



# ARTIS REAL ESTATE INVESTMENT TRUST

ANNUAL AND SPECIAL  
MEETING OF UNITHOLDERS

JUNE 16, 2016

MAIN FLOOR CONFERENCE ROOM  
360 MAIN STREET, WINNIPEG, MANITOBA



726 Heartland, Madison WI

## AGENDA

1. Call to order
2. Appointment of scrutineers
3. Registration of proxies
4. Notice of meeting
5. Scrutineer's report
6. Receipt of annual consolidated financial statements
7. Fix number of trustees
8. Election of trustees
9. Appointment of external auditors
10. Amendments to Declaration of Trust to implement Advance Notice Policy
11. Report of the President and C.E.O.
12. Termination





360 Main Street, Winnipeg MB

## ARTIS REAL ESTATE INVESTMENT TRUST



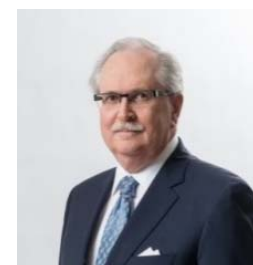
# SENIOR MANAGEMENT TEAM



**Armin Martens**  
President and Chief  
Executive Officer



**Jim Green**  
Chief Financial  
Officer



**David Johnson**  
EVP, Asset Management  
(Central Region)



**Frank Sherlock**  
EVP, Property  
Management



**Dennis Wong**  
EVP, Asset  
Management  
(Western Region)



**John Mah**  
SVP, Asset  
Management  
(Eastern Region)



**Philip Martens**  
SVP, Asset  
Management  
(U.S. Region)



**Leon Wilkosz**  
SVP, Property  
Management  
(Wisconsin)



North Scottsdale Corporate Center II, Phoenix AZ

## ARTIS REAL ESTATE INVESTMENT TRUST



# BOARD OF TRUSTEES



**Delmore Crewson**  
Trustee



**Armin Martens**  
Trustee, President &  
Chief Executive Officer



**Cornelius Martens**  
Trustee



**Ronald Rimer**  
Trustee



**Patrick Ryan**  
Trustee



**Victor Thielmann**  
Trustee



**Wayne Townsend**  
Trustee



**Edward Warkentin**  
Chairman of the Board





1700 Broadway, Denver CO



REPORT OF THE PRESIDENT & C.E.O.



ARMIN  
MARTENS

President & C.E.O.



Max At Kierland, Scottsdale AZ

## CORE MISSION AND OBJECTIVES

### CORE MISSION

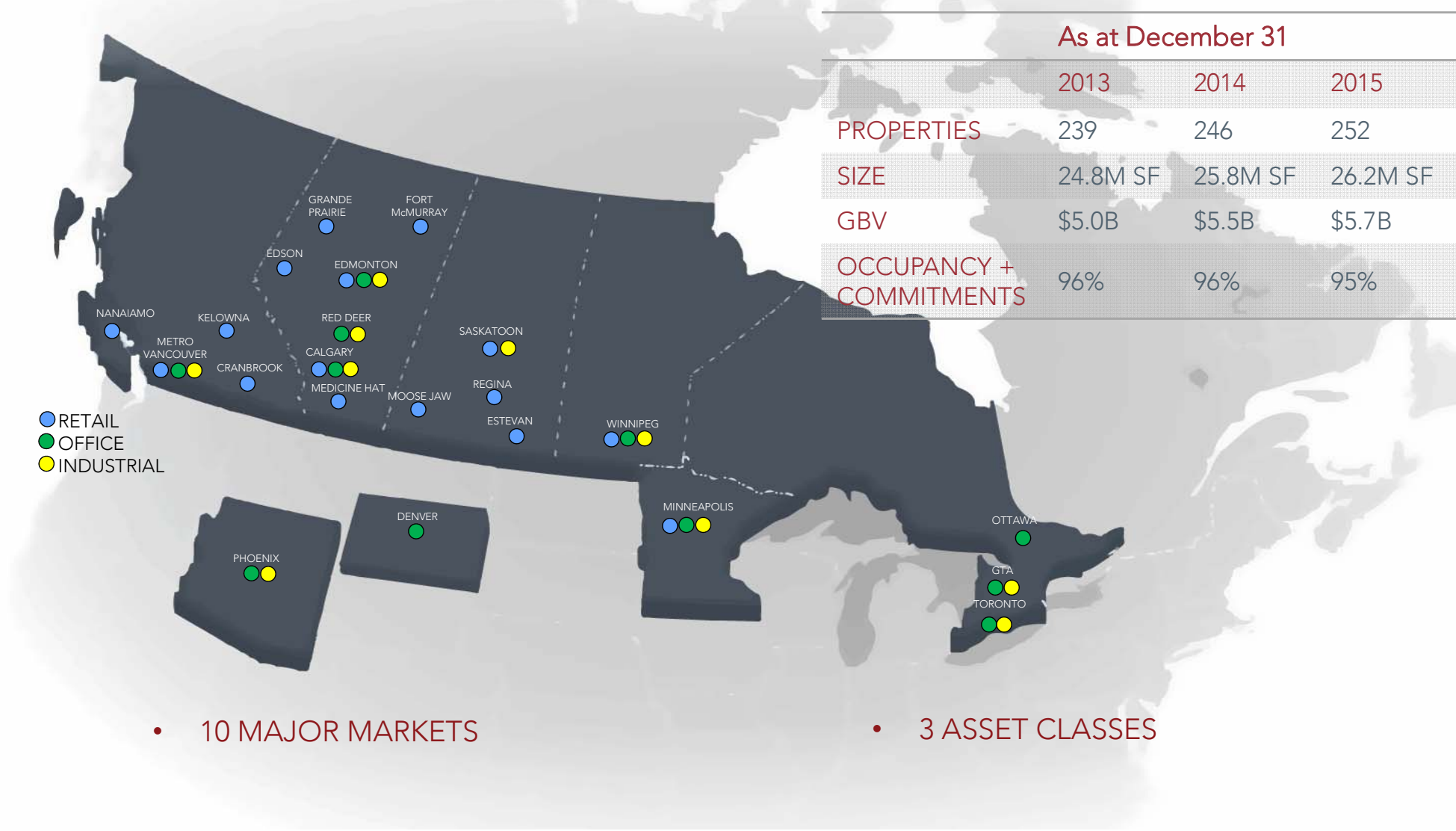
To create economic value for our Unitholders through active investment and management of commercial real estate in Canada and select U.S. markets

