

This short form base shelf prospectus has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this short form base shelf prospectus has become final and that permits the omission from this short form base shelf prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been, and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any state securities laws and, subject to certain exceptions, may not be offered or sold in the United States. See "Plan of Distribution". This short form base shelf prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States.

Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of InnVest Real Estate Investment Trust at 200 Bay Street, Suite 3205, Toronto, Ontario M5J 2J1, telephone (416) 607-7100, and are also available electronically at www.sedar.com.

SHORT FORM BASE SHELF PROSPECTUS

New Issue

July 2, 2015



INNVEST REAL ESTATE INVESTMENT TRUST

\$500,000,000
Units
Debt Securities
Warrants
Subscription Receipts

InnVest Real Estate Investment Trust ("**InnVest**") may, from time to time, offer for sale and issue: (i) units of InnVest ("**Units**"); (ii) unsecured debt securities of InnVest, including without limitation, senior unsecured debentures of InnVest and convertible unsecured subordinated debentures of InnVest (collectively, "**Debt Securities**"); (iii) warrants to purchase Units or Debt Securities (collectively, "**Warrants**"); or (iv) subscription receipts that entitle the holder to receive upon satisfaction of certain release conditions, and for no additional consideration, Units, Debt Securities or Warrants (collectively, "**Subscription Receipts**" and, together with the Units, the Debt Securities and the Warrants, the "**Securities**"); or (v) any combination of Securities, having an offer price of up to \$500,000,000 in the aggregate, at any time during the 25-month period that this short form base shelf prospectus (including any amendments hereto, this "**Prospectus**") remains valid. Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and to be set forth in one or more prospectus supplements (collectively or individually, as the case may be, "**Prospectus Supplements**").

The specific variable terms of any offering of Securities will be set out in the applicable Prospectus Supplement including, without limitation, where applicable: (i) in the case of Units, the number of Units offered and the offering price (or the manner of determination thereof if offered on a non-fixed price basis); (ii) in the case of Debt Securities, the designation of the Debt Securities, the aggregate principal amount of the Debt Securities being offered, the maturity date, the interest rate or method of determining the interest rate, the interest payment date(s), authorized denominations, the offering price (at par, at a discount or at a premium), any limit on the aggregate principal amount of the Debt Securities of the series being offered, the issue and delivery date, covenants, events of default, any redemption provisions, any exchange or conversion rights that are attached to the Debt Securities, any repayment provisions and any other specific terms thereof; (iii) in the case of Warrants, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), the designation, number and terms of Units or Debt Securities purchasable on the exercise of the Warrants, any procedures that will result in adjustment of these numbers, the exercise price, dates and periods of exercise and any other specific terms thereof; and (iv) in the case of Subscription Receipts, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), the procedures for the exchange of Subscription Receipts for Units, Debt Securities or Warrants, as the case

may be, and any other specific terms thereof. A Prospectus Supplement may include other terms pertaining to the Securities that are not within the alternatives and parameters described in this Prospectus.

The basis for calculating the dollar value of Debt Securities distributed under this Prospectus and any Prospectus Supplement will be the aggregate principal amount of Debt Securities issued by InnVest except in the case of any Debt Securities that are issued at an original issue discount, the dollar value of which will be calculated on the basis of the gross proceeds that InnVest receives.

All shelf information permitted under applicable securities legislation to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement and only for the purposes of the offering of the Securities covered by that Prospectus Supplement.

InnVest is an unincorporated open-ended real estate investment trust governed by its declaration of trust and the laws of the Province of Ontario. **InnVest is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company. The Securities are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and are not insured under the provisions of that Act or any other legislation.**

InnVest may sell the Securities to or through underwriters or dealers purchasing as principals and may also sell the Securities to one or more purchasers directly, through applicable statutory exemptions, or through agents designated by InnVest from time to time. The Prospectus Supplement relating to a particular offering of Securities will identify each underwriter, dealer or agent, if any, engaged or designated by InnVest in connection with the offering and sale of Securities and will set forth the terms of the offering of such Securities, the method of distribution of such Securities including, to the extent applicable, the net proceeds to InnVest and, to the extent applicable, any fees, discounts or any other compensation payable to underwriters, dealers or agents and any other material terms of the plan of distribution. Securities may be sold from time to time in one or more transactions at a fixed price or fixed prices, or at non-fixed prices. If offered on a non-fixed price basis, Securities may be offered at market prices prevailing at the time of sale or at prices to be negotiated with purchasers at the time of sale, which prices may vary as between purchasers and during the period of distribution of the Securities. If Securities are offered on a non-fixed price basis, the underwriters', dealers' or agents' compensation will be increased or decreased by the amount by which the aggregate price paid for Securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriters, dealers or agents to InnVest. See "Plan of Distribution".

In connection with any offering of the Securities (unless otherwise specified in the relevant Prospectus Supplement), the underwriters, dealers or agents may over-allot or effect transactions that stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See "Plan of Distribution".

The Units are listed on the Toronto Stock Exchange (the "TSX") under the trading symbol "INN.UN". On June 30, 2015, the last trading day prior to the date of this Prospectus, the closing price of the Units on the TSX was \$5.15 per Unit. InnVest also has outstanding: (i) series E 6.00% fixed-rate convertible unsecured subordinated debentures due September 30, 2017 ("**Series E Debentures**"); (ii) series F 5.75% fixed-rate convertible unsecured subordinated debentures due March 30, 2018 ("**Series F Debentures**"); and (iii) series G 6.25% fixed-rate convertible unsecured subordinated debentures due March 31, 2019 ("**Series G Debentures**") that trade on the TSX under the symbols INN.DB.E, INN.DB.F and INN.DB.G, respectively. On June 30, 2015, the last trading day prior to the date of this Prospectus, the closing prices of the Series E Debentures, Series F Debentures and Series G Debentures on the TSX were \$101.40, \$102.65 and \$104.00 per \$100 principal amount thereof, respectively.

Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities, the Warrants and the Subscription Receipts will not be listed on any securities exchange. There is currently no market through which the Debt Securities, the Warrants or the Subscription Receipts may be sold and purchasers may not be able to resell any such securities purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. See "Risk Factors".

Although InnVest intends to make distributions of a portion of its available cash to holders of Units ("**Unitholders**"), these cash distributions are not assured. A return on an investment in Units is not comparable to the return on an investment in a fixed-income security. The ability of InnVest to make cash distributions and the actual amount distributed will be dependent upon numerous factors, including the financial performance of InnVest, seasonal

fluctuations in operating results, InnVest's debt covenants and obligations, InnVest's working capital requirements, InnVest's future capital requirements, InnVest continuing to qualify as a "real estate investment trust" for Canadian income tax purposes and the redemption of Units, if any. The market value of the Securities may deteriorate if InnVest is unable to maintain current levels of cash distributions in the future, and that deterioration may be material. An investment in the Securities is subject to a number of risks and investment considerations that should be considered by a prospective purchaser. See "Risk Factors".

Certain officers and trustees of InnVest reside outside of Canada and have appointed an agent for service of process in Canada. See "Legal Matters".

The registered and head office of InnVest is located at 200 Bay Street, Suite 3205, Toronto, Ontario M5J 2J1.

No underwriter, dealer or agent has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.

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MEANING OF CERTAIN REFERENCES

In this Prospectus, references to "InnVest" include its subsidiaries where the context requires.

References to dollars or "\$" are to Canadian currency.

NON-IFRS AND ADDITIONAL IFRS FINANCIAL MEASURES

In this Prospectus and in certain documents incorporated by reference herein, there are references to non-IFRS (as defined below) financial measures, including "funds from operations" and "adjusted funds from operations" that InnVest uses to evaluate its operating performance and measure its ability to earn and distribute cash returns to Unitholders. Because non-IFRS measures do not have a standardized meaning as prescribed by International Financial Reporting Standards ("**IFRS**") and may differ from those used by other issuers, securities regulations require that non-IFRS measures be clearly defined and qualified, reconciled with their nearest IFRS measure and given no more prominence than the closest IFRS measure. This Prospectus and certain documents incorporated by reference herein also contains additional IFRS measures, including "gross operating profit", that InnVest believes helps management, lenders and investors evaluate InnVest's core business' ongoing profitability. Such information is presented below and in the sections dealing with these financial measures in the documents incorporated by reference herein.

"Funds from operations" is a common measure of performance in the real estate investment trust industry. InnVest calculates funds from operations by using net income and adjusting for: (i) depreciation, amortization and accretion, excluding amortization of deferred financing costs; (ii) deferred income tax expense or recovery; (iii) any gains or losses on the disposition of assets or the settlement of liabilities; (iv) non-cash writedown of assets held for sale as well as the impairment provision (and impairment reversals) on assets; (v) non-cash effect of certain equity-based financial instruments classified as financial liabilities under IFRS (includes distributions included in corporate and administrative expenses and changes to fair value each reporting period); (vi) transaction costs expensed as a result of the purchase of a property being accounted for as a business combination; and (vii) non-recurring costs that may impact cash flow. Items are considered non-recurring when a similar loss or gain is not reasonably likely to occur within the next two years and has not occurred during the prior two years.

"Adjusted funds from operations" or "AFFO" (previously referred to as "distributable income") is used by InnVest as a measure of normalized cash flow in order to assess its ability to fund distributions for current or potential investors. InnVest calculates AFFO based on FFO adjusted for (i) non-cash deferred financing charges; (ii) the reserve for replacement of furniture, fixtures and equipment and capital improvements; and (iii) any other adjustment determined by the trustees (the "**Trustees**") in their discretion.

"Gross operating profit" means revenues less hotel and other real estate properties expenses and reflects results of operations from InnVest's two lines of business: hotel ownership and other real estate assets.

NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained in this Prospectus constitute forward-looking statements within the meaning of applicable securities laws. These statements include, but are not limited to, statements made concerning InnVest's investment approach, objectives, its strategies to achieve those objectives, assumptions and forecasts of future results from acquisitions and divestitures as well as other statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results, circumstances and performance or expectations that are not historical facts. Forward-looking information typically contains statements with words such as "outlook", "objective", "may", "could", "continue", "anticipate", "believe", "expect", "estimate", "plan", "intend", "forecast", "project" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management's current beliefs and are based on certain factors, assumptions and analyses made by InnVest in light of information currently available to management, management's experience and

perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances, including those factors set out below.

These forward-looking statements are not guarantees of future events or performance and, by their nature, are based on InnVest's estimates and assumptions, which are subject to risks and uncertainties, including those described under "Risk Factors" in the 2014 AIF (as defined below) and those detailed in InnVest's filings with applicable securities regulators, including InnVest's annual and interim financial statements and the notes thereto. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, InnVest's forward-looking information involves numerous assumptions, inherent risks and uncertainties, which may cause InnVest's actual performance and financial results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Factors that could cause actual results, performance, or achievements to differ materially from those expressed or implied by forward-looking statements include, but are not limited to, the status of InnVest as a real estate investment trust for Canadian federal income tax purposes in any year; achievement of plans to develop an optimal asset portfolio through completion of acquisitions, divestitures, and reinvestments within the timeframes necessary to generate the desired return on investment and maintain adequate liquidity; risks that deposits to vendors related to contemplated acquisitions by InnVest may not be refunded should InnVest fail to complete such purchases; extent of realized benefits from the internalization of asset management functions; ability to refinance debt maturities as planned; ability to achieve lower debt leverage target; ability to fund acquisitions at a capital cost and equity/debt mix as desired; lender concentration; general global credit market conditions including currency and interest rate fluctuations; general global economic and business conditions; variable regional economic conditions including dependence on manufacturing, oil or other resource markets; failure to effectively understand and respond to changing guest demands and/or failure to meet guest needs; failure to effectively manage relationships with hotel brands including failure to comply with the appropriate standards and contractual requirements; failure to effectively manage relationships with operators including operator managed employee satisfaction, morale, and effectiveness; medical or terrorist concerns relating to travel and/or specific destinations; the effects of competition and pricing pressures from multiple bidders for acquisitions, development and opening of new hotel properties, aggressive marketing, and service or product quality improvements by competitors; extent of industry overcapacity; changes in the level of cross-border travel by Americans to Canada and other possible shifts in market demands; adverse changes in laws and regulations, including environmental and taxation; failure to leverage technological innovation to achieve or sustain financial and operational efficiency, competitive advantage, and deliver better quality services to guests; potential increases in maintenance and operating costs; possible variances in the amount and timing of completion for planned capital or maintenance projects; failure of planned capital projects to result in desired shift in business mix; uncertainties of litigation; labour disputes; various events which could disrupt operations; reliance on information systems and associated security risks; and technological changes including impact of direct internet reservation systems and potential impact of new disruptive hospitality offerings in the market.

