

*This prospectus supplement (the “Prospectus Supplement”), together with the short form base shelf prospectus to which it relates dated October 19, 2018, as amended or supplemented (the “Base Shelf Prospectus”), and each document deemed to be incorporated by reference into the Base Shelf Prospectus or this Prospectus Supplement 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. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the “U.S. Securities Act”) or any United States state securities laws, and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly, in the United States (as defined in Rule 902(l) of Regulation S under the U.S. Securities Act).*

*Information has been incorporated by reference in this Prospectus Supplement 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 NorthWest Healthcare Properties Real Estate Investment Trust at its registered and head offices located at 180 Dundas Street West, Suite 1100, Toronto, Ontario, M5G 1Z8, Attention: Corporate Secretary (telephone: 416-366-2000), and are also available electronically at [www.sedar.com](http://www.sedar.com) (“SEDAR”).*

**PROSPECTUS SUPPLEMENT  
(TO A SHORT FORM BASE SHELF PROSPECTUS DATED OCTOBER 19, 2018)**

New Issue

February 18, 2019



**NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST**

\$125,031,000

11,740,000 Units

This Prospectus Supplement qualifies the distribution (the “**Offering**”) of 11,740,000 trust units (“**Offered Units**”) of NorthWest Healthcare Properties Real Estate Investment Trust (the “**REIT**”) at a price of \$10.65 per Offered Unit (the “**Offering Price**”).

The Offering is being made pursuant to an underwriting agreement dated February 18, 2019 (the “**Underwriting Agreement**”) among the REIT and a syndicate of underwriters co-led by BMO Nesbitt Burns Inc. and RBC Dominion Securities Inc. (together, the “**Joint Bookrunners**”), including Scotia Capital Inc., CIBC World Markets Inc., National Bank Financial Inc., TD Securities Inc., Echelon Wealth Partners Inc., Canaccord Genuity Corp., Hampton Securities Limited, Industrial Alliance Securities Inc. and Raymond James Ltd. (collectively, the “**Underwriters**”). The terms of the Offering, including the Offering Price, were determined by negotiations between the REIT and the Joint Bookrunners, on their own behalf and on behalf of the Underwriters.

The REIT is an unincorporated, open-ended real estate investment trust governed by the laws of the Province of Ontario pursuant to an amended and restated declaration of trust dated May 15, 2015 (the “**Declaration of Trust**”).

The currently issued and outstanding trust units of the REIT (“**Units**”) are listed and posted for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “NWH.UN”. The closing price of the Units on the TSX on February 14, 2019, the last full trading day prior to the announcement of the Offering, was \$11.12. The closing price of the Units on the TSX on February 15, 2019, the last trading day prior to the filing of this Prospectus Supplement, was \$10.68. The TSX has conditionally approved the listing of the Offered Units. Such listing is subject to the REIT fulfilling all of the listing requirements of the TSX.

**Offering Price: \$10.65 per Unit**

	<u>Price to the Public<sup>(1)</sup></u>	<u>Underwriters' Fee<sup>(2)</sup></u>	<u>Net Proceeds to the REIT<sup>(3)</sup></u>
Per Offered Unit.....	\$10.65	\$0.426	\$10.224
Total <sup>(4)</sup> .....	\$125,031,000	\$5,001,240	\$120,029,760

- Notes:
- (1) The Offering Price was determined by negotiation between the REIT and the Joint Bookrunners, on their own behalf and on behalf of the Underwriters.
  - (2) Pursuant to the terms of the Underwriting Agreement, and in consideration of the services rendered by the Underwriters in connection with the Offering, the Underwriters will receive an aggregate fee (the "Underwriters' Fee") of 4.0% of the gross proceeds realized by the REIT in respect of the sale of the Offered Units, and, if applicable, the Offered Units purchased pursuant to any exercise of the Over-Allotment Option. See "Plan of Distribution".
  - (3) Before deducting expenses of the Offering estimated at \$700,000 (exclusive of all applicable taxes), which, together with the Underwriters' Fee, will be paid from the proceeds of the Offering.
  - (4) The REIT has granted to the Underwriters an option (the "Over-Allotment Option"), exercisable in whole or in part at any time up to 30 days after the closing of the Offering (the "Closing"), to purchase up to an additional 1,761,000 Offered Units at the Offering Price on the same terms as set forth above, solely to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, the Underwriters' Fee, and the net proceeds to the REIT (before deducting expenses of the Offering) will be \$143,785,650, \$5,751,426, and \$138,034,224, respectively. This Prospectus Supplement qualifies the distribution of the Over-Allotment Option and the Offered Units issuable on the exercise thereof. A purchaser who acquires Offered Units forming part of the Underwriters' over-allocation position acquires those Offered Units under this Prospectus Supplement, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution".

<u>Underwriters' Position</u>	<u>Maximum Size or Number of Securities Available</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	Option to purchase up to 1,761,000 Offered Units	At any time until 30 days following closing of the Offering	The Offering Price

The Underwriters, as principals, conditionally offer the Offered Units, subject to the prior sale, if, as and when issued, sold and delivered by the REIT and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the REIT by Goodmans LLP and on behalf of the Underwriters by McMillan LLP.

