PARTNERS REIT

AGM OVERVIEW

JUNE 2015

TSX: PAR.UN US: PTSRF

FORWARD LOOKING STATEMENTS

This management presentation is intended to provide an overview of the business of Partners Real Estate Investment Trust ("Partners REIT," "Partners," or "the Company"). It has been prepared for informational purposes only and does not purport to be complete.

The presentation contains statements that, to the extent that they are not historical fact, may constitute "forward-looking statements" within the meaning of applicable securities legislation. Forward-looking statements in this presentation include but are not limited to statements regarding Partners REIT's potential acquisition growth, Partners REIT's beliefs regarding the future prospects for retail centres in Canada, Partners REIT's remerchandising and redevelopment strategies. In addition to these statements, any statements regarding future plans, objectives or economic performance of Partners REIT, or the assumption underlying any of the foregoing, constitute forward-looking information. This presentation uses words such as "may", "would," "could," "will," "likely," "expect," "anticipate," "believe," "intend," "plan," "forecast," "project," "estimate," "outlook," and other similar expressions to identify forward-looking statements. Actual results, performance or achievement could differ materially from that expressed in, or implied by, any forward-looking statements in this presentation, and, accordingly, readers should not place undue reliance on any such forward-looking statements. Forward-looking information involves significant risks, assumptions, uncertainties and other factors that may cause actual future results or anticipated events to differ materially from those expressed or implied in any forward-looking statements and accordingly, should not be read as guarantees of future performance or results. These risks and uncertainties include the business of acquiring and owning real property including: government regulation and environmental matters; illiquidity; uninsured losses; investment concentration; competition; acquisition strategy; occupancy rates; reliance on key personnel; integration of additional properties; debt financing; interest rates; litigation; restrictive covenants; joint venture investments; potential undisclosed liabilities associated with acquisitions; reliance on external sources of capital and other factors that may be detailed from time to time in Partners REIT's SEDAR filings. Due to the potential impact of these factors, any forward-looking statements speak only as of the date on which such statement is made and Partners REIT disclaims any intention or obligation to update or revise any forward-looking information, as a result of new information, future events or otherwise, unless required by applicable law. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on Partners REIT's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

2014 CHALLENGES

Unwinding Ontario transaction

Consecutive proxy battles

Properties in need of reinvestment

Balance sheet under duress

2015 SOLUTIONS

Disciplined decisions

Building financial stability

Renewed corporate governance

Focusing on the potential of our portfolio

CREATING FINANCIAL SECURITY

- Adjusted distribution effective August 2014
- September 2014 property sales for net proceeds of $15 million
- Since September 2014, refinanced nine properties through first mortgages totaling $80 million
- Obtained a $10 million mortgage credit facility (2nd mortgage) in November 2014
- These steps have both strengthened the REIT's financial position and created capital necessary to upgrade and maintain the existing property portfolio
- Should available capital exceed reinvestment needs, cash will then be devoted to the further long-term improvement of the REIT's balance sheet

REVITALIZED GOVERNANCE

PROPOSED TRUSTEES

DEXTER JOHN – INDEPENDENT TRUSTEE
- Over 16 years of capital markets experience, including six years in structured finance where he executed more than $4 billion in transactions, including $1 billion in commercial and residential mortgage backed securities
- Currently an Executive Vice President of D.F. King (Canada), where his responsibilities include management of the corporate governance services platform
- Previously served as Executive Vice President and General Counsel at a proxy services provider, and also as counsel at one of Canada's top tier legal firms

MARC CHARLEBOIS – INDEPENDENT TRUSTEE
- Over 20 years of real estate experience
- Former Chief Executive Officer at Rodenbury Investments Limited
- Former Chief Operating Officer at Calloway Real Estate Investment Trust

C. IAN ROSS – INDEPENDENT TRUSTEE
- Chairman of both Menu Foods Income Trust and PetValu Inc., as well as a Director of the Nuclear Waste Management Organization and GrowthWorks Canadian Fund Ltd.
- Former Senior Director and Executive in Residence at the University of Western Ontario's Richard Ivey School of Business
- Former Director of Ontario Power Generation, President and CEO of Paperboard Industries Corporation
- Extensive experience in international transactions, government relations, and restructuring

SIMON NYILASSY (CA) – INDEPENDENT TRUSTEE
- Recognized expert in real estate and seniors housing industries, currently President and CEO of Regal Lifestyle Communities Inc.
- Former President and CEO of Calloway REIT, Executive Vice President of Smartcentres, Chief Financial Officer of Lehndorff Properties Limited and Markborough Properties Inc., and Managing Director at CIBC World Markets Investment Banking