Although InnVest believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be consistent with these forward-looking statements. The forward-looking statements contained in this Prospectus are made as of the date of this Prospectus.

INNVEST DOES NOT UNDERTAKE ANY OBLIGATION TO UPDATE OR RELEASE ANY REVISIONS TO THESE FORWARD-LOOKING STATEMENTS TO REFLECT EVENTS OR CIRCUMSTANCES AFTER THE DATE HEREOF OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS, EXCEPT AS REQUIRED BY LAW.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of InnVest at 200 Bay

Street, Suite 3205, Toronto, Ontario M5J 2J1, telephone (416) 607-7100, and are also available electronically at www.sedar.com.

The following documents, filed with the securities commissions or similar regulatory authorities in Canada, are specifically incorporated by reference in, and form an integral part of, this Prospectus:

- (i) the management information circular of InnVest dated June 18, 2014 prepared in connection with InnVest's meeting of holders of the Series G Debentures originally held on July 22, 2014;
- (ii) the supplemental management information circular of InnVest dated July 14, 2014 prepared in connection with InnVest's postponed meeting of holders of the Series G Debentures held on July 25, 2014;
- (iii) the annual information form of InnVest dated March 13, 2015 for the year ended December 31, 2014 (the "**2014 AIF**");
- (iv) the audited consolidated financial statements of InnVest for the year ended December 31, 2014, together with the notes thereto and the independent auditor's report thereon (the "**2014 Annual Financial Statements**");
- (v) management's discussion and analysis of the consolidated financial condition and results of operations of InnVest for the year ended December 31, 2014 (the "**2014 Annual MD&A**");
- (vi) the management information circular of InnVest dated May 7, 2015 prepared in connection with InnVest's meeting of Unitholders to be held on June 16, 2015 (the "**2015 AGM**");
- (vii) the unaudited condensed interim consolidated financial statements of InnVest for the three months ended March 31, 2015, together with the notes thereto; and
- (viii) management's discussion and analysis of the condensed interim consolidated financial condition and results of operations of InnVest for the three months ended March 31, 2015.

Any documents of the type referred to above and any material change reports (excluding confidential material change reports) filed by the InnVest with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada subsequent to the date of this Prospectus and prior to the termination of the distribution under any Prospectus Supplement to this Prospectus shall be deemed to be incorporated by reference into this Prospectus.

All material change reports (excluding confidential material change reports), annual information forms ("**AIFs**"), annual financial statements and the auditor's report thereon and related management discussion and analysis of the consolidated financial condition and results of operations ("**MD&As**"), interim financial reports and related MD&As, information circulars, business acquisition reports and any other documents as may be required to be incorporated by reference herein under applicable securities laws which are filed by InnVest with a securities commission or any similar authority in Canada after the date of this Prospectus, during the 25-month period that this Prospectus remains valid, shall be deemed to be incorporated by reference into this Prospectus to the extent required under applicable law.

Upon new interim financial reports and related MD&A of InnVest being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the previous interim financial reports and related MD&A of InnVest most recently filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon new annual financial statements and related MD&A of InnVest being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual financial statements and related MD&A and the previous interim financial reports and related MD&A of InnVest most recently filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon a new AIF of InnVest being filed with the applicable securities regulatory authorities during the currency of this Prospectus, notwithstanding anything herein to the

contrary, the following documents shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder: (i) the previous AIF; (ii) material change reports filed by InnVest prior to the end of the financial year in respect of which the new AIF is filed; (iii) business acquisition reports filed by InnVest for acquisitions completed prior to the beginning of the financial year in respect of which the new AIF is filed; and (iv) any information circular of InnVest filed prior to the beginning of InnVest's financial year in respect of which the new AIF is filed. Upon a new management information circular prepared in connection with an annual general meeting of InnVest being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the previous management information circular prepared in connection with an annual general meeting of InnVest shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

A Prospectus Supplement containing the specific variable terms in respect of an offering of the Securities will be delivered to purchasers of such Securities together with this Prospectus and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement only for the purposes of the offering of the Securities covered by such Prospectus Supplement.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or replaces such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute part of this Prospectus.

