

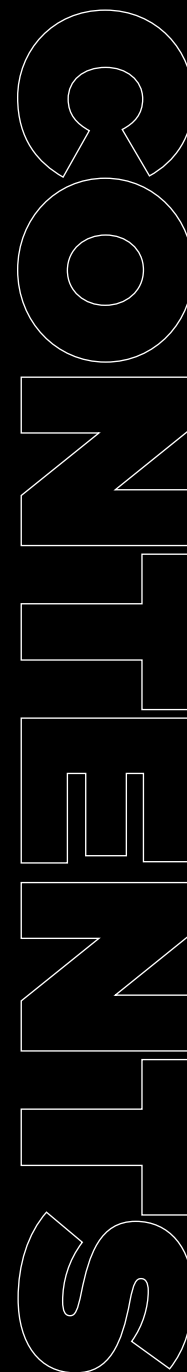


**CANADA'S SHOPPING CENTRE
FOR OVER **THIRTY YEARS****

2024 FIRST QUARTER REPORT

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

- 1** Unaudited Interim Condensed Consolidated Balance Sheets
- 2** Unaudited Interim Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
- 3** Unaudited Interim Condensed Consolidated Statements of Cash Flows
- 4** Unaudited Interim Condensed Consolidated Statements of Equity
- 5** Notes to Unaudited Interim Condensed Consolidated Financial Statements



SMARTCENTRES REAL ESTATE INVESTMENT TRUST

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands of Canadian dollars)

As at	Note	March 31, 2024	December 31, 2023	January 1, 2023
Assets				
Non-current assets				
Investment properties	3	\$10,491,638	\$10,564,269	\$10,286,891
Equity accounted investments	4	723,863	756,919	680,999
Mortgages, loans and notes receivable	5	87,487	80,532	238,099
Other financial assets	6	152,536	152,162	171,807
Other assets	7	11,807	4,167	4,410
Intangible assets		42,143	42,476	43,807
		\$11,509,474	\$11,600,525	\$11,426,013
Current assets				
Assets held for sale		—	—	42,321
Residential development inventory		58,863	51,719	40,373
Current portion of mortgages, loans and notes receivable	5	134,209	129,777	86,593
Amounts receivable and other	8	87,103	73,610	57,124
Prepaid expenses, deposits and deferred financing costs	8	21,121	15,048	14,474
Cash and cash equivalents		39,412	34,743	35,255
		\$340,708	\$304,897	\$276,140
Total assets		\$11,850,182	\$11,905,422	\$11,702,153
Liabilities				
Non-current liabilities				
Debt	9	\$4,208,973	\$4,394,044	\$4,523,987
Other financial liabilities	10	14,037	17,314	22,841
Other payables	11	18,228	17,727	17,265
		\$4,241,238	\$4,429,085	\$4,564,093
Current liabilities				
Current portion of debt	9	834,233	605,478	459,278
Current portion of other financial liabilities	10	249,178	258,069	254,559
Accounts payable and current portion of other payables	11	266,165	253,486	261,122
		\$1,349,576	\$1,117,033	\$974,959
Total liabilities		\$5,590,814	\$5,546,118	\$5,539,052
Equity				
Trust Unit equity		\$5,188,165	\$5,272,334	\$5,126,197
Non-controlling interests		1,071,203	1,086,970	1,036,904
		\$6,259,368	\$6,359,304	\$6,163,101
Total liabilities and equity		\$11,850,182	\$11,905,422	\$11,702,153

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

Approved by the Board of Trustees.



Michael Young
Trustee



Garry Foster
Trustee

SMARTCENTRES REAL ESTATE INVESTMENT TRUST

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(in thousands of Canadian dollars)

For the three months ended March 31,	Note	2024	2023
Net rental income and other			
Rentals from investment properties and other	15	\$217,239	\$210,594
Property operating costs and other	16	(86,511)	(85,773)
Net rental income and other		130,728	124,821
Other income and expenses			
General and administrative expense, net	17	(8,602)	(8,754)
Earnings (Loss) from equity accounted investments	4	(4,030)	9,443
Fair value adjustment on investment properties	3	(118,868)	29,166
Gain (Loss) on sale of investment properties		(142)	22
Interest expense	9(d)	(44,556)	(39,507)
Interest income		3,929	4,828
Fair value adjustment on financial instruments		20,366	(7,158)
Net income (loss) and comprehensive income (loss)		\$(21,175)	\$112,861
Net income (loss) and comprehensive income (loss) attributable to:			
Trust Units		\$(17,278)	\$91,530
Non-controlling interests		(3,897)	21,331
		\$(21,175)	\$112,861

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

SMARTCENTRES REAL ESTATE INVESTMENT TRUST

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars)

For the three months ended March 31,	Note	2024	2023
Cash provided by (used in)			
Operating activities			
Net income (loss) and comprehensive income (loss)		\$(21,175)	\$112,861
Items not affecting cash and other items	18	146,474	7,070
Cash interest paid	9(d)	(24,888)	(23,912)
Interest received		924	2,336
Distributions from equity accounted investments	4	1,487	2,090
Expenditures on direct leasing costs and tenant incentives		(1,118)	(3,070)
Expenditures on tenant incentives for properties under development		(655)	(856)
Changes in other non-cash operating items	18	(31,330)	(14,588)
Cash flows provided by operating activities		\$69,719	\$81,931
Financing activities			
Proceeds from secured debt		—	1,600
Proceeds from unsecured debt		51,123	—
Proceeds from revolving operating facilities		70,000	30,000
Repayments of secured debt		(8,111)	(19,459)
Repayments of unsecured debt		(3,238)	(18,077)
Repayments of revolving operating facility		(40,087)	(22,000)
Distributions paid on Trust Units		(66,891)	(66,889)
Distributions paid on non-controlling interests and Units classified as liabilities		(15,521)	(15,510)
Payment of lease liability		(530)	(1,883)
Cash flows used in financing activities		\$(13,255)	\$(112,218)
Investing activities			
Acquisitions and Earnouts of investment properties		(11,555)	(2,071)
Additions to investment properties		(29,147)	(26,664)
Additions to equity accounted investments		(9,639)	111
Additions to equipment	7	(13)	(107)
Advances of mortgages and loans receivable		(10,376)	(2,471)
Repayments of mortgages and loans receivable		2,185	11,750
Net proceeds from sale of investment properties		6,750	47,122
Cash flows (used in) provided by investing activities		\$(51,795)	\$27,670
Increase (decrease) in cash and cash equivalents during the year		4,669	(2,617)
Cash and cash equivalents – beginning of period		34,743	35,255
Cash and cash equivalents – end of period		\$39,412	\$32,638

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

SMARTCENTRES REAL ESTATE INVESTMENT TRUST

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(in thousands of Canadian dollars)

	Note	Attributable to Unitholders			Attributable to LP Units Classified as Non-Controlling Interests			Other Non- Controlling Interest (Note 19)	Total Equity
		Trust Units (Note 13)	Retained Earnings	Unit Equity	LP Units (Note 13)	Retained Earnings	LP Unit Equity		
Equity - January 1, 2024		\$3,090,118	\$ 2,182,216	\$5,272,334	\$644,694	\$438,628	\$1,083,322	\$3,648	\$6,359,304
Net income (loss) and comprehensive income (loss)		—	(17,278)	(17,278)	—	(4,010)	(4,010)	113	(21,175)
Distributions	14	—	(66,891)	(66,891)	—	(11,870)	(11,870)	—	(78,761)
Equity - March 31, 2024		\$3,090,118	\$2,098,047	\$5,188,165	\$644,694	\$422,748	\$1,067,442	\$3,761	\$6,259,368
Equity - January 1, 2023		\$3,090,118	\$2,036,079	\$5,126,197	\$643,223	\$ 390,121	\$1,033,344	\$3,560	\$ 6,163,101
Issuance of Units	13	—	—	—	1,182	—	1,182	—	1,182
Net income and comprehensive income		—	91,530	91,530	—	21,223	21,223	108	112,861
Distributions	14	—	(66,889)	(66,889)	—	(11,865)	(11,865)	—	(78,754)
Equity - March 31, 2023		\$3,090,118	\$2,060,720	\$5,150,838	\$644,405	\$399,479	\$1,043,884	\$3,668	\$6,198,390

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

SMARTCENTRES REAL ESTATE INVESTMENT TRUST

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2024 and March 31, 2023

(in thousands of Canadian dollars, except Unit, square foot and per Unit amounts)

1. Organization

SmartCentres Real Estate Investment Trust and its subsidiaries (collectively, “the Trust”) is an unincorporated open-ended mutual fund trust governed by the laws of the Province of Alberta created under a declaration of trust, dated December 4, 2001, subsequently amended and last restated on December 9, 2020 (“the Declaration of Trust”). The Trust develops, leases, constructs, owns and manages shopping centres, office buildings, high-rise and low-rise condos and rental residences, seniors’ housing, townhome units, self-storage rental facilities, and industrial facilities in Canada, both directly and through its subsidiaries, Smart Limited Partnership, Smart Limited Partnership II, Smart Limited Partnership III, Smart Limited Partnership IV, Smart Oshawa South Limited Partnership, Smart Oshawa Taunton Limited Partnership, Smart Boxgrove Limited Partnership, ONR Limited Partnership, ONR Limited Partnership I, and SmartVMC West Limited Partnership. The exchangeable securities of these subsidiaries, which are presented as non-controlling interests or as a liability, as appropriate, are economically equivalent to voting trust units (“Trust Units”) as a result of voting, exchange and distribution rights as more fully described in Note 13(a). The address of the Trust’s registered office is 3200 Highway 7, Vaughan, Ontario, L4K 5Z5. The Units of the Trust are listed on the Toronto Stock Exchange (“TSX”) under the ticker symbol “SRU.UN”.

These unaudited interim condensed consolidated financial statements have been approved for issue by the Board of Trustees on May 8, 2024. The Board of Trustees has the power to amend the unaudited interim condensed consolidated financial statements after issue.

As at March 31, 2024, the Penguin Group of Companies (“Penguin”), owned by Mitchell Goldhar, owned approximately 21.1% (December 31, 2023 – 21.0%) of the issued and outstanding Units of the Trust and Limited Partnerships (see also Note 19, “Related party transactions”).

2. Material accounting policy information

2.1 Basis of presentation

These unaudited interim condensed consolidated financial statements of the Trust have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim condensed consolidated financial statements, International Accounting Standard (“IAS 34”), “Interim Financial Reporting”, as issued by the International Accounting Standards Board (“IASB”). The unaudited interim condensed consolidated financial statements contain disclosures that are supplemental to the Trust’s annual consolidated financial statements. They do not include all the information and disclosures required by IFRS accounting standards applicable for annual consolidated financial statements and, therefore, they should be read in conjunction with the annual audited consolidated financial statements as at and for the year ended December 31, 2023.

