



ARTIS REAL ESTATE INVESTMENT TRUST

Annual and Special Meeting of Unitholders

June 15, 2017
Del Crewson Conference Centre
360 Main Street, Winnipeg, Manitoba

In Memoriam



Delmore (Del) C.W. Crewson, FCA
1942-2017

Del was a friend and a dedicated and diligent trustee. He will be dearly missed by the trustees and employees at Artis, as well as his friends and colleagues throughout the industry and our community.

As a permanent memorial to Del and an expression of our gratitude for his contribution to Artis, we have renamed the conference centre at 360 Main Street in Winnipeg, Manitoba, the “Del Crewson Conference Centre”.

Senior Management Team



Armin Martens
President and Chief
Executive Officer



Jim Green
Chief Financial
Officer



David Johnson
EVP, Asset Management
(Central Region)



Philip Martens
EVP, Asset
Management
(U.S. Region)



Frank Sherlock
EVP, Property
Management



Dennis Wong
EVP, Asset
Management
(Western Region)



Patrick Devine
SVP, Leasing
(U.S. Region)



Marie Dunn
SVP, Asset Management
(U.S. Region)



Brad Goerzen
SVP, Leasing
(Central Region)



John Mah
SVP, Asset Management
(Eastern Region)



Amy Melchior
SVP, Asset Management
(Minnesota)



Kim Riley
SVP, Acquisitions &
Dispositions



Ron Wieler
SVP, Development
(U.S. Region)



Leon Wilkosz
SVP, Asset Management
(Wisconsin)

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. Amendment and Renewal of Unitholder Rights Plan
11. Report of the President and C.E.O.
12. Termination

Board of Trustees



Armin Martens
Trustee, President & Chief Executive Officer



Edward Warkentin
Chairman of the Board



Bruce Jack
Trustee



Cornelius Martens
Trustee



Ronald Rimer
Trustee



Patrick Ryan
Trustee



Victor Thielmann
Trustee



Wayne Townsend
Trustee

Report of the President & C.E.O.