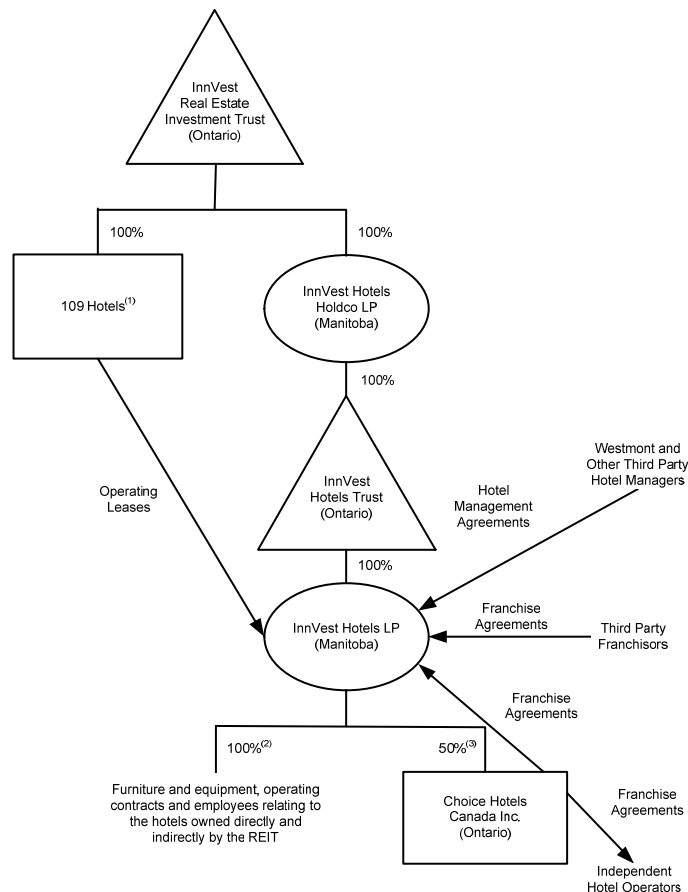
INNVEST REAL ESTATE INVESTMENT TRUST

InnVest is an unincorporated open-ended trust governed by an amended and restated declaration of trust dated as of July 1, 2012, as amended on August 7, 2013 and as may be further amended (the "**Declaration of Trust**"), and the laws of the Province of Ontario. InnVest is focused on the ownership and acquisition of hotel properties. InnVest also indirectly holds a 50% interest in Choice Canada, one of the largest franchisors of hotels in Canada, as measured by hotels under franchise.

The head office and the registered office of InnVest is located at 200 Bay Street, Suite 3205, Toronto, Ontario M5J 2J1. InnVest is a "mutual fund trust" as defined by the Tax Act, but it is not a "mutual fund" as defined by applicable securities legislation.

InnVest currently holds, directly, indirectly or through a partnership, 109 Canadian hotel properties, one of Canada's largest hotel portfolios as measured both by number of hotels and by number of guest rooms. InnVest's hotels are operated under 15 internationally recognized brands. Sixty-seven of the 109 hotels in InnVest's portfolio are operated under franchise agreements with Choice Canada and 41 of the remaining 42 hotels are operated under management or franchise agreements with other managers or franchisors.

The following diagram illustrates the primary structural and contractual relationships between InnVest and its principal subsidiaries and certain third parties as of the date hereof:



Notes:

- (1) Includes one hotel owned through a 20% venture interest, one hotel owned by a subsidiary corporation of the REIT, with the balance of hotels owned directly by the REIT or through its subsidiary limited partnerships.
- (2) Assets held directly by InnVest Hotels LP or through its subsidiary limited partnerships.
- (3) Shares held through a wholly-owned corporate subsidiary of InnVest Hotels LP.

RECENT DEVELOPMENTS

Completion of Mortgage Refinancing

On April 13, 2015, InnVest completed a refinancing of the Hyatt Regency Vancouver for a new 10-year \$80.0 million mortgage at a fixed interest rate of 3.75% with a U.S. financial institution. The financing replaced the \$70 million, 3 year floating rate mortgage (Canadian Bankers' Acceptance rate plus 2.5%) incurred as part of the acquisition of the property.

Completion of Credit Facilities Refinancing

On June 5, 2015, InnVest successfully refinanced its two revolving credit facilities into one revolving credit facility with two major Canadian financial institutions, which currently has a borrowing capacity of \$62.7 million and is secured by 11 hotel properties. InnVest plans on adding an additional 13 properties as security as mortgages mature in the third quarter in order to increase the borrowing capacity up to \$100 million. The new two-year facility extends the term to June 2017.

CONSOLIDATED CAPITALIZATION

There have not been any material changes in the consolidated capitalization or indebtedness of InnVest since March 31, 2015, other than as described under "Prior Sales" and "Recent Developments".

USE OF PROCEEDS

Specific information about InnVest's use of the net proceeds from an offering of Securities will be set forth in the Prospectus Supplement for that offering.

DESCRIPTION OF THE UNITS

An unlimited number of Units may be issued pursuant to the Declaration of Trust. Each Unit represents an equal undivided beneficial interest in any distributions from InnVest, whether of net income, net realized capital gains or other amounts, and in the net assets of InnVest in the event of the termination or winding-up of InnVest. All Units are of the same class with equal rights and privileges. Each whole Unit entitles the holder thereof to one vote at all meetings of Unitholders.

A summary of the material attributes and characteristics of the Units is provided in the 2014 AIF under the heading "Description of REIT Units and Declaration of Trust".

Distribution Reinvestment Plan

InnVest has historically permitted Unitholders to reinvest cash distributions in Units through its distribution reinvestment plan (the "**DRIP**"). Pursuant to the DRIP, Unitholders resident in Canada and holding a minimum of 500 Units may elect to have all their distributions of income of InnVest automatically reinvested in additional Units at a price per Unit equal to the average of the trading price on the TSX for the five trading days ending on the second trading day immediately preceding the date of a monthly distribution (the "**Average Market Price**"). No fractional Units will be issued under the DRIP; instead, a cash adjustment based upon the Average Market Price will be paid in lieu of any fractional Units otherwise issuable under the DRIP within 10 days after the distribution date. No brokerage commissions are payable in connection with the purchase of Units under the DRIP and all administrative costs are borne by InnVest. Pursuant to the terms of the DRIP, InnVest has discretion to purchase Units on the open market or to be issued from treasury. If InnVest elects to issue Units from treasury, Unitholders who have elected to participate in the DRIP will receive 3% bonus Units in addition to any Units issued to them under the DRIP.