2.2 Accounting policies

The accounting policies followed in these unaudited interim condensed consolidated financial statements are consistent with the policies and method of their application used in the preparation of the audited consolidated financial statements as at and for the year ended December 31, 2023, except as noted below:

Amendments to IAS 1, Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current

In January 2020, the IASB issued amendments to IAS 1 to clarify the requirements for classifying liabilities as current or non-current. The amendments clarify the classification of liabilities as current or non-current based on rights that are in existence at the end of the reporting period and unaffected by the likelihood that an entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also clarify the definition of “settlement” of a liability. In October 2022, revised amendments in respect of non-current liabilities with covenants were issued. Both amendments are effective on January 1, 2024 and should be applied retrospectively.

On January 1, 2024, the Trust adopted the amendments to IAS 1 described above. The application of these amendments has no impact on the measurement or recognition of any item in the Trust’s unaudited interim condensed consolidated financial statements, but only on the presentation of certain financial statement line items as outline at the table below:

As at	January 1, 2023			December 31, 2023		
	Before reclassification	Classification	After reclassification	Before reclassification	Classification	After reclassification
Non-current liabilities						
Other financial liabilities	277,400	(254,559)	22,841	275,383	(258,069)	17,314
Current liabilities						
Current portion of other financial liabilities	—	254,559	254,559	—	258,069	258,069

3. Investment properties

The following table summarizes the activities in investment properties:

	Note	Three Months Ended March 31, 2024			Year Ended December 31, 2023		
		Income Properties	Properties Under Development	Total	Income Properties	Properties Under Development	Total
Balance - beginning of period		\$8,743,808	\$1,820,461	\$10,564,269	\$8,575,713	\$1,753,499	\$10,329,212
Additions (deductions):							
Acquisitions, Earnouts and related adjustments of investment properties		—	21,555	21,555	—	2,435	2,435
Earnout Fees on properties subject to development management agreements	3(e)(ii)	—	—	—	1,666	—	1,666
Transfer to income properties from properties under development		35,316	(35,316)	—	64,318	(64,318)	—
Transfer from income properties to properties under development		(19,100)	19,100	—	(7,308)	7,308	—
Transfer from properties under development to equity accounted investments		—	—	—	—	(1,500)	(1,500)
Transfer to properties under development from equity accounted investments		—	—	—	—	47,440	47,440
Capital and development expenditures		4,603	17,078	21,681	36,435	55,684	92,119
Capitalized interest	9(d)	—	9,392	9,392	—	44,444	44,444
Dispositions	3(c)	—	(6,753)	(6,753)	—	(50,208)	(50,208)
Straight-line rents and tenant incentives ⁽¹⁾		362	—	362	7,213	—	7,213
Fair value adjustment on investment properties		16,445	(135,313)	(118,868)	65,771	25,677	91,448
Balance - end of period		\$8,781,434	\$1,710,204	\$10,491,638	\$8,743,808	\$1,820,461	\$10,564,269

(1) The amount is net of amortization of straight-line rents and tenant incentives in the amount of \$1,869 and \$1,741, respectively (year ended December 31, 2023 - \$7,475 and \$7,662, respectively).

Secured debt with a carrying value of \$785,865 (December 31, 2023 - \$807,602) is secured by investment properties with a fair value of \$2,413,836 (December 31, 2023 - \$2,478,013).

a) Valuation methods underlying management's estimation of fair value

i) Income properties

The Trust applies the discounted cash flow valuation method to estimate the value of income properties, which include: freehold properties, properties with leasehold interests with purchase options, and properties with leasehold interests without purchase options. The Trust applies this valuation method as it believes that the discounted cash flow valuation method represents the Trust's estimate of fair values of income properties based on expectations of changes in rental rates, occupancy rates, lease renewal rates, leasing costs, expected credit losses and downtime on lease expiries, among others.

ii) Properties under development

Properties under development are valued using two primary methods: i) discounted cash flow method, factoring in future cash inflows and outflows such as construction costs to complete development, leasing costs and other fees, and Earnout Fees, if any; or ii) land, development and construction costs are recorded at market value, factoring in development risks such as planning, zoning, timing and market conditions.

The following table summarizes significant assumptions in Level 3 valuations:

Valuation Method	March 31, 2024			
	Terminal Capitalization Rate		Discount Rate	
	Weighted Average	Range	Weighted Average	Range
<i>Income properties</i>				
Discounted cash flow	6.00 %	4.20% - 7.75%	6.53 %	4.60% - 8.25%
<i>Properties under development</i>				
Land, development and construction costs recorded at market value	N/A	N/A	N/A	N/A
Discounted cash flow	5.88 %	4.20% - 7.40%	6.51 %	4.60% - 7.90%
Valuation Method	December 31, 2023			
	Terminal Capitalization Rate		Discount Rate	
	Weighted Average	Range	Weighted Average	Range
<i>Income properties</i>				
Discounted cash flow	5.98 %	4.20% - 7.70%	6.51 %	4.60% - 8.20%
<i>Properties under development</i>				
Land, development and construction costs recorded at market value	N/A	N/A	N/A	N/A
Discounted cash flow	5.97 %	4.20% - 7.40%	6.57 %	4.60% - 7.90%

The following table summarizes the fair value sensitivity for the portion of the Trust's investment properties that are sensitive to changes in discount rates as at March 31, 2024:

Discount Rate Sensitivity	Income Properties			Properties Under Development		
	Weighted Average Overall Discount Rate	Estimated Fair Value of Investment Properties	Fair Value Variance	Weighted Average Overall Discount Rate	Estimated Fair Value of Investment Properties	Fair Value Variance
(1.00)%	5.53 %	\$10,568,907	\$1,787,500	5.51 %	\$177,240	\$29,500
(0.50)%	6.03 %	\$9,591,907	\$810,500	6.01 %	\$160,940	\$13,200
(0.25)%	6.28 %	\$9,168,007	\$386,600	6.26 %	\$153,840	\$6,100
—%	6.53 %	\$8,781,407	\$—	6.51 %	\$147,740	\$—
0.25%	6.78 %	\$8,426,407	\$(355,000)	6.76 %	\$141,640	\$(6,100)
0.50%	7.03 %	\$8,098,607	\$(682,800)	7.01 %	\$136,240	\$(11,500)
1.00%	7.53 %	\$7,515,907	\$(1,265,500)	7.51 %	\$126,640	\$(21,100)

b) Acquisitions

Acquisition of investment properties during the three months ended March 31, 2024

The following table summarizes the acquisition completed during the three months ended March 31, 2024:

Type	Area	Purchase Price	Satisfied through		Assumption of Debt and Other Adjustments	
			Cash	Debt		
Yonge Street, Toronto, Ontario	Property under development	10,650 sq. ft.	\$21,555	\$11,536	\$10,000	\$19

See also Note 4, "Equity accounted investments", for additional details on acquisitions reflected in equity accounted investments.

c) **Dispositions****Disposition of investment properties during the three months ended March 31, 2024**

The following table summarizes the disposition completed during the three months ended March 31, 2024:

Location	Date of Disposition	Type	Area	Ownership Interest	Disposition Proceeds
Bradford, Ontario	January	Land parcel	3.29 acres	100 %	\$6,786

d) **Leasehold property interests**

At March 31, 2024, 15 (December 31, 2023 - 16) investment properties with a fair value of \$950,444 (December 31, 2023 - \$976,751) are leasehold property interests accounted for as leases.

i) **Leasehold property interests without bargain purchase options**

The Trust previously prepaid its entire lease obligations for the 14 leasehold interests with Penguin (see also Note 19, "Related party transactions") in the amount of \$889,931 (December 31, 2023 - \$889,931), including prepaid land rent of \$229,846 (December 31, 2023 - \$229,846).

ii) **Leasehold property interest with bargain purchase option**

A leasehold interest commenced in 2003 under the terms of a 35-year lease with Penguin (see also Note 19, "Related party transactions"). The lease requires a \$10,000 payment at the end of the lease term in 2038 to exercise a purchase option, which is considered to be a bargain purchase option. The Trust prepaid its entire lease obligation for this property of \$57,997 (December 31, 2023 - \$57,997). As the Trust expects to exercise the purchase option in 2038, the purchase option price has been included in accounts payable in the amount of \$2,635 (December 31, 2023 - \$2,575), net of imputed interest at 9.18% of \$7,365 (December 31, 2023 - \$7,425) (see also Note 11, "Accounts and other payables").

In February 2024, the Trust exercised the purchase option in the amount of \$6,000 on a second leasehold interest which was previously purchased on February 11, 2015, and consequently acquired the ownership of the land.

e) **Properties under development**

The following table presents properties under development:

As at	March 31, 2024	December 31, 2023
Properties under development not subject to development management agreements i)	\$1,648,780	\$1,758,774
Properties under development subject to development management agreements ii)	61,424	61,687
	\$1,710,204	\$1,820,461

i) **Properties under development not subject to development management agreements**

During the three months ended March 31, 2024, the Trust completed the development and leasing of certain properties under development not subject to development management agreements, for which the fair value of the investment properties has been reclassified from properties under development to income properties.

For the three months ended March 31, 2024, the Trust incurred land and development costs of \$35,317 (three months ended March 31, 2023 - \$6,690).

ii) **Properties under development subject to development management agreements (Earnout agreements)**

These properties under development (including certain leasehold property interests) are subject to various development management agreements with Penguin and Walmart.

In certain events, the developer/vendor may sell a portion of undeveloped land to accommodate the construction plan that provides the best use of the property, reimbursing the Trust its costs related to such portion, and provides a profit based on a pre-negotiated formula. Pursuant to the development management agreements, the developers/vendors assume responsibility for managing the development of the land on behalf of the Trust and are granted the right for a period of up to 10 years to earn an Earnout Fee (subject to options and extensions in certain circumstances). On completion and rental of additional space on these properties, the Trust is obligated to pay the Earnout Fee and any additional development costs not previously incurred by the Trust, at a total price calculated by a formula using the net operating rents and predetermined negotiated capitalization rates, on the date rent becomes payable on the additional space ("Gross Cost"). The Earnout Fee is calculated as the Gross Cost less the associated land and development costs incurred by the Trust.

For certain of these properties under development, Penguin and others have been granted Earnout options that give them the right, at their option, to invest up to 40% of the Earnout Fee for one of the agreements and up to 30% to 40% of the Gross Cost for the remaining agreements in Trust Units, Class B, D and F Smart LP Units, Class B and D Smart LP III Units, Class B Smart LP IV Units, Class B and D Smart Oshawa South LP Units, Class B and D Smart Oshawa Taunton LP Units, Class B Smart Boxgrove LP Units and Class B ONR LP I Units at predetermined option strike prices subject to a maximum number of Units. On December 9, 2020, the Trust entered into an Omnibus Agreement with Mitchell Goldhar that provided a right to extend the terms of certain Earnout agreements for an additional two years. As a result, the Earnout agreements for Earnout options that were

originally set to expire between 2020 and 2025 may be extended up to 2027. See also Note 10, “Other financial liabilities”.

