NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

For the three and nine months ended SEPTEMBER 30, 2015

November 12, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

CEO'S MESSAGE

The third quarter of 2015 marks the first full combined quarter for NorthWest Healthcare Properties REIT (the "**REIT**") and its unitholders following the May 15, 2015 Combination Transaction with NorthWest International Healthcare Properties REIT.

For the three months ended September 30, 2015, the REIT delivered strong financial and operating results with key highlights as follows:

- AFFO per unit for the quarter of $0.20, or $0.80 ($0.84 normalized) on an annualized basis;
- AFFO payout ratio of 99.8% (95.7% normalized) for the quarter;
- Strong portfolio occupancy of 95.8%, led by the international portfolio occupancy of 98.1%;
- Weighted average lease expiry of 9.9 years, underpinned by the international portfolio with a weighted average lease expiry of 15.1 years;
- Same property NOI growth, relative to the same quarter last year, in source currency, of 3.5% driven largely by inflation indexation adjustments on leases at the REIT's international assets; and,
- Net asset value of $9.49/unit, down approximately 1% from Q2-2015 as a result of currency fluctuations offset by positive revaluations on the REIT's assets.

With third quarter and year to date results solidly on plan, the REIT continues focus on its near-term integration priorities with a goal of improving both its portfolio quality and financial profile. Significant progress includes:

- Selling or entering firm contracts to sell an additional 5 (for a total of 8) of 17 identified non-core Canadian assets totaling $43M which are expected to generate $20M of net proceeds and close by Q1-2016;
- Refinancing $105M of $275M of property level debt with an estimated annual interest rate savings of $1.6M ($0.02/unit) and extended maturity profile;
- Completed $26M (Hurstville Private Hospital, Sydney Australia) of $175M accretive expansion projects with the balance of the projects tracking to plan; and,
- Completed two corporate financing initiatives, firstly renewing and increasing its revolving credit facility to $75M with two Canadian banks, and secondly, issuing $53M of convertible debentures which collectively provides the REIT with enhanced liquidity.

For the remainder of the 2015, the REIT is focused on closing the transactions noted above as well as recycling capital to reduce debt and fund select acquisitions. Additionally, given the current capital markets backdrop, the REIT continues to see an opportunity to repurchase units at a significant discount to their underlying value under its Normal Course Issuer Bid and renewed automatic securities purchase plan.

The REIT is also focused on improving investor understanding of its recently acquired international healthcare real estate assets. To this end, it hosted institutional investors and research analysts in Germany and Brazil during October 2015 where the REIT was able to showcase its high-quality portfolio of medical office buildings and hospitals. Located in the major markets of Berlin, Rio de Janiero and Sao Paulo, the properties are positively differentiated by their core, healthcare infrastructure qualities that provide the REIT with long-term, inflation-indexed cash flow from secure, credit tenants. Going forward, we expect to continue this process with further tours in Canada, Australia and New Zealand.

For these reasons, we believe the REIT is well positioned to offer unitholders stable, growing returns through a high quality portfolio of defensive international healthcare real estate. Furthermore, with demographic trends, healthcare fundamentals and local market conditions supportive of growing demand for healthcare real estate, we expect that attractive intensification and acquisition opportunities will be available to the REIT over time. Our team looks forward to executing on this differentiated strategy as it seeks to build a leading global healthcare real estate company.

Sincerely,

(signed) Paul Dalla Lana
Chief Executive Officer

SUMMARY – THIRD QUARTER ENDED SEPTEMBER 30, 2015

The Combination Transaction between the REIT and NWI was completed on May 15, 2015 and has been accounted for as a business combination. The REIT is the legal acquirer, however, NWI has been identified as the accounting acquirer of the REIT (see **PART I - BASIS OF PRESENTATION**). Accordingly the financial results for the third quarter of 2015 reflect the following:

- Financial results of NWI for the three and nine months ended September 30, 2015 which includes the consolidation of Vital Trust on a 100% basis and applicable recognition of the approximate 76% non-controlling interest;
- Financial results of the business formerly known as NorthWest Healthcare Properties Real Estate Investment Trust, and now defined as the REIT's Canada segment, on an equity accounted basis for the period January 1, 2015 to May 14, 2015 (representing NWI's former approximate 26% interest in the REIT);
- Financial results for the REIT's Canada segment from the period May 15 to September 30, 2015; and
- Any consolidation and adjustments necessary to effect the business combination, all more fully described in this MD&A and in the REIT's condensed consolidated interim unaudited financial statements for the three and nine months ended September 30, 2015.

On the following page is a summary of the REIT's reported AFFO as well as the REIT's Normalized AFFO (both defined hereafter in **PART I - BASIS OF PRESENTATION - PERFORMANCE MEASUREMENT**). Normalized AFFO provides, in management's view, an annualized view of the REIT's AFFO, adjusted for the full year effect of transactions occurring in the current quarter and adjusted for other items management believes are non-recurring or seasonal in nature and estimated based on management's expectations on a normalized level of activity.

Adjustments to AFFO to reconcile to Normalized AFFO are as follows:

AFFO HIGHLIGHTS FOR Q3'15				
		$000's		**Per Unit**
AFFO as reported	$	14,428		
AFFO as reported - Annualized	**$**	**57,713**	**$**	**0.80**
Normalization adjustments:				
Interest rate savings [(1)]		1,613		
Integration synergies [(2)]		730		
Run rate adjustments [(3)]		2,248		
Non-recurring items [(4)]		(2,331)		
Normalized AFFO	**$**	**59,973**	**$**	**0.84**
Weighted Average Units Outstanding (000s)- September 30, 2015		71,748		

Notes

(1) Interest rate savings associated with: 1) repayment of the Brazil term loan (8.95%), related to the REIT's HMB asset ($4,218), with proceeds from the 5.50% Series D Convertible Debenture issuance (-$2,750); 2) Annualized impact of in quarter refinancings of the REIT's properties located in Berlin and Fulda, Germany ($145).

(2) Expected general and administrative synergies.

(3) Represents the full year effect of items recognized in the quarter that are seasonal and full year effect of items that will have an impact on future quarters including: 1) the estimated impact of increased revenues due to accrued indexation on Brazil's leases ($1,958); increases to the Vital Manager's base management fees due to the valuation increase in Vital Trust's investment properties ($58); the impact of increased revenue due to accrued indexation on Vital Trust's leases, stated at the REIT's proportionate share interest of 24% ($178); the impact on interest expense associated with financing NCIB (-$10); timing of general and administrative items ($64).

(4) Represents items that management views as non-recurring impacting AFFO, representing adjustments to accruals relating to prior periods that will not have an on-going impact in future quarters (-$2,331).

The preceding Normalized AFFO information is not necessarily indicative of what the REIT's financial position or results of operations will be in future periods. Certain of the adjustments in the table above may be considered to be forward-looking in nature, including, without limitation, the estimated impact of increased revenues due to accrued indexation in Brazil leases and Vital Trust's leases, and items relating expected general and administrative expense synergies. As a result, the discussion in this section is qualified in its entirety by the forward-looking statements set out under **PART I - BASIS OF PRESENTATION - FORWARD-LOOKING INFORMATION ADVISORY.**

PART I - BASIS OF PRESENTATION

This Management's Discussion and Analysis of the results of operations and financial condition ("**MD&A**") of NorthWest Healthcare Properties Real Estate Investment Trust ("**NorthWest REIT**" or the "**REIT**") should be read in conjunction with the REIT's unaudited condensed consolidated interim financial statements and accompanying notes for the three and nine months ended September 30, 2015, prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All amounts are presented in thousands of Canadian dollars, except where otherwise stated. Per unit amounts are presented in Canadian dollars, and are calculated including Class B LP Exchangeable Units and Class D GP Exchangeable Units (as defined hereafter and combined, the "**Exchangeable Units**"), except where otherwise stated.

On May 15, 2015, the REIT completed the plan of arrangement under the Business Corporations Act (Alberta) pursuant to which the REIT and NorthWest International Healthcare Properties REIT ("**NWI**") combined to create a leading global diversified healthcare real estate investment trust with over $2 billion of assets (the "**Combination Transaction**"). The unitholders of NWI received 0.208 of a REIT Trust Unit for each NWI trust unit held, on a tax-deferred basis. All outstanding NWI deferred units were exchanged on the same basis for REIT deferred units. In addition, NWI's exchangeable units were converted into a new class of limited partnership units using the same exchange ratio of 0.208, which are redeemable, at the option of the holder, for REIT trust units. The REIT is the legal acquirer, however, NWI has been identified as the accounting acquirer of the REIT. Accordingly the financial results for the periods prior to completion of the Combination Transaction reflect the results of NWI and the outstanding units and weighted average unit amounts, and associated per unit amounts, for these periods, reflect the capital structure of NWI as adjusted for the exchange ratio of 0.208 (the "**Exchange Ratio**").

This MD&A should also be read in conjunction with the Annual Information Form of the REIT dated March 10, 2015 (the "**Annual Information Form**") and the REIT's Joint Management Information Circular dated April 7, 2015 (the "**Circular**"). This MD&A is current as of November 12, 2015 unless otherwise stated. Additional information relating to the REIT, including its continuous disclosure documents required by the securities regulators, is filed as required on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and can be accessed electronically at www.sedar.com.

Throughout this MD&A the following terms have the meanings set forth below, unless otherwise indicated. Words importing the singular include the plural and vice versa:

- "**Convertible Debentures**" has the meaning set out in the Section "**CAPITAL STRUCTURE – Convertible Debentures**" and includes the following series of convertible debentures:
    a) NWH.DB;
    b) NWH.DB.A;
    c) NWH.DB.B;
    d) NWH.DB.C;
- "**Class B LP Exchangeable Unit**" means a Class B limited partnership unit of NWI Healthcare Properties LP ("**NWI LP**"), exchangeable for Trust Units;
- "**Class D GP Exchangeable Unit**" means a Class D general partnership unit of NWI LP exchangeable for a trust unit of NWI. On January 28, 2015 the Class D GP Exchangeable Units were exchanged for Class B LP Exchangeable Units and the Class D GP Exchangeable Unit certificates were cancelled;
- "**Special Voting Unit**" means a special voting unit of the REIT attached to a Class B LP Exchangeable Unit;
- "**Trust Unit**" or "**REIT Trust Unit**" means a trust unit of the REIT; and
- "**Unitholder**" means a holder of Trust Units and any reference to a Unitholder in the context of such Unitholder's right to vote at a meeting of Unitholders also includes reference to a holder of Special Voting Units.

FORWARD-LOOKING INFORMATION ADVISORY

This MD&A contains forward-looking statements which reflect management's expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance and business prospects and opportunities of the REIT. The words "plans", "expects", "does not expect", "scheduled", "estimates", "intends", "anticipates", "does not anticipate", "projects", "believes", "normalized", "run rate", "contracted", "stabilized", or variations of such words and phrases or statements to the effect that certain actions, events or results "may", "will", "could", "would", "might", "occur", "be achieved" or "continue" and similar expressions identify forward-looking statements. Some of the specific forward-looking statements in this MD&A include, but are not limited to, statements with respect to the following:

- the intention of the REIT to pay stable and growing distributions;
- the ability of the REIT to execute its growth strategies;
- the ability of the REIT to sell assets held for sale;
- the ability of the REIT to refinance maturing debt obligations;
- any projections of financial performance of the REIT for the periods set out herein; including normalized, run-rate, contracted or stabilized metrics ;
- development opportunities;
- the expected tax treatment of the REIT's distributions to Unitholders; and
- the expectations regarding real estate, the healthcare industry and demographic trends.

Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by management of the REIT as of the date of this MD&A, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The REIT's estimates, beliefs and assumptions, which may prove to be incorrect, include the various assumptions set forth herein, including, but not limited to, the REIT's future growth potential, results of operations, future prospects and opportunities, demographic and industry trends remaining unchanged, future levels of indebtedness, the ability to access debt and capital markets, the tax laws as currently in effect remaining unchanged, the current economic and political conditions in the countries in which the REIT operates remaining unchanged, anticipated capital expenditures, future general and administrative expenses (including estimated synergies resulting therefrom) and contracted acquisition, disposition and development opportunities.

When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed under "Risks and Uncertainties" in this MD&A, as well as the section titled "Risk Factors" in the Annual Information Form and the Circular, which are hereby incorporated by reference in this MD&A.

These forward-looking statements are made as of the date of this MD&A and, except as expressly required by applicable law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

NOTICE REGARDING INFORMATION CONCERNING OTHER PUBLIC ENTITIES

The information concerning Vital Healthcare Property Trust ("**Vital Trust**") contained in this MD&A relating to periods prior to January 1, 2015 have been taken from, or is based upon, publicly available documents and records on file with New Zealand regulatory bodies. Although the REIT has no knowledge that would indicate that any of such information is untrue or incomplete, the REIT was not directly involved in the preparation of any such publicly available documents and neither the REIT, nor any of its officers or trustees, assumes any responsibility for the accuracy or completeness of such information or the failure by Vital Trust to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to the REIT.

Effective, January 1, 2015, as a result of the Internalization Transaction (defined hereafter) NWI acquired control of Vital Trust through the acquisition of all of the rights and obligations relating to the management of Vital Trust (the "**Vital Manager**") and as such the REIT is directly involved in the preparation of financial information presented, since this date.

MARKET AND INDUSTRY DATA

This MD&A includes market and industry data and forecasts that were obtained from third-party sources, industry publications and publicly available information. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information.

Although the third-party sources believe it to be reliable, we have not independently verified any of the data from third-party sources referred to in this MD&A, or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic assumptions relied upon by such sources.

PERFORMANCE MEASUREMENT

The key performance indicators by which management measures the REIT's performance are as follows:

- Funds from operations ("**FFO**");
- Adjusted funds from operations ("**AFFO**");
- Normalized AFFO;
- Weighted average lease expiry ("**WALE**");
- Weighted average interest rate;
- Occupancy levels;
- Debt – Declaration of Trust;
- Debt – Including Convertible Debentures;
- Adjusted EBITDA; and
- Net operating income ("**NOI**").

Explanation of Non-IFRS measures used in this MD&A

FFO and AFFO are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies. FFO and AFFO are supplemental measures of a Canadian real estate investment trust's performance and the REIT believes that FFO and AFFO are relevant measures of its ability to earn and distribute cash returns to Unitholders. FFO and AFFO should not be construed as alternatives to net income (loss), or cash flow from operating activities, determined in accordance with IFRS as indicators of the REIT's performance. The IFRS measurement most directly comparable to FFO and AFFO is net income (loss). The REIT's method of calculating FFO and AFFO may differ from other issuers' methods and accordingly may not be comparable to measures used by other issuers.

"**FFO**" is defined as net income (computed in accordance with IFRS), excluding: (i) fair value adjustments on investment properties; (ii) gains (or losses) from sales of investment properties; (iii) amortization of tenant incentives; (iv) fair value adjustments and other effects of redeemable units classified as liabilities; (v) revaluation adjustments of financial liabilities; (vi) acquisition costs expensed as a result of the purchase of a property being accounted for as a business combination; (vii) deferred income tax expense; (viii) Convertible Debentures issuance costs; (ix) goodwill impairment; (x) internal leasing costs; and (xi) strategic transaction costs, all after adjustments for equity accounted entities, joint ventures and non-controlling interests calculated to reflect FFO on the same basis as consolidated properties.

"**AFFO**" is defined as FFO, subject to certain adjustments, including: (i) amortization of fair value mark-to-market adjustments on mortgages acquired; (ii) amortization of deferred financing charges; (iii) compensation expense related to deferred unit incentive plans; (iv) differences, if any, resulting from recognizing property revenues on a straight line basis as opposed to contractual rental amounts, (v) asset management fees, including any incentive amounts, paid through the issuance of units rather than cash; (vi) amortization and adjustments relating to assets expected to provide an economic benefit to the REIT; (vii) adjusting for differences, if any, resulting from recognizing acquired contracts at fair value rather than the contracted rate; (viii) incentive amount expense, and (viii) deducting amounts for tenant inducements, leasing costs, and sustaining capital expenditures, as determined by the REIT. Other adjustments may be made to AFFO as determined by management at their discretion.

We have provided an analysis of FFO and AFFO under **PART III – RESULTS FROM OPERATIONS - ADJUSTED FUNDS FROM OPERATIONS ("AFFO")**.

"**Normalized AFFO"** is a non-IFRS measure which management believes is relevant in representing its ability to earn and distribute cash returns to Unitholders. In addition to the adjusting items to arrive at AFFO, Normalized AFFO also adjusts for the full year effect of transactions occurring in the reporting period and adjusts for other items management believes were non-recurring or seasonal in nature and estimated based on management's expectations on a normalized level of activity. The REIT considers Normalized AFFO to be a meaningful measure because it provides, in management's view, an estimate of AFFO on a stabilized basis. There is no standard industry-defined measure of Normalized AFFO. As such, the REIT's method of calculating Normalized AFFO will differ from other issuers' methods and, accordingly, will not be comparable to such amounts reported by other issuers.

"WALE" is a measurement of the average term (expressed in years) remaining in each of the REIT's leases, weighted by the size of the gross leasable area ("**GLA**") each lease represents of the total GLA of the REIT's portfolio. WALE is a common performance measure used in the real estate industry which is useful in measuring the vacancy risk and the stability of future cash flows of the REIT's properties.

The REIT's "**Weighted average interest rate**" in Table 2: Financial and Operational Summary includes secured debt with fixed interest rates and excludes secured debt with floating interest rates. This calculation is a useful measure because it allows management to compare movements in interest rates period over period and to compare the average rate to the current market rates at that point in time.

"Occupancy levels" are presented in different manners depending on its context. It could be presented as a weighted average portfolio occupancy, based on the area weightings, when analyzing the overall operating performance of the REIT's portfolio, or as a point-in-time reference when analyzing future lease expiries, or as an assessment of the performance of each property period over period. Management considers this a useful measure in assessing the overall performance of its portfolio and is an essential tool to determine which properties require further investigation if performance lags.

"**Debt – Declaration of Trust**" is a non-IFRS financial measure that represents the indebtedness definition outlined in the REIT's Declaration of Trust. It includes the sum of the principal balance of mortgages, securities lending agreements, margin facilities, term loans, line of credit, and deferred consideration and excludes the Class B LP Exchangeable Units and Class D GP Exchangeable Units and the REIT's Convertible Debentures. The Debt – Declaration of Trust is measured as a percentage of total assets or Gross Book Value. The REIT's Declaration of Trust provides an operating guideline that sets a maximum level of indebtedness relative to Gross Book Value of 65%. The REIT measures Debt-Declaration of Trust each reporting period to ensure that the REIT remains compliant with the operating guidelines of the REIT's Declaration of Trust in respect of indebtedness. The definition of indebtedness and maximum indebtedness ratio relative to Gross Book Value of the REIT's declaration of trust may differ from the declarations of trust of other issuers and accordingly may not be comparable to similar measures used by other issuers.

"**Debt – Including Convertible Debentures**" is a non-IFRS financial measure and represents the sum of the REIT's indebtedness as defined by the REIT's declaration of Trust (Debt – Declaration of Trust, defined above) plus the amount of Convertible Debentures outstanding stated at fair value. The Debt – Including Convertible Debentures amount is intended to measure total leverage which is commonly reported by other issuers in the industry and is used an important measure in the management of debt levels. The Debt – Including Convertible Debentures is also stated as a ratio to total assets or Gross Book Value. The ratio is an important measure in determining the REITs capacity for incremental indebtedness to finance operations, maturing obligations or capital expenditures, as required. The definition of Debt – Including Convertible Debentures and its ratio relative to Gross Book Value of the REIT's Declaration of Trust may differ and may not be comparable to similar measures used by other issuers.

"**EBITDA**" is a non-IFRS measure that is comprised of income (loss) before taxes, excluding mortgage and loan interest expense, distributions on Exchangeable Units and depreciation expense and amortization expense.

"**Adjusted EBITDA**" is a non-IFRS measure, defined by the REIT as, income (loss) before taxes excluding mortgage and loan interest expense, distributions on Exchangeable Units, other finance costs, depreciation expense and amortization expense, IFRS fair value changes associated with investment properties and financial instruments, DUP Compensation Expense, foreign exchange gains and losses, gains and losses on disposal of investment properties, adjustments for equity accounted associates, as well as, other items that management considers non-operating or non-recurring in nature. It is a metric that can be used to determine the REIT's ability to satisfy its obligations, including servicing its debt.

Explanation of additional IFRS measure used in this MD&A

"**NOI**" is an industry term in widespread use. The REIT includes NOI as an additional IFRS measure in its consolidated statement of income and comprehensive income. NOI as calculated by the REIT may not be comparable to similar titled measures reported by other issuers. The REIT considers NOI a meaningful additional measure of operating performance of its property assets, prior to financing considerations. NOI is defined as income from properties after operating expenses have been deducted, but before deducting interest expense, finance costs, depreciation and amortization expense, general and administrative expenses, income taxes, leasehold improvement and external leasing costs, and unrecoverable capital costs.

We have provided an analysis of NOI under **PART III – RESULTS FROM OPERATIONS**.

KEY PERFORMANCE DRIVERS

In addition to monitoring and analyzing the performance of operations through such measures as NOI, FFO and AFFO, management considers the following to be key drivers of current and future financial performance:

- the ability to access equity capital at a competitive/reasonable cost;
- the ability to access debt with terms and conditions that are cost effective; and
- the ability to acquire new properties on a yield accretive basis that enhance the REIT's portfolio.

PART II – BUSINESS OVERVIEW

BUSINESS OVERVIEW AND STRATEGIC DIRECTION

The REIT

The REIT is a Canadian open-ended trust established pursuant to an amended and restated Declaration of Trust dated May 15, 2015, under the laws of the Province of Ontario (the "**Declaration of Trust**" or "**DOT**"). The REIT completed its initial public offering ("**IPO**") on March 25, 2010. The REIT Trust Units are listed and publicly traded on the Toronto Stock Exchange ("**TSX**") under the symbol NWH.UN. The REIT's Convertible Debentures are listed and publicly traded on the TSX under the symbols NWH.DB, NWH.DB.A, NWH.DB.B and NWH.DB.C.

On May 15, 2015, pursuant to the Combination Transaction, the REIT acquired, among other things, all the assets of NWI and its subsidiaries became direct or indirect subsidiaries of the REIT, in accordance with the plan of arrangement. The unitholders of NWI received 0.208 of a REIT Trust Unit for each NWI trust unit held, other than dissenting unitholders. All outstanding NWI deferred units were exchanged on the same basis for REIT deferred units. In addition, NWI's exchangeable units were converted into a new class of limited partnership units using the same exchange ratio of 0.208, which are redeemable, at the option of the holder, for REIT trust units. NWI's trust units which were traded on the TSX Venture Exchange ("**TSXV**") under the symbol MOB.UN ceased to trade on the TSX Venture Exchange at the close of business on May 19, 2015. NWI's convertible debentures, previously trading under the symbols MOB.DB, MOB.DB.A and MOB.DB.B, were assumed by the REIT, ceased to trade on the TSXV at the close of business on May 19, 2015 and commenced trading on the TSX under the symbols NWH.DB.A, NWH.DB.B and NWH.DB.C, respectively, on May 20, 2015.

The REIT's objectives are to:

- manage its investments to provide stable, sustainable and growing cash flows through investments in healthcare real estate globally;
- build a diversified, growth-oriented global portfolio of healthcare properties based on an initial portfolio of investments in Australasia, Brazil, Germany and Canada;
- capitalize on internal growth and seek accretive healthcare real estate acquisition opportunities in its target international markets, with a focus primarily on Australasia, Brazil, Germany and Canada;
- grow the value of its assets and maximize the long-term value of its Trust Units through active and efficient management; and
- provide predictable and growing cash distributions per unit, on a tax-efficient basis.

<u>Declaration of Trust</u>

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

a) the REIT may only invest, directly or indirectly, in interests (including fee ownership and leasehold interests) in income–producing real estate and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the other investment guidelines of the REIT;
b) notwithstanding anything else contained in the Declaration of Trust, the REIT shall not make or hold any investment, take any action or omit to take any action or permit a subsidiary to make or hold any investment or take any action or omit to take any action that would result in:
    i. the REIT not qualifying as a "mutual fund trust" or "unit trust" both within the meaning of the Tax Act; or
    ii. Units not qualifying as qualified investments for Exempt Plans;

c) the REIT may make its investments and conduct its activities, directly or indirectly, through an investment in one or more persons on such terms as the Trustees may from time to time determine, including by way of joint ventures, partnerships (general or limited) and limited liability companies;
d) the REIT shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
e) the REIT shall not invest in raw land for development, except for the development of new properties which may become capital property of the REIT, provided that the aggregate value of the investments of the REIT in raw land, excluding raw land under development which may be capital property, after giving effect to the proposed investment, will not exceed 10% of GBV, as defined; and
f) the REIT may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any debt incurred or assumed in connection with such investment) up to 25% of the GBV, as defined, of the REIT in investments which do not comply with the investment guidelines set forth in Declaration of trust, so long as the investment does not contravene subparagraph (b) above.

For the purpose of the foregoing restrictions, the assets, liabilities and transactions of a corporation or other entity wholly or partially-owned by the REIT will be deemed to be those of the REIT on a proportionate consolidation basis. In addition, any references in the foregoing to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

Operating Policies

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

a) (i) any written instrument creating an obligation which is or includes the granting by the REIT of a mortgage; and
(ii) to the extent the Trustees determine to be practicable and consistent with their fiduciary duties to act in the best interest of the Unitholders, any written instrument which is, in the judgment of the Trustees, a material obligation,
b) shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise, the private property of any of the Trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the REIT, but that only property of the REIT or a specific portion thereof is bound; the REIT, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the REIT upon the acquisition of real property;
c) subsidiaries of the REIT may engage in construction or development of real property provided such real property meets the REIT's investment guidelines and operating policies;
d) title to each real property shall be held by and registered in the name of the REIT, NWI LP, the Trustees or a corporation or other entity majority–owned, directly or indirectly, by the REIT or NWI LP or jointly–owned, directly or indirectly, by the REIT or NWI LP, with joint venturers;
e) the REIT shall not incur or assume any Indebtedness, as defined, if, after giving effect to the incurrence or assumption of such Indebtedness, the total Indebtedness of the REIT would be more than 65% of GBV, as defined;
f) the REIT shall not directly or indirectly guarantee any Indebtedness or liabilities of any kind of a third party, except Indebtedness or liabilities assumed or incurred by an entity in which the REIT holds an interest, directly or indirectly, or by an entity jointly owned by the REIT with joint venturers and operated solely for the purpose of holding a particular property or properties, where such Indebtedness, if granted by the REIT directly, would cause the REIT to contravene its investment guidelines or operating policies. The REIT is not required but shall use its reasonable best efforts to comply with this requirement (i) in respect of obligations assumed by the REIT pursuant to the acquisition of real property or (ii) if doing so is necessary or desirable in order to further the initiatives of the REIT permitted under the Declaration of Trust; and

g) the REIT shall directly or indirectly obtain and maintain at all times property insurance coverage in respect of potential liabilities of the REIT and the accidental loss of value of the assets of the REIT from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practice of owners of comparable properties.

For the purpose of the foregoing investment guidelines and operating policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially–owned by the REIT will be deemed to be those of the REIT on a proportionate consolidation basis. In addition, any references in the foregoing investment guidelines and operating policies to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

Strategic Direction

Market Opportunity

The REIT provides an opportunity for investors to gain exposure to healthcare real estate internationally. The REIT intends to provide sustainable monthly cash distributions, while allowing investors to not only participate in the large stable Canadian market but also to diversify their real estate holdings beyond Canada and into the international marketplace. The REIT is the only publicly-listed real estate investment trust in Canada dedicated to investing in healthcare real estate globally.

Over the past several years, some of Canada's largest pension funds and institutional investors have increasingly sought out investment opportunities outside of Canada in the real estate sector. These investors have increased the international component of their real estate investments for reasons that include diversification, the opportunity to enhance returns and the possibility of generating long-term, stable cash flows. Several of Canada's major pension funds have reported having approximately half of their real estate assets outside of Canada, with a particular focus in Europe. Other significant markets for Canadian institutional buyers of foreign real estate include the United States, Asia, Australia, and South America. The REIT believes that it is providing a unique opportunity for Canadian retail and institutional investors to diversify their real estate investments, as large Canadian pension funds and other large Canadian institutional investors have done.

In particular, the REIT believes that healthcare real estate represents a compelling asset class within commercial real estate, serving as a defensive asset class with both scale and growth. The REIT believes that international markets will continue to offer attractive healthcare real estate acquisition opportunities into the future. To select international markets in which to expand, the REIT identifies key market characteristics that lead to growth in demand which may be similar to those occurring in Canada, specifically:

- Demographics: growing or aging population and increasing life expectancy, each of which are key drivers in the demand for healthcare services;
- Economics: a balance of economic growth and stability, stabilized and/or increasing GDP per capita, and increasing healthcare spending as % of GDP or on an absolute basis; and
- Real estate and healthcare trends: fragmented healthcare real estate markets, healthcare operators focusing on "core business", demand for new infrastructure, and growing public and private healthcare services.

Target Markets

Within the landscape of international healthcare real estate markets, the REIT has identified the following markets as the REIT's focus areas:

- **Canada:** an established market with selective, incremental growth opportunities and the stability of a government backed tenant base;

- **<u>Brazil:</u>** a high-growth market with experienced hospital operators, where the REIT has investments through long-term inflation indexed triple-net sale leaseback structure;
- **<u>Germany:</u>** a fragmented market with available first mover advantage, NOI growth through active management and the building of scale, which is similar to the REIT's experiences growing in Canada; and
- **<u>Australasia:</u>** an established market with consolidation opportunities and inflation indexed triple net rents, where the REIT has exposure through an investment in Vital Trust;

The following table highlights certain key market data in connection with the REIT's target markets:

TABLE 1 - KEY MARKET DATA

	Canada	Brazil	Germany	Australasia
Population	35.6 Million	198.2 Million	81.9 Million	28.2 Million
GDP Growth (1)	-0.50%	-2.60%	1.60%	2.00%
Inflation (2)	1.00%	9.49%	0.00%	1.50%
5 Yr. Government Bond Yield (2)	0.80%	15.53%	0.00%	2.11%
Health Care System	Publicly-funded healthcare system	Hybrid public and private healthcare	Hybrid public and private healthcare	Hybrid public and private healthcare

<u>Notes</u>
(1) Annualized, as at June 30, 2015
(2) As at September 30, 2015

<u>Sources:</u> Trading Economics; Bloomberg; investing.com

<u>Operating in an Emerging Market</u>

In accordance with OSC Staff Notice 51-720 *Issuer Guide for Companies Operating in Emerging Markets* ("SN 51-720"), the Brazil region is considered an "emerging market" and therefore subject to potential risks. The REIT believes the risks of operating in the Brazil market are minimized as a result of the following:

- The REIT's business activities in Brazil are limited to the ownership of five well established, reputable and institutional quality hospitals in the urban centres of Sao Paulo, Brasilia and Rio de Janeiro.
- Each of the REIT's Brazilian hospitals is leased to investment grade single tenants.
- Each of the Brazil leases is a "net lease", which in effect transfers the operating risk of the property to the tenant. As a result, the REIT's business in Brazil is not operationally intensive.
- The REIT is represented on local corporate and real estate legal matters by two of Brazil's leading law firms. On non-legal matters, the REIT only engages with leading, global service providers that perform at the highest governance levels; and all banking is conducted through leading global banks.
- The REIT's Brazilian leases have terms that mitigate any title risk on its assets whereby should expropriation of the assets occur, the lessee remains liable for all payments under the lease. The REIT believes there is a limited risk of the REIT's Brazilian assets being subject to government expropriation and nationalization.

Further, the REIT considers the Brazilian healthcare industry to be economically and politically stable, and free of many of the risks associated with other industries in emerging market jurisdictions. The Brazil healthcare market operates under a dual public and private system where approximately 23% of healthcare expenditures are made by the private healthcare insurance market, 30% of expenditures are made through private users and the remaining 47% of expenditures made by the public sector. Brazil is the third biggest private healthcare market, globally, behind the United States and China (source: *Anahp (associacao nacional de hospitals privados), 2010*). Due to positive macroeconomic indicators, including the size of Brazil's economy with a population nearing 200 million (seventh largest economy globally), unemployment below 10% (~7.6% September 2015, *source: Instituto Brasileiro de Geografia e Estatistica IBGE*), rising wages, increasing consumer consumption and a growing middle class, the outlook for the Brazilian healthcare market is optimistic. Further, the increasing demand for private healthcare (since 2009, beneficiaries of private medical plans increased 17%) has resulted in the consolidation of private healthcare operators, resulting in larger, financially stable and technologically advanced, leading operators (source: *PwC "The Healthcare market in Brazil", 2013*).

In January 2015, the government in Brazil sanctioned measures authorizing foreign investments in national hospitals and clinics which will have a positive impact to the healthcare sector. Healthcare operators such as the REIT's key tenant in Brazil, Rede D'Or, stand to benefit through increased capital availability to meet growth and operating needs. Following this change in government policy, in April 2015, Rede D'Or announced that private-equity firm The Carlyle Group LP committed to an initial R$1.75 billion investment for an 8.3% stake in Rede D'Or Sao Luiz, of which proceeds would be used to support Rede D'Or's business expansion. In May 2015, GIC Pte, Singapore's sovereign wealth fund, invested R$3.2 billion for a 15.2% stake in Rede D'Or adding further to the hospital operator's pool of growth capital.

Owning and operating investment properties in Brazil poses unique risks. For example, the REIT considers Brazilian inflation to be a key risk, but believes it has mitigated this risk by having the payments due under the Brazilian leases indexed to inflation, annually over the term of the leases. The REIT also believes that it is subject to risks involving currency fluctuations, which it attempts to mitigate through obtaining Brazilian domiciled debt on the assets. Further, Portuguese is the primary language in which business is conducted in Brazil, however the majority of the REIT's service providers (legal, audit and tax) are fluent in English. The REIT's local Brazilian consultants are fluent in Portuguese and English. Language risk is mitigated through requiring all material documentation initiated in Brazil to be translated into English. Further, all correspondence with management and the Board of Trustees in Canada is provided in both English and Portuguese.

The REIT retains effective control over the REIT's Brazilian operations through the REIT's corporate structure. The REIT's Brazilian assets are all owned by Brazilian domiciled entities (the "**Brazilian Subsidiaries**"), which in turn are all indirectly wholly-owned by NWI LP, the REIT's operating limited partnership. The Brazilian Subsidiaries are all corporate entities under Brazilian law, meaning they must conduct business at the highest governance levels and adhere to applicable regulatory requirements that include annual filings, disclosures and preparation of audited financial statements.

Because the Brazilian Subsidiaries are wholly-owned, the REIT controls the operations of these entities. Among other things:

- The REIT can remove or replace any of the directors or officers of the Brazilian Subsidiaries at any time pursuant to director or shareholder resolutions, as applicable.

- The REIT maintains complete control over the books and records of the Brazilian Subsidiaries.

- The REIT can transfer funds from the Brazilian Subsidiaries to Canada at any time, subject to compliance with applicable withholding tax laws and regulatory requirements of the central bank of Brazil.

The REIT also maintains stringent controls over cash and banking that mitigate risk on its Brazil operations. All payments follow normal accounts payable processes, which include adequate segregation of duties from approvals to payment and all wires and cheques are fully traceable.

