



Institutional Equity Research Earnings Update

March 21, 2013

Stock Rating:
Sector Performer

Sector Weighting:
Market Weight

12-18 mo. Price Target \$8.25
PAR.UN-TSX (3/21/13) \$7.98

Key Indices: None

3-5-Yr. AFFO Gr. Rate	NA
52-week Range	\$7.08-\$8.70
Units Outstanding	26.0M
Float	22.5M Units
Avg. Daily Trading Vol.	NM
Market Capitalization	\$207.4M
Distribution/Distr. Yield	\$0.64 / 8.0%
Fiscal Year Ends	December
Net Asset Value	\$7.75 per Unit
2013 RETURNS	
LT Debt	\$289.5M
Preferred	Nil
Common Equity	\$197.2M
Convertible Available	Yes

FFO Per Unit	Prev	Current
2012	\$0.60E	\$0.62A
2013	\$0.67E	\$0.66E
2014	\$0.70E	\$0.71E

P/FFO		
2012	13.3x	12.9x
2013	11.9x	12.1x
2014	11.4x	11.2x

AFFO per Unit		
2012	--	\$0.53A
2013	--	\$0.60E
2014	--	\$0.65E

P/AFFO		
2012	NM	15.1x
2013	NM	13.3x
2014	NM	12.3x

Company Description

Partners REIT is a mid-market shopping centre REIT, focusing on acquisitions of \$10 mln to \$50 mln in primary and secondary markets with a portfolio comprising 35 properties totalling ~2.4 mln sq. ft. www.partnersreit.com

Brad Sturges, CFA
1 (416) 594-7399
Brad.Sturges@cibc.ca

Alex Avery, CFA, MRICS
1 (416) 594-8179
Alex.Avery@cibc.ca

Troy MacLean, CFA
1 (416) 956-3643
Troy.Maclean@cibc.ca

Chris Girard, CFA
1 (416) 956-3807
Chris.Girard@cibc.ca

Real Estate

Partners Real Estate Investment Trust

Q4 FD FFO Ahead; Executing On Leasing And Acquisition Strategies

- Q4/12 FD FFO was \$0.16/unit (excluding \$0.02/unit in transaction costs), up from \$0.14/unit a year earlier (excluding \$0.05/unit in transaction costs). Q4/12 same-portfolio cash NOI declined 4.0% Y/Y due to Partners' redevelopment initiatives at the Mega Centre and Place Val Est properties.
- In 2013 to date, PAR has announced or completed ~\$104 mln. in shopping center acquisitions in Quebec and B.C. at an estimated average cap rate of ~6.3%. The transactions will be funded by ~\$63 mln. in new and assumed mortgage debt (average effective interest rate: ~3.7%) and cash.
- To partly fund pending and completed acquisitions, PAR completed a ~\$26 mln. common equity offering in Q1/13 at a price of \$7.70/unit and issued \$23 mln. in 5.5% convertible debentures (conversion price: \$10.25/unit). PAR's pro-forma debt/GBV assets ratio is ~64%, above its 60% target.
- Partners' units trade at 12.1x 2013E FD FFO, 3% above estimated NAV of \$7.75 (employing an average cash NOI cap rate of 6.75%) and yield 8.0% (2013E AFFO yield: 7.5%). Our 12- to 18-month price target is 12.5x 2013E FD FFO, or \$8.25. We continue to rate Partners as Sector Performer.

Stock Price Performance



Source: Reuters

All figures in Canadian dollars, unless otherwise stated.

13-122014 © 2013

CIBC World Markets does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report.

Investors should consider this report as only a single factor in making their investment decision.

See "Important Disclosures" section at the end of this report for important required disclosures, including potential conflicts of interest.

See "Price Target Calculation" and "Key Risks to Price Target" sections at the end of this report, where applicable.



Partners Real Estate Investment Trust

PAR.UN 3/21/2013
 12 - 18 month Price Target: \$8.25 Per Unit
 Sector: Real Estate & Related
 Sector Weighting: Market Weight

Current Yield: 8.0%
 Market Capitalization (\$ mlns): \$207.4

Stock Rating: Sector Performer

Brad Sturges, CFA (416-594-7399) Brad.Sturges@cibc.ca
 Alex Avery, CFA, MRICS (416-594-8179) Alex.Avery@cibc.ca
 Troy MacLean, CFA (416-956-3643) Troy.MacLean@cibc.ca
 Chris Girard, CFA (416-956-3807) Chris.Girard@cibc.ca

Price Target Calculation & NAV

CIBC 2013E FD FFO:	\$0.66
Target Multiple (2013E FD FFO):	12.5x
CIBC Price Target:	\$8.25
Implied 12-18 Month Total Return:	11%
CIBC NAV(E):	\$7.75
Premium/(Discount) To NAV:	3%
Cap Rate:	6.75%

Total Return

	2011	2012	2013 YTD
Price Return	5.2%	7.0%	3.0%
Yield	9.3%	8.8%	1.4%
Total	14.5%	15.9%	4.3%

REIT Management

Adam Gant, CEO
 Patrick Miniutti, President
 Peter D. Morris - COO
www.partnersreit.com

Earnings Summary

Financial Metric	2012A	2013E	2014E
Funds From Operations (FFO)	\$0.62	\$0.66	\$0.71
YoY Change	14.8%	6.5%	7.6%
Adjusted FFO (AFFO)	\$0.53	\$0.60	\$0.65
YoY Change	15.2%	13.2%	8.3%

Debt Maturity & Liquidity Profile (At Q4/12, Proforma)

Mins	2013E	2014E	2015E
Mortgages	\$10.6	\$31.6	\$38.4
Credit Facilities	\$0.0	\$0.0	\$0.0
Unsecured Debentures	\$0.0	\$0.0	\$0.0
Total	\$10.6	\$31.6	\$38.4
Weighted Avg Interest Rate	4.5%		

