NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST

Condensed Consolidated Interim Financial Statements
(In Canadian dollars)

For the Three Months Ended March 31, 2016
(Unaudited)

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST
Condensed Consolidated Interim Balance Sheets
(In thousands of Canadian dollars)
(Unaudited)

As at		March 31, 2016		December 31, 2015
Assets				
Investment properties (note 6)	$	**2,569,290**	$	2,491,835
Intangible asset (note 7)		**46,757**		46,757
Goodwill		**41,671**		41,671
Due from related parties (note 8)		**-**		1,736
Derivative financial instruments (note 15)		**1,094**		8,506
Accounts receivable		**4,767**		3,919
Income tax receivable		**1,242**		1,092
Other assets (note 9)		**10,503**		10,903
Cash and restricted cash (note 10)		**12,647**		15,396
Assets held for sale (note 11)		**23,525**		78,194
Total assets	$	**2,711,496**	$	2,700,009
Liabilities				
Mortgages and loans payable (note 12)	$	**1,288,746**	$	1,252,993
Deferred consideration (note 13)		**33,571**		34,073
Convertible debentures (note 14)		**172,414**		170,094
Deferred revenue		**1,305**		-
Deferred tax liability		**88,151**		87,633
Derivative financial instruments (note 15)		**25,978**		18,425
Income tax payable		**8,187**		7,373
Accounts payable and accrued liabilities		**45,996**		45,020
Distributions payable		**3,544**		3,513
Liabilities related to assets held for sale (note 11)		**20,259**		52,674
		1,688,151		1,671,798
Deferred unit plan liability (note 16)		**13,996**		15,597
Class B and Class D exchangeable units (note 17)		**183,141**		169,653
Total liabilities		**1,885,288**		1,857,048
Unitholders' Equity				
Unitholders' equity (note 18)		**486,811**		515,478
Non-controlling interest		**339,397**		327,483
Subsequent events (note 26)				
Total liabilities and unitholders' equity	$	**2,711,496**	$	2,700,009

The condensed consolidated interim financial statements were approved by the Board on May 12, 2016 and signed on its behalf by:

"Colin Loudon" Trustee
"Paul Dalla Lana" Trustee

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

Three Months Ended March 31,	**2016**	2015
Net Operating Income		
Revenue from investment properties	**$ 64,905**	$ 26,933
Property operating costs	**20,198**	2,956
	44,707	23,977
Other Income		
Interest	**191**	457
Share of profit of associates	**-**	1,563
	191	2,020
Expenses		
Mortgage and loan interest expense	**18,974**	10,514
General and administrative expenses (note 21)	**5,326**	5,709
Transaction costs	**2,568**	4,375
Foreign exchange (income) loss	**(2,272)**	2,167
	24,596	22,765
Income (loss) before other finance costs, fair value adjustments, and net loss on disposal of investment property, and net gain business combination	**20,302**	3,232
Finance costs:		
Amortization of financing costs	**(1,017)**	(1,922)
Amortization of mark-to-market adjustment	**2,552**	–
Class B exchangeable unit distributions (note 17)	**(3,800)**	(5,074)
Fair value adjustment of Class B exchangeable units (note 17)	**(13,488)**	10,150
Accretion of financial liabilities (notes 12 and 13)	**(2,473)**	(5,867)
Fair value adjustment of convertible debentures (note 14)	**(2,321)**	(4,337)
Convertible debenture issuance costs	**-**	(1)
Fair value gain (loss) on derivative financial instruments (note 15)	**(3,720)**	(1,277)
Fair value adjustment of investment properties (note 6)	**10,435**	14,447
Net loss on disposal of investment properties (note 5)	**(1,417)**	–
Fair value adjustment of deferred unit plan liability	**(813)**	353
Income (loss) before taxes	**4,240**	9,704
Income tax expense	**5,426**	6,810
Net income (loss)	**(1,186)**	2,894
Net income (loss) attributable to:		
Unitholders	**(8,049)**	(1,541)
Non-controlling Interest	**6,863**	4,435
	(1,186)	2,894

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST
Condensed Consolidated Interim Statements of Income and Comprehensive Income (continued)
(In thousands of Canadian dollars)
(Unaudited)

Three Months Ended March 31,		2016		2015
Other comprehensive income (loss):				
Items that will be reclassified subsequently to income:				
Foreign currency translation adjustment	**$**	**(145)**		(7,374)
Realized foreign exchange gains/(losses) on hedges		**8,669**		7,103
Current taxation (expense)/credit		**(2,427)**		(1,989)
Unrealized foreign exchange gains/(losses) on hedges		**(11,797)**		(5,035)
Deferred taxation (expense)/credit		**3,303**		1,410
Fair value gain on net investment hedges		**(3,494)**		2,274
Deferred taxation (expense)/credit		**977**		(637)
Other comprehensive loss, net of tax		**(4,914)**		(4,248)
Total comprehensive loss for the period	**$**	**(6,100)**	$	(1,354)
Total comprehensive income (loss) attributable to:				
Unitholders	**$**	**(21,985)**	$	(1,691)
Non-controlling Interest		**15,885**		337
	$	**(6,100)**	$	(1,354)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST
Condensed Consolidated Interim Statements of Changes in Unitholders' Equity
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

	Unitholders' Equity	Contributed Surplus	Reduction on Reclassification to Liabilities	Cumulative Distributions	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total Unitholders' Equity	Non-Controlling Interest	Total Equity
Balance, December 31, 2014	**$ 153,989**	**$ 4,627**	**$ (115)**	**$ (25,635)**	**$ (1,992)**	**$ (30,906)**	**$ 99,968**	**$ –**	**$ 99,968**
Units issued through distribution reinvestment plan	327	–	–	–	–	–	327	675	1,002
Asset management fees paid in units	292	–	–	–	–	–	292	–	292
Capital contributions	–	35,212	–	–	–	–	35,212	–	35,212
Acquisition of control of subsidiary	–	–	–	–	–	–	–	241,912	241,912
Distributions	–	–	–	(4,788)	–	–	(4,788)	(4,865)	(9,653)
Currency translation difference	–	–	–	–	1,148	–	1,148	(8,522)	(7,374)
Other comprehensive loss	–	–	–	–	(1,297)	–	(1,297)	4,424	3,127
Net income (loss) for the period	–	–	–	–	–	(1,541)	(1,541)	4,435	2,894
Balance, March 31, 2015	**$ 154,608**	**$ 39,839**	**$ (115)**	**$ (30,423)**	**$ (2,141)**	**$ (32,447)**	**$ 129,321**	**$ 238,059**	**$ 367,380**
Units issued through distribution reinvestment plan	3,067	–	–	–	–	–	3,067	1,886	4,953
Units issued on exercise of deferred units	1,028		–	–	–	–	1,028	–	1,028
Conversion of Class B exchangeable units	1,649	–	–	–	–	–	1,649	–	1,649
Issuance of units on merger	302,197	–	–	–	–	–	302,197	–	302,197
Unit redemption on merger	(2,593)	–	–	–	–	–	(2,593)	–	(2,593)
Cancellation of REIT units under normal course issuer bid	(6,648)	–	–	–	–	–	(6,648)	–	(6,648)
Distributions	–	–	–	(29,713)	–	–	(29,713)	(13,880)	(43,593)
Currency translation difference	–	–	–	–	(2,254)	–	(2,254)	10,546	8,292
Other comprehensive income (loss)	–	–	–	–	1,029	–	1,029	(5,264)	(4,235)
Net loss for the period	–	–	–	–	–	118,395	118,395	96,136	214,531
Balance, December 31, 2015	**$ 453,308**	**$ 39,839**	**$ (115)**	**$ (60,136)**	**$ (3,366)**	**$ 85,948**	**$ 515,478**	**$ 327,483**	**$ 842,961**

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST
Condensed Consolidated Interim Statements of Changes in Unitholders' Equity (continued)
(In thousands of Canadian dollars, except per unit amounts)
(Unaudited)

	Unitholders' Equity	Contributed Surplus	Reduction on Reclassification to Liabilities	Cumulative Distributions	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total Unitholders' Equity	Non-Controlling Interest	Total Equity
Units issued through distribution reinvestment plan	1,274	–	–	–	–	–	1,274	845	2,119
Units issued on exercise of deferred units	2,953	–	–	–	–	–	2,953	–	2,953
Cancellation of REIT units under normal course issuer bid (note 18)	(286)	–	–	–	–	–	(286)	–	(286)
Distributions	–	–	–	(10,622)	–	–	(10,622)	(4,817)	(15,439)
Foreign currency translation adjustment	–	–	–	–	(12,771)	–	(12,771)	12,626	(145)
Other comprehensive loss	–	–	–	–	(1,166)	–	(1,166)	(3,603)	(4,769)
Net income for the period	–	–	–	–	–	(8,049)	(8,049)	6,863	(1,186)
Balance, March 31, 2016	**$ 457,249**	**$ 39,839**	**$ (115)**	**$ (70,758)**	**$ (17,303)**	**$ 77,899**	**$ 486,811**	**$ 339,397**	**$ 826,208**