The REIT's officers and Board of Trustees believe that the REIT's Brazilian operational structure represents a proper discharge of their stewardship responsibilities. Management updates the REIT's Board of Trustees on a regular basis on the regulatory, business and operating environment of the REIT's business in Brazil.

The REIT's Chief Executive Officer ("**CEO**") has extensive experience in conducting business in Brazil. The REIT's CEO has been conducting business in Brazil since 2011. During that time the REIT's CEO has developed a deep familiarity with Brazil's real estate industry, regulatory environment, operating environment, financial markets, and culture and business practices. The REIT's CEO has developed the key relationships with the REIT's tenants and advisors locally. As noted above, the REIT's management team also relies heavily on the expertise of its reputable third party advisors with respect to legal, regulatory, tax and other matters in Brazil.

The REIT does not believe that geographical distance and cultural differences associated with operating in Brazil present significant operating risks to the REIT. However, it has adopted several formal procedures to address risks faced by the REIT, including certain risks related to Brazil. For example, the REIT has adopted a Code of Business Conduct and Ethics policy which requires all personnel to comply with applicable laws and explicitly prohibits improper payments to domestic and foreign officials. And as noted above, the REIT requires all significant contracts to be translated into English by a reputable legal translator prior to execution.

Lastly, as a matter of practice, all material Brazilian-based transactions are approved by the REIT's Board of Trustees, with input from the REIT's management team and Brazilian personnel as appropriate.

RELATIONSHIP WITH NWVP

As at September 30, 2015, NorthWest Value Partners ("**NWVP**") indirectly owned approximately 34% (approximately 30% on a fully-diluted basis assuming conversion of the REIT's Convertible Debentures and redemption of its deferred Trust Units) of the REIT through a combination of Trust Units of the REIT and Class B LP Exchangeable Units. Affiliates of NWVP served as the NWI's asset manager (the "**Asset Manager**"), property manager and developer up to December 31, 2014, pursuant to certain management and partnership agreements that are filed with the Canadian securities regulatory authorities and available on SEDAR at www.sedar.com. Established in 1994, Toronto-based NWVP is one of Canada's leading privately owned healthcare real estate companies. The scope of its business includes real estate, ownership and management, in Canada and internationally with a significant focus on the healthcare sector. Principals of NWVP serve as officers and trustees of the REIT. On January 28, 2015 NWI announced that it had completed the transaction with NWVP to internalize the external management of NWI with an effective date of January 1, 2015 (the "**Internalization Transaction**").

FINANCIAL AND OPERATIONAL SUMMARY

The following is a summary of key financial and operational information for the periods indicated:

TABLE 2 - FINANCIAL AND OPERATIONAL HIGHLIGHTS

Expressed in thousands of Canadian dollars, except per unit amounts		**As at September 30, 2015**	**As at December 31, 2014**
		(Unaudited)	**(Unaudited)**
Operational Information (1)			
Number of Properties - 100% of associates		123	122
Gross Leasable Area (sf) - 100% of associates		7,994,401	7,841,695
Occupancy % - 100% of associates		94.2%	94.8%
WALE (Years) - 100% of associates		9.4	9.0
Summary of Financial Information			
Gross Book Value (2)		$ 2,521,248	$ 846,270
Debt - Declaration of Trust (3)		$ 1,321,179	$ 436,432
Debt to Gross Book Value - Declaration of Trust		52.4%	51.6%
Debt - Including Convertible Debentures (3)		$ 1,440,296	$ 508,352
Debt to Gross Book Value - Including Convertible Debentures		57.1%	60.1%
Percentage of Mortgages and Loans Payable at Fixed Rates		85%	65%
Weighted Average Interest Rate on Fixed Rate Mortgages and Loans Payable		4.91%	5.82%
Adjusted Units Outstanding - period end (5)(6)			
Basic		71,747,798	37,228,606
Diluted (9)		74,987,982	37,306,038
	For the three months ended September 30, 2015	**For the three months ended September 30, 2014**	**For the three months ended June 30, 2015**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Operating Results			
Net Income / (Loss)	$ 6,502	$ (11,921)	$ 152,902
NOI (7)	$ 43,641	$ 10,985	$ 34,093
Funds From Operations ("FFO") (7)(10)	$ 15,526	$ 3,880	$ 9,091
Adjusted Funds From Operations ("AFFO") (7)	$ 14,428	$ 8,621	$ 11,684
Distributions (8)	$ 14,382	$ 8,981	$ 12,898
Interest Coverage (4)	2.26	1.86	2.02
Per Unit Amounts (5)(6)			
FFO per unit - Basic (10)	$ 0.22	$ 0.11	$ 0.16
FFO per unit - fully diluted (9)	$ 0.21	$ 0.11	$ 0.16
AFFO per unit - Basic	$ 0.20	$ 0.26	$ 0.21
AFFO per unit - fully diluted (9)	$ 0.20	$ 0.25	$ 0.20
Distributions per unit - as reported	$ 0.20	$ 0.26	$ 0.22
Distributions per unit - per REIT policy	$ 0.20		
AFFO Payout Ratio	100%		
AFFO Payout Ratio - fully diluted (9)	101%		
Adjusted Weighted Average Units Outstanding (5)(6)			
Basic	71,926,782	33,775,938	55,259,676
Diluted - FFO (9)	75,179,491	33,823,469	55,743,167
Diluted - AFFO (9)	75,179,491	37,262,095	58,577,674

TABLE 2 - FINANCIAL AND OPERATIONAL HIGHLIGHTS CONT.

Notes

(1) Operational information includes 100% of Vital Trust. The REIT has an exposure to an approximate 24% interest in Vital Trust.

(2) Gross Book Value is defined as total assets.

(3) As defined in Non-IFRS measures used in this MD&A.

(4) See Ratios and Coventants for the REIT's calculation of Interest Coverage.

(5) Outstanding units and weighted average unit amounts, and the associated per unit amounts, for the period prior to the Combination Transaction, reflect the capital structure of NWI as adjusted for the Exchange Ratio.

(6) Under IFRS the REIT’s Class B LP Exchangeable Units and Class D GP Exchangeable Units are treated as a financial liability rather than equity. The REIT has chosen to present an adjusted basic and diluted per unit measure that includes the Class B LP Exchangeable Units and Class D GP Exchangeable Units in basic and diluted units outstanding/weighted average units outstanding. There were 19,188,063 Class B LP units outstanding as at September 30, 2015 and 18,942,211 Class B LP Exchangeable Units and 231,000 Class D GP Exchangeable Units outstanding as at December 31, 2014 and as at September 30, 2014 .

(7) FFO and AFFO are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. FFO and AFFO as computed by the REIT may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to FFO and AFFO as reported by other such issuers. These terms are defined in this MD&A and reconciled to IFRS-based amounts reported in the consolidated financial statements of the REIT. NOI is an additional IFRS measure and NOI as calculated by the REIT may not be comparable to similiar titled measures reported by other issuers.

(8) Represents distributions to Unitholders and Class B LP Exchangeable Unit and Class D GP Exchangeable Unit unitholders on an accrual basis. Distributions are payable as at the end of the period in which they are declared by the Board of Trustees, and are paid on or around the 15th day of the following month.

(9) Diluted units includes vested but unissued deferred trust units and the conversion of the REIT’s Convertible Debentures that would have a dilutive effect upon conversion at the holders' contractual conversion price. Convertible Debentures are dilutive if the interest (net of tax and other changes in income or expense) per unit obtainable on conversion is less than the basic per unit measure.

(10) Second quarter 2015 FFO has been restated to reflect a retrospective adjustment for the amortization of leasing costs and tenant improvements. As a result second quarter FFO was reduced by $77. AFFO was unaffected.

HIGHLIGHTS FOR THE QUARTER

Convertible Debenture Bought Deal

On September 21, 2015, the REIT announced a public offering, on a "bought deal" basis, of $50,000 principal amount of convertible unsecured subordinated debentures (the "**Series D Convertible Debentures**"), at a price of $1,000 per debenture, with an interest rate of 5.50% per annum, payable semi-annually on the last day of April 30 and October 31 commencing on April 30, 2016 The Series D Convertible Debentures mature on October 31, 2020 (see **SUBSEQUENT EVENTS**).

NCIB

During the quarter pursuant to its previously announced normal course issuer bid (“**NCIB**”) the REIT acquired 611,800 Trust Units for cancellation at a volume weighted average price per unit of $8.00, and a total cost of $4,934 (including commissions and costs). The REIT intends to acquire up to a maximum of 4,762,579 of its Trust Units, or approximately 10% of its public float, for cancellation over the next 12 months. The REIT believes that the repurchase by the REIT of a portion of outstanding Trust Units is an appropriate use of resources and is in the best interests of the REIT.

Acquisitions

On July 22, 2015, Vital Trust completed the acquisition of a parcel of vacant land in Toronto, New South Wales, Australia for a gross purchase price of $302 including transaction costs. Vital Trust’s investment was funded from cash on hand.

Dispositions

During the quarter, as part of its on-going portfolio optimization strategy, the REIT completed the sale of Alexander Medical Building, in Ontario, Canada, a property that was classified as held for sale as at June 30, 2015.

The sale generated gross proceeds of $5,300 and net proceeds of $235 after assumption of the existing mortgage of $4,938, by the purchaser, and payment of transaction costs of $127.

During the quarter the REIT also commenced sale processes with respect to fourteen medical office buildings in Canada, as part of its previously announced effort to enhance portfolio quality by disposing certain assets that are not central to the REIT's strategy of owning healthcare properties with scale in its target markets. The REIT transferred the properties which have a combined carrying value of $86,749 to assets held for sale. As at September 30, 2015 the REIT now classifies sixteen properties as held for sale with a total carrying value of $97,730. Mortgages associated with these properties amount to $64,982. The REIT expects to sell all of these properties over the next six to twelve months generating net proceeds of approximately $32,748 before transaction costs, with seven of such properties currently subject to unconditional sales agreements and four subject to conditional sales agreements.

Development

During the quarter, the REIT continued work on the Canadian family health team anchored medical office building developments at 85 The East Mall, Etobicoke (Toronto) and at the Barrie Primary Care Campus in Barrie, Ontario. Construction continues to be on schedule and budget, with substantial completion and initial tenant occupancy scheduled during the first half of 2016.

Also in the quarter the REIT began recognizing rental revenue on the development component of Vital Trust's Hurstville Private Hospital property in Sydney, Australia. Vital Trust continued to progress on the five remaining previously announced development projects underway in Australia totaling approximately $51,000 of commitments.

Mortgage Refinancings

In August 2015, the REIT completed, with one of its German lenders, the refinancing of mortgages secured against five of the REIT's properties located in Berlin and Fulda, Germany. The refinancing replaced current mortgages with an outstanding balance of $49,086 (€32,209), weighted average interest rate of 2.27% and weighted average term to maturity of 2.42 years. The refinancing represents five mortgages totaling $53,121 (€34,857), bearing interest rates ranging from 1.42% to 2.11% (weighted average interest rate of 1.65%) and terms ranging from 5-10 years representing a weighted average term of 6.67 years. The REIT paid a prepayment fee of approximately $952 (€654) to refinance the mortgages.

Brazil Term Loans

In August 2015, the REIT received a conditional commitment from a Brazilian financial institution and expects to complete a long term financing in respect of its Hospital e Maternedade Brasil ("**HMB**") asset. The financing is for an amount ranging from $61,000 to $70,000 (R$180,000 to R$205,000) with a term of 10 years and maximum interest rate of the NTN-B (an inflation (IPCA) linked bond) plus 200 basis points. The financing is subject to due diligence and regulatory approvals. The REIT expects to complete the long term financing before the end of the year and the net proceeds will be used to partially repay the outstanding balance of the remaining Brazil term loans maturing December 2015 (see **SUBSEQUENT EVENTS**).

Construction Financing

On August 10, 2015 the REIT completed the first draw on an $18,450 construction financing on the REIT's 85 The East Mall, Etobicoke property. The financing is for a term of 24 months, interest only, at a fixed rate of 3.85%. The first draw was in the amount of $8,503 with the balance to fund, based on monthly draws, during the construction period.

On September 23, 2015 the REIT also completed the first draw on a $20,625 construction financing on the REIT's Barrie Primary Care Campus development in Barrie, Ontario. The financing is for a term of 24 months, interest only, at a variable rate equal to the greater of prime plus 1.65% and 4.35%. The first draw was in the amount of $5,495 with the balance to fund, based on monthly draws, during the construction period.

SUBSEQUENT EVENTS

Convertible Debenture Bought Deal

Subsequent to the quarter on October 9, 2015 and on November 5, 2015 pursuant to the exercise of the over-allotment option, the REIT issued $53,000 principal amount of the Series D Convertible Debentures. The net proceeds of the offering were partially used to repay the balance owing on the term loan related to the REIT's HMB asset in Brazil, and for general trust purposes, thus improving its cost of debt and debt maturity profile without increasing its overall leverage.

The Series D Convertible Debentures are convertible at the holder's option into units of the REIT at a conversion price of $11.25 per unit. The debentures will not be redeemable prior to October 31, 2018. From October 31, 2018 to October 31, 2019, the Series D Convertible Debentures may be redeemed in whole or in part from time to time at the REIT's option, at a price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the units on the Toronto Stock Exchange for the 20 consecutive trading days preceding the date on which the notice of redemption is given is not less than 125% of the conversion price. From October 31, 2019 onward, the Series D Convertible Debentures are redeemable at the option of the REIT, in whole or in part, at a redemption price equal to par plus accrued and unpaid interest.

The Series D Convertible Debentures are listed and publicly traded on the TSX under the symbol NWH.DB.D.

Revolving Credit Facility

On November 2, 2015, the REIT increased and extended for two years its Revolving Credit Facility (as defined under **CAPITAL STRUCTURE – Debt**), increasing the facility to $75,000 and extending the term to November 2, 2017. The REIT also has an option to expand the facility to $100,000 and an option to extend for a further one year period, each subject to terms and conditions satisfactory to the Lenders. The balance outstanding on the amended and restated Revolving Credit Facility as at the date of this MD&A is $51,500.

On November 2, 2015, the REIT also repaid the mortgage outstanding on its North York Medical Arts Building property in Toronto, Ontario with an outstanding balance of $9,634, which was financed in part through a draw from the REIT's credit facility. The mortgage bore an interest rate of 5.19% and was due to mature in September 2016. The North York Medical Arts property has been pledged as security to the Revolving Credit Facility.

Brazil Term Loans

On November 3, 2015, the REIT paid in full the outstanding balance of the term loan related to its HMB asset totaling $42,681 (R$125,000). The HMB term loan was set to mature on January 4, 2016 and bore an interest rate of 8.95%. The term loan was repaid with net proceeds from the Series D Convertible Debentures which have a coupon rate of 5.50%, which closed on October 9, 2015. As a result of this repayment, the REIT expects to realize interest rate savings estimated at approximately $1,468 per annum or approximately $0.02 of AFFO per unit. The interest rate swap related to the term loan will be repaid on December 21, 2015. The balance of the interest rate swap was C$289 (R$856) on September 30, 2015.

On October 23, 2015, the REIT entered into a contract to extend the Brazil Term Loans relating to the Rede D'Or Hospital Portfolio which were set to mature December 22, 2015, on terms similar to the current term loans. Two loans relating to the REIT's Hospitals Santa Luzia and Coração have been extended one year to December 21, 2016. The balance outstanding relating to these two loans were C$54,835 (R$161,994) as at September 30, 2015. In regard to Hospital Caxias, the REIT may choose to extend the term loan to February 29, 2016 by giving notice on or before December 10, 2015. The Caxias term loan had an outstanding balance of C$38,010 (R$112,291) as at September 30, 2015.

Deferred Consideration

In connection with the Rede D'Or Hospital Portfolio Acquisition on December 23, 2013, the REIT held back a portion of the purchase price until the vendor complied with conditions related to certain title and zoning matters. On October 16 2015, the REIT was notified that the conditions relating to the purchase and sale agreement of the REIT's Hospital Caxias D´Or, Brazil property were resolved and therefore the holdback related to this property is now payable on April 16, 2016. The balance of the holdback as at September 30, 2015 was $25,822 (R$76,282). The holdback shall be adjusted by the variation of CDI commencing October 16, 2015 until the payment date.

Mortgage Financings

Subsequent to the quarter end, the REIT continued to progress on its Canadian mortgage early refinancing program to extend mortgage terms and reduce interest costs, entering into conditional commitments for $60,500 of mortgage refinancings for five of its assets in Canada with an expected weighted average fixed interest rate of approximately 3.07%, which will be used to refinance existing mortgages with an aggregate balance of approximately $50,400 and a weighted average interest rate of 5.46% and is expected to generate net proceeds, after early repayment fees and transaction costs, of approximately $8,200.

NCIB

Between October 1, 2015 and October 15, 2015 the REIT acquired 86,400 Trust Units for cancellation at a volume weighted average price per unit of $8.07.

Other

On October 16, 2015, the REIT declared a distribution of $0.06667 per Trust Unit to unitholders of record on October 30, 2015, payable November 16, 2015.

On November 12, 2015, the REIT declared a distribution of $0.06667 per Trust Unit to unitholders of record on November 30, 2015, payable December 15, 2015.

ASSETS OF THE REIT

Summary

The following table summarizes the REIT's assets by region as at September 30, 2015:

TABLE 3 - SUMMARY OF ASSETS

	Canada	Brazil	Germany	Australasia [(1)]	Consolidated Total [(1)]
Number of Properties	73	5	19	26	123
Asset Mix	100% MOB	100% Hospital	100% MOB	15% MOB/85% Hospital	70% MOB/30% Hospital
Gross Leaseable Area ("**GLA**") (million sf)	4.6	1.0	0.7	1.6	8.0
Total Assets (Cdn$ millions) [(2)]	$1,291	$318	$154	$667	$2,521
Occupancy	90.9%	100.0%	94.9%	99.4%	94.2%
WALE (Years)	4.5	21.5	4.8	17.3	9.4
Average Building Age (Years)	32	11	15	15	26
Weighted Average Cap Rate	6.6%	9.4%	6.4%	8.0%	7.4%

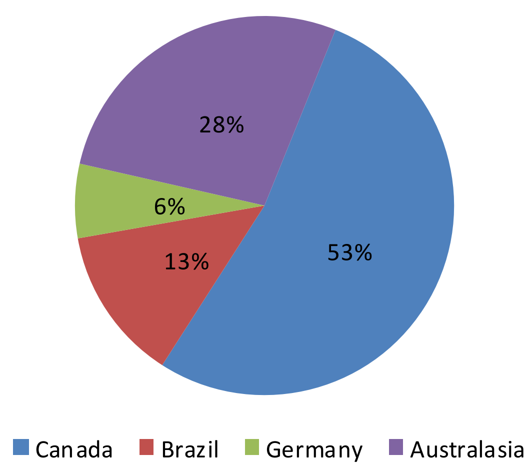
Notes
(1) Shown on a 100% basis. The REIT has an approximate 24% interest in Vital Trust and acts as manager of Vital Trust, it therefore consolidates Vital Trust.
(2) Consolidated Total includes corporate assets.

See **PART XI – PROPERTY TABLE** for additional property portfolio information.

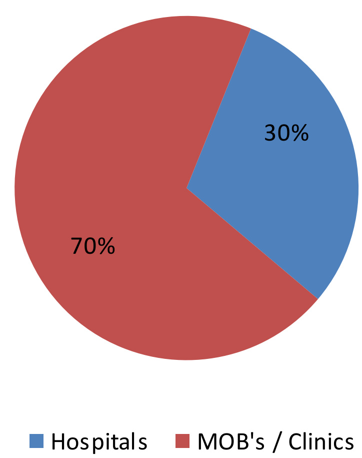
Diversification of Assets

The REIT's assets are diversified geographically and by asset type as follows:

Geographic Profile by Total Assets



Asset Mix by GLA



Notes

(1) As at September 30, 2015.

(2) Total assets excludes corporate assets.

(3) Vital Trust shown on a 100% basis. The REIT has an approximate 24% ownership interest in Vital Trust and acts as manager of Vital Trust, it therefore consolidates Vital Trust.

Geographic Diversification

The REIT aims to provide its investors with an exposure to a well-diversified portfolio of healthcare real estate located in the greater areas of cities such as: Auckland (NZ), Berlin (Germany), Calgary (Canada), Edmonton (Canada), Halifax (Canada), Melbourne (Australia), Montreal (Canada), Quebec City (Canada), Rio de Janeiro (Brazil), Sao Paulo (Brazil), Sydney (Australia) and Toronto (Canada).

Asset Mix

The REIT's asset mix can be broadly categorized into hospitals and medical office buildings / clinics. A brief summary of each asset type is below:

Hospitals:

The REIT's hospital portfolio is located in Australia, Brazil and New Zealand and represents a diversified portfolio of facilities providing healthcare services by best-in-class private hospital operators and philanthropic foundations.

All of the REIT's hospitals are leased to single tenant, hospital operators under long-term, inflation indexed, triple net lease structures in which the REIT does not absorb any property operating cost risk.

*Medical office buildings ("**MOB**"):*

The REIT's MOB portfolio is located in Australia, Canada, Germany and New Zealand.

MOB's are similar to commercial office buildings, are typically multi-tenant properties and are primarily leased to necessity based healthcare providers.

As at September 30, 2015 and including the REIT's interest in Vital Trust on a 100% basis, the REIT had interests in 22 hospitals and 101 medical office buildings or development sites.

Canada - Largest non-government owner and manager of medical office buildings and healthcare facilities

The REIT is Canada's largest non-government owner and manager of MOBs and healthcare facilities. The REIT owns, as at September 30, 2015, a portfolio of 73 properties, located primarily in major markets such as Toronto, Montreal and Calgary, with a GLA of 4.6 million square feet and approximately 1,450 tenants. The REIT portfolio has a well-diversified tenant profile, reflecting an attractive mix of healthcare-related tenants, including regional health authorities, primary care networks, family health teams, medical and diagnostic imaging clinics, medical practitioners, pharmacies and laboratories, as well as institutional and non-healthcare tenants. The Canada region has a fully-integrated team of investment, development, asset management and portfolio operations professionals.

Brazil – Long term net leases to private hospital operators

The REIT owns a portfolio of five private hospitals varying in size, with the smallest comprising 96,875 square feet with 56 beds and the largest consisting of a 342,000 square foot full-service hospital with 305 beds. The assets are located São Paulo, Brasilia and Rio de Janeiro. The hospitals are single tenant properties. Four hospitals are leased to Rede D'Or Sao Luiz (the "**Rede D'Or Hospital Portfolio**"), a privately owned Brazilian hospital operator with 26 hospitals across the country and hospital (the "**Sabará Children's Hospital**") is leases to Hospital Sabará (the "**Sabará Tenant**"), who uses the property to operate one of the region's largest private children's hospitals. All the leases are triple-net, indexed to inflation, ranging in term from 15 years (9.0 years remaining) to 25 years (23.3 years remaining) with a WALE of 21.5 years. The Brazil region is supported by two management professionals with significant experience in investment, development and asset management.

Germany – High quality MOB assets located in major markets

The REIT's German portfolio consists of 19 high quality MOB assets strategically located in the country's major markets, including Berlin, Frankfurt, Ingolstadt and Leipzig. As at September 30, 2015 the portfolio has a 94.9% occupancy rate and an approximate 4.8 year average lease term. The REIT also benefits from the strength of its fully-integrated investment, property management and asset management capabilities located in the market, which allow efficient operation and transaction sourcing in the country.

Australasia – Exposure to 24% of Vital Trust and 100% of Vital Manager

The REIT acts as manager and owns an approximate 24% strategic stake in Vital Trust. Vital Trust (NZSX: VHP) is a New Zealand Stock Exchange ("**NZSX**") listed investment fund and is Australasia's largest healthcare real estate owner. As at September 30, 2015 Vital Trust owns 17 private hospitals, 7 MOBs and two development sites in Australia and New Zealand, with a 99.4% occupancy rate and an approximate 17.3 year average lease term. Through Vital Trust, the Australasia portfolio offers stable and growing cash flows underpinned by tenancies of high quality hospital and healthcare operators with long-term, inflation-indexed leases. The Vital team is a fully integrated operation with offices in Australia and New Zealand comprised of leading investment, development, asset management and property operations professionals.

The REIT's investments in Australasia are held through its strategic shareholding by way of exposure to an equity interest in Vital Trust. Table 3 above highlights certain information about Vital Trust as at September 30, 2015, on a 100% basis; noting, however, that the REIT has exposure to an approximate 24% interest in Vital Trust.

On January 1, 2015, in connection with the Internalization Transaction (as defined under **RELATIONSHIP WITH NWVP**), NWI acquired all of the rights and obligations relating to the management of Vital Trust (the "**Vital Manager**"). As a result of the acquisition of the Vital Manager and its management rights, it was determined that NWI obtained control with respect to its investment in Vital Trust. The acquisition of control was treated as a step acquisition by NWI and effective January 1, 2015, NWI, and the REIT following its acquisition of NWI, accounts for the investment in Vital Trust as a subsidiary and consolidates the financial position and results of Vital Trust.

During the three and nine months ended September 30, 2015, in connection with the Internalization Transaction, the REIT acquired an additional 405,036 units of Vital Trust, which are held by the Vital Manager (defined herein). During the three months ended September 30, 2015 Vital Manager acquired an additional 2,289,196 units of Vital Trust as settlement of the incentive fee (described hereafter). As at September 30, 2015, the REIT owned 84,354,098 units which represented a 24.47% interest in Vital Trust.

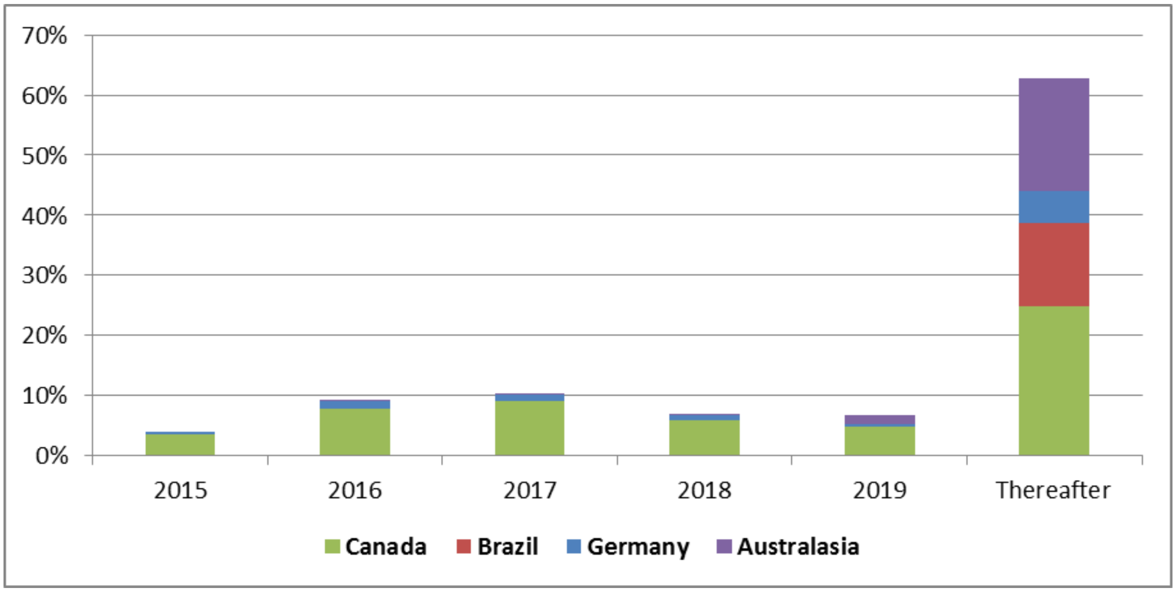
In exchange for its services, the Vital Manager earns management fees, activity-based fees for acquisitions and development activity, as well as an incentive fee. Management fees are calculated at 0.75% of the monthly average of the gross value of the assets of Vital Trust for the quarter ended on the last day of the month. Incentive fees are earned when there is an average annual increase in the gross value of the assets of Vital Trust over the relevant financial year and the two preceding years. The incentive fee is 10% of the amount of the increase with payment being received by way of subscribing for new units of Vital Trust. The management and incentive fees shall not exceed an amount equal to 1.75% per annum of the gross value of the trust. In addition, the Vital Manager earns management fees in its capacity as manager, with an Australian Financial Services License, of one of Vital Trust's Australian subsidiary trusts.

PORTFOLIO PROFILE

Lease Maturities

The REIT's asset diversification is complemented by a long term maturity profile, with a weighted average lease expiry of 9.3 years as at September 30, 2015.

Lease Maturities by Year (as a % of GLA)



Notes:
- As at September 30, 2015
- Includes the REIT's consolidated interest in Vital Trust at 100%
- 2015 expiries includes 54,206 square feet of month to month leases

	2015	2016	2017	2018	2019	Thereafter	Total
Canada	3%	8%	9%	6%	5%	25%	**56%**
Brazil	0%	0%	0%	0%	0%	14%	**14%**
Germany	1%	1%	1%	1%	1%	5%	**9%**
Australasia	0%	0%	0%	0%	1%	19%	**21%**
Total	**4%**	**9%**	**10%**	**7%**	**7%**	**63%**	**100%**

As illustrated above, an average of 8% of the REIT's GLA, matures each year, between 2016 and 2019. The REIT's expiry profile benefits from its Brazil properties which are subject to long term leases. The five Brazil hospitals are each occupied by single tenants that are leading hospital operators, and have leases expiring between September 30, 2024 and December 31, 2038. The expiry profile also reflects the longer term nature of many of the hospital tenants within the Vital Trust portfolio which has a WALE of 17.3 years.

Leasing Activity

TABLE 3A - LEASING ACTIVITY					
	Three months ended September 30, 2015				
	Canada	Brazil	Germany	Australasia (1)	Total
Opening Occupancy	90.7%	100.0%	95.8%	99.3%	
Opening Balance	4,129,093	1,019,555	685,897	1,614,011	7,448,556
Disposition	(19,264)	-	-	-	(19,264)
Expiries	(122,197)	-	(10,494)	-	(132,691)
Renewal	85,336	-	8,479	-	93,815
Early Terminations	(16,298)	-	-	500	(15,798)
New Leasing	50,775	-	6,631	2,572	59,978
Month-to-Month	6,884	-		-	6,884
Remeasurements and other	2,814	-	679	-	3,493
Closing Balance	4,117,143	1,019,555	691,192	1,617,083	7,444,973
Closing Occupancy	**90.9%**	**100.0%**	**94.9%**	**99.4%**	**94.2%**

Notes

(1) Shown on a 100% basis. The REIT has an approximate 24% interest in Vital Trust and acts as manager of Vital Trust, it therefore consolidates Vital Trust. The leasing activity excludes the area associated with Vital Trust's Hurtsville property.

Canada

During the quarter the REIT completed 85,336 square feet of renewal leasing at an initial net rent of $13.96 per square foot versus an expiring net rent per square foot of $13.57, representing a 2.9% increase. The REIT also completed 50,775 square feet of new leasing at an initial net rent of $12.83 per square foot.

As at September 30, 2015 the REIT had 221,774 square feet of committed leasing against future expiries and 45,844 square feet of committed leasing against vacant space at an initial net rent of $19.99 and $13.72 per square foot, respectively.

TABLE 3B - EXPIRING NET RENT ($PSF)	
As at September 30, 2015	
	Canada
Month-to-Month	$ 21.18
2015	14.10
2016	14.62
2017	17.96
2018	16.33
2019	16.04
2020+	18.05
Total Expires	$ 17.06

Brazil

There REIT's Brazil properties are subject to long term leases and there was no leasing activity during the quarter.

Germany

During the quarter the REIT completed 8,479 square feet of renewal leasing and 6,631 square feet of new leasing.

TABLE 3B - EXPIRING NET RENT (€PSF)		
As at September 30, 2015		
		Germany
Month-to-Month	€	8.89
2015		8.80
2016		9.32
2017		11.34
2018		9.81
2019		9.77
2020+		10.52
Total Expires	€	10.10

Australasia

Vital Trust's properties are generally subject to long term leases, and as such there was no material leasing activity during the quarter.

Tenant Mix

The following table summarizes the REIT's 10 largest tenants by percentage of revenue for the three months ended September 30, 2015:

TABLE 3C - 10 LARGEST TENANTS BY PERCENTAGE OF RENT

	Tenant	Country	%	# of locations
1	Rede D'Or Sao Luiz	Brazil	10.8%	4
2	Healthe Care	Australia	10.5%	12
3	Healthscope	Australia	2.8%	2
4	Bantrel Corportation	Canada	2.4%	1
5	Epworth Foundation	Australia	2.3%	3
6	CLSC/CSSS	Canada	1.8%	5
7	Shoppers Drug Mart	Canada	1.3%	8
8	Mercy Ascot	New Zealand	1.3%	2
9	Lawtons Drugs	Canada	1.1%	5
10	Sportsmed	Australia	1.1%	1
			35.4%	43

INVESTMENT PROPERTIES

The fair value of investment properties as at September 30, 2015 was $2,306,466 representing an implied weighted average capitalization rate of 7.4% (as at December 31, 2014 – 8.6%).

TABLE 4 - INVESTMENT PROPERTIES

Expressed in thousands of Canadian dollars	Three months ended September 30				
	Canada	**Brazil**	**Germany**	**Australasia**	**Total**
Opening Balance	**$ 1,268,955**	**$ 364,468**	**$ 137,746**	**$ 654,161**	**$ 2,425,330**
Acquisitions of investment properties	-	-	-	302	302
Addition to investment properties	10,157	-	482	10,967	21,606
Increase in straight-line rents	525	-	-	-	525
Transfers from (to) assets held for sale	(86,749)	-	-	-	(86,749)
Amortization of deferred revenue	-	463	-	-	463
Fair value gain (loss)	(6,079)	4,819	(482)	(222)	(1,964)
Foreign currency translation	-	(57,113)	10,298	(6,232)	(53,047)
Closing Balance	**$ 1,186,809**	**$ 312,637**	**$ 148,044**	**$ 658,976**	**$ 2,306,466**

Notes

(1) The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly additions to investment properties include the acquistion of the REIT.

TABLE 4A - INVESTMENT PROPERTIES

Expressed in thousands of Canadian dollars	Nine months ended September 30				
	Canada	**Brazil**	**Germany**	**Australasia**	**Total**
Opening Balance	**$ -**	**$ 386,251**	**$ 137,979**	**$ -**	**$ 524,230**
Acquisition of NorthWest REIT [(1)]	$ 1,281,174	-	-	-	1,281,174
Acquisition of control of Vital Trust	$ -	-	-	563,212	563,212
Acquisitions of investment properties	$ -	-	1,052	302	1,354
Addition to investment properties	$ 13,958	-	983	35,771	50,712
Increase in straight-line rents	$ 792	-	-	-	792
Transfers from (to) assets held for sale	$ (103,036)	-	-	-	(103,036)
Reclassification of deferred revenue	$ -	(11,816)	-	-	(11,816)
Amortization of deferred revenue	$ -	871	-	-	871
Fair value gain (loss)	$ (6,079)	27,138	(1,041)	76,608	96,626
Foreign currency translation	$ -	(89,807)	9,071	(16,917)	(97,653)
Closing Balance	**$ 1,186,809**	**$ 312,637**	**$ 148,044**	**$ 658,976**	**$ 2,306,466**

Notes

(1) The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly additions to investment properties include the acquistion of the REIT.