ALLAN SCOTT KIMBERLEY – INDEPENDENT TRUSTEE
- More than 35 years of executive real estate experience, currently a Director of both First Capital Realty Inc. and the Orlando Corporation
- Former Vice Chairman of Investment Banking and Real Estate at CIBC World Markets and Vice President at RBC Capital Markets

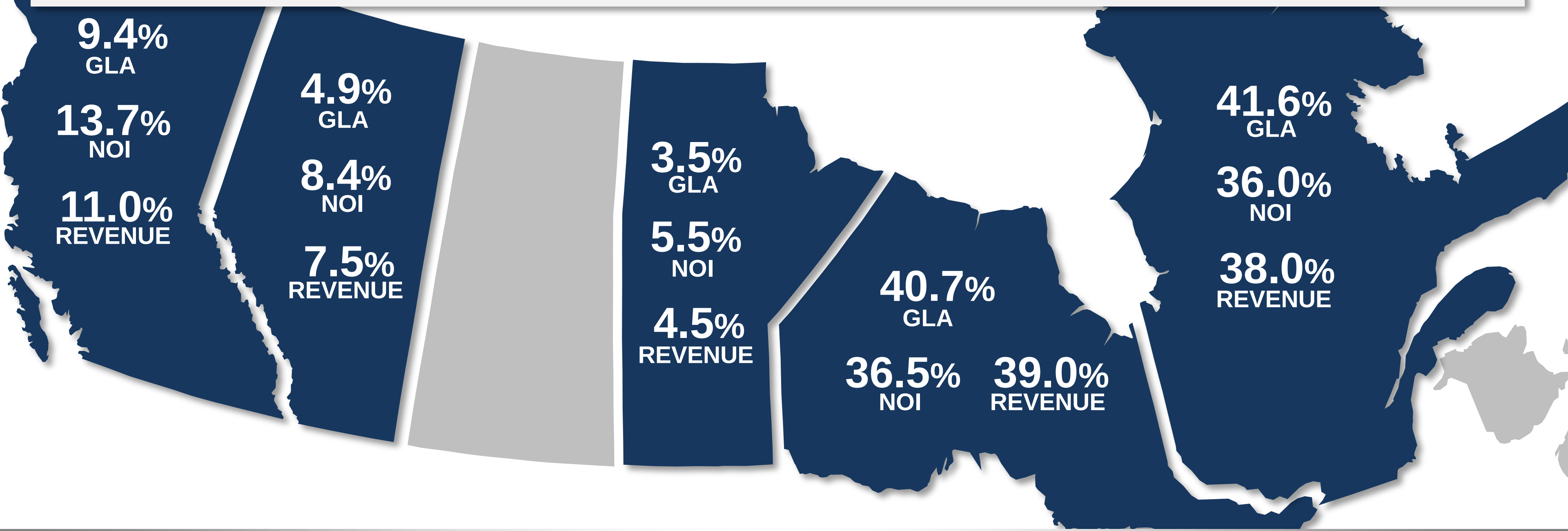
AN INTERNAL OPPORTUNITY

“Placing the best possible tenants within our properties and providing those tenants with the best possible service”

- Revitalizing Partners’ property portfolio is the primary priority for available capital in 2015.
- First quarter AFFO payout ratio of 67%. Accounting for the DRIP, AFFO cash payout ratio was 54%.
- Actively managing existing asset base to foster internal growth
- Ongoing preventative maintenance programs
- Scheduled rental increases in existing leases, lease renewals, and new leases. Lease expiries of 5.3% in 2015 and 14.6% in 2016

HIGH QUALITY PORTFOLIO

36	6 YRS	94.6%	$538M	2.5M
PROPERTIES	WEIGHTED AVERAGE LEASE TERM	OCCUPANCY	ASSET BASE	SQUARE FEET



Data as of March 31, 2015.