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NorthWest Healthcare Properties Real Estate Investment Trust
Consolidated Statements of Cash Flows
(In thousands of Canadian dollars)
(Unaudited)

Three Months Ended March 31,	2016	2015
Cash provided by (used in):		
Operating activities		
Income (loss) before taxes for the year	$ **4,240**	$ 9,704
Adjustment for:		
Amortization	**95**	17
Mortgage and loan interest	**18,974**	10,511
Mortgage and loan interest paid	**(18,966)**	(10,927)
Finance costs		
Amortization of financing charges	**1,017**	1,922
Amortization of mark-to-market adjustment	**(2,552)**	–
Class B exchangeable unit distributions (note 17)	**3,800**	5,074
Fair value adjustment of Class B exchangeable units (note 17)	**13,488**	(10,150)
Accretion of financial liabilities (notes 12 and 13)	**2,473**	5,867
Fair value adjustment of convertible debentures (note 14)	**2,321**	4,337
Convertible debenture issuance costs	**–**	1
Share of profit of associates	**–**	(1,563)
Unrealized foreign exchange loss	**(2,287)**	2,195
Amortization of deferred revenue	**(277)**	(329)
Fair value adjustment of investment properties (note 6)	**(10,435)**	(14,447)
Fair value loss on derivative financial instruments (note 15)	**3,720**	1,500
Net loss on disposal of investment property (note 5)	**1,417**	–
Fair value adjustment of deferred unit plan liability	**813**	(353)
Unit based compensation expense	**1,861**	2,639
Redemption of units issued under deferred unit plan	**(27)**	(30)
Income taxes paid	**(2,824)**	(1,777)
Changes in non-cash working capital balances (note 19(i))	**1,001**	(743)
Cash provided by operating activities	**17,852**	3,448
Investing activities		
Acquisitions of investment properties (note 4)	**(52,677)**	–
Additions to investment properties (note 6)	**(17,682)**	(10,181)
Net proceeds on disposal of investment properties (note 5)	**39,883**	–
Working capital acquired on internalization	–	468
Cash acquired on acquisition of control	–	1,055
Distributions from associates	–	2,380
Additions to furniture and fixtures	**(18)**	(78)
Receipts from foreign exchange contracts	**8,539**	7,327
Net decrease (increase) in restricted cash	**(18)**	810
Cash used in investing activities	**(21,973)**	1,781
Financing activities		
Mortgage and loan proceeds	**49,234**	–
Mortgage and loans discharged (note 12)	**(60,618)**	–
Repayment of mortgages	**(4,862)**	(514)
Repurchase of units under normal course issuer bid (note 18)	**(286)**	–
Net advances (repayments) of loans payable	**36,720**	(5,684)
Financing fees paid	**(1,224)**	(1,695)
Net advances from related parties	–	3,604
Distributions paid	**(9,317)**	(4,455)
Class B exchangeable units distributions paid (note 17)	**(3,800)**	(3,175)
Distributions paid to non-controlling interest	**(4,637)**	(4,189)
Cash provided by financing activities	**1,210**	(16,108)
Net change in cash	**(2,911)**	(10,879)
Effect of foreign currency translation	**119**	(1,948)
Net change in cash	**(2,792)**	(12,827)
Cash, beginning of period	**14,835**	18,370
Cash, end of period	$ **12,043**	$ 5,543

Supplemental disclosure relating to non-cash financing and investing activities (note 19(ii))

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NorthWest Healthcare Properties Real Estate Investment Trust (the "REIT"), is a Canadian open-end trust created pursuant to an amended and restated Declaration of Trust dated May 15, 2015. The registered office of the REIT is 284 King Street East, Suite 100, Toronto, Ontario M5A 1K4.

On May 15, 2015, the REIT completed a plan of arrangement ("Plan of Arrangement"), whereby the REIT acquired, among other things, all of the assets of NorthWest International Healthcare Properties Real Estate Investment Trust ("NWI"). Under the Plan of Arrangement, unitholders of NWI received 0.208 of a REIT trust unit, for each NWI REIT 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. Upon closing, the former unitholders of NWI owned approximately 52% of the issued and outstanding units of the combined entity. As a result of this and other qualitative considerations, NWI was identified as the accounting acquirer. Accordingly, these condensed consolidated interim financial statements are a continuation of the historical financial statements of NWI, with one adjustment, which is to adjust retroactively NWI's trust units, Class B exchangeable units, deferred units, and warrants (legal capital) to reflect the legal capital of the REIT using an exchange ratio of 0.208. Comparative information presented in these interim condensed consolidated financial statements also is retroactively adjusted to reflect the legal capital of the REIT. NWI, referenced hereafter to the REIT, include references to NWI prior to the completion of the Plan of Arrangement. The results of operations of the REIT have been consolidated from the date of the combination transaction, May 15, 2015.

With the completion of the transaction, NWI's trust units and convertible debentures (note 14) were delisted from the TSX Venture Exchange at the close of business May 19, 2015. See note 3 for further details.

Until January 28, 2015, affiliates of NorthWest Value Partners ("NWVP") served as 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, with an effective date of January 1, 2015, the REIT internalized its external management arrangements (the "Internalization Transaction"), terminating the asset management, property management and development functions of NWI previously carried on by affiliates of NWVP. The Internalization Transaction also resulted in the REIT acquiring from NWVP all of the rights and obligations relating to the management of Vital Healthcare Property Trust ("Vital Trust").

1. Basis of Preparation

The condensed consolidated interim financial statements of the REIT have been prepared by management in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting. The preparation of these condensed consolidated interim financial statements is based on accounting policies and practices in accordance with International Financial Reporting Standards ("IFRS"). The accompanying unaudited condensed consolidated interim financial statements should be read in conjunction with the REIT's audited consolidated financial statements for the year ended December 31, 2015, since they do not contain all disclosures required by IFRS for annual financial statements.

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except for investment properties, assets held for sale, convertible debentures, derivative financial instruments, Class B exchangeable units and deferred units under the deferred unit plan ("DUP"), which are stated at fair value.

1. Basis of Preparation (continued)

The condensed consolidated interim financial statements are presented in thousands of Canadian dollars, except per unit amounts which are presented in Canadian dollars. The Canadian dollar is the REIT's functional currency.

2. Significant Accounting Policies

All significant accounting policies have been applied on a basis consistent with those followed in the most recent audited annual consolidated financial statements of the REIT.

3. Combination Transaction

On May 15, 2015, the REIT completed a Plan of Arrangement, whereby the REIT acquired, among other things, all of the assets of NWI (the "Combination Transaction"). Under the Plan of Arrangement, unitholders of NWI received 0.208 of a REIT 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 units. Upon closing, the former unitholders of NWI owned approximately 52% of the issued and outstanding units of the combined entity. As a result of this and other qualitative considerations, NWI was identified as the accounting acquirer.

The REIT met the definition of a business and therefore the transaction has been accounted for as a business combination. The purchase consideration transferred by NWI is an amount equal to the fair value of the REIT's outstanding units deemed to be issued to outside REIT unitholders prior to the Combination Transaction and the carrying value of the existing 25.42% interest NWI had in the REIT.

As the fair value of the consideration transferred was less than the fair value of the REIT, a gain was recognized on the business combination.

The first component of the purchase consideration of the REIT's net assets acquired by NWI was measured by calculating the number of units that NWI would have had to issue in order to provide the same percentage ownership of the combined entity to the unitholders of the REIT as they would have in the combined entity as a result of the reverse takeover. The fair value of the units used in measuring the purchase price of the business combination by NWI was based on the closing price of the REIT's units on the date just prior to the date of completion of the transaction.

The second component of the purchase consideration consists of NWI's investment in the REIT prior to the Combination Transaction. Prior to the Combination Transaction, NWI held a 25.42% investment in the REIT, which consisted of 4,345,900 REIT units and 7,551,546 Class B limited partnership units of NHP Holdings Limited Partnership ("NHP LP"), which were exchangeable for REIT units. NWI accounted for its investment in the REIT as an investment in associate using the equity method.

The deemed consideration for the acquisition of the REIT by NWI consists of:

- $302,197 representing the fair value of the outstanding REIT units not owned by NWI immediately before the Combination Transaction, valued at the closing price of the REIT's units of $8.65 per unit on the date prior to the date of the closing of the Combination Transaction; and

(in thousands of Canadian dollars)

3. Combination Transaction (continued)

- Previously acquired 25.42% interest of the REIT owned by NWI having a carrying value of $137,208.