The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly, additions to investment properties include $Nil and $1,281,174, during the three and nine months ended September 30, 2015, respectively, representing the acquisition of NorthWest REIT.

On January 1, 2015, as a result of the acquisition of control of Vital Trust, the REIT began consolidating the investment properties of Vital Trust having a value of $563,212.

See **LEASING COSTS AND CAPITAL EXPENDITURES** for additional information on additions to investment properties.

<u>Canada</u>

During the quarter, the REIT continued work on the Canadian family health team anchored medical office building developments at 85 The East Mall, Etobicoke (Toronto) and at the Barrie Primary Care Campus in Barrie, Ontario.

Construction continues to be on schedule with substantial completion and initial tenant occupancy scheduled for first half of 2016.

Expenditures on properties under development, for the three and nine months ended September 30, 2015, of $4,496 and $5,283, respectively consisted primarily of expenditure incurred since closing of the Combination Transaction on these properties. Included in these costs is $257 and $324, respectively, of capitalized interest. Included in investment properties are properties under development with a fair value of $27,428 as at September 30, 2015.

During the quarter the REIT also commenced disposition processes with respect to fourteen medical office buildings in Canada and transferred the properties with a combined carrying value of $86,749 to assets held for sale.

The REIT recognized net fair value losses of $6,079 for the three and nine months ended September 30, 2015, primarily as a result of capitalization rate expansion in the REIT's suburban Calgary markets, as well as, the impact of adjusting the fair value on the investment properties transferred to assets held for sale.

During the quarter the REIT also recognized a $11,143 retrospective adjustment to the acquisition of NorthWest REIT related to the fair value of one of the NorthWest REIT's investment properties to reflect the development intensification opportunity at the site.

During the three and nine months ended September 30, 2015 external valuations were performed on properties with an aggregate value of $64,248 and $352,336, respectively. $288,088 of these external valuations was reflected in the amounts recognized on the acquisition of NorthWest REIT in Table 4A.

Brazil

During the three and nine months ended September 30, 2015 the REIT recognized fair value gains of $4,819 and $27,138, respectively, reflecting the actual and expected increases in rents for inflation, as contracted per the REIT's Brazil leases, increasing the portfolio's future net operating income.

During the second quarter as a result of an accounting change the deferred revenue liability associated with the Sabará Securitization Facility was reclassified to investment properties.

A weakening of the Brazilian Real relative to the Canadian dollar during the third quarter and year to date resulted in a foreign currency translation loss of $57,113 and $89,807 during the three and nine months ended September 30, 2015, respectively.

Germany

The REIT recognized fair value losses, as a result of the write-off of leasing costs and building improvements related to the German portfolio, of $482 and $1,041, for the three and nine months ended September 30, 2015, respectively.

A strengthening of the Euro relative to the Canadian dollar during the second quarter resulted in a foreign currency translation gain of $10,298 and $9,071 for the three and nine months ended September 30, 2015, respectively.

During the second quarter the REIT completed the acquisition of development land together with a parking lot on the campus of the Vivantes Auguste-Viktoria Hospital (577 beds) in the Schöneberg district of Berlin, Germany for $991 (€729) plus transaction costs. The parking lot has just over 50 spots let to a subsidiary of SANA, a leading German private hospital group that has a clinic adjacent to the hospital campus. There are a number of development opportunities for the vacant land which the REIT is currently evaluating.

Australasia

During the three and nine months ended September 30, 2015 the REIT recognized a fair value loss of $222 and a fair value gain of $76,608, respectively. The year to date increase reflects an approximate 100 basis point decrease in the weighted average capitalization rate of Vital Trust's portfolio to approximately 8.0% during the second quarter of 2015. The core drivers of the decline in the weighted average capitalization rate in the second quarter were the impacts of value-add developments and hospital repositioning activity on Vital Trust's portfolio, rental growth, strong occupancy, long-term leases and a general firming of capitalization rates in Australasia's healthcare real estate sector. During the three months ended September 30, 2015 no external valuations were performed on Vital Trust's portfolio, as the entire portfolio was externally valued in the second quarter of 2015.

A weakening of the New Zealand dollar relative to the Canadian dollar during the three and nine months ended September 30, 2015 resulted in a foreign currency translation loss in those periods of $6,232 and $16,917, respectively.

During the quarter Vital Trust continued development activities at five of its properties, all located in Australia. Vital Trust incurred expenditures on properties under development, for the three and nine months ended September 30, 2015 of $10,761 and $35,004, respectively. Vital Trust also completed the acquisition of a parcel of vacant land in Toronto, New South Wales, Australia for a gross purchase price of $302 including transaction costs.

Valuations

The fair values of the investment properties at September 30, 2015 and December 31, 2014 were determined based on a combination of internal valuation models incorporating available market evidence and external appraisals. During the three months ended September 30, 2015, the REIT's investment properties were valued by internal valuation models, unless valued by external appraisal. During the second quarter of 2015 all of the asset in Vital Trust's portfolio were valued by external appraisals.

The key valuation assumptions for the REIT's investment properties are set out in the following table:

TABLE 4B - INVESTMENT PROPERTIES VALUATION ASSUMPTIONS

Unaudited	**As at September 30, 2015**			
	Canada	**Brazil**	**Germany**	**Australasia**
Discount rate - range	6.0% - 8.8%	10.0%	6.5% - 7.0%	8.3% - 11.0%
Discount rate - weighted average	7.6%	10.0%	6.7%	9.1%
Terminal capitalization rate - range	5.8% - 8.0 %	9.0%	6.9% - 8.4%	7.4% - 10.3%
Terminal capitalization rate - weighted average	6.9%	9.0%	7.4%	8.5%
Implied capitalization rate - range	5.3% - 9.2%	9.4%	5.7% - 7.4%	7.0% - 10.3%
Implied capitalization rate - weighted average	6.6%	9.4%	6.4%	8.0%
	As at December 31, 2014			
	Canada	**Brazil**	**Germany**	**Australasia**
Discount rate - range	6.0% - 9.8%	10.0%	6.5% - 7.0%	8.8% - 12.5%
Discount rate - weighted average	7.5%	10.0%	6.7%	10.4%
Terminal capitalization rate - range	5.8% - 8.8 %	9.0%	6.9% - 8.4%	7.3% - 11.3%
Terminal capitalization rate - weighted average	6.9%	9.0%	7.4%	9.6%
Implied capitalization rate - range	5.3% - 9.4 %	9.4%	5.7% - 7.4%	7.1% - 12.0%
Implied capitalization rate - weighted average	6.8%	9.4%	6.4%	9.0%

The weighted average terminal capitalization rate and implied capitalization rate decreased in Canada reflecting the impact of transferring investments properties to assets held for sale. This decrease was partially offset by capitalization rate expansion in the REIT's suburban Calgary markets.

ASSETS HELD FOR SALE

Canada

During the quarter, as part of its on-going portfolio optimization strategy, the REIT completed the sale of Alexander Medical Building, in Ontario Canada, a property that was classified as held for sale as at June 30, 2015. The sale generated gross proceeds of $5,300 and net proceeds of $235 after assumption of the existing mortgage of $4,938, by the purchaser, and payment of transaction costs of $127.

During the quarter the REIT also commenced sale processes with respect to fourteen medical office buildings in Canada, as part of its previously announced effort to enhance portfolio quality by disposing certain assets that are not central to the REIT's strategy of owning healthcare properties with scale in its target markets. The REIT transferred the properties which have a combined carrying value of $86,749 to assets held for sale. As at September 30, 2015 the REIT now classifies sixteen properties as held for sale with a total carrying value of $97,730. Mortgages associated with these properties amount to $64,982. The REIT expects to sell all of these properties over the next six to twelve months generating net proceeds of approximately $32,748 before transaction costs. Seven of such properties are currently subject to unconditional sales agreements and four are subject to conditional sales agreements.

The NOI for the three months ended September 30, 2015, associated with the properties classified as held for sale as at September 30, 2015, was $1,798. The properties held for sale have a GLA of 749,366 square feet, WALE of 4.5 years and Occupancy of 79.2% as at September 30, 2015.

DEVELOPMENT ACTIVITY

The REIT develops new properties and reinvests capital in its existing properties, through expansions and refurbishments, as a way to create value for our tenants and unitholders. It is expected that development activity will become a more important component of the REIT's growth over time, to help our tenants meet the growing healthcare needs of the populations they serve. Meeting these needs is largely contingent upon completing the development projects in the manner contemplated. The most important factor affecting completion will be the successful execution of construction plans, while meeting the timing and costs goals of each project.

The REIT is undertaking the following development activities which are at various stages of execution ranging from planning to active development:

TABLE 4C - DEVELOPMENT ACTIVITY BY REGION

Expressed in thousands of Canadian dollars, except percentage amounts

	Number of Projects	Estimated Completion Date	Estimated Project Costs	Estimated Costs to Complete	% Pre-leased	Anticipated Project Yield	Anticipated Stabilized NOI	Potential value accretion
Australia	5	Q4 2015 to Q2 2016	51,053	23,881	100%	8.8%	4,477	3,467
Brazil	2	Q4 2016 / Q4 2018	47,390	47,390	100%	10.5%	4,976	5,546
Canada	2	Q4 2016	51,593	24,396	74%	7.1%	3,647	4,508
	9		150,036	95,667			13,100	13,521

During the quarter the Vital Trust reach a key milestone in respect of the development at its Hurstville Private Hospital property in Sydney, Australia and commenced recognition of associated rental revenue.

The reader is cautioned that the above information is forward-looking and actual results may vary materially. See **FORWARD-LOOKING INFORMATION ADVISORY.**

The Australian development activity pertains to Vital Trust's assets of Hurstville Private Hospital, Belmont Private Hospital, Marian Clinic, Maitland Private Hospital and South Eastern Private Hospital. The Australian development is expected to be funded through Vital Trust's existing resources.

The Brazilian development activity relates to expansion planned for both the REIT's HMB and Coracao hospitals and is expected to be funded through a combination of existing resources and property financing.

The Canadian development activity relates to the REIT's properties located at 85 The East Mall, Etobicoke, Ontario and at the Barrie Primary Care Campus in Barrie, Ontario, both acquired in January 2015.

Estimated stabilized NOI is Management's estimate of the amount of annual NOI the development activity will generate upon substantial completion and the commencement of rent payments. Estimated total cost includes acquisition cost, estimated total construction and financing costs. The material assumption made in formulating the estimated total cost is that construction and financing costs remain stable for the remainder of the development period in each of the REIT's regions. Estimated project yield on cost is the estimated annual NOI as a percentage of the estimated total cost. Estimated cost to complete is the difference between the estimated total cost and the costs incurred to date.

LEASING COSTS AND CAPITAL EXPENDITURES

TABLE 5 - LEASING COSTS AND CAPITAL EXPENDITURES

Expressed in thousands of Canadian dollars	Three months ended September 30				
Unaudited	**Canada**	**Brazil**	**Germany**	**Australasia**	**Total**
Additions to investment properties					
Leasing Costs (1)	$ 311	$ -	$ 96	$ -	$ 407
Tenant improvements (2)	2,194	-	211	58	2,463
Maintenance capital expenditures	962	-	175	69	1,206
Other capital expenditures	2,194	-	-	79	2,273
	5,661	-	482	206	6,349
Internal leasing costs expensed (1)	366	-	-	-	366
	6,027	-	482	206	6,715
Less:					
Recoverable maintenance capital expenditures	(962)	-	-	-	(962)
Other value enhancing and non-recurring capital expenditures	(1,732)	-	-	-	(1,732)
Leasing costs and non-recoverable maintenance capital expenditures	**$ 3,333**	**$ -**	**$ 482**	**$ 206**	**$ 4,021**
AFFO adjustment for leasing costs and and non-recoverable maintenance capital expenditures (3)	**$ 2,247**	**$ -**	**$ 200**	**$ 206**	**$ 2,653**
Leasing costs and non-recoverable maintenace capital expenditures in excess of AFFO adjustment	**$ 1,086**	**$ -**	**$ 282**	**$ -**	**$ 1,368**

	Nine months ended September 30				
	Canada	**Brazil**	**Germany**	**Australasia**	**Total**
Additions to investment properties					
Leasing Costs (1)	$ 506	$ -	$ 107	$ -	$ 613
Tenant improvements (2)	2,844	-	408	249	3,501
Maintenance capital expenditures	1,524	-	357	220	2,101
Other capital expenditures	3,800	-	111	298	4,209
	8,674	-	983	767	10,424
Internal leasing costs expensed (1)	577	-	-	-	577
	9,251	-	983	767	11,001
Less:					
Recoverable maintenance capital expenditures	(1,524)	-	-	-	(1,524)
Other value enhancing and non-recurring capital expenditures	(2,692)	-	(111)	-	(2,803)
Leasing costs and non-recoverable maintenance capital expenditures	**$ 5,035**	**$ -**	**$ 872**	**$ 767**	**$ 6,674**
AFFO adjustment for leasing costs and and non-recoverable maintenance capital expenditures (3)	**$ 3,416**	**$ -**	**$ 404**	**$ 767**	**$ 4,587**
Leasing costs and non-recoverable maintenace capital expenditures in excess of AFFO adjustment	**$ 1,619**	**$ -**	**$ 468**	**$ -**	**$ 2,087**

Notes

(1) The leasing costs exclude base salary and benefits of the internal leasing department which have been expensed.

(2) Tenant improvements include tenant allowances and landlord's work.

(3) In Canada and Germany, due to the nature of the portfolios, on a quarterly basis and during portfolio repositioning, leasing costs, tenant improvements and maintenance capital expenditures can fluctuate and as such, should not be regarded as stabilized. As a result the REIT uses a reserve of 6% of revenue from investment properties in Canada and Germany when determining AFFO. In Brazil and Australasia due to the long term, triple net nature of the leases the REIT uses actual leasing costs and non-recoverable maintenance capital expenditures when determining AFFO.

Canada

On a quarterly basis and during portfolio repositioning, leasing costs, tenant improvements and capital expenditures can fluctuate and as such, should not be regarded as stabilized. Further, in accordance with the REIT's strategy of extending average lease term whenever possible, especially for primary medical tenancies, often non - recurring leasing costs are involved.

Other capital expenditures include $939 related to the refurbishment of the parking garage at Queensway Professional Centre in Mississauga.

Brazil

All of the REIT's hospitals in Brazil are leased to single tenant, hospital operators under long-term, inflation indexed, triple net lease structures in which the REIT does not absorb any property operating cost risk. As a result the REIT does not incur any leasing or capital expenditures at the REIT's Brazil hospitals and therefore the REIT uses actual expenditures (if ever applicable) in determining AFFO.

Germany

On a quarterly basis leasing costs, tenant improvements and capital expenditures can fluctuate and as such, should not be regarded as stabilized. Additions to the German investment properties for the three and nine months ended September 30, 2015 were $482 and $983, respectively.

Australasia

The majority of Vital Trust's assets (17 private hospitals and 7 MOBs, and two development sites) represent hospitals leased to single tenant, hospital operators under long-term, inflation indexed, triple net lease structures in which Vital Trust does not absorb any property operating cost risk. As a result, Vital Trust does not incur significant leasing or maintenance capital expenditures. For Vital Trust's MOB portfolio and certain hospital assets, leasing costs, tenant improvements and maintenance capital expenditures can be incurred. The REIT has elected to recognize actual leasing and maintenance capital expenditures incurred by Vital Trust in determining AFFO due to the significant proportion of Vital Trust's portfolio comprising of triple net leased hospitals.

PART III – RESULTS FROM OPERATIONS

NET INCOME

The following is a summary of selected financial information from the consolidated statements of income and comprehensive income for the three and nine months ended September 30, 2015 and September 30, 2014:

TABLE 6 - RESULTS FROM OPERATIONS

Expressed in thousands of Canadian dollars	Three months ended September 30			Nine months ended September 30		
	2015	**2014**	**Variance**	**2015**	**2014**	**Variance**
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net Operating Income (1)						
Revenue from investment properties	$ 63,263	$ 11,834	$ 51,429	$ 135,033	$ 32,489	$ 102,544
Property operating costs	(19,622)	(849)	(18,773)	(33,322)	(1,586)	(31,736)
	43,641	**10,985**	**32,656**	**101,711**	**30,903**	**70,808**
Other income						
Share of profit (loss) from associates	-	3,403	(3,403)	2,153	422	1,731
Management fee participation	-	597	(597)	-	1,936	(1,936)
Interest income	172	392	(220)	743	1,274	(531)
	172	**4,392**	**(4,220)**	**2,896**	**3,632**	**(736)**
	43,813	**15,377**	**28,436**	**104,607**	**34,535**	**70,072**
Other expenses						
Mortgage and loan interest expense	(18,089)	(7,546)	(10,543)	(44,069)	(21,617)	(22,452)
General and administrative expenses	(5,530)	(1,877)	(3,653)	(18,111)	(5,414)	(12,697)
Transaction costs	(464)	-	(464)	(9,859)	-	(9,859)
Other Finance costs	(5,109)	(28,044)	22,935	1,082	(56,010)	57,092
Foreign exchange gain (loss)	857	3,475	(2,618)	2,606	578	2,028
Amortization of intangible asset	-	(390)	390	-	(1,171)	1,171
Income (Loss) before the undernoted items	**15,478**	**(19,005)**	**34,483**	**36,256**	**(49,099)**	**85,355**
Fair value adjustment of DUP Liability	193	(35)	228	1,878	(36)	1,914
Fair value adjustment of investment properties	(1,964)	14,694	(16,658)	96,626	11,151	85,475
Net loss on disposal of investment properties	(134)	-	(134)	(134)	(98)	(36)
Gain on business combination	-	-	-	69,023	-	69,023
Gain (Loss) on derivative financial instruments	(3,504)	(816)	(2,688)	(3,372)	(1,167)	(2,205)
Income (Loss) before taxes	**10,069**	**(5,162)**	**15,231**	**200,277**	**(39,249)**	**239,526**
Income tax expense	(3,567)	(6,759)	3,192	(26,836)	(8,593)	(18,243)
Net income (loss)	**$ 6,502**	**$ (11,921)**	**$ 18,423**	**$ 173,441**	**$ (47,842)**	**$ 221,283**
Net income (loss) attributable to:						
Unitholders	$ 2,147	$ (11,921)	$ 14,068	$ 112,669	$ (47,842)	$ 160,511
Non-controlling interest	4,355	-	4,355	60,772	-	60,772
	$ 6,502	**$ (11,921)**	**$ 18,423**	**$ 173,441**	**$ (47,842)**	**$ 221,283**

Notes

(1) NOI is an additional IFRS measure presented on the consolidated statement of income and comprehensive income. NOI is defined in this MD&A and analyzed in greater detail in section "Net Operating Income"

The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly the financial results for the periods prior to completion of the Combination Transaction reflect the results of NWI. The financial results for the periods subsequent to the completion of the Combination Transaction reflect the consolidated results of the REIT and NWI.

See **PART XII – SUPPLEMENTAL DISCLOSURE** for additional information on the components of net income.

Revenue from investment properties

Revenue from investment properties for the three months ended September 30, 2015 was $63,263 which is $51,429 greater than the three months ended September 30, 2014. Of this increase, $37,445 is attributable to the consolidation of the results of the REIT with NWI following completion of the Combination Transaction; $15,179 is attributable to the acquisition of control of Vital Trust effective January 1, 2015, whereby the REIT now consolidates the results of Vital Trust. Prior to the acquisition of control NWI equity accounted for its investment in Vital Trust. The remaining decrease of $1,195 is a result of foreign exchange due to the Brazilian Real depreciating against the Canadian dollar in the three months ended September 30, 2015 as compared to September 30, 2014; partially offset by the acquisition of Hohenschoenhausen which increased revenues for the three months ended September 30, 2015 by $272 and foreign exchange due to the Euro appreciating against the Canadian dollar in the three months ended September 30, 2015 as compared to September 30, 2014.

Revenue from investment properties for the nine months ended September 30, 2015 was $135,033 which is $102,544 greater than the three months ended September 30, 2014. Of this increase, $56,921 is attributable to the consolidation of the results of the REIT with NWI following completion of the Combination Transaction; $44,751 is attributable to the acquisition of control of Vital Trust effective January 1, 2015, whereby the REIT now consolidates the results of Vital Trust. The remaining variance of $872 is a result of the acquisitions of 13 medical office buildings acquired in June 2014 (the "**Core German MOB Portfolio**") and Hohenschoenhausen which combined increased revenues for the nine months ended September 30, 2015 by $4,140; partially offset by foreign exchange due to the Euro and Brazilian Real depreciating against the Canadian dollar in the nine months ended September 30, 2015 as compared to September 30, 2014, as well as reduced revenue due to the disposed property in February 2014 in Germany (Marktredwitz) of $113.

See also **NET OPERATING INCOME**.

Property operating costs

In Canada, Germany and Australasia, property operating costs are comprised of amounts recoverable from tenants (including property taxes, maintenance, utilities and insurance) and non-recoverable expenses including certain property management costs.

The nature of the leases in Brazil is such that the tenant is responsible for all operating costs of the property. The REIT incurs social taxes applied against the revenues earned from the Brazil properties as a result of the corporate structure of the entities holding the assets. In the second quarter the REIT reclassified social taxes, previously recognized as property operating costs, to general and administrative expenses. The current quarter reflects this presentation and prior year comparable amounts have been restated to conform to the current presentation.

Property operating costs for the three months ended September 30, 2015 were $19,622 as compared to $849 for the three months ended September 30, 2014. Of the increase, $16,842 is attributable to the consolidation of the results of the REIT with NWI following completion of the Combination Transaction; $1,960 is attributable to the acquisition of control of Vital Trust effective January 1, 2015, whereby the REIT now consolidates the results of Vital Trust. The remaining decrease of $29 is a result of the acquisitions of Hohenschoenhausen which increased property operating costs for the three months ended September 30, 2015 by $89, as well as foreign exchange due to the Euro appreciating against the Canadian dollar in the three months ended September 30, 2015 as compared to September 30, 2014; offset by same property costs savings.

Property operating costs for the nine months ended September 30, 2015 were $33,322 as compared to $1,586 for the nine months ended September 30, 2014. Of the increase, $25,115 is attributable to the consolidation of the results of the REIT with NWI following completion of the Combination Transaction; $5,486 is attributable to the acquisition of control of Vital Trust effective January 1, 2015, whereby the REIT now consolidates the results of Vital Trust. The remaining increase of $1,135 is a result of the acquisitions of the Core German MOB Portfolio and Hohenschoenhausen which combined increased property operating costs for the nine months ended September

30, 2015 by $1,312; partially offset by the operating cost savings from the February 2014 disposed property in Germany (Marktredwitz) of $74 and foreign exchange due to the Euro depreciating against the Canadian dollar in the nine months ended September 30, 2015 as compared to September 30, 2014.

See also **NET OPERATING INCOME.**

Share of profit (loss) of associates

Prior to the completion of the Combination Transaction on May 15, 2015, NWI accounted for its approximate 25% ownership of the REIT using the equity method. It also used the equity method, prior to the acquisition of control of Vital Trust on January 1, 2015, to account for the approximate 24% investment in Vital Trust. The share of profit (loss) of associates relates to the proportionate share of the underlying net income of NWI's associates.

The share of profit (loss) of associates, and distributions received, for the three and nine months ended September 30, 2015 and September 30, 2014 is as follows:

TABLE 6A - SHARE OF PROFIT (LOSS) OF ASSOCIATES AND DISTRIBUTIONS RECEIVED

Expressed in thousands of Canadian dollars	Three months ended September 30			Nine months ended September 30		
	2015	2014	Variance	2015	2014	Variance
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Share of profit (loss) of associates						
NorthWest REIT	$ -	$ 1,908	$ (1,908)	$ 2,153	$ (5,764)	$ 7,917
Vital Trust	-	1,495	(1,495)	-	6,186	(6,186)
Total	**$ -**	**$ 3,403**	**$ (3,403)**	**$ 2,153**	**$ 422**	**$ 1,731**
Distributions received						
NorthWest REIT	$ -	$ 2,380	$ (2,380)	$ 3,172	$ 7,139	$ (3,967)
Vital Trust	-	1,486	(1,486)	2,992	4,536	(1,544)
Total	**$ -**	**$ 3,866**	**$ (3,866)**	**$ 6,164**	**$ 11,675**	**$ (5,511)**

Notwithstanding that the REIT consolidates the results of Vital Trust from January 1, 2015 the REIT continues to receive its proportionate share of cash distributions made by Vital Trust. Distributions of $1,392 and $4,384 were received from Vital Trust for the three and nine months ended September 30, 2015 are not reflected in the consolidated financial statements of the REIT as they are eliminated on consolidation.

Management Fee Participation

In connection with the Internalization Transaction, the Management Fee Participation Agreement was cancelled effective January 1, 2015. As a result, the REIT did not earn the management fees under this agreement for the three and nine months ended September 30, 2015. However, as part of the Internalization Transaction, the REIT acquired the Vital Manager. In exchange for its services, the Vital Manager earns management fees, activity-based fees for acquisitions and development activity, as well as an incentive fee from Vital Trust. Management fees are calculated at 0.75% of the monthly average of the gross value of the assets of Vital Trust for the quarter ended on the last day of the month. Incentive fees are earned when there is an average annual increase in the gross value of the assets of Vital Trust over the relevant financial year and the two preceding years. The incentive fee is 10% of the amount of the increase with payment being received by way of subscribing for new units of Vital Trust. The management and incentive fees shall not exceed an amount equal to 1.75% per annum of the gross value of the trust. In addition, the Vital Manager earns management fees in its capacity as manager, with an Australian Financial Services License, of one of Vital Trust's Australian subsidiary trusts.

For the three and nine months ended September 30, 2015 the REIT accrued $1,417 and $4,811 respectively, related to the incentive fee from Vital Trust. As the REIT consolidates Vital Trust this incentive fee, and all management fees earned by the Vital Manager, do not appear on the consolidated income statement of the REIT as it is an inter-company transaction. However, the REIT's Unitholders receive the benefit of approximately 76% of the fees, representing the amount that is paid by the non-controlling interest of Vital Trust.

See **Part XII – Supplemental Disclosure** for additional disclosure related to the income earned by the Vital Manager.

Interest income

Interest income represents amounts earned on invested cash balances and related party balances (see **PART V – RELATED PARTY TRANSACTIONS**). For the three and nine months ended September 30, 2015, the REIT recorded interest income of $172 and $743, respectively, which decreased from the comparable prior year period as related party receivables were settled on closing of the Combination Transaction.

Mortgage and loan interest expense

Mortgage and loan interest expense for the three and nine months ended September 30, 2015 and September 30, 2014 is as follows:

TABLE 6B - MORTGAGE AND LOAN INTEREST EXPENSE

Expressed in thousands of Canadian dollars	Three months ended September 30			Nine months ended September 30		
	2015	2014	Variance	2015	2014	Variance
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Canada						
Mortgages	$ 8,060	$ -	$ (8,060)	$ 12,158	$ -	$ (12,158)
Brazil						
Brazil Term Loans	3,379	3,304	(75)	11,006	9,670	(1,336)
Germany						
Mortgages	448	446	(2)	1,333	964	(369)
Australasia						
Term loans	2,943	-	(2,943)	8,368	-	(8,368)
Corporate						
NWH Margin Facilities	-	1,633	1,633	2,203	4,863	2,660
Vital Margin Facilities	701	862	161	2,291	2,464	173
Acquisition Facility	496	496	-	1,472	1,472	-
Revolving Credit Facility	317	-	(317)	453	-	(453)
Other	20	46	26	83	46	(37)
Convertible Debentures						
NWH.DB	533	-	(533)	805	-	(805)
NWH.DB.A	370	370	-	1,098	1,098	-
NWH.DB.B	331	331	-	982	982	-
NWH.DB.C	708	58	(650)	2,101	58	(2,043)
	3,476	3,796	320	11,488	10,983	(505)
less: capitalized interest general borrowings	(217)	-	217	(284)	-	284
	3,259	3,796	537	11,204	10,983	(221)
Total mortgage and loan interest expense	**$ 18,089**	**$ 7,546**	**$ (10,543)**	**$ 44,069**	**$ 21,617**	**$ (22,452)**

The mortgage and loan interest expense for the three months ended September 30, 2015 was $18,089, an increase of $10,543 over the prior year period. Of the increase, $8,060 is attributable to the consolidation of the results of the REIT with NWI following completion of the Combination Transaction; $2,943 is attributable to the acquisition of control of Vital Trust effective January 1, 2015, whereby the REIT now consolidates the results of Vital Trust.

The mortgage and loan interest expense for the nine months ended September 30, 2015 was $44,069, an increase of $22,452 over the prior year period. Of the increase, $12,158 is attributable to the consolidation of the results of the REIT with NWI following completion of the Combination Transaction; $8,368 is attributable to the acquisition of control of Vital Trust effective January 1, 2015, whereby the REIT now consolidates the results of Vital Trust.

For additional information on the REIT's debt see **CAPITAL STRUCTURE – Debt**.

Canada

Mortgage interest expense in the current quarter and year to date reflects the consolidation of the NorthWest REIT's Canadian mortgage portfolio following closing of the Combination Transaction. The weighted average interest rate of the Canadian mortgage portfolio as at September 30, 2015 was 4.45%.

Brazil

The increase in interest expense for the three and nine months ended September 30, 2015 over the prior year comparable periods reflects the increase to the interest rate, on the outstanding term loans on the Rede D'Or Hospital Portfolio (the "**Brazil Term Loans**"), in December 2014 from 6.87% to 7.30%, on April 1, 2015 from 7.30% to floating rates ranging from 12%-14.5%, and to 8.95% from June 9, 2015; partially offset by the impact of foreign exchange due to the depreciation of the Brazilian Real from 2014 to 2015.

Germany

The small increase in mortgage interest expense over the prior year quarter is primarily a result of the 2014 acquisition of Hohenschoenhausen, as well as, the impact of foreign exchange due to the appreciation of the Euro from 2014 to 2015; partially offset by the sale of the Marktredwitz property in February 2014, and repayment of the related mortgage, as well as, the impact of the refinancing of mortgages secured against five of the REIT's properties located in Berlin and Fulda, Germany in August 2015 which decreased the weighted average interest rate of with respect to the five properties to 1.65% from 2.27%.

The increase in mortgage interest expense over the prior year to date comparable is primarily a result of the 2014 acquisitions of the Core German MOB Portfolio and Hohenschoenhausen, partially offset by the sale of the Marktredwitz property in February 2014, and repayment of the related mortgage, as well as, the impact of foreign exchange due to the depreciation of the Euro from 2014 to 2015, as well as, the impact of the refinancing of mortgages secured against five of the REIT's properties located in Berlin and Fulda, Germany in August 2015 which decreased the weighted average interest rate of with respect to the five properties to 1.65% from 2.27%.

Australasia

The term loans interest expense in the current quarter and year to date reflects the consolidation of Vital Trust from January 1, 2015. The weighted average interest rate of the Vital Trust term loans was 5.21% as at September 30, 2015.

Corporate

During the second quarter, immediately prior to completing the Combination Transaction, NWI's Canadian margin facilities (the "**NWH Margin Facilities**"), with an outstanding balance of $68,143, were repaid. As a result the interest expense associated with the NWH Margin Facilities decreased as compared to the prior year comparable periods.

The REIT has margin facilities secured by the units it owns of Vital Trust (the "**Vital Margin Facilities**"). Vital Margin Facilities bear interest at a rate that fluctuates with the one-month rate for New Zealand dollar bills of exchange (the "**BKBM**" rate). The weighted average interest rate of the Vital Margin Facilities was 6.15% as at September 30, 2015 as compared to 7.19% as at September 30, 2014. The REIT also benefited from foreign exchange due to the depreciation of the New Zealand dollar from the comparable prior periods.

NorthWest REIT's Revolving Credit Facility (as defined under **CAPITAL STRUCTURE – Debt**) bears interest at a rate equal to the bank's prime rate plus 1.00% or Bankers' Acceptances plus 2.00%. Interest expense reflects interest on the Revolving Credit Facility since the closing of the Combination Transaction.

Interest expense on the Convertible Debentures has increased over the comparable prior year periods following consolidation of NorthWest REIT's Convertible Debenture Series NWH.DB following closing of the Combination Transaction. In addition NWI issued Series NWH.DB.C on September 23, 2014.

For additional information on the REIT's Convertible Debentures and associated interest rates see **CAPITAL STRUCTURE – Debt.**

General and administrative expenses ("G&A")

General and administrative expenses for the three months ended September 30, 2015 were $5,530 as compared to $1,877 in the comparable period in 2014 (prior years G&A has been restated to reflect the reclassification of Brazil's social taxes to G&A from property operating costs). The increase over the prior year period includes a $847 net increase in G&A expenses as a result of the consolidation of Vital Trust and Vital Manager commencing January 1, 2015 and a $491 increase in G&A expenses in Germany as a result of the Internalization Transaction. The remaining increase includes the incremental G&A as a result of combining NorthWest REIT G&A with NWI following completion of the Combination Transaction. G&A for the three months ended September 30, 2015 includes non-cash DUP Compensation Expense (as defined under **ADJUSTED FUNDS FROM OPERATIONS ("AFFO") – DUP Compensation Expense**) of $2,564 (three months ended September 30, 2014 - $58).

General and administrative expenses for the nine months ended September 30, 2015 were $18,633 as compared to $5,414 in the comparable period in 2014(prior years G&A has been restated to reflect the reclassification of Brazil's social taxes to G&A from property operating costs). The increase over the prior year period includes a $3,805 net increase in G&A expenses as a result of the consolidation of Vital Trust and Vital Manager commencing January 1, 2015 and a $1,642 increase in G&A expenses in Germany as a result of the Internalization Transaction. The remaining increase includes the incremental G&A as a result of combining NorthWest REIT G&A with NWI following completion of the Combination Transaction. G&A for the nine months ended September 30, 2015 includes non-cash DUP Compensation Expense of $7,842 (nine months ended September 30, 2014 - $161).

Transaction costs

For the three months ended September 30, 2015 the REIT incurred transaction costs of $464 (nine months ended September 30, 2015 - $9,859) which includes $Nil (nine months ended September 30, 2015 - $798) related to the Internalization Transaction and $464 (nine months ended September 30, 2015 - $8,873) related to costs incurred by NWI related to the Combination Transaction. As both the Internalization and Combination Transactions are business combinations, the transaction costs incurred are expensed in the period incurred. For the three and nine months ended September 30, 2014, there were no transaction costs incurred.