HIGH QUALITY TENANTS

74.6% NATIONAL

19.8% REGIONAL

5.6% LOCAL

Top 10 Tenants by Leased Area	
Shoppers Drug Mart	10.7%
Walmart	7.2%
Government of Quebec	5.8%
Metro/Super C	5.5%
Sears	4.1%
Rona	3.6%
Brault & Martineau	3.2%
Michaels	2.9%
Sobeys	2.9%
Dollarama	2.2%

Top 10 Tenants by Gross Rental Revenue	
Shoppers Drug Mart	15.5%
Government of Quebec	5.3%
Metro/Super C	5.1%
Walmart	3.0%
Michaels	2.8%
Sobeys	2.8%
Mark’s	2.5%
Dollarama	2.3%
Staples	2.0%
Overweitea	1.8%

Data as of March 31, 2015.

PARTNERS REIT

FINANCIAL INFORMATION

PORTFOLIO EVALUATION

Partners has been proactive in attaining an accurate assessment of the true value of its property portfolio

- **Over the last six quarters, management has obtained external appraisals for 29 of Partners' 36 properties, representing 81% of its income producing portfolio**
- **As a result of these independent assessments, the REIT has recognized $45.1 million in fair value losses**
    - $18.0 million relating to six properties acquired during 2013, which were previously valued at a sum of their purchase price and closing costs
    - $8.1 million at a single property in Ontario, which requires capital upgrades and a lease up due to the recent loss of an anchor tenant
    - $19.0 million across the balance of the portfolio as a results of adjustments for capitalization rates (based upon comparable transactions) and changes in leasing conditions
- **The recognition of these losses should reduce future volatility in the value of Partner's income producing properties**

OPERATING STATEMENT

Summarized Operating Statement (000s)	F2015 Q1	Fiscal 2014	Fiscal 2013
Revenues	14,524	**59,821**	56,567
Property Operating & Management Costs	(2,779)	**(11,155)**	(9,851)
Realty Taxes	(3,426)	**(13,325)**	(11,951)
	8,319	**35,341**	34,765
Amortization of Tenant Costs	173	**618**	502
NET OPERATING INCOME	**8,492**	**35,959**	**35,267**
	58.5%	**60.1%**	**62.3%**
Financing Costs	(5,109)	**(21,901)**	(19,414)
General and Administrative Expenses	(1,020)	**(4,537)**	(3,486)
Addback Non-Cash Items	1	**19**	179
FUNDS FROM OPERATIONS ("FFO")	**2,363**	**9,540**	**12,546**
	$ 0.09	**$ 0.36**	**$ 0.48**
Deferred Financing Amortization, accretion	633	**3,063**	2,532
Straight Line Rent	(139)	**(788)**	(1,968)
Sustaining Capital Expenditures	(378)	**(1,996)**	(152)
ADJUSTED FFFO ("AFFO")	**2,479**	**9,819**	**12,958**
	$ 0.09	**$ 0.37**	**$ 0.50**

Data as of March 31, 2015.

CASH FLOWS

Summarized Statement Cash Flows (000s)	F15Q1	Fiscal 2014	Fiscal 2013
Operating Activities			
Net Income (Loss)	(4,096)	**(27,084)**	4,195
Adjusted for non-cash items	2,396	**28,246**	3,062
CASH FLOW FROM OPERATIONS	**(1,700)**	**1,162**	**7,257**
Financing Activities			
Net from Debt Financings and Repayments	3,804	**291**	79,105
Net Proceeds from Public Equity Offering	-	**-**	24,415
Cash Distributions to Unitholders	(1,343)	**(9,944)**	(14,783)
CASH FLOW FROM (USED BY) FINANCING	**2,461**	**(9,653)**	**88,737**
Investing Activities			
Net Proceeds from Property Dispositions	-	**15,545**	-
Cost of Property Acquisitions	-	**-**	(96,195)
Capital and Tenancy Costs	(805)	**(4,767)**	(7,724)
Collection Note Receivable	-	**-**	5,936
CASH FLOW FROM (USED BY) INVESTING	**(805)**	**10,778**	**(97,983)**
Net Increase (Decrease) in Cash	**(44)**	**2,287**	**(1,989)**
Cash - Beginning of the Period	2,152	**(135)**	1,854
Cash - End of the Period	**2,108**	**2,152**	**(135)**

Data as of March 31, 2015.