As summarized beginning on page 13 of the 2014 AIF (which is incorporated by reference in this Prospectus) under the heading "Description of REIT Units and Declaration of Trust – Book-Based

System", CDS is the only registered Unitholder. As such, beneficial Unitholders (i.e., individuals or entities who hold Units through a broker or other intermediary participating in the CDS system) will only be entitled to enrol in the DRIP through a CDS participant (i.e., their broker or investment advisor). Statements detailing the number of additional Units acquired through the DRIP will only be provided to beneficial Unitholders through CDS participants.

Proceeds from the issuance of additional Units pursuant to the DRIP will be added to the working capital of InnVest.

DESCRIPTION OF DEBT SECURITIES

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered by a Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement.

The Debt Securities will be direct unsecured obligations of InnVest and will be senior or subordinated indebtedness of InnVest, as described in the relevant Prospectus Supplement.

The Debt Securities will be issued under one or more indentures between InnVest and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of a province of Canada and authorized to carry on business as a trustee under applicable provincial legislation (each, a "**Debenture Trustee**"), as supplemented and amended from time to time (each a "**Trust Indenture**" and, collectively, the "**Trust Indentures**").

Each applicable Prospectus Supplement will set forth the terms and other information with respect to the Debt Securities being offered thereby, including without limitation:

- (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities;
- (ii) the percentage of the principal amount or the price at which such Debt Securities will be issued or whether such Debt Securities will be issued on a non-fixed price basis;
- (iii) the date or dates on which such Debt Securities will mature;
- (iv) the rate or rates per annum (which may be fixed or variable) at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any);
- (v) the dates on which such interest will be payable and the record dates for such payments;
- (vi) the credit rating assigned to the Debt Securities by rating agencies (if any);
- (vii) the general terms or provisions pursuant to which the Debt Securities are to be issued;
- (viii) the Debenture Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued;
- (ix) any mandatory or optional redemption, or call terms or terms under which such Debt Securities may be defeased;
- (x) whether such Debt Securities are to be issued in registered form, "book-entry only" form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof;
- (xi) any exchange or conversion terms;

- (xii) whether such Debt Securities will be subordinated to other liabilities of InnVest;
- (xiii) any material covenants included for the benefit of holders of Debt Securities;
- (xiv) material Canadian tax consequences of owning Debt Securities; and
- (xv) any other material terms, preferences, rights or limitations of, or restrictions on, the Debt Securities.

Neither the aggregate principal amount of Debt Securities that will be issued and sold nor the issue price to the public of the Debt Securities has been established, as the Debt Securities will be issued at such times, in such amounts and at such prices as InnVest determines from time to time. Debt Securities issued hereunder will be offered and sold during the 25-month period from the date of this Prospectus at prices negotiated with the purchasers, and the prices at which the Debt Securities will be offered and sold may vary as between purchasers and during the distribution period.

DESCRIPTION OF WARRANTS

InnVest may issue Warrants to purchase Units or Debt Securities. A Warrant will entitle the holder to purchase for cash a number of Units or Debt Securities at an exercise price that will be stated in, or that will be determinable as described in, the applicable Prospectus Supplement. Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the securities for which the Warrants are exercisable.

InnVest may issue Warrants independently or together with other Securities, and Warrants sold with other Securities may be attached to or separate from the other Securities. Original purchasers of Warrants will be granted a contractual right of rescission against InnVest in respect of the conversion, exchange or exercise of such Warrants, entitling the purchasers to receive the amount paid for the Warrants upon surrender of the Units, Debt Securities or Warrants, as applicable, if this Prospectus, the relevant Prospectus Supplement, and any amendment thereto, contains a misrepresentation, provided such remedy for rescission is exercised within 180 days of the date the Warrants are issued.

Unless the Prospectus Supplement otherwise indicates, Warrants will be issued under, and governed by the terms of, one or more indentures that InnVest will enter into with a warrant trustee or trustees that will be named in the applicable Prospectus Supplement.

The following sets forth certain general terms and provisions of the Warrants offered under this Prospectus. The specific terms of the Warrants, and the extent to which the general terms described in this section apply to these Warrants, will be set out in the applicable Prospectus Supplement.

The Prospectus Supplement relating to any Warrants InnVest offers will describe the Warrants and include specific terms relating to the offering. The Prospectus Supplement will include some or all of the following:

- (i) the designation and aggregate number of Warrants offered;
- (ii) the price, if any, at which Warrants will be offered;
- (iii) the number or principal amount, as applicable, of Units or Debt Securities purchasable on exercise of the Warrants, and procedures that will result in the adjustment of that number or amount;
- (iv) if applicable, the designation and terms of the Debt Securities purchasable on exercise of the Warrants;
- (v) the exercise price of the Warrants;

- (vi) the dates or periods on, after or during which the Warrants are exercisable;
- (vii) the designation and terms of any Securities with which the Warrants are issued and the number of Warrants that will be issued with each such Security;
- (viii) if the Warrants are issued as a unit with another Security, the date on and after which the Warrants and the other Security will be separately transferable;
- (ix) any minimum or maximum amount of Warrants that may be exercised at any one time;
- (x) any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- (xi) whether the Warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- (xii) provisions as to modification, amendment or variation of the warrant indenture or any rights or terms attaching to the Warrants;
- (xiii) material Canadian tax consequences of owning Warrants; and
- (xiv) any other material terms, preferences, rights or limitations of, or restrictions on, the Warrants.

InnVest may amend the warrant indenture(s) and the Warrants, without the consent of the holders of the Warrants, to cure any ambiguity, to cure, correct or supplement any defective or inconsistent provision, or in any other manner that will not prejudice the rights of the holders of outstanding Warrants, as a group.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

InnVest may issue Subscription Receipts that entitle the holder to receive upon satisfaction of certain release conditions, and for no additional consideration, Units, Debt Securities or Warrants or any combination thereof. The Subscription Receipts may be offered separately or together with other Securities, and Subscription Receipts sold with other Securities may be attached to or separate from the other securities.