Other Finance costs

Other finance costs for the three and nine months ended September 30, 2015 and 2014 consisted of the following:

TABLE 6C - OTHER FINANCE COSTS						
	Three months ended September 30			Nine months ended September 30		
	2015	2014	Variance	2015	2014	Variance
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Distributions on Exchangeable Units	$ 3,838	$ 5,070	$ 1,232	$ 13,161	$ 15,149	$ 1,988
Loss on revaluation of financial liabilities	1,544	2,413	869	8,263	11,799	3,536
Amortization of deferred financing costs	1,593	2,808	1,215	5,464	7,802	2,338
Amortization of marked to market adjustment	(2,284)	-	2,284	(2,927)	-	2,927
Fair value adjustment of Convertible Debentures	(158)	1,092	1,250	5,954	2,923	(3,031)
Convertible Debenture issuance costs	-	2,835	2,835	1	2,838	2,837
Fair value adjustment of Exchangeable Units	576	13,826	13,250	(30,998)	15,499	46,497
Total Finance Costs	**$ 5,109**	**$ 28,044**	**$ 22,935**	**$ (1,082)**	**$ 56,010**	**$ 57,092**

Distributions on Exchangeable Units

Under IFRS, Exchangeable Units distributions are treated as a finance cost. The Exchangeable Units receive distributions on an equivalent per unit basis to the distributions declared on the Trust Units. The decrease in distributions over the comparable three and nine months ended September 30 reflects the reduction in distributions per unit from $0.0881 per month (as adjusted for the Exchange Ratio) to $0.0667 following closing of the Combination Transaction. This was partially offset by an additional 14,852 Exchangeable Units (as adjusted for the Exchange Ratio) issued on January 1, 2015 and 238,551 Exchangeable Units (as adjusted for the Exchange Ratio) issued on April 28, 2014. 7,551 Exchangeable Units (as adjusted for the Exchange Ratio) were also exchanged and cancelled on May 16, 2014.

Loss on revaluation of financial liabilities

On maturity, the principal balance of both of the Brazil Term Loans and the holdbacks payable (included in deferred consideration), in respect of the HMB acquisition, settled in December 2014, and the three hospitals acquired from Rede D'Or Sao Luiz in December 2013 (the "**Rede D'Or Hospital Portfolio Acquisition**"), were to be or will be adjusted by the inflation rate (the consumer price inflation measure used by the Central Bank of Brazil for guiding monetary policy ("**IPCA**") or the Certificate of Interbank Deposit rat (the average one-day interbank deposit rate ("**CDI**")) from the date of inception of these liabilities to their respective maturities. The decrease over the comparable prior year periods reflects settlement of the HMB holdback, as well as, the Brazilian Real depreciating against the Canadian dollar since the comparable prior year period; partially offset by higher inflation rates in the current year. The annual inflation rate for September 30, 2015 was 9.49% as compared to 6.75% for September 30, 2014.

Amortization of deferred financing costs

Included in Finance Costs is amortization of deferred financing costs incurred to arrange mortgage or debt financing. The decrease in deferred financing costs relative to 2014 is primarily due to the refinancing of the Brazil Term Loans in December 2014, resulting in lower financing fees as compared to the fees incurred in December 2013 when the loans were initially entered into, as well as the foreign exchange impact of the declining Brazilian Real relative to the Canadian dollar.

Fair value adjustment of Convertible Debentures

Under IFRS, the REIT has elected to measure Convertible Debentures at fair value. The fair value of the Convertible Debentures is based on the closing trading price of the REIT's Convertible Debentures as at the reporting date. Table 6D summarizes the closing prices of the REIT's Convertible Debentures at each quarter end for the last nine quarters:

TABLE 6D - CLOSING PRICE OF CONVERTIBLE DEBENTURES									
	Sep-15	Jun-15	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14	Dec-13	Sep-13
Month-end closing price (Canadian $)									
NWH.DB(1)	990.00	1,000.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NWH.DB.A(2)	1,005.00	1,000.00	960.10	900.10	945.60	905.10	950.00	855.00	870.00
NWH.DB.B(2)	1,017.50	1,010.00	970.00	998.70	1,020.00	959.90	1,000.00	920.00	900.00
NWH.DB.C(2)	1,000.00	1,000.00	969.90	880.00	975.00	N/A	N/A	N/A	N/A

Notes

(1) The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly the financial results for the periods prior to completion of the Combination Transaction reflect the results of NWI. As a result the REIT's NWH.DB series of convertible debentures has been excluded from the above analysis for period prior to completion of the Combination Transaction.

(2) Pursuant to the Combination Transaction NWI's convertible debentures previously trading under the symbols MOB.DB, MOB.DB.A and MOB.DB.B, were assumed by the REIT, ceased to trade on the TSX Venture Exchange at the close of business on May 19, 2015 and commended trading on the TSX under the symbols NWH.DB.A, NWH.DB.B and NWH.DB.C, respectively, on May 20, 2015.

An increase in the price of a convertible debenture results in a fair value loss to the REIT and a decrease in the price of a convertible debenture results in a fair value gain to the REIT.

Convertible Debenture issuance costs

There were no significant Convertible Debenture issue costs during the three and nine months ended September 30, 2015. Convertible Debenture issue costs for the three and nine months ended September 30, 2014 reflect the costs associated with NWI issuing the Series NWH.DB.C (formerly Series MOB.DB.B) Convertible Debentures in the quarter ended September 30, 2014.

Exchangeable Units – Fair value adjustment

The Exchangeable Units, under IFRS, are measured at fair value. The fair value of the Exchangeable Units mirrors the trading price of the REIT Trust Units. An increase in the trading price of a REIT Trust Unit will result in a corresponding increase in the fair value of the Exchangeable Units liability and a fair value loss to the REIT. A decrease in the trading price of a REIT Trust Unit will result in a corresponding decrease in the fair value of the Exchangeable Units liability and a fair value gain to the REIT.

Table 6E summarizes the closing prices of the REIT Trust Units at each quarter end for the last nine quarters:

TABLE 6E - CLOSING PRICE OF REIT TRUST UNITS									
	Sep-15	Jun-15	Mar-15	Dec-14	Sep-14	Jun-14	Mar-14	Dec-13	Sep-13
Month-end closing price (Canadian $)	8.00	7.97	9.09	9.62	10.53	9.81	10.34	9.71	8.94

Notes

(1) The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly the financial results for the periods prior to completion of the Combination Transaction reflect the results of NWI. As a result the closing price of NWI's units presented above, for periods prior to completion of the Combination Transaction, have been adjusted by the Exchange Ratio.

Foreign exchange gain (loss)

The REIT's financial assets and liabilities denominated in foreign currencies are revalued at the end of each period at the prevailing balance sheet rate. The REIT's unrealized foreign exchange gain (loss) for the periods relates primarily to the revaluation of the Vital Margin Facilities which are denominated in New Zealand dollars and held by a Canadian subsidiary of the REIT, and which is predominantly an unrealized exchange movement. The realized exchange gain (loss) for the periods relate primarily to settlement of outstanding intercompany loans between a Canadian subsidiary and a Brazilian subsidiary.

For the three months ended September 30, 2015, the REIT recorded a foreign exchange gain of $857, which is made up of a realized exchange gain of $138 and an unrealized exchange gain of $719. The unrealized exchange gain during the three months ended September 30, 2015 is primarily due to foreign exchange gains in Vital Trust related to Australian dollar denominated loans partially offset by exchange losses on the Vital Margin Facilities. During the three months ended September 30, 2015, the New Zealand dollar strengthened by approximately 12% relative to the Canadian dollar, thus increasing the liability of the Vital Margin Facilities.

For the nine months ended September 30, 2015, the REIT recorded a foreign exchange gain of $2,606 which is made up of a realized exchange gain of $335 and an unrealized exchange gain of $2,271. The exchange gain during the nine months ended September 30, 2015 is primarily due to foreign exchange gains on the Vital Margin Facilities partially offset by exchange losses in Vital Trust related to Australian dollar denominated loans. During the nine months ended September 30, 2015 the Zealand dollar weakened by approximately 5% relative to the Canadian dollar, thus decreasing the liability of the Vital Margin Facilities.

For the three months ended September 30, 2014, the REIT recorded a foreign exchange gain of $3,475 which is made up of a realized exchange gain of $291 and an unrealized exchange gain of $3,184. The unrealized foreign exchange gain for the three months ended September 30, 2014 is primarily a result of the revaluation of the indebtedness related to the REIT's investment in Vital Trust which is denominated in New Zealand dollars. During the three months ended September 30, 2014, the New Zealand dollar weakened by approximately 7% relative to the Canadian dollar, thus decreasing the value of the New Zealand debt.

For the nine months ended September 30, 2014, the REIT recorded a foreign exchange gain of $578, which is made up of a realized exchange gain of $456 and an unrealized exchange gain of $122. The unrealized foreign exchange gain for the nine months ended September 30, 2014 is primarily a result of the revaluation of the indebtedness related to the REIT's investment in Vital Trust which is denominated in New Zealand dollars. During the nine months ended September 30, 2014, the New Zealand dollar weakened by less than 1% relative to the Canadian dollar, thus only slightly decreasing the value of the New Zealand debt.

See also **FOREIGN EXCHANGE AND CURRENCY MANAGEMENT**

Amortization of intangible asset

The REIT's intangible asset relates to the rights and obligations related to the management of Vital Trust. In conjunction with the Internalization Transaction, the REIT acquired the rights to 100% of the management fees paid by Vital Trust through its acquisition of the Vital Manager. The contract that governs the fee stream paid by Vital Trust does not expire and therefore, the intangible asset is not being amortized.

Prior to the Internalization Transaction the previously recorded intangible asset, relating to the Management Fee Participation Agreement, was being amortized on a straight line basis over its determined useful life of 10 years. For the three months and nine months ended September 30, 2014, the REIT had recorded $390 and $1,171 of amortization, respectively. In connection with the Internalization Transaction, the Management Fee Participation Agreement was cancelled effective January 1, 2015.

Fair value adjustment of DUP Liability

Under IFRS, the REIT's unit-based deferred unit compensation liability ("**DUP Liability**") is measured at fair value each reporting period. The fair value of the DUP Liability mirrors the trading price of the REIT Trust Units for deferred units exchangeable into REIT Trust Units, and the trading price of Vital Trust units for deferred units exchangeable into Vital Trust units.

The fair value adjustment on revaluation of the DUP Liability for the three months ended September 30, 2015 was a gain of $193 (nine months ended September 30, 2015 – gain of $1,878) as compared to a fair value loss of $35 for the three months ended September 30, 2014 (nine months ended September 30, 2014 – loss of $36).

Fair value adjustment of investment properties

For the three months ended September 30, 2015, the REIT recorded a fair value loss on investment properties of $1,964 primarily related to a $6,079 fair value losses in Canada associated with capitalization rate expansion and the revaluation of properties transferred to assets held for sale; partially offset by a $4,819 revaluation increase of the Brazil portfolio. For the nine months ended September 30, 2015, the REIT recorded a fair value gain on investment properties of $96,626 primarily related to a $76,608 revaluation of the Vital Trust portfolio and $27,138 revaluation of the Brazil portfolio; partially offset by a $6,079 fair value loss in Canada.

The revaluation of the Brazil portfolio during the three and nine months ended September 30, 2015 is related to the actual and estimated increases in rents for inflation, increasing the portfolio's net operating income. Assumptions in respect of capitalization rates and discount rates remain unchanged from December 31, 2014.

The revaluation of the Vital Trust portfolio during the nine months ended September 30, 2015 is primarily related to compression in discount rates and terminal capitalization rates of approximately 100 basis points.

For the three months ended September 30, 2014, the REIT recorded a fair value gain on investment properties of $14,694 primarily related to the revaluation of the Brazil portfolio of $16,016, partially offset by a write off of transaction costs related to the acquisition of the Core German MOB Portfolio on June 25, 2014 and Hohenschoenhausen on August 29, 2014. For the nine months ended September 30, 2014, the REIT recorded a fair value gain of $11,151 which is largely a result of the revaluation of the Brazil portfolio of $16,016 and the fair value gain recorded on the investment property in Germany that was disposed in February 2014 recognized to bring the investment property value to its disposition selling price, partially offset by a write off of transaction costs related to the acquisition of the Core German MOB Portfolio on June 25, 2014 and Hohenschoenhausen on August 29, 2014.

See also **INVESTMENT PROPERTIES**.

Net loss on disposal of investment properties

During the three and nine months ended September 30, 2015, the REIT recognized a loss on sale of its Alexander Medical Building in Ontario, Canada of $134 and $134, respectively, due to transaction costs incurred on the sale. During the three and nine months ended September 30, 2014, the REIT recognized a loss on sale of a leasehold interest in a property in Marktredwitz, Germany of $Nil and $98, respectively, due to transaction costs incurred on the sale.

Gain on business combination

During the quarter the REIT recognized an adjustment to the acquisition of NorthWest REIT related to the fair value of one of the NorthWest REIT's investment properties to reflect the development intensification opportunity at the site. As a result the REIT retrospectively adjusted the gain on business combination by $11,143 to $69,023 for the nine months ended September 30, 2015.

Gain/Loss on derivative financial instruments

Gain/Loss on derivative financial instruments for the three and nine months ended September 30, 2015 and 2014 consisted of the following:

TABLE 6F - GAIN (LOSS) ON DERIVATIVE FINANCIAL INSTRUMENTS						
Expressed in thousands of Canadian dollars	Three months ended September 30			Nine months ended September 30		
	2015	2014	Variance	2015	2014	Variance
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Canada						
Interest rate swaps	$ (634)	$ -	$ (634)	$ (875)	$ -	$ (875)
Brazil						
Brazil Loans interest rate swaps	(1,164)	-	(1,164)	40	-	40
Germany						
Interest rate swaps	(272)	(469)	197	76	(945)	1,021
Australasia						
Interest rate swaps	(2,540)	-	(2,540)	(2,554)	-	(2,554)
Foreign exchange derivatives	1,388	-	1,388	(72)	-	(72)
Foreign exchange contracts	(287)	-	(287)	24	-	24
Corporate						
Vital Margin Facility interest rate swaps	5	-	5	(11)	16	(27)
Other	-	-	-	-	-	-
Warrant liability	-	(347)	347	-	(238)	238
Total mortgage and loan interest expense	$ (3,504)	$ (816)	$ (2,688)	$ (3,372)	$ (1,167)	$ (2,205)

Income tax expense

The combined current tax and deferred tax expense of the REIT for the three months ended September 30, 2015 was $3,567 (nine months ended September 30, 2015 - $26,836).

The current taxes relate primarily to the income taxes payable by subsidiaries of the REIT in Brazil, as well as the Vital Manager and Vital Trust. For the three months ended September 30, 2015, the REIT recognized a current income tax charge of $906 (nine months ended September 30, 2015 – $1,201).

The REIT records deferred tax liabilities in Germany and Brazil arising primarily due to the difference between the carrying value and tax cost of its investment properties. The deferred tax expense of the REIT for the three months ended September 30, 2015 related to the German and Brazil investment properties was $2,458 (nine months ended September 30, 2015 – $12,112). Vital Trust recorded a deferred tax liability for the three months ended September 30, 2015 of $245 (nine months ended September 30, 2015 - $13,571), which relates primarily to the increase in the carrying value of its investment properties.

The current tax and deferred tax expense of the REIT for the three months ended September 30, 2014 was $6,759 (nine months ended September 30, 2014 - $8,593).

The current taxes relate primarily to the income taxes payable in Brazil. For the three months ended September 30, 2014, current taxes were $241 (nine months ended September 30, 2014 - $447).

The REIT recorded a deferred tax liability in Germany and Brazil arising primarily due to the difference between the carrying value and tax cost of its investment properties. The deferred tax expense of the REIT for the three months ended September 30, 2014 was $6,518 (nine months ended September 30, 2014 - $8,146).

NET OPERATING INCOME

NOI is an additional IFRS measure of the REIT's operating performance. NOI is defined as income from properties after operating expenses have been deducted, computed in accordance with IFRS, but before deducting interest expense, finance costs, depreciation and amortization expense, general and administrative expenses, income taxes, leasehold improvement and leasing costs, and unrecoverable capital costs. The REIT uses NOI to assess its property operating performance on an unleveraged basis. Same property NOI for the three months ended September 30, 2015 represents income from currently owned investment properties, excluding properties held for redevelopment, acquired prior to July 1, 2014. Same property NOI for the nine months ended September 30, 2015 represents income from currently owned investment properties, excluding properties held for redevelopment, acquired prior to January 1, 2014.

The REIT's NOI for the three and nine months ended September 30, 2015 is summarized below on a same property basis consolidated in Canadian dollars (Table 7) and then separately by region in source currency (Table 7A – Canada, Table 7B – Brazil, Table 7C - Germany and Table 7D - Australasia):

TABLE 7 - SAME PROPERTY NOI

Expressed in thousands of Canadian dollars	Three months ended September 30			Nine months ended September 30		
	2015	2014	Variance	2015	2014	Variance
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Same property NOI [1]						
Same propety revenue from investment properties	$ 10,228	$ 11,691	$ (1,463)	$ 27,565	$ 30,689	$ (3,124)
Same property operating costs	$ (696)	(793)	97	(944)	(1,037)	93
	$ 9,532	**10,898**	**(1,366)**	**26,621**	**29,652**	**(3,031)**
NOI of the REIT [2]	$ 20,603	-	20,603	31,806	-	31,806
NOI of Vital Trust [3]	$ 13,747	-	13,747	40,592	-	40,592
Acquisitions	$ 287	106	181	4,015	1,211	2,804
Dispositions	$ -	(19)	19	3	40	(37)
Inter-company/elimination	$ (528)	-	(528)	(1,326)	-	(1,326)
NOI [1]	**$ 43,641**	**$ 10,985**	**$ 32,656**	**$ 101,711**	**$ 30,903**	**$ 70,808**

Notes

(1) NOI is an additional IFRS measure presented on the condensed consolidated statement of income and comprehensive income. NOI is defined in this MD&A.

(2) The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly the financial results for the periods prior to completion of the Combination Transaction reflect the results of NWI.

(3) Effective January 1, 2015, the REIT accounts for its investment in Vital Trust as a subsidiary and consolidates the financial position and results of Vital Trust.

TABLE 7A - SAME PROPERTY NOI - CANADA

In thousands of CAD	Three months ended September 30			Nine months ended September 30		
	2015	2014	Variance	2015	2014	Variance
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Same property NOI (1)(3)(4)						
Same propety revenue from investment properties	$ 36,438	$ 36,142	$ 296	$ 110,055	$ 109,748	$ 307
Same property operating costs	(16,402)	(16,673)	271	$ (50,608)	(50,962)	354
	20,036	**19,469**	**567**	**59,447**	**58,786**	**661**
Properties held for redevelopment	-	277	(277)	134	720	(586)
Acquisitions	485	-	485	1,453	-	1,453
Dispositions	82	248	(166)	261	1,180	(919)
NOI (1)	**$ 20,603**	**$ 19,994**	**$ 609**	**$ 61,295**	**$ 60,686**	**$ 609**
Reclass to share of profit (loss) of associates (2)	-	(19,994)	19,994	(29,489)	(60,686)	31,197
NOI (1) (2)	**$ 20,603**	**$ -**	**$ 20,603**	**$ 31,806**	**$ -**	**$ 31,806**

Notes

(1) NOI is an additional IFRS measure presented on the condensed consolidated statement of income and comprehensive income. NOI is defined in this MD&A.

(2) The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly the financial results for the periods prior to completion of the Combination Transaction reflect the results of NWI.

(3) Same property NOI is not directly comparable to the prior year periods due to acquisition adjustments associated with the Combination Transaction that impact the pattern of straight-line rent amortization. Same property NOI includes the straight-line rent income of $397 and $581 for the three and nine months ended September 30, 2015, respectively ($110 and $375 for the three and nine months ended September 30, 2014, respectively).

(4) Same Property NOI for Canada has been presented for information purposes only. On a consolidated basis, as NWI has been identified as the accounting acquirer of the REIT, all NOI generated by Canadian properties is treated as an acquistion.

TABLE 7B - SAME PROPERTY NOI - BRAZIL

In thousands of BRL and CAD	Three months ended September 30			Nine months ended September 30		
	2015	2014	Variance	2015	2014	Variance
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Same property NOI (1) - in thousands of BRL						
Same propety revenue from investment properties	R$ 19,707	R$ 18,564	R$ 1,143	R$ 59,069	R$ 55,650	R$ 3,419
Same property operating costs	-	-	-	-	-	-
	19,707	**18,564**	**1,143**	**59,069**	**55,650**	**3,419**
Acquisitions - in thousands of BRL	-	-	-	-	-	-
Dispositions - in thousands BRL	-	-	-	-	-	-
NOI (1) - in thousands of BRL	**R$ 19,707**	**R$ 18,564**	**R$ 1,143**	**R$ 59,069**	**R$ 55,650**	**R$ 3,419**
FX Rate	0.3708	0.4785	(0.1077)	0.4021	0.4783	(0.0761)
NOI (1) - in thousands of CAD	**$ 7,307**	**$ 8,883**	**$ (1,576)**	**$ 23,754**	**$ 26,616**	**$ (2,862)**

Notes

(1) NOI is an additional IFRS measure presented on the condensed consolidated statement of income and comprehensive income. NOI is defined in this MD&A.

TABLE 7C - SAME PROPERTY NOI - GERMANY						
In thousands of Euro and CAD	Three months ended September 30			Nine months ended September 30		
	2015	2014	Variance	2015	2014	Variance
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Same property NOI (1) - in thousands of Euro						
Same propety revenue from investment properties	€ 2,006	€ 1,947	€ 59	€ 2,713	€ 2,766	€ (53)
Same property operating costs	(478)	(550)	72	€ (672)	(704)	32
	1,528	**1,397**	**131**	**2,041**	**2,062**	**(21)**
Acquisitions - in thousands of Euro	198	74	124	2,858	823	2,035
Dispositions - in thousands of Euro	-	(13)	13	2	27	(25)
NOI (1) - in thousands of Euro	**€ 1,726**	**€ 1,458**	**€ 268**	**€ 4,901**	**€ 2,912**	**€ 1,989**
FX Rate	1.4559	1.4422	0.0137	1.4054	1.4728	(0.0674)
NOI (1) - in thousands of CAD	**$ 2,512**	**$ 2,102**	**$ 410**	**$ 6,887**	**$ 4,287**	**$ 2,600**

Notes

(1) NOI is an additional IFRS measure presented on the condensed consolidated statement of income and comprehensive income. NOI is defined in this MD&A.

TABLE 7D - SAME PROPERTY NOI - AUSTRALASIA						
In thousands of NZD and CAD	Three months ended September 30			Nine months ended September 30		
	2015	2014	Variance	2015	2014	Variance
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Same property NOI (1)(3) - in thousands of NZD						
Same propety revenue from investment properties	$ 17,996	$ 17,024	$ 972	$ 50,754	$ 49,649	$ 1,105
Same property operating costs	(2,200)	(2,334)	134	(6,281)	(6,037)	(244)
	15,796	**14,690**	**1,106**	**44,473**	**43,612**	**861**
Acquisitions - in thousands of NZD	335	221	114	963	220	743
Dispositions in thousands of NZD	-	73	(73)	-	248	(248)
NOI (1) - in thousands of NZD	**16,131**	**$ 14,984**	**$ 1,147**	**$ 45,436**	**$ 44,080**	**$ 1,356**
FX Rate	0.8522	0.9165	(0.0643)	0.8934	0.9263	(0.0329)
NOI (1) - in thousands of CAD	**$ 13,747**	**$ 13,733**	**$ 14**	**$ 40,592**	**$ 40,831**	**$ (239)**
Reclass to share of profit (loss) of associates (2)	-	(13,733)	13,733	-	(40,831)	40,831
NOI (1) - in thousands of CAD	**$ 13,747**	**$ -**	**$ 13,747**	**$ 40,592**	**$ -**	**$ 40,592**

Notes

(1) NOI is an additional IFRS measure presented on the condensed consolidated statement of income and comprehensive income. NOI is defined in this MD&A.

(2) Effective January 1, 2015, the REIT accounts for its investment in Vital Trust as a subsidiary and consolidates the financial position and results of Vital Trust.

(3) Same Property NOI for Australasia has been presented for information purposes only. On a consolidated basis, as the REIT has been identified as the accounting acquirer of the Vital Trust, all NOI generated by Australasian properties is treated as an acquistion.

Revenue from investment properties

Canada

Same property revenue from investment properties for the three months ended September 30, 2015 is $296 greater than actual results for the three months ended September 30, 2014 primarily due to an increase in straight-line rent of $287 due to acquisition adjustments associated with the Combination Transaction that impact the pattern of straight-line rent amortization. Excluding straight-line rent adjustments same property revenue is comparable to the prior year period with a loss of head lease revenue of $262 offset by other same property net rent improvements, revenue generated by the REIT's managed clinic business and parking revenue.

Same property revenue from investment properties for the nine months ended September 30, 2015 is $307 greater than actual results for the nine months ended September 30, 2014 primarily due to an increase in straight-line rent of $206 associated with acquisition adjustments related to the Combination Transaction that impact the pattern of straight-line rent amortization, loss of head lease revenue of $532 and decrease in operating cost recovery of $382 driven by lower operating costs, offset by increase in lease termination revenue of $357, parking revenue of $252, revenue generated by the REIT's managed clinic business other same property net rent improvements.

Brazil

In Brazil, same property revenues for the three months and nine months ended September 30, 2015 increased over the comparable prior year period as a result of inflationary adjustments which are implemented annually across the portfolio, in accordance with the REIT's leasing contracts. The rental increase in the third quarter of 2015 reflects the annual IPCA adjustments that went into effect earlier in the year. In the second quarter of 2015, the Sabará Tenant lease was adjusted by annual IPCA which increased by 7.7% reflecting the 12 month IPCA rate as at April 1, 2015. In the first quarter, the leases relating to the REIT's HMB and Rede D'Or Hospital Portfolio properties were adjusted for the annual inflation rate realized as at the date of the rental rate increases ranging between 6.41% and 7.7%.

Germany

Same property revenue from Germany's investment properties increased by €59 for the three months ended September 30, 2015 (nine months ended September 30, 2015 – decreased €53), against the prior year comparable periods. The higher same property revenue for the three months ended September 30, 2015 is primarily related to an increase in occupancy at Polimedica Centre by approximately 10% as the property was not fully leased for the first three months post acquisition by the REIT, however, the REIT was compensated for this through an earnout reduction on acquisition. The lower same property revenue for the nine months ended September 30, 2015 is primarily related to lower occupancy at Berlin Neukölln (decrease of 4%) and Adlershof 1 (decrease of 7%), partially offset by an increase in occupancy at Königs Wusterhausen 1 (increase of 8%). The decrease in the property revenue for nine months ended September 30, 2015 is also attributable higher property operating cost recoveries during the nine months ended September 30, 2014 at the Fulda property as a result of higher heating costs.

Australasia

For the three and nine months ended September 30, 2015, Vital Trust's same property revenue increased $972 and $1,105, respectively, over the prior year comparable period primarily due to same property rent increases and rentalization of the expansion at the Hurstville Private Hospital property.

Property operating costs

Canada

Same property operating expenses for the three and nine months ended September 30, 2015 decreased by $271 and $354, respectively, over the comparable prior year period primarily due to a decrease in general repairs and maintenance costs and IT costs savings granted under the shared service agreement; partially offset by clinic operating costs associated with the REIT's managed clinic business and higher property taxes.

Brazil

The nature of the leases in Brazil is such that the tenant is responsible for all operating costs of the property, excluding social taxes which represent a tax against revenues as a result of the REIT's corporate structure of the entities holding the Brazilian assets. In the second quarter the REIT reclassified social taxes to general and administrative expenses. The current quarter reflects this presentation and prior year comparable amounts have been restated to conform to the current presentation.

Germany

Same property operating costs for the three months ended September 30, 2015 decreased €72 (nine months ended September 30, 2015 – decreased €32), against the prior year comparable periods. The decrease in property operating costs for the three and months ended September 30, 2015 was primarily due to bad debt recoveries and a decrease in general repairs and maintenance costs.

Australasia

For the three months ended September 30, 2015, Vital Trust's same property operating costs were $134 lower than the comparable prior year period due to the timing of recognizing certain operating costs. For the nine months ended September 30, 2015, Vital Trust's same property operating costs were $244 higher than the comparable prior year period due to the timing of recognizing certain operating costs and to the increase in the Australian dollar relative to the New Zealand Dollar.

FUNDS FROM OPERATIONS ("FFO")

FFO is a supplemental non-IFRS industry wide financial measure of a REIT's operating performance. The REIT calculates FFO based on certain adjustments to net income (computed in accordance with IFRS) as detailed below. Other adjustments may be made to FFO as determined by management at their discretion.

TABLE 8 - FUNDS FROM OPERATIONS

Expressed in thousands of Canadian dollars, except per unit amounts	Three months ended September 30			Nine months ended September 30		
	2015 (Unaudited)	2014 (Unaudited)	Variance (Unaudited)	2015 (Unaudited)	2014 (Unaudited)	Variance (Unaudited)
Net income (loss) attributable to unitholders	**$ 2,147**	**$ (11,921)**	**$ 14,068**	**$ 112,669**	**$ (47,842)**	**$ 160,511**
Add / (Deduct):						
(i) Fair market value losses (gains)	5,693	1,075	4,618	(120,176)	8,474	(128,650)
Less: Non-controlling interests' share of fair market value losses (gains)	(1,091)	-	(1,091)	56,229	-	56,229
(ii) Finance cost - Exchangeable Unit distributions	3,838	5,070	(1,232)	13,161	15,149	(1,988)
(iii) Revaluation of financial liabilities	1,544	2,413	(869)	8,263	11,799	(3,536)
(iv) Unrealized foreign exchange loss (gain)	(719)	(3,184)	2,465	(2,271)	(122)	(2,149)
Less: Non-controlling interests' share of unrealized foreign exchange loss (gain)	675	-	675	(220)	-	(220)
(v) Deferred taxes	2,661	6,518	(3,857)	25,635	8,146	17,489
Less: Non-controlling interests' share of deferred taxes	(186)	-	(186)	(10,310)	-	(10,310)
(vi) Non-recurring transaction costs	464	-	464	9,859	-	9,859
(vii) Convertible Debenture issuance costs	-	2,835	(2,835)	1	2,838	(2,837)
(viii) Net adjustments for equity accounted entities	-	1,074	(1,074)	2,221	13,157	(10,936)
(ix) Internal leasing costs	366	-	366	577	-	577
(x) Net loss on disposal of investment properties	134	-	134	134	98	36
(xi) Gain on business combination	-	-	-	(69,023)	-	(69,023)
Funds From Operations ("FFO") (1)	**$ 15,526**	**$ 3,880**	**$ 11,646**	**$ 26,749**	**$ 11,697**	**$ 15,052**
FFO per Unit - Basic	$ 0.22	$ 0.11	$ 0.11	$ 0.49	$ 0.36	$ 0.13
FFO per Unit - fully diluted (4)	$ 0.21	$ 0.11	$ 0.10	$ 0.48	$ 0.36	$ 0.12
Adjusted weighted average units outstanding: (2)(3)						
Basic	71,926,782	33,775,938	38,150,844	54,931,055	32,143,561	22,787,494
Diluted (4)	75,179,491	33,823,469	41,356,022	55,373,480	32,186,385	23,187,095

Notes

(1) FFO is not a measure recognized under IFRS and does not have standardized meanings prescribed by IFRS. FFO as computed by the REIT may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to FFO as reported by other such issuers. FFO is defined in this MD&A and reconciled to the consolidated financial statements of the REIT.

(2) Outstanding units and weighted average unit amounts, and the associated per unit amounts, for the period prior to the Combination Transaction, reflect the capital structure of NWI as adjusted for the Exchange Ratio.

(3) Under IFRS the REIT's Class B LP Exchangeable Units and Class D GP Exchangeable Units are treated as a financial liability rather than equity. The REIT has chosen to present an adjusted basic and diluted per unit measure that includes the Class B LP Exchangeable Units and Class D GP Exchangeable Units in basic and diluted units outstanding/weighted average units outstanding. There were 19,188,063 Class B LP units outstanding as at September 30, 2015 and 18,942,211 Class B LP Exchangeable Units and 231,000 Class D GP Exchangeable Units outstanding as at December 31, 2014 and as at September 30, 2014 .

(4) Diluted units includes vested but unissued deferred trust units and the conversion of the REIT's Convertible Debentures that would have a dilutive effect upon conversion at the holders' contractual conversion price. Convertible Debentures are dilutive if the interest (net of tax and other changes in income or expense) per unit obtainable on conversion is less than the basic per unit measure.

The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly FFO for the periods prior to completion of the Combination Transaction reflect the results of NWI. The FFO for the periods subsequent to the completion of the Combination Transaction reflect the consolidated results of the REIT and NWI.

See **PART XII – SUPPLEMENTAL DISCLOSURE** for additional information on the components of FFO.

Additional details on the adjustments to the REIT's net income to arrive at FFO are below:

(i) Fair market value gains/ losses

TABLE 8A - FAIR MARKET VALUE LOSSES (GAINS)						
Expressed in thousands of Canadian dollars	Three months ended September 30			Nine months ended September 30		
	2015	2014	Variance	2015	2014	Variance
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Fair market value losses (gains)						
Fair value adjustment of Convertible Debentures	$ (158)	$ 1,092	$ (1,250)	$ 5,954	$ 2,923	$ 3,031
Fair value adjustment of Exchangeable Units	576	13,826	(13,250)	(30,998)	15,499	(46,497)
Fair value adjustment of investment properties	1,964	(14,694)	16,658	(96,626)	(11,151)	(85,475)
Loss (Gain) on derivative financial instruments	3,504	816	2,688	3,372	1,167	2,205
Fair value adjustment of DUP Liability	(193)	35	(228)	(1,878)	36	(1,914)
Total	**$ 5,693**	**$ 1,075**	**$ 4,618**	**$ (120,176)**	**$ 8,474**	**$ (128,650)**

Additional details are below:

(a) Convertible Debentures

Under IFRS the REIT's Convertible Debentures are classified as financial liabilities measured at fair value through profit and loss and any related unrealized fair value changes in re-measuring the financial liability impact net income. Consistent with the REALpac White Paper on Funds From Operations dated April 2014 ("**REALpac Guidance**") and in order to enhance the usefulness and comparability of FFO as a supplemental measure of the operating performance of the REIT, fair value changes related to the Convertible Debentures have been added back to the REIT's net income.

(b) Exchangeable Units and DUP Liability

Under IFRS the REIT's Exchangeable Units and DUP Liability are classified as financial liabilities and any related unrealized fair value changes in re-measuring the financial liability impact net income. Consistent with REALpac Guidance and in order to enhance the usefulness and comparability of FFO as a supplemental measure of the operating performance of the REIT, fair value changes related to Exchangeable Units and DUP Liability have been added back to the REIT's net income.

(c) Investment properties

Under IFRS the REIT has elected to use the fair value model to account for its investment properties. Under the fair value model, investment properties are carried on the consolidated balance sheet at fair value. The properties are not depreciated and changes in the fair value of the investment properties are recognized in income in the period in which they occur. Consistent with REALpac Guidance and in order to enhance the usefulness and comparability of FFO as a supplemental measure of the operating performance of the REIT, fair value changes related to investment properties have been added back to the REIT's net income.

(d) Derivative financial instruments

Under IFRS derivative financial instruments are measured at fair value and any related unrealized fair value changes in re-measuring the derivative financial instrument impact net income. Consistent with the REALpac Guidance and in order to enhance the usefulness and comparability of FFO as a supplemental measure of the operating performance of the REIT, unrealized fair value changes related to derivative financial instruments have been added back to the REIT's net income.

