taken in the quarter.

In determining the fair value of investment properties for these financial statements, management considered, among other factors, the impact of the Pandemic on its tenant base. On a quarterly basis, management reviews the cash flow assumptions and investment metrics for those properties within its the portfolio. The impact of this review is reflected in the fair value adjustment on investment properties and should be considered together with the sensitivity analysis included in Note 4.

Tenant Receivables

In assessing the adequacy of the credit losses on tenant receivables for these financial statements, management has considered the likelihood of collection of current receivables given the impact of the Pandemic on tenant operations.

The federal government’s primary measure currently in place to support small and medium-sized businesses significantly impacted by the Pandemic is the Canada Emergency Rent Subsidy (“CERS”), announced in late 2020 with an end date of June 2021. In the 2021 Federal Budget, the federal government extended CERS to September 2021, subject to official enactment and implementation. CERS is provided directly to tenants on a sliding scale up to a maximum of 65% of eligible expenses, thereby supporting property owners with rental payments from CERS subsidized amounts. In addition to the 65% subsidy, a 25% CERS top-up is available to tenants who are temporarily closed by a mandatory public health order issued by a qualifying public health authority. These subsidy amounts and eligibility requirements for qualifying periods after July 4, 2021 have been amended in the 2021 Federal Budget.

For the three months ended March 31, 2021, the REIT incurred $0.4 million (Q1 2020 - nil) of expected credit losses related to tenants who had been significantly impacted by the Pandemic.

4. INVESTMENT PROPERTIES

The following table summarizes CT REIT's property portfolio:

	Three Months Ended March 31, 2021			Year Ended December 31, 2020		
	Income-producing properties	**Properties Under Development**	**Total investment properties**	Income-producing properties	Properties Under Development	Total investment properties
Balance, beginning of period	**6,083,145**	**57,855**	**6,141,000**	5,932,864	74,118	6,006,982
Property acquisitions (including transaction costs)	**10,583**	**—**	**10,583**	131,762	—	131,762
Intensifications	**—**	**1,528**	**1,528**	—	23,047	23,047
Developments	**—**	**651**	**651**	—	53,197	53,197
Capitalized interest and property taxes	**—**	**129**	**129**	—	1,283	1,283
Transfers from PUD	**1,568**	**(1,568)**	**—**	111,224	(111,224)	—
Transfers to PUD [1]	**—**	**—**	**—**	(17,434)	17,434	—
Transfer to asset held for sale [2]	**—**	**—**	**—**	(20,600)	—	(20,600)
Right-of-use assets [3]	**—**	**—**	**—**	5,403	—	5,403
Fair value adjustment on investment properties	**4,346**	**—**	**4,346**	(87,359)	—	(87,359)
Straight-line rent	**1,734**	**—**	**1,734**	10,014	—	10,014
Recoverable capital expenditures	**1,029**	**—**	**1,029**	18,091	—	18,091
Dispositions	**—**	**—**	**—**	(820)	—	(820)
Balance, end of period	**$ 6,102,405**	**$ 58,595**	**$ 6,161,000**	$ 6,083,145	$ 57,855	$ 6,141,000

[1] Relates to Toronto (Canada Square), Ontario.

[2] In January 2021, CT REIT sold its Arnprior Mall property in Arnprior, Ontario.

[3] Reflects impact of Toronto (Canada Square), Ontario increase in ownership to 50% interest from 33% interest.

Investment properties are measured at fair value, determined using the discounted cash flow method. Under this methodology, discount rates are applied to the projected annual operating cash flows, generally over a minimum term of ten years, including a terminal valued based on a capitalization rate applied to the estimated net operating income in the terminal year. The portfolio is internally valued each quarter with external appraisals performed for a portion of the portfolio on a bi-annual basis. Approximately 80% (by value) of the property portfolio is appraised externally by an independent national real estate appraisal firm over a four-year period.

Included in the property portfolio are 10 (December 31, 2020 – 10) properties which are situated on ground leases with remaining initial terms up to 35 years (December 31, 2020 – up to 35 years), and an average remaining initial term of 15 years (December 31, 2020 – 15 years).

The investment property balance includes right-of-use assets of $68,033 as of March 31, 2021 (December 31, 2020 - $68,270).