Armin Martens

President & Chief Executive Officer



Core Mission and Objectives

CORE MISSION

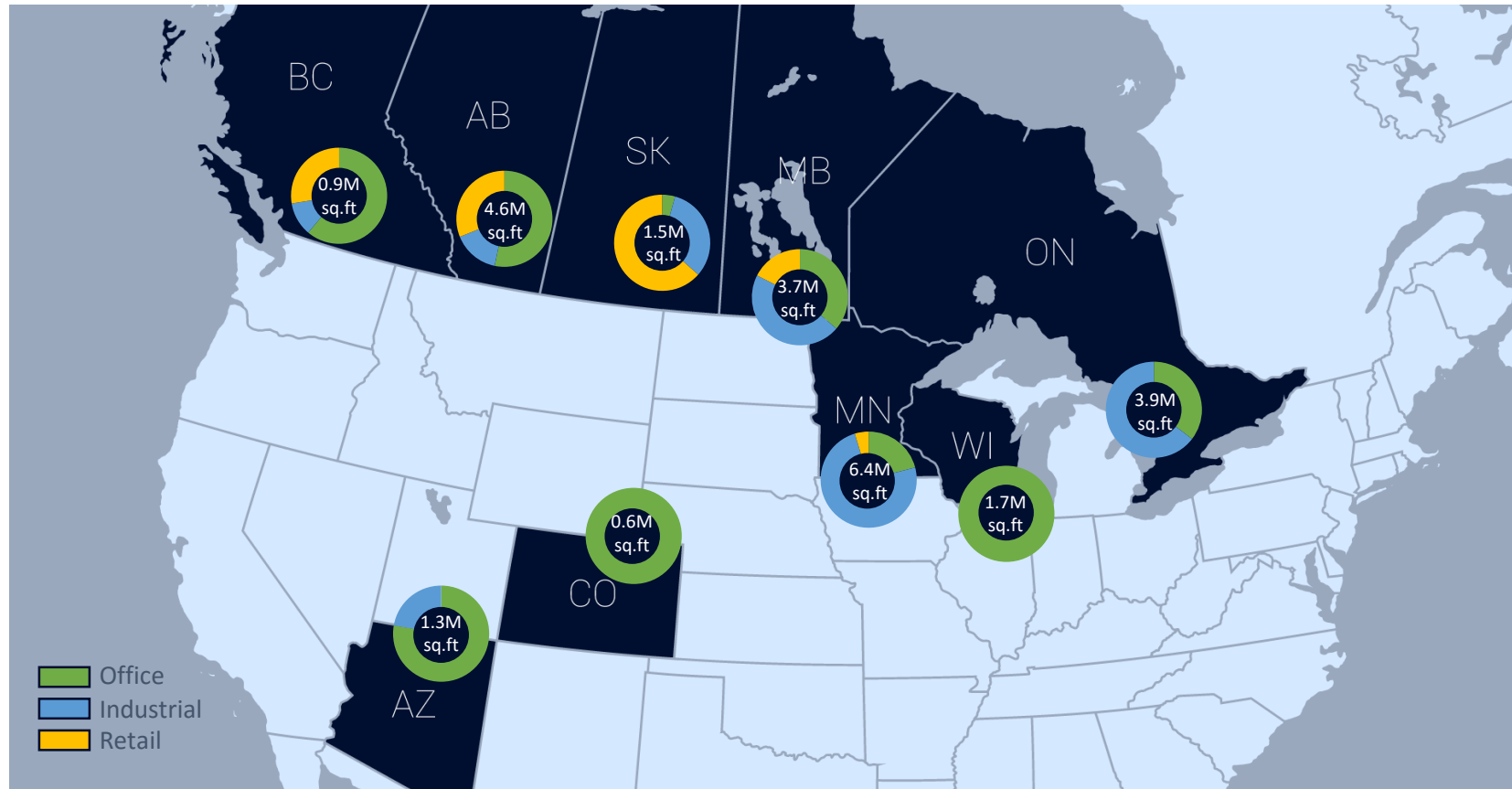
To create economic value for our Unitholders through active investment and management of commercial real estate in Canada and select U.S. markets

KEY OBJECTIVES

To maintain a course of continuous improvement:

- Improve the calibre of our real estate portfolio
- Improve our Earnings
- Improve our Balance Sheet
- Improve the reliability/sustainability of our cash distributions, enabling them to grow over time

Portfolio Overview - Diversified Commercial Properties



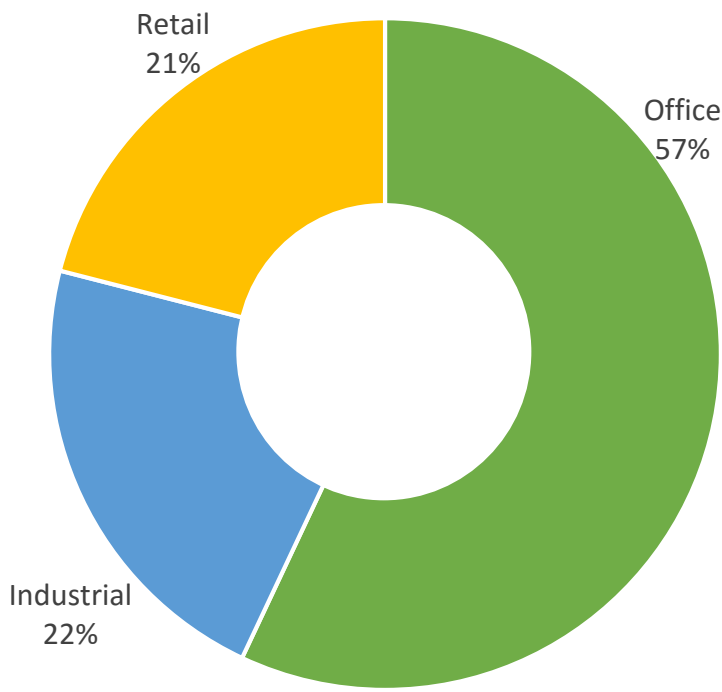
2 countries – 3 asset classes – 10 major markets
247 properties – 25.4 million square feet – \$5.6B GBV – 93% occupancy

Information on this slide is inclusive of Artis' proportionate share of its joint venture arrangements.