Cash & Equivalents* \$5.3
 Undrawn Credit Facilities \$42.1
Total \$47.4

*excludes restricted cash and ~\$1.9 million in notes receivable

Recent Occupancy History

Year	Q1	Q2	Q3	Q4
2012	95.9%	94.1%	96.4%	96.7%
2011	97.6%	98.3%	98.2%	98.0%
2010	92.0%	95.1%	95.2%	95.7%

Recent Same Portfolio NOI Growth

Year	Q1	Q2	Q3	Q4
2012	5.4%	(2.8%)	(2.6%)	(4.0%)
2011	(1.0%)	3.3%	5.3%	(1.3%)
2010	(13.4%)	(8.6%)	(8.0%)	2.9%

Top 10 Tenants (At Q4/12)

Tenant	Annualized Revenue (%)	Avg. Lease Term (Yrs)
Shoppers Drug Mart	17.1%	7.4
Canadian Tire	6.9%	19.1
Super C	3.1%	3.2
Mark's Work Warehouse	2.8%	5.0
SAQ	2.2%	5.7
Dollarama	2.1%	7.7
Royal Bank Of Canada	1.9%	4.0
Empire Theatres Limited	1.8%	2.9
The Brick Warehouse	1.8%	9.3
Hudson's Bay Company	1.7%	5.0
Total	41.3%	6.9

Company Description

Partners REIT is a mid-market retail REIT, focused on acquisitions of \$10 mln to \$50 mln in primary and secondary market with a portfolio comprising 35 properties, totaling approximately 2.4 million sq. ft. of retail space.

Strategy

PAR's acquisition strategy focuses on mid-market retail properties in primary and secondary markets. Retail property acquisitions completed by PAR could come in the form of single-tenant retail assets leased to national companies; grocery-anchored multi-tenant strip centres; and, to a lesser extent, the retail portion of urban mixed-use properties. Any retail property acquired by PAR must be immediately accretive to AFFO/unit.

Investment Thesis: Sector Performer

- ROBUST ACQUISITION ACTIVITY:** PAR intends acquisitions that are immediately accretive to AFFO/unit. Since the start of 2011, PAR has completed or entered into agreements to acquire ~\$375 mln in retail property acquisitions across Canada.
- DISCOUNT VALUATION AND ATTRACTIVE YIELD:** PAR units yield 8.0% (or 7.5% on a 2013E AFFO-covered basis) and trade at 12.1x 2013E FD FFO or a ~4.2x 2013E P/FFO multiple discount to its large-cap shopping centre peers.
- ABOVE-AVERAGE RISKS:** PAR's units carry above-avg risks in relation to the Cdn REIT universe, incl: its below-avg. unit liquidity due to its ~\$210 mln market capitalization; its external management structure; and its distribution of \$0.64/unit exceeds 2013E AFFO of \$0.60/unit.

Comparable Company Table

FFO MULTIPLES	2012A	2013E	2014E
Partners REIT	12.9x	12.1x	11.2x
Peer Group ¹	17.0x	16.3x	15.7x

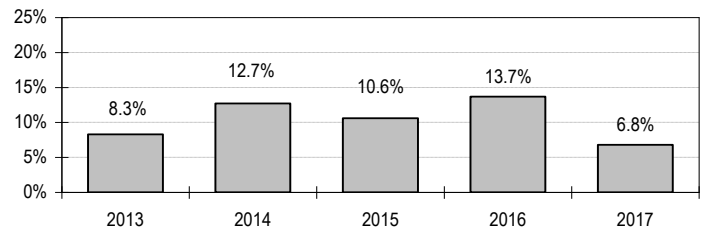
AFFO MULTIPLES	2012A	2013E	2014E
Partners REIT	15.1x	13.3x	12.3x
Peer Group ¹	18.9x	18.1x	17.4x

Note¹: REI.UN, CWT.UN, CRR.UN and FCR.

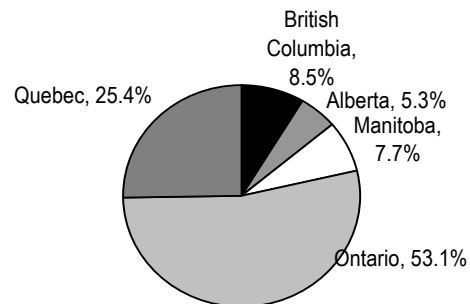
Leverage Summary (IFRS)

LEVERAGE SUMMARY	Q4/12	Q4/11	Limit
EBITDA Interest Coverage:	2.3x	1.7x	
Debt/GBV of Assets:	62.4%	73.0%	75.0%

Lease Maturity Schedule (% OF GLA)



Property Breakdown (At The End Of Q4/12, % Of Annualized Revenue)



Source: Company reports, ThomsonOne and CIBC World Markets Inc.



Q4 Cash SP-NOI Declines 4.0% Due To Renovations At Mega Centre And Place Val Est

Q4/12 FD FFO was ahead of expectation at \$0.16/unit, excluding ~\$0.02/unit in transaction costs, but including ~\$0.01/unit in interest income, up from \$0.14/unit a year ago (restated, excluding ~\$0.05/unit in transaction costs). Partners' (PAR.UN-SP) Q4 FD FFO benefited from ~\$175 million in retail property acquisitions completed since the end of 2011, increased interest income and lower general and administrative (G&A) expenses, partly offset by a decline in same-property cash NOI and a ~230% increase in the weighted average number of fully diluted units outstanding. Q4/12 same-property cash NOI declined 4.0% year over year (Y/Y) due to temporarily lower same-property physical occupancy at the REIT's Mega Centre and Place Val Est properties as a result of redevelopment initiatives. However, including pre-leasing agreements that were yet to become effective, same-property occupancy in Q4 would have increased to 98.1% from 98.0% a year ago.

2012 FD FFO was \$0.62/unit (excluding \$0.02/unit in transaction costs), up from \$0.54/unit in 2011 (restated, excluding \$0.09/unit in transaction costs). The completion of \$270 million in retail property acquisitions since the start of 2011 and greater interest income were partly offset by lower same-property cash NOI, higher G&A costs and a ~170% increase in the weighted average number of fully diluted units outstanding. Same-property cash NOI in 2012 declined 0.5% Y/Y, partly reflecting a decline in same-property physical occupancy due to renovations at the Mega Centre and Place Val Est. However, including pre-leasing agreements that are expected to become effective in 2013, same-property occupancy in 2012 would have been stable at 98.3%.