Subject to applicable laws, the Underwriters may, in connection with the Offering, over-allot or effect transactions intended to stabilize or maintain the market price of the Units at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. The Underwriters propose to offer the Offered Units initially at the Offering Price. **After the Underwriters have made reasonable efforts to sell all of the Offered Units at the Offering Price, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Offered Units remaining unsold. Any such reduction will not affect the proceeds received by the REIT. See "Plan of Distribution".**

**There are certain risks inherent in an investment in the Offered Units and in the activities of the REIT. See "Risk Factors". It is important for investors to consider the particular risk factors that may affect the industry in which they are investing, and therefore the stability of the distributions paid by the REIT. The section entitled "Risk Factors" herein, the section entitled "Risk Factors" in the Annual Information Form (as defined herein) incorporated by reference herein and the section entitled "Risks and Uncertainties" of the Annual MD&A (as defined herein) incorporated by reference herein also describe the REIT's assessment of those risk factors, as well as the potential consequences to an investor if any such risk should materialize. Prospective investors should carefully consider the foregoing risk factors before purchasing the Offered Units.**

Subscriptions for Offered Units will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. The Offered Units will be issued in "book-entry only" form through the facilities of CDS Clearing and Depository Services Inc. ("CDS"). Except as otherwise stated herein, holders of beneficial interests in the Offered Units will not have the right to receive physical certificates evidencing their ownership of the Offered Units. The closing of the Offering is expected to occur on or about February 26, 2019, or such other date as the REIT and the Underwriters may agree (such actual closing date hereinafter referred to as the "Closing Date"). In any event, the Offered Units are to be taken up by the Underwriters, if at all, on or before a date not later than March 5, 2019. See "Plan of Distribution".

**Bank affiliates of BMO Nesbitt Burns Inc., RBC Dominion Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., and National Bank Financial Inc. are lenders to the REIT, whether under various credit facilities or pursuant to property mortgages. Consequently, the REIT may be considered a connected issuer of BMO Nesbitt Burns Inc., RBC Dominion**

Securities Inc., Scotia Capital Inc., CIBC World Markets Inc., National Bank Financial Inc. and TD Securities Inc. under applicable Canadian securities laws. See “*Relationship between the REIT and the Underwriters*”.

The REIT 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 REIT is not a partnership. The Units are “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that act or any other legislation.

Subject to certain conditions set out under “*Eligibility for Investment*”, the Offered Units will constitute a qualified investment for trusts governed by deferred profit sharing plans, RRSPs, RRIFs, RESPs, RDSPs and TFSAs (as such terms are defined herein). As set out under “*Eligibility for Investment*”, prospective holders of Offered Units who intend to hold their Offered Units in an Exempt Plan should consult their own advisors regarding their particular circumstances.

Investors should be aware that the acquisition, holding and disposition of the Offered Units may have tax consequences in Canada or elsewhere depending on each particular investor’s specific circumstances. Investors should consult their own tax advisors with respect to such tax considerations. See “*Certain Canadian Federal Income Tax Considerations*”. **Investors who are not residents of Canada for tax purposes should consult their own tax advisors concerning the consequences to them of acquiring Offered Units under the Offering.**

The head and registered office of the REIT is located at 180 Dundas Street West, Suite 1100, Toronto, Ontario, M5G 1Z8.

**An investment in the Offered Units involves certain risks that are described in the “*Risk Factors*” section of, and elsewhere in, this Prospectus Supplement, including in the documents incorporated herein by reference and should be considered by any prospective purchaser of the Offered Units.**

A return on an investment in Units is not comparable to the return on an investment in a fixed income security. The recovery of an initial investment in Units is at risk and the anticipated return on such investment is based on many performance assumptions. Although the REIT intends to make distributions of its available cash to Unitholders, these cash distributions may be reduced or suspended. The actual amount distributed will depend on numerous factors, including the financial performance of the subsidiaries of the REIT, debt obligations, contractual obligations, working capital requirements, future capital requirements and risks associated with the REIT’s business which include the ability of the REIT to complete acquisitions consistent with its business plan, having sufficient access to capital and on terms favourable to the REIT and other such risks as set out under the heading “*Risks Factors – Risks Relating to the Units*” in the Annual Information Form. In addition, the market value of the Units may decline if the REIT’s cash distributions decline in the future, and that decline may be material. See “*Risk Factors*”.

**The after-tax return from an investment in Units to unitholders subject to Canadian income tax will depend, in part, on the composition for income tax purposes of distributions paid by the REIT on the Units, portions of which may be fully or partially taxable or tax-deferred. The composition may change over time, thus affecting a unitholder’s after-tax return. See “*Certain Canadian Federal Income Tax Considerations*”.**

## TABLE OF CONTENTS

	<u>Page</u>		<u>Page</u>
GENERAL MATTERS .....	1	RELATIONSHIP BETWEEN THE REIT AND CERTAIN UNDERWRITERS .....	14
NOTICE CONCERNING FORWARD-LOOKING STATEMENTS .....	1	PRIOR SALES .....	15
EXCHANGE RATE INFORMATION .....	2	PRICE RANGE AND TRADING VOLUME OF UNITS.....	16
ELIGIBILITY FOR INVESTMENT.....	3	CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	17
NON-IFRS MEASURES .....	3	RISK FACTORS .....	22
DOCUMENTS INCORPORATED BY REFERENCE.....	4	EXPERTS.....	24
MARKETING MATERIALS .....	5	AUDITORS, TRANSFER AGENT AND REGISTRAR .....	24
BUSINESS OF THE REIT.....	5	PURCHASERS' STATUTORY RIGHTS .....	24
RECENT DEVELOPMENTS .....	6	GLOSSARY OF TERMS.....	24
CONSOLIDATED CAPITALIZATION OF THE REIT .....	11	CERTIFICATE OF THE REIT .....	C-1
USE OF PROCEEDS .....	12	CERTIFICATE OF THE UNDERWRITERS .....	C-2
PLAN OF DISTRIBUTION.....	12		

## GENERAL MATTERS

In this Prospectus Supplement, references to the “REIT” refer to NorthWest Healthcare Properties Real Estate Investment Trust and, where applicable, its subsidiaries; “Units” means the trust units of the REIT; and “Unitholders” means holders of Units.