The purchase equation is summarized as follows:

Investment properties	$	1,281,174
Due from NWI		58,991
Accounts receivable		3,229
Other assets		3,290
Cash and cash equivalents		3,217
Mortgages payable		(769,615)
Convertible debentures		(41,244)
Derivative financial instruments		(1,863)
Accounts payable and accrued liabilities		(26,047)
Deferred unit plan liability		(2,704)
	$	508,428
Consideration comprised of:		
Deemed consideration issued to outside REIT unitholders	$	302,197
25.42% interest in the REIT held by NWI		137,208
	$	439,405
Net gain on business combination	$	(69,023)

The fair value of the interest of the REIT owned by NWI on the date of acquisition was $128,641, therefore, included in the gain on business combination is a loss of $8,567 related to the revaluation of the interest of the REIT held by NWI immediately prior to the Combination Transaction.

4. Property Acquisitions

(a) 2016 Property Acquisitions

On January 20, 2016, Vital Trust acquired two small parcels of land at Sportsmed Private Hospital in Adelaide, South Australia for $5,430 (A$5,480) and will undertake construction of a stand-alone medical consulting building at one of the properties.

On March 1, 2016, Vital Trust settled the acquisition of four residential aged care assets in Australia for $43,765 (A$44,172). The properties are leased for 20 years to the Hall & Prior Health and Aged Care Group, one of Australia's leading private residential aged care operators.

(b) 2015 Property Acquisitions

On April 1, 2015, the REIT completed the acquisition of a parking lot in Berlin, Germany ("Rubenstrasse") for a gross purchase price of $1,052 including transaction costs of $58. The REIT's investment was funded from cash on hand.

On July 22, 2015, Vital Trust completed the acquisition of a parcel of vacant land in Toronto, New South Wales, Australia ("Toronto") for a gross purchase price of $302 including transaction costs

On November 25, 2015, Vital Trust also completed the acquisition of a 29,000 square foot property at 27 Hopkins Street, Merewether, Newcastle in NSW. 27 Hopkins Street was acquired for of $7,842 (NZ$8,801) including transaction costs.

On December 4, 2015 Vital Trust settled the acquisition of 6 Lingard Street, Merewether, Newcastle in NSW, opposite Lingard Private Hospital for $3,151 (NZ$3,536).

5. Property Disposal

(a) 2016 Property Disposals

On January 26, 2016, the REIT completed the sale of six Canadian investment properties that it held for sale as at December 31, 2015. The REIT completed the sale of two additional Canadian investment properties that were held for sale as of December 31, 2015 on March 1, 2016 and March 9, 2016 respectively. Total gross proceeds of $49,350 were generated from the dispositions. As part of the transactions, $31,902 of mortgage debt associated with the properties were repaid or assumed by the purchaser.

(b) 2015 Property Disposals

During the year ended December 31, 2015, the REIT completed the sale of four investment properties located in Canada for gross proceeds of $26,426. The REIT recognized a net loss on sale of $1,272 primarily due to transaction costs and a provision for the closing cost associated with a REIT-operated clinic. As part of the transactions, $11,244 of mortgage debt associated with the investment properties was repaid and $4,938 was assumed by purchasers.

(in thousands of Canadian dollars)

6. Investment Properties

As at	March 31, 2016	December 31, 2015
Balance, beginning of the period	**$ 2,491,835**	$ 524,230
Acquisition of investment property	**52,018**	12,347
Acquisition of control	–	563,212
Combination Transaction (note 3)	–	1,281,174
Additions to investment properties	**15,198**	80,168
Increase in straight line rents	**417**	1,763
Reclassified as assets held for sale (note 11)	–	(103,036)
Reclassification of deferred revenue	–	(11,816)
Amortization of deferred revenue	**266**	1,134
Fair value gain	**16,352**	169,477
Foreign currency translation	**(6,796)**	(26,818)
Balance, end of the period	**$ 2,569,290**	$ 2,491,835

Investment properties are carried at fair value. The investment properties are re-measured to fair value at each reporting date, determined either on internal valuation models incorporating available market evidence, or on valuations performed by third-party appraisers.

The fair value of the investment properties at March 31, 2016 and December 31, 2015 were determined using both valuation models incorporating available market evidence and valuations performed by third-party appraisers. Estimates and assumptions used in determining the fair value of the investment properties include capitalization rates, discount rates, inflation rates, vacancy rates, and property level net operating income.

The key valuation metrics for investment properties by region are set out in the following table:

	As at March 31, 2016			
	Canada	Brazil	Germany	Australasia
Discount rate - range	6.0% - 8.8%	9.5%	5.8% - 6.8%	6.9% - 11.4%
Discount rate - weighted average	7.5%	9.5%	6.2%	8.3%
Terminal capitalization rate - range	5.8% - 8.0%	9.0%	6.3% - 7.5%	6.6% - 10.5%
Terminal capitalization rate - weighted average	6.9%	9.0%	6.7%	7.5%
Implied capitalization rate - range	5.3% - 9.5%	9.2%	5.2% - 7.5%	6.8% - 10.8%
Implied capitalization - rate weighted average	6.5%	9.2%	6.4%	7.6%

(in thousands of Canadian dollars)

6. Investment Properties (continued)

	As at December 31, 2015			
	Canada	Brazil	Germany	Australasia
Discount rate - range	6.0% - 8.8%	9.5%	5.8% - 6.8%	6.9% - 11.4%
Discount rate - weighted average	7.5%	9.5%	6.2%	8.3%
Terminal capitalization rate - range	5.8% - 8.0%	9.0%	6.3% - 7.5%	6.6% - 10.5%
Terminal capitalization rate - weighted average	6.9%	9.0%	6.7%	7.5%
Implied capitalization rate - range	5.3% - 9.5%	9.2%	5.2% - 7.5%	6.8% - 10.8%
Implied capitalization - rate weighted average	6.6%	9.2%	6.4%	7.6%

During the three months ended March 31, 2016, investment properties with an aggregate fair value of $294,950 (year ended December 31, 2015 - $1,430,725) were valued by external valuation professionals with recognized and relevant professional qualification.

7. 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 Vital Healthcare Management Limited and related entities (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.

	March 31, 2016	December 31, 2015
Balance, beginning of the period	**$ 46,757**	$ 12,490
Settlement of existing arrangement [(1)]	–	(12,490)
Acquisition of Vital Trust management rights	–	46,757
Balance, end of the period	**$ 46,757**	$ 46,757

[(1)] The settlement of NWI's Vital Management Fee Participation Agreement in conjunction with the Internalization Transaction was recorded as a capital contribution transaction in the condensed consolidated interim statement of unitholders' equity.

(in thousands of Canadian dollars)

8. Due from Related Parties

The following table summarizes the balance owing from/(to) NWVP and its subsidiaries:

As at	**March 31, 2016**	December 31, 2015
Interest rate subsidy (i)	**$ –**	$ 669
Internalization contribution (ii)	**–**	1,385
Other (iii)	**(30)**	(318)
	$ (30)	$ 1,736

(i) Interest rate subsidy

NWVP committed, by means of a capital contribution, that the effective interest rate payable by the REIT on assumed margin facilities shall not exceed (a) 4.25% for the balance of 2013, and (b) 6.00% for the first three months of 2014. During 2014, NWVP and the REIT 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 December 31, 2014. NWVP and the REIT agreed to further extend and amend the interest rate subsidy, with an effective date of January 1, 2015, 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.

For the three ended March 31, 2016 the interest rate subsidy was nil (for the three months ended March 31, 2015 - $669).The interest rate subsidy has been recorded as a capital contribution on the condensed consolidated interim statement of unitholders' equity. During the three months ended March 31, 2016, NWVP made a cash payment to settle this outstanding balance

In connection with the Combination Transaction the margin facilities related to the REIT's investment in NWHP REIT were repaid in full and cancelled.

(ii) 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 the REIT. For the three ended March 31, 2016, the REIT recorded a capital contribution of $nil (for the three months ended March 31, 2015 - $1,385). The capital contribution is recorded on the condensed consolidated interim statement of unitholders' equity. During the three months ended March 31, 2016, NWVP made a cash payment to settle this outstanding balance

(iii) Other

In the normal course of operations, through shared services arrangements with affiliates of NWVP and through the post-closing working capital adjustment related to the Internalization Transaction, the REIT has amounts owing to and from NWVP and affiliates. As at March 31, 2016, these non-interest bearing amounts combined are a net current liability and are included in accounts payable and accrued liabilities.