Shopping Center Acquisitions In Quebec, Ontario And British Columbia

In Q4/12, Partners acquired the Centre Village Shopping Centre and Elgar Plaza on Nun's Island in Montreal, Quebec for \$21.9 million in cash at an estimated cap rate of ~6.4%. The Centre Village Shopping Centre is a 97% occupied 95,000 sq. ft. retail property anchored by Loblaws (L-SP) and includes tenants such as SAQ, Royal Bank (RY-SO) and Starbucks (SBUX-NASDAQ). Elgar Place is an 80% occupied 10,000 sq. ft. shopping center anchored by Couche-Tard (ATD.B-SP) convenience store.

The REIT also acquired in Q4/12 a 43,774 sq. ft. unenclosed shopping center in Timmins, Ontario for ~\$10.0 million at an estimated cap rate of 8.09%. The transaction was funded by the assumption of ~\$4.9 million in mortgage debt financing (effective interest rate: 4.0%) that matures in September 2018, and cash. The property is shadow-anchored by Canadian Tire (CTC.A-SO) and Home Depot (HD-NYSE), and tenants include Michaels, Mark Work Warehouse and Reitmans (RET.A-SP).

In March, Partners acquired two newly constructed unenclosed shopping centers in the Greater Montreal Area (GMA) totaling 93,735 sq. ft. of gross leasable area (GLA) for \$26.2 million at an estimated cap rate of 6.5%. The transactions were funded by new mortgages totaling \$15.2 million (average interest rate: 3.4%) and the balance in cash. The two shopping centers acquired include the Sorel shopping centre, a 31,136 sq. ft. property anchored by SAQ liquor store and Tim Horton's (THI-SP), and the Saint Remi shopping center, a 62,300 sq. ft. property anchored by IGA, Uniprix, SAQ and Tim Horton's. Partners entered into agreements in January with separate vendors to acquire an additional two newly

constructed unenclosed shopping centers and one stabilized retail property in the GMA totaling 286,500 sq. ft. of GLA for \$52.3 million at a going-in capitalization rate of ~6.0%. The remaining transactions are expected to close by the end of March and will be funded by \$33.2 million in new mortgages (average effective interest rate: 3.8%) and the remainder in cash.

In February, Partners entered into an agreement to acquire the Mariner Square Shopping Centre, a 97.8% occupied six-building unenclosed shopping center comprising 101,000 sq. ft. of GLA for \$25.8 million at an estimated cap rate of ~6.6%. The Mariner Square Shopping Centre is anchored by Save-On Foods grocery store, London Drugs and a B.C. liquor store and tenants include Starbucks and Subway. The REIT intends to fund the transaction with the assumption of \$14.7 million in mortgage debt (effective interest rate: 3.5%) and the balance in cash. The acquisition is expected to close on or before April 15.

Robust Acquisition Activity Expected; League Financial Partners May Provide Acquisition Opportunities

It is anticipated that Partners could be very active in acquiring retail properties over the next 12 to 18 months. By the end of 2013, Partners is targeting to own ~\$1 billion in assets, which is ~\$417 million or ~72% above ~\$580 million in total assets currently. Based on a target debt to gross book value (GBV) assets ratio of 60%, Partners' market capitalization could essentially double to \$400 million if the REIT successfully meets its acquisition objective. Partners intends to complete property acquisitions that are immediately accretive to AFFO/unit.

League Financial Partners (League), an affiliate to Partners' external asset manager (LAPP Global Asset Management Inc.) and unitholder (IGW Public LP), is in the process of trying to establish a development pipeline of stabilized shopping center properties, mainly concentrated in British Columbia. If League is successful in establishing a development platform, Partners may have access to a pipeline of shopping center acquisitions. Management currently estimates that over \$40 million of shopping center assets could be acquired from League over the next 12 months.

Considering The Disposition Of Non-core Shopping Centers

Partners is considering the disposition of non-core shopping centers that do not meet its investment criteria or might have above-average capital expenditure requirements. Cash proceeds from any completed sale are likely to be redeployed into the REIT's acquisition activity.

Executing Value Creation Strategies To Improve SP-NOI Growth Prospects

Partners is exploring options to re-develop, re-tenant and re-position certain shopping centers in its existing property portfolio and identified certain properties where it intends to commence value-added initiatives. Currently, the REIT has obtained pre-leasing agreements at the Mega Centre in Montreal, Quebec. Partners is also considering commencing value creation initiatives at Place Desormeaux in Montreal, Quebec.

Revitalization Project At The Mega Centre; Anchor Lease With Wal-Mart

In Q4/12, Partners announced that it had entered into a 15-year lease agreement with Wal-Mart Canada Corp. (WMT-NYSE) for ~90,000 sq. ft. (plus basement storage space) at the REIT's Mega Centre in Montreal, Quebec. It is anticipated that the new Wal-Mart store will open in Q2/13. The leasing announcement represents the first phase of Partners' planned revitalization project of the Mega Centre.

May Commence Renovations At Place Desormeaux In Longueuil, Quebec

Following the completion of an anchor lease with Wal-Mart in 2011, the REIT believes that opportunities exist to commence a value-creation project at Place Desormeaux in Longueuil, Quebec that could involve re-demising space and changing the tenant mix of the center. Partners is also considering adding new retail pads to the shopping center. If executed, the REIT estimates that capital expenditures for Place Desormeaux could total ~\$2.5 million.

Notes Receivable To Be Repaid By End Of May

In 2012, the REIT acquired mortgages and loans receivable as part of the acquisition of assets from NorRock Realty Finance Corporation. The remaining mortgage assets held by Partners were sold to League Holdings Corporation (LHC) for \$7.9 million, based on third-party valuations. In exchange for the assets, Partners received a full recourse note receivable that is payable on or before May 31, 2013.