All capitalized terms referred to above are defined elsewhere in this Prospectus Supplement including under “*Glossary of Terms*”. All references in this Prospectus Supplement to “\$” are to Canadian dollars unless otherwise noted.

Unless otherwise indicated, the disclosure in this Prospectus Supplement assumes that the Over-Allotment Option is not exercised.

### NOTICE CONCERNING FORWARD-LOOKING STATEMENTS

The Base Shelf Prospectus and this Prospectus Supplement contain “forward-looking information” as defined under Canadian securities laws (collectively, “**forward-looking statements**”) which reflect management’s expectations regarding objectives, plans, goals, strategies, future growth, results of operations, performance, business prospects and opportunities of the REIT. The words “plans”, “expects”, “is expected to,” “does not expect”, “scheduled”, “estimates”, “intends”, “anticipates”, “does not anticipate”, “projects”, “believes”, or variations of such words and phrases or statements to the effect that certain actions, events or results “may”, “will”, “could”, “would”, “might”, “occur”, “be achieved”, or “continue” and similar expressions identify forward-looking statements. Some of the specific forward-looking statements in the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, include, but are not limited to, statements with respect to the completion of the Offering and the use of proceeds thereof, the anticipated timing of the closing of the Property Transaction, the impact of the Property Transaction on the REIT (including the extent to which the Property Transaction is expected to be accretive, the impact on NOI, NAV, leverage, occupancy and WALE), the initial capitalization rate of the Portfolio, expected brownfield development, expected fee bearing capital and the weighted average stabilized capitalization rate of the German Acquisitions. Such forward-looking statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including that the transactions contemplated herein are completed.

Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable by management as of the date hereof, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The REIT’s estimates, beliefs and assumptions, which may prove to be incorrect, include the various assumptions set forth herein, including, but not limited to, all conditions to closing of the Offering and the Property Transaction being satisfied or waived, the Portfolio will perform as expected, funding will be obtained as expected to complete the Property Transaction and that currency exchange rates remain consistent. Other assumptions relate to future growth potential, results of operations, future prospects and opportunities, the demographic and industry trends, legislative or regulatory matters, future levels of indebtedness, the tax laws as currently in effect, the continual availability of capital, and current economic conditions.

When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. A number of factors could cause actual results to differ, possibly materially, from the results discussed in the forward-looking statements, including but not limited to those factors discussed under “*Risk Factors*”.

Certain statements included in the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, may be considered a “financial outlook” for purposes of applicable Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other than the Base Shelf Prospectus, as supplemented by this Prospectus Supplement. All forward-looking statements in the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, are made as of the date hereof. Except as expressly required by applicable law, the REIT assumes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All forward-looking statements in the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, are qualified by these cautionary statements.

## EXCHANGE RATE INFORMATION

The REIT discloses certain financial information contained in this Prospectus Supplement in Australian dollars (A\$), New Zealand dollars (NZ\$), Brazilian real (R\$) and Euros (€).

The following table sets forth, for the periods indicated, the high, low, average and period-ended daily average rate of exchange for A\$1, expressed in Canadian dollars, published by the Bank of Canada.

	<b>Three Months Ended Sept 30</b>	<b>Nine Months Ended Sept 30</b>	<b>Year ended December 31</b>	
	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>C\$</b>	<b>C\$</b>	<b>C\$</b>	<b>C\$</b>
Highest rate during the period .....	0.9790	1.0207	1.0322	1.0312
Lowest rate during the period .....	0.9310	0.9310	0.9645	0.9367
Average rate for the period <sup>(1)</sup> .....	0.9560	0.9757	0.9951	0.9852
Rate at the end of the period .....	0.9356	0.9356	0.9801	0.9707

(1) Determined by averaging exchange rate during the respective period.

Unless otherwise noted, Australian dollar values in this Prospectus Supplement have been converted into Canadian dollars using an illustrative exchange rate of C\$1.00 = A\$1.05, which was the approximate exchange rate as of January 31, 2019, the date the REIT entered into definitive agreements in respect of the Property Transaction.

The following table sets forth, for the periods indicated, the high, low, average and period-ended noon spot rates of exchange for NZ\$1, expressed in Canadian dollars, published by the Bank of Canada.

	<b>Three Months Ended Sept 30</b>	<b>Nine Months Ended Sept 30</b>	<b>Year ended December 31</b>	
	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>C\$</b>	<b>C\$</b>	<b>C\$</b>	<b>C\$</b>
Highest rate during the period .....	0.8967	0.9493	0.9742	0.9809
Lowest rate during the period .....	0.8520	0.8520	0.8695	0.8656
Average rate for the period <sup>(1)</sup> .....	0.8741	0.9012	0.9229	0.9233
Rate at the end of the period .....	0.8577	0.8577	0.8922	0.9340

(1) Determined by averaging the exchange rate on each business day during the respective period.