(ii) Finance cost – Exchangeable Unit distributions

Under IFRS the REIT's Exchangeable Units are classified as financial liabilities and any related distributions on the Exchangeable Units are regarded as finance costs. Consistent with REALpac Guidance and in order to enhance the usefulness and comparability of FFO as a supplemental measure of the operating performance of the REIT, distributions related to the Exchangeable Units have been added back to the REIT's net income.

(iii) Revaluation of financial liabilities

On maturity, the principal balance of both of the Brazil Term Loans and the holdbacks payable (included in deferred consideration), in respect of the HMB acquisition, settled in December 2014, and Rede D'Or Hospital Portfolio Acquisition, were to be or will be adjusted by the inflation rate (IPCA or CDI) from the date of inception of these liabilities to their respective maturities. For the three months and nine months ended September 30, 2015, revaluation losses of $1,544 and $8,263, respectively, were recorded to account for the related inflation adjustments to the term loans and holdback payable (three months and nine months ended September 30, 2014, revaluation losses of $2,413 and $11,799, respectively). The accretion expense is treated as a fair value adjustment to the Brazil Term Loans and holdbacks payable related to the HMB acquisition and Rede D'Or Hospital Portfolio Acquisition, and therefore adjusted for when calculating FFO. Although this adjustment is not consistent with REALpac Guidance, the REIT believes the adjustment is consistent with industry practice.

(iv) Unrealized foreign exchange loss (gain)

Under IFRS, financial assets and liabilities denominated in foreign currencies are revalued at the end of each period at the prevailing balance sheet rate. The REIT's unrealized foreign exchange movements for the periods relate primarily to the revaluation of the Vital Margin Facilities which are denominated in New Zealand dollars and held by a Canadian subsidiary of the REIT. Consistent with REALpac Guidance, the foreign exchange movements on the indebtedness associated with the REIT's investment in Vital Trust has been added back to the REIT's net income, as it relates to borrowings that arise due to the REIT's interest in a foreign operation (Vital Trust).

(v) Deferred taxes

Under IFRS, the REIT has recorded deferred tax liabilities in Germany, Brazil and Vital Trust, arising primarily due to the difference between the book value and tax cost of its investment properties. Consistent with REALpac Guidance and in order to enhance the usefulness and comparability of FFO as a supplemental measure of the operating performance of the REIT, deferred taxes have been added back to its net income.

(vi) Non-recurring transaction costs

Under IFRS the REIT expensed non-recurring transaction costs related to the Internalization Transaction and Combination Transactions which have been determined to be business combinations. In accordance with the REALpac Guidance, to allow for consistent treatment of transaction costs incurred whether a transaction is recorded as an asset acquisition or business combination, and to enhance the usefulness and comparability of FFO as a supplemental measure of the operating performance of the REIT, transaction costs related to the REIT's Internalization Transaction and Combination Transaction have been added back to net income.

(vii) Convertible Debenture issuance costs

In accordance with IFRS, because the REIT measures its Convertible Debentures at fair value, the REIT expenses the costs related to the issuance of the Convertible Debentures. Although this adjustment is not consistent with REALpac Guidance, these non-recurring finance costs related to the issuance of the

Convertible Debentures, have been added back to the REIT's net income which the REIT believes is consistent with industry practice.

(viii) Net adjustments for equity accounted entities

Under IFRS, prior to the completion of the REIT's Internalization Transaction and Combination Transaction, the REIT's investment in associates were accounted for using the equity method of accounting. As such, the REIT's share of its associate's post acquisition net income (loss) was recognized in its net income (loss), and its share of post-acquisition movements in other comprehensive income (loss) was recognized in other comprehensive income (loss). Consistent with REALpac Guidance and in order to enhance the usefulness and comparability of FFO as a supplemental measure of the operating performance of the REIT, the REIT's share of its associate's post acquisition net income (loss) was added/(deducted) to/(from) net income and FFO is presented after including the REIT's proportionate share of the associates' FFO.

Additional details on these adjustments are provided in the table below:

TABLE 8B - NET ADJUSTMENTS FOR EQUITY ACCOUNTED ENTITIES

Expressed in thousands of Canadian dollars	Three months ended September 30			Nine months ended September 30		
	2015 (Unaudited)	2014 (Unaudited)	Variance (Unaudited)	2015 (Unaudited)	2014 (Unaudited)	Variance (Unaudited)
Vital Trust - FFO (1)(2)	$ -	$ 6,222	$ (6,222)	$ -	$ 19,372	$ (19,372)
average % of Vital Trust owned during the period	n/a	24%		n/a	24%	
Vital Trust Proportionate FFO	**$ -**	**$ 1,493**	**$ (1,493)**	**$ -**	**$ 4,658**	**$ (4,658)**
NorthWest REIT - FFO (2)(3)	$ -	$ 11,655	$ (11,655)	$ 17,200	$ 34,944	$ (17,744)
average % of NorthWest REIT owned during the period	n/a	26%		25%	26%	
NorthWest REIT Proportionate FFO	**$ -**	**$ 2,984**	**$ (2,984)**	**$ 4,374**	**$ 8,921**	**$ (4,547)**
Funds From Operations from Associates ("FFO") (2)	**$ -**	**$ 4,477**	**$ (4,477)**	**$ 4,374**	**$ 13,579**	**$ (9,205)**
Less: Share of profit (loss) of associates	-	3,403	(3,403)	2,153	422	1,731
Net adjustments for equity accounted entities	**$ -**	**$ 1,074**	**$ (1,074)**	**$ 2,221**	**$ 13,157**	**$ (10,936)**

Notes

(1) Represents the gross distributable income of Vital Trustcalculated from their unaudited results for three months ended September 30, 2014, adding the gross distributable income as reported by Vital Trust for the year ended June 30, 2014 and deducting the gross distribuable income reported for the six months ended December 31, 2013, converted to Canadian dollars using the average rate during the period. Effective January 1, 2015, as a result of the Internalization Transaction the REIT accounts for its investment in Vital Trust as a subsidiary and consolidates the financial position and results of Vital Trust.

(2) FFO is not a measure recognized under IFRS and does not have standardized meanings prescribed by IFRS. FFO as computed by the REIT may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to FFO as reported by other such issuers. FFO is defined in this MD&A and reconciled to the consolidated financial statements of the REIT.

(3) The Combination Transaction was completed on May 15, 2015. FFO for the three months and nine months ended September 30, 2015 represents NorthWest REIT's FFO for the period prior to May 15, 2015. FFO for the for the three and nine months ended September 30, 2014 represents the FFO as reported by NorthWest REIT.

(ix) Internal leasing costs

In accordance with IFRS, internal leasing costs that aren't incremental are expensed. These amounts include the base salary and benefits of the internal leasing department. Consistent with REALpac Guidance these costs that can be reasonably and directly attributed to signed leases, and that would otherwise be capitalized if incurred from external sources, are added back to net income in determining FFO.

(x) Amortization of leasing costs and tenant improvements

Consistent with REALpac Guidance the amortization of leasing costs and tenant improvements, are added back to net income in determining FFO.

(xi) Net loss on disposal of investment properties

Consistent with REALpac Guidance the REIT has adjusted FFO for the net loss on disposal of investment properties.

(xii) Gain on business combination

Consistent with REALpac Guidance the REIT has adjusted FFO for the gain recognized on the Combination Transaction.

ADJUSTED FUNDS FROM OPERATIONS ("AFFO")

AFFO is a supplemental non-IFRS industry wide financial measure of a REIT's operating performance. The REIT calculates AFFO as FFO, plus/minus certain adjustments as detailed below. Other adjustments may be made to AFFO as determined by management at their discretion.

TABLE 9 - ADJUSTED FUNDS FROM OPERATIONS

Expressed in thousands of Canadian dollars, except per unit amounts		Three months ended September 30			Nine months ended September 30		
		2015 (Unaudited)	2014 (Unaudited)	Variance (Unaudited)	2015 (Unaudited)	2014 (Unaudited)	Variance (Unaudited)
Funds From Operations ("FFO") (1)		$ 15,526	$ 3,880	$ 11,646	$ 26,749	$ 11,697	$ 15,052
Add / (Deduct):							
(i)	Asset management fees paid in NWI trust units	-	869	(869)	-	2,443	(2,443)
(ii)	Amortization of intangible asset	-	390	(390)	-	1,171	(1,171)
(iii)	Instalment Note	-	-	-	-	215	(215)
(iv)	Interest Rate Subsidy	-	683	(683)	669	2,029	(1,360)
(v)	Amortization of marked to market adjustment	(2,284)	-	(2,284)	(2,927)	-	(2,927)
(vi)	Amortization of deferred financing charges	1,593	2,808	(1,215)	5,464	7,802	(2,338)
	Less: Non-controlling interests' share of amortization of deferred financing charges	(55)	-	(55)	(141)	-	(141)
(vii)	Straight-line revenue	(455)	(17)	(438)	(16)	(32)	16
	Less: non-controlling interests' share of straight-line revenue	36	-	36	(207)	-	(207)
(viii)	Leasing costs and non-recoverable maintenance capital expenditures	(2,653)	(50)	(2,603)	(4,587)	(165)	(4,422)
	Less: non-controlling interests' share of actual capex and leasing costs	156	-	156	582	-	582
(ix)	DUP Compensation Expense	2,564	58	2,506	7,842	161	7,681
(x)	Internalization Contribution	-	-	-	1,385	-	1,385
Adjusted Funds From Operations ("AFFO") (1)		$ 14,428	$ 8,621	$ 5,807	$ 34,813	$ 25,321	$ 9,492
AFFO per Unit - Basic		$ 0.20	$ 0.26	$ (0.06)	$ 0.63	$ 0.79	$ (0.16)
AFFO per Unit - fully diluted (3)		$ 0.20	$ 0.25	$ (0.05)	$ 0.61	$ 0.78	$ (0.17)
Distributions per Unit - Basic		$ 0.20	$ 0.26	$ (0.06)	$ 0.69	$ 0.79	$ (0.10)
Adjusted weighted average units outstanding: (2)							
Basic		71,926,782	33,775,938	38,150,844	54,931,055	32,143,561	22,787,494
Diluted (3)		75,179,491	37,262,095	37,917,396	58,207,987	35,443,660	22,764,327

Notes

(1) FFO and AFFO are not measures recognized under IFRS and does not have standardized meanings prescribed by IFRS. FFO and AFFO as computed by the REIT may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to FFO and AFFO as reported by other such issuers. FFO and AFFO are defined in this MD&A and reconciled to the consolidated financial statements of the REIT.

(2) Outstanding units and weighted average unit amounts, and the associated per unit amounts, for the period prior to the Combination Transaction, reflect the capital structure of NWI as adjusted for the Exchange Ratio.

(3) Under IFRS the REIT's Class B LP Exchangeable Units and Class D GP Exchangeable Units are treated as a financial liability rather than equity. The REIT has chosen to present an adjusted basic and diluted per unit measure that includes the Class B LP Exchangeable Units and Class D GP Exchangeable Units in basic and diluted units outstanding/weighted average units outstanding. There were 19,188,063 Class B LP units outstanding as at September 30, 2015 and 18,942,211 Class B LP Exchangeable Units and 231,000 Class D GP Exchangeable Units outstanding as at December 31, 2014 and as at September 30, 2014 .

(4) Diluted units includes vested but unissued deferred trust units and the conversion of the REIT's Convertible Debentures that would have a dilutive effect upon conversion at the holders' contractual conversion price. Convertible Debentures are dilutive if the interest (net of tax and other changes in income or expense) per unit obtainable on conversion is less than the basic per unit measure.

The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly AFFO for the periods prior to completion of the Combination Transaction reflect the results of NWI. The AFFO for the periods subsequent to the completion of the Combination Transaction reflect the consolidated results of the REIT and NWI.

See **PART XII – SUPPLEMENTAL DISCLOSURE** for additional information on the components of AFFO.

Additional details on the adjustments to the REIT's net income to arrive at AFFO are below:

(i) Asset management fees paid in NWI trust units

Prior to the Internalization Transaction, as part of the REIT's external asset management arrangements, the Asset Manager (NWVP) had the option to receive its fees in NWI trust units. To account for the non-cash nature of the asset management fees paid in NWI trust units, the REIT has included an adjustment in AFFO.

(ii) Amortization of intangible asset

Prior to the Internalization Transaction the previously recorded intangible asset, relating to the Management Fee Participation Agreement, was being amortized on a straight line basis over its determined useful life of 10 years. For the three months and nine months ended September 30, 2014, the REIT had recorded $390 and $1,171 of amortization, respectively. As amortization is non-cash, the REIT has included an adjustment in AFFO.

In connection with the Internalization Transaction, the Management Fee Participation Agreement was cancelled effective January 1, 2015. The REIT's new intangible asset relates to the rights and obligations related to the management of Vital Trust. In conjunction with the Internalization Transaction, the REIT acquired the rights to 100% of the management fees paid by Vital Trust through its acquisition of the Vital Manager. The contract that governs the fee stream paid by Vital Trust does not expire and therefore, the intangible asset is not being amortized.

(iii) Instalment Note

As part of the NWI's acquisition of the Sabará Children's Hospital, NWVP agreed to provide an effective interest rate subsidy (the "**Instalment Note**") on the securitization facility related to the Sabará Children's Hospital (the "**Sabará Securitization Facility**") to reduce the in place interest rate of 9.25% plus IPCA to 8% to April 2014.

Under IFRS, the value of the Instalment Note has been recorded as a purchase price adjustment and a corresponding Instalment Note receivable. Payments received in relation to the Instalment Note decrease the REIT's Instalment Note receivable. To account for the economic impact of the reduced rate on the Sabará Securitization Facility, the REIT included an accrual of the amount to be received in respect of the Instalment Note in AFFO. During the quarter in connection with the Combination Transaction amounts outstanding on the Instalment Note were settled.

(iv) Interest Rate Subsidy

As part of NWI's original acquisition of the investment in the NorthWest REIT from NWVP, NWVP had committed, by means of a capital contribution, that the effective interest rate payable by NWI on the assumed NWH Margin Facilities shall not exceed (a) 4.25% for the balance of 2013, and (b) 6.00% for the first three months of 2014 (the "**Interest Rate Subsidy**"). In 2014 and again in May 2015, NWVP and the NWI agreed to extend and amend the Interest Rate Subsidy, with an effective date of January 1, 2014, such that the effective interest rate payable by the NWI on the assumed NWH Margin Facilities did not exceed 4.25% up to March 31, 2015. In connection with the Combination Transaction the NWH Margin Facilities related to the NWI's investment in the REIT were repaid in full and cancelled.

Under IFRS, the value of the Interest Rate Subsidy has been recorded as a capital contribution (direct charge to Unitholders' Equity) and a corresponding receivable from NWVP. Subsequent cash payments made by NWVP were recorded as a reduction of the receivable balance. To account for the economic impact of the reduced rate on the NWH Margin Facilities related to the investment in the REIT, NWI included an accrual of the cash to be received in respect of the Interest Rate Subsidy in AFFO. As at September 30, 2015, $669 remains to be collected from NWVP in respect of the Interest Rate Subsidy.

(v) Amortization marked to market adjustment

Under IFRS, the REIT has amortized the debt premium on mortgages assumed at fair value on acquisition. As the amortization is a non-cash item, the REIT has included an adjustment in AFFO.

(vi) Amortization of deferred financing charges

Under IFRS, the REIT has recorded amortization of deferred financing charges. As the amortization is a non-cash item, the REIT has included an adjustment in AFFO.

(vii) Straight-line revenue

Under IFRS rental revenue from operating leases is recognized over the lease term on a straight-line basis. The difference between rental revenue recognized and cash flows is recorded as straight-line rent receivable or payable. To account for the non-cash nature of these differences the REIT has included an adjustment in AFFO.

Also included in the straight-line revenue adjustments are amounts related to the Sabará Securitization Facility. Under IFRS, the REIT has recorded deferred revenue in respect of the Sabará Securitization Facility, which is amortized into income over the remaining term of the lease. To account for the actual revenue received and to eliminate any principal repayment components on the securitization, the REIT includes an adjustment in AFFO.

For the three months ended September 30, 2015 the REIT recorded revenue of $463 related to the Sabará Securitization Facility (nine months ended September 30, 2015 - $1,484), while the actual rent received, less interest on the Sabará Securitization Facility, totaled $488 (nine months ended September 30, 2014 - $1,588). As such, the REIT has increased net income reported under IFRS in AFFO by $25 for the three months ended September 30, 2015 (nine months ended September 30, 2014 - $104).

For the three months ended September 30, 2014 the REIT recorded revenue of $587 related to the Sabará Securitization Facility (nine months ended September 30, 2014 - $1,741), while the actual rent received, less interest on the Sabará Securitization Facility, totaled $570 (nine months ended September 30, 2014 - $1,708). As such, the REIT has reduced net income reported under IFRS in AFFO by $17 for the three months ended September 30, 2014 (nine months ended September 30, 2014 - $32).

(viii) Leasing costs and non-recoverable maintenance capital expenditures

In Canada and Germany, due to the nature of the portfolios, on a quarterly basis and during portfolio repositioning, leasing costs, tenant improvements and maintenance capital expenditures can fluctuate and as such, should not be regarded as stabilized. As a result the REIT uses a reserve of 6% of revenue from investment properties in Canada and Germany when determining AFFO. In Brazil and Australasia due to the long term, triple net nature of the leases in those regions the REIT uses actual leasing costs and non-recoverable maintenance capital expenditures when determining AFFO.

For additional information see **Leasing Costs and Capital Expenditures**.

(ix) DUP Compensation Expense

The REIT's unit-based deferred unit compensation expense is measured at the service commencement date, based on the fair market value of a REIT Trust Unit or Vital Trust unit, as applicable, and this value is amortized to income over the vesting period ("**DUP Compensation Expense**"). Unit-based compensation does not qualify as an equity award and is classified as a liability. As a result the DUP Liability is measured at fair-value every reporting period, based on the fair market value of a REIT Trust Unit or Vital Trust unit at the reporting date, and the change in fair value is also recognized in income.

The period over period change in value of the DUP Liability is added back to income when determining FFO in accordance with REALpac Guidance. However, as the DUP Compensation Expense may be equity settled, at the REIT's option, the REIT has added back DUP Compensation Expense to income when determining AFFO.

(x) Internalization Contribution

As a result of costs incurred by the REIT following completion of the Internalization Transaction, NWVP committed to make a capital contribution to NWI LP (the "**Internalization Contribution**"). For the three and nine months ended September 30, 2015, the REIT recorded an Internalization Contribution of $Nil and $1,385, respectively. The Internalization Contribution is recorded on the condensed consolidated interim statement of unitholders' equity. To account for the economic impact of the Internalization Contribution, the REIT included an adjustment to AFFO for the cash contribution to be received.

DISTRIBUTIONS

The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly distributions for the periods prior to completion of the Combination Transaction reflect the distributions paid by NWI. The distributions for the periods subsequent to the completion of the Combination Transaction reflect the consolidated results of the REIT.

For the three and nine months ended September 30, 2015, the REIT declared a total of $14,382 and $37,142 in distributions, respectively, including distributions on Exchangeable Units. These distributions reflect the an annualized distribution rate of $1.058 per unit per annum paid by NWI ($0.22 per unit per annum adjusted by the Exchange Ratio), for the period prior to completion of the Combination Transaction and $0.80 per unit per annum for the five month period following completion of the Combination Transaction.

For the three and nine months ended September 30, 2014, the REIT declared a total of $8,981 and $25,712 in distributions, respectively, including distributions on Exchangeable Units. This reflects an annualized distribution rate of $1.058 per unit per annum paid by NWI ($0.22 per unit per annum adjusted by the Exchange Ratio).

Distributions paid per unit over the past twelve months are summarized below:

TABLE 10 - MONTHLY DISTRIBUTIONS

	Sep-15	Aug-15	Jul-15	Jun-15	May-15	(1)	Apr-15	Mar-15	Feb-15	Jan-15	Dec-14	Nov-14	Oct-14
NWI Distribution ($)							0.0183	0.0183	0.0183	0.0183	0.0183	0.0183	0.0183
Exchange Ratio							0.208	0.208	0.208	0.208	0.208	0.208	0.208
Monthly distribution ($)	0.0667	0.0667	0.0667	0.0667	0.0667		0.0881	0.0881	0.0881	0.0881	0.0881	0.0881	0.0881
NWI unit price ($)							1.81	1.89	2.01	2.00	2.00	2.12	2.26
Exchange Ratio							0.208	0.208	0.208	0.208	0.208	0.208	0.208
Month-end closing price ($)	8.00	8.38	7.89	7.97	8.70		8.70	9.09	9.66	9.62	9.62	10.19	10.87
Date of Record	30-Sep-15	31-Aug-15	31-Jul-15	30-Jun-15	29-May-15		30-Apr-15	31-Mar-15	28-Feb-15	31-Jan-15	31-Dec-14	30-Nov-14	31-Oct-14
Date Paid	15-Oct-15	15-Sep-15	17-Aug-15	15-Jul-15	15-Jun-15		15-May-15	15-Apr-15	16-Mar-15	16-Feb-15	15-Jan-15	15-Dec-14	17-Nov-14

Notes

(1) The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly the financial results for the periods prior to completion of the Combination Transaction reflect the results of NWI. As a result the monthly closing price of NWI's units and monthly distributions paid by NWI presented above, for periods prior to completion of the Combination Transaction, have been adjusted by the Exchange Ratio.

Distribution Reinvestment Plan

Participants in the REIT's distribution reinvestment plan (the "**DRIP**") have their distribution entitlement used to purchase Trust Units and also receive a "bonus distribution" of Trust Units equal in value to 3% of each distribution.

During the three and nine months ended September 30, 2015, a total of 153,946 and 260,636 Trust Units, respectively, were issued under the DRIP (three and nine months ended September 30, 2014, a total of 31,058 and 71,968 trust units, respectively, as adjusted for the Exchange Ratio).

As required by National Policy 41-201 "Income Trusts and Other Indirect Offerings", the following table outlines the differences between cash flow from operating activities and cash distributions, as well as the differences between net income and cash distributions, in accordance with the guidelines:

TABLE 11 - DIFFERENCES BETWEEN CASH FLOW FROM OPERATIONS/NET INCOME AND CASH DISTRIBUTIONS

Expressed in thousands of Canadian dollars	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net income (loss) attributable to unitholders	$ 2,147	$ (11,921)	$ 112,669	$ (47,842)
Add: Finance cost - Exchangeable Unit distributions	3,838	5,070	13,161	15,149
Adjusted net income (loss)	$ 5,985	$ (6,851)	$ 125,830	$ (32,693)
Cash flow from operating activities attributable to unitholders	$ 14,555	$ 3,035	$ 14,601	$ 7,598
Distributions paid and payable				
Trust Units	$ 10,544	$ 3,912	$ 23,981	$ 10,563
Exchangeable Units	3,838	5,070	13,161	15,149
	$ 14,382	$ 8,982	$ 37,142	$ 25,712
Surplus (shortfall) of adjusted net income (loss) attributable to unitholders over distributions paid and payable	$ (8,397)	$ (15,833)	$ 88,688	$ (58,405)
Surplus (shortfall) of cash flow from operating activities attributable to unitholders over distributions paid and payable	$ 173	$ (5,947)	$ (22,541)	$ (18,114)

TABLE 11A - ADJUSTMENT FOR DISTRIBUTION INCOME FROM ASSOCIATES

	Three months ended September 30		Nine months ended September 30	
	2015	2014	2015	2014
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Surplus (shortfall) of cash flow from operating activities attributable to unitholders over distributions paid and payable	$ 173	$ (5,947)	$ (22,541)	$ (18,114)
Add: Distribution income from equity accounted associates	-	3,866	3,172	11,675
Adjusted surplus (shortfall) of cash flow from operating activities attributable to unithodlers over distributions paid and payable	$ 173	$ (2,081)	$ (19,369)	$ (6,439)

Prior to the Combination Transaction and Internalization Transaction cash flow from operating activities attributable to unitholders excluded the distribution income from NorthWest REIT and Vital Trust which was classified as cash flow from investing activities under IFRS, and therefore was not considered in the surplus (shortfall) relative to the distributions paid. The distributions earned from its investment in associates are considered by management to be an integral part of the REIT's cash flow from operations due to the strategic nature of these equity investments. After considering the distribution income earned from the REIT's investments in associates, Table 11A therefore identifies that a remaining $Nil and $19,369 of distributions paid and payable for the three and nine months ended September 30, 2015, respectively ($2,081 and $6,439 for the three months and six ended September 30, 2014), were financed from other sources.

The remaining distributions paid and payable not funded by cash flow from operations or from distribution income earned from associates, were funded primarily through the receipt of various related party receivables that were settled during the second quarter.

See section **PART IV – CAPITALIZATION AND LIQUIDITY**.

In assessing its distribution policy, the REIT considers not only cash flows from operating activities (attributable to unitholders) but also AFFO. Due to the timing of cash receipts relating to certain adjustments affecting AFFO and the fact that certain AFFO adjustments are non-cash, a portion of the 2015 and 2014 distributions were funded by the deferral of payment of distributions owing on the Class B LP Exchangeable Units and financing activities. The REIT believes that it will be able to sustain distributions in the near term as the REIT measures distributions in relation to the AFFO and the REIT believes it will be able to obtain new financing to meet its cash flow requirements.

Net income attributable to Unitholders for the period also reflects material non-cash items such as fair value adjustments to investment properties and financial instruments and deferred taxes, which do not impact cash flow and are not considered in the REIT's distribution policy. In establishing distribution payments, the REIT does not take fluctuations in working capital into consideration.

Since IPO, annually, approximately 94% to 100% of the REIT's distributions have been deemed a return of capital for tax purposes. As the REIT has a relatively short operating history since IPO, the real estate assets of the REIT have a relatively higher tax base. As such, the REIT will experience a lower taxable income due to tax deductions available to it. Over time, as the REIT grows, its taxable income is expected to grow, and a greater proportion of the REIT's distributions will be allocated to a return on capital (and less a return of capital) for tax purposes. The REIT has chosen to make distributions partly representing an economic return on capital for tax purposes as its distribution policy is based on AFFO earned rather than the expected tax attributes of the distributions.

The REIT believes that distributions can continue to be funded from a combination of cash flows from operations of the combined REIT after the Combination Transaction, the cash distributions received from Vital Trust and future financing activities. However, distributions paid may be in excess of cash available to the REIT from AFFO from time to time due to the timing of certain items affecting AFFO. The REIT may be required to use part of its debt capacity to fund such shortfalls through new financing. There can be no assurance that the REIT shall have sufficient debt capacity or the ability to raise new financing to meet its cash obligations, and as such the REIT may reduce distributions in order to accommodate such cash shortfalls.

The REIT's Board of Trustees has targeted payment of distributions at: (i) 80-95% of the REIT's AFFO; and (ii) an amount at least equal to the net income and net realized capital gains of the REIT as is necessary to ensure that the REIT will not be liable for ordinary income taxes on such income. The amount of future distributions and the declaration and payment thereof is at the discretion of the Board of Trustees and will be based upon the REIT's financial position, results of operations, cash flow, capital requirements and restrictions under the REIT's debt obligations, as well as broader market and economic conditions, among other factors, and shall be in compliance with applicable Law.

Pursuant to National Policy 41-201 “Income Trusts and Other Indirect Offerings”, the following table, Table 12, reconciles the REIT’s cash flow from operations to AFFO:

TABLE 12 - RECONCILIATION OF CASH FLOW FROM OPERATIONS TO AFFO

Expressed in thousands of Canadian dollars	Three months ended September 30			Nine months ended September 30		
	2015	2014	Variance	2015	2014	Variance
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash flow from operating activities	**$ 17,065**	**$ 3,035**	**$ 14,030**	**$ 26,390**	**$ 7,598**	**$ 18,792**
Add (deduct):						
Non-cash interest expense	2,798	722	2,076	4,255	629	3,626
Non-cash current taxes	1,550	7	1,543	3,169	506	2,663
Changes in non-cash working capital balances	(659)	(1,670)	1,011	2,478	(2,509)	4,987
FFO of equity accounted entities	-	4,477	(4,477)	4,374	13,579	(9,205)
Internal leasing costs	366	-	366	577	-	577
Amortization of leasing costs and tenant improvements	-	-	-	-	-	-
Asset management fees to be paid in NWI trust units	-	869	(869)	-	2,443	(2,443)
Instalment note	-	-	-	-	215	(215)
Interest rate subsidy	-	683	(683)	669	2,029	(1,360)
Non-recurring transaction costs	464	-	464	9,559	-	9,559
Leasing costs and non-recoverable maintenance capital expenditures	(2,653)	(50)	(2,603)	(4,587)	(165)	(4,422)
Internalization contribution	-	-	-	1,385	-	1,385
Amortization of deferred revenue	463	568	(105)	897	1,028	(131)
Straight-line revenue	(455)	(17)	(438)	(16)	(32)	16
Redemption of units issued under the DUP	138	-	138	724	-	724
Amortization of furniture and office equipment	(116)	-	(116)	(199)	-	(199)
Convertible debenture issuance costs	-	(3)	3	1	-	1
Foreign exchange	287	-	287	(24)	-	(24)
AFFO attibutable to non-controlling interest	(4,820)	-	(4,820)	(14,839)	-	(14,839)
	(2,637)	5,586	(8,223)	8,423	17,723	(9,300)
AFFO	**$ 14,428**	**$ 8,621**	**$ 5,807**	**$ 34,813**	**$ 25,321**	**$ 9,492**

QUARTERLY PERFORMANCE

The following is a summary of the interim results for each of the last eight quarterly periods.

TABLE 13 - QUARTERLY PERFORMANCE

Expressed in thousands of Canadian dollars, except per unit amounts	Q3-15	Q2-15 [8]	Q1-15	Q4-14	Q3-14	Q2-14	Q1-14	Q4-13
Summary of Financial information [1]								
Gross Book Value ("GBV") [2]	$ 2,521,248	$ 2,539,814	$ 1,369,933	$ 846,270	$ 863,769	$ 821,504	$ 793,358	$ 756,258
Debt - Declaration of Trust [3]	$ 1,321,179	$ 1,304,335	$ 618,462	$ 436,432	$ 483,808	$ 492,631	$ 463,947	$ 437,642
Debt to GBV - Declaration of Trust	52.4%	51.4%	45.1%	51.6%	56.0%	60.0%	58.5%	57.9%
Debt - Including Convertible Debentures [3]	$ 1,440,296	$ 1,423,610	$ 694,719	$ 508,351	$ 557,154	$ 529,884	$ 502,917	$ 473,065
Debt to GBV - Incl. Convertible Debentures	57.1%	56.1%	50.7%	60.1%	64.5%	64.5%	63.4%	62.6%
Operating results [1]								
Net income (loss)	$ 6,502	$ 152,902	$ 2,893	$ 21,165	$ (11,923)	$ (8,900)	$ (27,020)	$ (26,810)
NOI [4]	$ 43,641	$ 34,093	$ 24,105	$ 10,044	$ 10,470	$ 9,660	$ 9,231	$ 4,855
FFO [4][8]	$ 15,526	$ 9,091	$ 2,132	$ 3,217	$ 3,879	$ 4,069	$ 3,583	$ (816)
AFFO [4][8]	$ 14,428	$ 11,684	$ 8,701	$ 7,847	$ 8,621	$ 8,552	$ 7,983	$ 5,639
Distributions [5]	$ 14,382	$ 12,898	$ 9,862	$ 9,578	$ 8,981	$ 8,636	$ 8,095	$ 5,591
Per Unit amounts [1][6][7]								
FFO per unit - Basic	$ 0.22	$ 0.16	$ 0.06	$ 0.09	$ 0.11	$ 0.13	$ 0.12	$ (0.03)
AFFO per unit - Basic	$ 0.20	$ 0.21	$ 0.23	$ 0.22	$ 0.26	$ 0.27	$ 0.26	$ 0.20
Distributions	$ 0.20	$ 0.22	$ 0.26	$ 0.26	$ 0.26	$ 0.26	$ 0.26	$ 0.19
Adjusted Weighted Average units outstanding [6][7]								
Basic	71,926,782	55,259,676	37,286,974	35,449,014	33,775,938	32,034,544	30,585,138	28,729,122

Notes

(1) The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly the financial results for the periods prior to completion of the Combination Transaction reflect the results of NWI. The financial results for the periods subsequent to the completion of the Combination Transaction reflect the consolidated results of the REIT and NWI.

(2) Gross Book Value is defined as total assets.

(3) As defined in Non-IFRS measures used in this MD&A.

(4) FFO and AFFO are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. FFO and AFFO as computed by the REIT may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to FFO and AFFO as reported by other such issuers. These terms are defined in this MD&A and reconciled to IFRS-based amounts reported in the consolidated financial statements of the REIT. NOI is an additional IFRS measure and NOI as calculated by the REIT may not be comparable to similiar titled measures reported by other issuers.

(5) Represents distributions to Unitholders and Class B LP Exchangeable Unit and Class D GP Exchangeable Unit unitholders on an accrual basis. Distributions are payable as at the end of the period in which they are declared by the Board of Trustees, and are paid on or around the 15th day of the following month.

(6) Outstanding units and weighted average unit amounts, and the associated per unit amounts, for the period prior to the Combination Transaction, reflect the capital structure of NWI as adjusted for the Exchange Ratio.

(7) Under IFRS the REIT's Class B LP Exchangeable Units and Class D GP Exchangeable Units are treated as a financial liability rather than equity. The REIT has chosen to present an adjusted basic and diluted per unit measure that includes the Class B LP Exchangeable Units and Class D GP Exchangeable Units in basic and diluted units outstanding/weighted

(8) Second quarter 2015 FFO has been restated to reflect a retrospective adjustment for the amortization of leasing costs and tenant improvements. As a result second quarter FFO was reduced by $77. AFFO was unaffected.

PART IV – CAPITALIZATION AND LIQUIDITY

CAPITAL STRUCTURE

The REIT, as is common in the real estate industry, considers its capitalization to consist of debt and equity capital. The REIT actively manages both its debt and equity capital with the objective of ensuring that the REIT can continue to grow and operate its business.

The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. The REIT is the legal acquirer; however, NWI has been identified as the accounting acquirer of the REIT. Accordingly the financial results for the periods prior to completion of the Combination Transaction reflect the results of NWI and the outstanding units and weighted average unit amounts, and associated per unit amounts, for these periods, reflect the capital structure of NWI as adjusted for the Exchange Ratio.

The REIT monitors its debt regularly for compliance with debt covenants contained in its loan agreements. At the date of this MD&A, the REIT is in compliance with its loan covenants.

The following table shows the REIT's total capital as at September 30, 2015 and December 31, 2014:

TABLE 14 - CAPITAL STRUCTURE [1]

Expressed in thousands of Canadian dollars	As at September 30, (Unaudited)	As at December 31, 2014 (Unaudited)
Mortgages and loans payable	$ 1,225,536	$ 395,152
Deferred consideration	32,253	41,280
Mortgages related to assets held for sale	63,390	-
Debt - Declaration of Trust [2]	**1,321,179**	**436,432**
Convertible Debentures at Fair Value	119,117	71,920
Debt - Including Convertible Debentures [2]	**1,440,296**	**508,352**
Mortgages and loans payable - marked to market	18,960	-
Mortgages related to assets held for sale - marked to market	1,592	-
Mortgages and loans payable - unamortized financing costs	(4,853)	(6,840)
Total Debt	1,455,995	501,512
DUP Liability	11,562	457
Class B LP Exchangeable Units	153,505	184,358
Unitholders' equity	471,270	99,968
Total Capitalization	**$ 2,092,332**	**$ 786,295**

Notes

(1) The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. The REIT is the legal acquirer; however, NWI has been identified as the accounting acquirer of the REIT. Accordingly the financial results and capital structure reflect the results of NWI for the periods prior to completion of the Combination Transaction.