In Q4/12, Partners received mortgage principal repayments of \$1.9 million from LHC. Subsequent to the end of 2012, LHC made additional mortgage principal repayments totaling \$4.1 million to the REIT, reducing the remaining balance to \$1.9 million. The note receivable carried an interest rate of 12% on any outstanding amounts. On February 28, the interest rate was reduced to 9% on the outstanding balance.

Financial Position

At December 31, Partners' debt/GBV assets including convertible debentures on an IFRS basis was 62.4% (maximum: 75%, target: under 65%). The REIT's current average term to maturity on its mortgage payable is ~four years and weighted average effective interest rate is 4.48%.

Refinances ~\$18 Million In Maturing Mortgage Debt; No Mortgage Debt Maturities Until 2014

In Q4/12, the REIT repaid \$17.5 million in mortgages debt that had an interest rate of 5.65% by obtaining new mortgages totaling \$20.5 million (average interest rate: 3.4%), secured by the REIT's Canadian Tire properties. As a result, Partners does not have any mortgage debt maturities until 2014.

Issues ~\$26 Million In Common Equity

In January, Partners issued ~3.4 million trust units at \$7.70/unit for gross proceeds of \$25.9 million. The REIT used the proceeds from the offering to partly fund its shopping center acquisition activities.

Completes ~\$23 Million Convertible Debenture Offering

In March, Partners issued \$23 million in 5.5% convertible debentures (conversion price: \$10.25/unit). Proceeds from the offering are to repay the REIT's credit facilities, to fund pending acquisitions and for general trust purposes.

Reflecting the issuance of \$26 million in common equity and \$23 million in convertible debentures, repayment of the REIT's credit facilities and completion of pending retail property acquisitions and related debt financings, Partners' debt/GBV assets ratio on a pro-forma basis is 63.6%. The REIT's pro-forma liquidity position comprises ~\$5.3 million in cash and ~\$42.1 million available to be drawn from its credit facilities for a total of ~\$47.4 million.

League Financial Partners Inc. Files Preliminary Prospectus

In March, League Financial Partners Inc. (League) filed a preliminary prospectus that entails a restructuring process that would see around 80% of its current operations and some 30 limited partnerships that the company manages wound up and rolled into one entity. Upon completion of the restructuring process, League intends to focus on four business segments: 1) asset management of various public and private entities; 2) wealth management; 3) real estate development; and 4) residential mortgage lending. At December 31, League has over \$1.2 billion in assets under management and \$535.5 million in assets under administration. The company has offices in Victoria, Vancouver, Toronto and Calgary, with over 120 employees. We do note that there is no operational impact to Partners by League and its affiliates' restructuring process.

Appoints New CFO On An Interim Basis

In February, Tony Quo Vadis resigned as the REIT's CFO due to personal family reasons. However, Mr. Quo Vadis will maintain a relationship with the REIT's external asset manager, League, as Board Chairman of League Urban Ventures, a mixed-use real estate development company. Heather Routly, the REIT's Chief Accounting Officer (CAO) was appointed CFO on an interim basis, supported by Patrick Miniutti, Partners' President, who has prior CFO experience of publicly traded real estate investment trusts. A permanent CFO will be appointed once the board of trustees of the REIT has completed a full search.

Investment Outlook

Partner's external asset manager and unitholder (~12% indirect interest held through affiliated entity IGW), League, intends to grow Partners through various value-enhancing strategies, including: 1) leasing initiatives; 2) value-creation strategies that may include the re-development or re-positioning of Partners' properties; and 3) sourcing and executing accretive retail and mixed-use property acquisitions. In the long term, League may offer to sell stabilized retail and mixed-use properties to Partners. If League is successful in growing its development platform and building strong relationships with established third-party shopping center developers, the REIT may have access to an acquisition pipeline. Since the start of 2011, Partners has completed or has announced ~\$375 million in retail and mixed-use property acquisitions. We expect Partners to continue to be very active in completing shopping center acquisitions in the next 12 to 18 months.

Our 2013E FD FFO is reduced slightly to \$0.66/unit from \$0.67/unit, while our 2014E FD FFO rises to \$0.71/unit from \$0.70/unit. Our 2013E FD AFFO increases to \$0.60/unit from \$0.59/unit and our 2014E FD AFFO is \$0.65/unit, up from \$0.61/unit.

Our FD FFO and FD AFFO estimates in 2013 and 2014 also reflect Partners' stated long-term target for financial leverage (as measured by the debt/GBV assets ratio) of 60%, below its current financial leverage of ~64%.

Based on its attractive discount valuation relative to its shopping center REIT peers, and the potential to achieve above-average FFO/unit and AFFO/unit growth driven by anticipated robust acquisition activity, offset by risks associated with an external management structure, a distribution of \$0.64/unit that exceeds 2013E AFFO of \$0.60/unit and below-average unit liquidity, we rate Partners as Sector Performer.

Price Target Calculation

Partners' units trade at 12.1x 2013E FD FFO, compared to a 16.3x average for its large-capitalization shopping center REIT peers and yield 8.0% (shopping center REIT peer average: 5.1%). Our 12- to 18-month price target is 12.5x 2013E FD FFO of \$0.66/unit, or \$8.25, ~6% above our estimated NAV of \$7.75/unit (based on annualized cash NOI and employing a 6.75% average cash NOI cap rate).

Key Risks To Price Target

Risks include the potential for an unanticipated increase in interest rates, unexpected deterioration in economic and/or retail market fundamentals, and/or diversion of investors' capital flows toward other asset classes, away from REITs.