The following table sets forth, for the periods indicated, the high, low, average and period-ended noon spot rates of exchange for R\$1, expressed in Canadian dollars, published by the Bank of Canada.

	<b>Three Months Ended Sept 30</b>	<b>Nine Months Ended Sept 30</b>	<b>Year ended December 31</b>	
	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>C\$</b>	<b>C\$</b>	<b>C\$</b>	<b>C\$</b>
Highest rate during the period .....	0.3527	0.4007	0.4395	0.4282
Lowest rate during the period .....	0.3116	0.3116	0.3787	0.3376
Average rate for the period <sup>(1)</sup> .....	0.3312	0.3598	0.4071	0.3817
Rate at the end of the period .....	0.3220	0.3220	0.3787	0.4125

(1) Determined by averaging the exchange rate on each business day during the respective period.

The following table sets forth, for the periods indicated, the high, low, average and period-ended noon spot rates of exchange for €1, expressed in Canadian dollars, published by the Bank of Canada.

	<b>Three Months Ended Sept 30</b>	<b>Nine Months Ended Sept 30</b>	<b>Year ended December 31</b>	
	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>C\$</b>	<b>C\$</b>	<b>C\$</b>	<b>C\$</b>
Highest rate during the period .....	1.5401	1.6124	1.5330	1.5928
Lowest rate during the period .....	1.4869	1.4853	1.3832	1.3875
Average rate for the period <sup>(1)</sup> .....	1.5202	1.5378	1.4650	1.4660
Rate at the end of the period .....	1.5020	1.5020	1.5052	1.4169

(1) Determined by averaging the exchange rate on each business day during the respective period.

### ELIGIBILITY FOR INVESTMENT

In the opinion of Goodmans LLP, counsel to the REIT, and McMillan LLP, counsel to the Underwriters, based on the current provisions of the Tax Act, the Offered Units will be qualified investments for a trust governed by a registered retirement savings plan (“RRSP”), a registered retirement income fund (“RRIF”), a registered education savings plan (“RESP”), a deferred profit sharing plan, a registered disability savings plan (“RDSP”) and a tax-free savings account (“TFSA”) (collectively, the “Exempt Plans”), provided that, at all times, either the REIT qualifies as a “mutual fund trust” for the purposes of the Tax Act or the Offered Units are listed on the TSX or another “designated stock exchange” (as defined in the Tax Act).

Notwithstanding the foregoing, if the Offered Units are a “prohibited investment” (as defined in the Tax Act) for a trust governed by a TFSA, RRSP, RRIF, RESP or RDSP, the holder of a TFSA or RDSP, the annuitant of an RRSP or RRIF, or the subscriber of an RESP, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Offered Units will not be a prohibited investment for a trust governed by a TFSA, RRSP, RRIF, RESP or RDSP, provided the holder of a TFSA or RDSP, the annuitant of an RRSP or RRIF, or the subscriber of an RESP, as the case may be, (i) deals at arm’s length with the REIT, for purposes of the Tax Act and (ii) does not have a “significant interest” (as defined in the Tax Act) in the REIT. In addition, the Offered Units will not be a “prohibited investment” if the Offered Units are “excluded property” (as defined in the Tax Act) for trusts governed by a TFSA, RRSP, RRIF, RESP or RDSP. Prospective purchasers who intend to hold Offered Units in an Exempt Plan are advised to consult their personal tax advisors regarding the application of the prohibited investment rules in the Tax Act having regard to their particular circumstances.

### NON-IFRS MEASURES

All financial information has been prepared in accordance with international financial reporting standards (“IFRS”). However, the Base Shelf Prospectus, as supplemented by this Prospectus Supplement, may also contain certain non-IFRS financial measures including funds from operations (“FFO”), adjusted funds from operations (“AFFO”), net operating income (“NOI”), initial capitalization rate and any related per Unit amount to measure, compare and explain the operating results and financial performance of the REIT. These measures are commonly used by entities in the real estate industry as useful metrics for measuring performance. However, they do not have any standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other publicly traded entities. These measures should be considered as supplemental in nature and not as a substitute for related financial information prepared in accordance with IFRS. Such information is presented in the sections dealing with these financial measures and recent developments and in the documents incorporated by reference into the Base Shelf Prospectus and into this Prospectus Supplement. Please see the Interim MD&A for how the REIT has historically reconciled FFO, AFFO and NOI to the nearest IFRS measure. Due to the REIT having insufficient information to reconcile non-IFRS measures relating to the Portfolio to the nearest IFRS measure, such reconciliations are not presented in this Prospectus Supplement.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Base Shelf Prospectus solely for the purposes of the Offering. Other documents are also incorporated or deemed to be incorporated by reference into the Base Shelf Prospectus and reference should be made to the Base Shelf Prospectus for full particulars thereof.