The fair value of investment properties is based on Level 3 inputs (see Note 21 (a) to the REIT's 2020 audited annual consolidated financial statements for definition of levels). There have been no transfers between levels during the period.

The significant inputs used to determine the fair value of CT REIT's income-producing properties using the discounted cash flow method are as follows:

	Three Months Ended March 31, 2021	Year Ended December 31, 2020
Number of properties	**363**	363
Value at the period end	**$ 6,161,000**	$ 6,141,000
Discount rate[1]	**7.15 %**	7.15 %
Terminal capitalization rate[1]	**6.67 %**	6.67 %
Hold period (years)	**12**	12

[1] Weighted average rate based on the fair value as at the period end date

The estimates of fair value are sensitive to changes in the investment metrics and forecasted future cash flows for each property. The sensitivity analysis in the table below indicates the approximate impact on the fair value of the property portfolio resulting from changes in the terminal capitalization and discount rates assuming no changes in other inputs.

	Three Months Ended March 31, 2021		Year Ended December 31, 2020	
Rate sensitivity	**Fair value**	**Change in fair value**	Fair value	Change in fair value
+ 75 basis points	**$ 5,568,000**	**$ (593,000)**	$ 5,545,000	$ (596,000)
+ 50 basis points	**5,763,000**	**(398,000)**	5,742,000	(399,000)
+ 25 basis points	**5,988,000**	**(173,000)**	5,967,000	(174,000)
Period ended	**$ 6,161,000**	**$ —**	$ 6,141,000	$ —
- 25 basis points	**6,393,000**	**232,000**	6,371,000	230,000
- 50 basis points	**6,646,000**	**485,000**	6,623,000	482,000
- 75 basis points	**$ 6,926,000**	**$ 765,000**	$ 6,898,000	$ 757,000

2021 Investment and Development Activity

Funding of investment and development activities for the three months ended March 31, 2021 was as follows:

	Q1 2021 Investment and Development Activity			
	Property investments	**Developments**	**Intensifications**	Total
Funded with working capital to CTC	**$ 3,000**	**$ —**	**$ 566**	**$ 3,566**
Funded with working capital to third parties	**703**	**651**	**962**	**2,316**
Capitalized interest and property taxes	**—**	**129**	**—**	**129**
Issuance of Class B LP Units to CTC	**6,880**	**—**	**—**	**6,880**
Total costs	**$ 10,583**	**$ 780**	**$ 1,528**	**$ 12,891**

2020 Investment and Development Activity

Funding of investment and development activities for the year ended December 31, 2020 was as follows:

	2020 Investment and Development Activity			
	Property investments	Developments	Intensifications	Total
Funded with working capital to CTC	$ 3,050	$ 38,091	$ 20,765	$ 61,906
Funded with working capital to third parties	22,825	15,106	2,282	$ 40,213
Funded with CTC Credit Facilities	63,200	—	—	$ 63,200
Capitalized interest and property taxes	—	1,283	—	$ 1,283
Issuance of Class B LP Units to CTC	24,120	—	—	$ 24,120
Mortgage payable	18,567	—	—	$ 18,567
Total costs	$ 131,762	$ 54,480	$ 23,047	$ 209,289

5. CLASS C LP UNITS

The Class C LP Units entitle the holder to a fixed cumulative monthly payment, during the fixed rate period for each Series of Class C LP Units (the "Current Fixed Rate Period"). Such payments are made in priority to distributions made to holders of the Class B LP Units and units representing an interest in CT REIT GP Corp. ("GP"), subject to certain exceptions.

On expiry of the Current Fixed Rate Period applicable to each series of Class C LP Units, and each five-year period thereafter, each such series of Class C LP Units is redeemable at par (together with all accrued and unpaid payments thereon) at the option of the Partnership or the holder, upon giving at least 120 days' prior notice. The Partnership also has the ability to settle any of the Class C LP Units at any time at a price equal to the greater of par and a price to provide a yield equal to the then equivalent Government of Canada bond yield plus a spread, so long as such redemption is in connection with a sale of properties.