### KEY OBJECTIVES

To maintain a course of continuous improvement:

- Improve the calibre of our real estate portfolio
- Improve our payout ratio
- Improve our balance sheet
- Improve the reliability/sustainability of our cash distributions, enabling them to grow over time

# PORTFOLIO OVERVIEW



As at December 31

	2013	2014	2015
PROPERTIES	239	246	252
SIZE	24.8M SF	25.8M SF	26.2M SF
GBV	\$5.0B	\$5.5B	\$5.7B
OCCUPANCY + COMMITMENTS	96%	96%	95%

• 10 MAJOR MARKETS

• 3 ASSET CLASSES

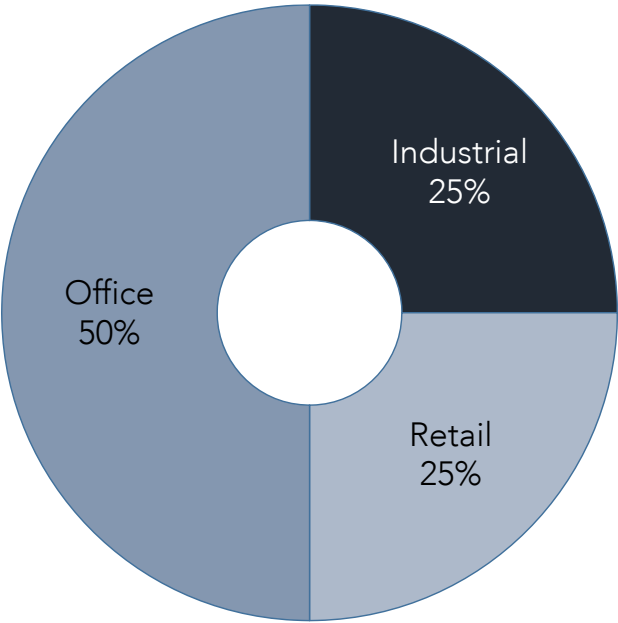




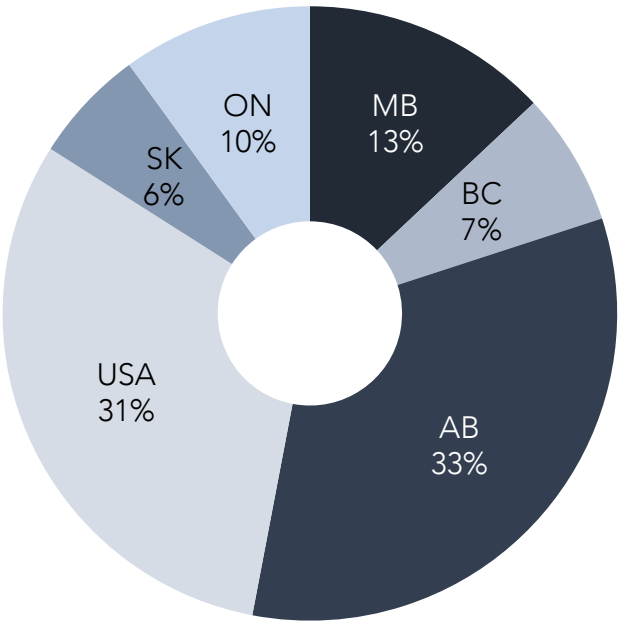
8333 Greenway, Madison WI

PORTFOLIO NOI SUMMARY

By Asset Class



By Geographical Region







601 Tower at Carlson, Minneapolis MN

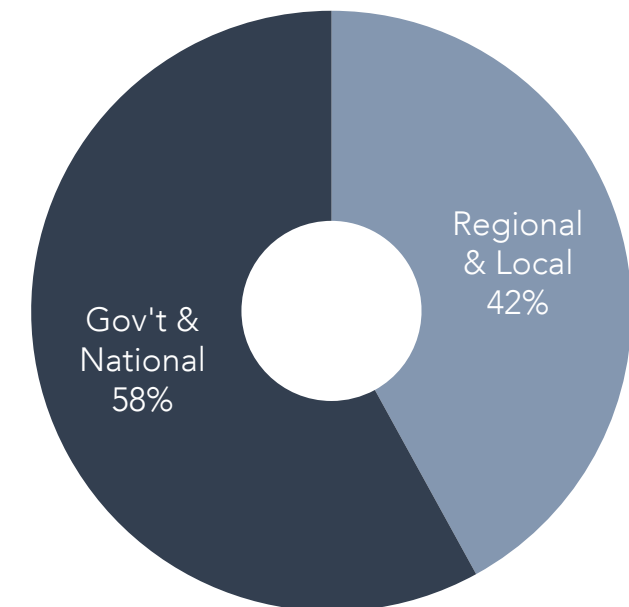
## TENANT DIVERSIFICATION

### Top Ten Tenants



Artis' top 10 and top 20 tenants account for 11.8% and 19.3% of gross revenue, respectively

58% of Artis' tenants are government or national





Centrepont, Winnipeg MB

## VALUE CREATION

Completed ~\$50 million of  
new construction projects in  
2015

~\$130 million of major  
redevelopment and new  
construction projects under  
way in 2016

Over \$400 million of new  
construction projects in the  
pipeline, with potential to be  
developed over the next  
several years