The following documents or portions of documents, filed with the Securities Commissions or similar authorities in the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this Prospectus Supplement and the Base Shelf Prospectus:

- (a) the audited annual financial statements of the REIT for the years ended December 31, 2017 and 2016, together with the notes thereto and the auditor's report on the consolidated statement of financial position of the REIT as at December 31, 2017, the consolidated statements of income and comprehensive income, changes in Unitholders' equity and cash flows for the year then ended (the "**Annual Financial Statements**");
- (b) management's discussion and analysis of financial condition and results of operations of the REIT for the years ended December 31, 2017 and 2016 (the "**Annual MD&A**");
- (c) the unaudited condensed consolidated interim financial statements and accompanying notes for the three and nine month periods ended September 30, 2018 and 2017 (the "**Interim Financial Statements**");
- (d) management's discussion and analysis of the results of operations and financial condition of the REIT for the three and nine month periods ended September 30, 2018 (the "**Interim MD&A**");
- (e) the annual information form of the REIT dated March 28, 2018 for the year ended December 31, 2017 (the "**Annual Information Form**");
- (f) the management information circular of the REIT dated April 5, 2018 sent to Unitholders in connection with the annual meeting of the Unitholders held on May 17, 2018;
- (g) the Business Acquisition Report of the REIT dated October 5, 2017;
- (h) the Material Change Report of the REIT dated December 20, 2018;
- (i) the Material Change Report of the REIT dated February 8, 2019; and
- (j) the template version of the initial term sheet for the Offering dated February 14, 2019, filed on SEDAR in connection with the Offering (the "**Marketing Materials**").

Any documents of the types referred to in the preceding paragraphs (a) through (j) (other than confidential material change reports, if any), annual information forms, annual financial statements and the auditor's report thereon and related management's discussion and analysis, interim financial reports and related management's discussion and analysis, 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 the REIT with the Securities Commissions or similar authorities in the provinces and territories of Canada subsequent to the date of this Prospectus Supplement and prior to the termination of this distribution, shall be deemed to be incorporated by reference in this Prospectus Supplement.

Any statement contained in the Base Shelf Prospectus, in this Prospectus Supplement, or in a document incorporated or deemed to be incorporated by reference herein or in the Base Shelf Prospectus for the purposes of the Offering shall be deemed to be modified or superseded for the purposes of this Prospectus Supplement to the extent that a statement contained herein or in the Base Shelf Prospectus or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein or in the Base Shelf Prospectus modifies or supersedes 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 was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made.

## **MARKETING MATERIALS**

The Marketing Materials are not part of this Prospectus Supplement or the Base Shelf Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus Supplement or any amendment.

Any template version of “marketing materials” (as defined in National Instrument 44-102 – *Shelf Distributions*) filed with the Securities Commissions or similar authority in each of the provinces and territories of Canada in connection with this Offering after the date of this Prospectus Supplement and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated into this Prospectus Supplement and in the Base Shelf Prospectus.

## **BUSINESS OF THE REIT**

The REIT is an unincorporated, open-ended real estate investment trust established pursuant to the Declaration of Trust under the laws of the Province of Ontario. The REIT’s head and registered office is located at 180 Dundas Street West, Suite 1100, Toronto, Ontario, M5G 1Z8.

The REIT owns a portfolio of international healthcare real estate infrastructure comprised of interests in a diversified portfolio of 156 income-producing properties and approximately 11.8 million square feet of gross leasable area located throughout major markets in Canada, Brazil, Europe, Australia and New Zealand. The REIT’s portfolio of medical office buildings, clinics, and hospitals is characterized by long term indexed leases and stable occupancies. With a fully integrated and aligned senior management team, the REIT leverages approximately 180 professionals across nine offices in five countries to serve as a long term real estate partner to leading healthcare operators.

The REIT employs an experienced real estate management team and benefits from a broad network of relationships and commercial property and financing expertise within the healthcare focused real estate industry.

The REIT holds its Canadian property portfolio indirectly through NHP LP and its international property portfolio indirectly through NWI LP.

The REIT’s objectives are to:

- manage its investments to provide stable, sustainable and growing cash flows through investments in healthcare real estate globally;
- build a diversified, growth-oriented global portfolio of healthcare properties based on an initial portfolio of investments in Australasia, Brazil, Europe and Canada;
- capitalize on internal growth and seek accretive healthcare real estate acquisition opportunities in its target international markets, with a focus primarily on Australasia, Brazil, Europe and Canada; and
- grow the value of its assets and maximize the long-term value of its Units through active and efficient management.

In the normal course, the REIT is engaged in discussions with respect to the possible acquisition and financing of new assets, the possible disposition and refinancing of existing assets and its capital structure. Some of these acquisitions, dispositions and financings may be material to the REIT and may involve the granting of security on existing assets and/or equity of the REIT. The REIT expects to continue negotiations in respect of these matters and will actively pursue these and other opportunities as they become available. However, there can be no assurance that any of these discussions will result in definitive agreements and, if they do, what the terms or timing of any acquisition, disposition, financing or refinancing would be.

