



**Notice of Special Meeting of
Unitholders and Management
Information Circular**

**Special Meeting of Unitholders to be held
on December 10, 2018**



NOTICE OF SPECIAL MEETING OF UNITHOLDERS

TO BE HELD ON DECEMBER 10, 2018

NOTICE IS HEREBY GIVEN that a special meeting (the “Meeting”) of the unitholders of Partners Real Estate Investment Trust (the “REIT”) will be held:

When: 1:00 p.m. (Toronto time) on December 10, 2018

Where: Offices of McCarthy Tétrault LLP
TD Bank Tower, Toronto Dominion Centre
53rd Floor, Toronto, Ontario

The following items will be addressed at the Meeting:

1. to consider and to vote on, with or without variation, a special resolution (the “Special Resolution”), the full text of which is set forth in Appendix “A” to the management information circular (the “Circular”), approving an amendment to the REIT’s Declaration of Trust to provide the REIT’s Board of Trustees with the authority, should the Board of Trustees determine to do so: (i) to sell all or substantially all of the assets of the REIT in one or more transactions at such times and on such terms and conditions as determined by the Board of Trustees, (ii) to distribute the net proceeds of any such sales to unitholders in the amounts and at the times determined by the Board of Trustees, and (iii) to wind-up, liquidate, dissolve or take any such similar action to terminate the REIT, in each case without any requirement for further unitholder approval and all as more particularly described in the Circular; and
2. to transact such further and other business as may be properly brought before the Meeting or any adjournments or postponements thereof.

The REIT’s Board of Trustees has fixed October 30, 2018 as the record date for determination of unitholders entitled to notice of, and to vote at, the Meeting and at any adjournment or postponement thereof. Each registered unitholder at the close of business on that date is entitled to notice and to vote at the Meeting in the circumstances set out in the Management Information Circular dated November 1, 2018 prepared by management in connection with the Meeting.

The REIT is using the “notice-and-access” system for the mailing to beneficial unitholders. The system was adopted by the Canadian Securities Administrators for the delivery of the Management Information Circular (the “Meeting Materials”). Under notice-and-access, you still receive a Voting Instruction Form enabling you to vote at the Meeting. However, instead of a paper copy of the Management Information Circular, beneficial unitholders receive this notice which contains information about how to access the

Meeting Materials electronically. The principal benefit of the notice-and-access system is that it reduces the environmental impact of producing and distributing paper copies of documents in large quantities. The Management Information Circular and form of proxy or Voting Instruction Form for the REIT's Units (the "Units") provide additional information concerning the matters to be dealt with at the Meeting. You should access and review all information contained in the Management Information Circular before voting.

Beneficial unitholders with questions about notice-and-access can call our transfer agent Computershare at 1-866-964-0492 from Canada and the United States.

You are a beneficial unitholder (also known as a non-registered unitholder) if you own Units indirectly and your Units are registered in the name of a bank, trust company, broker or other intermediary. For example, you are a beneficial unitholder if your Units are held in a brokerage account of any type.

You are a registered unitholder if your name appears on the unitholder register maintained by Computershare Investor Services and you hold a paper unit certificate or certificates in your name.

Registered unitholders will be mailed a copy of the Meeting Materials. Beneficial unitholders will receive this Notice of Meeting, and a voting information form. Beneficial unitholders may request that a paper copy of the Meeting Materials be mailed to them at no cost. Requests may be made up to one year from the date that the Management Information Circular was filed on SEDAR by calling 1-877-907-7643 toll free within North America or direct at (905) 507-5450, from outside of North America. Requests should be received by November 27, 2018 (i.e., at least seven business days in advance of the date and time set out in the beneficial unitholders' voting instruction form as a voting deadline) if you would like to receive the Meeting Materials in advance of the voting deadline and meeting date.

Voting

Beneficial Unitholders

Beneficial unitholders should complete, sign and return the voting instruction form in accordance with the directions on the form. Submit your voting instructions in one of the following ways:

INTERNET: Vote on the internet at www.proxyvote.com

TELEPHONE: Vote by phone by calling 1-800-474-7493 (English) or 1-800-474-7501 (French)

MAIL: Use the enclosed self-addressed envelope and mail your completed Voting information form to: Data Processing Centre, PO Box 3700 Stn. Industrial Park, Markham, ON, L3R 9Z9

Voting instructions must be received from beneficial unitholders by 1:00 p.m. on December 6, 2018 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned or postponed Meeting.