(2) As defined in Non-IFRS measures used in this MD&A.

Unitholders' Equity

The following table reconciles the movements in the units outstanding for the three months ended September 30, 2015:

TABLE 14A -UNITS OUTSTANDING	
	(Unaudited)
Units outstanding, June 30, 2015	52,912,530
Issuance of Trust Units under the DRIP	153,946
Issuance of Trust Units under the DUP	105,060
Cancellation of Trust Units pursuant to NCIB	(611,800)
Trust Units outstanding, September 30, 2015	52,559,736

During the three months ended June 30, 2015 pursuant to the Combination Transaction the REIT, as legal acquirer, issued 17,907,902 Trust Units in exchange for 86,095,709 issued and outstanding NWI trust units, representing 0.208 Trust Units for each NWI trust unit outstanding, other than dissenting NWI unitholders. The REIT also redeemed and cancelled 4,345,900 Trust Units held by affiliates of NWI LP. The NWI trust units ceased to trade on the TSXV at the close of business on May 19, 2015.

As the Combination Transaction has be accounted for as a business combination, and NWI has been identified as the accounting acquirer of the REIT, the outstanding units and unitholder's equity for the period prior to the Combination Transaction, reflect the capital structure of NWI as adjusted for the Exchange Ratio. As a result, NWI was deemed to have issued 34,936,028 Trust Units for deemed consideration of $302,197 to acquire the REIT.

The following table reconciles the movements in the units outstanding for the three months ended June 30, 2015, the period in which the Combination Transaction closed:

TABLE 14A -UNITS OUTSTANDING		
	REIT, legal acquirer (Unaudited)	**NWI, accounting acquirer** (Unaudited)
Units outstanding, March 31, 2015	39,210,668	87,120,910
Issuance of units under distribution reinvestment plan	71,260	125,257
Dissenting NWI unitholders		(1,150,458)
Units redeemed and cancelled	(4,345,900)	
	34,936,028	86,095,709
Exchange Ratio		0.208
Units outstanding, May 15, 2015	34,936,028	17,907,902
Units issued on acquisition	17,907,902	34,936,028
Issuance of Trust Units under the DRIP	44,739	44,739
Issuance of Trust Units under the DUP	23,861	23,861
Trust Units outstanding, June 30, 2015	52,912,530	52,912,530

For the three months ended March 31, 2015 the number of units outstanding increased from 86,804,781 (18,055,394 Trust Units as adjusted for the Exchange Ratio) to 87,120,910 (18,121,149 Trust Units as adjusted for the Exchange Ratio). The increase in units was a result of (i) the issuance of 143,538 units (29,856 Trust Units as adjusted for the Exchange Ratio) for gross proceeds of $291,836 which were used to settle the outstanding asset management fees payable to a subsidiary of NWVP and (ii) the issuance of 172,591 units (35,899 Trust Units as adjusted for the Exchange Ratio) under the REIT's DRIP at a cost of $327,018.

As at September 30, 2015 there were 52,559,736 Trust Units issued and outstanding.

NCIB

On June 29, 2015 the REIT announced its intention to make a normal course issuer bid ("**NCIB**") for a portion of its Trust Units as appropriate opportunities arise from time to time. On July 13, 2015, the TSX approved the REIT's NCIB. The REIT intends to acquire up to a maximum of 4,762,579 of its Trust Units, or approximately 10% of its public float, for cancellation over the next 12 months. The number of Trust Units that can be purchased pursuant to the bid is subject to a current daily maximum of 18,054 Trust Units (which is equal to 25% of 72,218, being the average daily trading volume from January 1, 2015 through to September 30, 2015), subject to the REIT's ability to make one block purchase of Trust Units per calendar week that exceeds such limits. Any Trust Units purchased under the normal course issuer bid will be cancelled upon their purchase. The REIT intends to fund the purchases out of its available resources.

The REIT began to purchase Trust Units on July 16, 2015 and the bid will terminate 12 months from such date, or such earlier time as the REIT completes its purchases pursuant to the bid or provides notice of termination. The REIT believes that the repurchase by the REIT of a portion of outstanding Trust Units is an appropriate use of resources and is in the best interests of the REIT.

The REIT adopted an automatic securities purchase plan in connection with its NCIB that contained strict parameters regarding how its Trust Units may be repurchased during times when it would ordinarily not be permitted to purchase Trust Units due to regulatory restrictions or self-imposed blackout periods. The automatic securities purchase plan was effective from July 16, 2015 and had an initial term of three months, which expired on October 16, 2015.

During the three and nine months ended September 30, 2015, the REIT acquired 611,800 Trust Units for cancellation at a volume weighted average price per unit of $8.00, and a total cost of $4,934, including commissions and costs (three and nine months ended September 30, 2014 – Nil).

Class B LP Exchangeable Units

Under IFRS the REIT's Exchangeable Units are treated as a financial liability rather than equity. As the Exchangeable Units are convertible into Trust Units at the option of the holder, the REIT considers the Exchangeable Units equity for capital management purposes.

There were no changes in Exchangeable Units during the three months ended September 30, 2015 and there were 19,188,063 Class B LP Exchangeable Units outstanding as at September 30, 2015.

During the three months ended June 30, 2015, pursuant to the Combination Transaction, the REIT's 7,551,546 outstanding class B ("**Class B Units**") limited partnership units of NHP Holdings Limited Partnership ("**NHP LP**"), held by affiliates of NWI LP were converted to Class A units of NHP Holdings Limited Partnership eliminated on consolidation of NWI LP. The 7,551,546 Special Voting Units attached to the Class B limited partnership units of NHP Holdings Limited Partnership were redeemed and retracted.

The following table reconciles the movements in the Exchangeable Units outstanding for the three months ended June 30, 2015, the period in which the Combination Transaction closed:

TABLE 14B -EXCHANGEABLE UNITS OUTSTANDING		
	REIT, legal acquirer	**NWI, accounting acquirer**
	0.00%	**0.00%**
Class B Units or Exchangeable Units outstanding, March 31, 2015	7,551,546	92,250,303
Class B Units converted and eliminated on consolidation	(7,551,546)	
	-	92,250,303
Exchange Ratio		0.208
Exchangeable Units outstanding, May 15, 2015	-	19,188,063
Exchangeable Units of NWI LP consolidated	19,188,063	-
Exchangeable Units outstanding, June 30, 2015	19,188,063	19,188,063

Immediately prior to the closing of the Internalization Transaction, on January 28, 2015, the independent trustees of the REIT determined that the Class C Amount for the year ended December 31, 2014 was $144,948. The incentive fee was settled through the issuance of Class D GP Exchangeable Units to an affiliate of NWVP, which resulted in the issuance of 71,403 Class D GP Exchangeable Units. Pursuant to the Internalization Transaction, the NWI LP Agreement was amended and restated on January 28, 2015 whereby the Class C Amount was eliminated. Further, all Class D GP Exchangeable Units outstanding at that time (245,852 units adjusted for the Exchange Ratio) were exchanged for Class B LP Exchangeable Units and the Class D GP Exchangeable Unit certificates were cancelled.

Debt

The following table summarizes the REIT's debt as at September 30, 2015 and December 31, 2014:

TABLE 15- DEBT

Expressed in thousands of Canadian dollars
(Unaudited)

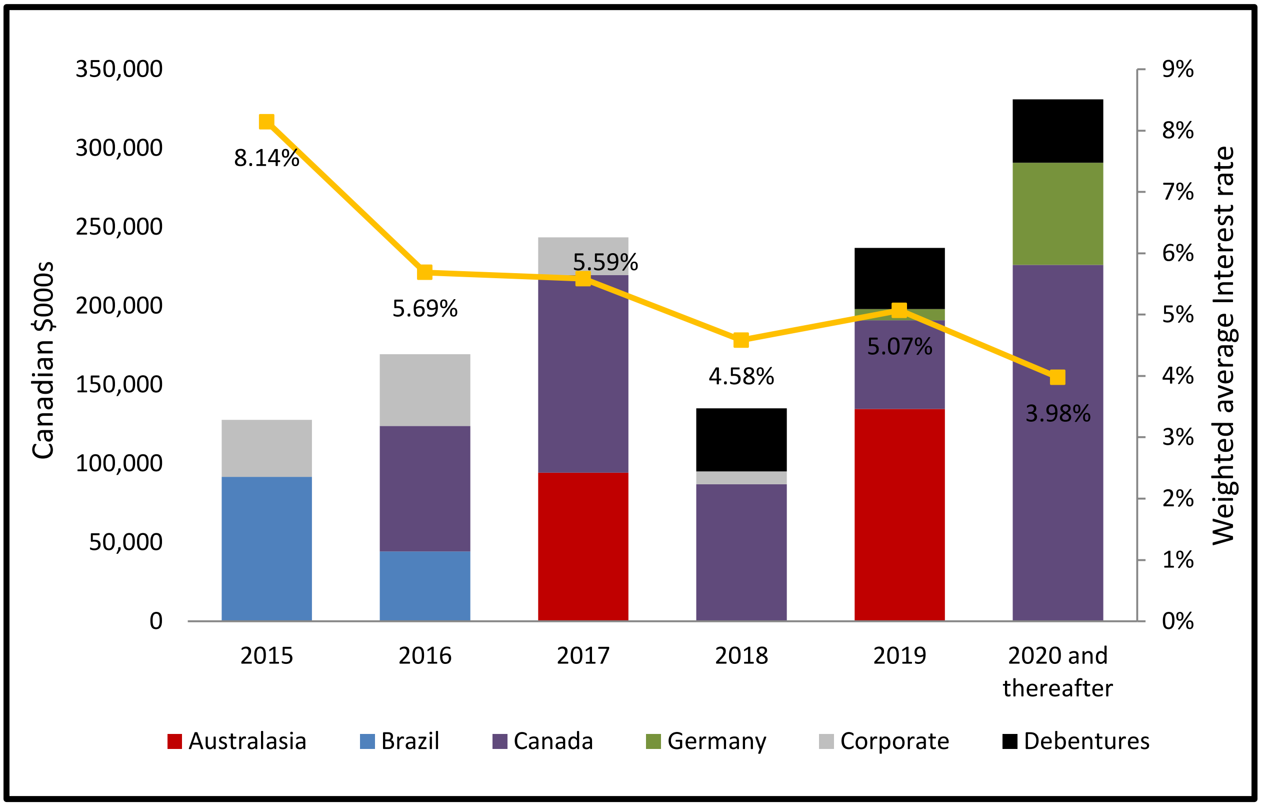
	As at September 30, 2015					
	Weighted average interest rate (1)	Outstanding Balance	Marked to Market	Unamortized Financing Costs	Balance	Maturity
Canada						
Mortgages	4.45%	$ 663,445	$ 18,960	$ (500)	$ 681,905	May 2016 - January 2029
Brazil						
Brazil Term Loans	8.95%	135,837	-	(998)	134,839	December 2015 - January 2016
Germany						
Mortgages	1.96%	83,953	-	(1,876)	82,077	June 2019 - August 2025
Australasia						
Term loans	5.21%	228,772	-	(734)	228,038	March 2017 to March 2019
Corporate						
Vital Margin Facilities	6.15%	44,029	-	(134)	43,895	December 2015 - August 2018
Acquisition Facility	8.20%	24,000	-	(611)	23,389	January 2017
Revolving Credit Facility	2.94%	45,500	-	-	45,500	March 2016
	5.30%	113,529	-	(745)	112,784	
Total Mortgages and Loans Payable	**5.00%**	**1,225,536**	**18,960**	**(4,853)**	**1,239,643**	
Deferred Consideration (Brazil)	n/a	32,253	-	-	32,253	n/a
Total Debt excluding Convertible Debentures		**1,257,789**	**18,960**	**(4,853)**	**1,271,896**	
Convertible Debentures (Corporate)	6.47%	119,100	17	-	119,117	March 2018 - September 2020
Total Debt	**5.13%**	**$ 1,376,889**	**$ 18,977**	**$ (4,853)**	**$ 1,391,013**	
Mortgages related to assets held for sale	4.88%	$ 63,390	$ 1,592		$ 64,982	May 2016 - April 2020

	As at December 31, 2014					
	Weighted average interest rate (1)	Outstanding Balance	Marked to Market	Unamortized Financing Costs	Balance	Maturity
Brazil						
Brazil Term Loans	7.30%	$ 180,099	$ -	$ (3,790)	$ 176,309	December 2015 - January 2016
Germany						
Mortgages	2.35%	76,624	-	(1,070)	75,554	November 2017 - June 2021
Corporate						
NWH Margin Facilities	8.86%	67,928	-	(836)	67,092	September 2015 - November 2015
Vital Margin Facilities	6.87%	46,501	-	(169)	46,332	December 2015 - August 2018
Acquisition Facility	8.20%	24,000	-	(975)	23,025	January 2017
	8.08%	138,429	-	(1,980)	136,449	
Total Mortgages and Loans Payable	**6.61%**	**395,152**	**-**	**(6,840)**	**388,312**	
Deferred Consideration (Brazil)	n/a	41,280	-	-	41,280	n/a
Total Debt excluding Convertible Debentures		**436,432**	**-**	**(6,840)**	**429,592**	
Convertible Debentures (Corporate)	7.09%	78,850	(6,930)	-	71,920	March 2018 - October 2019
Total Debt	**6.69%**	**$ 515,282**	**$ (6,930)**	**$ (6,840)**	**$ 501,512**	

Notes

(1) Weighted average interest rate of Total Debt has been calculated excluding Deferred Consideration

The following chart summarizes, as at September 30, 2015, the REIT's debt maturities:



Additional details on the REIT's mortgages and loans payables are set out below:

Canada – Mortgages

The following table summarizes, as at September 30, 2015, scheduled principal payments, debt maturity amounts and weighted average interest rates of the REIT's mortgages secured by its Canadian investment properties:

TABLE 15A - CANADIAN MORTGAGES

Expressed in thousands of Canadian dollars **As at September 30, 2015**	**Scheduled principal payments** (Unaudited)	**Debt maturing during the year** (Unaudited)	**Total mortgages payable** (Unaudited)	**Weighted average interest rates** (Unaudited)
2015 Remainder	$ 3,973	$ -	$ 3,973	-
2016	15,775	79,705	95,480	5.45%
2017	13,705	125,399	139,104	5.37%
2018	13,283	86,970	100,253	3.33%
2019	10,914	56,192	67,106	3.58%
2020 and thereafter	31,566	225,963	257,529	4.32%
	$ 89,216	**$ 574,229**	**$ 663,445**	**4.45%**
Marked to market premium			18,960	-1.04%
			682,405	**3.41%**
Unamortized financings costs			(500)	
Total			**$ 681,905**	

On August 10, 2015 the REIT completed the first draw on an $18,450 construction financing on the REIT's 85 The East Mall, Etobicoke property. The financing is for a term of 24 months, interest only, at a fixed rate of 3.85%. The first draw was in the amount of $8,503 with the balance to fund, based on monthly draws, during the construction period.

On September 23, 2015 the REIT also completed the first draw on a $20,625 construction financing on the REIT's Barrie Primary Care Campus development in Barrie, Ontario. The financing is for a term of 24 months, interest only, at a variable rate equal to the greater of prime plus 1.65% and 4.35%. The first draw was in the amount of $5,495 with the balance to fund, based on monthly draws, during the construction period.

Brazil – Loans

TABLE 15B - BRAZIL TERM LOANS

Expressed in thousands of Canadian dollars

As at September 30, 2015	Scheduled principal payments (Unaudited)	Debt maturing during the year (Unaudited)	Total mortgages payable (Unaudited)	Weighted average interest rates (Unaudited)
2015 Remainder	$ -	$ 92,845	$ 92,845	8.95%
2016	-	42,992	42,992	8.95%
	$ -	**$ 135,837**	**$ 135,837**	**8.95%**
Unamortized financings costs			(998)	
Total			**$ 134,839**	

In December 2014, the REIT entered into contracts to refinance the existing Brazil term loans for approximately $172,000,000 (R$395,000,000) for one year maturing between December 22, 2015 and January 4, 2016 (defined as the Brazil Terms Loans). The Brazil Term Loans are interest-only and bear a floating interest rate of CDI plus 0.75% and are secured by the future rental income stream in the case of the HMB property and secured against the three properties in the case of the Rede D'Or Hospital Portfolio Acquisition properties. The REIT entered into swap arrangements that fix the interest rate to 7.30% annually plus an IPCA adjustment to the loan balance at the time the swaps matured, March 31, 2015 and April 1, 2015. During the second quarter the REIT entered into a new swap arrangement to fix the interest rate to 8.95% to December 21, 2015.

On maturity of the swaps, the principal balance of the Brazil Term Loans will be adjusted by IPCA. For the three months and nine months ended September 30, 2015, accretion expense of $1,544 and $8,026, respectively, was recorded to account for the related IPCA adjustment for the period.

In August 2015, the REIT received a conditional commitment from a Brazilian financial institution and expects to complete a long term financing in respect of its HMB asset. The financing is for an amount ranging from $61,000 to $70,000 (R$180,000 to R$205,000) with a term of 10 years and maximum interest rate of the NTN-B (an inflation (IPCA) linked bond) plus 200 basis points. The financing is subject to due diligence and regulatory approvals. The REIT expects to complete the long term financing before the end of the year and the net proceeds will be used to partially repay the outstanding balance of the remaining Brazil term loans maturing December 2015 (see **SUBSEQUENT EVENTS**).

Germany – Mortgages

The following table summarizes, as at September 30, 2015, scheduled principal payments, debt maturity amounts and weighted average interest rates of the REIT's mortgages secured by its German investment properties:

TABLE 15C - GERMAN MORTGAGES				
Expressed in thousands of Canadian dollars				
	Scheduled principal payments	Debt maturing during the year	Total mortgages payable	Weighted average interest rates
As at September 30, 2015	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
2015 Remainder	$ 503	$ -	$ 503	-
2016	2,038	-	2,038	-
2017	2,075	-	2,075	-
2018	2,108	-	2,108	-
2019	1,950	7,179	9,129	2.23%
2020 and thereafter	3,380	64,720	68,100	1.91%
	$ 12,054	**$ 71,899**	**$ 83,953**	**1.96%**
Unamortized financings costs			(1,876)	
Total			**$ 82,077**	

In August 2015, the REIT completed, with one of its German lenders, the refinancing of mortgages secured against five of the REIT's properties located in Berlin and Fulda, Germany. The refinancing replaced current mortgages with an outstanding balance of $49,086 (€32,209), weighted average interest rate of 2.27% and weighted average term to maturity of 2.42 years. The refinancing represents five mortgages totaling $53,121 (€34,857), bearing weighted interest rates ranging from 1.42% to 2.11% (weighted average interest rate of 1.65%) and terms ranging from 5-10 years representing a weighted average term of 6.67 years. The REIT paid a prepayment fee of approximately $952 (€654) to refinance the mortgages.

All of the REIT's investment properties in Germany have been pledged as security against the German mortgages and loans.

Australasia – Term Loans

TABLE 15D - AUSTRALASIA TERM LOANS				
Expressed in thousands of Canadian dollars				
	Scheduled principal payments	Debt maturing during the year	Total mortgages payable	Weighted average interest rates
As at September 30, 2015	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
2015 Remainder	$ -	$ -	$ -	-
2016	-	-	-	-
2017	-	94,147	94,147	5.21%
2018	-	-	-	-
2019	-	134,625	134,625	5.21%
	$ -	**$ 228,772**	**$ 228,772**	**5.21%**
Unamortized financings costs			(734)	
Total			**$ 228,038**	

Vital Trust has a syndicated revolving multi-currency facility with ANZ Bank New Zealand Limited, Australia and New Zealand Banking Group Limited and Bank of New Zealand. The approximately $305,000 (A$325,000) multi-currency facility is split between Tranche A: approximately $117,000 (A$125,000) and Tranche B: approximately $94,000 (A$100,000) both which are due to expire on March 31, 2019; and Tranche C: approximately $94,000 (A$100,000) plus the New Zealand Dollar Facility: approximately $17,000 (NZ$20,000,000) which are due to expire on March 31, 2017.

Borrowings are secured by a security trust deed dated April 1, 2003 and as amended and restated on June 26, 2014. Pursuant to the deed, a security interest has been granted of first ranking mortgages over the respective investment properties by a general security deed over the assets and undertakings of Vital Trust.

The Vital Trust's policy is to convert a portion of its floating rate debt to fixed rates using interest rate swaps to maintain 70% to 100% of its borrowings in fixed rate instruments. Vital Trust has entered into interest rate swaps that mature over the next 9 years and have fixed interest rates ranging from 2.69% to 5.72% that fix interest on $178,880 (NZ$209,021) of the syndicated facility.

Corporate – NWH Margin Facilities

The NWH Margin Facilities, prior to completion of the Combination Transaction, consisted of various revolving margin facilities with two separate financial institutions and allowed NWI to borrow funds against the market value of the Trust Units of the REIT. As security for the NWH Margin Facilities NWI had pledged substantially all of the Trust Units of the REIT it had acquired.

NWH Margin Facilities in the amount of $68,143 were repaid in full and cancelled on closing of the Combination Transaction with a portion of the proceeds coming from a $50,000 blanket second mortgage financing secured by certain of the REIT's Canadian investment properties.

Interest on the NWH Margin Facilities was calculated daily and ranged from 4.25% to 10.75% per annum. As part of the original acquisition of the REIT's Trust Units by NWI, NWVP had committed, by means of a capital contribution (referenced in this MD&A as the Interest Rate Subsidy), that the effective interest rate payable by the NWI on the assumed NWH Margin Facilities would not exceed (a) 4.25% for the balance of 2013, and (b) 6.00% for the first three months of 2014, which had been recorded as a receivable from NWVP at the date of NWI acquisition of the investment in the REIT. Throughout 2014 and again in March 2015, NWVP and NWI had agreed to extend and amend the Interest Rate Subsidy, with an effective date of January 1, 2014, such that the effective interest rate payable by NWI on the assumed NWH Margin Facilities would not exceed 4.25% up to March 31, 2015.

Corporate – Vital Margin Facilities

The Vital Margin Facilities are secured by Vital Trust units owned by the REIT. These margin facilities bear interest at a rate that fluctuates with the one-month rate for New Zealand dollar bills of exchange (the "BKBM" rate) and require a minimum loan-to-fair market value of the Vital Trust units pledged of 50-57%. The margin facilities mature between December 31, 2015 and August 26, 2018. The REIT expects to renew one of the Vital Margin Facilities, with a balance of $36,055 as at September 30, 2015 and matures on December 31, 2015, for another one year period on same terms, consistent with previous renewals for the same facility.

As at September 30, 2015, the principal balance outstanding on the Vital Margin Facilities is $44,029 (NZ $51,447) and the REIT has pledged 81,659,865 units of Vital Trust as security for the Vital Margin Facilities.

The REIT has entered into an interest rate swap with respect to one of the margin facilities secured by the Vital Trust units to limit its exposure to fluctuations in the interest rates on approximately $4,022 (NZ $4,700) of the outstanding margin facility balance. The interest rate swap fixes the interest rate at 4.03% and terminates on March 29, 2016.

Corporate – Acquisition Facility

On December 19, 2013, in connection with the Rede D'Or Hospital Portfolio Acquisition, the REIT obtained an interest-only credit facility which has a principal of $24,000 (the "**Acquisition Facility**"). The Acquisition Facility bears interest at the greater of 8.20% per annum or the Canadian prime rate plus 4.00% per annum, payable monthly. The Acquisition Facility is secured by a general security agreement (with the exclusion of certain specific assets) and matures on January 1, 2017.

Corporate – Revolving Credit Facility

As at September 30, 2015, the REIT had a $50,000 revolving credit facility, which bore interest at a rate equal to the bank's prime rate plus 1.00% or Bankers' Acceptances plus 2.00%, with a term to March 25, 2016 (the

"**Revolving Credit Facility**"). The REIT also had a $5,000 revolving letter of credit facility (the "**Letter of Credit Facility**"). The Revolving Credit Facility and Letter of Credit Facility are secured by a pool of first ranking mortgages on certain properties. There was $45,500 drawn against the Revolving Credit Facility as at September 30, 2015. Subsequent to the quarter the Revolving Credit Facility was amended and extended (see **SUBSEQUENT EVENTS**).

Convertible Debentures

The following table summarizes, as at September 30, 2015, the REIT's Convertible Debentures:

TABLE 15E - CONVERTIBLE DEBENTURES

Expressed in thousands of Canadian dollars	**Fair Value (1)**	**Face Value**	**Interest Rate**	**Conversion Price per Unit**	**Maturity Date**	**Interest Payment Dates**
As at September 30, 2015						
Series NWH.DB	39,848	40,250	5.25%	$ 14.20	**September 30, 2020**	**September 30, March 31**
Series NWH.DB.A	22,713	22,600	6.50%	$ 13.70	**March 31, 2018**	**September 30, March 31**
Series NWH.DB.B	17,806	17,500	7.50%	$ 11.54	**September 30, 2018**	**September 30, March 31**
Series NWH.DB.C	38,750	38,750	7.25%	$ 12.50	**October 31, 2019**	**October 31, April 30**
	$ 119,117	**$ 119,100**	**6.47%**			

Notes

(1) The fair value of the Convertible Debentures is based on the closing trading price of the REIT's Convertible Debentures as at the reporting date.

NWI's convertible debentures, previously trading under the symbols MOB.DB, MOB.DB.A and MOB.DB.B, were assumed by the REIT, ceased to trade on the TSXV at the close of business on May 19, 2015 and commenced trading on the TSX under the symbols NWH.DB.A, NWH.DB.B and NWH.DB.C, respectively, on May 20, 2015. The conversion provisions for each series of debentures were adjusted by the Exchange Ratio whereby the series NWH.DB.A convertible debentures are convertible at a price of $13.70 per unit being a ratio of 72.9927 per $1,000 principal amount of debentures, the series NWH.DB.B convertible debentures are convertible at a price of $11.54 per unit being a ratio of 86.6551 per $1,000 principal amount of debentures, and the series NWH.DB.C convertible debentures are convertible at a price of $12.50 per unit being a ratio of 80.0000 per $1,000 principal amount of debentures.

Deferred Consideration

Deferred consideration relates to holdbacks payable and transaction costs not yet paid related to previously completed acquisitions.

In connection with the Rede D'Or Hospital Portfolio Acquisition on December 23, 2013, the REIT held back a portion of the purchase price until the vendor complies with conditions related to certain title and zoning matters. On October 17, 2014, the purchase and sale agreement with respect to the Rede D'Or Hospital Portfolio Acquisition was amended to extend the payment date of the holdback related to Hospital Caxias D´Or to the later of December 15, 2015 or 180 days after the completion of certain conditions by the vendor. Effective from the date of amendment (October 17, 2014) to the payment date the holdback will be adjusted by the variation of the CDI plus 7.34% annually. The amendment provides that should the vendor not complete the required conditions to resolve the title matters by January 15, 2015, the amount of the inflation adjustment to the holdback shall be nil between January 15, 2015 and the date the vendor conditions are resolved. On January 15, 2015, the REIT was notified that the required conditions related to the Hospital Caxias D'Or holdback were not resolved and have not been resolved as of the date of this MD&A. As such, since January 15, 2015 to September 30, 2015, no inflation adjustment has been recognized in respect of the holdback. On October 16 2015, the REIT was notified that the vendor conditions relating to the purchase and sale agreement of the REIT's Hospital Caxias D´Or, Brazil property were resolved and therefore the holdback related to this property is now payable on April 16, 2016. The balance of the holdback as at September 30, 2015 was $25,822 (R$76,282).

For the three and nine months ended September 30, 2015, accretion expense of $Nil and $237 (three and nine months ended September 30, 2014 - $970 and $2,554) was recorded to account for the related CDI adjustments on the holdbacks payable which has been recorded as finance costs in the consolidated statement of income (loss) and comprehensive income (loss).

On August 29, 2014, in connection with the acquisition of Hohenschoenhausen, the REIT held back a portion of the purchase price for potential working capital adjustments and information deficiencies. As at September 30, 2015, the balance remaining to be paid is $209. Settlement of the holdback, which was due no later than 1 year from closing, is currently being negotiated and is expected to be settled in the next 12 months.

DUP Liability

Under IFRS, the REIT's DUP Liability is measured at fair value each reporting period. The fair value of the DUP Liability mirrors the trading price of the REIT Trust Units.

RATIOS AND COVENANTS

Pursuant to the Declaration of Trust the REIT shall not incur or assume any indebtedness, as defined, if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of the REIT would be more than 65% of GBV.

The REIT's overall borrowing policy is to obtain secured mortgage financing on a primarily fixed rate basis, with a term to maturity that is appropriate having regard to the lease maturity profile for each property and which allows the REIT to (i) achieve and maintain staggered debt maturities to lessen exposure to interest rate fluctuations and re-financing risk in any particular period and (ii) fix the rates and extend loan terms as long as possible when borrowing conditions are favourable. The following summarizes the status of these key ratios as at and for the three and months ended September 30, 2015:

TABLE 15D- RATIOS [1]

Expressed in thousands of Canadian dollars	As at September 30, 2015 (Unaudited)	As at December 31, 2014 (Unaudited)
Gross Book Value [2]	$ 2,521,248	$ 846,270
Debt - Declaration of Trust [3]	$ 1,321,179	$ 436,432
Debt to Gross Book Value - Declaration of Trust	**52.4%**	**51.6%**
Debt - Including Convertible Debentures [3]	$ 1,440,296	$ 508,352
Debt to Gross Book Value - Including Convertible Debentures	**57.1%**	**60.1%**

	Three months ended September 30			Nine months ended September 30		
	2015 (Unaudited)	2014 (Unaudited)	Variance (Unaudited)	2015 (Unaudited)	2014 (Unaudited)	Variance (Unaudited)
Income (Loss) before taxes	$ 10,069	$ (5,162)	$ 15,231	$ 200,277	$ (39,249)	$ 239,526
Add (deduct):						
Mortgage and loan interest expense	18,089	7,546	10,543	44,069	21,617	22,452
Distributions on Exchangeable Units	3,838	5,070	(1,232)	13,161	15,149	(1,988)
Amortization of deferred financing costs	1,593	2,808	(1,215)	5,464	7,802	(2,338)
Amortization of marked to market adjustment	(2,284)	-	(2,284)	(2,927)	-	(2,927)
Amortization of leasing costs and tenant improvements	-	-	-	-	-	-
Amortization of intangible asset	-	390	(390)	-	1,171	(1,171)
EBITDA	$ 31,305	$ 10,652	$ 20,653	$ 260,044	$ 6,490	$ 253,554
Loss on revaluation of financial liabilities	1,544	2,413	(869)	8,263	11,799	(3,536)
Fair market value losses (gains)	5,693	1,075	4,618	(120,176)	8,474	(128,650)
DUP Compensation Expense	2,564	58	2,506	7,842	161	7,681
Foreign exchange loss (gain)	(857)	(3,475)	2,618	(2,606)	(578)	(2,028)
Net loss on disposal of investment properties	134	-	134	134	98	36
Convertible Debenture issuance costs	-	2,835	(2,835)	1	2,838	(2,837)
Gain on business combination	-	-	-	(69,023)	-	(69,023)
Transaction costs	464	-	464	9,859	-	9,859
Less: Share of (profit) loss of associates	-	(3,403)	3,403	(2,153)	(422)	(1,731)
Add: Distribution income from equity accounted associates	-	3,866	(3,866)	3,172	11,675	(8,503)
Adjusted EBITDA	$ 40,847	$ 14,021	26,826	$ 95,357	$ 40,535	54,822
Mortgage and loan interest expense	$ 18,089	$ 7,546	$ (10,543)	$ 44,069	$ 21,617	$ (22,452)
Interest Coverage	**2.26**	**1.86**	**0.40**	**2.16**	**1.88**	**0.28**

Notes

(1) The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. The REIT is the legal acquirer; however, NWI has been identified as the accounting acquirer of the REIT. Accordingly the financial results and capital structure reflect the results of NWI for the periods prior to completion of the Combination Transaction.

(2) As defined in Non-IFRS measures used in this MD&A.

LIQUIDITY AND CASH RESOURCES

Cash resources and Liquidity

TABLE 16 - CASH AND LIQUIDITY		
Expressed in thousands of Canadian dollars	**As at September 30,** (Unaudited)	**As at December 31, 2014** (Unaudited)
Cash	$ 8,530	$ 18,370
Restricted Cash	3,420	2,578
Total	**$ 11,950**	**$ 20,948**

Restricted cash represents cash held in the REIT's designated bank accounts pledged as collateral for the Brazil Term Loans and, prior to the completion of the Combination Transaction, a margin facility related to the NWI's investment in the REIT.

The REIT also has a Revolving Credit Facility that may provide additional liquidity. The liquidity of the Vital Margin Facilities fluctuates based on the market price (as defined in the respective agreements) of the pledged units securing the facilities.

On the assumption that occupancy levels remain strong, and that the REIT will be able to obtain financing on reasonable terms, the REIT anticipates meeting all current and future obligations as they come due. Management expects to refinance maturing debt and finance future acquisitions from: (i) existing cash balances, and (ii) a mix of mortgage debt secured by investment properties, bridge facilities, operating facilities, issuance of equity and convertible/unsecured debentures. Cash flow generated from operating activities and distribution income received from the REIT's investment in Vital Trust are sources of liquidity to service debt (except maturing debt), sustain maintenance capital expenditures, leasing costs and unit distributions.

Contractual cash flows

Liquidity risk arises from the REIT's financial obligations and in the management of its assets, liabilities and capital structure. This risk is managed by regularly evaluating the liquid financial resources available to fund current and long-term obligations and to meet the REIT's capital commitments in a cost-effective manner. The REIT expects to be able to meet all of its obligations as they become due and have sufficient liquidity from the following sources: (i) cash flow from operating activities; (ii) distribution income received from its investment in Vital Trust; (iii) financing available through both conventional mortgage debt secured by income producing properties, as well as unsecured debt; (iv) the issuance of new equity and debt securities; (v) the receipt of related party receivables; and (vi) to the extent necessary, the sale of assets.

The following table sets out the REIT's contractual cash flows as at September 30, 2015:

TABLE 17 - CONTRACTUAL CASH FLOWS								
Expressed in thousands of Canadian dollars	Carrying amount	Contractual cash flow	2015	2016	2017	2018	2019	Thereafter
Accounts payable and accrued liabilities	$ 37,486	$ 37,486	$ 37,486	$ -	$ -	$ -	$ -	$ -
Distributions payable	3,504	3,504	3,504	-	-	-	-	-
Income tax payable	5,280	5,280	5,280	-	-	-	-	-
Liabilities related to assets held for sale	64,982	64,982	64,982	-	-	-	-	-
Deferred consideration	32,253	32,253	6,222	26,031	-	-	-	-
Convertible debentures	119,117	148,747	234	7,704	7,704	47,070	43,673	42,362
Mortgages and loans payable	1,239,643	1,356,037	150,547	215,492	281,768	128,061	224,720	355,449
Total	**$ 1,502,265**	**$ 1,648,289**	**$ 268,255**	**$ 249,227**	**$ 289,472**	**$ 175,131**	**$ 268,393**	**$ 397,811**

The REIT currently intends to distribute a high percentage of its AFFO to Unitholders. As such, the REIT will not retain a material amount, or possibly none of operating cash flows or any distribution income earned from its investment in Vital Trust to finance other capital requirements, such as acquisitions, maturing debt principal and significant capital expenditures. Instead, the REIT intends to finance such initiatives through the issuance of additional equity or debt securities. From time to time, the REIT may also consider other financing initiatives, such as the refinancing of mortgages on existing properties and entering into additional credit facilities.