The Subscription Receipts will be issued under one or more subscription receipt agreements, that InnVest will enter into with one or more escrow agents. If underwriters or agents are involved in the sale of Subscription Receipts, one or more of such underwriters or agents may also be parties to the subscription receipt agreement governing those Subscription Receipts. The relevant subscription receipt agreement will establish the terms of the Subscription Receipts. Under the subscription receipt agreement, original purchasers of Subscription Receipts will have a contractual right of rescission against InnVest following the issuance of Units, Debt Securities or Warrants, as the case may be, to such purchasers, entitling the purchasers to receive the amount paid for the Subscription Receipts upon surrender of the Units, Debt Securities or Warrants, as applicable, if this Prospectus, the relevant Prospectus Supplement, and any amendment thereto, contains a misrepresentation, provided such remedy for rescission is exercised within 180 days of the date the Subscription Receipts are issued.

The particular terms and provisions of any Subscription Receipts offered by InnVest, and the extent to which the general terms and provisions described in this section apply to those Subscription Receipts, will be set out in the applicable Prospectus Supplement. All such terms will comply with any applicable requirements of the TSX relating to Subscription Receipts. The Prospectus Supplement will include some or all of the following:

- (i) the number of Subscription Receipts offered;
- (ii) the price at which the Subscription Receipts will be offered;

- (iii) the designation, number and terms, as applicable, of the Units, Debt Securities or Warrants to be received by holders of Subscription Receipts upon satisfaction of the release conditions, and the anti-dilution provisions that will result in the adjustment of those numbers;
- (iv) the release conditions that must be met in order for holders of Subscription Receipts to receive for no additional consideration, Units, Debt Securities or Warrants, as applicable;
- (v) the procedure for the issuance and delivery of Units, Debt Securities or Warrants, as applicable, to holders of Subscription Receipts upon satisfaction of the release conditions;
- (vi) whether any payments will be made to holders of Subscription Receipts upon delivery of the Units, Debt Securities or Warrants, as applicable, upon satisfaction of the release conditions;
- (vii) the terms and conditions under which the escrow agent will hold in escrow all or a portion of the proceeds from the sale of the Subscription Receipts together with any interest income earned thereon (collectively, the "**Escrowed Funds**"), pending satisfaction of the release conditions;
- (viii) the terms and conditions under which the escrow agent will hold Units, Debt Securities or Warrants, as applicable, pending the satisfaction of the release conditions;
- (ix) the terms and conditions under which the escrow agent will release all or a portion of the Escrowed Funds to us upon satisfaction of the release conditions;
- (x) if the Subscription Receipts are sold to or through underwriters or agents, the terms and conditions under which the escrow agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commission in connection with the sale of the Subscription Receipts;
- (xi) procedures for the refund by the escrow agent to holders of Subscription Receipts of all or a portion of the subscription price for their Subscription Receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the release conditions are not satisfied;
- (xii) any entitlement of InnVest to purchase the Subscription Receipts in the open market by private agreement or otherwise;
- (xiii) whether InnVest will issue the Subscription Receipts as global securities and, if so, who the depository will be;
- (xiv) provisions as to modification, amendment or variation of the subscription receipt agreement or any rights or terms attaching to the Subscription Receipts;
- (xv) material Canadian tax consequences of owning Subscription Receipts; and
- (xvi) any other material terms, preferences, rights or limitations of, or restrictions on, the Subscription Receipts.

PLAN OF DISTRIBUTION

InnVest may sell Securities (i) to underwriters or dealers purchasing as principal, (ii) directly to one or more purchasers pursuant to applicable statutory exemptions, or (iii) through agents for cash or other consideration. The Securities may be sold from time to time in one or more transactions at fixed prices or non-fixed prices, such as prices determined by reference to the prevailing price of Securities in a specified market, at market prices prevailing at the time of sale or at prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution of Securities. The Prospectus Supplement for any Securities being offered will set forth the terms of the offering of those Securities, including the name or names of any underwriters, dealers or agents, the

purchase price of Securities, the proceeds to InnVest from the sale if determinable, any underwriting or agency fees or discounts and other items constituting underwriters' or agents' compensation, any public offering price including the manner of determining such public offering price in the case of a non-fixed price distribution, and any discounts or concessions allowed or re-allowed or paid to dealers or agents. Only underwriters named in the relevant Prospectus Supplement are deemed to be underwriters in connection with Securities offered by that Prospectus Supplement.

If underwriters purchase Securities as principals, such Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters to purchase those Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all Securities offered by the Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers may be changed from time to time.

Securities may also be sold directly by InnVest at prices and upon terms agreed to by the purchaser and InnVest through agents designated by InnVest from time to time. Any agent involved in the offering and sale of Securities pursuant to this Prospectus will be named, and any commissions payable by InnVest to that agent will be set forth, in the applicable Prospectus Supplement. Unless otherwise indicated in the Prospectus Supplement, any agent would be acting on a best efforts basis for the period of its appointment.

InnVest may agree to pay the underwriters a commission, or the dealers or agents a fee, for various services relating to the issue and sale of any Securities offered by this Prospectus. Any such commission or fee will be paid out of the proceeds of a particular offering or InnVest's general funds. Underwriters, dealers and agents who also participate in the distribution of Securities may be entitled under agreements to be entered into with InnVest to indemnification by InnVest against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments that those underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for InnVest in the ordinary course of business.

Except as set out in a Prospectus Supplement relating to a particular offering of Securities, the underwriters, dealers or agents, as the case may be, may over-allot or effect transactions intended to fix or stabilize the market price of the Securities at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Underwriters, dealers or agents involved in a particular offering of Securities may distribute this Prospectus or any Prospectus Supplement electronically.