If a beneficial unitholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on such unitholder's behalf), he or she must complete the voting instruction form in accordance with the directions provided, appointing themselves or someone else to vote on his or her behalf at the Meeting.

Registered Unitholders

Registered unitholders may vote in person at the Meeting or any adjournments or postponements thereof, or they may appoint another person (who need not be a unitholder) as their proxy to attend and vote in their place. Whether or not you plan to attend the Meeting in person, please complete and return the form of proxy provided to you in accordance with the instructions provided.

If a registered unitholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on such unitholder's behalf), he or she must complete the form of proxy in accordance with the directions provided, appointing themselves or someone else to vote on his or her behalf at the Meeting.

DATED at Toronto, Ontario this 1st day of November, 2018.

BY ORDER OF THE BOARD OF TRUSTEES,

"C. Ian Ross"

C. Ian Ross
Chair of the Board of Trustees

PARTNERS REAL ESTATE INVESTMENT TRUST

MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “Circular”) is furnished to unitholders of Partners Real Estate Investment Trust (the “REIT”) in connection with the solicitation by and on behalf of management and the Board of Trustees (the “Board”) of the REIT of proxies to be used at the Meeting to be held at the offices of McCarthy Tétrault LLP, TD Bank Tower, Toronto Dominion Centre, 53rd Floor, Toronto, Ontario on December 10, 2018, at 1:00 p.m. (Toronto time), and at any adjournment or postponement thereof, for the purposes set forth in the attached notice of the Special Meeting of unitholders (the “Notice”).

The Notice, and a voting instruction form are being mailed to beneficial unitholders as of the close of business on October 30, 2018. Banks, brokerage houses and other custodians and nominees or fiduciaries will be requested to forward proxy solicitation material to their principals and to obtain authorizations for the execution of proxies.

TABLE OF CONTENTS

	Page
NOTICE OF SPECIAL MEETING OF UNITHOLDERS	1
VOTING.....	2
PARTNERS REAL ESTATE INVESTMENT TRUST	4
MANAGEMENT INFORMATION CIRCULAR	4
APPOINTMENT AND REVOCATION OF PROXIES	5
REGISTERED UNITHOLDERS	5
BENEFICIAL UNITHOLDERS.....	6
MATTERS TO BE CONSIDERED AT THE MEETING.....	7
TAX CONSIDERATIONS	9
INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON	9
RISK FACTORS.....	9
OTHER MATTERS.....	9
ADDITIONAL INFORMATION	9
APPROVAL BY THE TRUSTEES.....	10
APPENDIX “A” SPECIAL RESOLUTION OF THE UNITHOLDERS OF PARTNERS REAL ESTATE INVESTMENT TRUST	11

A unitholder that is registered on the unitholder register maintained by Computershare Investor Services Inc. (“Computershare”) and that holds a paper unit certificate may vote at the Meeting either in person or by proxy. A beneficial owner of Units who is not so registered but owns Units that are registered in the name of a broker or other nominee must have the registered entity appoint a proxy (which can be the beneficial owner) to have his or her Units voted at the Meeting.

APPOINTMENT AND REVOCATION OF PROXIES

A beneficial unitholder (also known as a non-registered unitholder) owns Units indirectly and the Units are registered in the name of a bank, trust company, broker or other intermediary. For example, a beneficial unitholder holds Units in a brokerage account of any type.

You are a registered unitholder if you hold a paper unit certificate or certificates in your name and your name appears on the unitholder register maintained by Computershare.

REGISTERED UNITHOLDERS

A registered unitholder has the right to appoint a person (who need not be a unitholder of the REIT) as nominee to attend and act for and on such unitholder’s behalf at the Meeting other than the nominees named in the accompanying form of proxy. This right may be exercised either by striking out the names of the prescribed nominees where they appear on the applicable form of proxy and by inserting in the blank space provided the name of the other person the unitholder wishes to appoint as proxyholder, or by completing, signing and submitting another proper form of proxy naming such other person as proxyholder.

To be valid, proxies must be returned by:

1. fax to Computershare Investor Services Inc., attention: Proxy Department at 416-263-9524 (outside Canada) or 1-866-249-7775 (within Canada); or
2. mail to Computershare Investor Services Inc., attention: Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; or
3. personal delivery at the foregoing address,

such that the proxies or instructions so returned arrive no later than 1:00 p.m. (Toronto time) on December 6, 2018 or if the Meeting is adjourned, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the time set for the adjourned Meeting. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at the Chair’s discretion without notice.