BALANCE SHEET

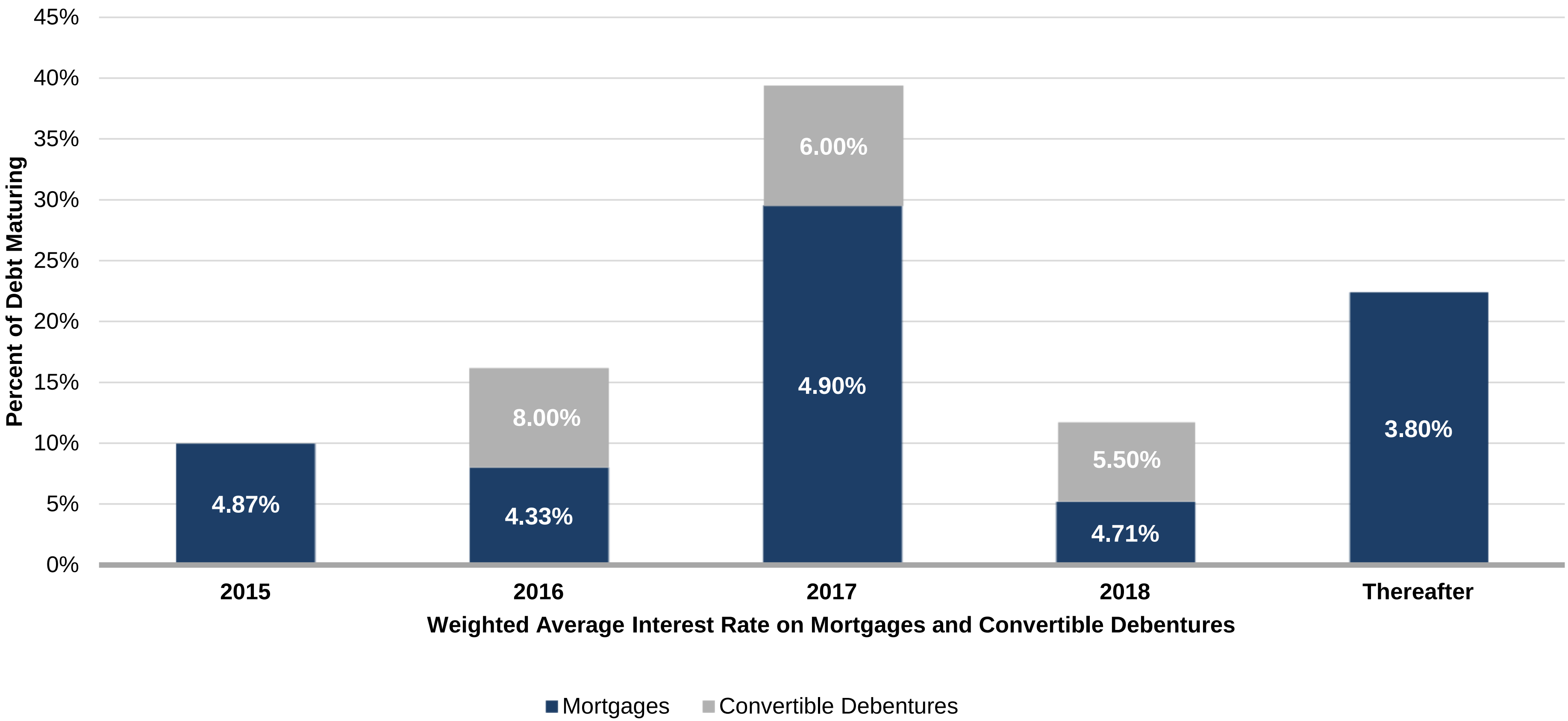
PAR.UN

Summarized Balance Sheet (000s)	F15Q1	Fiscal 2014	Fiscal 2013
ASSETS			
Income Producing Properties	525,671	**531,041**	588,391
Other Assets (Prepaids, AR, Cash)	12,447	**11,510**	7,237
TOTAL ASSETS	**538,118**	**542,551**	**595,628**
DEBT			
Mortgages Payable	298,677	**296,747**	284,151
Convertible Debentures	83,847	**83,534**	82,353
Credit Facilities	1,954	**-**	30,796
Other Liabilities	10,051	**13,234**	12,608
	394,529	**393,515**	409,907
EQUITY			
Unitholders Equity	143,589	**149,036**	184,879
Exchangeable LP Units	-	**-**	842
	143,589	**149,036**	185,721
TOTAL LIABILITIES and EQUITY	**538,118**	**542,551**	**595,628**
Debt to Equity	**2.75**	**2.64**	**2.21**

Data as of March 31, 2015.