(in thousands of Canadian dollars)

9. Other Assets

As at	**March 31, 2016**	December 31, 2015
Acquisition and financing costs	**$ 5,605**	$ 6,902
Prepaid expenses	**2,665**	2,093
Furniture and office equipment	**1,067**	1,149
Mortgage escrow	**90**	126
Other	**1,076**	633
	$ 10,503	$ 10,903

Acquisition and financing costs relate to potential acquisitions and debt refinancing which are currently undergoing due diligence and/or negotiation.

10. Cash and Restricted Cash

As at	**March 31, 2016**	December 31, 2015
Cash	**$ 12,043**	$ 14,835
Restricted Cash	**604**	561
	$ 12,647	$ 15,396

Restricted cash represents cash held in the REIT's designated bank accounts pledged as collateral for the Brazil term loans (note 13).

11. Assets Held for Sale

As at March 31, 2016, the REIT classified four (December 31, 2015 – 13) properties as held for sale with a total value of $23,525 (December 31, 2015 - $78,194). At March 31, 2016, management had committed to a plan of sale of the underlying properties and the sale is considered to be highly probable. Liabilities associated with these assets at March 31, 2016 are $20,259 (December 31, 2015 - $52,674), representing mortgages secured by the investment properties. During the three months ended March 31, 2016 the REIT recognized a fair value loss of $5,917 related to the assets held for sale.

(in thousands of Canadian dollars)

12. Mortgages and Loans Payable

As at	**March 31, 2016**	December 31, 2015
Mortgages payable[1] (i)	**$ 764,446**	$ 761,100
Margin facilities[2] (ii)	**46,073**	48,717
Term loans[3] (iii)	**367,117**	323,437
Acquisition Facility[4]	**23,633**	23,492
Secured floating rate revolving credit facility[5] (iv)	**87,477**	96,247
Total	**$ 1,288,746**	$ 1,252,993
Less: Current portion	**149,768**	140,395
Non-current debt	**$ 1,138,978**	$ 1,112,598

[1] Net of financing costs of $3,295 (December 31, 2015 - $2,924)
[2] Net of financing costs of $111 (December 31, 2015 - $122)
[3] Net of financing costs of $2,661 (December 31, 2015 - $3,228)
[4] Net of financing costs of $367 (December 31, 2015 - $508)
[5] Net of financing costs of $324 (December 31, 2015 - $253)

(i) Mortgages payable

All mortgages are secured by first or second charges on specific investment properties in Canada and Germany, with a carrying value of $1,248,017 at March 31, 2016, and are repayable as follows:

	Scheduled principal payments	Debt maturing during the year	Total mortgages payable
2016	13,675	20,107	33,782
2017	18,099	100,504	118,603
2018	18,182	86,970	105,152
2019	15,742	63,289	79,031
2020	14,393	70,741	85,134
2021	9,750	133,178	142,928
2022	6,854	74,372	81,226
2023	3,632	57,931	61,563
2024	2,201	14,225	16,426
2025 and thereafter	2,755	26,808	29,563
Face value	$ **105,283**	**$ 648,125**	**$ 753,408**
Mark-to-market adjustment			**14,333**
Unamortized financing costs			**(3,295)**
Carrying amount			**$ 764,446**

12. Mortgages and Loans Payable (continued)

(a) 2016 Mortgages and Loans Financing Activities

During the three months ended March 31, 2016, the REIT completed the refinancing of mortgages secured against three investment properties located in Canada. The refinancing replaced four, first and second mortgages that were maturing in 2017 with an outstanding balance of $36,680 and weighted average interest rate of 5.39%. The new financings represent three first mortgages totaling $43,000, bearing a weighted average interest rate of 2.97% and weighted average term of 5 years.

(b) 2015 Mortgages and Loan Financing Activities

During the year-ended December 31, 2015, the REIT completed the refinancing of mortgages secured against five of the REIT's properties located in Berlin and Fulda, Germany. The refinancing replaced the previous 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 new financing represents five first 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.

In November 2015, the REIT also repaid the mortgage outstanding on its North York Medical Arts property in Toronto, Ontario with an outstanding balance of $9,634 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 Secured Floating Rate Revolving Credit Facility.

The REIT refinanced mortgages that were secured against five of the REIT's investment properties located in Canada between November and December 2015. The refinancing replaced seven, first and second mortgages that were maturing in 2016 with an outstanding balance of $50,332 and weighted average interest rate of 5.47%. The new financing represents five first mortgages totaling $59,675, bearing a weighted average interest rate of 2.99% and weighted average term of 5.6 years.

The REIT has entered into interest rate swap contracts to limit its exposure to fluctuations in the interest rates on of its $78,847 variable rate mortgages payable as at March 31, 2015 (December 31, 2015 - $80,179) (note 16(ii)). The interest rate swaps fix the interest rates between 2.13% - 4.32% (December 31, 2015 – 2.13% and 4.32%) and terminate between June 2019 and January 2023.

(ii) Margin facilities

(a) Immediately prior to the Combination Transaction, NWI's margin facilities secured by units of the REIT were repaid in full and cancelled.

(b) As at March 31, 2016, the REIT has pledged 81,659,865 (December 31, 2015 - 81,659,865) units of Vital Trust as security for the margin facilities. As at March 31, 2016, the principal balance outstanding on the margin facilities with respect to the REIT's investment in Vital Trust was $46,184 (NZ$51,447) (December 31, 2015 - $48,839 (NZ$51,447)).

12. Mortgages and Loans Payable (continued)

The REIT entered into an interest rate swap with respect to the one margin facility secured by the Vital Trust units to limit its exposure to fluctuations in the interest rates on approximately $4,219 (NZ $4,700) of the outstanding loan balance (note 15). The interest rate swap fixed the base interest rate at 4.03% and the swap matured on March 31, 2016. On March 31, 2016, The REIT entered into a new interest rate swap on the same outstanding loan balance that fixes the base interest rate at 2.335% and terminates on March 31, 2017.

(iii) Term Loans

(a) Brazil term loans

As at March 31, 2016, the Brazil term loans had a principal balance of $60,176 (December 31, 2015 - $56,058).

The REIT has entered into interest rate swaps with respect to the Brazil term loans. At March 31, 2016, the interest rate swaps fix the interest rate to 10.30% (December 31, 2015 - 10.30%) and mature in December 2016. On maturity, the principal balance of the term loans will be adjusted by IPCA (the consumer price inflation measure used by the Central Bank of Brazil for guiding monetary policy). For the three months ended March 31, 2016, accretion expense of $1,575 (for the three ended March 31, 2015 - $5,629) was recorded to account for the related IPCA adjustment for the period.

In August 2015, the REIT has received a conditional commitment from a Brazilian financial institution and expects to complete a long term financing in respect of its Hospital e Maternidade Brasil asset (“HMB”). The financing, representing the securitization of future rents, was for an amount ranging from $65,000 to $75,000 (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 “HMB Securitization Financing”). In March 2016, the REIT received conditional approval from Brazilian securities regulators and commenced marketing the securitized financing. The financing is subject to due diligence and regulatory approvals.

(b) Vital Trust term loans

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 $423,000 (A$425,000) facility, a multi-currency facility, is split between Tranche A: approximately $124,000 (A$125,000) and Tranche B: approximately $99,500 (A$100,000) which are due to expire on March 31, 2019, and Tranche C: approximately $99,500 (A$100,000), Tranche D: approximately $99,500 (A$100,000) plus the New Zealand Dollar Facility: approximately $18,000 (NZ$20,000) which are due to expire on October 30, 2020.

As at March 31, 2016, Vital Trust had borrowings on the term loan facilities totalling $309,602 (December 31, 2015 - $270,608).

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.

(in thousands of Canadian dollars)

12. Mortgages and Loans Payable (continued)

(iv) Secured Floating Rate Revolving Credit Facility

On March 10, 2016, the REIT negotiated terms of its revolving credit facility, increasing the facility from $75,000 to $80,000 (both including a $5,000 letter of credit facility) expiring 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 revolving credit facility bears interest at rates ranging from the bank's prime rate plus 0.85% to 1.00% or Bankers' Acceptances plus 1.85% to 2.00%. The facilities are secured by certain Canadian investment properties, with a carrying value of $119,365 and the terms of a general security agreement.

On December 21, 2015, the REIT amended and expanded the facility, adding a short-term tranche of $25,000 at the same terms as the existing facility except it matured on March 31, 2016. During the three months ended March 31, 2016, the REIT repaid $16,200 of the short-term tranche using the net proceeds generated from sales of Canadian investment properties (see note 5) and refinancing of Canadian mortgages. On March 10, 2016, the REIT extended the term of the remaining balance of the short-term tranche to June 30, 2016.