During the five-year period beginning immediately following the completion of the initial fixed rate period, and each five-year period thereafter, if not redeemed, the fixed payment rate for Class C LP Units will be reset, and the holders of Class C LP Units will be entitled, subject to certain conditions, to elect either a fixed rate or variable rate option.

Such redemptions of Class C LP Units (other than upon a change of control of CT REIT) can be settled at the option of the Partnership, in cash or Class B LP Units of equal value.

The Partnership did not settle any Class C LP Units in Q1 2021.

The following table presents the details of the Class C LP Units:

Series	**Expiry of Current Fixed Rate Period**	**Annual distribution rate during Current Fixed Rate Period**	**Carrying amount at March 31, 2021**	Carrying amount at December 31, 2020
Series 3	May 31, 2025	2.37 %	**$ 200,000**	$ 200,000
Series 4	May 31, 2024	4.50 %	**200,000**	200,000
Series 5	May 31, 2028	4.50 %	**200,000**	200,000
Series 6	May 31, 2031	5.00 %	**200,000**	200,000
Series 7	May 31, 2034	5.00 %	**200,000**	200,000
Series 8	May 31, 2035	5.00 %	**200,000**	200,000
Series 9	May 31, 2038	5.00 %	**200,000**	200,000
Series 16	May 31, 2025	2.37 %	**16,550**	16,550
Series 17	May 31, 2025	2.37 %	**18,500**	18,500
Series 18	May 31, 2025	2.37 %	**4,900**	4,900
Series 19	May 31, 2025	2.37 %	**11,600**	11,600
Weighted average / Total		4.41 %	**$ 1,451,550**	$ 1,451,550
Current			**$ —**	$ —
Non-current			**1,451,550**	1,451,550
Total			**$ 1,451,550**	$ 1,451,550

The weighted average rate of the aggregate capital amount ascribed to the Class C LP Units was 4.41% as at March 31, 2021.

For the three months ended March 31, 2021, interest expense of $15,991 (Q1 2020 - $17,055), was recognized in respect of the Class C LP Units (see Note 13). The holders of the Class C LP Units may elect to defer receipt of all or a portion of distributions declared by CT REIT until the first business day following the end of the fiscal year. If the holder so elects to defer receipt of payments, CT REIT will loan the holder an amount equal to the deferred payment without interest, and the loan will be due and payable in full on the first business day following the end of the fiscal year in which the loan was advanced, the holder having irrevocably directed that any payment of the deferred payments be applied to repay such loans. At the election of the holder, payments on the Class C LP Units for the three months ended March 31, 2021 of $10,660 (Q1 2020 – $11,278), were deferred until the first business day following the end of the fiscal year and non-interest bearing loans equal to the deferred payments were advanced. The net amount of payments due in respect of the Class C LP Units at

March 31, 2021 of $5,330 (December 31, 2020 – $5,330) is included in other liabilities on the Condensed Consolidated Balance Sheets.

6. MORTGAGES PAYABLE

Mortgages payable, secured by certain investment properties, include the following:

				March 31, 2021				December 31, 2020
		Face value		**Carrying amount**		Face value		Carrying amount
Current	**$**	**424**	**$**	**519**	$	420	$	514
Non-current		**65,306**		**65,309**		65,415		65,442
Total	**$**	**65,730**	**$**	**65,828**	$	65,835	$	65,956

Future repayments are as follows:		**Principal amortization**		**Maturities**		**Total**
2021	$	315	$	—	$	315
2022		255		9,460		9,715
2023				55,700		55,700
Total contractual obligation	$	570	$	65,160	$	65,730
Unamortized portion of mark to market on mortgages payable assumed on the acquisition of properties						184
Unamortized transaction costs						(86)
					$	65,828

Mortgages payable have interest rates that range from 1.82% to 4.50%, and have maturity dates that range from July 2022 to March 2023. Mortgages payable at March 31, 2021 had a weighted average interest rate of 2.23% (December 31, 2020 – 2.27%). At March 31, 2021, variable rate and fixed rate mortgages were $55,700 (December 31, 2020 – $55,700) and $10,030 (December 31, 2020 – $10,236), respectively.

Investment properties having a fair value of $138,883 (December 31, 2020 – $138,143) have been pledged as security for mortgages payable.