Revocation of a Proxy

If you are a registered unitholder, you may revoke your proxy by taking one of the following steps:

- you may submit a new proxy to Computershare before 1:00 p.m. (Toronto time) on December 6, 2018, or two business days before any reconvening of an adjourned Meeting;
- you (or your attorney, if authorized in writing) may sign a written notice of revocation addressed to the Secretary of the REIT and deposited at the registered office of Computershare at any time up to and including the last business day preceding the day of the Meeting or an adjourned or postponed Meeting, at which the proxy is to be used; or
- you (or your attorney, if authorized in writing) may sign a written notice of revocation and deliver it to the Chair of the Meeting on the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used.

BENEFICIAL UNITHOLDERS

Voting by Proxy or in Person

A beneficial unitholder can vote in one of three ways:

4. Through the Intermediary

Use the voting instruction form to instruct your intermediary on how to vote on your behalf following the instructions provided on the voting instruction form provided to you by your intermediary. Signing the voting instruction form gives authority to C. Ian Ross or Jane Domenico, each of whom is a Trustee of the REIT, to vote your Units at the Meeting, unless you give such authority to someone else.

5. Attend the Meeting

Insert your name in the space provided on the voting instruction form provided by your intermediary and sign and return it in accordance with the instructions provided. By doing so, you are instructing your intermediary to appoint you as proxyholder. Do not otherwise complete the form, as you will be voting at the Meeting. Register with the Computershare representative upon arrival at the Meeting.

6. Designate another person to be appointed as your proxyholder

You can choose another person (including someone who is not a unitholder) to vote for you as a proxyholder. If you appoint someone else, he or she must be present at the Meeting to vote for you. Insert that person's name in the space provided on the voting instruction form provided to you by your intermediary and sign and return it in accordance with the instructions provided. By doing so, you are instructing your intermediary to appoint that person as proxyholder. Do not otherwise complete the form, as your proxyholder will be voting at the Meeting. When your proxyholder arrives at the Meeting, he or she should register with the Computershare

representative upon arrival at the Meeting.

Revocation of a Proxy

If you have provided voting instructions to your intermediary (brokerage) and change your mind about your vote, or you decide to attend the Meeting and vote in person, contact your intermediary to find out what to do. If your intermediary gives you the option of using the internet to provide your voting instructions, you can also change your instructions online, as long as your intermediary receives the new instructions in enough time to act on them before the Proxy Deadline. Your intermediary can confirm the deadline.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The REIT is authorized to issue an unlimited number of Units. At October 31, 2018, there were 46,068,291 issued and outstanding Units of the REIT. As of the same date, the Trustees and Officers of the REIT, as a group, beneficially own, directly or indirectly, or exercise control or direction over, 7,337,149 Units and 261,027 Deferred Units, representing approximately 15.9% of the issued and outstanding Units.

To the knowledge of the REIT, as of the date of this Circular, the following individuals beneficially own or exercise control or direction over the Units noted below:

- Mr. Moray Tawse: 9,514,246 Units (20.7% of the issued and outstanding Units);
- Mr. Ronald McCowan: 9,229,704 Units (20.0% of the issued and outstanding Units); and
- Mr. Grant Anthony: 7,235,486 Units (15.7% of the issued and outstanding Units) and 36,785 Deferred Units. Mr. Anthony's Units are also included in the total percentage of Trustee and Officer holdings noted above.

To the knowledge of the REIT, except as set out above, no other person beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the outstanding Units.

Each of Messrs. Tawse, McCowan, and Anthony have agreed with the REIT to vote their Units (for an aggregate of 56.4% of the outstanding Units) for the Special Resolution. Each of the Trustees and Officers of the REIT have also confirmed to the REIT that they intend to vote their Units for the Special Resolution.

MATTERS TO BE CONSIDERED AT THE MEETING

The unitholders will be asked to consider, and if thought advisable, pass a special resolution (the "Special Resolution"), the full text of which is set forth in Appendix "A" to this Management Information Circular.