## RECENT DEVELOPMENTS

There have been no material developments in the business of the REIT since September 30, 2018, the date of the Interim Financial Statements, which have not been disclosed in the Base Shelf Prospectus or the documents incorporated by reference therein, or elsewhere in this Prospectus Supplement or in the documents incorporated by reference herein, except as follows:

### Healthscope Property Transaction

#### *Summary*

On February 1, 2019 in Australia (January 31, 2019 in Toronto), the REIT announced that it and its subsidiary, NWH Australia AssetCo Pty Ltd., as trustee for NWH Australia Asset Trust (“**NorthWest Australia**”), had entered into conditional agreements with VIG BidCo Pty Ltd (a subsidiary of Brookfield Asset Management Inc.) (“**Brookfield**” or “**BidCo**”) and Australian Stock Exchange listed Healthscope Limited ACN 144 840 639 (“**Healthscope**”) to facilitate the acquisition of 11 hospital properties (the “**Portfolio**”) by the REIT and affiliated and associated entities (each a “**NWH Property Buyer**” and collectively the “**NWH Property Buyers**”) from Healthscope and its affiliates as part of a sale and lease back transaction (the “**Property Transaction**”).

Healthscope is one of Australia’s leading private hospital operators with a portfolio of 43 hospitals concentrated in large metropolitan centres throughout Australia. The REIT had previously acquired a strategic interest in Healthscope via a derivative contract with Deutsche Bank. The Portfolio represents approximately 51% of Healthscope’s total freehold property portfolio being sold by value, with the remainder being acquired by another third party buyer on similar terms.

The Property Transaction was agreed to in connection with the entering into of an agreement (the “**Implementation Deed**”) between Healthscope and Brookfield pursuant to which Brookfield will offer to acquire between 50.1% and 100% of the ordinary shares in Healthscope (the “**Brookfield / Healthscope Transaction**”) pursuant to either an Australian-governed scheme of arrangement (the “**Arrangement Scheme**”) at a total value of A\$2.50 per Healthscope share, or a takeover bid (the “**Takeover Bid**”) at a price of A\$2.40 per Healthscope share.

The Property Transaction is conditional on the Arrangement Scheme being successful or Brookfield achieving acceptances from shareholders representing a minimum of 50.1% of Healthscope’s total issued share capital under the Takeover Bid. The Property Transaction is also conditional on the REIT and its affiliates obtaining approval under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (the “**FIRB Approval**”). For the Arrangement Scheme to be successful, a Healthscope security holder vote is required where 75% of the eligible votes cast are in favour of the resolution for the Arrangement Scheme. Assuming either the Arrangement Scheme or Takeover Bid is successful, the Brookfield / Healthscope Transaction and the Property Transaction are expected to close in the second quarter of 2019.

The REIT intends to structure the Property Transaction such that it will manage the Portfolio and ultimately maintain an approximately 25% - 30% ownership interest. In order for the REIT to achieve its desired ownership level, it intends to enter into ownership arrangements with others. The terms and structure of such arrangements are expected to be finalized prior to closing the Property Transaction. Regardless of its final ownership level, NorthWest will provide management services for the entire Portfolio, and expects to generate initial base asset management fees of approximately \$4.0 million - \$7.0 million (relating to the portion of the Portfolio that NorthWest is not expected to own).

#### *Investment Highlights*

- Transformational 11 property, \$1.2 billion transaction, solidifying the REIT as a leader in Australian healthcare real estate.
- Portfolio is highly complementary to the REIT’s existing portfolio.
- Portfolio will be 100% occupied, and expected to generate initial annual rental income of \$60 million for an initial capitalization rate of approximately 5%. The Portfolio will be leased on an absolute quadruple net lease basis with the tenant responsible for all property costs including maintenance capital expenditures.

- Deepens the REIT's relationship with Healthscope, Australia's 2<sup>nd</sup> largest hospital operator.
- Risk adjusted returns from long term "absolute net" lease structure, 2.5% annual fixed rent increases (pro-rated in 2020 for partial year) and expected 2.2x EBITDAR coverage on new 20 year (weighted average) leases.
- Anticipated A\$525M pipeline of brownfield developments over 10 years, of which approximately A\$50 million relates to capital projects which may be completed within 3 years. This pipeline, subject to business case approval, is forecast to yield approximately 6% on completion for transactions undertaken within the first two years, representing attractive development spreads of approximately 100 bps.
- Expected to be accretive to FFO and AFFO per Unit.
- Expected to generate long term NAV growth.

### ***The Portfolio***

The table below sets out details regarding the Portfolio:

#### Portfolio

<b>Name</b>	<b>Address</b>	<b>Hospital Type</b>	<b>Licensed Beds</b>	<b>Operating Theatres</b>
Norwest Private Hospital	9 Norbrik Drive and 11 Norbrik Drive, Bella Vista, New South Wales, Australia	Acute	277	14
The Hills Private Hospital	493 Windsor Road, 495 Windsor Road, 497-499 Windsor Road and 501 Windsor Road, Baulkham Hills, New South Wales, Australia	Rehabilitation	111	-
Darwin Private Hospital	19 Florey Avenue, Tiwi, Northern Territory, Australia	Acute	150	7
Griffith Rehabilitation Hospital	16 Crombie Street and 13 Dunrobin Road, Hove, South Australia, Australia	Rehabilitation	64	-
The Melbourne Clinic	130 Church Street, Richmond, Victoria, Australia	Psychiatric	175	-
John Fawcner Private Hospital	275 Moreland Road and 21 Jessie Street, Coburg, Victoria, Australia	Acute	149	4
The Sydney Clinic	22-26 Murray Street, Bronte, New South Wales, Australia	Psychiatric	44	-
Lady Davidson Private Hospital	434 Bobbin Head Road, North Turramurra, New South Wales, Australia	Rehabilitation	115	-
Hunter Valley Rehabilitation Centre	20 Mawson Street, Shortland, New South Wales, Australia	Rehabilitation	83	4
Brisbane Private Hospital	255 Wickham Terrace, Spring Hill, Queensland, Australia	Acute	181	15