A summary of the maturity and effective interest rates relating to the mortgages and loans payable outstanding at March 31, 2016 are as follows:

	Maturity	Weighted Average Interest Rate		Carrying Value
Fixed rate				
Mortgage debt	May 10, 2016 – January 1, 2029	3.63%	$	713,360
Term loans .	December 22, 2016 – October 31, 2020	5.68%		367,117
Total fixed rate debt			**$**	**1,080,477**
Variable rate				
Mortgage debt	June 1, 2017 - August 1, 2017	5.70%	**$**	51,086
Margin facilities	December 31, 2016 - August 23, 2018	6.06%		46,073
Acquisition facility	January 1, 2017	8.20%		23,633
Secured floating rate revolving credit facility	June 30, 2016 - November 2, 2017	3.05%		87,477
Total variable rate debt			**$**	**208,269**
Total debt			**$**	**1,288,746**

As at March 31, 2016, the scheduled principal repayments and debt maturities are as follows:

	Mortgage Debt	Margin Facilities	Term Loans	Acquisition Facility	Credit Facility	Total
2016	33,782	37,820	60,176	–	8,800	**140,578**
2017	118,604	–	–	24,000	79,000	**221,604**
2018	105,153	–	–	–	–	**105,153**
2019	79,030	8,364	205,823	–	–	**293,217**
2020	85,134		103,779			**188,913**
2021 & thereafter	331,705	–	–	–	–	**331,705**
	753,408	46,184	369,778	24,000	87,800	**1,281,170**
Financing costs	(3,295)	(111)	(2,661)	(367)	(323)	**(6,757)**
Mark-to-market adjustment	14,333	–	–	–	–	**14,333**
	$ 764,446	$ 46,073	$ 367,117	$ 23,633	$ 87,477	**$ 1,288,746**

(in thousands of Canadian dollars)

13. Deferred Consideration

The following table summarizes the deferred consideration payable:

As at	**March 31, 2016**	December 31, 2015
Holdback payable - Brazil (i)	**$ 29,576**	$ 27,428
Accrued transaction costs - Brazil	**3,788**	6,433
Holdback payable - Germany (ii)	**207**	212
	$ 33,571	$ 34,073

(i) In connection with the acquisition of three hospitals from Rede D'Or (the "Rede D'Or Hospital 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 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 limited to 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. As such, since January 15, 2015, no inflation adjustment had been recognized in respect of the holdback. On October 16, 2015 the REIT was notified that the vendor conditions were resolved and therefore the holdback became payable on April 15, 2016. In March 2016, the REIT extended the maturity date of the Caxias D’Or holdback to June 15, 2016. The REIT has accrued inflation for the period from October 16, 2015 to March 31, 2016, and will continue to accrue inflation until the repayment date.

For the three months ended March 31, 2016, accretion expense of $898 (for the three months ended March 31, 2015 - $237) was recorded to account for the related CDI adjustments on the holdback payable which has been recorded as finance costs in the consolidated statement of income (loss) and comprehensive income (loss).

(ii) In connection with the acquisition of the Hohenschoenhausen property in Germany on August 29, 2014, the REIT held back a portion of the purchase price for potential working capital adjustments and information deficiencies. Settlement of the holdback was completed and the outstanding balance was paid subsequent to March 31, 2016.

(in thousands of Canadian dollars)

14. Convertible Debentures

In connection with the Combination Transaction (note 3) the NWI's convertible debentures, previously trading under the symbols MOB.DB, MOB.DB.A and MOB.DB.B, were assumed by the REIT. These convertible debentures ceased to trade on the TSX Venture Exchange 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 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.

The movements in fair value of convertible debentures were as follows:

	March 31, 2016	December 31, 2015
Balance, beginning of the period	**$ 170,094**	$ 71,920
Issuance of convertible debentures	**–**	53,000
Convertible debentures assumed on Combination Transaction (note 3)	–	41,244
Increase (decrease) in fair value of convertible debentures	**2,320**	3,930
Balance, end of the period	**$ 172,414**	$ 170,094

The fair values of convertible debentures, determined on the basis of the closing market price as at the reporting date, are as follows:

As at	**March 31, 2016**	December 31, 2015
Series NWH.DB	**$ 39,848**	$ 39,043
Series NWH.DB.A (formerly MOB.DB)	**22,657**	22,826
Series NWH.DB.B (formerly MOB.DB.A)	**17,727**	17,535
Series NWH.DB.C (formerly MOB.DB.B)	**39,447**	38,750
Series NWH.DB.D	**52,735**	51,940
	$ 172,414	$ 170,094

	Series NWH.DB	**Series NWH.DB.A (formerly MOB.DB)**	**Series NWH.DB.B (formerly MOB.DB.A)**	**Series NWH.DB.C (formerly MOB.DB.B)**	**Series NWH.DB.D**
Conversion price per Unit ($)	$14.20	$13.70	$11.54	$12.50	$11.25
Maturity	September 30, 2020	March 31, 2018	September 30, 2018	October 31, 2019	October 31, 2020
Interest rate	5.25%	6.50%	7.50%	7.25%	5.50%
Interest payment	Semi-annual	Semi-annual	Semi-annual	Semi-annual	Semi-annual
Interest payment dates	March 31 and September 30	March 31 and September 30	March 31 and September 30	April 30 and October 31	April 30 and October 31

(in thousands of Canadian dollars)

15. Derivative Financial Instruments

(i) Derivative financial instrument (asset)

As at March 31, 2016, the REIT had a derivative financial instrument asset related to an interest rate swap of $1,094 (December 31, 2015 - nil).

(ii) Derivative financial instrument (liability)

The derivative financial instrument liability includes liabilities from foreign exchange contracts in place at Vital Trust with a value of $4,927 (December 31, 2015 - $(8,433)). The forward exchange contracts are measured using a valuation model based on the applicable forward price curves derived from observable forward prices.

The portion of the derivative financial instrument liability related to interest rate swaps had a value at March 31, 2016 of $21,051 (December 31, 2015 - $18,425).

The REIT has entered into interest rate swap contracts with respect to a margin facility secured by the Vital Trust units (note 12), certain Canadian and German mortgages (note 12) and the Vital Trust and Brazil term loans (note 12). The interest rate derivatives mature over the next one to 10 years and have fixed interest rates ranging from 2.13% to 10.30%.

The components of the gain/(loss) on derivative financial instruments are as follows:

Three Months Ended March 31,		2016		2015
Fair value adjustment - interest rate swaps	$	**(3,655)**	$	(1,662)
Receipts/(payments) under foreign exchange contracts		**(65)**		224
Fair value adjustment - foreign exchange contracts		**–**		161
	$	**(3,720)**	$	(1,277)

16. Deferred Unit Plan ("DUP") Liability

In connection with the Combination Transaction, the combined entity adopted the REIT’s DUP which became effective in March 2010 and was re-approved at the annual general meeting of Unitholders in 2013. The DUP is administered by the Compensation, Governance and Nominating Committee. The purpose of the DUP is to promote a greater alignment of interests between the Trustees, officers and certain other participants of the REIT and the Unitholders. Under the plan, the maximum number of units authorized for issuance shall not exceed 5% of the units issued and outstanding at any given time. The deferred units can be settled at the holders' option in units or cash subject to the REIT's approval and are treated as a liability until redeemed.

In connection with the Internalization Transaction, NWI adopted a second amended and restated deferred unit plan (the "Amended Plan"). The Amended Plan provided for the issuance of up to 17,898,368 NWI Trust Units (approximately 10% of the issued and outstanding voting units of NWI at the time), which was an increase from the 2,021,909 NWI Trust Units reserved for issuance under NWI's previous deferred unit plan (the "Previous Plan"). As a result of the REIT terminating all external asset management agreements in connection with the Internalization Transaction, and having previously terminated its unit option plan, the Amended Plan was NWI's only equity-based compensation plan.

(in thousands of Canadian dollars)

16. Deferred Unit Plan ("DUP") Liability (continued)

As part of the Internalization Transaction, the REIT issued 3,989,735 deferred units of NWI to the new employees of the REIT. Of these, 1,711,412 NWI deferred units were fully vested and the balance is subject to future vesting conditions. Following the Internalization Transaction, the REIT issued an additional 5,764,494 NWI deferred units to new employees as future equity incentives (all of which are subject to vesting conditions) and 75,000 NWI deferred units to the REIT's independent trustees in recognition of their efforts on behalf of the special committee that was formed for considering and negotiating the internalization agreement dated January 7, 2015 between the REIT and NWVP (the "Internalization Agreement") on behalf of the REIT.

The REIT also assumed the deferred unit plan liabilities of the Vital Manager through the Internalization Transaction. On closing of the Internalization Transaction, the REIT assumed 813,637 unvested deferred units of Vital Trust.