Our FFO estimates are shown below:

	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	Yearly
2012 Prior	\$0.15A	\$0.16A	\$0.15A	\$0.15E	\$0.60E
2012 Current	\$0.14A	\$0.15A	\$0.15A	\$0.16A	\$0.62A
2013 Prior	\$0.16E	\$0.17E	\$0.17E	\$0.17E	\$0.67E
2013 Current	\$0.15E	\$0.17E	\$0.17E	\$0.17E	\$0.66E
2014 Prior	--	--	--	--	\$0.70E
2014 Current	--	--	--	--	\$0.71E

Our AFFO estimates are shown below:

	1 Qtr.	2 Qtr.	3 Qtr.	4 Qtr.	Yearly
2012 Prior	--	--	--	--	--
2012 Current	--	--	--	--	\$0.53A
2013 Prior	--	--	--	--	--
2013 Current	--	--	--	--	\$0.60E
2014 Prior	--	--	--	--	--
2014 Current	--	--	--	--	\$0.65E

Note: Owing to rounding and the method of calculating fully diluted FFO, quarterly figures may not add precisely up to annual numbers.

IMPORTANT DISCLOSURES:

Analyst Certification: Each CIBC World Markets research analyst named on the front page of this research report, or at the beginning of any subsection hereof, hereby certifies that (i) the recommendations and opinions expressed herein accurately reflect such research analyst's personal views about the company and securities that are the subject of this report and all other companies and securities mentioned in this report that are covered by such research analyst and (ii) no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by such research analyst in this report.

Potential Conflicts of Interest: Equity research analysts employed by CIBC World Markets are compensated from revenues generated by various CIBC World Markets businesses, including the CIBC World Markets Investment Banking Department. Research analysts do not receive compensation based upon revenues from specific investment banking transactions. CIBC World Markets generally prohibits any research analyst and any member of his or her household from executing trades in the securities of a company that such research analyst covers. Additionally, CIBC World Markets generally prohibits any research analyst from serving as an officer, director or advisory board member of a company that such analyst covers.

In addition to 1% ownership positions in covered companies that are required to be specifically disclosed in this report, CIBC World Markets may have a long position of less than 1% or a short position or deal as principal in the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon.

Recipients of this report are advised that any or all of the foregoing arrangements, as well as more specific disclosures set forth below, may at times give rise to potential conflicts of interest.

Important Disclosure Footnotes for Partners Real Estate Investment Trust (PAR.UN)

- 2a Partners Real Estate Investment Trust is a client for which a CIBC World Markets company has performed investment banking services in the past 12 months.
- 2c CIBC World Markets Inc. has managed or co-managed a public offering of securities for Partners Real Estate Investment Trust in the past 12 months.
- 2e CIBC World Markets Inc. has received compensation for investment banking services from Partners Real Estate Investment Trust in the past 12 months.
- 2g CIBC World Markets Inc. expects to receive or intends to seek compensation for investment banking services from Partners Real Estate Investment Trust in the next 3 months.

Important Disclosure Footnotes for Companies Mentioned in this Report that Are Covered by CIBC World Markets Inc.:

Stock Prices as of 03/21/2013:

Alimentation Couche-Tard Inc. (2g, 12) (ATD.B-TSX, \$53.60, Sector Performer)
Calloway REIT (2a, 2c, 2e, 2g) (CWT.UN-TSX, \$29.16, Sector Outperformer)
Canadian Tire Corporation, Ltd. (2g, 7, 13) (CTC.A-TSX, \$70.00, Sector Outperformer)
Crombie REIT (2a, 2c, 2e, 2g) (CRR.UN-TSX, \$14.61, Sector Performer)
Dollarama Inc. (2g) (DOL-TSX, \$60.40, Sector Outperformer)
Empire Company Limited (2g, 13) (EMP.A-TSX, \$65.32, Sector Performer)
First Capital Realty Inc. (2a, 2c, 2e, 2g) (FCR-TSX, \$19.10, Sector Performer)
Hudson's Bay Co. (2a, 2c, 2e, 2g) (HBC-TSX, \$15.05, Sector Outperformer)
Loblaw Companies Limited (2g, 7, CD28) (L-TSX, \$41.30, Sector Performer)
Metro Inc. (2g, 7) (MRU-TSX, \$63.16, Sector Performer)
Reitmans (Canada) Ltd. (2g, 13) (RET.A-TSX, \$10.74, Sector Performer)
RioCan REIT (2a, 2c, 2e, 2g, 7) (REI.UN-TSX, \$27.25, Sector Outperformer)
Royal Bank of Canada (2a, 2c, 2g, 3a, 3c, 7) (RY-TSX, \$60.74, Sector Outperformer)
Shoppers Drug Mart Corporation (2g, 7) (SC-TSX, \$43.00, Sector Performer)
Tim Hortons, Inc. (2g, 7) (THI-TSX, \$53.68, Sector Performer)

Companies Mentioned in this Report that Are Not Covered by CIBC World Markets Inc.:

Stock Prices as of 03/21/2013:

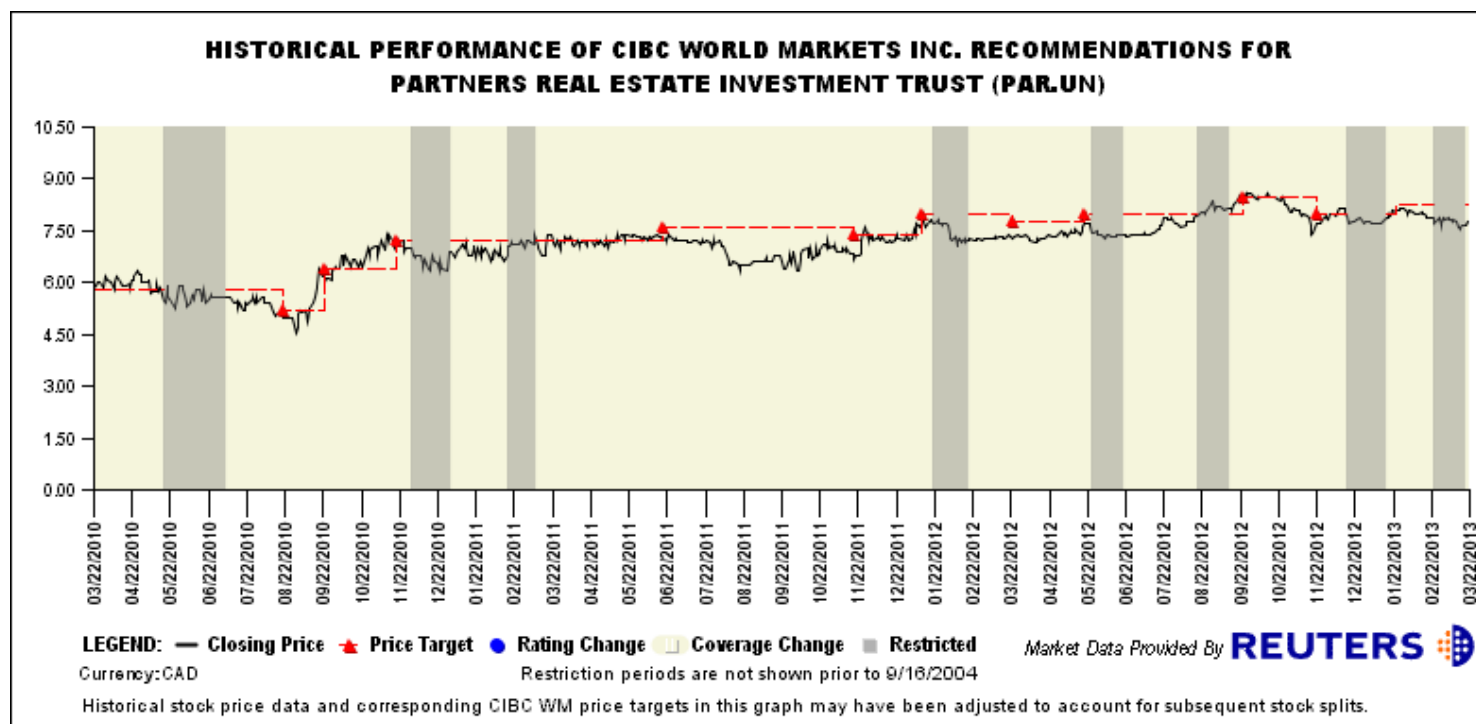
Home Depot (HD-NYSE, US\$68.95, Not Rated)
Starbucks Corporation (SBUX-NASDAQ, US\$57.05, Not Rated)
The Brick Ltd. (BRK-TSX, \$5.40, Not Rated)
Wal-Mart (WMT-NYSE, US\$73.13, Not Rated)

Important disclosure footnotes that correspond to the footnotes in this table may be found in the "Key to Important Disclosure Footnotes" section of this report.

Key to Important Disclosure Footnotes:

- 1 CIBC World Markets Corp. makes a market in the securities of this company.
- 2a This company is a client for which a CIBC World Markets company has performed investment banking services in the past 12 months.
- 2b CIBC World Markets Corp. has managed or co-managed a public offering of securities for this company in the past 12 months.
- 2c CIBC World Markets Inc. has managed or co-managed a public offering of securities for this company in the past 12 months.
- 2d CIBC World Markets Corp. has received compensation for investment banking services from this company in the past 12 months.
- 2e CIBC World Markets Inc. has received compensation for investment banking services from this company in the past 12 months.
- 2f CIBC World Markets Corp. expects to receive or intends to seek compensation for investment banking services from this company in the next 3 months.
- 2g CIBC World Markets Inc. expects to receive or intends to seek compensation for investment banking services from this company in the next 3 months.
- 3a This company is a client for which a CIBC World Markets company has performed non-investment banking, securities-related services in the past 12 months.
- 3b CIBC World Markets Corp. has received compensation for non-investment banking, securities-related services from this company in the past 12 months.
- 3c CIBC World Markets Inc. has received compensation for non-investment banking, securities-related services from this company in the past 12 months.
- 4a This company is a client for which a CIBC World Markets company has performed non-investment banking, non-securities-related services in the past 12 months.
- 4b CIBC World Markets Corp. has received compensation for non-investment banking, non-securities-related services from this company in the past 12 months.
- 4c CIBC World Markets Inc. has received compensation for non-investment banking, non-securities-related services from this company in the past 12 months.
- 5a The CIBC World Markets Corp. analyst(s) who covers this company also has a long position in its common equity securities.
- 5b A member of the household of a CIBC World Markets Corp. research analyst who covers this company has a long position in the common equity securities of this company.
- 6a The CIBC World Markets Inc. fundamental analyst(s) who covers this company also has a long position in its common equity securities.
- 6b A member of the household of a CIBC World Markets Inc. fundamental research analyst who covers this company has a long position in the common equity securities of this company.
- 7 CIBC World Markets Corp., CIBC World Markets Inc., and their affiliates, in the aggregate, beneficially own 1% or more of a class of equity securities issued by this company.
- 8 An executive of CIBC World Markets Inc. or any analyst involved in the preparation of this research report has provided services to this company for remuneration in the past 12 months.
- 9 A senior executive member or director of Canadian Imperial Bank of Commerce ("CIBC"), the parent company to CIBC World Markets Inc. and CIBC World Markets Corp., or a member of his/her household is an officer, director or advisory board member of this company or one of its subsidiaries.
- 10 Canadian Imperial Bank of Commerce ("CIBC"), the parent company to CIBC World Markets Inc. and CIBC World Markets Corp., has a significant credit relationship with this company.
- 11 The equity securities of this company are restricted voting shares.
- 12 The equity securities of this company are subordinate voting shares.
- 13 The equity securities of this company are non-voting shares.
- 14 The equity securities of this company are limited voting shares.
- CD2 CIBC World Markets Inc. has acted as financial adviser to Loblaw Companies Ltd. relating to Loblaw's intention
- 8 to create a Real Estate Investment Trust.