The following table summarizes the development costs incurred (exclusive of the cost of land previously acquired) and Earnout Fees paid to vendors relating to the completed retail spaces that have been reclassified to income properties:

	Three Months Ended March 31	
	2024	2023
Development costs incurred	\$—	\$2,476
Earnout Fees paid	—	753
	\$—	\$3,229

4. Equity accounted investments

The Trust has entered into a number of arrangements with other parties for the purpose of jointly developing, owning and operating investment properties. The following table summarizes the Trust’s ownership interest in each associate and joint venture investments grouped by their asset class:

As at	Partner(s)	March 31, 2024		December 31, 2023	
		Number of Investments	Ownership Interest	Number of Investments	Ownership Interest
Investments in Associates:⁽¹⁾					
Penguin-Calloway Vaughan Partnership (“PCVP”)	Penguin	1	50.0 %	1	50.0 %
Residences LP – Transit City	Penguin, CentreCourt	3	25.0 %	3	25.0 %
Residences (One & Two) LP	Penguin	2	50.0%-66.7%	2	50.0%-66.7%
Investments in Joint Ventures:					
Retail investment properties	Fieldgate	1	30.0 %	1	30.0 %
Self-storage facilities	SmartStop	17	50.0 %	16	50.0 %
Residential apartments	Jadco	1	50.0 %	1	50.0 %
Residential apartments	Greenwin	1	75.0 %	1	75.0 %
Residential apartments	Cogir	1	80.0 %	1	80.0 %
Retirement residences	Other	2	50.0 % ⁽²⁾	2	50.0 % ⁽²⁾

(1) The Trust’s investments in associates are partnered with Penguin. See also Note 19, “Related party transactions”.

(2) According to the limited partnership agreement entered into by the Trust and Groupe Sélection in April 2020, the ownership of a joint venture partnership was 50%. During the years ended December 31, 2022 and 2023, the Trust contributed \$24,412 and \$6,413 to this partnership, respectively, of which \$5,319 and \$6,413 were characterized as special contributions. During the three months ended March 31, 2024, the Trust received a net return of such special contributions of \$872 from the partnership. These special contributions have resulted in a corresponding increase to the Trust’s equity entitlements in respect of the partnership.

The following table summarizes key components relating to the Trust's equity accounted investments:

	Three Months Ended March 31, 2024			Year Ended December 31, 2023		
	Investment in Associates	Investment in Joint Ventures	Total	Investment in Associates	Investment in Joint Ventures	Total
Investment - beginning of period	\$466,089	\$290,830	\$756,919	\$458,772	\$222,227	\$680,999
Operating Activities:						
(Loss) earnings	(4,871)	841	(4,030)	15,545	59,625	75,170
Distributions - VMC Residences condo unit closings ⁽¹⁾	(37,886)	—	(37,886)	(653)	—	(653)
Distributions - operating activities	(1,487)	—	(1,487)	(3,505)	(2,666)	(6,171)
Financing Activities:						
Fair value adjustment on loan	708	—	708	2,875	—	2,875
Investing Activities:						
Cash contribution	1,421	9,706	11,127	11,062	46,643	57,705
Transfer from equity accounted investments to properties under development	—	—	—	—	(47,440)	(47,440)
Transfer from equity accounted investments to debt and other	—	—	—	—	11,267	11,267
Property contribution	—	—	—	—	1,500	1,500
Development distributions	(1,488)	—	(1,488)	(18,007)	(326)	(18,333)
Investment - end of period	\$422,486	\$301,377	\$723,863	\$466,089	\$290,830	\$756,919

(1) For the three months ended March 31, 2024, the distributions in the amount of \$37,886 were satisfied by a non-cash settlement of the VMC Residences loan payable (for the year ended December 31, 2023 - the distributions in the amount of \$653 were satisfied by a non-cash settlement of the VMC Residences loan payable) (see Note 9(b)(iv)).

a) Summary of balance sheets

The following table summarizes the balance sheets for investment in associates and joint ventures:

As at	March 31, 2024				December 31, 2023			
	Associates				Associates			
Equity accounted investments in:	PCVP	VMC Residences ⁽¹⁾	Joint Ventures	Total	PCVP	VMC Residences ⁽¹⁾	Joint Ventures	Total
Non-current assets	\$1,382,003	\$—	\$911,343	\$2,293,346	\$1,382,727	\$—	\$881,208	\$2,263,935
Current assets	15,167	171,397	20,789	207,353	15,240	291,222	12,643	319,105
Total assets	\$1,397,170	\$171,397	\$932,132	\$2,500,699	\$1,397,967	\$291,222	\$893,851	\$2,583,040
Non-current liabilities	\$498,238	\$—	\$219,583	\$717,821	\$497,314	\$—	\$218,482	\$715,796
Current liabilities ⁽²⁾	109,492	114,247	141,560	365,299	103,471	94,898	128,369	326,738
Total liabilities	\$607,730	\$114,247	\$361,143	\$1,083,120	\$600,785	\$94,898	\$346,851	\$1,042,534
Net assets	\$789,440	\$57,150	\$570,989	\$1,417,579	\$797,182	\$196,324	\$547,000	\$1,540,506
Trust's share of net assets before adjustments	394,720	26,338	301,377	722,435	400,894	64,037	290,830	755,761
Fair value adjustment on loan	800	628	—	1,428	841	317	—	1,158
Trust's share of net assets	\$395,520	\$26,966	\$301,377	\$723,863	\$401,735	\$64,354	\$290,830	\$756,919

(1) VMC Residences LP, Residences III LP, East Block Residences LP, Residences (One) LP, and Residences (Two) LP, collectively, referred to as "VMC Residences", all of which are involved in residential condo development.

(2) As at March 31, 2024, the balance includes loan payable to the Trust of \$52,281 in respect to its investments in associates (December 31, 2023 - \$51,482), see also Note 5(b).

The investments in associates listed above have entered into various development construction contracts with existing commitments totalling \$12,761 (December 31, 2023 - \$17,517).

The joint ventures listed above have entered into various development construction contracts with existing commitments totalling \$72,301 (December 31, 2023 - \$51,217).

With respect to the development credit facilities relating to PCVP, the obligations are joint and several to each of the PCVP limited partners; however, by virtue of an indemnity agreement between the PCVP limited partners, the obligations are effectively several. As of March 31, 2024, the investment in associates had development credit facilities with an outstanding balance of \$393,400 (December 31, 2023 - \$391,400), of which the Trust's share was \$196,700 (December 31, 2023 -

\$195,700). The development credit facilities bearing interest based on the CORRA rate plus 1.75% with maturity date of June 2027.

As of March 31, 2024, the joint ventures had development credit facilities with an outstanding balance of \$162,519 (December 31, 2023 - \$155,066), of which the Trust's share was \$97,158 (December 31, 2023 - \$92,844). The development credit facilities bearing interest based on the BA rate plus 1.35% to 2.45% or the CORRA rate plus 1.75% with maturity dates between May 2024 and August 2025.

b) Summary of earnings (loss)

The following table summarizes the earnings (loss) for investment in associates and joint ventures:

	Three Months Ended March 31, 2024				Three Months Ended March 31, 2023			
	Associates				Associates			
Net Income (loss) from equity accounted investments in:	PCVP	VMC Residences	Joint Ventures	Total	PCVP	VMC Residences	Joint Ventures	Total
Revenue								
Rental revenue ⁽¹⁾	\$11,838	\$—	\$10,118	\$21,956	\$8,800	\$—	\$7,028	\$15,828
Residential sales revenue	—	255	—	255	—	99,455	—	99,455
Operating expense								
Rental operating costs	(6,510)	—	(4,106)	(10,616)	(4,586)	—	(3,358)	(7,944)
Residential cost of sales	—	(548)	—	(548)	—	(80,427)	—	(80,427)
Revenue net of operating expense	\$5,328	\$(293)	\$6,012	\$11,047	\$4,214	\$19,028	\$3,670	\$26,912
Fair value adjustment on investment properties	(7,044)	—	1,352	(5,692)	9,783	—	3,240	13,023
Interest (expense) income	(7,578)	1,086	(4,057)	(10,549)	(2,271)	1,212	(3,478)	(4,537)
(Loss) Earnings	\$(9,294)	\$793	\$3,307	\$(5,194)	\$11,726	\$20,240	\$3,432	\$35,398
Trust's share of (loss) earnings before supplemental cost and additional profit sharing	(4,647)	470	1,016	(3,161)	5,863	5,250	1,055	12,168
Supplemental cost	(694)	—	(175)	(869)	(2,372)	—	(353)	(2,725)
Trust's share of (loss) earnings	\$(5,341)	\$470	\$841	\$(4,030)	\$3,491	\$5,250	\$702	\$9,443

(1) Includes office rental revenue from the Trust in the amount of \$715 for the three months ended March 31, 2024 (three months ended March 31, 2023 - \$701).

In accordance with the VMC Supplemental Development Fee Agreement, the Trust invoiced PCVP a net amount of \$1,388 related to associated development fees for the three months ended March 31, 2024 (three months ended March 31, 2023 - \$4,744).

In accordance with the Supplemental Development and Construction Fee Agreements, the Trust invoiced certain investments in joint ventures for a net amount of \$350 related to associated supplemental development fees for the three months ended March 31, 2024 (three months ended March 31, 2023 - \$705).

Acquisition completed during the three months ended March 31, 2024

The following table summarizes the acquisition completed in equity accounted investments:

Location	Type	Date	Segment	Area	Purchase Price ⁽¹⁾
Acquisitions					
Montreal (Notre Dame St. W), Quebec	Land parcel	January	Self-storage	1.93 acres	\$9,396

(1) The purchase price is shown at 100% ownership.

5. Mortgages, loans and notes receivable

The following table summarizes mortgages, loans and notes receivable:

As at	Note	March 31, 2024	December 31, 2023
Mortgages receivable (a)	19	\$17,851	\$17,548
Loans receivable (b)		200,921	189,837
Notes receivable (c)	19	2,924	2,924
		\$221,696	\$210,309
Current		134,209	129,777
Non-current		87,487	80,532
		\$221,696	\$210,309

- a) Mortgages receivable of \$17,851 (December 31, 2023 - \$17,548) are provided pursuant to agreements with Penguin, to fund costs associated with both the original acquisition and development of five properties (December 31, 2023 - six properties). The Trust is committed to lend up to \$135,265 (December 31, 2023 - \$150,763) to assist with the further development of these properties.