7. DEBENTURES

	March 31, 2021				December 31, 2020			
Series		Face value		Carrying amount		Face value		Carrying amount
A, 2.85%, June 9, 2022	**$**	**150,000**	**$**	**149,800**	$	150,000	$	149,777
B, 3.53%, June 9, 2025		**200,000**		**199,277**		200,000		199,255
C, 2.16%, June 1, 2021		**—**		**—**		150,000		150,000
D, 3.29%, June 1, 2026		**200,000**		**199,285**		200,000		199,266
E, 3.47%, June 16, 2027		**175,000**		**174,276**		175,000		174,257
F, 3.87%, December 7, 2027		**200,000**		**199,179**		200,000		199,080
G, 2.37%, January 6, 2031		**150,000**		**149,049**		—		—
Total	**$**	**1,075,000**	**$**	**1,070,866**	**$**	**1,075,000**	**$**	**1,071,635**
Current	**$**	**—**	**$**	**—**	$	150,000	$	150,000
Non-current	**$**	**1,075,000**	**$**	**1,070,866**	$	925,000	$	921,635
Total	**$**	**1,075,000**	**$**	**1,070,866**	$	1,075,000	$	1,071,635

Debentures as at March 31, 2021, had a weighted average interest rate of 3.28% (December 31, 2020 – 3.25%).

On January 6, 2021, CT REIT completed the issuance of $150,000 of Series G unsecured debentures with a ten-year term and a coupon of 2.371% per annum. On January 10, 2021, the net proceeds, along with cash on hand, were used to redeem the Series C senior unsecured debentures in the aggregate principal amount of $150,000 with a coupon of 2.159% due June 1, 2021.

For the three months ended March 31, 2021, amortization of transaction costs of $199 (March 31, 2020 – $218) are included in net interest and other financing charges on the Condensed Consolidated Statements of Income and Comprehensive Income (see Note 13).

8. CREDIT FACILITIES

CT REIT's draws on its credit facilities are comprised of the following:

		March 31, 2021		December 31, 2020
Bank Credit Facility	**$**	**—**	$	—
CTC Credit Facility		**42,000**		63,200
	$	**42,000**	$	63,200

(a) Bank Credit Facility

CT REIT has a committed, unsecured $300,000 revolving credit facility with a syndicate of major Canadian third-party banks ("Bank Credit Facility") expiring in December 2024. The Bank Credit Facility bears interest at a rate based on the bank's prime rate of interest or bankers' acceptances plus a margin. A standby fee is charged on the Bank Credit Facility.

As at March 31, 2021 the Bank Credit Facility had no amounts drawn under the revolving credit facility, and $5,805 (December 31, 2020 – $5,564) of outstanding letters of credit.

(b) CTC Credit Facility

CT REIT has an uncommitted, unsecured $300,000 revolving credit facility with CTC ("CTC Credit Facility") expiring in December 2021, unless otherwise renewed. The CTC Credit Facility bears interest at a rate based on the bank's prime rate of interest or bankers' acceptances plus a margin.

As at March 31, 2021, $42,000 of borrowings were drawn on the CTC Credit Facility (December 31, 2020 – 63,200). As at March 31, 2021, borrowings under the CTC Credit Facility had an interest rate of 2.61% (December 31, 2020 – 2.45%).

The Bank Credit Facility and the CTC Credit Facility are collectively referred to as the "Credit Facilities".

9. EQUITY

Authorized and outstanding units

CT REIT is authorized to issue an unlimited number of Units.

The following tables summarize the changes in Units and Class B LP Units:

			As at March 31, 2021
	Units	**Class B LP Units**	**Total**
Total outstanding at beginning of year	**105,103,391**	**125,866,203**	**230,969,594**
Units issued [1]	**300,487**	**420,118**	**720,605**
Total outstanding at end of period	**105,403,878**	**126,286,321**	**231,690,199**

[1] 300,487 issued pursuant to the REIT's distribution reinvestment plan.

			As at December 31, 2020
	Units	Class B LP Units	Total
Total outstanding at beginning of year	103,927,385	124,289,491	228,216,876
Units issued [1]	1,176,006	1,576,712	2,752,718
Total outstanding at end of year	105,103,391	125,866,203	230,969,594

[1] 1,176,006 issued pursuant to the REIT's distribution reinvestment plan.