In connection with the Combination Transaction, the NWI's deferred units outstanding immediately prior to the transaction, were exchanged at a ratio of 0.208 of a REIT deferred unit for each deferred unit. In total, 10,562,434 NWI deferred units were converted to 2,196,979 deferred units of the REIT on May 15, 2015. The REIT may not issue any additional deferred units under this former NWI deferred unit plan. The outstanding Vital Trust deferred units did not get exchanged and continue to be redeemable (upon vesting) into units of Vital Trust.

(i) Liability:

	March 31, 2016	December 31, 2015
Balance, beginning of the period	**$ 15,597**	$ 457
Liability assumed on Internalization Transaction	–	3,596
Liability assumed on Combination Transaction (note 3)	–	2,704
Unit-based compensation expense	**1,861**	11,179
Exercised and paid in cash	**(1,292)**	(817)
Exercised and paid in REIT units	**(2,953)**	(1,048)
Fair value adjustment	**813**	(513)
Foreign exchange	**(30)**	39
Balance, end of the period	**$ 13,996**	$ 15,597

The balance of the DUP liability at March 31, 2016 consists of $13,083 related to the REIT's DUP and $913 related to Vital Trust's DUP (December 31, 2015 - $14,919 related to the REIT’s DUP and $678 related to Vital Trust’s DUP).

(in thousands of Canadian dollars)

16. Deferred Unit Plan ("DUP") Liability (continued)

Unit-based compensation expense is measured at the service commencement date, based on the fair market value of a REIT unit or Vital Trust unit, as applicable, and amortized over the vesting year. Unit-based compensation does not qualify as an equity award and is classified as a liability. The awards are measured at fair-value every reporting period, based on the fair market value of a REIT unit or Vital Trust unit, as applicable, and the change in fair value is recognized as compensation expense.

(ii) Units outstanding:

March 31, 2016	**REIT**	**Vital Trust**
Balance, beginning of the period	**2,586,609**	**1,002,580**
Granted	**11,642**	**664,218**
Exercised and paid in cash	**(152,406)**	–
Exercised and paid in REIT units	**(348,491)**	–
Distribution entitlement	**53,224**	**17,263**
Balance, end of period	**2,150,578**	**1,684,061**
Units vested but not exercised, end of period	**471,110**	**74,147**

December 31, 2015	REIT	Vital Trust
Balance, beginning of the year	47,577	–
Assumed on Internalization Transaction	829,865	813,637
Assumed on Combination Transaction (note 3)	409,222	–
Granted	1,272,626	144,116
Exercised and paid in cash	(98,861)	–
Exercised and paid in REIT units	(130,245)	–
Distribution entitlement	256,425	44,827
Balance, end of year	2,586,609	1,002,580
Units vested but not exercised, end of year	395,682	40,030

For the three months ended March 31, 2016, the REIT granted or issued 11,642 DUP units with a value of $112, (for the three ended March 31, 2015 – 1,219,620 DUP units with a fair value of $11,897).

For the three months ended March 31, 2016, Vital Trust granted or issued 664,218 DUP units with a value of $1,224 (for the three months ended March 31, 2015 – nil).

(in thousands of Canadian dollars)

17. Class B Exchangeable Units

The Class B exchangeable units are economically equivalent to REIT units and are entitled to receive distributions equal to those provided to holders of REIT units. The fair value of the Class B exchangeable unit liability is determined with reference to the market price of the REIT's units at the reporting date.

The following table summarizes the Class B exchangeable unit liability:

As at		**March 31, 2016**		December 31, 2015
Class B exchangeable units (i)	**$**	**183,141**	$	169,653
	$	**183,141**	$	169,653

(i) Class B Exchangeable Units

As at March 31, 2016, there were 18,998,065 (December 31, 2015 - 18,998,065) Class B exchangeable units of NWI LP issued and outstanding with a fair value of $183,141 (December 31, 2015 - $169,653). These Class B exchangeable units are economically equivalent to REIT units and are entitled to receive distributions equal to those provided to holders of REIT units. The fair value of the Class B exchangeable unit liability is determined with reference to the market price of the REIT's units at the reporting date.

Distributions declared on the Class B exchangeable units of NWI LP totaled $3,800 for the three months ended March 31, 2016 (for the three months ended March 31, 2015 - $5,074) and have been accounted for as finance costs.

The following table shows the continuity of the Class B exchangeable units:

	Units		**Amount**
Balance, December 31, 2014	**18,942,211**	**$**	**182,137**
Conversion of Class D to Class B exchangeable units (note 17(ii))	245,852		2,366
Converted to trust units (note 18)	(189,998)		(1,649)
Fair value adjustment of Class B exchangeable units	–		(13,201)
Balance, December 31, 2015	**18,998,065**	**$**	**169,653**
Converted to trust units (note 18)			
Fair value adjustment of Class B exchangeable units	–		13,488
Balance, March 31, 2016	**18,998,065**	**$**	**183,141**

(in thousands of Canadian dollars)

17. Class B Exchangeable Units (continued)

(ii) Class D Exchangeable Units

The Class D exchangeable units were economically equivalent to REIT units and were entitled to receive distributions equal to those provided to holders of REIT units. All of the Class D exchangeable units were exchanged into Class B units pursuant to the Internalization Transaction.

The following table shows the continuity of the Class D exchangeable units:

	Units	Amount
Balance, December 31, 2014	231,000	**$** 2,221
Units issued for settlement of estimated Class C Amount	14,852	145
Conversion of Class D to Class B exchangeable units	(245,852)	(2,366)
Balance, December 31, 2015	–	$ –
Balance, March 31, 2016	–	$ –

18. Unitholders' Equity

The REIT is authorized to issue two categories of equity: (a) REIT units of the REIT; and (b) special voting units attached to the exchangeable Class B exchangeable units of NWI LP, a subsidiary of the REIT.

The REIT is authorized to issue an unlimited number of REIT units without par value. Each unit represents a single vote at any meeting of unitholders and entitles the unitholder to receive a pro rata share of all distributions. The unitholders have the right to require the REIT to redeem their units on demand. Upon receipt of the redemption notice by the REIT, all rights to and under the units tendered for redemption shall be surrendered and the holder thereof shall be entitled to receive a price per unit ("Redemption Price"), as determined by a market formula.

The Redemption Price will be paid in accordance with the conditions provided for in the Declaration of Trust.

The special voting units are only issued in tandem with Class B exchangeable units and are not transferable separately from the Class B exchangeable units to which they are attached. As Class B exchangeable units are exchanged or surrendered for REIT units, the corresponding special voting units will be cancelled for no consideration. Special voting units have no economic entitlement in the REIT, but entitle the holder to one vote per special voting unit at any meeting of the unitholders.

The REIT's Trustees have discretion in declaring distributions.

(in thousands of Canadian dollars)

18. Unitholders' Equity (continued)

The following table shows the changes in REIT Units:

	REIT units	Amount
Balance - December 31, 2014	**18,055,395**	**$ 153,989**
Units issued on Combination Transaction (note 3)	34,936,028	302,197
Units issued through distribution reinvestment plan (i)	420,229	3,394
Conversion of Class B exchangeable units (note 17)	189,998	1,649
Units issued under deferred unit plan (note 16)	128,921	1,028
Asset management fees paid in units (ii)	29,856	292
Units redeemed on business combination (iii)	(246,384)	(2,593)
Units cancelled pursuant to NCIB (iv)	(822,100)	(6,648)
Balance - December 31, 2015	**52,691,943**	**$ 453,308**
Units issued through distribution reinvestment plan (i)	149,253	1,274
Units issued under deferred unit plan (note 16)	348,491	2,953
Units cancelled pursuant to NCIB (iv)	(34,500)	(286)
Balance - March 31, 2016	**53,155,187**	**$ 457,249**

(i) The REIT has established a distribution reinvestment plan for its unitholders, which allows participants to reinvest their monthly cash distributions in additional units at an effective discount of 3%.

(ii) During the year ended December 31, 2015, the REIT issued 29,856 REIT units (143,538 NWI Trust units at the 0.208 conversion ratio) to settle outstanding asset management fees owing to a subsidiary of NWVP (note 20).

(iii) In connection with the Combination Transaction (note 3), the REIT received notices of dissent from unitholders. As such, 1,184,526 NWI trust units (an equivalent of 246,384 REIT units) were cancelled and accordingly a liability equal to the fair market value of the units on the date prior to the closing of the Combination Transaction had been accrued. A settlement with the dissenting unitholders was achieved and the related liability was settled prior to December 31, 2015. An additional 14,560 REIT units were also cancelled for those NWI units converted upon Combination Transaction but notices of dissent from unitholder had been previously received.