The following table provides further details on the mortgages receivable provided to Penguin:

Property	Committed	Maturity Date	Annualized Variable Interest Rate at Period End	The Trust's Purchase Option of Property ⁽¹⁾	March 31, 2024	December 31, 2023
Pitt Meadows, BC ⁽³⁾	\$68,153	August 2028	6.90 %	50.0 %	\$17,850	\$17,547
Toronto (StudioCentre), ON ⁽²⁾⁽³⁾	22,778	August 2028	6.90 %	25.0 %	1	1
Salmon Arm, BC ⁽²⁾	13,398	August 2028	6.50 %	— %	—	—
Aurora (South), ON	15,155	August 2028	6.75 %	50.0 %	—	—
Vaughan (7 & 427), ON	15,781	August 2028	6.75 %	50.0 %	—	—
	\$135,265		6.90 %		\$17,851	\$17,548

(1) The Trust has a purchase option from the borrower in these properties upon a certain level of development and leasing being achieved. As at March 31, 2024, it is management's expectation that the Trust will exercise these purchase options.

(2) The Trust owns a 50% interest in these properties, with the other 50% interest owned by Penguin. These loans are secured against Penguin's interest in the property.

(3) The weighted average interest rate on this mortgage is subject to an upper limit of 6.90%.

In February 2024, a committed mortgage receivable of \$15,498 with respect to a property located at Caledon (Mayfield), ON was discharged. The outstanding balance at the time of discharge was \$nil.

Interest on these mortgages accrues monthly at a variable rate based on the BA rate plus 4.00% to 5.00%. Additional interest of \$73,790 (December 31, 2023 - \$95,628) on the existing credit facilities may be accrued on certain of the mortgages receivable before cash interest must be paid.

The mortgage security includes a first or second charge on properties, assignments of rents and leases and general security agreements. In addition, the outstanding balance is guaranteed by Penguin. The loans are subject to individual loan guarantee agreements that provide additional guarantees for all interest and principal advanced on outstanding amounts. The amounts that are guaranteed decrease on achievement of certain specified value-enhancing events. Management considers all mortgages receivable to be fully collectible.

b) The following table presents loans receivable (by maturity date):

Issued to	Committed	Maturity Date	Interest Rate	Note	March 31, 2024	December 31, 2023
Penguin ⁽¹⁾	23,075	March 2024	6.21 %	19	\$13,198	\$13,071
Penguin ⁽²⁾	N/A	December 2029	Interest-free	9(b)(iv), 19	54,733	55,429
Penguin ⁽³⁾	1,069	August 2030	Variable	19	1	1
Penguin ⁽⁴⁾	12,493	—	Variable	19	8,027	7,891
Total loans issued to Penguin					\$75,959	\$76,392
PCVP ⁽⁵⁾	N/A	March 2024	6.21 %	19	52,281	51,482
Self-storage facilities ⁽⁶⁾	133,900	May 2024	Variable	19	60,703	57,333
Total loans issued to equity accounted investments					\$112,984	\$108,815
Vaughan NW Residence ⁽⁷⁾	34,250	November 2026	Variable		11,978	4,630
Greenwin ⁽⁸⁾	11,694	September 2024	Variable		—	—
Greenwin ⁽⁹⁾	1,280	January 2025	Variable		—	—
Total loans issued to unrelated parties					\$11,978	\$4,630
					\$200,921	\$189,837

(1) The loan security includes a first or second charge on the property, assignments of rents and leases and general security agreements, and is guaranteed by Penguin. In April 2024, the loan term was extended by two years with a variable interest rate.

(2) The loan has a principal amount outstanding of \$69,205, is non-interest-bearing, and is repayable at the end of 10 years. As at March 31, 2024, the loan balance of \$54,733 is net of a cumulative fair value adjustment totalling \$14,472.

(3) The loan bears interest at: i) the BA rate plus 220 basis points, up to 60% of the facility limit, and ii) the BA rate plus 370 basis points, for the remainder. The loan was repaid during the year ended December 31, 2023.

(4) Pursuant to a development management agreement with Penguin, repayment of the pro rata share of the outstanding loan amount is due upon the completion of each Earnout event. The loan bears interest at 10 basis points plus the lower of: i) the Canadian prime rate plus 20 basis points, and ii) the Canadian Dealer Offered Rate plus 120 basis points, and has a stated maturity date of January 31, 2023, such date having been automatically extended pursuant to the terms of the loan agreement until such time as the Earnouts associated with such property are completed.

(5) The loan security includes a first or second charge on properties, assignments of rents and leases and general security agreements, and is guaranteed by Penguin up to its 50% share of the loan. In April 2024, the loan term was extended by two years with a variable interest rate.

(6) The Trust entered into a master credit loan agreement with its partner SmartStop to provide funding for the development of certain self-storage facilities. The master credit loan agreement bears interest at a variable rate based on the BA rate plus 245 basis points.

(7) The Trust entered into a credit agreement with Fieldgate, a co-owned residential townhome development partner, to finance development and construction of the residential townhomes. The credit agreement bears interest at a variable rate based on the BA rate plus 245 basis points.

(8) The loan agreement in connection with the acquisition of a 50% interest in development lands in Barrie, Ontario, bears interest at the greater of: i) 7.0% per annum, and ii) the Trust's weighted average cost of capital plus 1.25% per annum.

(9) The loan agreement to fund the acquisition of Greenwin's 25% interest in development lands in Toronto, Ontario, includes security of a first charge on the development lands and is guaranteed by Greenwin, and bears interest at the greater of: i) 7.0% per annum, and ii) the Trust's weighted average cost of capital plus 1.25% per annum.

Management considers all outstanding loans to be fully collectible.

c) Notes receivable of \$2,924 (December 31, 2023 - \$2,924) have been granted to Penguin. As at March 31, 2024, these secured demand notes bear interest at the rate of 9.00% per annum (December 31, 2023 - 9.00%).

The estimated fair values of mortgages, loans and notes receivable are based on their respective current market rates, bearing similar terms and risks. This information is disclosed in Note 12, "Fair value measurement".

6. Other financial assets

The following table summarizes the components of other financial assets:

As at	March 31, 2024	December 31, 2023
Total return swap receivable (a)	\$119,295	\$127,820
Interest rate swap agreements	33,241	24,342
	\$152,536	\$152,162

a) Total return swap receivable

The following table summarizes the activities in the total return swap receivable:

	Three Months Ended March 31, 2024	Year Ended December 31, 2023
Balance - beginning of period	\$127,820	\$137,526
Distributions received	(2,375)	(9,501)
Fair value adjustments	(6,150)	(205)
Balance - end of period	\$119,295	\$127,820

7. Other assets

The following table summarizes the activity in other assets:

	December 31, 2023	Additions	Amortization and other adjustments	March 31, 2024
Equipment	\$3,757	\$13	\$(240)	\$3,530
Right-of-use assets	410	8,352	(485)	8,277
	\$4,167	\$8,365	\$(725)	\$11,807

8. Amounts receivable and other, prepaid expenses, deposits and deferred financing costs

The following table presents the components of amounts receivable and other, prepaid expenses, deposits and financing costs:

As at	March 31, 2024	December 31, 2023
Amounts receivable and other		
Tenant receivables	\$26,909	\$26,794
Unbilled other tenant receivables	16,307	9,526
Receivables from related party - excluding equity accounted investments	14,688	12,923
Receivables from related party - equity accounted investments	18,328	15,052
Other non-tenant receivables	2,499	2,410
Other ⁽¹⁾	17,136	15,888
	\$95,867	\$82,593
Allowance for expected credit loss ("ECL")	(8,764)	(8,983)
Amounts receivable and other, net of allowance for ECL	\$87,103	\$73,610
Prepaid expenses, deposits and deferred financing costs ⁽²⁾	\$21,121	\$15,048

(1) The amount includes a related party amount of \$9,380 (December 31, 2023 - \$8,724).

(2) Includes prepaid realty tax of \$9,561 (December 31, 2023 - \$1,263).

Allowance for ECL

The Trust records the ECL to comply with IFRS 9's simplified approach for amounts receivable where its allowance for ECL is measured at initial recognition and throughout the life of the amounts receivable at a total equal to lifetime ECL.

The following table summarizes the reconciliation of changes in the allowance for ECL on amounts receivable:

	Three Months Ended March 31	
	2024	2023
Balance - beginning of period	\$8,983	\$8,771
Net allowance	(219)	(293)
Balance - end of period	\$8,764	\$8,478

9. Debt

The following table presents debt balances:

As at	March 31, 2024	December 31, 2023
Secured debt (a)	\$785,865	\$807,602
Unsecured debt (b)	4,077,491	4,041,983
Revolving operating facilities (c)	179,850	149,937
	\$5,043,206	\$4,999,522
Current	834,233	605,478
Non-current	4,208,973	4,394,044
	\$5,043,206	\$4,999,522

a) Secured debt

As at March 31, 2024, the secured debt balance of \$785,865 (December 31, 2023 - \$807,602) bears fixed interest at a weighted average interest rate of 3.82% (December 31, 2023 - 3.98%). The secured debt, maturing between 2024 and 2034, is secured by first or second registered mortgages over specific income properties and properties under development and first general assignments of leases, insurance and registered chattel mortgages.

b) Unsecured debt

The following table summarizes the components of unsecured debt:

As at	March 31, 2024	December 31, 2023
Unsecured debentures i)	\$2,753,246	\$2,752,816
Credit facilities ii)	1,069,948	995,246
TRS debt iii)	143,232	143,232
Other unsecured debt iv)	111,065	150,689
	\$4,077,491	\$4,041,983

i) Unsecured debentures

As at March 31, 2024, unsecured debentures totalled \$2,753,246 (December 31, 2023 - \$2,752,816). Unsecured debentures mature at various dates between 2024 and 2030, with interest rates ranging from 1.74% to 5.35%, and a weighted average interest rate of 3.35% as at March 31, 2024 (December 31, 2023 - 3.35%).

Credit rating of unsecured debentures

Dominion Bond Rating Services ("DBRS") provides credit ratings of debt securities for commercial issuers that indicate the risk associated with a borrower's capabilities to fulfill its obligations. An investment-grade rating must exceed "BB", with the highest rating being "AAA". In December 2023, DBRS kept the Trust's credit rating at BBB and maintained a stable trend.

ii) Credit facilities

The following table summarizes the activity for unsecured credit facilities:

(Issued In)	Initial Maturity Date	Annual Interest Rate	Facility Amount	March 31, 2024	December 31, 2023
Non-revolving:					
August 2018 ⁽¹⁾	January 31, 2025	2.98 %	\$80,000	\$80,000	\$80,000
March 2019 ⁽¹⁾	July 31, 2026	3.52 %	150,000	150,000	150,000
May 2019 ⁽¹⁾	June 24, 2026	3.15 %	170,000	170,000	170,000
January 2022	January 19, 2027	CORRA + 1.75%	300,000	300,000	300,000
December 2022 ⁽¹⁾	December 1, 2025	4.37 %	100,000	100,000	100,000
December 2022 ⁽¹⁾	December 1, 2025	4.88 %	100,000	100,000	100,000
December 2022 ⁽²⁾	December 20, 2025	SOFR + 1.70%	150,000	149,775	98,653
Revolving:					
May 2020	May 11, 2024	BA + 1.45%	100,000	—	—
March 2024 ⁽³⁾	March 8, 2026	CORRA + 1.75%	40,000	23,667	—
				\$1,073,442	\$998,653
Less:					
Unamortized financing costs				(1,534)	(1,447)
Unamortized debt modification adjustments				(1,960)	(1,960)
				\$1,069,948	\$995,246

(1) The Trust entered into interest rate swap agreements to convert the variable interest rate into a weighted average fixed interest rate of 3.71% per annum. The weighted average term to maturity of the interest rate swaps is 2.21 years. Hedge accounting has not been applied to the interest rate swap agreements.