CIBC World Markets Inc. Price Chart



HISTORICAL PERFORMANCE OF CIBC WORLD MARKETS INC. RECOMMENDATIONS FOR PARTNERS REAL ESTATE INVESTMENT TRUST (PAR.UN)

Date	Change Type	Closing Price	Rating	Price Target	Coverage
05/17/2010	■	5.48	R	-	Brad Sturges, CFA
07/05/2010	■	5.60	SP	5.80	Brad Sturges, CFA
08/18/2010	▲	5.12	SP	5.20	Brad Sturges, CFA
09/20/2010	▲	6.16	SP	6.40	Brad Sturges, CFA
11/18/2010	▲	7.08	SP	7.20	Brad Sturges, CFA
11/29/2010	■	7.00	R	-	Brad Sturges, CFA
12/31/2010	■	6.88	SP	7.20	Brad Sturges, CFA
02/14/2011	■	6.80	R	-	Brad Sturges, CFA
03/08/2011	■	7.40	SP	7.20	Brad Sturges, CFA
06/17/2011	▲	7.24	SP	7.60	Brad Sturges, CFA
11/16/2011	▲	6.84	SP	7.40	Brad Sturges, CFA
01/10/2012	▲	7.72	SP	8.00	Brad Sturges, CFA
01/18/2012	■	7.84	R	-	Brad Sturges, CFA
02/16/2012	■	7.24	SP	8.00	Brad Sturges, CFA
03/21/2012	▲	7.35	SP	7.75	Brad Sturges, CFA
05/17/2012	▲	7.62	SP	8.00	Brad Sturges, CFA
05/24/2012	■	7.45	R	-	Brad Sturges, CFA
06/18/2012	■	7.40	SP	8.00	Brad Sturges, CFA
08/15/2012	■	7.93	R	-	Brad Sturges, CFA
09/10/2012	■	8.16	SP	8.00	Brad Sturges, CFA
09/21/2012	▲	8.50	SP	8.50	Brad Sturges, CFA
11/19/2012	▲	7.69	SP	8.00	Brad Sturges, CFA
12/13/2012	■	7.95	R	-	Brad Sturges, CFA
01/14/2013	■	7.87	SP	8.00	Brad Sturges, CFA
01/20/2013	▲	8.09	SP	8.25	Brad Sturges, CFA
02/20/2013	■	7.87	R	-	Brad Sturges, CFA
03/18/2013	■	7.68	SP	8.25	Brad Sturges, CFA



CIBC World Markets Inc. Stock Rating System

Abbreviation	Rating	Description
Stock Ratings		
SO	Sector Outperformer	Stock is expected to outperform the sector during the next 12-18 months.
SP	Sector Performer	Stock is expected to perform in line with the sector during the next 12-18 months.
SU	Sector Underperformer	Stock is expected to underperform the sector during the next 12-18 months.
NR	Not Rated	CIBC World Markets does not maintain an investment recommendation on the stock.
R	Restricted	CIBC World Markets is restricted*** from rating the stock.
Sector Weightings**		
O	Overweight	Sector is expected to outperform the broader market averages.
M	Market Weight	Sector is expected to equal the performance of the broader market averages.
U	Underweight	Sector is expected to underperform the broader market averages.
NA	None	Sector rating is not applicable.

**Broader market averages refer to the S&P 500 in the U.S. and the S&P/TSX Composite in Canada.

"Speculative" indicates that an investment in this security involves a high amount of risk due to volatility and/or liquidity issues.

***Restricted due to a potential conflict of interest.

Ratings Distribution*: CIBC World Markets Inc. Coverage Universe

(as of 21 Mar 2013)	Count	Percent	Inv. Banking Relationships	Count	Percent
Sector Outperformer (Buy)	153	41.4%	Sector Outperformer (Buy)	152	99.3%
Sector Performer (Hold/Neutral)	176	47.6%	Sector Performer (Hold/Neutral)	171	97.2%
Sector Underperformer (Sell)	27	7.3%	Sector Underperformer (Sell)	25	92.6%
Restricted	13	3.5%	Restricted	13	100.0%

Ratings Distribution: Real Estate Coverage Universe

(as of 21 Mar 2013)	Count	Percent	Inv. Banking Relationships	Count	Percent
Sector Outperformer (Buy)	11	35.5%	Sector Outperformer (Buy)	11	100.0%
Sector Performer (Hold/Neutral)	17	54.8%	Sector Performer (Hold/Neutral)	16	94.1%
Sector Underperformer (Sell)	1	3.2%	Sector Underperformer (Sell)	0	0.0%
Restricted	2	6.5%	Restricted	2	100.0%

Real Estate Sector includes the following tickers: AAR.UN, ACC, AP.UN, AX.UN, BEI.UN, BOX.UN, BPO, BRE, CAR.UN, CRR.UN, CSH.UN, CUF.UN, CWT.UN, D.UN, EXE, FCR, HR.UN, INN.UN, KMP, KRE.UN, LW, MRT.UN, NPR.UN, NWH.UN, PAR.UN, PMZ.UN, REF.UN, REI.UN, RMM.UN, RYL, WB.

*Although the investment recommendations within the three-tiered, relative stock rating system utilized by CIBC World Markets Inc. do not correlate to buy, hold and sell recommendations, for the purposes of complying with NYSE and NASD rules, CIBC World Markets Inc. has assigned buy ratings to securities rated Sector Outperformer, hold ratings to securities rated Sector Performer, and sell ratings to securities rated Sector Underperformer without taking into consideration the analyst's sector weighting.

Important disclosures required by IROC Rule 3400, including potential conflicts of interest information, our system for rating investment opportunities and our dissemination policy can be obtained by visiting CIBC World Markets on the web at <http://researchcentral.cibcw.com> under 'Quick Links' or by writing to CIBC World Markets Inc., Brookfield Place, 161 Bay Street, 4th Floor, Toronto, Ontario M5J 2S8, Attention: Research Disclosures Request.