Net income attributable to Unitholders and weighted average units outstanding used in determining basic and diluted net income per unit for three months ended March 31, 2021 and 2020, are calculated as follows, respectively:

	For the three months ended March 31, 2021		
	Units	**Class B LP Units**	**Total**
Net income attributable to Unitholders - basic	**$ 33,955**	**$ 40,603**	**$ 74,558**
Income effect of settling Class C LP Units with Class B LP Units			**15,991**
Net income attributable to Unitholders - diluted			**$ 90,549**
Weighted average units outstanding - basic	**105,255,760**	**125,870,871**	**231,126,631**
Dilutive effect of other Unit plans			**295,024**
Dilutive effect of settling Class C LP Units with Class B LP Units			**90,277,821**
Weighted average units outstanding - diluted			**321,699,476**

	For the three months ended March 31, 2020		
	Units	Class B LP Units	Total
Net income attributable to Unitholders - basic	$ 19,679	$ 23,517	$ 43,196
Income effect of settling Class C LP Units with Class B LP Units			17,055
Net income attributable to Unitholders - diluted			$ 60,251
Weighted average units outstanding - basic	104,061,154	124,289,491	228,350,645
Dilutive effect of other Unit plans			246,256
Dilutive effect of settling Class C LP Units with Class B LP Units			120,351,613
Weighted average units outstanding - diluted			348,948,514

Distributions on Units and Class B LP Units

The following table presents total distributions paid on Units and Class B LP Units:

For the three months ended March 31,	**2021**	2020
	Distributions per unit	Distributions per unit
Units	**$ 0.201**	$ 0.197
Class B LP Unit	**$ 0.201**	$ 0.197

On March 15, 2021, CT REIT's Board declared a distribution of $0.06693 per unit payable on April 15, 2021 to holders of Units and Class B LP Units of record as of March 31, 2021.

On April 15, 2021, CT REIT's Board declared a distribution of $0.06693 per unit payable on May 17, 2021 to holders of Units and Class B LP Units of record as of April 30, 2021.

Details and descriptions of the Units, and Class B LP Units are available in Note 11 of CT REIT's 2020 audited annual consolidated financial statements.

10. NON-CONTROLLING INTERESTS

Details of non-wholly owned subsidiaries of CT REIT that have material non-controlling interests are as follows:

	Proportion of ownership interests held by non-controlling interests		Net income and comprehensive income allocated to non-controlling interests	
	As at March 31, 2021	As at March 31, 2020	**For the three months ended March 31, 2021**	For the three months ended March 31, 2020
Name of Subsidiary				
CT REIT Limited Partnership	**54.51 %**	54.39 %	**$ 40,603**	$ 23,517

There are no restrictions on CT REIT's ability to access or use the assets and settle the liabilities of its subsidiaries and there are no contractual arrangements that could require CT REIT to provide financial support to its subsidiaries.

11. REVENUES AND EXPENSES

(a) Property revenue

The components of property revenue are as follows:

	CTC	**Other**	**For the three months ended March 31, 2021**
Base minimum rent	**$ 89,238**	**$ 8,550**	**$ 97,788**
Straight-line rent	**1,417**	**317**	**1,734**
Subtotal base rent	**$ 90,655**	**$ 8,867**	**$ 99,522**
Property operating expense recoveries	**22,991**	**4,563**	**27,554**
Capital expenditure and interest recovery charge	**2,592**	**35**	**2,627**
Other revenues	**1**	**199**	**200**
Property revenue	**$ 116,239**	**$ 13,664**	**$ 129,903**

	CTC	Other	For the three months ended March 31, 2020
Base minimum rent	$ 85,144	$ 8,634	$ 93,778
Straight-line rent	2,374	215	2,589
Subtotal base rent	$ 87,518	$ 8,849	$ 96,367
Property operating expense recoveries	22,598	4,785	27,383
Capital expenditure and interest recovery charge	2,581	48	2,629
Other revenues	—	466	466
Property revenue	$ 112,697	$ 14,148	$ 126,845

(b) Property expense

The major components of property expense consist of property taxes and other recoverable operating costs:

For the three months ended March 31,		2021		2020
Property taxes	$	23,979	$	23,661
Operating costs		4,380		4,433
Property management [1]		786		843
Property expense	$	29,145	$	28,937

[1] Includes $152 (2020 - $212) payable to CTC. See Note 17.