The effect of the Special Resolution is to amend the REIT's Declaration of Trust to provide the Board with the authority, should the Board determine to do so, to:

- (i) sell all or substantially all the assets of the REIT in one or more transactions at such times and on such terms and conditions as determined by the Board,

- (ii) distribute the net proceeds of any such sales to unitholders in the amounts and at the times determined by the Board, and
- (iii) to wind-up, liquidate, dissolve or take any such similar action to terminate the REIT,

in each case without any requirement for further unitholder approval.

Reasons for the Special Resolution

Currently, the REIT's Declaration of Trust, which is the constitution for the REIT, provides that a sale of all or substantially all the assets of the REIT to a third party requires the approval of the unitholders by a special resolution (requiring a two-thirds vote at a properly constituted meeting). The REIT recently announced the sale of all but one of its retail properties in Western Canada (and the remaining property is for sale) and a special cash distribution to unitholders from the proceeds of the sale. The REIT has also announced that it has retained BMO Capital Markets to canvass the market for a potential sale of its 11 retail properties in the Province of Quebec. While no decision has been made as to whether or not to proceed with a sale of any properties in Quebec, which will depend upon the interest expressed by third parties, the Board believes that it is in the best interests of the REIT for the Board to have maximum flexibility in assessing the REIT's alternatives both with respect to the Quebec properties and the REIT's other remaining properties as well as regarding the future of the REIT.

The Special Resolution, if approved, will provide the Board with the authority, should the Board determine that it is in the best interests of the REIT to do so, to sell all or substantially all of the assets of the REIT, distribute the net proceeds to the unitholders, and wind-up, liquidate, dissolve or take any such similar action to terminate the REIT, in each case without any requirement for further unitholder approval. While no decision has been made by the Board to proceed with any such action, the approval of this amendment will facilitate the Board making timely decisions in regards to these matters including with regard to the REIT's Quebec assets.

Recommendation of the Board

The Board is unanimously recommending that unitholders vote in favor of the Special Resolution. This will provide the Board with maximum flexibility in assessing the REIT's alternatives both with respect to the Quebec properties and the REIT's other remaining properties as well as regarding the future of the REIT.

Required Unitholder Approval

For the Special Resolution to pass, it must be approved by the affirmative vote of at least two-thirds (66⅔%) of the votes cast by unitholders present in person or represented by proxy at the Meeting and entitled to vote.

Each of Messrs. Tawse, McCowan, and Anthony have agreed with the REIT to vote their Units (for an aggregate of 56.4% of the outstanding Units) for the Special Resolution. Each of the Trustees and Officers of the REIT have also confirmed to the REIT that they intend to vote their Units for the Special Resolution.

TAX CONSIDERATIONS

This Circular does not address tax considerations of the sale of all or substantially all of the assets of the REIT. Unitholders should consult their own tax advisors with respect to the tax implications of such a sale.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the Trustees or executive officers of the REIT at any time since the beginning of the REIT's last financial year, and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter scheduled to be acted upon at the Meeting, other than as holders of Units or deferred Units.

RISK FACTORS

The Board has not made any decision as to whether or not to proceed with a sale of any properties in Quebec, which decisions will depend upon the interest expressed by third parties. The Board has also not made any decision with respect to the REIT's other remaining properties, including its 10 properties in Ontario (which excludes the REIT's property in the City of Cornwall), or regarding the future of the REIT. There can be no assurances that any such properties will be sold, what the Board may determine to do with the net proceeds from any such sale or sales, or regarding the future of the REIT. If the Special Resolution is passed, the Board will have the authority to sell all or substantially all of the assets of the REIT, distribute the net proceeds to the unitholders, and wind-up, liquidate, dissolve or take any such similar action to terminate the REIT, in each case without any requirement for further unitholder approval.

OTHER MATTERS

The Trustees are not aware of any amendments or variations to matters identified in the Notice or of any other matters that are to be presented for action at the Meeting other than those described in the Notice.

Information stated in this Circular is dated as at November 1, 2018 except where otherwise indicated.

ADDITIONAL INFORMATION

Additional information relating to the REIT is available on SEDAR at www.sedar.com including financial information provided in the Financial Statements and MD&A.

To request copies of the REIT's Financial Statements and MD&A, unitholders may contact the REIT directly at 249 Saunders Road, Unit #3, Barrie, ON L4N 9A3, Tel: (416) 855-3313 ext. 401 or 1 (844) 474-9620 ext. 401.