The Units are listed on the TSX under the trading symbol "INN.UN". On June 30, 2015, the last trading day prior to the date of this Prospectus, the closing price of the Units on the TSX was \$5.15 per Unit. InnVest also has outstanding the Series E Debentures, the Series F Debentures and the Series G Debentures, that trade on the TSX under the symbols INN.DB.E, INN.DB.F and INN.DB.G, respectively. On June 30, 2015, the last trading day prior to the date of this Prospectus, the closing prices of the Series E Debentures, the Series F Debentures and the Series G Debentures on the TSX were \$101.40, \$102.65 and \$104.00 per \$100 principal amount thereof, respectively.

The Securities offered by this Prospectus and any Prospectus Supplement have not been and will not be registered under the 1933 Act, or the securities laws of any state, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the 1933 Act), unless the Securities are registered under the 1933 Act or an exemption from the registration requirements under the 1933 Act and applicable state securities laws is available. The underwriters, dealers or agents who participate in the distribution will agree that they will not offer or sell Securities within the United States, its territories or possessions or other areas subject to its jurisdiction or to, or for the account or benefit of, a U.S. person, except pursuant to an exemption from the registration requirements of the 1933 Act provided by Rule 144A and in compliance with applicable

state securities laws. In addition, until 40 days after the commencement of the offering, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the 1933 Act if such offer is made otherwise than in compliance with Rule 144A.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement will describe certain Canadian federal income tax consequences to an investor who is a resident of Canada or who is a non-resident of Canada of acquiring, owning or disposing of any Securities offered thereunder, including to the extent applicable, whether the distributions relating to the Securities will be subject to Canadian non-resident withholding tax.

PRIOR SALES

The following table summarizes the issuances by InnVest of Units and securities convertible into Units within the 12 months prior to the date of this Prospectus:

<u>Date</u>	<u>Securities</u>	<u>Price Per Security (\$)</u>	<u>Number of Securities</u>
June 16, 2014	Units	5.10	69,636
July 2, 2014	Units	5.25	23,497
July 15, 2014	Units	5.29	70,540
August 1, 2014	Units	5.59	22,800
August 15, 2014	Units	5.64	68,544
September 1, 2014	Units	5.74	22,185
September 15, 2014	Units	5.73	71,505
September 23, 2014	Units ⁽¹⁾	5.31	5,000
October 1, 2014	Units	5.26	23,439
October 15, 2014	Units	5.09	82,427
November 3, 2014	Units	5.08	25,093
November 4, 2014	Deferred Units ⁽²⁾	5.10	94,827
November 17, 2014	Units	5.16	88,788
November 26, 2014	Units	5.25	21,050,000
December 15, 2014	Units	5.54	18,225
January 2, 2015	Units	5.70	877
January 2, 2015	Units	5.98	7,140
January 6, 2015	Deferred Units ⁽²⁾	5.84	34,724
January 15, 2015	Units	5.98	14,844
January 21, 2015	Units	9.45	2,645
January 26, 2015	Units	6.50	80,000
January 29, 2015	Units	5.70	8,596
January 30, 2015	Units	5.70	17,719
January 30, 2015	Units	6.25	44,000
February 3 rd to 13 th , 2015	Units	5.70	393,504
February 17, 2015	Units	6.05	18,352
February 18 th to 27 th , 2015	Units	5.70	2,793,507
March 2, 2015	Units	5.70	2,525,262
March 11, 2015	Units ⁽²⁾	5.98	38,779
March 16, 2015	Units	5.60	16,622
March 30, 2015	Units ⁽²⁾	5.98	5,016
April 1, 2015	Deferred Units ⁽²⁾	5.75	35,843
April 15, 2015	Unit	5.75	20,994

<u>Date</u>	<u>Securities</u>	<u>Price Per Security (\$)</u>	<u>Number of Securities</u>
May 15, 2015	Units	5.42	22,315

Notes:

- (1) Awarded pursuant to InnVest's Second Amended and Restated Executive Incentive Plan dated July 1, 2012.
- (2) Redeemable into Units in accordance with the terms and conditions of InnVest's deferred unit plan effective October 21, 2014 established for Trustees who are not employees of InnVest (including executive officers). No Units are issuable until Unitholder approval has been obtained at the 2015 AGM in accordance with the requirements of the TSX.

TRADING PRICE AND VOLUME

The following tables set forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of the Units, and InnVest's 6.00% Series E debentures, 5.75% Series F debentures and 6.25% Series G debentures on the TSX.

<u>TSX Trading Summary of REIT Units</u>			
<u>Month</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
	<u>(\$)</u>	<u>(\$)</u>	<u>(#)</u>
2014			
April	5.35	5.11	1,998,814
May	5.30	5.00	1,519,615
June	5.33	4.97	1,815,796
July	5.79	5.20	1,614,694
August	5.84	5.44	1,324,374
September	5.89	5.11	1,881,170
October	5.46	4.58	1,329,355
November	5.59	5.01	3,155,863
December	6.12	5.27	4,912,025
2015			
January	6.56	5.78	3,663,788
February	6.32	5.82	4,826,647
March	5.92	5.41	1,860,306
April	5.93	5.58	1,389,155
May	5.75	5.30	1,621,687
June	5.57	5.12	2,374,057

<u>Month</u>	<u>Trading of 6.00% Series E</u>		
	<u>Convertible Debentures (INN.DB.E)</u>		
	<u>High</u>	<u>Low</u>	<u>Volume</u>
	<u>(\$)</u>	<u>(\$)</u>	<u>(#)</u>
2014			
April	102.00	100.50	274,000
May	102.00	101.00	134,000
June	102.00	101.00	132,000
July	103.50	101.50	499,000
August	103.56	101.25	307,000
September	102.05	101.70	415,000
October	102.98	100.00	726,000
November	101.50	100.75	370,000
December	101.50	100.00	513,000
2015			
January	102.00	100.00	1,614,000
February	102.51	101.25	451,000
March	102.70	101.01	746,000
April	102.50	100.21	2,424,000
May	101.84	100.51	945,000
June	101.92	101.10	1,306,000