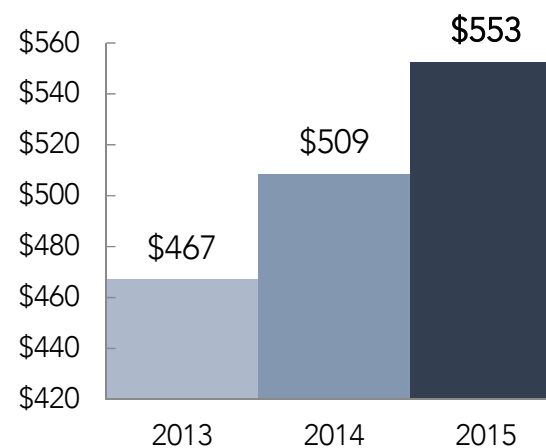




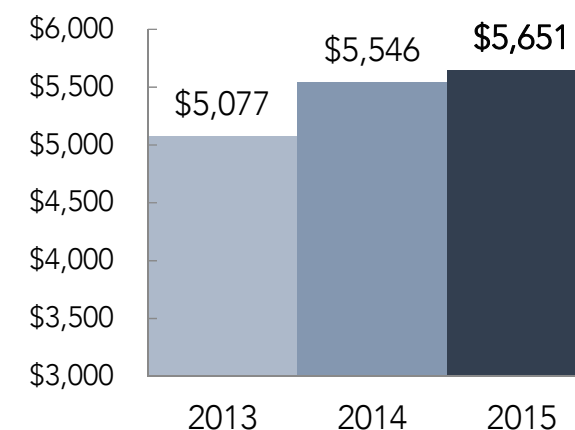
800 5th Ave, Calgary AB

## SELECT 2015 ANNUAL RESULTS

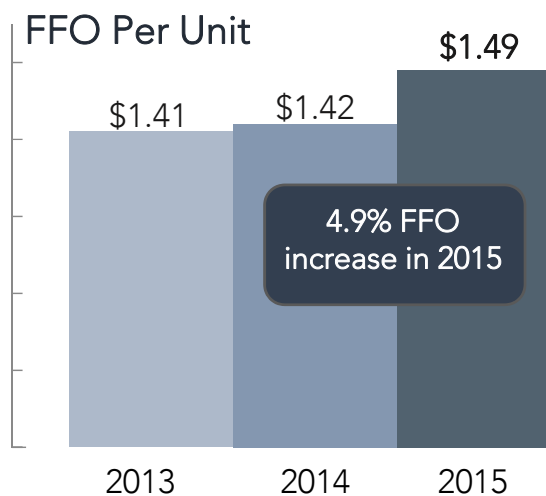
Revenue  
(millions)



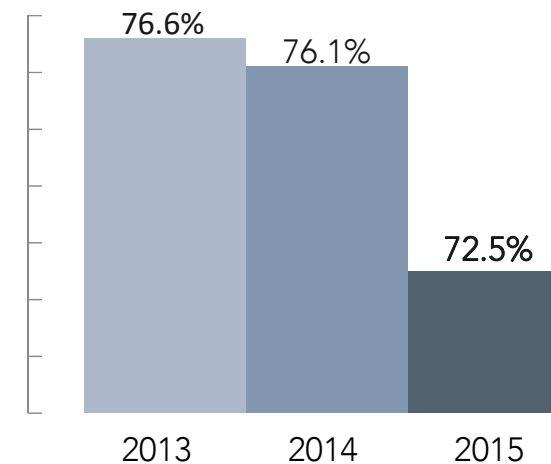
Total Assets  
(millions)



FFO Per Unit



FFO Payout Ratio



Revenue, FFO and AFFO calculations are excluding lease termination income  
All information inclusive of Artis' proportionate share of joint venture arrangements



415 Yonge Street, Toronto ON

## MEETING THE OBJECTIVES

### 2015 SCORECARD

STAYING ON THE PATH OF CONTINUOUS IMPROVEMENT



ACCRETIVE RECYCLING OF CAPITAL AND IMPROVING THE CALIBRE  
OF REAL ESTATE PORTFOLIO



Acquired over \$195 million of assets for a weighted-average capitalization rate of 6.85% and disposed of \$150 million of assets for a weighted-average capitalization rate of 4.94%<sup>(1)</sup>

IMPROVED OUR FFO PAYOUT RATIO

Decreased from 76.1% to 72.5% (exclusive of lease termination income)



IMPROVED OUR BALANCE SHEET

Secured mortgages and loans to GBV reduced from 41.9% to 41.2%



MAINTAINED BBB LOW(STABLE) INVESTMENT GRADE CREDIT RATING



<sup>(1)</sup> Excluding properties sold to an owner-occupier



## CAPITAL RECYCLING PROGRESS IN 2016

### ACQUISITIONS



Madison Lifestyle Portfolio  
Portfolio of 16 Class A Office Properties  
1.7 million square feet of leasable area  