APPROVAL BY THE TRUSTEES

The contents of this Circular and the sending thereof to the unitholders have been unanimously approved by the Trustees.

DATED at Toronto, Ontario, this 1st day of November, 2018

BY ORDER OF THE BOARD OF TRUSTEES

"C. Ian Ross"

C. Ian Ross
Chair of the Board of Trustees

APPENDIX "A"

SPECIAL RESOLUTION OF THE UNITHOLDERS OF PARTNERS REAL ESTATE INVESTMENT TRUST

WHEREAS the Board of Trustees of the REIT has recommended that unitholders provide the Board of Trustees with the authority, should the Board of Trustees determine that it is in the best interests of the REIT to do so, to sell all or substantially all of the assets of the REIT, distribute the net proceeds to the unitholders, and wind-up, liquidate, dissolve or take any such similar action to terminate the REIT, in each case without any requirement for further unitholder approval;

AND WHEREAS the REIT's Declaration of Trust currently provides that the unitholders must approve, by way of a special resolution, a sale of all or substantially all of the assets of the REIT or the liquidation, dissolution or termination of the REIT;

NOW THEREFORE BE IT RESOLVED THAT:

7. The REIT's Declaration of Trust is hereby amended by deleting the current section 11.2, which is set out on Schedule "A", and replacing it with the revised section 11.2 set out on Schedule "B";
8. Any Trustee or Officer of the REIT is authorized and directed to sign such documents and take such actions as may be necessary or desirable to give effect to the foregoing.

Schedule "A"

This is the current section 11.2 of the REIT's Declaration of Trust, which is proposed to be deleted and replaced in its entirety with section 11.2 as it appears on the following Schedule "B".

11.2 Special Resolution

Notwithstanding Section 11.1, at all times the following actions or amendments to the Declaration of Trust require approval by Special Resolution at a meeting of Unitholders or Voting Unitholders, as applicable, duly called for that purpose:

- (a) any combination, merger, amalgamation or arrangement of the Trust or any of the Trust's subsidiaries, as the case may be, any sale of all or substantially all of the assets of the Trust or any of the Trust's subsidiaries, as the case may be, or the liquidation or dissolution of the Trust or any of the Trust's subsidiaries, as the case may be, (other than in each case as part of an internal reorganization of the assets of the Trust and/or any of the Trust's subsidiaries, as the case may be, as approved by the Trustees);
- (b) any amendment to the provisions of Section 4.1 or to the provisions of Section 4.2(b) provided that the remaining provisions of Section 4.2 may be amended by Ordinary Resolution;
- (c) an exchange, reclassification or cancellation of all or part of the Units or Special Voting Units;
- (d) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the Units or Special Voting Units and, including, without limiting the generality of the foregoing:
 - (i) the removal or change of rights to distributions;
 - (ii) the addition or removal of or change to conversion privileges, options, voting, transfer or pre-emptive rights; or
 - (iii) the reduction or removal of a distribution preference or liquidation preference;
- (e) the termination of the Trust; or
- (f) the constraint on the issue, transfer or ownership of Units or Special Voting Units or the change or removal of such constraint, except as otherwise provided herein.

Schedule "B"

This is the proposed new section 11.2 for the REIT's Declaration of Trust, to replace the current section 11.2 which is set out in Schedule "A".

11.2 Special Resolution

Notwithstanding Section 11.1, at all times the following actions or amendments to the Declaration of Trust require approval by Special Resolution at a meeting of Unitholders or Voting Unitholders, as applicable, duly called for that purpose:

- (a) any combination, merger, amalgamation or arrangement of the Trust or any of the Trust's subsidiaries;
- (b) any amendment to the provisions of Section 4.1 or to the provisions of Section 4.2(b), provided that the remaining provisions of Section 4.2 may be amended by Ordinary Resolution;
- (c) an exchange, reclassification or cancellation of all or part of the Units or Special Voting Units;
- (d) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the Units or Special Voting Units and, including, without limiting the generality of the foregoing:
 - (i) the removal or change of rights to distributions;
 - (ii) the addition or removal of or change to conversion privileges, options, voting, transfer or pre-emptive rights; or
 - (iii) the reduction or removal of a distribution preference or liquidation preference; or
- (e) the constraint on the issue, transfer or ownership of Units or Special Voting Units or the change or removal of such constraint, except as otherwise provided herein.