FINANCIAL FLEXIBILITY

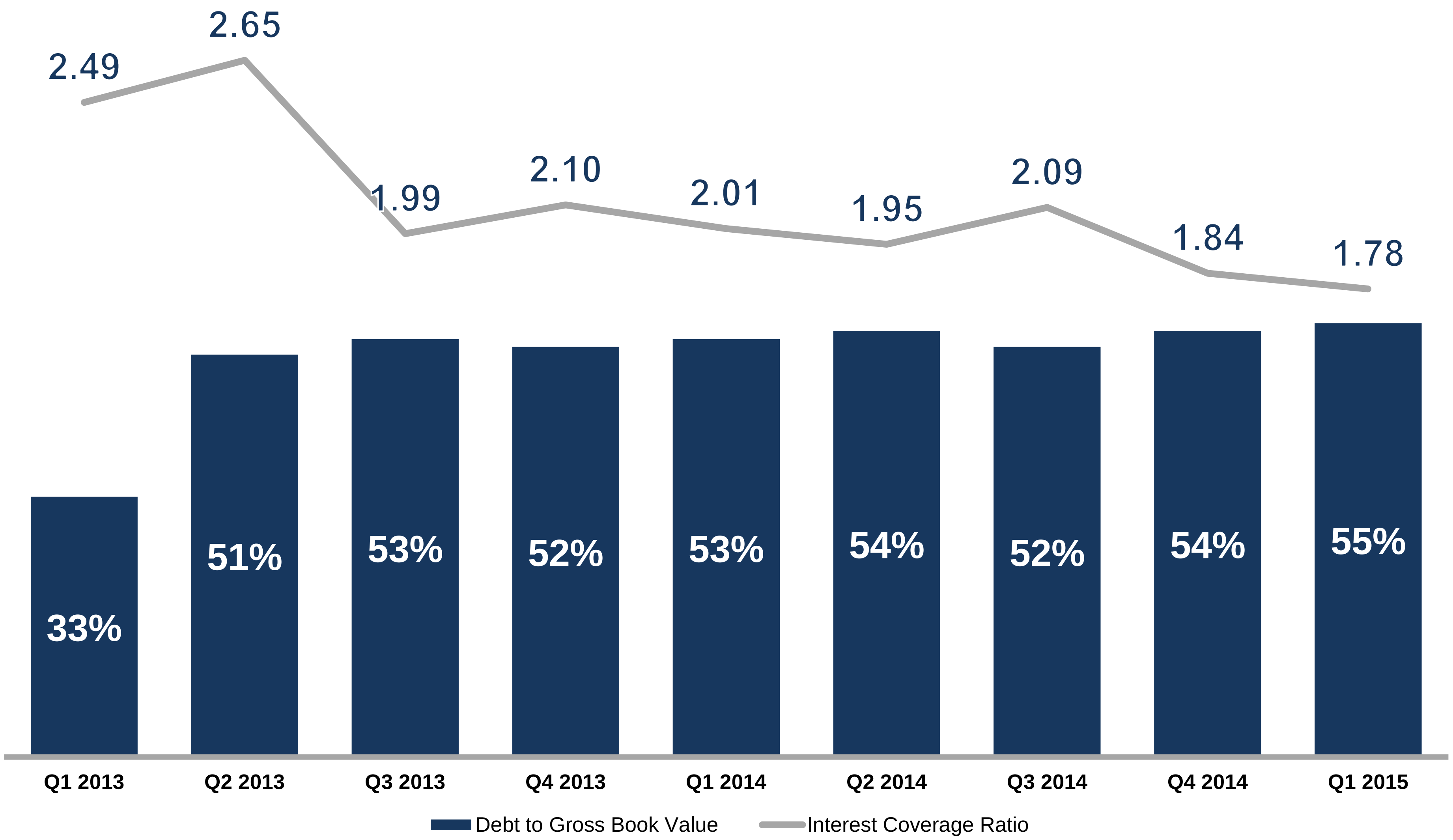
DEBT MATURITY AND WEIGHTED AVERAGE INTEREST RATE



- **Capital consists of approximately 57% mortgages payable, 27% unitholders' equity, and 16% convertible debentures. Debentures may be paid in units.**
- **Partners has $70.6 million in mortgages maturing over the next two years at an average interest rate of 4.65%. At current market rates, refinancing these mortgages would allow the REIT to reduce its finance costs.**

Data as of March 31, 2015.

LEVERAGE AND COVERAGE TRENDS



Debt to Gross Book Value of 71.2% when including convertible debentures

Data as of March 31, 2015.
Debt to gross book value calculation within chart excludes convertible debentures.

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QUESTIONS

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