Newcastle Private Hospital	14 Lookout Road and 20 Lookout Road, New Lambton Heights, New South Wales, Australia	Acute	190	13
----------------------------	--	-------	-----	----

### ***Financial Impact on NorthWest***

The fully occupied, long-term indexed, quadruple net lease structure embedded in the Property Transaction is expected to further improve the REIT's portfolio and financial metrics as follows:

- Consolidated NOI contribution from Australasia is expected to increase from 43% to 53%.
- Portfolio diversification is expected to increase with the addition of Healthscope as one of the REIT's top 10 tenants, representing 15.6% of consolidated gross rent.
- The Property Transaction will shift the REIT's asset composition, increasing hospital weighting by 11% to 62% and decreasing the weighting of MOB's and other properties to 38%.
- Consolidated occupancy is expected to increase by 40bps to 96.7%.
- Weighted average lease expiry is expected to increase by 0.8 years to 13.5 years.
- The percentage of leases with annual rent indexation is expected to increase by 12.5 percentage points to 85.9%.
- Subject to final funding allocation, the REIT expects the Property Transaction and other publicly announced events subsequent to September 30, 2018<sup>(1)</sup> and the Offering will increase the reported annualized AFFO per Unit by approximately \$0.06 per Unit (including approximately \$0.03 per Unit related to non-recurring fees which are expected to be replaced over time with increasing base fees as the Portfolio grows and activity and development fees) from the amount reported in Q3 2018.
- While the terms and structure have not been finalized, the REIT expects to maintain consolidated leverage below 60% post completion of the Property Transaction (or approximately 57% including the impact of the Offering) and reiterates its medium-term leverage target of 50% as it sees opportunity to strengthen its balance sheet and capital structure through the repayment of high-cost corporate debt with continued capital recycling activities.

#### Note:

- (1) Subsequent events include: (i) the REIT's December 2018 issuance of \$125 million of convertible debentures; (ii) the German Acquisitions; (iii) the acquisition of an additional \$68 million investment in Healthscope; and (iv) \$48 million letter of credit issued for the Property Transaction.

### ***Financing and Funding***

#### Senior Debt Facilities

To help finance the Property Transaction, NorthWest Australia has entered into a binding commitment letter with Australia and New Zealand Banking Group Limited ("**ANZ**") under which ANZ agrees to underwrite, and arrange the syndication of, term loan facilities in an amount of approximately A\$745.4 million (the "**ANZ Facilities**").

The ANZ Facilities are underwritten on usual "certain funds" terms consistent with market terms for similar transactions in Australia.

#### Funding

In connection with the Arrangement Scheme, NorthWest has agreed to provide funding (the "**On-Loans**") to Brookfield (comprised of equity and debt proceeds it receives under the ANZ Facilities) on the day prior to the scheme implementation date and two days prior to the scheduled property settlement date. The On-Loans may be used by Brookfield only to complete the Brookfield / Healthscope Transaction and are secured against Brookfield's

interest in Healthscope, ranking equally with the other secured lenders to Brookfield until property settlement. Upon property settlement, the applicable On-Loans will be set-off in full against the purchase price.

On-Loans may also arise (including in the Takeover Bid) or remain outstanding longer in certain limited situations, and subject to certain conditions, if there is a Delayed Settlement of one or more properties and the scheme implementation date or takeover effective date, as applicable, is not able to be extended.

#### Additional Financing Sources

In addition to the ANZ Facilities, the REIT expects to finance the Property Transaction through a combination of (i) approximately A\$162 million of proceeds from the sale of its existing investment in Healthscope and existing deposits; (ii) a letter of credit of A\$50 million deposited with Brookfield, (iii) other investment partners; and (iv) the REIT's existing liquidity (including the enhanced capacity as a result of the Offering) and expected capital recycling activities.

### ***Agreements Effecting the Property Transaction***

#### Process, Voting, Commitment and Exclusivity Deed

On February 1, 2019 in Australia (January 31, 2019 in Toronto) NorthWest and Brookfield entered into a process, voting commitment and exclusivity deed (the "**Process Deed**"), pursuant to which the parties agreed on the process for the Commitment Deed with Healthscope, the Property Transaction and related matters.

The term of the Process Deed ends if the Implementation Deed between Brookfield and Healthscope is terminated.

The key obligations of NorthWest under the Process Deed are to (i) comply with certain funding arrangements in relation to the Property Transaction and the Brookfield / Healthscope Transaction; (ii) seek FIRB Approval; (iii) subject to certain exceptions, vote in favour of the Arrangement Scheme, accept the Takeover Bid and vote against a competing proposal in certain circumstances; and (iv) comply with certain exclusivity arrangements in relation to a competing proposal.

The REIT has committed to certain pre-closing funding milestones in connection with the Property Transaction (the "**Funding Milestone Obligations**"), including (a) demonstrating to Brookfield's reasonable satisfaction that it has secured approximately A\$290 million of financing by the later of the date for the first court hearing for the Brookfield / Healthscope Transaction, and April 10, 2019; and (b) delivering derivative security (with respect to the REIT's interest in Healthscope) and committing to escrow approximately A\$450 million of financing in aggregate, not less than 2 business days prior to the Healthscope shareholders' meeting to approve the Arrangement Scheme.