(iv) On June 29, 2015 the REIT announced that it intended to make a normal course issuer bid ("NCIB") for a portion of its Trust Units as appropriate opportunities arose from time to time. On July 13, 2015 the REIT announced that the TSX had approved the REIT's NCIB.

Pursuant to the NCIB, the REIT intends to acquire up to a maximum of 4,762,579 of its Units, or approximately 10% of its public float as of July 10, 2015, for cancellation over the next 12 months.

(in thousands of Canadian dollars)

18. Unitholders' Equity (continued)

Purchases under the normal course issuer bid will be made through the facilities of the TSX or through a Canadian alternative trading system and in accordance with applicable regulatory requirements at a price per Unit representative of the market price at the time of acquisition. The number of Units that can be purchased pursuant to the bid is subject to a current daily maximum of 18,054 Units (which is equal to 25% of 72,218, being the average daily trading volume from January 1, 2015 through to June 30, 2015), subject to the REIT's ability to make one block purchase of Units per calendar week that exceeds such limits. Any 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 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 also announced that it adopted an automatic securities purchase plan in connection with its NCIB that contains strict parameters regarding how its Units may be repurchased during times when it would ordinarily not be permitted to purchase 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, but then was further extended to February 15, 2016

During the three months ended March 31, 2016, the REIT made repurchases of 34,500 units at a weighted average price per unit of $8.19, including broker commissions (December 31, 2015 - 822,100 units at a weighted average price per unit of $8.03 including broker commissions).

19. Supplemental Cash Flow Information

(i) Changes in Non-Cash Working Capital Balances

Three months Ended March 31,		**2016**		2015
Accounts receivable	**$**	**(1,117)**	$	(703)
Other assets		**194**		(1,179)
Accounts payable and accrued liabilities		**1,924**		1,139
	$	**1,001**	$	(743)

(ii) Non-Cash Financing and Investing Activities

Three months Ended March 31,		**2016**		2015
Supplemental disclosure relating to non-cash financing and investing activities:				
Asset management fees settled through issuance of units (note 19)	**$**	**–**	$	292
Non-cash distributions to Unitholders under the DRIP (note 18)	**$**	**1,274**	$	327
Conversion of Class B exchangeable units to REIT units (note 17 and 18)	**$**	**–**	$	–
Units issued under deferred unit plan (note 16)	**$**	**2,953**	$	–

(in thousands of Canadian dollars)

20. Related Party Transactions

(i) As at March 31, 2016, NWVP indirectly owned approximately 34% of the outstanding REIT units (approximately 29% 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 units of the REIT and Class B exchangeable units of NWI LP. 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.

(ii) Prior to January 28, 2015, The REIT and its affiliates entered into a series of agreements with affiliates of NWVP, whereby such affiliates agreed to act as Property Manager, Asset Manager and Development Manager for the REIT.

On January 28, 2015, the REIT completed the Internalization Transaction with NWVP with an effective date of January 1, 2015. The Internalization Transaction resulted in the REIT terminating the asset management, property management and development functions of the REIT currently carried on by affiliates of NWVP as noted above.

The following table summarizes the related party transactions with NWVP and its subsidiaries related to cost-sharing and sublease agreements with the REIT, during the current and prior year:

Three months ended March 31,	**2016**	2015
Reimbursement of out-of-pocket costs - completed transactions	$ 158	$ 252
Cost-sharing and sublease agreements	194	361
	$ 352	$ 613

(iii) At March 31, 2016, included in accounts payable and accrued liabilities are Class B exchangeable unit distributions payable owing to NWVP and affiliates in the amount of $1,267 (December 31, 2015 - $1,267), which were settled subsequent to period end.

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

21. Segmented Information

The REIT operates in one industry segment being the real estate industry segment; however the REIT monitors and operates its German, Brazilian, Canadian, Australasian and Corporate operations separately. The CEO assesses the performance of each of the operating segments based on a measure of operating income. The accounting policies for each of the segments are the same as those for the REIT. The REIT's trust and general and administrative expenses are managed centrally in Canada and are not allocable to operating segments, however certain operating segments incur general and administrative expenses specific to their segment

During the three months ended March 31, 2016, two tenants in the Brazil operating segment accounted for 12% (for the three months ended March 31, 2015 - 31%) of the total revenue from investment properties.

(in thousands of Canadian dollars)

21. Segmented Information (continued)

As at March 31, 2016	Germany	Brazil	Australia/ New Zealand	Canada	**Total**
Investment properties	**$ 156,130**	**$ 368,079**	**$ 835,243**	**$ 1,209,838**	**$ 2,569,290**
Mortgages and loans payable	**$ 80,241**	**$ 58,678**	**$ 308,439**	**$ 841,388**	**$ 1,288,746**

As at December 31, 2015	Germany	Brazil	Australia/ New Zealand	Canada	Total
Investment properties	$ 159,817	$ 343,724	$ 792,958	$ 1,195,336	$ 2,491,835
Mortgages and loans payable	$ 82,833	$ 54,128	$ 269,309	$ 846,723	$ 1,252,993

Three months ended March 31, 2016	**Germany**	**Brazil**	**Australia/ New Zealand**	**Canada**	**Total**
Operating Income (Loss)					
Net Operating Income					
Revenue from investment properties	$ **3,576**	$ **7,658**	**$ 17,679**	**$ 35,992**	**$ 64,905**
Property operating costs	**928**	–	**2,392**	**16,878**	**20,198**
	2,648	**7,658**	**15,287**	**19,114**	**44,707**
Other Income					
Interest	–	**169**	**19**	**3**	**191**
	–	**169**	**19**	**3**	**191**
Expenses					
Mortgage and loan interest expense	**443**	**1,345**	**3,639**	**13,547**	**18,974**
General and administrative expenses	**760**	**361**	**1,219**	**2,986**	**5,326**
Transaction costs	–	–	–	**2,568**	**2,568**
Foreign exchange loss (gain)	**(2)**	**56**	**314**	**(2,640)**	**(2,272)**
	1,201	**1,762**	**5,172**	**16,461**	**24,596**
Operating income (loss)	**$ 1,447**	**$ 6,065**	**$ 10,134**	**$ 2,656**	**$ 20,302**

(in thousands of Canadian dollars)

21. Segmented Information (continued)

Three months ended March 31, 2015	Germany	Brazil	Australia/ New Zealand	Canada	Total
Operating Income (Loss)					
Net Operating Income					
Revenue from investment properties	$ 3,166	$ 8,555	$ 15,212	$ -	$ 26,933
Property operating costs	951	-	2,005	-	2,956
	2,215	8,555	13,207	-	23,977
Other Income					
Interest	-	131	19	307	457
Share of profit (loss) of associates	-	-	-	1,563	1,563
	-	131	19	1,870	2,020
Expenses					
Mortgage and loan interest expense	447	2,980	3,741	3,346	10,514
General and administrative expenses	504	647	1,275	3,283	5,709
Transaction costs	9	-	-	4,366	4,375
Foreign exchange loss (gain)	2	21	(248)	2,392	2,167
	962	3,648	4,768	13,387	22,765
Operating income (loss)	$ 1,253	$ 5,038	$ 8,458	$ (11,517)	$ 3,232

22. Commitments and Contingencies

(i) The REIT has entered into fixed-price utility contracts with a third-party supplier in the amount of $3,081 to provide electricity and gas for its own use at its investment properties for 2016 to 2018.

(ii) The REIT obtains letters of credit to support its obligations with respect to construction work on its investment properties and satisfying mortgage financing requirements. As at March 31, 2016, the REIT has a total of $906 in outstanding letters of credit related to construction work that is being performed on investment properties. The REIT does not believe that any of these standby letters of credit are likely to be drawn upon.

(iii) Pursuant to the sale of four of the REIT's investment properties (two of which were disposed prior to the Combination Transaction), the existing mortgages were assumed by the purchasers. In the event of default, the REIT has guaranteed the outstanding balance of the mortgages of $18,660 as at March 31, 2016.

(iv) The REIT has entered into construction agreements on development properties and is committed to construction costs of $12,774 as at March 31, 2016.

(v) The REIT indemnifies individuals who have acted at the REIT's request to be a trustee and/or director and/or officer of the REIT (and/or one or more of its direct and indirect subsidiaries), to the extent permitted by law, against any and all damages, liabilities, costs, charges or expenses suffered by or incurred by the individuals as a result of their service. The claims covered by such indemnifications are subject to statutory and other legal limitation periods. The nature of the indemnification agreements prevents the REIT from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiaries of such indemnification agreements.