(2) The Trust entered into cross currency swaps to exchange the U.S. dollar borrowings into Canadian dollar borrowings.

(3) On March 8, 2024, the Trust amended its \$40,000 secured variable rate credit facility to an unsecured revolving facility and extended the maturity by two years to March 2026. As at March 31, 2024, the drawn amount was \$23,667 (December 31, 2023 - \$nil). In connection with the unsecured revolving facility, as at March 31, 2024, the Trust had a \$23,333 letter of credit facility.

iii) TRS debt

The Trust borrowed TRS debt concurrent with entering the TRS agreement in February 2021. As at March 31, 2024, TRS unsecured debt of \$143,232 (December 31, 2023 - \$143,232) carries variable interest of CDOR plus 145 basis points. The interest on this TRS debt includes floating amounts that are payable at each May, August, November and February commencing in May 2021 to the date the TRS agreement matures or is unwound.

iv) Other unsecured debt

Other unsecured debt net of fair value adjustments totalling \$111,065 (December 31, 2023 - \$150,689) pertains to loans received from equity accounted investments in connection with contribution agreements relating to joint ventures. The loans are non-interest-bearing with repayment terms based on the distributions that are to be paid pursuant to the limited partnership agreements. The balances of the loans are expected to be paid at the end of their respective terms.

The following table summarizes components of the Trust's other unsecured debt:

As at	March 31, 2024	December 31, 2023
PCVP (5.00% discount rate) ⁽¹⁾	\$56,332	\$57,112
PCVP (5.75% discount rate) ⁽²⁾	54,733	55,429
Stoney Creek Self Storage LP	—	262
VMC Residences ⁽³⁾	—	37,886
	\$111,065	\$150,689

(1) In connection with the 700 Applewood purchase in December 2019, the loan has a principal amount outstanding of \$69,205 (December 31, 2023 - \$70,692), is non-interest-bearing, and is repayable at the end of 10 years. As at March 31, 2024, the loan balance of \$56,332 is net of the unamortized fair value adjustment totalling \$12,873 (December 31, 2023 - the loan balance of \$57,112 is net of a fair value adjustment totalling \$13,580).

(2) In connection with the 700 Applewood purchase in March 2020, the Trust assumed a loan payable to PCVP from Penguin. The loan has a principal amount outstanding of \$69,205 (December 31, 2023 - \$70,692), is non-interest-bearing, and is repayable at the end of 10 years. As at March 31, 2024, the loan balance of \$54,733 is net of the unamortized fair value adjustment totalling \$14,472 (December 31, 2023 - the loan balance of \$55,429 is net of a fair value adjustment totalling \$15,263). See also Note 5(b) reflecting offsetting loan receivable amount.

(3) In connection with the Transit City closing, \$nil was received and \$37,886 was settled during the three months ended March 31, 2024 (year ended December 31, 2023 - \$37,886 was received and \$653 was settled). See Note 4, "Equity accounted investments."

c) Revolving operating facilities

As at March 31, 2024, the Trust had:

i) a \$500,000 unsecured revolving operating facility bearing a variable interest rate based on either bank prime rate plus 45 basis points or BA plus 145 basis points, which matures on March 15, 2028 (in addition, the Trust has an accordion feature of \$250,000 whereby the Trust has an option to increase its facility amount with the lenders to sustain future operations as required); and

ii) a \$100,000 revolving senior unsecured term facility under which the Trust has the ability to draw funds based on bank prime rates and BA rate for Canadian dollar-denominated borrowings, and SOFR rates or U.S. prime rates for U.S. dollar-denominated borrowings. Concurrently with the U.S. dollar draws, the Trust enters into cross currency swaps to exchange its U.S. dollar borrowings into Canadian dollar borrowings.

The following table summarizes components of the Trust's revolving operating facilities:

	Annual Interest Rate	Facility Amount	Amount Drawn	Outstanding Letters of Credit	Remaining Undrawn Facilities	
					March 31, 2024	December 31, 2023
Revolving facility maturing March 2028	BA + 1.45%	\$500,000	\$80,000	\$11,903	\$408,097	\$478,097
Revolving facility maturing December 2025 ⁽¹⁾	SOFR + 1.55%	100,000	99,850	—	—	10,063
			\$179,850	\$11,903	\$408,097	\$488,160

(1) The Trust has fully drawn the \$100,000 US dollar dominated facility, which was translated to \$99,850 as at March 31, 2024 (December 31, 2023 - drawn in US\$105,700 which was translated to \$139,937).

d) Interest expense

The following table summarizes interest expense:

	Three Months Ended March 31	
	2024	2023
Interest at stated rates	\$48,871	\$45,191
Amortization of acquisition date fair value adjustments on assumed debt	(42)	(89)
Amortization of deferred financing costs	959	913
Distributions on Units classified as liabilities and vested deferred units	4,596	4,439
	\$54,384	\$50,454
Capitalized to properties under development	(9,392)	(10,621)
Capitalized to residential development inventory	(436)	(326)
	\$44,556	\$39,507

The following table presents a reconciliation between the interest expense and the cash interest paid:

	Three Months Ended March 31	
	2024	2023
Interest expense	\$44,556	\$39,507
Amortization of acquisition date fair value adjustments on assumed debt	42	89
Amortization of deferred financing costs	(959)	(913)
Distributions on Units classified as liabilities and vested deferred units, net of amounts capitalized to properties under development	(4,596)	(2,003)
Change in accrued interest payable	(14,155)	(12,768)
Cash interest paid	\$24,888	\$23,912

For the three months ended March 31, 2024, total interest paid was \$34,716 (three months ended March 31, 2023 - \$34,859) which includes cash interest paid of \$24,888 (three months ended March 31, 2023 - \$23,912) and interest capitalized to both properties under development and residential development inventory of \$9,828 (three months ended March 31, 2023 - \$10,947).

e) Liquidity

The Trust's liquidity position is monitored by management on a regular basis. The table below provides the contractual maturities of the Trust's material financial obligations including debentures, mortgage receivable advances and development commitments:

	Total	2024	2025	2026	2027	2028	Thereafter
Secured debt	\$786,775	\$143,928	\$432,595	\$109,452	\$6,878	\$22,548	\$71,374
Unsecured debt	3,990,158	118,307	939,775	593,667	850,000	600,000	888,409
Revolving operating facilities	179,850	80,000	99,850	—	—	—	—
Interest obligations ⁽¹⁾	459,338	111,206	109,269	83,648	67,496	44,440	43,279
Accounts payable	264,341	264,341	—	—	—	—	—
Other payable	37,290	1,594	11,088	10,928	1,840	1,840	10,000
	\$5,717,752	\$719,376	\$1,592,577	\$797,695	\$926,214	\$668,828	\$1,013,062
Mortgage receivable advances (repayments) ⁽²⁾	117,414	—	—	(11,184)	(723)	129,321	—
Development obligations (commitments)	55,773	55,773	—	—	—	—	—
Total	\$5,890,939	\$775,149	\$1,592,577	\$786,511	\$925,491	\$798,149	\$1,013,062

(1) Interest obligations represent expected interest payments on secured debt, unsecured debt, and revolving operating facilities under the assumption that the balances are repaid at maturity, and do not represent a separate contractual obligation.

(2) Mortgages receivable of \$17,851 at March 31, 2024, and further forecasted commitments of \$117,414, mature over a period extending to 2028 if the Trust does not exercise its option to acquire the investment properties. Refer to Note 5, "Mortgages, loans and notes receivable", for timing of principal repayments.

10. Other financial liabilities

The following table summarizes the components of other financial liabilities:

As at	March 31, 2024	December 31, 2023
Units classified as liabilities (a)	\$183,461	\$196,571
Deferred unit plan (c)	55,699	53,650
Equity incentive plan ("EIP") (d)	23,768	22,327
Currency swap agreement ⁽¹⁾	287	2,835
	\$263,215	\$275,383
Current ⁽²⁾	249,178	258,069
Non-current	14,037	17,314
	\$263,215	\$275,383

(1) The currency swap agreements have been recorded in the credit facilities and revolving operating facilities balances as reflected in Note 9(b)(ii) and Note 9(c).

(2) Includes units classified as liabilities of \$183,461 (December 31, 2023 - \$196,571), vested deferred units of \$51,776 (December 31, 2023 - \$47,791), and earned EIP units expected to vest within 12 months of \$13,941 (December 31, 2023 - \$13,707) as a result of the amendments to IAS 1 adopted by the Trust.

a) Units classified as liabilities

The following table represents the number and carrying value of Units classified as liabilities that are issued and outstanding. The fair value measurement of the Units classified as liabilities is described in Note 12, "Fair value measurement".

	Number of Units Issued and Outstanding	Carrying Value
Balance - January 1, 2024	7,897,571	\$196,571
Change in carrying value	N/A	(13,110)
Balance - March 31, 2024	7,897,571	\$183,461
Balance - January 1, 2023	7,897,571	\$211,497
Change in carrying value	N/A	(1,659)
Balance - March 31, 2023	7,897,571	\$209,838

b) Earnout options

As part of the consideration paid for certain investment property acquisitions, the Trust has granted options in connection with the development management agreements (see also Note 3(e)).

The following table summarizes the number of Earnout options exercised and proceeds received during the three months ended March 31, 2024 and 2023:

Options	Strike Price	Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
		Options Exercised	Amounts from Options Exercised	Options Exercised	Amounts from Options Exercised
Options to acquire Class B Smart LP III Units ⁽¹⁾	Market price	—	\$ —	48,172	\$1,182
		—	\$ —	48,172	\$1,182

(1) Each option is represented by a corresponding Class C Smart LP III Unit.

c) Deferred unit plan

The following table summarizes the number of outstanding deferred units:

	Three Months Ended March 31, 2024	Year Ended December 31, 2023
Balance - beginning of period	2,234,187	1,888,509
Granted	342,159	269,199
Reinvested units from distributions	47,025	163,752
Redeemed for cash	(5,689)	(75,973)
Forfeited	—	(11,300)
Balance - end of period	2,617,682	2,234,187

As at March 31, 2024, total outstanding deferred units included 2,228,855 vested units (December 31, 2023 - 1,920,086).