The REIT's current liabilities totaled $362,927, exceeding current assets of $122,874, resulting in a working capital deficiency of $240,053 as at September 30, 2015.

The current liabilities are represented in part by Brazil Term Loans totaling $134,840 that mature in December 2015 and January 2016. The REIT is actively in negotiations to refinance the Brazil Term Loans with long-term financing and expects to refinance and partially repay the loans prior to the loan maturity dates (see **SUBSEQUENT EVENTS**).

Also forming part of the current liabilities is one of the Vital Margin Facilities totaling $36,055 which matures December 31, 2015. The Vital Margin Facility has historically been renewed and is expected to continue to roll over each one year period. The nature of most margin loans is that they have terms no longer than one year and are renewed consistently each year. The REIT expects to renew its Vital Margin Facility for another one year term upon maturity with very few substantial changes to the terms as the loans remain in good standing and are fully secured by Vital Trust units which are highly liquid securities.

Also forming part of the current liabilities is the REIT's Revolving Credit Facility totaling $45,500 which matured March 25, 2016 but was amended and extended subsequent to the quarter (see **SUBSEQUENT EVENTS**).

There are no assurances that the timing, amounts and/or terms of any refinancing, or other efforts will be on terms favourable or otherwise satisfactory to the REIT. If the terms of any such refinancing or other efforts are less favourable than the terms of the existing loans, then the financial condition of the REIT, as well as the REIT's ability to continue to meet required interest and principal payments, meet capital commitments, or to continue to make distributions at current levels, may be materially adversely affected.

Changes in Cash

The following table sets out the REIT's net change in cash:

TABLE 18 - NET CHANGE IN CASH (1)

Expressed in thousands of Canadian dollars	Three months ended September 30			Nine months ended September 30		
	2015	2014	Variance	2015	2014	Variance
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash provided by / (used in):						
Operating activities	$ 17,065	$ 3,035	$ 14,030	$ 26,390	$ 7,598	$ 18,792
Investing activities	(21,968)	(14,032)	(7,936)	(43,890)	(53,062)	9,172
Financing activities	11,686	40,756	(29,070)	12,081	76,557	(64,476)
Net increase / (decrease) in cash during the period	**6,783**	**29,759**	**(22,976)**	**(5,419)**	**31,093**	**(36,512)**
Effect of foreign currency translation	(2,267)	(644)	(1,623)	(2,465)	(924)	(1,541)
Net increase / (decrease) in cash during the period	**$ 4,516**	**$ 29,115**	**$ (24,599)**	**$ (7,884)**	**$ 30,169**	**$ (38,053)**

Notes

(1) The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly the financial results for the periods prior to completion of the Combination Transaction reflect the results of NWI. The financial results for the periods subsequent to the completion of the Combination Transaction reflect the consolidated results of the REIT and NWI.

Operating activities

Cash provided by operating activities totaled $17,065 for the three months ended September 30, 2015 as compared to cash flow provided by operating activities of $3,035 for the three months ended September 30, 2014, an increase of $14,030. Of this increase, $12,146 is attributable to the consolidation of the results of the REIT with NWI following completion of the Combination Transaction. $3,309 is attributable to the acquisition of control of Vital Trust effective January 1, 2015, whereby the REIT now consolidates the results of Vital Trust. This was partially offset by transaction costs of $464 and incremental general and administrative expenses being incurred as a result of internalization of management, as well as, other working capital movements.

For the nine months ended September 30, 2015, cash provided by operating activities totaled $26,390 as compared to cash flow provided by operating activities of $7,598 for the nine months ended September 30, 2014, an increase of $18,792. Of this increase, $14,126 is attributable to the consolidation of the results of the REIT with NWI following completion of the Combination Transaction. $15,526 is attributable to the acquisition of control of Vital Trust effective January 1, 2015, whereby the REIT now consolidates the results of Vital Trust. This was partially offset by transaction costs of $9,859 and incremental general and administrative expenses being incurred as a result of internalization of management.

Investing activities

Cash used by investing activities totaled $21,968 for the three months ended September 30, 2015, which is primarily due to $21,829 of additions to investment properties.

Cash used in investing activities totaled $14,032 for the three months ended September 30, 2014, which is primarily a result of the cash consideration paid on the acquisition of Hohenschoenhausen on August 29, 2014 of $17,030, additional transaction costs and deferred consideration paid for the Core German MOB Portfolio acquisition of $816. Partially offset by the cash distributions received from Vital Trust and NorthWest REIT totaling $3,865.

Cash used in investing activities totaled $43,890 for the nine months ended September 30, 2015, which is primarily due to $50,713 of additions to investment properties partially offset by distribution income from associates of $3,172 and cash acquired on the Combination Transaction of $3,217.

For the nine months ended September 30, 2014, cash used in investing activities totaled $53,062, which is primarily a result of the cash consideration paid on the acquisition of the Core German MOB Portfolio on June 25, 2014 of $53,734 and cash consideration paid on the acquisition of Hohenschoenhausen on August 29, 2014 of $17,030. These outflows were partially offset by the cash distributions received from Vital Trust and NorthWest REIT totaling $11,675 and the proceeds of $6,825 on disposal of the Marktredwitz property in Germany.

Financing activities

Cash generated in financing activities totaled $11,686 for the three months ended September 30, 2015 as compared to $40,756 during the three months ended September 30, 2014.

During the three months ended September 30, 2015, the REIT received net payments on mortgages and loans payable and credit facilities of $35,400, paid financing fees of $1,123, paid distributions to REIT unitholders of $13,222, paid distributions to non-controlling unitholders of Vital Trust of $4,431 and acquired Trust Units for cancellation, pursuant to the REIT's NCIB, at a total cost of $4,934.

During the three months ended September 30, 2014, the REIT obtained new mortgages related to the acquisition of Hohenschoenhausen of $11,176, raised net proceeds of $37,917 through the issuance of a combination of NWI trust units through exercise of the warrants (net of costs) and Series NWH.DB.C Debentures (formerly Series MOB.DB.B Debentures), made net repayments of mortgages and loans payable and credit facilities of $686, paid deferred consideration of $1,277, paid financing fees of $435, received net advances from related parties of $36, and paid distributions of $5,975.

Cash generated in financing activities totaled $12,081 for the nine months ended September 30, 2015 as compared to $76,557 during the nine months ended September 30, 2014.

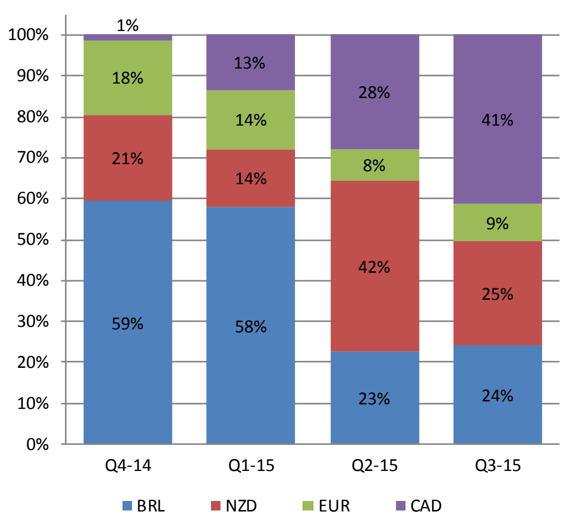
During the nine months ended September 30, 2015, the REIT received net payments on mortgages and loans payable and credit facilities of $47,353, paid financing fees of $4,537, received net advances from related parties of $32,183, paid distributions to REIT unitholders of $45,234, paid distributions to non-controlling unitholders of Vital Trust of $12,750 and acquired Trust Units for cancellation, pursuant to the REIT's NCIB, at a total cost of $4,934.

During the nine months ended September 30, 2014, the REIT obtained new mortgages related to the acquisition of the Core German MOB Portfolio and Hohenschoenhausen of $42,463, discharged the mortgage related to the disposal of the Marktredwitz property of $4,887, raised net proceeds of $60,779 through a combination of the issuance of Trust Units (net of costs) and Series NWH.DB.C Debentures (formerly Series MOB.DB.B Debentures), made net repayments of mortgages and loans payable and credit facilities of $2,499, paid deferred consideration of $3,854, paid financing fees of $2,100, received net advances from related parties of $1,281, and paid distributions of $14,626.

FOREIGN EXCHANGE AND CURRENCY MANAGEMENT

For the three and nine months ended September 30, 2015, approximately 59% and 70%, respectively, of the REIT's AFFO was conducted in currencies other than Canadian dollars, while its distributions to Unitholders, certain general and administrative expenses, interest expenses and interest income were denominated in Canadian dollars. A summary of the REIT's currency exposure by quarter for the last four quarters is presented below:

AFFO by Currency by Quarter (2)



Trading Range (1) (3)

(Against CAD)	BRL	EUR	NZD
High	0.4128	1.5298	0.8816
Low	0.3205	1.3936	0.8313
Average	0.3708	1.4559	0.8522
Balance Sheet:			
December 31, 2014	0.4365	1.4038	0.9043
September 30, 2015	0.3385	1.4951	0.8558
Profit & Loss:			
Q3 2015 Average Rate	0.3708	1.4559	0.8522
Q2 2015 Average Rate	0.4004	1.3597	0.8996
Q1 2015 Average Rate	0.4353	1.3967	0.9324
2015 Average Rate	0.4022	1.4041	0.8947
Q3 2014 Average Rate	0.4785	1.4422	0.9165
2014 Average Rate	0.4783	1.4831	0.9263

Notes

(1) For the three months ended September 30, 2015.

(2) Canadian Dollar AFFO represents the REIT's proportionate share of FFO from NorthWest REIT prior to the Combination Transaction, the consolidated AFFO of the REIT's Canadian operations after the Combination Transaction and interest income less interest expense paid on Canadian-denominated debt and certain general and administrative expenses, net of subsidies.

(3) Rates are presented against the Canadian Dollar.

For the three months ended September 30, 2015, a portion of the AFFO generated in foreign currencies was retained in those foreign currencies to provide funds for operations, future acquisitions in those foreign jurisdictions and to minimize currency conversion costs, while a portion has been repatriated back to Canada to fund distributions, interest payments and other corporate expenses. A significant portion of the funds previously raised in Canadian dollars from the equity and convertible debenture offerings were converted into foreign currencies to fund acquisitions or repayments of debt and deferred consideration in foreign jurisdictions.

For the three months ended September 30, 2015, Canadian dollar AFFO was $5,976 while Canadian dollar distributions paid in cash to Unitholders totaled $13,222. Deficiencies were funded from cash repatriated to Canada from Brazil, Germany and New Zealand and the existing working capital and borrowings.

As at September 30, 2015 the REIT held approximately $5,149 of cash and receivables denominated in Canadian Dollars.

The REIT monitors its foreign exchange exposure and its hedging strategy on an ongoing basis. The REIT has not executed any derivative foreign currency hedging arrangements in the past year, however, Vital Trust has in place a proactive currency management policy which aims to reduce volatility in the Australian dollar relative to the New Zealand dollar. Vital Trust's transaction hedging policy framework minimizes earnings volatility by means of coverage on forecasted Australian dollar profits. Vital Trust's translation hedging is managed both through natural hedges as Vital Trust has Australian based investment properties and Australian denominated borrowings and through rolling foreign exchange contracts.

The REIT intends to implement its formal hedging policy, when necessary, practicable and economically feasible to do so, to mitigate the impact of foreign currency fluctuations and to provide more certainty regarding the payment of distributions to Unitholders if the Canadian dollar increases in value compared to foreign currencies. The REIT's current hedging arrangements include natural currency hedges through local-currency denominated debt, inflation-indexed leases that provide protection against currency devaluation, and exposure to a diversified basket of currencies. Future hedging arrangements may include implementing specific foreign currency hedging derivatives. The REIT (with the exception of Vital Trust) does not currently have any specific foreign currency hedging derivatives in place.

PART V – RELATED PARTY TRANSACTIONS

a) As at September 30, 2015, NWVP indirectly owned approximately 34% of the outstanding Trust Units (approximately 30% on a fully-diluted basis assuming conversion of the REIT's Convertible Debentures and redemption of its deferred units) of the REIT through a combination of Trust Units of the REIT and Class B LP Exchangeable Units. Paul Dalla Lana, Chairman of the Board of Trustees and Chief Executive Officer of the REIT, is the sole shareholder, sole director and President of NWVP. Bernard Crotty, a Trustee of the REIT, served as Senior Vice-President of NWVP up to December 31, 2014. Teresa Neto, Chief Financial Officer of the REIT, served as Chief Financial Officer of NWVP up to December 31, 2014.

b) From the initiation of NWI until January 28, 2015, affiliates of NWVP served as the NWI's asset manager, property manager and developer pursuant to certain management and partnership agreements that are filed with the Canadian securities regulatory authorities and available on SEDAR at www.sedar.com. On January 28, 2015, the NWI internalized it external management arrangements, terminating the asset management, property management and development functions of NWI carried on by affiliates of NWVP. The Internalization Transaction also resulted in NWI acquiring from NWVP all of the rights and obligations relating to the management of Vital Trust.

Post the Internalization Transaction, the REIT entered into a Cost-Sharing Agreement with an affiliate of NWVP for certain general management and administration support services for a fee based on cost-sharing. The REIT also has entered into a monthly Sublease Agreement with an affiliate of NWVP for the REIT to lease its head office premises.

The following table summarizes the related party transactions with NWVP and its affiliates related to the former Asset Management Agreement, Property Management Agreement, Development Agreement and Management Fee Participation Agreement as well as the Cost-Sharing and Sublease Agreements during the period:

TABLE 19A - RELATED PARTY TRANSACTIONS

Expressed in thousands of Canadian dollars	Three months ended September 30			Nine months ended September 30		
	2015	2014	Variance	2015	2014	Variance
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Base asset management fees paid (1)	$ -	$ 869	$ (869)	$ -	$ 2,443	$ (2,443)
Property management fees paid	-	303	(303)	-	438	(438)
Vital Management Fee Participation earned	-	(597)	597	-	(1,936)	1,936
Interest revenue	-	(340)	340	(305)	(1,020)	715
Out-of-pocket costs paid	-	(76)	76	600	1,330	(730)
Cost-sharing and sublease amounts paid	$ -	$ -	$ -	$ 225	$ -	$ 225

Notes

(1) During the three and nine months ended September 30, 2014, the NWI issued 400,296 NWI trust units (83,262 Trust Units adjusted for the Exchange Ratio) and 1,123,254 NWI trust units (233,637 Trust Units adjusted for the Exchange Ratio), respectively, to settle outstanding asset management fees owing to a subsidiary of NWVP.

c) The following table summarizes the balance owing from NWVP and its subsidiaries:

TABLE 19B - RELATED PARTY BALANCE SHEET AMOUNTS						
Expressed in thousands of Canadian dollars		**As at September 30,** (Unaudited)		**As at December 31, 2014** (Unaudited)		**Variance** (Unaudited)
Amounts receivable						
Working capital and closing adjustment (i)	$	-	$	16,967	$	(16,967)
Interest Rate Subsidy (ii)		669		4,155		(3,486)
Instalment Note (iii)		-		1,386		(1,386)
Promissory Note (iv)		-		-		-
Vital Management Fee Participation		-		4,702		(4,702)
Interest (i)		-		2,941		(2,941)
Internalization Contribution (v)		1,385		-		1,385
Other	$	-	$	57	$	(57)
Amounts payable						
Class B Exchangeable Unit distributions	$	1,279	$	13,377	$	(12,098)
Cost-sharing and sublease amounts	$	289	$	-	$	289

(i) Working capital and closing adjustment receivable - Initial International Assets

The working capital and closing adjustment receivable from a subsidiary of NWVP arises as a result of the differences in the values of the working capital and debt indirectly assumed on acquisition of the initial international assets by NWI as compared to the values assigned at the time of the signing of the agreement entered into in connection with the acquisition. The working capital and closing adjustment receivable was unsecured and was previously due on December 31, 2013, but was fully repaid during the second quarter of 2015. The working capital and closing adjustment receivable accrued an approximate economic return of 8% per annum when permissible. For the three months ended March 31, 2015, NWVP agreed to pay interest of $305.

(ii) Interest Rate Subsidy

As part of NWI's acquisition of the investment in NorthWest REIT, NWVP had committed, by means of a capital contribution (referenced in this MD&A as the Interest Rate Subsidy), that the effective interest rate payable by the REIT on the assumed NWH Margin Facilities should not exceed (a) 4.25% for the balance of 2013, and (b) 6.00% for the first three months of 2014. At the date of acquisition the present value of the Interest Rate Subsidy was $1,874 and was recorded as a receivable from NWVP, and subsequent cash payments by NWVP will be recorded as a reduction of the receivable balance.

Throughout 2014 and again in March 2015, NWVP and NWI agreed to extend and amend the Interest Rate Subsidy, with an effective date of January 1, 2014, such that the effective interest rate payable by the REIT on the assumed margin facilities shall not exceed 4.25% up to March 31, 2015. To reflect the extension of the Interest Rate Subsidy in 2014 and again in March 2015, the NWI recorded an additional receivable from NWVP of $2,282 and $669 respectively with the offset recorded directly to equity as a capital contribution. In connection with the Combination Transaction the NWH Margin Facilities related to the NWI's investment in NorthWest REIT were repaid in full and cancelled.

(iii) Instalment Note

In connection with the NWI's acquisition of the Initial International Assets, the REIT entered into the Instalment Note arrangement with an affiliate of NWVP to partially compensate NWI for assuming obligations associated with the Sabará Securitization Facility. Pursuant to the Instalment Note, NWI earned from an affiliate of NWVP, two receipts – on April 2, 2013 (extended to April 2, 2014) and April 2, 2014 respectively. The Instalment Note was non-interest bearing. The receipt of the principal portion of the installment receipts would be recorded as a reduction of the Instalment Notes and is, therefore, not recorded as revenue. The Instalment Note was initially recorded at the present value of the future cash flows. The Instalment Note receipts were settled in full during the second quarter of 2015.

(iv) Promissory Note

The promissory note receivable arose on closing of the Internalization Transaction, which represented the difference between the agreed upon termination fee payable to NWVP less the deferred unit plan liability (vested and unvested deferred units) assumed by the NWI (the "**Promissory Note**"). The Promissory Note was non-interest bearing and was due on demand. The Promissory Note was settled in full during the second quarter of 2015.

(v) Internalization Contribution

As a result of costs incurred by NWI following completion of the Internalization Transaction, NWVP has committed to making an Internalization Contribution to NWI LP. For the three months and nine months ended September 30, 2015, the REIT recorded an Internalization Contribution of $Nil and $1,385, respectively. The Internalization Contribution is recorded in the condensed consolidated interim statement of unitholders' equity.

Transactions with related parties disclosed above are recorded at the transaction amount, being the price agreed between the parties.

PART VI – CRITICAL ACCOUNTING POLICIES AND ESTIMATES

A summary of significant accounting policies is described in note 2 of the REIT's condensed consolidated interim financial statements and accompanying notes for the three and nine months ended September 30, 2015.

The preparation of financial statements in conformity with IFRS requires the REIT to make judgements, estimates, and assumptions that affect the reported amounts recognized in the financial statements. These estimates have a direct effect on the measurement of transactions and balances recognized in the financial statements. Actual results could differ from estimates. Please refer to note 2 in the REIT's condensed consolidated interim financial statements and accompanying notes for the three and nine months ended September 30, 2015 and the REIT's and NWI's audited consolidated financial statements and accompanying notes for the year ended December 31, 2014.

PART VII – RISKS AND UNCERTAINTIES

There are certain risks inherent in an investment in the Trust Units and Convertible Debentures and in the activities of the REIT which current and prospective Unitholders and current and prospective investors in Convertible Debentures should carefully consider. The REIT faces a variety of significant and diverse risks, many of which are inherent in the business conducted by the REIT. The REIT's Annual Information Form contains a detailed summary, under "Risks and Uncertainties", of the risk factors pertaining to the REIT and its business. Additional information can also be referenced under "Risk Factors" in NWI's annual information form, dated March 10, 2015, that contains a detailed summary of risk factors pertaining to NWI's business. Information about the risk factors relating to the Combination Transaction can be found in the Notices of Annual and Special Meetings and Joint Management Information Circular Concerning the Combination of NorthWest Healthcare Properties Real Estate Investment Trust and NorthWest International Healthcare Properties Real Estate Investment Trust, dated April 7, 2015, under "Risk Factors Relating to the Arrangement". All of these documents can be found on SEDAR at www.sedar.com.

PART VIII – CONTROLS AND PROCEDURES

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

The REIT's Chief Executive Officer and Chief Financial Officer have designed, or caused to be designed under their supervision, the REIT's disclosure controls and procedures to provide reasonable assurance that (i) material information relating to the REIT, including its consolidated subsidiaries, is made known to them by others within those entities, and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

In designing these internal controls the REIT has considered the Committee of Sponsoring Organizations of the Treadway Commission (COSO) updated Internal Control – Integrated Framework: 2013.

Changes in Internal Controls Over Financial Reporting

There were no significant changes made in internal controls over financial reporting during the three and nine months ended September 30, 2015 that have materially affected, or are reasonably likely to materially affect, the REIT's internal controls over financial reporting.

Effective May 15, 2015, the REIT completed the Combination Transaction. As NWI has been identified as the accounting acquirer, the financial results for the periods prior to completion of the Combination Transaction reflect the results of NWI. The REIT is currently assessing the disclosure controls and procedures and internal controls over financial reporting used by NWI and integrating them with those of the REIT. The REIT is in the process of integrating the NWI operations and will be expanding its disclosure controls and procedures and internal control over financial reporting to include NWI during the remaining quarter of the year.

For additional information on the REIT's disclosure controls and procedures and internal controls over financial reporting refer to "Controls and Procedures" in the REIT's MD&A for the three months and year ended December 31, 2014, which can be found on SEDAR at www.sedar.com.

PART IX – OUTLOOK

During the nine months ended September 30, 2015, the REIT completed the Combination Transaction and as a result there have been material changes to the operating and economic environments in which the REIT operates.

Through the remainder of 2015, the REIT will, focus on the continued integration of NWI; lowering its cost of capital through debt refinancings and repayments, and new financing; continue to pursue new acquisitions and accretive development opportunities in the REIT's existing markets; and continue to execute on a focused investor relations outreach program.

Looking forward, the REIT remains committed to its key 2015 initiatives as outlined below:

1. Successfully integrate with NWI to strengthen and stabilize Canada's only global healthcare REIT;
2. Continue to enhance its management platform and operational performance where possible;
3. Expand the portfolio and augment its quality through reinvestment in existing assets and acquiring new assets in each of our core markets;
4. Optimize its capital structure;
5. Increase investor liquidity by raising new capital and broadening its investor base; and
6. Increase its profile through measured investor relations and communication strategies.

PART X – INDEX TO DEFINED TERMS

PART XI – PROPERTY TABLE

PROPERTY TABLE

	Property	Location	Date Acquired	Year Built (1)	Approximate GLA (sf)	# of Tenants	Occupancy %	WALE (2)
Canada								
1	Continental Building	Kamloops, BC	Mar 25 2010	1989	59,691	14	77.6%	2.4
2	Glenmore Professional Centre	Calgary, AB	Dec 31 2010	2007	137,821	1	100.0%	1.8
3	Sunridge Professional Centre	Calgary, AB	Mar 25 2010	1985	132,207	33	99.4%	5.2
4	Riley Park Health Centre (7)	Calgary, AB	Mar 25 2010	1956/92	72,808	11	100.0%	4.8
5	Rockyview Health Centre I	Calgary, AB	Mar 25 2010	1977/97/2013/14	68,819	24	78.4%	3.1
6	Foothills Professional Building	Calgary, AB	Mar 25 2010	1980/2013	58,521	20	100.0%	4.5
7	Sunpark Plaza	Calgary, AB	Dec 7 2011	2005	53,396	9	100.0%	2.4
8	Rockyview Health Centre II	Calgary, AB	Mar 25 2010	1975/2009	53,872	6	85.2%	7.3
9	Willow Brook Medical Centre	Airdrie, AB	Apr 10 2012	2010	34,680	4	100.0%	8.0
10	Hys Centre	Edmonton, AB	Feb 1 2011	1978/87/90	179,266	35	89.5%	4.0
11	Tawa Centre	Edmonton, AB	May 31 2011	1986	95,271	25	99.4%	3.7
12	Mira Health Centre	Edmonton, AB	Mar 25 2010	1992	67,448	16	91.6%	2.5
13	Garneau Professional Building	Edmonton, AB	Mar 25 2010	1980	58,545	17	84.6%	2.3
14	Queen Street Place	Spruce Grove, AB	Jul 7 2010	2007	69,380	19	100.0%	3.5
15	WRHA Downtown West Community	Winnipeg, MB	May 16 2013	1974/91/2009	43,750	3	100.0%	11.0
16	Hargrave Place	Winnipeg, MB	Jul 31 2013	1977/88/2011/12	70,947	3	99.0%	9.6
17	Dundas-Edward Centre	Toronto, ON	Jan 25 2011	1964/78/87/90	416,238	81	91.5%	4.7
18	Davisville Medical Dental Centre	Toronto, ON	Mar 25 2010	1964	95,778	83	94.5%	3.5
19	Fairview Health Centre	Toronto, ON	Mar 25 2010	1971	87,145	56	97.1%	3.5
20	North York Medical Arts Building	Toronto, ON	Mar 25 2010	1969	75,842	60	92.7%	4.0
21	The Stewart Building	Toronto, ON	Mar 25 2010	1892/1999	43,118	1	100.0%	3.6
22	Malvern Medical Arts	Toronto, ON	Apr 1 2011	1987	40,674	16	90.3%	3.7
23	Albany Medical Clinic	Toronto, ON	Sep 27 2012	2010	42,582	1	100.0%	14.6
24	One Medical Place	Toronto, ON	Mar 25 2010	1964	40,513	18	80.8%	5.6
25	Danforth Health Centre	Toronto, ON	Mar 25 2010	1991	29,491	8	92.5%	1.6
26	Bathurst Health Centre	Toronto, ON	Mar 25 2010	1984	29,175	16	91.3%	2.8
27	81 The East Mall (6)	Toronto, ON	Jan 16 2015	1975	35,079	5	92.5%	7.4
28	Queensway Professional Centre	Mississauga, ON	Mar 25 2010	1977/80	169,940	62	93.4%	3.7
29	Trafalgar Professional Centre	Oakville, ON	Mar 25 2010	1985	66,391	31	96.5%	3.1
30	Dundas-Centre Medical	Whitby, ON	Oct 1 2012	1987	32,626	22	91.2%	3.5
31	Wentworth-Limeridge Medical Centre	Hamilton, ON	Mar 25 2010	1989	40,716	18	87.5%	4.2
32	Queenston Medical-Dental Centre	Hamilton, ON	Oct 1 2012	1992	18,355	14	93.4%	3.3
33	Oxford Health Centre	London, ON	Mar 25 2010	1994	39,184	15	66.2%	5.4
34	Springbank Medical Centre	London, ON	Mar 30 2012	2011	53,082	31	94.6%	3.1
35	St. Thomas Family Health Centre	St. Thomas, ON	Oct 1 2012	1986	17,865	14	100.0%	2.5
36	Canamera Medical Centre	Cambridge, ON	Sep 15 2011	2007	81,971	19	100.0%	2.4
37	Guelph Medical Place I	Guelph, ON	Oct 1 2012	1991/2008	34,516	12	93.3%	5.3
38	Guelph Medical Place II	Guelph, ON	Oct 1 2012	2011	23,709	8	80.3%	2.4
39	Chatham Professional Building	Chatham, ON	Mar 25 2010	1977/87	26,612	10	65.7%	4.0
40	Windsor Health Centre	Windsor, ON	Mar 25 2010	1970/71/88/89	176,105	63	64.2%	4.2
41	Shoppers Drug Mart	Windsor, ON	Mar 25 2010	1998/2011	20,870	1	100.0%	13.0
42	Collingwood Health Centre	Collingwood, ON	Mar 25 2010	1989/2013	26,335	18	89.3%	4.8
43	Orillia Professional Arts Building	Orillia, ON	Oct 1 2012	1982	21,312	11	64.7%	1.8
44	Owen Sound Medical Building	Owen Sound, ON	Feb 9 2015	2011	77,542	11	86.7%	7.9
45	Huronia Medical Centre	Midland, ON	Oct 1 2012	1986	26,300	19	100.0%	5.9
46	Lindsay Medical Centre	Lindsay, ON	Oct 1 2012	1990	17,310	15	87.3%	3.5
47	Port Hope Medical Centre	Port Hope, ON	Oct 1 2012	1974/91	26,101	19	88.3%	3.0
48	Smyth Medical Centre	Ottawa, ON	Sep 10 2012	1983	18,191	15	95.5%	3.5
49	Four Corners Medical Arts Centre	Sudbury, ON	Mar 25 2010	1991	49,027	26	95.1%	5.3
50	Sudbury Medical Centre	Sudbury, ON	Oct 1 2012	1981/90	58,401	24	84.7%	4.4
51	CSSS Haut-Richelieu	Richelieu, QC	Sep 1 2010	2009	54,659	1	100.0%	8.3
52	Clinique Bois-De-Boulogne	Montreal, QC	Mar 25 2010	1976/89	95,974	32	83.7%	3.3
53	Pierrefonds Family Care Centre	Montreal, QC	Mar 25 2010	1990	18,032	11	100.0%	3.5
54	Le Carrefour Medical	Laval, QC	Mar 25 2010	1990	117,957	38	84.7%	3.0
55	Clinique CAMU	Longueuil, QC	Mar 25 2010	1988	25,887	7	70.8%	4.2
56	2924 Taschereau Boulevard	Longueuil, QC	Mar 25 2010	1988/2010	24,644	1	100.0%	5.0
57	CLSC Saint-Hubert	Saint Hubert, QC	Mar 25 2010	1991	46,639	2	100.0%	0.5
58	950 Montee des Pionniers	Lachenaie, QC	Mar 25 2010	2004	64,402	16	88.9%	5.4
59	Agence Lanaudiere	Joliette, QC	Dec 20 2012	1994/2008	53,771	1	100.0%	7.8
60	CSSS Grand Littoral	Levis, QC	Sep 1 2010	2008	64,563	2	100.0%	7.2
61	Polyclinique Val-Belair	Quebec City, QC	Jul 22 2011	2009	46,053	12	100.0%	6.3
62	CLSC Orleans	Quebec City, QC	Mar 25 2010	1989	20,419	1	100.0%	7.6
63	Centre Medicale de L'Hetriere	Quebec City, QC	Jan 19 2012	2007	36,502	7	94.5%	2.6
64	Fredericton Medical Centre	Fredericton, NB	Mar 25 2010	1985	70,569	44	85.9%	4.2
65	Moncton Medical Clinic	Moncton, NB	Jan 23 2012	1984	41,545	17	100.0%	2.8
66	Cobequid Centre	Lower Sackville, NS	Mar 25 2010	2006	30,009	1	100.0%	6.9
67	Halifax Professional Centre	Halifax, NS	Mar 25 2010	1969/74	115,499	84	92.1%	3.7
68	Gladstone Professional Centre	Halifax, NS	Mar 25 2010	1985	41,860	11	100.0%	2.9
69	Royal Bank Building	Dartmouth, NS	Mar 25 2010	1964/71	100,340	33	67.3%	4.2
70	New Glasgow Medical Centre	New Glasgow, NS	Dec 21 2011	2009	33,800	1	100.0%	9.1
71	HealthPark	Sydney, NS	Mar 25 2010	2006	78,059	39	88.6%	4.5
72	Sydney Medical Arts Building	Sydney, NS	Mar 25 2010	1964/84	32,922	17	86.3%	4.0
					4,528,623	**1,441**	**90.9%**	**4.5**

PART X – PROPERTY TABLE (CON'T.)