Purchase price: US\$260.0 million  
Capitalization Rate: 7.75%

### DISPOSITIONS



Tamarack Centre  
Cranbrook, BC  
Retail shopping centre  
287,969 square feet  
Sale Price: \$41.5 million  
Capitalization Rate: 6.67%



Whistler Hilton  
Whistler, BC  
Retail shopping centre  
30,063 square feet (Artis' interest)  
Sale Price: \$28.7 million (Artis' interest)  
Capitalization Rate: 6.53%



Crosstown North  
Minneapolis, MN  
Industrial cross-dock facility  
120,000 square feet  
Sale Price: US\$7.4 million  
Capitalization Rate: sold to an owner-occupier



Hudson's Bay Centre, Denver CO

## LOOKING AHEAD

### Introduction of new GICS category for REITs

- Potential for REIT ETFs and an increase in allocation of investment funds to REITs

### Interest rate environment

- Federal Open Market Committee (FOMC) rate increase?
- Bank of Canada (BOC) rate decrease?
- Affect on foreign exchange and Artis

### Headwinds for REITs and Artis:

- Bond rates
- Commodity prices
- Calgary office market

### *So, what about "AX on the TSX"?*

- *Just keep our hands on the plow*
  - *FFO per unit*
  - *Pay-out ratio*
  - *Balance sheet*
  - *Property portfolio*



# Q & A





# ARTIS REAL ESTATE INVESTMENT TRUST

ANNUAL AND SPECIAL  
MEETING OF UNITHOLDERS

JUNE 16, 2016

MAIN FLOOR CONFERENCE ROOM  
360 MAIN STREET, WINNIPEG, MANITOBA