The following table summarizes the change in the carrying value of the deferred unit plan:

	Three Months Ended March 31	
	2024	2023
Carrying value - beginning of period	\$53,650	\$48,402
Deferred units granted	4,211	3,605
Reinvested distributions on vested deferred units	945	788
Compensation expense - reinvested distributions and amortization	894	826
Redeemed for cash	(134)	(217)
Fair value adjustment	(3,867)	(454)
Carrying value - end of period	\$55,699	\$52,950

d) EIP

The Trust granted performance units in connection with the EIP, subject to the achievement of Unit price thresholds. The performance period for the EIP is specified in the participants' award notices. Distributions on performance units will accumulate on the performance units that have been granted. Performance units, including distributions on performance units, vest for the lesser of three years after they are earned or on the end of the applicable Performance Period. Upon vesting, performance units will be exchanged for Trust Units or paid out in cash at the option of the holders.

The following summarizes the outstanding number of performance units associated with the EIP:

	Three Months Ended March 31, 2024	Year Ended December 31, 2023
Balance - beginning of period ^{(1) (2)}	1,562,207	1,370,540
Granted	—	134,000
Reinvested units from distributions	30,036	109,238
Forfeited	—	(51,571)
Balance - end of period	1,592,243	1,562,207

(1) The beginning balance of 2024 and 2023 includes performance units that were granted to Mitchell Goldhar and eligible associates, as well as performance units that were reinvested from distributions, and certain performance units that were forfeited.

(2) Under the EIP granted to Mitchell Goldhar in 2021 totalling 900,000 Units, the \$26.00 Unit price threshold was achieved on April 5, 2021, and the \$28.00 Unit price threshold was achieved on May 18, 2021, and under the EIP granted to Mitchell Goldhar and other eligible associates in 2021, the \$30.00 Unit price threshold was achieved on September 22, 2021, and the \$32.00 Unit price threshold was achieved on April 5, 2022. The performance units for these Unit price thresholds will vest on April 5, 2024, May 18, 2024, September 22, 2024 and April 5, 2025, respectively.

The following table summarizes the change in the carrying value of the EIP:

Carrying Value	Three Months Ended March 31	
	2024	2023
Balance - beginning of period	\$22,327	\$16,204
Amortization costs	2,080	2,040
Fair value adjustment	(639)	115
Balance - end of period	\$23,768	\$18,359

11. Accounts and other payables

The following table presents accounts payable and the current portion of other payables that are classified as current liabilities:

As at	March 31, 2024	December 31, 2023
Accounts payable ⁽¹⁾	\$90,366	\$95,357
Tenant prepaid rent, deposits, and other payables	83,215	92,942
Residential sales deposits	11,705	11,853
Accrued interest payable	28,847	14,692
Distributions payable	26,577	26,577
Realty taxes payable	14,533	2,718
Current portion of other payables	10,922	9,347
	\$266,165	\$253,486

(1) Includes accounts payable to Penguin in the amount of \$1,729 as at March 31, 2024 (December 31, 2023 - 3,723). See also Note 19, "Related party transactions".

The following table presents other payables that are classified as non-current liabilities:

As at	March 31, 2024	December 31, 2023
Future land development obligations with Penguin	\$18,186	\$18,075
Lease liability - investment properties ⁽¹⁾	2,635	8,575
Lease liability - other	8,329	424
Total other payables	\$29,150	\$27,074
Less: Current portion of other payables	(10,922)	(9,347)
Total non-current portion of other payables	\$18,228	\$17,727

(1) A leasehold property with bargain purchase option is accounted for as lease.

Future land development obligations

The future land development obligations represent payments required to be made to Penguin (see also Note 19, "Related party transactions") for certain undeveloped lands acquired from 2006 to 2015, either on completion and rental of additional space on the undeveloped lands or, if no additional space is completed on the undeveloped lands, at the expiry of the development management agreement periods ending in 2024 to 2025, which may be extended up to 2027. The accrued future land development obligations are measured at their amortized values using imputed interest rates ranging from 4.50% to 5.50%. For the three months ended March 31, 2024, imputed interest of \$113 (three months ended March 31, 2023 - \$109) was capitalized to properties under development.

12. Fair value measurement

The fair value of financial instruments is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's-length transaction based on the current market for assets and liabilities with the same risks, principal and remaining maturity.

Assets and liabilities carried at amortized cost

The fair values of the Trust's accounts receivable and other, cash and cash equivalents and accounts and other payables approximate their carrying amounts due to the relatively short periods to maturity of these financial instruments.

The fair values of certain mortgage receivables, secured debt and unsecured debt have been determined by discounting the cash flows of these financial obligations using market rates of debt of similar terms and credit risks.

Fair value of assets and liabilities

Assets and liabilities measured at fair value in the unaudited interim condensed consolidated balance sheets, or disclosed in the notes to the financial statements, are categorized using fair value hierarchy that reflects the significance of the inputs used in determining the fair values 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).

March 31, 2024	Carrying value	Fair Value		
		Level 1	Level 2	Level 3
Assets measured at fair value:				
Investment properties	\$10,491,638	\$—	\$—	\$10,491,638
Other financial assets	152,536	—	152,536	—
Assets measured at amortized cost:				
Mortgages, loans and notes receivable	\$221,696	\$—	\$219,734	\$—
Liabilities measured at fair value:				
Units classified as liabilities	\$183,461	\$—	\$183,461	\$—
Deferred unit plan	55,699	—	55,699	—
EIP	23,768	—	23,768	—
Currency swap agreement	287	—	287	—
Financial liabilities measured at amortized cost:				
Secured debt	\$785,865	\$—	\$778,969	\$—
Unsecured debt	4,077,491	—	3,912,452	—
Revolving operating facilities	179,850	—	179,850	—

13. Unit equity

The following table presents the number of Units issued and outstanding and the related carrying value of Unit equity. The Limited Partnership Units are classified as non-controlling interests in the unaudited interim condensed consolidated balance sheets and the unaudited interim condensed consolidated statements of equity.

	Number of Units Issued and Outstanding			Carrying Value			
	Note	Trust Units	Smart LP Units	Total Units	Trust Units	Smart LP Units	Total
Balance - January 1, 2024		144,625,322	25,665,255	170,290,577	\$3,090,118	\$644,694	\$3,734,812
Balance - March 31, 2024		144,625,322	25,665,255	170,290,577	\$3,090,118	\$644,694	\$3,734,812
Balance - January 1, 2023		144,625,322	25,610,960	170,236,282	\$3,090,118	\$643,223	\$3,733,341
Options exercised	3(e), 10(b)	—	42,972	42,972	—	1,182	1,182
Balance - March 31, 2023		144,625,322	25,653,932	170,279,254	\$3,090,118	\$644,405	\$3,734,523

The following table presents the number and carrying values of LP Class B Units issued and outstanding:

LP Class B Unit Type	Number of Units Issued and Outstanding			Carrying Value		
	Balance - January 1, 2024	Options Exercised (Note 10(b))	Balance - March 31, 2024	Balance - January 1, 2024	Value From Options Exercised (Note 10(b))	Balance - March 31, 2024
Smart Limited Partnership	16,424,430	—	16,424,430	\$392,327	\$—	\$392,327
Smart Limited Partnership II	756,525	—	756,525	17,680	—	17,680
Smart Limited Partnership III	4,117,096	—	4,117,096	110,275	—	110,275
Smart Limited Partnership IV	3,112,565	—	3,112,565	89,429	—	89,429
Smart Oshawa South Limited Partnership	710,416	—	710,416	20,441	—	20,441
Smart Oshawa Taunton Limited Partnership	374,223	—	374,223	11,033	—	11,033
Smart Boxgrove Limited Partnership	170,000	—	170,000	3,509	—	3,509
	25,665,255	—	25,665,255	\$644,694	\$—	\$644,694

LP Class B Unit Type	Number of Units Issued and Outstanding			Carrying Value		
	Balance - January 1, 2023	Options Exercised (Note 10(b))	Balance - March 31, 2023	Balance - January 1, 2023	Value From Options Exercised (Note 10(b))	Balance - March 31, 2023
Smart Limited Partnership	16,424,430	—	16,424,430	\$392,327	\$—	\$392,327
Smart Limited Partnership II	756,525	—	756,525	17,680	—	17,680
Smart Limited Partnership III	4,062,801	42,972	4,105,773	108,804	1,182	109,986
Smart Limited Partnership IV	3,112,565	—	3,112,565	89,429	—	89,429
Smart Oshawa South Limited Partnership	710,416	—	710,416	20,441	—	20,441
Smart Oshawa Taunton Limited Partnership	374,223	—	374,223	11,033	—	11,033
Smart Boxgrove Limited Partnership	170,000	—	170,000	3,509	—	3,509
	25,610,960	42,972	25,653,932	\$643,223	\$1,182	\$644,405

Authorized Units*Trust Units (authorized - unlimited)*

Each voting Trust Unit represents an equal undivided interest in the Trust. All Trust Units outstanding from time to time are entitled to participate pro rata in any distributions by the Trust and, in the event of termination or windup of the Trust, in the net assets of the Trust. All Trust Units rank among themselves equally and rateably without discrimination, preference or priority. Unitholders are entitled to require the Trust to redeem all or any part of their Trust Units at prices determined and payable in accordance with the conditions provided for in the Declaration of Trust. A maximum amount of \$50 may be redeemed in total in any one month unless otherwise waived by the Board of Trustees.

In accordance with the Declaration of Trust, distributions to Unitholders are declared at the discretion of the Trustees. The Trust endeavours to declare distributions in each taxation year in such an amount as is necessary to ensure that the Trust will not be subject to tax on its net income and net capital gains under Part I of the *Income Tax Act*.

The Trust is authorized to issue an unlimited number of Special Voting Units that will be used to provide voting rights to holders of securities exchangeable, including all series of Class B Smart LP Units, Class D Smart LP Units, Class B Smart LP II Units, Class B Smart LP III Units, Class B Smart LP IV Units, Class B Smart Oshawa South LP Units, Class D Smart Oshawa South LP Units, Class B Smart Oshawa Taunton Units, Class D Oshawa Taunton Units, Class B Smart Boxgrove LP Units, Class B ONR LP Units and Class B ONR LP I Units, into Trust Units. Special Voting Units are not entitled to any interest or share in the distributions or net assets of the Trust. Each Special Voting Unit entitles the holder to the number of votes at any meeting of Unitholders of the Trust that is equal to the number of Trust Units into which the exchangeable security is exchangeable or convertible. Special Voting Units are cancelled on the issuance of Trust Units on exercise, conversion or cancellation of the corresponding exchangeable securities.

As at March 31, 2024, there were 33,554,118 (December 31, 2023 - 33,554,118) Special Voting Units outstanding, which are associated with those LP Units that have voting rights. There is no value assigned to the Special Voting Units. These Special Voting Units are not entitled to any interest or share in the distributions or net assets of the Trust; nor are they convertible into any Trust securities.