Legal Disclaimer

This report is issued and approved for distribution by (a) in Canada, CIBC World Markets Inc., a member of the Investment Industry Regulatory Organization of Canada ("IIROC"), the Toronto Stock Exchange, the TSX Venture Exchange and a Member of the Canadian Investor Protection Fund, (b) in the United Kingdom, CIBC World Markets plc, which is regulated by the Financial Services Authority ("FSA"), (c) in Australia to wholesale clients only, CIBC Australia Ltd, a company regulated by the ASIC with AFSL license number 240603 and ACN 000 067 256, and (d) in Japan, CIBC World Markets (Japan) Inc., a registered Type 1 Financial product provider with the registration number Director General of Kanto Finance Bureau #218 (collectively, "CIBC World Markets") and (e) in the United States either by (i) CIBC World Markets Inc. for distribution only to U.S. Major Institutional Investors ("MII") (as such term is defined in SEC Rule 15a-6) or (ii) CIBC World Markets Corp., a member of the Financial Industry Regulatory Authority ("FINRA"). U.S. MIIs receiving this report from CIBC World Markets Inc. (the Canadian broker-dealer) are required to effect transactions (other than negotiating their terms) in securities discussed in the report through CIBC World Markets Corp. (the U.S. broker-dealer).

This report is provided, for informational purposes only, to institutional investor and retail clients of CIBC World Markets in Canada, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such offer or solicitation would be prohibited. This document and any of the products and information contained herein are not intended for the use of private investors in the United Kingdom. Such investors will not be able to enter into agreements or purchase products mentioned herein from CIBC World Markets plc. The comments and views expressed in this document are meant for the general interests of wholesale clients of CIBC Australia Ltd.

This report has been prepared by the CIBC group and is issued in Hong Kong by Canadian Imperial Bank of Commerce, Hong Kong Branch, a registered institution under the Securities and Futures Ordinance, Cap 571 (the "SFO"). This report is intended for "professional investors" only (within the meaning of the SFO) and has been prepared for general circulation and does not take into account the objectives, financial situation or needs of any recipient. Any recipient in Hong Kong who has any questions or requires further information on any matter arising from or relating to this report should contact Canadian Imperial Bank of Commerce, Hong Kong Branch at Suite 3602, Cheung Kong Centre, 2 Queen's Road Central, Hong Kong (telephone number: +852 2841 6111). Orders for Hong Kong listed securities will be executed by Canadian Imperial Bank of Commerce, Hong Kong Branch. Canadian Imperial Bank of Commerce, Hong Kong Branch has entered into an arrangement with its broker-dealer affiliates worldwide to execute orders for securities listed outside of Hong Kong for Hong Kong clients.

This report is intended for distribution in Singapore solely to accredited investors, expert investors and institutional investors (each, "eligible recipients"). Eligible recipients should contact Danny Tan at Canadian Imperial Bank of Commerce, Singapore Branch at 16 Collyer Quay #04-02 Singapore 049318 (telephone number + 65-6423 3806) in respect of any matter arising from or in connection with this report.

The securities mentioned in this report may not be suitable for all types of investors. This report does not take into account the investment objectives, financial situation or specific needs of any particular client of CIBC World Markets. Recipients should consider this report as only a single factor in making an investment decision and should not rely solely on investment recommendations contained herein, if any, as a substitution for the exercise of independent judgment of the merits and risks of investments. The analyst writing the report is not a person or company with actual, implied or apparent authority to act on behalf of any issuer mentioned in the report. Before making an investment decision with respect to any security recommended in this report, the recipient should consider whether such recommendation is appropriate given the recipient's particular investment needs, objectives and financial circumstances. CIBC World Markets suggests that, prior to acting on any of the recommendations herein, Canadian retail clients of CIBC World Markets contact one of our client advisers in your jurisdiction to discuss your particular circumstances. Non-client recipients of this report who are not institutional investor clients of CIBC World Markets should consult with an independent financial advisor prior to making any investment decision based on this report or for any necessary explanation of its contents. CIBC World Markets will not treat non-client recipients as its clients solely by virtue of their receiving this report.

Past performance is not a guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance of any security mentioned in this report. The price of the securities mentioned in this report and the income they produce may fluctuate and/or be adversely affected by exchange rates, and investors may realize losses on investments in such securities, including the loss of investment principal. CIBC World Markets accepts no liability for any loss arising from the use of information contained in this report, except to the extent that liability may arise under specific statutes or regulations applicable to CIBC World Markets.

Information, opinions and statistical data contained in this report were obtained or derived from sources believed to be reliable, but CIBC World Markets does not represent that any such information, opinion or statistical data is accurate or complete (with the exception of information contained in the Important Disclosures section of this report provided by CIBC World Markets or individual research analysts), and they should not be relied upon as such. All estimates, opinions and recommendations expressed herein constitute judgments as of the date of this report and are subject to change

Legal Disclaimer (Continued)

without notice.

Nothing in this report constitutes legal, accounting or tax advice. Since the levels and bases of taxation can change, any reference in this report to the impact of taxation should not be construed as offering tax advice on the tax consequences of investments. As with any investment having potential tax implications, clients should consult with their own independent tax adviser.

This report may provide addresses of, or contain hyperlinks to, Internet web sites. CIBC World Markets has not reviewed the linked Internet web site of any third party and takes no responsibility for the contents thereof. Each such address or hyperlink is provided solely for the recipient's convenience and information, and the content of linked third party web sites is not in any way incorporated into this document. Recipients who choose to access such third-party web sites or follow such hyperlinks do so at their own risk.

Although each company issuing this report is a wholly owned subsidiary of Canadian Imperial Bank of Commerce ("CIBC"), each is solely responsible for its contractual obligations and commitments, and any securities products offered or recommended to or purchased or sold in any client accounts (i) will not be insured by the Federal Deposit Insurance Corporation ("FDIC"), the Canada Deposit Insurance Corporation or other similar deposit insurance, (ii) will not be deposits or other obligations of CIBC, (iii) will not be endorsed or guaranteed by CIBC, and (iv) will be subject to investment risks, including possible loss of the principal invested. The CIBC trademark is used under license.

© 2013 CIBC World Markets Inc. All rights reserved. Unauthorized use, distribution, duplication or disclosure without the prior written permission of CIBC World Markets is prohibited by law and may result in prosecution.