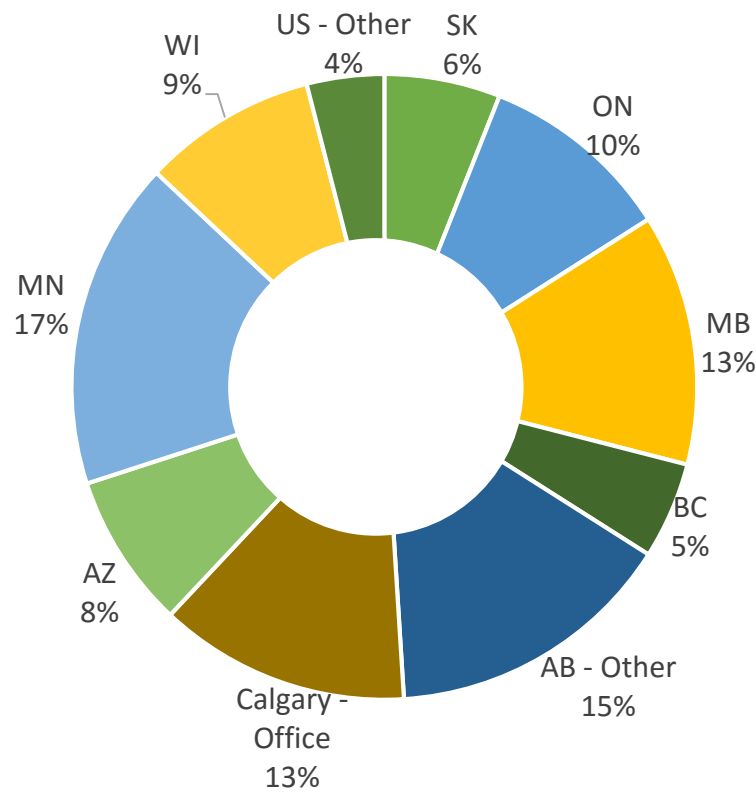
Occupancy plus commitments excludes properties held for redevelopment, completed new developments and new developments in process

Portfolio Diversification

NOI by Asset Class



NOI by Geographical Region



Property NOI for three months ended March 31, 2017, inclusive of Artis’ proportionate share of joint venture arrangements

Capital Recycling Progress - Dispositions



Uplands Common
Lethbridge, AB
Retail
53,392 square feet
Sale Price: \$15.2 million
Capitalization Rate: 5.90%



Airdrie Flex Industrial
Airdrie, AB
Industrial
27,535 square feet
Sale Price: \$5.4 million
Capitalization Rate: 6.39%



Southwood Corner
Calgary, AB
Retail
112,406 square feet
Sale Price: \$40.2 million
Capitalization Rate: 5.72%



Westbank Hub Shopping Centre &
Westbank Hub Centre North
Westbank, BC
Retail
326,934 square feet
Sale Price: \$80.1 million
Capitalization Rate: 5.52%
(75% interest)



Mayfield Industrial Plaza
Edmonton, AB
Industrial
23,517 square feet
Sale Price: \$3.2 million
Capitalization Rate: 5.99%



Ford Tower and Alpine Building
Calgary, AB
Office
201,349 square feet
Sale Price: \$37.5 million
Capitalization Rate: 6.12%

Capital Recycling Progress - Acquisitions

Madison Lifestyle Office Portfolio: 10% NOI growth in less than a year



Madison Lifestyle Office Portfolio	
Asset Class	Class A Office
Gross Leasable Area	1.7 million sq. ft.
Number of Assets	16
Purchase Price	US\$260.0 million
Price Per Square Foot	US\$153
Initial Capitalization Rate	7.50%
% Leased at June 2016	87%
% Leased at March 2017	93%



Recently Completed Development Projects



175 Westcreek Boulevard, GTA, ON
Unlevered yield of 7.5%



Millwright Building, Minneapolis, MN
Unlevered yield of 7.3%



Linden Ridge Shopping Centre, Winnipeg, MB
Unlevered yield of 8.0%

Development Projects Under Construction

Approximately \$200 million of major redevelopment and new construction projects under way in 2017