Pursuant to the Voting Top-Up Right agreement made in December 2020 between the Trust and Penguin, which was approved by Unitholders, the following amendments were made: i) extension of the Voting Top-Up Right for five years, ending December 31, 2025, ii) extension of the designation of Units as Variable Voting Units until December 31, 2025, and iii) an increase to the alternative ownership threshold from 20,000,000 Units to 22,800,000 Units, including exchangeable LP Units. The total number of Special Voting Units is adjusted for each annual meeting of the Unitholders based on changes in Penguin's ownership interest (see also Note 19, "Related party transactions").

14. Unit distributions

Pursuant to the Declaration of Trust, the Trust endeavours to distribute annually such amount as is necessary to ensure the Trust will not be subject to tax on its net income under Part I of the *Income Tax Act*. The following table presents Unit distributions declared:

Unit Type Subject to Distributions	Three Months Ended March 31	
	2024	2023
Trust Units	\$66,891	\$66,889
Limited Partnership Units	11,870	11,865
Distributions on Units classified as equity	\$78,761	\$78,754
Distributions on Units classified as liabilities	3,651	3,651
Total Unit distributions	\$82,412	\$82,405

On April 17, 2024, the Trust declared a distribution for the month of April 2024 of \$0.15417 per Unit, representing \$1.85 per Unit on an annualized basis, to Unitholders of record on April 30, 2024.

15. Rentals from investment properties and other

The following table presents rentals from investment properties and other:

	Three Months Ended March 31	
	2024	2023
Gross base rent	\$136,193	\$130,831
Less: Amortization of tenant incentives	(1,809)	(2,024)
Net base rent	134,384	128,807
Property tax and insurance recoveries	45,882	44,541
Property operating cost recoveries	29,364	29,535
	75,246	74,076
Miscellaneous revenue	2,795	3,141
Rentals from investment properties	\$212,425	\$206,024
Residential closing revenue	1,602	—
Service and other revenues	3,212	4,570
Rentals from investment properties and other	\$217,239	\$210,594

16. Property operating costs and other

The following table summarizes property operating costs and other:

	Three Months Ended March 31	
	2024	2023
Recoverable property operating costs ⁽¹⁾	\$78,759	\$77,438
Property management fees and costs	1,408	1,110
Expected credit loss	9	559
Non-recoverable costs	1,683	1,753
Property operating costs	\$81,859	\$80,860
Residential cost of sales and marketing costs	1,358	650
Other expenses relating to service and other revenues ⁽²⁾	3,294	4,263
Other expenses	4,652	4,913
Property operating costs and other	\$86,511	\$85,773

(1) Includes recoverable property tax and insurance costs.

(2) Related to service and other revenues as disclosed in Note 15, "Rentals from investment properties and other".

17. General and administrative expense

The following table summarizes general and administrative expense:

	Three Months Ended March 31	
	2024	2023
Salaries and benefits	\$6,199	\$4,753
Professional fees	1,355	1,899
Public company costs	364	382
Amortization of intangible assets	333	333
Other costs including office rent, information technology, marketing, communications, and other employee expenses	351	1,387
General and administrative expense	\$8,602	\$8,754

18. Supplemental cash flow information

The following table presents items not affecting cash and other items relating to the Trust's operating activities:

	Three Months Ended March 31	
	2024	2023
Fair value adjustments	\$98,502	\$(22,008)
Loss (gain) on sale of investment properties	142	(22)
Loss (earnings) from equity accounted investments	4,030	(9,443)
Interest expense	44,556	39,507
Other financing costs	(442)	(377)
Interest income	(3,929)	(4,828)
Amortization of other assets and intangible assets	2,093	2,942
Lease obligation interest	60	578
Deferred unit compensation expense, net of redemptions	760	608
LTIP and EIP amortization, net of payment	702	113
	\$146,474	\$7,070

The following table presents changes in other non-cash operating items:

	Three Months Ended March 31	
	2024	2023
Amounts receivable and other	\$(13,493)	\$(2,924)
Prepaid expenses, deposits and deferred financing costs	(6,073)	(10,891)
Accounts payable	(4,991)	(8,145)
Realty taxes payable	11,815	9,248
Tenant prepaid rent, deposits and other payables, and residential sales deposits	(9,875)	(12,482)
Other working capital changes	(8,713)	10,606
	\$(31,330)	\$(14,588)

The following table presents the Trust's non-cash investing and financing balances:

Non-cash investing and financing balances	Three Months Ended March 31	
	2024	2023
Total return swap receivable	\$119,295	\$136,448
Units issued on acquisition	—	1,182
Liabilities assumed on acquisition, net of other assets	—	2,411
Distributions payable at year end	26,577	26,575
Total return swap debt	143,232	143,232

19. Related party transactions

Transactions with related parties are conducted in the normal course of operations.

Transactions and Agreements with Penguin**a) Penguin's Ownership Interest and Voting Right**

The Trust's largest Unitholder is Penguin, which as at March 31, 2024, held approximately 21.1% of the issued and outstanding Units (December 31, 2023 – 21.0%) of the Trust. The following table presents Units owned by Penguin:

Type	Class	Units owned by Penguin	
		March 31, 2024	December 31, 2023
Trust Units	N/A	15,629,363	15,442,763
Smart Limited Partnership	Class B	13,584,561	13,584,561
Smart Limited Partnership	Class F	8,708	8,708
Smart Limited Partnership III	Class B	4,117,096	4,117,096
Smart Limited Partnership IV	Class B	2,873,132	2,873,132
Smart Oshawa South Limited Partnership	Class B	630,880	630,880
Smart Oshawa Taunton Limited Partnership	Class B	374,223	374,223
Smart Boxgrove Limited Partnership	Class B	170,000	170,000
ONR Limited Partnership I	Class B	272,183	272,183
Units owned by Penguin		37,660,146	37,473,546

Pursuant to the Declaration of Trust, provided certain ownership thresholds are met, the Trust is required to issue or cancel such number of additional Special Voting Units to Penguin that will entitle Penguin to cast 25.0% of the aggregate votes eligible to be cast at a meeting of the Unitholders and Special Voting Unitholders ("Voting Top-Up Right"). As at March 31, 2024, there were 9,729,886 additional Special Voting Units outstanding (December 31, 2023 – 9,729,886). These Special Voting Units are not entitled to any interest or share in the distributions or net assets of the Trust, nor are they convertible into any Trust securities. There is no value assigned to the Special Voting Units. A five-year extension of the Voting Top-Up Right was approved by Unitholders at the Trust's annual general and special meeting held on December 9, 2020. For further details, see the Trust's management information circular dated November 6, 2020, filed on the System for Electronic Document Analysis and Retrieval+ ("SEDAR+").

Pursuant to its rights under the Declaration of Trust, at March 31, 2024, Penguin has appointed two Trustees out of eight.

The other non-controlling interest, which is included in equity, represents a 5.0% equity interest by Penguin in five consolidated investment properties.

b) Distributions declared to Penguin

During the three months ended March 31, 2024, distributions declared to Penguin totalled \$17,380 (year ended December 31, 2023 – \$68,898).

c) Properties under development subject to development management agreements ("Earnout Agreements")

Properties under development in the amount of \$61,424 (December 31, 2023 – \$61,687) are subject to various development management agreements with Penguin and Walmart. See Note 3(e).

The following table presents those Units which Penguin has Earnout options to acquire, upon completion of Earnout events:

Type	Class	March 31, 2024	December 31, 2023
Trust Units	N/A	1,286,833	1,286,833
Smart Limited Partnership	Class B	5,031,072	5,031,072
Smart Limited Partnership III	Class B	1,629,959	1,629,959
Smart Limited Partnership IV	Class B	353,135	353,135
Smart Oshawa South Limited Partnership	Class B	18,983	18,983
Smart Oshawa Taunton Limited Partnership	Class B	132,711	132,711
Smart Boxgrove Limited Partnership	Class B	267,179	267,179
ONR Limited Partnership I	Class B	429,599	429,599
		9,149,471	9,149,471

At March 31, 2024, Penguin's ownership would increase to 24.9% (December 31, 2023 – 24.8%) if Penguin were to exercise all remaining Earnout options pursuant to the Omnibus Agreement between the Trust and Penguin.

Omnibus Agreement between the Trust and Penguin

The Trust and Penguin amended the development management agreements in November 2020. Effective December 9, 2020, pursuant to an omnibus agreement between the Trust and Penguin (the "Omnibus Agreement"), Penguin has the option to extend all Earnouts by two years from the previous expiry date, and the Trust has been given a right of first offer in connection with the sale of the economic and financial benefits and rights of any such development parcel during any extended period. In addition, this agreement provides for the payment of certain outstanding amounts between the parties.

d) Leasehold property interest

At March 31, 2024, the Trust had lease obligations for the 14 leasehold interests without bargain purchase options and one leasehold interest with bargain purchase option with Penguin. See Note 3(d).

e) Loans receivable issued

Four loans receivable were issued to Penguin, either pursuant to development management agreement or in connection with acquisitions of land parcels. See Note 5(b).

f) Future land development obligations

The future land development obligations represent payments required to be made to Penguin for certain undeveloped lands acquired. See Note 11, "Accounts and other payables".

g) Other agreements with Penguin

The Trust entered into various agreements with Penguin in November 2020 coincident with the extension of the term of the Voting Top-Up Right. For further details, see the Trust's management information circular dated November 6, 2020, filed on SEDAR+ and below.

Supplement to Development Services Agreement between the Trust and its Affiliates and Penguin ("Development and Services Agreement")

The following represent the key elements of this agreement which is effective from July 1, 2020 until December 31, 2025:

- i) Penguin shall be reimbursed for 50% of disposition fees otherwise payable pursuant to the Development and Services Agreement related to Penguin's interest in properties sold by the Trust,
- ii) for future SmartVMC commercial phases and certain properties currently owned by Penguin (for which the Trust has historically assisted with development and planning requirements), all development fees are payable to Penguin and all other fees (management, leasing, etc.) are payable to the Trust,
- iii) when Penguin utilizes employees of the Trust to assist with its development projects, Penguin will pay for these services provided by employees of the Trust based on annual estimates of time billings related to these projects, charged at estimated total cost, including compensation,
- iv) for Penguin's 50% interest in a property in Toronto co-owned with Revera to develop a retirement home, Penguin will pay 50% of the development fees it earns to the Trust for the development services provided by the Trust, and
- v) the Trust will continue to manage and develop all other Penguin properties.

Support services are provided for a fee based on an allocation of the Trust's relevant costs of the support services to Penguin. Such relevant costs include: office administration, human resources, information technology, insurance, legal and marketing.