12. GENERAL AND ADMINISTRATIVE EXPENSE

General and administrative expense is comprised of the following:

For the three months ended March 31,		2021		2020
Personnel expense [1]	$	2,081	$	1,279
Services Agreement with CTC [2]		287		331
Public entity and other [1]		1,609		1,373
General and administrative expense	$	3,977	$	2,983

[1] Includes unit-based awards including loss (gain) adjustments as a result of the change in the fair market value of the Units of $352 (2020 - $(1,607)) for the three months ended March 31, 2021.

[2] See Note 17.

13. NET INTEREST AND OTHER FINANCING CHARGES

Net interest and other financing charges are comprised of the following:

For the three months ended March 31,		2021		2020
Interest on Class C LP Units [1]	$	**15,991**	$	17,055
Interest and financing costs - debentures		**9,058**		9,031
Interest and financing costs - Credit Facilities [2]		**412**		254
Interest on mortgages payable		**340**		559
Interest on lease liabilities		**901**		908
	$	**26,702**	$	27,807
Less: capitalized interest		**(129)**		(243)
Interest expense and other financing charges	$	**26,573**	$	27,564
Less: interest income		**(4)**		(76)
Net interest and other financing charges	$	**26,569**	$	27,488

[1] *Paid or payable to CTC.*

[2] *See Note 17.*

14. CHANGES IN WORKING CAPITAL AND OTHER

Changes in working capital are comprised of the following:

For the three months ended March 31,		2021		2020
Changes in working capital and other				
Tenant and other receivables	$	**(5,277)**	$	(5,904)
Other assets		**(3,107)**		(3,886)
Other liabilities		**7,774**		15,122
Other		**40**		112
Changes in working capital and other	$	**(570)**	$	5,444

15. SEGMENTED INFORMATION

CT REIT has one segment for financial reporting purposes which comprises the ownership and management of primarily net leased single-tenant retail investment properties located across Canada.

16. COMMITMENTS AND CONTINGENCIES

CT REIT has agreed to indemnify, in certain circumstances, the trustees and officers of CT REIT and its subsidiaries.

As at March 31, 2021, CT REIT had obligations of $181,878 (December 31, 2020 – $132,715) in future payments for the completion of developments. Included in the commitments is $146,544 due to CTC.

17. RELATED-PARTY TRANSACTIONS

In the normal course of operations, CT REIT enters into various transactions with related parties that have been measured at amounts agreed to between the parties and are recognized in the consolidated financial statements.

(a) Arrangements with CTC

Services Agreement

Under the services agreement among the Partnership and CTC entered into on October 23, 2013 ("Services Agreement"), CTC provides the REIT with certain administrative, information technology, internal audit and other support services as may be reasonably required from time to time (the "Services"). CTC provides these Services to the REIT on a cost recovery basis pursuant to which CT REIT reimburses CTC for all costs and expenses incurred by CTC in connection with providing the Services, plus applicable taxes. The Services Agreement is automatically renewable for one year terms, unless otherwise terminated in accordance with its terms. The Services Agreement was automatically renewed for 2021 and CTC will continue to provide such Services on a cost recovery basis.

Property Management Agreement

Under the property management agreement, among the Partnership and CTC entities entered into on October 23, 2013 ("Property Management Agreement"), CTC provides the REIT with certain property management services (the ''Property Management Services''). CTC provides these Property Management Services to the REIT on a cost recovery basis pursuant to which the REIT reimburses CTC for all costs and expenses incurred by CTC in connection with providing the Property Management Services, plus applicable taxes. The Property Management Agreement is automatically renewable for one year terms, unless otherwise terminated in accordance with its terms. The Property Management Agreement was automatically renewed for 2021 and CTC will continue to provide such Property Management Services on a cost recovery basis.

CTC Credit Facility

CT REIT entered into the CTC Credit Facility, which is automatically renewed for one year terms, unless otherwise terminated in accordance with its terms. The CTC Credit Facility was renewed for 2021, and expires on December 31, 2021. The CTC Credit Facility bears interest at a rate based on the bank's prime rate of interest or bankers' acceptances, plus a margin.