Targeted weighted-average unlevered yield of 7.50%



Estimated completion: Q4-17



Estimated completion: Q3-17



Estimated completion: Q1-17 & Q2-17

Upcoming Development Projects

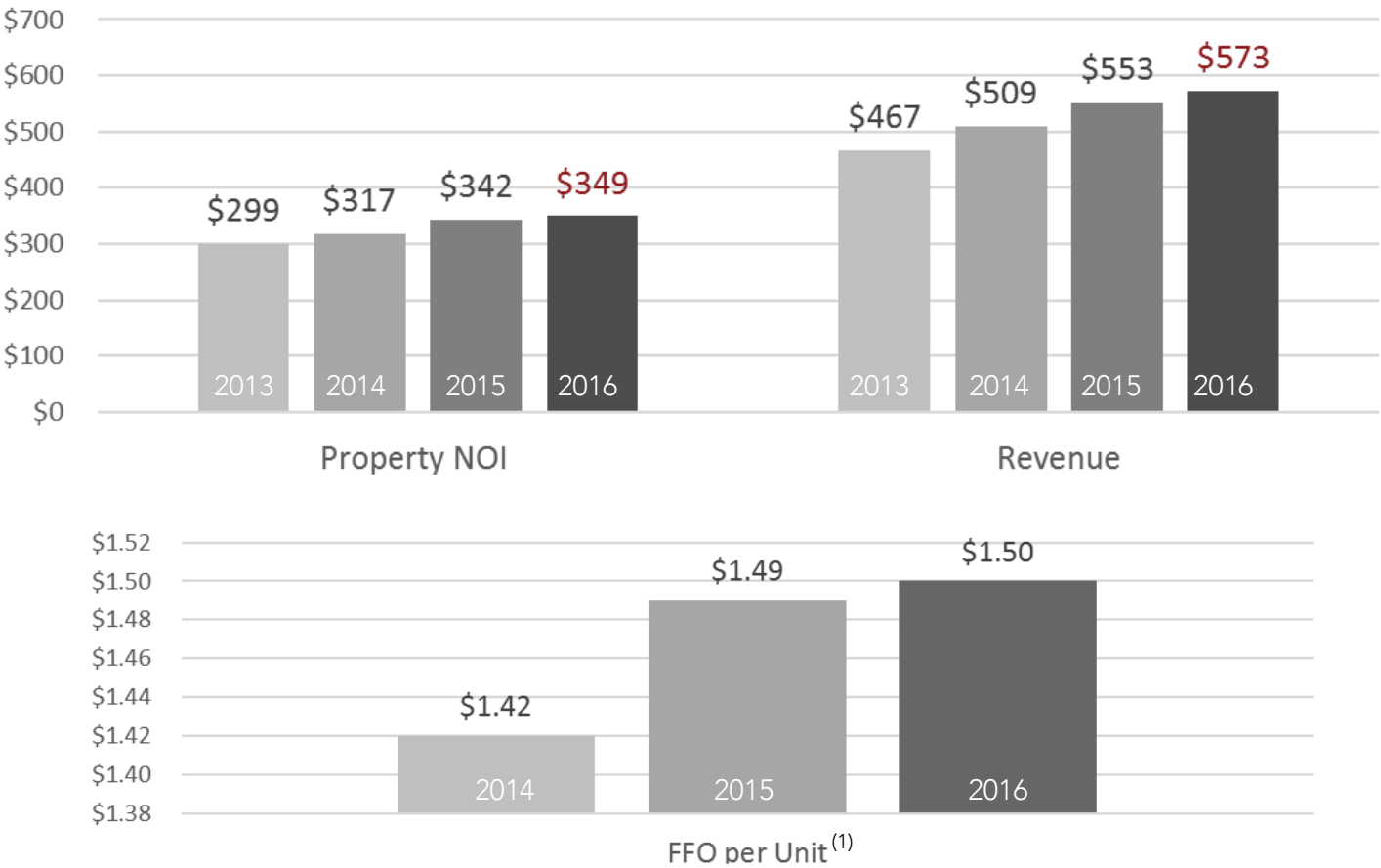


300 Main Street, Winnipeg, MB



415 Yonge Street, Toronto, ON

Select Financial Information



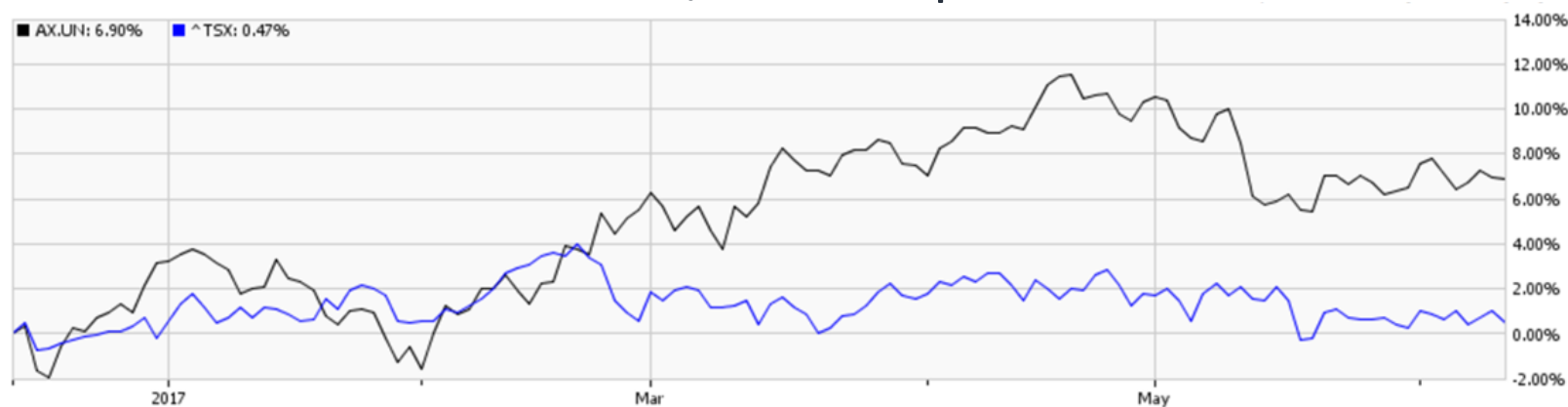
All information on this slide is inclusive of Artis' proportionate share of its joint venture arrangements.

(1) Excluding lease termination and non-recurring other income

AX.UN vs. S&P/TSX Capped REIT Index



AX.UN vs. S&P/TSX Composite Index



Meeting the Objectives

2016 Scorecard

Staying on the path of continuous improvement	✓
Accretive recycling of capital and improving the calibre of real estate portfolio	✓
Acquired a portfolio of office assets for US\$260.0 million at a capitalization rate of 7.5% and disposed of \$349.4 million and US\$16.6 million of assets for a weighted-average capitalization rate of 6.4% ⁽¹⁾	
Improved our FFO payout ratio	✓
Decreased from 72.5% to 72.0% (exclusive of lease termination income and non-recurring other income)	
Improved our balance sheet	✓
Total Debt to GBV reduced from 52.4% to 51.0%	
Maintained BBB Low(Stable) Investment Grade Credit Rating	✓

⁽¹⁾ Excluding properties sold to an owner-occupier

Looking Ahead

Interest rate environment

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

Headwinds for REITs and Artis:

- Commodity prices
- Calgary office market

So, what about “AX on the TSX”?

- *Just keep our hands on the plow*
- *Stay focused and disciplined*

Guideposts for 2017 and Beyond

- Accretive recycling of capital
- Accretive refinancing of debt
- DRIP suspended, minimizing dilution
- Narrow the gap between Unit price and NAV
- Balance sheet considerations
 - AX has a strong balance sheet
 - AX has an investment grade credit rating
 - AX has a safe distribution
- Continue to improve the calibre and diversification of our Real Estate Portfolio

Questions





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