Penguin Services Agreement

The amended and restated services agreement entered into on November 5, 2020 (the "Penguin Services Agreement"), and effective from February 2018 reflects the additional services provided by Penguin since that time. Under the agreement, Penguin provides specified services to the Trust in connection with the development of its projects. In return for those services, Penguin is entitled to receive: i) a fixed quarterly fee of \$1,000 (subject to inflation-related increments after 2018) and ii) an annual variable fee between \$1,500 and \$3,500 (also inflation-adjusted after 2018) that is based on the achievement of the Trust-level targets for "New Development Initiatives" and "New Projects" that the Trust uses to measure the performance of its executive officers and other annual targets (other than such Trust-level targets) of a similar nature that the Trust uses to measure the performance of its executive officers as determined by the Board of Trustees from time to time.

Mezzanine Loan Amending Agreements between the Trust and its Affiliates and Penguin ("Mezzanine Loan Agreements")

Effective November 5, 2020, all loan maturity dates have been extended to August 31, 2028, with a new rate structure for the extension period of each mortgage receivable (see also Note 5, "Mortgages, loans and notes receivable"). The Trust's purchase option periods have been extended and because these properties may now be subject to mixed-use development projects, the agreements provide that the parties establish a new framework for the purchase options for the Trust related to mixed-use development.

Non-Competition Agreement

Effective November 2020, a non-competition agreement with Penguin replaced and superseded the previous non-competition agreement extending the term by five years and broadening restricted competing initiatives to include various forms of mixed-use development.

Executive Employment Agreement

This agreement confirms Mr. Goldhar's position as Executive Chairman of the Trust for the period from February 14, 2018 to December 31, 2025, for which Mr. Goldhar receives a salary, bonus, customary benefits, and is eligible to participate in the Trust's Deferred Unit Plan and the Equity Incentive Plan.

In January 2021, the Trust granted 900,000 performance units to Mitchell Goldhar pursuant to the EIP adopted by Unitholders effective December 9, 2020. See also Note 10, "Other financial liabilities".

h) Summary of transactions and balances with Penguin

The following tables summarize related party transactions and balances with Penguin:

	Three Months Ended March 31	
	2024	2023
Related party transactions with Penguin		
Acquisitions and Earnouts:		
Earnouts	\$—	\$5,664
Revenues:		
Service and other revenues:		
Management fee and other services revenue pursuant to the Development and Services Agreement	1,912	3,628
Support services	348	298
	\$2,260	\$3,926
Interest income from mortgages and loans receivable	708	1,323
Rents and operating cost recoveries included in rentals from income properties (includes rental income from Penguin Pick-Up of \$93 (three months ended March 31, 2023 - \$190))	619	771
	\$3,587	\$6,020
Expenses and other payments:		
Fees paid pursuant to the Penguin Services Agreement - capitalized to properties under development	1,706	1,341
EIP - capitalized to properties under development	1,378	1,347
Development fees and interest expense - capitalized to investment properties	74	41
Opportunity fees pursuant to the development management agreements - capitalized to properties under development ⁽¹⁾	15	15
Marketing and other costs - included in general and administrative expense and property operating costs	12	19
Disposition fees pursuant to the Development and Services Agreement - included in general and administrative expense	—	418
	\$3,185	\$3,181

(1) These amounts include prepaid land costs that will offset the purchase price of future Earnouts.

As at	Note	March 31, 2024	December 31, 2023
Related party balances with Penguin disclosed elsewhere in the financial statements			
Receivables:			
Amounts receivable and other ⁽¹⁾	8	\$24,068	\$21,647
Mortgages receivable	5(a)	17,851	17,548
Loans receivable	5(b)	75,959	76,392
Notes receivable	5(c)	2,924	2,924
Total receivables		\$120,802	\$118,511
Payables and other accruals:			
Accounts payable and accrued liabilities		1,729	3,723
Future land development obligations	11	18,186	18,075
Total payables and other accruals		\$19,915	\$21,798

(1) Excludes amounts receivable presented below as part of balances with equity accounted investments. This amount includes amounts receivable of \$14,688 and other of \$9,380 (December 31, 2023 - amounts receivable of \$12,923 and other of \$8,724).

Transactions and Agreements with the Trust's equity accounted investments**a) Supplemental Development Fee Agreements**

In accordance with the Supplemental Development Fee Agreements, the Trust invoiced PCVP and certain joint ventures a net amount related to associated development fees. See Note 4, "Equity accounted investments".

b) Loans receivable issued

A loan receivable was provided to PCVP pursuant to a loan agreement. Loans receivable were issued to certain joint ventures partnered with SmartStop pursuant to a master credit loan agreement. See Note 5(b).

c) Other unsecured debt

Other unsecured debt pertains to loans received from equity accounted investments in connection with either the 700 Applewood purchase or contribution agreements relating to joint ventures. See Note 9(b)(iv).

d) Summary of transactions and balances with the Trust's equity accounted investments

The following table summarizes related party transactions with the Trust's equity accounted investments:

	Three Months Ended March 31	
	2024	2023
Related party transactions with the Trust's equity accounted investments		
Revenues:		
Supplemental Development Fee	\$1,738	\$5,449
Interest income from mortgages and loans receivable	1,955	2,637
Expenses and other payments:		
Rent and operating costs (included in general and administrative expense and property operating costs)	715	701

The following table summarizes the related party balances with the Trust's equity accounted investments:

As at	Note	March 31, 2024	December 31, 2023
Related party balances disclosed elsewhere in the financial statements			
Amounts receivable ⁽¹⁾	8	\$18,328	\$15,052
Loans receivable ⁽²⁾	5(b)	112,984	108,815
Other unsecured debt ⁽³⁾	9(b)(iv)	111,065	150,689

(1) Amounts receivable includes Penguin's portion, which represents \$6,591 (December 31, 2023 - \$5,083) relating to Penguin's 50% investment in the PCVP and Residences (One) LP.

(2) Loans receivable includes Penguin's portion, which represents \$26,141 (December 31, 2023 - \$25,741) relating to Penguin's 50% investment in the PCVP.

(3) Other unsecured debt does not consist of Penguin's portion as at March 31, 2024 (December 31, 2023 - nil).

Other related party transactions

The following table summarizes other related party transactions:

	Three Months Ended March 31	
	2024	2023
Legal fees incurred from a law firm in which a partner is a Trustee:		
Capitalized to investment properties	\$124	\$235
Included in general and administrative expense	211	472
	\$335	\$707

20. Key management and Trustees' compensation

The following table presents the compensation relating to key management:

	Three Months Ended March 31	
	2024	2023
Salaries and other short-term employee benefits	\$787	\$612
Deferred unit plan	794	604
EIP	1,336	2,075
LTIP	—	3
	\$2,917	\$3,294

The following table presents the compensation relating to Trustees:

	Three Months Ended March 31	
	2024	2023
Trustees' fees	\$185	\$192
Deferred unit plan	185	192
	\$370	\$384

21. Segmented information

As at March 31, 2024, the Trust has one reportable segment, which comprises the development, ownership, management and operation of investment properties located in Canada. In measuring performance, the Trust does not distinguish or group its operations on a geographical or any other basis and, accordingly, has a single reportable segment for disclosure purposes.

The Trust's major tenant is Walmart, accounting for 23.7% of the Trust's annualized rentals from investment properties for the three months ended March 31, 2024 (three months ended March 31, 2023 - 24.3%).

22. Risk management

The Trust analyzes its interest rate exposure on a regular basis. The Trust monitors the historical movement of 10-year Government of Canada bonds and performs a sensitivity analysis to identify the possible impact on net income of an interest rate shift. The simulation is performed on a regular basis to ensure the maximum loss potential is within the limit acceptable to management. Management performs the simulation for secured debt, unsecured debt, revolving operating facilities, and mortgages and loans receivable:

Change in interest rate of:	(1.50)%	(1.00)%	(0.50)%	0.50%	1.00%	1.50%
Net income increase (decrease) from variable-rate debt	\$11,948	\$7,965	\$3,983	\$(3,983)	\$(7,965)	\$(11,948)
Net income increase (decrease) from variable-rate mortgages and loans receivable	\$(1,299)	\$(866)	\$(433)	\$433	\$866	\$1,299

The Trust is managing risks arising from the interest rate benchmark reform through: i) managing the maturities of its debt agreements, ii) designating successor rates, and iii) holding onto CDOR rate for as long as practicable, prior to transitioning its financial and debt instruments to successor rate.

From time to time, the Trust may enter into interest rate swaps as part of its strategy for managing certain interest rate risks. The Trust recognizes any change in fair value associated with interest rate swap agreements in the unaudited interim condensed consolidated statements of income and comprehensive income.

The sensitivity analysis in the table below reflects the fair value gain (loss) on interest rate swap agreements from possible changes in interest rates:

Change in interest rate of:	(1.50)%	(1.00)%	(0.50)%	0.50%	1.00%	1.50%
Fair value gain (loss) on interest rate swap agreements	\$(33,702)	\$(21,849)	\$(10,111)	\$13,023	\$24,425	\$35,719

The Trust's exposure to interest rate risk is monitored by management on a regular basis (see also Note 9, "Debt").

23. Commitments and contingencies

The Trust has certain obligations and commitments pursuant to development management agreements to complete the purchase of Earnouts totalling approximately 164,000 square feet (December 31, 2023 - 165,000 square feet) of development space from Penguin and others, based on a pre-negotiated formula, as more fully described in Note 3, "Investment properties". As at March 31, 2024, the carrying value of these obligations and commitments included in properties under development was \$61,424 (December 31, 2023 - \$61,687). The timing of completion of the purchase of the Earnouts, and the final prices, cannot be readily determined because they are a function of future tenant leasing.

The Trust has also entered into various other development construction contracts totalling \$55,773 (December 31, 2023 - \$22,068).

The Trust entered into agreements with Penguin in which the Trust will lend funds in the form of mortgages receivable, as disclosed in Note 5(a). The maximum amount that may be provided under the agreements totals \$135,265 (December 31, 2023 - \$150,763) (see also Note 5, "Mortgages, loans and notes receivable"), of which \$17,851 has been provided as at March 31, 2024 (December 31, 2023 - \$17,548).

As at March 31, 2024, letters of credit totalling \$45,771 (December 31, 2023 - \$45,808) - including letters of credit drawn down under the revolving operating facilities described in Note 9(c) - have been issued on behalf of the Trust by financial institutions as security for debt and for maintenance and development obligations to municipal authorities.

The Trust carries insurance and indemnifies its Trustees and officers against any and all claims or losses reasonably incurred in the performance of their services to the Trust to the extent permitted by law.

The Trust, in the normal course of operations, is subject to a variety of legal and other claims. Management and the Trust's legal counsel evaluate all claims on their apparent merits and accrue management's best estimate of the likely cost to satisfy such claims. Management believes the outcome of current legal and other claims filed against the Trust, after considering insurance coverage, will not have a significant impact on the Trust's unaudited interim condensed consolidated financial statements.