(b) Transactions and balances with related parties

Transactions with CTC are comprised of the following, excluding acquisition, intensification and development activities with CTC which are contained in Note 4:

For the three months ended March 31,	Note		**2021**		2020
Rental revenue	11	**$**	**116,239**	$	112,697
Property Management and Services Agreement expense		**$**	**439**	$	543
Distributions on Units		**$**	**6,825**	$	6,691
Distributions on Class B LP Units [1]		**$**	**25,273**	$	24,468
Interest expense on Class C LP Units	13	**$**	**15,991**	$	17,055
Interest expense on the CTC Credit Facility	13	**$**	**100**	$	—

[1] *Includes distributions deferred at the election of the holders of the Class B LP Units.*

The net balance due to CTC is comprised of the following:

As at		March 31, 2021		December 31, 2020
Tenant and other receivables	$	**(9,033)**	$	(1,549)
Class C LP Units		**1,451,550**		1,451,550
Amounts payable on Class C LP Units		**15,991**		65,228
Loans receivable in respect of payments on Class C LP Units		**(10,660)**		(59,898)
Other liabilities		**8,757**		29,467
Distributions payable on Units and Class B LP Units [1]		**14,699**		31,343
Loans receivable in respect of distributions on Class B LP Units		**(3,999)**		(20,643)
CTC Credit Facility [2]		**42,000**		63,200
Net balance due to CTC	**$**	**1,509,305**	$	1,558,698

[1] Includes distributions deferred at the election of the holders of the Class B LP Units.

[2] See Note 8.

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair value of the Class C LP Units is determined by discounting contractual principal and interest payments at estimated current market interest rates for the instrument. Current market interest rates are determined with reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risks.

The fair value of the Class C LP Units, debentures and mortgages payable at March 31, 2021, is $1,637,534, $1,124,211 and $67,226, respectively. The fair value measurement of the Class C LP Units and mortgages payable is based on Level 2 inputs. The significant inputs used to determine the fair value of the Class C LP Units and mortgages payable are interest rates, term to maturity, and credit spreads. The debentures are actively traded on the secondary market and the fair value is determined using Level 1 inputs. There have been no transfers during the period between levels.

Financial assets consist of cash and cash equivalents, tenant and other receivables and deposits which are classified at amortized cost. Financial liabilities, other than those discussed in the preceding paragraph, consist of other liabilities, Credit Facilities and distributions payable, which are carried at amortized cost, except for liabilities for unit-based compensation plans which are included in other liabilities and are carried at fair value, equivalent to the trading price of Units, which is a Level 1 input. The carrying amounts of the liabilities for the unit-based compensation plans approximate their fair value due to their short-term nature.

19. CAPITAL MANAGEMENT AND LIQUIDITY

CT REIT's objectives when managing capital are to ensure access to capital and sufficient liquidity is available to support ongoing property operations, developments and acquisitions while generating reliable, durable and growing monthly cash distributions on a tax-efficient basis to maximize long-term Unitholder value.

The definition of capital varies from entity to entity, industry to industry and for different purposes. CT REIT's strategy and process for managing capital is driven by requirements established under its declaration of trust as amended and restated as of October 22, 2013 and as further amended and restated as of April 5, 2020 and as may be further amended from time to time ("Declaration of Trust"), the trust indenture dated June 9, 2015, as supplemented by supplemental indentures thereto (collectively, the “Trust Indenture”) and the Credit Facilities.

As at March 31, 2021, CT REIT was in compliance with the financial covenants contained in the Declaration of Trust, the Credit Facilities, and the Trust Indenture.

CORPORATE INFORMATION

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For Unitholder inquiries related to participation in the distribution reinvestment plan, electronic delivery of Unitholder documents, distribution payments or direct deposit of distributions into your Canadian bank account, change of address, transfer of Units, consolidation of multiple mailings to one Unitholder, estate settlements or for other Unitholder account inquiries, please contact the principal offices of Computershare Trust Company of Canada in Halifax, Montreal, Toronto, Calgary or Vancouver.