PROPERTY TABLE

	Property	Location	Date Acquired	Year Built (1)	Approximate GLA (sf)	# of Tenants	Occupancy %	WALE (2)
	Canada (con't.)							
	Redevelopment Properties:							
73	490 Harwood Boulevard	Vaudreuil-Dorion, QC	Mar 25 2010	1985	24,457	n/a	n/a	n/a
	85 The East Mall (6)	Toronto, Ontario	Jan 16 2015	1975	47,299	n/a	n/a	n/a
	Parkwood (7)	Calgary, AB	Mar 25 2010	1956	20,271	n/a	n/a	n/a
					92,027	**n/a**	**n/a**	**n/a**
	Development Land:							
	Barry Primary Care Campus	Barrie, Ontario	Feb 9 2015	n/a	n/a	n/a	n/a	n/a
	St. Albert Land	St. Albert, Alberta	Feb 9 2015	n/a	n/a	n/a	n/a	n/a
					n/a	**n/a**	**n/a**	**n/a**
	Brazil							
74	Sabará Children's Hospital	São Paulo	Nov 16 2012	2010	104,915	1	100.0%	9.0
	Rede D'Or Hospital Portfolio:							
75	Hospital e Maternedade Brasil ("**HMB**")	São Paulo	Dec 27 2012	1970 - 2007	342,000	1	100.0%	22.3
76	Hospital Santa Luzia*	Brasilia's South Wing	Dec 23 2013	2003	185,139	1	100.0%	23.3
77	Hospital Do Coracao*	Brasilia's South Wing	Dec 23 2013	2007	96,875	1	100.0%	23.3
78	Hospital Caxias*	Rio de Janeiro	Dec 23 2013	2013	290,626	1	100.0%	23.3
	* - the "**Rede D'Or Hospital Portfolio Acquistion**"				**1,019,555**	**5**	**100.0%**	**21.5**
	Germany							
79	Adlershof 1	Berlin	Nov 16 2012	2004	55,293	46	93.2%	5.8
80	Adlershof 2	Berlin	Nov 16 2012	2010	46,609	35	97.2%	5.4
81	Berlin Neukölln	Berlin	Nov 16 2012	2000	33,781	15	95.6%	3.6
82	Königs Wusterhausen 1	Königs Wusterhausen	Nov 16 2012	2001	35,689	24	92.4%	1.7
83	Fulda	Fulda	Mar 31 2013	2010	113,366	33	100.0%	4.8
84	Polimedica Centre**	Berlin	Jun 25 2014	2007	104,306	32	98.1%	8.4
85	Hollis Centre**	Ingolstadt	Jun 25 2014	1996	80,546	34	95.3%	3.6
86-96	Leipzig**	Leipzig	Jun 25 2014	1975-1989	195,717	97	90.0%	4.1
97	Hohenschonhausen	Berlin	Aug 30 2014	1996	63,350	38	95.5%	4.1
	** - the "**Core German MOB Portfolio**"				**728,657**	**354**	**94.9%**	**4.8**
	Development Land:							
	Vivantes Auguste-Viktoria Hospital land	Berlin	Apr 1 2015	n/a	n/a	n/a	n/a	n/a
98-122	**Australasia - Vital Interest (3)**				**1,625,539**	**108**	**99.4%**	**17.3**
	Portfolio Totals / Weighted Averages (5)				**7,994,401**	**1,908**	**94.2%**	**9.4**
	Portfolio Totals / Weighted Averages - Proportionate Consolidation (4)(5)				**6,766,579**		**93.2%**	**7.9**
	Portfolio Statistics excluding Assets Held for Sale:							
	Canada				3,779,257	1,124	93.2%	4.5
	Portfolio Totals / Weighted Averages (5)				7,245,035	1,591	95.8%	9.9
	Portfolio Totals / Weighted Averages - Proportionate Consolidation (4)(5)				6,017,213		95.0%	8.3

Notes

(1) Year built/renovated or expanded, as applicable.
(2) As at September 30, 2015. Weighted average lease expiry in years.
(3) Represents 100% of Vital Trust. The REIT has an exposure to an approximate 24% interest in Vital Trust. The property count for Vital includes two properties representing development land.
(4) Calculation is based on the REIT's proportionate interest in Vital Trust.
(5) Weighted Average Occupancy and WALE excluding Redevelopment Properties
(6) One of two buildings on a two building campus
(7) One of two buildings on a two building campus

PART XII – SUPPLEMENTAL DISCLOSURE

SUPPLEMENTAL DISCLOSURE

Unaudited

Expressed in thousands of Canadian dollars

	Three months ended September 30, 2015									
	Canada[4]	**Brazil**	**Germany**	**Australia/New Zealand[5]**					**Corporate[6]**	**Consolidated**
				Vital Trust	**Vital Manager**	**Elimination**	**Other**	**Total**		
Net Operating Income [1][2]										
Revenue from investment properties	$ 37,445	$ 7,307	$ 3,332	$ 15,622		$ (443)		$ 15,179		$ 63,263
Property operating costs	(16,842)	-	(820)	(1,875)		(85)		(1,960)		(19,622)
	20,603	**7,307**	**2,512**	**13,747**	**-**	**(528)**	**-**	**13,219**	**-**	**43,641**
Other income										
Share of profit (loss) from associates	-			-	191	(191)		-		-
Management fees	-			-	2,849	(2,849)		-		-
Interest income	7	99	-	15	47			62	4	172
	7	**99**	**-**	**15**	**3,087**	**(3,040)**	**-**	**62**	**4**	**172**
	20,610	**7,406**	**2,512**	**13,762**	**3,087**	**(3,568)**	**-**	**13,281**	**4**	**43,813**
Other expenses										
Mortgage and loan interest expense	(8,060)	(3,379)	(448)	(2,943)	(3)			(2,946)	(3,256)	(18,089)
General and administrative expenses	-	(667)	(546)	(3,178)	(929)	3,260		(847)	(3,470)	(5,530)
Transaction costs	-	-	8	-	-			-	(472)	(464)
Other Finance costs	2,236	(2,768)	(53)	(72)				(72)	(4,452)	(5,109)
Foreign exchange gain (loss)	-	143	2	890	(26)	171		1,035	(323)	857
Income / (Loss) before the undernoted items	**14,786**	**735**	**1,475**	**8,459**	**2,129**	**(137)**	**-**	**10,451**	**(11,969)**	**15,478**
Fair value adjustment of DUP liability	-			-	(5)			(5)	198	193
Fair value adjustment of investment properties	(6,079)	4,819	(482)	-		(222)		(222)	-	(1,964)
Net loss on disposal of investment properties	(134)	-	-	-				-	-	(134)
Gain on business combination	-	-	-	-				-	-	-
Gain / (Loss) on derivative financial instruments	(634)	(1,164)	(272)	(1,439)				(1,439)	5	(3,504)
Income / (Loss) before taxes	**7,939**	**4,390**	**721**	**7,020**	**2,124**	**(359)**	**-**	**8,785**	**(11,766)**	**10,069**
Income tax expense	-	(2,386)	(128)	(1,023)	(30)			(1,053)		(3,567)
Net income (loss)	**$ 7,939**	**$ 2,004**	**$ 593**	**$ 5,997**	**$ 2,094**	**$ (359)**	**$ -**	**$ 7,732**	**$ (11,766)**	**$ 6,502**
Non-Controlling Interest	-			4,524		(169)		4,355		4,355
Income attributable to Unitholders	**$ 7,939**	**$ 2,004**	**$ 593**	**$ 1,473**	**$ 2,094**	**$ (190)**	**$ -**	**$ 3,377**	**$ (11,766)**	**$ 2,147**
Add / (Deduct):										
Fair market value losses (gains)	6,713	(3,655)	754	1,439	5	222		1,666	215	5,693
Less: Non-controlling interests' share of fair market value losses (gains)	-			(1,091)		-		(1,091)		(1,091)
Finance cost - Exchangeable Unit distributions	-			-				-	3,838	3,838
Revaluation of financial liabilities	-	1,544		-				-	-	1,544
Unrealized foreign exchange loss (gain)	-	-	1	(890)	26	(172)		(1,036)	316	(719)
Less: Non-controlling interests' share of unrealized foreign exchange loss (gain)	-			675	-			675		675
Deferred taxes	-	2,335	123	245	(42)			203	-	2,661
Less: Non-controlling interests' share of deferred taxes	-			(186)	-			(186)		(186)
Non-recurring transaction costs	-	-	(8)	-	-			-	472	464
Internal Leasing Costs	366			-	-			-		366
Amortization of leasing costs and tenant improvements	-			-				-		-
Less: Non-controlling interests' share of amortization of leasing costs	-			-				-		-
Net loss on disposal of investment properties	134	-	-	-	-			-	-	134
Funds From Operations ("FFO") [1][3]	**$ 15,152**	**$ 2,228**	**$ 1,463**	**$ 1,665**	**$ 2,083**	**$ (140)**	**$ -**	**$ 3,608**	**$ (6,925)**	**$ 15,526**

SUPPLEMENTAL DISCLOSURE (CON'T)

Unaudited

Expressed in thousands of Canadian dollars

Three months ended September 30, 2015

	Canada[4]	Brazil	Germany	Australia/New Zealand[5] Vital Trust	Vital Manager	Elimination	Other	Total	Corporate[6]	Consolidated
Funds From Operations ("FFO") [1][3]	**$ 15,152**	**$ 2,228**	**$ 1,463**	**$ 1,665**	**$ 2,083**	**$ (140)**	**$ -**	**$ 3,608**	**$ (6,925)**	**$ 15,526**
Add / (Deduct):										
Amortization of marked to market adjustment	(2,284)			-				-		(2,284)
Amortization of deferred financing charges	48	1,224	53	72				72	196	1,593
Less: Non-controlling interests' share of amortization of deferred financing charges	-			(55)				(55)		(55)
Straight line revenue	(432)	25		(48)				(48)		(455)
Less: non-controlling interests' share of straight-line revenue	-			36				36		36
Leasing costs and non-recoverable maintenance capital expenditures	(2,247)	-	(200)	(206)				(206)		(2,653)
Less: non-controlling interests' share of actual capex and leasing costs	-			156				156		156
DUP Compensation Expense	-			-	96			96	2,468	2,564
Internalization Contribution	-			-				-	-	-
Adjusted Funds From Operations ("AFFO") [1][3]	**$ 10,237**	**$ 3,477**	**$ 1,316**	**$ 1,620**	**$ 2,179**	**$ (140)**	**$ -**	**$ 3,659**	**$ (4,261)**	**$ 14,428**

PART XII – SUPPLEMENTAL DISCLOSURE (CON'T.)

SUPPLEMENTAL DISCLOSURE (CON'T)

Unaudited

As at September 30, 2015

Expressed in thousands of Canadian dollars

	Canada[4]	Brazil	Germany	Australia/New Zealand[5]					Corporate[6]	Consolidated
				Vital Trust	Vital Manager	Elimination	Other	Total		
Assets										
Investment properties	$ 1,186,809	$ 312,637	$ 148,044	$ 665,530	$ -	$ (6,554)		$ 658,976		$ 2,306,466
Intangible Asset	-	-	-	-	-			-	46,757	46,757
Goodwill	-	-	-	-	-			-	41,671	41,671
Derivative financial instruments	-	-	-	3,480	-			3,480		3,480
Assets held for sale	97,730	-	-	-	-			-		97,730
Other assets	6,847	5,508	5,464	3,482	2,253	$ (1,660)		4,075	3,250	25,144
	$ 1,291,386	**$ 318,145**	**$ 153,508**	**$ 672,492**	**$ 2,253**	**$ (8,214)**	**$ -**	**$ 666,531**	**$ 91,678**	**$ 2,521,248**
Liabilities										
Mortgages and loans payable	$ 681,905	$ 134,839	$ 82,077	$ 228,038	$ -			$ 228,038	$ 112,784	$ 1,239,643
Deferred Consideration	-	32,044	209	-	-			-		32,253
Convertible Debentures	-	-	-	-	-			-	119,117	119,117
Deferred Revenue	-	-	-	6,384	132	(6,516)		-		-
Deferred tax liability	-	24,259	2,747	40,388	(138)			40,250		67,256
Derivative financial instruments	2,738	1,314	1,125	14,665	-			14,665	25	19,867
Liabilities related to assets held for sale	64,982	-	-	-	-			-		64,982
Exchangeable Units	-	-	-	-	-			-	153,505	153,505
Other liabilities	25,318	1,768	1,006	11,390	1,026	(1,529)		10,887	18,853	57,832
	$ 774,943	**$ 194,224**	**$ 87,164**	**$ 300,865**	**$ 1,020**	**$ (8,045)**	**$ -**	**$ 293,840**	**$ 404,284**	**$ 1,754,455**
Net assets	**$ 516,443**	**$ 123,921**	**$ 66,344**	**$ 371,627**	**$ 1,233**	**$ (169)**	**$ -**	**$ 372,691**	**$ (312,606)**	**$ 766,793**
Less: Non-controlling interest	-			(295,523)				(295,523)		(295,523)
Unitholders' Equity	**$ 516,443**	**$ 123,921**	**$ 66,344**	**$ 76,104**	**$ 1,233**	**$ (169)**	**$ -**	**$ 77,168**	**$ (312,606)**	**$ 471,270**

Notes

(1) The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly the financial results for the periods prior to completion of the Combination Transaction reflect the results of NWI.

(2) NOI is an additional IFRS measure presented on the consolidated statement of income and comprehensive income. NOI is defined in this MD&A and analyzed in greater detail in section "Net Operating Income"

(3) FFO and AFFO are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. FFO and AFFO as computed by the REIT may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to FFO and AFFO as reported by other such issuers. FFO and AFFO are defined in this MD&A and reconciled to the consolidated financial statements of the REIT.

(4) Includes NWI's share of profit(loss) in the REIT prior to completion of Combination Transaction. Includes the REIT's consolidated Canadian regional operations for period following completion of Combination Transaction.

(5) Includes NWI's share of profit(loss) in Vital Trust for periods prior to consolidation of Vital Trust. On January 1, 2015 NWI acquired control of Vital Trust as a result of NWI's Internalization Transaction whereby NWI acquired the asset manager of Vital Trust ("Vital Manager"). Includes consolidated Australasian results of Vital Trust and Vital Manager for the period subsequent to acquisiton of the Vital Manager.

(6) Includes cost of corporate borrowings including the REIT's Secured Revolving Credit Facility, Convertible Debentures, NWH Margin Facilities, Vital Margin Facilities and distributions paid on Class B LP Exchangeable Units and Class D GP Exchangeable Units, treated as finance costs.. Includes general and administrative costs of NWI's head office for period prior to completion of the Combination Transaction. Includes general and administrative costs of NWH's head office for the period subsequent to completion of the Combination Transaction.

PART XII – SUPPLEMENTAL DISCLOSURE (CON'T.)

SUPPLEMENTAL DISCLOSURE

Unaudited

Three months ended September 30, 2014

Expressed in thousands of Canadian dollars

	Canada[4]	Brazil	Germany	Australia/New Zealand[5]				Corporate[6]	Eliminations	Consolidated
				Vital Trust	Vital Manager	Other	Total			
Net Operating Income [1][2]										
Revenue from investment properties	$ -	$ 8,883	$ 2,951	$ -			$ -			$ 11,834
Property operating costs	-	-	(849)	-			-			(849)
	-	**8,883**	**2,102**	**-**	**-**	**-**	**-**	**-**	**-**	**10,985**
Other income										
Share of profit (loss) from associates	1,908			1,495			1,495			3,403
Management fees	-			-			-			-
Management fee participation	-			-		597	597			597
Interest income	-	169		-			-	223		392
	1,908	**169**	**-**	**1,495**	**-**	**597**	**2,092**	**223**	**-**	**4,392**
	1,908	**9,052**	**2,102**	**1,495**	**-**	**597**	**2,092**	**223**	**-**	**15,377**
Other expenses										
Mortgage and loan interest expense	-	(3,304)	(461)	-			-	(3,781)		(7,546)
General and administrative expenses	-	(674)	(55)	-			-	(1,148)		(1,877)
Transaction costs	-			-			-			-
Other Finance costs	-	(4,649)	(74)	-			-	(23,321)		(28,044)
Foreign exchange gain (loss)	-	444	(1)	-			-	3,032		3,475
Amortization of intangible asset	-			-			-	(390)		(390)
Income / (Loss) before the undernoted items	**1,908**	**869**	**1,511**	**1,495**	**-**	**597**	**2,092**	**(25,385)**	**-**	**(19,005)**
Fair value adjustment of DUP liability	-						-	(35)		(35)
Fair value adjustment of investment properties	-	16,016	(1,322)	-			-	-		14,694
Net loss on disposal of investment properties	-		-	-			-	-		-
Gain / (Loss) on derivative financial instruments	-		(469)	-			-	(347)		(816)
Income / (Loss) before taxes	**1,908**	**16,885**	**(280)**	**1,495**	**-**	**597**	**2,092**	**(25,767)**	**-**	**(5,162)**
Income tax expense	-	(6,706)	9	-			-	(62)		(6,759)
Net income (loss)	**$ 1,908**	**$ 10,179**	**$ (271)**	**$ 1,495**	**$ -**	**$ 597**	**$ 2,092**	**$ (25,829)**	**$ -**	**$ (11,921)**
Add / (Deduct):										
Fair market value losses (gains)	-	(16,016)	1,791		-	-	-	15,300		1,075
Less: Non-controlling interests' share of fair market value losses (gains)	-			-	-	-	-			-
Finance cost - Exchangeable Unit distributions	-			-	-	-	-	5,070		5,070
Revaluation of financial liabilities	-	2,413		-	-	-	-			2,413
Unrealized foreign exchange loss (gain)	-			-	-	-	-	(3,184)		(3,184)
Less: Non-controlling interests' share of unrealized foreign exchange loss (gain)	-			-	-	-	-			-
Deferred taxes	-	6,528	(10)	-	-	-	-	-		6,518
Less: Non-controlling interests' share of deferred taxes	-			-	-	-	-			-
Non-recurring transaction costs	-			-	-	-	-			-
Convertible Debenture issuance costs	-			-	-	-	-	2,835		2,835
Net adjustments for equity accounted entities	1,076			(2)	-	-	(2)			1,074
Internal Leasing Costs	-			-	-	-				-
Net loss on disposal of investment properties	-	-	-	-	-	-	-	-		-
Gain on business combination	-			-	-	-	-			-
Funds From Operations ("FFO") [1][3]	**$ 2,984**	**$ 3,104**	**$ 1,510**	**$ 1,493**	**$ -**	**$ 597**	**$ 2,090**	**$ (5,808)**	**$ -**	**$ 3,880**

PART XII – SUPPLEMENTAL DISCLOSURE (CON'T.)

SUPPLEMENTAL DISCLOSURE (CON'T)

Unaudited

Expressed in thousands of Canadian dollars

Three months ended September 30, 2014

	Canada[(4)]	Brazil	Germany	Australia/New Zealand[(5)] Vital Trust	Vital Manager	Other	Total	Corporate[(6)]	Eliminations	Consolidated
Funds From Operations ("FFO") [(1)(3)]	$ 2,984	$ 3,104	$ 1,510	$ 1,493	$ -	$ 597	$ 2,090	$ (5,808)	$ -	$ 3,880
Add / (Deduct):										
Asset management fees to be paid in units	-			-			-	869		869
Amortization of intangible asset	-			-			-	390		390
Instalment note	-	-		-			-			-
Interest rate subsidy	-			-			-	683		683
Amortization of marked to market adjustment	-			-			-			-
Amortization of deferred financing charges	-	2,236	74	-			-	498		2,808
Less: Non-controlling interests' share of amortization of deferred financing charges	-			-			-			-
Straight line revenue	-	(17)		-			-			(17)
Less: non-controlling interests' share of straight-line revenue										
Leasing costs and non-recoverable maintenance capital expenditures	-		(50)	-			-			(50)
Less: non-controlling interests' share of actual capex and leasing costs	-			-			-			-
DUP Compensation Expense	-			-			-	58		58
Internalization Contribution	-			-			-			-
Adjusted Funds From Operations ("AFFO") [(1)(3)]	$ 2,984	$ 5,323	$ 1,534	$ 1,493	$ -	$ 597	$ 2,090	$ (3,310)	$ -	$ 8,621

Notes

(1) The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly the financial results for the periods prior to completion of the Combination Transaction reflect the results of NWI.

(2) NOI is an additional IFRS measure presented on the consolidated statement of income and comprehensive income. NOI is defined in this MD&A and analyzed in greater detail in section "Net Operating Income"

(3) FFO and AFFO are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. FFO and AFFO as computed by the REIT may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to FFO and AFFO as reported by other such issuers. FFO and AFFO are defined in this MD&A and reconciled to the consolidated financial statements of the REIT.

(4) Includes NWI's share of profit(loss) in the REIT prior to completion of Combination Transaction. Includes the REIT's consolidated Canadian regional operations for period following completion of Combination Transaction.

(5) Includes NWI's share of profit(loss) in Vital Trust for periods prior to consolidation of Vital Trust. On January 1, 2015 NWI acquired control of Vital Trust as a result of NWI's Internalization Transaction whereby NWI acquired the asset manager of Vital Trust ("Vital Manager"). Includes consolidated Australasian results of Vital Trust and Vital Manager for the period subsequent to acquisiton of the Vital Manager.

(6) Includes cost of corporate borrowings including the REIT's Secured Revolving Credit Facility, Convertible Debentures, NWH Margin Facilities, Vital Margin Facilities and distributions paid on Class B LP Exchangeable Units and Class D GP Exchangeable Units, treated as finance costs.. Includes general and administrative costs of NWI's head office for period prior to completion of the Combination Transaction. Includes general and administrative costs of NWH's head office for the period subsequent to completion of the Combination Transaction.

PART XII – SUPPLEMENTAL DISCLOSURE (CON'T.)

SUPPLEMENTAL DISCLOSURE

Unaudited	**Nine months ended September 30, 2015**									
Expressed in thousands of Canadian dollars	**Canada[4]**	**Brazil**	**Germany**	**Australia/New Zealand[5]**					**Corporate[6]**	**Consolidated**
				Vital Trust	**Vital Manager**	**Elimination**	**Other**	**Total**		
Net Operating Income [1][2]										
Revenue from investment properties	$ 56,921	$ 23,753	$ 9,608	$ 46,208	$ -	$ (1,457)	$ -	$ 44,751	$ -	$ 135,033
Property operating costs	(25,115)	-	(2,721)	(5,617)	-	131	-	(5,486)	-	(33,322)
	31,806	**23,753**	**6,887**	**40,591**	**-**	**(1,326)**	**-**	**39,265**	**-**	**101,711**
Other income										
Share of profit (loss) from associates	2,153	-	-	-	233	(233)	-	-	-	2,153
Management fees	-	-	-	-	8,925	(8,925)	-	-	-	-
Interest income	26	288	-	66	51	-	-	117	312	743
	2,179	**288**	**-**	**66**	**9,209**	**(9,158)**	**-**	**117**	**312**	**2,896**
	33,985	**24,041**	**6,887**	**40,657**	**9,209**	**(10,484)**	**-**	**39,382**	**312**	**104,607**
Other expenses										
Mortgage and loan interest expense	(12,158)	(11,006)	(1,333)	(8,368)	(13)	-	-	(8,381)	(11,191)	(44,069)
General and administrative expenses	-	(1,963)	(1,662)	(10,015)	(3,776)	9,986	-	(3,805)	(10,681)	(18,111)
Transaction costs	-	-	(199)	-	-	-	-	-	(9,660)	(9,859)
Other Finance costs	2,867	(12,077)	(164)	(185)	-	-	-	(185)	10,641	1,082
Foreign exchange gain (loss)	-	135	(1)	(288)	16	6	-	(266)	2,738	2,606
Amortization of intangible asset	-	-	-	-	-	-	-	-	-	-
Income / (Loss) before the undernoted items	**24,694**	**(870)**	**3,528**	**21,801**	**5,436**	**(492)**	**-**	**26,745**	**(17,841)**	**36,256**
Fair value adjustment of DUP liability	-	-	-	-	(21)	-	-	(21)	1,899	1,878
Fair value adjustment of investment properties	(6,079)	27,138	(1,041)	75,595	-	1,013	-	76,608	-	96,626
Net loss on disposal of investment properties	(134)	-	-	-	-	-	-	-	-	(134)
Gain on business combination	-	-	-	-	-	-	-	-	69,023	69,023
Gain / (Loss) on derivative financial instruments	(875)	40	76	(2,602)	-	-	(16)	(2,618)	5	(3,372)
Income / (Loss) before taxes	**17,606**	**26,308**	**2,563**	**94,794**	**5,415**	**521**	**(16)**	**100,714**	**53,086**	**200,277**
Income tax expense	-	(11,910)	(370)	(14,318)	(235)	-	-	(14,553)	(3)	(26,836)
Net income (loss)	**$ 17,606**	**$ 14,398**	**$ 2,193**	**$ 80,476**	**$ 5,180**	**$ 521**	**$ (16)**	**$ 86,161**	**$ 53,083**	**$ 173,441**
Non-Controlling Interest	-	-	-	60,941	-	(169)	-	60,772	-	60,772
Income attributable to Unitholders	**$ 17,606**	**$ 14,398**	**$ 2,193**	**$ 19,535**	**$ 5,180**	**$ 690**	**$ (16)**	**$ 25,389**	**$ 53,083**	**$ 112,669**
Add / (Deduct):										
Fair market value losses (gains)	6,954	(27,178)	965	(72,993)	21	(1,013)	16	(73,969)	(26,948)	(120,176)
Less: Non-controlling interests' share of fair market value losses (gains)	-	-	-	56,229	-	-	-	56,229	-	56,229
Finance cost - Exchangeable Unit distributions	-	-	-	-	-	-	-	-	13,161	13,161
Revaluation of financial liabilities	-	8,263	-	-	-	-	-	-	-	8,263
Unrealized foreign exchange loss (gain)	-	-	3	288	(16)	(6)	-	266	(2,540)	(2,271)
Less: Non-controlling interests' share of unrealized foreign exchange loss (gain)	-	-	-	(220)	-	-	-	(220)	-	(220)
Deferred taxes	-	11,749	363	13,571	(48)	-	-	13,523	-	25,635
Less: Non-controlling interests' share of deferred taxes	-	-	-	(10,310)	-	-	-	(10,310)	-	(10,310)
Non-recurring transaction costs	-	-	199	-	-	-	-	-	9,660	9,859
Convertible Debenture issuance costs	-	-	-	-	-	-	-	-	1	1
Net adjustments for equity accounted entities	2,221	-	-	-	-	-	-	-	-	2,221
Internal Leasing Costs	577	-	-	-	-	-	-	-	-	577
Amortization of leasing costs and tenant improvements	-	-	-	-	-	-	-	-	-	-
Less: Non-controlling interests' share of amortization of leasing costs	-	-	-	-	-	-	-	-	-	-
Net loss on disposal of investment properties	134	-	-	-	-	-	-	-	-	134
Gain on business combination	-	-	-	-	-	-	-	-	(69,023)	(69,023)
Funds From Operations ("FFO") [1][3]	**$ 27,492**	**$ 7,232**	**$ 3,723**	**$ 6,100**	**$ 5,137**	**$ (329)**	**$ -**	**$ 10,908**	**$ (22,606)**	**$ 26,749**

PART XII – SUPPLEMENTAL DISCLOSURE (CON'T.)

SUPPLEMENTAL DISCLOSURE (CON'T)

Unaudited

Expressed in thousands of Canadian dollars

Nine months ended September 30, 2015

	Canada[(4)]	Brazil	Germany	Australia/New Zealand[(5)]					Corporate[(6)]	Consolidated
				Vital Trust	Vital Manager		Other	Total		
Funds From Operations ("FFO") [(1)(3)]	$ 27,492	$ 7,232	$ 3,723	$ 6,100	$ 5,137	$ (329)	$ -	$ 10,908	$ (22,606)	$ 26,749
Add / (Deduct):										
Asset management fees to be paid in units	-	-	-	-	-	-	-	-	-	-
Amortization of intangible asset	-	-	-	-	-	-	-	-	-	-
Instalment note	-	-	-	-	-	-	-	-	-	-
Interest rate subsidy	669	-	-	-	-	-	-	-	-	669
Amortization of marked to market adjustment	(2,927)	-	-	-	-	-	-	-	-	(2,927)
Amortization of deferred financing charges	60	3,814	164	185	-	-	-	185	1,241	5,464
Less: Non-controlling interests' share of amortization of deferred financing charges	-	-	-	(141)	-	-	-	(141)	-	(141)
Straight line revenue	(636)	104	-	272	-	244	-	516	-	(16)
Less: non-controlling interests' share of straight-line revenue		-	-	(207)	-	-	-	(207)	-	(207)
Leasing costs and non-recoverable maintenance capital expenditures	(3,416)	-	(404)	(767)	-	-	-	(767)	-	(4,587)
Less: non-controlling interests' share of actual capex and leasing costs	-	-	-	582	-	-	-	582	-	582
DUP Compensation Expense	-	-	-	-	304	-	-	304	7,538	7,842
Internalization Contribution	-	-	-	-	-	-	-	-	1,385	1,385
Adjusted Funds From Operations ("AFFO") [(1)(3)]	$ 21,242	$ 11,150	$ 3,483	$ 6,024	$ 5,441	$ (85)	$ -	$ 11,380	$ (12,442)	$ 34,813

Notes

(1) The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly the financial results for the periods prior to completion of the Combination Transaction reflect the results of NWI.

(2) NOI is an additional IFRS measure presented on the consolidated statement of income and comprehensive income. NOI is defined in this MD&A and analyzed in greater detail in section "Net Operating Income"

(3) FFO and AFFO are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. FFO and AFFO as computed by the REIT may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to FFO and AFFO as reported by other such issuers. FFO and AFFO are defined in this MD&A and reconciled to the consolidated financial statements of the REIT.

(4) Includes NWI's share of profit(loss) in the REIT prior to completion of Combination Transaction. Includes the REIT's consolidated Canadian regional operations for period following completion of Combination Transaction.

(5) Includes NWI's share of profit(loss) in Vital Trust for periods prior to consolidation of Vital Trust. On January 1, 2015 NWI acquired control of Vital Trust as a result of NWI's Internalization Transaction whereby NWI acquired the asset manager of Vital Trust ("Vital Manager"). Includes consolidated Australasian results of Vital Trust and Vital Manager for the period subsequent to acquisiton of the Vital Manager.

(6) Includes cost of corporate borrowings including the REIT's Secured Revolving Credit Facility, Convertible Debentures, NWH Margin Facilities, Vital Margin Facilities and distributions paid on Class B LP Exchangeable Units and Class D GP Exchangeable Units, treated as finance costs.. Includes general and administrative costs of NWI's head office for period prior to completion of the Combination Transaction. Includes general and administrative costs of NWH's head office for the period subsequent to completion of the Combination Transaction.

PART XII – SUPPLEMENTAL DISCLOSURE (CON'T.)

SUPPLEMENTAL DISCLOSURE

Unaudited

Expressed in thousands of Canadian dollars

Nine months ended September 30, 2014

	Canada[4]	Brazil	Germany	Australia/New Zealand[5]				Corporate[6]	Consolidated
				Vital Trust	Vital Manager	Other	Total		
Net Operating Income [1][2]									
Revenue from investment properties	$ -	$ 26,616	$ 5,873	$ -	$ -	$ -	$ -	$ -	$ 32,489
Property operating costs	-	-	(1,586)	-	-	-	-	-	(1,586)
	-	**26,616**	**4,287**	**-**	**-**	**-**	**-**	**-**	**30,903**
Other income									
Share of profit (loss) from associates	(5,764)	-	-	6,186	-	-	6,186	-	422
Management fees	-	-	-	-	-	-	-	-	-
Management fee participation	-	-	-	-	-	1,936	1,936	-	1,936
Interest income	-	339	-	-	-	-	-	935	1,274
	(5,764)	**339**	**-**	**6,186**	**-**	**1,936**	**8,122**	**935**	**3,632**
	(5,764)	**26,955**	**4,287**	**6,186**	**-**	**1,936**	**8,122**	**935**	**34,535**
Other expenses									
Mortgage and loan interest expense	-	(9,670)	(979)	-	-	-	-	(10,968)	(21,617)
General and administrative expenses	-	(1,890)	(19)	-	-	-	-	(3,505)	(5,414)
Transaction costs	-	-	-	-	-	-	-	-	-
Other Finance costs	-	(18,167)	(108)	-	-	-	-	(37,735)	(56,010)
Foreign exchange gain (loss)	-	489	(1)	-	-	-	-	90	578
Amortization of intangible asset	-	-	-	-	-	-	-	(1,171)	(1,171)
Income / (Loss) before the undernoted items	**(5,764)**	**(2,283)**	**3,180**	**6,186**	**-**	**1,936**	**8,122**	**(52,354)**	**(49,099)**
Fair value adjustment of DUP liability	-	-	-		-	-	-	(36)	(36)
Fair value adjustment of investment properties	-	15,922	(4,771)	-	-	-	-	-	11,151
Net loss on disposal of investment properties	-	-	(98)	-	-	-	-	-	(98)
Gain / (Loss) on derivative financial instruments	-	-	(945)	-	-	16	16	(238)	(1,167)
Income / (Loss) before taxes	**(5,764)**	**13,639**	**(2,634)**	**6,186**	**-**	**1,952**	**8,138**	**(52,628)**	**(39,249)**
Income tax expense	-	(8,964)	513	-	-	-	-	(142)	(8,593)
Net income (loss)	**$ (5,764)**	**$ 4,675**	**$ (2,121)**	**$ 6,186**	**$ -**	**$ 1,952**	**$ 8,138**	**$ (52,770)**	**$ (47,842)**
Add / (Deduct):									
Fair market value losses (gains)	-	(15,922)	5,716		-	(16)	(16)	18,696	8,474
Less: Non-controlling interests' share of fair market value losses (gains)	-	-	-	-	-	-	-	-	-
Finance cost - Exchangeable Unit distributions	-	-	-	-	-	-	-	15,149	15,149
Revaluation of financial liabilities	-	11,799	-	-	-	-	-	-	11,799
Unrealized foreign exchange loss (gain)	-	-	-	-	-	-	-	(122)	(122)
Less: Non-controlling interests' share of unrealized foreign exchange loss (gain)	-	-	-	-	-	-	-	-	-
Deferred taxes	-	8,663	(517)	-	-	-	-	-	8,146
Less: Non-controlling interests' share of deferred taxes	-	-	-	-	-	-	-	-	-
Non-recurring transaction costs	-	-	-	-	-	-	-	-	-
Convertible Debenture issuance costs	-	-	-	-	-	-	-	2,838	2,838
Net adjustments for equity accounted entities	14,685	-	-	(1,528)	-	-	(1,528)	-	13,157
Internal Leasing Costs	-	-	-	-	-	-		-	-
Net loss on disposal of investment properties	-	-	98	-	-	-	-	-	98
Gain on business combination	-	-	-	-	-	-	-	-	-
Funds From Operations ("FFO") [1][3]	**$ 8,921**	**$ 9,215**	**$ 3,176**	**$ 4,658**	**$ -**	**$ 1,936**	**$ 6,594**	**$ (16,209)**	**$ 11,697**

PART XII – SUPPLEMENTAL DISCLOSURE (CON'T.)

SUPPLEMENTAL DISCLOSURE (CON'T)

Unaudited

Expressed in thousands of Canadian dollars

Nine months ended September 30, 2014

	Canada[4]	Brazil	Germany	Australia/New Zealand[5]				Corporate[6]	Consolidated
				Vital Trust	Vital Manager	Other	Total		
Funds From Operations ("FFO") [1][3]	$ 8,921	$ 9,215	$ 3,176	$ 4,658	$ -	$ 1,936	$ 6,594	$ (16,209)	$ 11,697
Add / (Deduct):									
Asset management fees to be paid in units	-	-	-	-	-	-	-	2,443	2,443
Amortization of intangible asset	-	-	-	-	-	-	-	1,171	1,171
Instalment note	-	215	-	-	-	-	-	-	215
Interest rate subsidy	-	-	-	-	-	-	-	2,029	2,029
Amortization of marked to market adjustment	-	-	-	-	-	-	-	-	-
Amortization of deferred financing charges	-	6,368	108	-	-	-	-	1,326	7,802
Less: Non-controlling interests' share of amortization of deferred financing charges	-	-	-	-	-	-	-	-	-
Straight line revenue	-	(32)	-	-	-	-	-	-	(32)
Less: non-controlling interests' share of straight-line revenue		-	-		-	-		-	
Leasing costs and non-recoverable maintenance capital expenditures	-	-	(165)	-	-	-	-	-	(165)
Less: non-controlling interests' share of actual capex and leasing costs	-	-	-	-	-	-	-	-	-
DUP Compensation Expense	-	-	-	-	-	-	-	161	161
Internalization Contribution	-	-	-	-	-	-	-	-	-
Adjusted Funds From Operations ("AFFO") [1][3]	$ 8,921	$ 15,766	$ 3,119	$ 4,658	$ -	$ 1,936	$ 6,594	$ (9,079)	$ 25,321

Notes

(1) The Combination Transaction was completed on May 15, 2015 and has been accounted for as a business combination. NWI has been identified as the accounting acquirer of the REIT. Accordingly the financial results for the periods prior to completion of the Combination Transaction reflect the results of NWI.

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Stock Exchange Listing
Toronto Stock Exchange (TSX)
Listing symbols:
- REIT Trust Units - NWH.UN
- 5.25% convertible debentures - NWH.DB
- 6.50% convertible debentures - NWH.DB.A
- 7.50% convertible debentures - NWH.DB.B
- 7.25% convertible debentures - NWH.DB.C
- 5.50% convertible debentures - NWH.DB.D

Distribution Reinvestment Plan
Participants in the REIT's distribution reinvestment plan may elect to have all cash distributions of the REIT automatically reinvested in additional Trust Units at a price per Trust Unit calculated by reference to the weighted average of the trading price for the Trust Units on the TSX for the five trading days immediately preceding the relevant distribution date. Unitholders who so elect will receive a further distribution of Trust Units equal to 3% of each distribution that was reinvested by them. To enroll individuals should contact their broker.