Month	Trading of 5.75% Series F			Trading of 6.25% Series G		
	Convertible Debentures (INN.DB.F)			Convertible Debentures (INN.DB.G)		
	High	Low	Volume	High	Low	Volume
	(\$)	(\$)	(\$)	(\$)	(\$)	(#)
2014						
April	103.01	99.50	1,653,000	104.34	101.50	1,726,500
May	101.00	100.00	884,000	104.00	101.01	1,177,500
June	102.00	100.50	255,000	103.50	100.50	8,066,000
July	102.60	100.25	2,082,000	105.00	102.00	1,263,500
August	101.00	100.10	446,000	103.24	101.00	5,233,000
September	100.95	100.16	396,000	103.73	102.30	2,850,100
October	101.25	100.16	323,000	103.35	102.60	1,314,000
November	101.65	100.16	318,000	103.12	101.75	423,000
December	101.65	100.00	761,000	103.90	102.50	581,000
2015						
January	101.50	100.00	314,000	106.75	103.75	854,000
February	102.75	100.99	281,000	106.50	104.01	667,000
March	106.95	100.17	485,000	105.55	102.16	2,110,000
April	101.90	100.50	780,000	103.75	102.26	1,091,000
May	104.00	100.50	873,000	107.99	101.50	1,712,000
June	104.98	102.10	435,000	105.25	103.75	1,720,100

RISK FACTORS

An investment in Securities is subject to a number of risks. Before deciding whether to invest in Securities, investors should consider carefully the risks relating to InnVest as described below and in the information incorporated by reference in this Prospectus (including subsequently filed documents incorporated by reference) and, if applicable, those described in a Prospectus Supplement for a specific offering of Securities. Specific reference is made to the section "Risk Factors" in the 2014 AIF and to the section "Risks and Uncertainties" of the 2014 Annual MD&A and to the risks described in the AIFs and MD&As subsequently filed by InnVest. If any of the events or developments discussed in those risks factors actually occur, InnVest's business, financial condition or results of operations or the value of the Securities could be adversely affected.

No Market for the Debt Securities, Warrants and Subscription Receipts

There is currently no trading market for any Debt Securities, Warrants or Subscription Receipts that may be offered. No assurance can be given that an active or liquid trading market for these securities will develop or be sustained. If an active or liquid market for these securities fails to develop or be sustained, the prices at which these securities trade may be adversely affected. Whether or not these securities will trade at lower prices depends on many factors, including liquidity of these securities, prevailing interest rates and the markets for similar securities, general economic conditions and InnVest's financial condition, historic financial performance and future prospects.

LEGAL MATTERS

Certain legal matters in connection with the issuance of Securities offered hereby will be passed upon on behalf of InnVest by Norton Rose Fulbright Canada LLP. As of the date of this Prospectus, partners and associates of Norton Rose Fulbright Canada LLP, as a group, owned, beneficially or of record, less than 1% of InnVest's outstanding securities or outstanding securities of any of InnVest's associates or affiliates.

Each of Daniel Lewis, Edward Pitoniak, Majid Mangalji and Fereed Mangalji resides outside of Canada and has appointed Norton Rose Fulbright Canada LLP, Royal Bank Plaza, South Tower, Suite 3800, 200 Bay Street, Toronto, Ontario, M5J 2Z4, Attention: Walied Soliman, as his agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if the party has appointed an agent for service of process.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The independent auditors of InnVest are Deloitte LLP, Chartered Professional Accountants, Chartered Accountants, Licensed Public Accountants, at their principal offices in Toronto, Ontario. Deloitte LLP has advised InnVest that it is independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

The transfer agent and registrar for the Units is Computershare Trust Company of Canada at its principal offices in Toronto, Ontario.

PURCHASERS' STATUTORY RIGHTS AND CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. The right may be exercised within two business days after receipt or deemed receipt of a short form prospectus and any amendment thereto. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the short form prospectus and any amendment thereto contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal adviser.

In an offering of Debt Securities, Warrants and/or Subscription Receipts, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the Debt Securities, Warrants and/or Subscription Receipts are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion or exchange of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal adviser.

Original purchasers of convertible or exchangeable Debt Securities, Warrants or Subscription Receipts will have a contractual right of rescission against InnVest following the conversion of such convertible or exchangeable Debt Securities, Warrants or Subscription Receipts. The contractual right of rescission will entitle such original purchaser to receive the amount paid for such convertible or exchangeable Debt Securities, Warrants or Subscription Receipts upon surrender of the securities issued to such purchaser upon conversion of such convertible or exchangeable Debt Securities, Warrants or Subscription Receipts, in the event that this Prospectus, as supplemented by the applicable Prospectus Supplement relating to such convertible or exchangeable Debt Securities, Warrants or Subscription Receipts, as amended (the "**Supplemented Prospectus**") contains a misrepresentation, provided that the right of rescission is exercised within 180 days of the date of the purchase of such convertible or exchangeable Debt Securities, Warrants or Subscription Receipts under the Supplemented Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers of convertible or exchangeable Debt Securities under section 130 of the *Securities Act* (Ontario) or otherwise at law. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this statutory right of action for damages, or consult with a legal adviser.

CERTIFICATE OF INNVEST REAL ESTATE INVESTMENT TRUST

Dated: July 2, 2015

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces and territories of Canada.

(Signed) ANDREW C. COLES
Chief Executive Officer

(Signed) GEORGE KOSZIWKA
Chief Financial Officer

On behalf of the Board of Trustees

(Signed) ROBERT WOLF
Trustee

(Signed) JON LOVE
Trustee