22. Commitments and Contingencies (continued)

(vi) The REIT is subject to legal and other claims in the normal course of business. Management and the REIT's legal counsel evaluate all claims. In the opinion of management these claims are generally covered by the REIT's insurance policies and any liability from such claims would not have a significant effect on the REIT's consolidated financial statements.

23. Fair Values

Estimated fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The REIT uses a fair value hierarchy to categorize the inputs used in valuation techniques to measure fair value of financial instruments and investment properties. The classifications are as follows: the use of quoted market prices for identical assets or liabilities (Level 1), internal models using observable market information as inputs (Level 2) and internal models without observable market information as inputs (Level 3).

The REIT determined the fair value of each investment property using the discounted cash flow method. The discounted cash flow method discounts the expected future cash flows, generally over a term of 10 years, including a terminal value based on the application of a capitalization rate to estimated year 11 cash flows. Note 6 outlines the key assumptions used by the REIT in determining fair value of its investment properties.

Derivatives instruments are valued using a valuation technique with market observable inputs (Level 2) and include the Put/Call option, the interest rate swap, and the warrant liability. The most frequently applied valuation technique includes forward pricing models, using present value calculations. The models incorporate various inputs including forward rates and interest rate curves.

As allowed under IFRS 13, if an asset or a liability measured at fair value has a bid and an ask price, the price within the bid ask spread that is the most representative of fair value in the circumstances shall be used to measure fair value. The REIT has chosen to use closing market price (Level 1) as a practical expedient for fair value measurement for its Class B exchangeable units, DUP liability and convertible debentures.

The fair value of the REIT's mortgages and loans payable and deferred consideration are determined using present value calculations based on market-observable interest rates for mortgages and loans with similar terms and conditions (Level 2).

The carrying values of the REIT's financial assets, which include accounts receivable, other assets, and cash and restricted cash, as well as financial liabilities, which includes accounts payable and accrued liabilities, distributions payable approximate their recorded fair values due to their short-term nature.

(in thousands of Canadian dollars)

23. Fair Values (continued)

The fair value hierarchy of assets and liabilities measured at fair value on the consolidated statement of financial position or disclosed in the notes to the consolidated financial statements as at March 31, 2016 is as follows:

			Fair Value	
	Carrying Value	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value:				
Investment properties	$ 2,569,290	$ –	$ –	$ 2,569,290
Derivative financial instruments	1,094	–	1,094	–
Assets held for sale	23,525	–	–	23,525
Liabilities measured at fair value:				
Derivative financial instruments	25,978	–	25,978	–
Convertible debentures	172,414	172,414	–	–
Class B exchangeable units	183,141	183,141	–	–
Deferred unit plan liability	13,996	13,996	–	–
Financial liabilities recorded at amortized cost:				
Mortgages and loans payable	1,288,746	–	1,309,212	–
Liabilities associated with assets held for sale	20,259	–	20,296	–

The fair value hierarchy of assets and liabilities measured at fair value on the consolidated statement of financial position or disclosed in the notes to the consolidated financial statements as at December 31, 2015 is as follows:

			Fair Value	
	Carrying Value	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value:				
Investment properties	$ 2,491,835	$ -	$ -	$ 2,491,835
Derivative financial instruments	8,506	-	8,506	-
Assets held for sale	78,194	-	-	78,194
Liabilities measured at fair value:				
Derivative financial instruments	18,425	-	18,425	-
Convertible debentures	170,094	170,094	-	-
Class B exchangeable units	169,653	169,653	-	-
Deferred unit plan liability	15,597	15,597	-	-
Financial liabilities recorded at amortized cost:				
Mortgages and loans payable	1,252,993	-	1,269,191	-
Liabilities associated with assets held for sale	52,674	-	52,850	-

(in thousands of Canadian dollars)

24. Capital Management

The REIT considers its capital to be its unitholders' equity, Class B exchangeable units, and debt. The REIT is free to determine the appropriate level of capital in context with its cash flow requirements, overall business risks and potential business opportunities. As a result of this, the REIT will make adjustments to its capital based on its investment strategies and changes to economic conditions.

The REIT's strategy is also driven by policies as set out in the Declaration of Trust. The requirements of the REIT's operating policies as outlined in the Declaration of Trust include the requirement that the REIT will not incur or assume indebtedness which would cause the total indebtedness of the REIT to exceed 65% of Gross Book Value as defined. Indebtedness as defined in the Declaration of Trust excludes deferred revenue, and unsecured debt which includes convertible debentures.

At March 31, 2016, the REIT is in compliance with its debt to gross book value ratio of the Declaration of Trust at 49.2% (December 31, 2015 49.2%). The debt to gross book value including convertible debentures is 55.6% (December 31, 2015 55.5%). Calculations are as follows:

As at	**March 31, 2016**	December 31, 2015
Debt		
Gross value of secured debt (1)	**$ 1,334,625**	$ 1,329,514
Gross value of total debt (2)	**$ 1,507,039**	$ 1,499,608
Gross Book Value of Assets		
Total assets	**$ 2,711,496**	$ 2,700,009
Debt-to-Gross Book Value (Declaration of Trust)	**49.2%**	49.2%
Debt-to-Gross Book Value (including convertible debentures)	**55.6%**	55.5%

(1) represents the principal balance of mortgages, margin facilities, term loan, line of credit and deferred consideration.
(2) represents the principal balance of mortgages, margin facilities, term loan, line of credit, convertible debentures (at fair value) and deferred consideration.

The REIT's capital management is also impacted by various financial covenants in certain loan agreements. As at March 31, 2016, the REIT is in compliance with all such financial covenants.

25. Risk Management

In the normal course of business, the REIT is exposed to a number of risks that can affect its operating performance. These risks and the actions taken to manage them are consistent with those disclosed in the consolidated NWI financial statements as at and for the year ended to December 31, 2015.

26. Subsequent Events

(i) On April 15, 2016, the REIT declared a distribution of $0.6667 per REIT unit to unitholders of record on April 29, 2016, payable May 16, 2016. On May 12, 2016, the REIT declared a distribution of $0.06667 per REIT unit to unitholders of record on May 31, 2016, payable June 15, 2016.

(ii) In February, 2016 the REIT entered into an agreement to acquire a two-property medical office complex in Berlin, Germany (the “Mehrower Allee complex”) for a gross purchase price of $19,977 (€13,519). The REIT closed the acquisition on April 14, 2016 and financed the purchase through a new first mortgage of approximately $16,550 (€11,200) from a German lending institution and cash on hand.

26. Subsequent Events (continued)

(iii) On April 18, 2016, The REIT refinanced mortgages that were secured against two of the REIT's investment properties located in Canada. The refinancing replaces four, first and second mortgages that were maturing in 2016 with an outstanding balance of $31,272 and weighted average interest rate of 5.41%. The new financing represents two first mortgages totaling $35,000, bearing a weighted average interest rate of 3.34% and weighted average term of 5 years.

(iv) On April 20, 2016 and April 25, 2016, the REIT completed a public offering on a "bought deal" basis of 7,532,500 REIT units, including the exercise in full of an over-allotment option, at a price of $9.20 per unit, representing gross proceeds of $69,299. Concurrently, NWVP, purchased, on a private placement basis, an aggregate of 1,086,956 REIT units for gross proceeds of approximately $10,000 at the offering price.

(v) On April 20, 2016, the REIT repaid $39,800 of the outstanding balance on the Secured Floating Rate Revolving Credit Facility, including the remaining balance of the short-term tranche totaling $8,800 (note 12(iv).

(vi) On April 21, 2016, the REIT repaid $16,000 of the outstanding balance on the Acquisition Facility. After the repayment, the principal balance outstanding on the Acquisition Facility is $8,000.

(vii) In April 2016, the REIT entered into a binding put and call option agreement with a private entity to acquire an approximate 7.1% interest in Generation Healthcare REIT ("GHC"), representing approximately 15.5 million units of GHC which is listed on the Australian Securities Exchange ("ASX"), for a purchase price of A$2.20 per unit totaling approximately $32,596 (A$34,082). The put and call options may be exercised on and from 15 July 2016 until 31 July 2016, and the REIT has the right to exercise its call option early in accordance with the terms of the agreement. If either of the put option or call option is exercised, the acquisition will be funded from the REIT's existing cash or debt facilities.

(viii) On April 1, 2016, the REIT sold an investment property for $4,800.

(ix) Subsequent to the quarter the REIT completed the marketing of the HMB Securitization Financing and raised $68,495 (R$191,272) of gross proceeds at an interest rate of 8.2754% plus annual IPCA adjustments to the principal balance. On May 13, 2016 the HMB Securitization Financing is expected to close for net proceeds of approximately $66,252 (R$185,011). The REIT intends to use the net proceeds to repay outstanding Brazilian debt or other general purposes.