Brookfield must offer NorthWest the right to acquire additional hospital assets owned by Healthscope if the sale of those properties to another property investor does not proceed. If NorthWest accepts this offer, its obligations will correspondingly increase.

For further information on the liability regime under the Process Deed, see "*Risk Factors - Risks Relating to the Property Transaction – Potential Liabilities Associated with the Property Transaction*".

#### Commitment Deed

On February 1, 2019 in Australia (January 31, 2019 in Toronto) Healthscope, NorthWest and NorthWest Australia entered into a commitment deed (the "**Commitment Deed**"), pursuant to which Healthscope and NorthWest Australia agreed, among other things, to arrange for the sale (and lease-back) of the Portfolio to the NWH Property Buyers pursuant to separate contracts of sale for each property in the Portfolio (the "**Sale Contracts**") and an umbrella deed for the Sale Contracts (the "**Sale Contracts Umbrella Deed**").

The term of the Commitment Deed ends if the Implementation Deed is terminated or if the Arrangement Scheme or Takeover Bid is not effected by November 1, 2019.

The Commitment Deed contains representations and warranties made by the parties relating to its capacity to enter into the Commitment Deed and, to the extent applicable, its financial position.

The REIT has guaranteed the obligations of NorthWest Australia under the Commitment Deed and indemnifies Healthscope against any losses incurred by Healthscope in connection with any breach of NorthWest Australia's obligations under the Commitment Deed.

The Commitment Deed may be terminated by Healthscope for certain 'PropCo Defaults', which are described in more detail under "*Risk Factors - Risks Relating to the Property Transaction – The Property Transaction may not be completed*".

#### Sale Contracts

The Property Transaction will be effected by way of individual Sale Contracts and the Sales Contract Umbrella Deed. Each Sale Contract will include property-specific clauses, and will be entered into in respect of each acquired property between the relevant Healthscope vendor (each a "Seller"), the relevant NWH Property Buyer and the REIT (as guarantor).

The Portfolio will be sold subject to existing tenancies (which will become subtenancies under the applicable Lease), free of mortgages and similar encumbrances, subject to easements, covenants, restrictions and other matters affecting title. The Portfolio will be purchased on an as is basis, subject to any legal or physical defects; provided pursuant to the Leases the tenant shall be responsible for any such defects.

Property settlement under the Sale Contracts will occur the day after the Arrangement Scheme is effected, or on the day after the Takeover Bid becomes unconditional. The Sale Contract and Sales Contract Umbrella Deed includes a process that allows the Seller to delay settlement for a property (a "Delayed Settlement") in certain limited circumstances to allow for a caveat or other title related matter to be cleared and imposes an obligation on the Seller to use reasonable endeavours to ensure settlement is not delayed.

The acquisition under and settlement of each of the Sale Contracts is conditional upon FIRB Approval being obtained and the Brookfield / Healthscope Transaction becoming unconditional. If FIRB Approval hasn't been obtained by the FIRB Approval Sunset Date, or the Brookfield / Healthscope Transaction has not been completed by November 1, 2019, then either party may terminate the Sale Contract.

The Sale Contract allows the Seller to terminate for certain breaches by the relevant NWH Property Buyer, subject to the NWH Property Buyer having a reasonable period to remedy defaults that are capable of remedy.

Each Sale Contract contains representations and warranties made by the parties, including trustee warranties, and certain limited representations and warranties given by the Seller that address key issues relating to the sale of the properties.

The REIT guarantees the obligations of the NWH Property Buyers under the Sale Contracts and the Sales Contract Umbrella Deed and indemnifies each Seller against any losses incurred by each Seller in connection with any breach of the relevant NWH Property Buyer's obligations under the Sale Contracts.

#### Leases and Lease Umbrella Deed

Each property to be acquired pursuant to the Property Transaction will become the subject of a lease with Healthscope as tenant and Healthscope Operations Pty Limited as guarantor, with a bespoke reference schedule containing terms such as rent and term (the "Leases" and each, a "Lease"). Each Lease is an 'absolute net' lease which is designed to ensure that Healthscope, as tenant, is responsible for all costs and assumes all responsibilities associated with the operation of each property.

The rent payable under the Leases is market based, and increases by 2.5% per annum on January 1st of each year during the term (applied pro rata on January 1, 2020). The Leases have a weighted average expiry of 20 years. The tenant is responsible for payment of outgoings and for taking out insurances to cover the premises.

The landlord is restricted from selling its interest in the premises to a competitor of the tenant or someone who is not respectable or on a sanctions list.

The tenant will have a right of first offer over each property in certain circumstances, including a landlord sale or change of control.

An umbrella deed relating to the Leases (the “**Lease Umbrella Deed**”) addresses portfolio-related issues, such as cross default, brownfield capital expenditure and rental balancing.

The tenant may during the 10 year period after settlement of the Sale Contracts submit to the landlord a proposed brownfield development (or for the first 3 years, a capital works project) where it seeks the landlord to fund the brownfield development or capital works project or for the landlord to undertake the brownfield development or capital work project at its cost. The tenant must satisfy certain business case criteria before the landlord funds the brownfield development. The maximum aggregate brownfield and capital works funding commitment is A\$550 million which reduces over time.

The Lease Umbrella Deed also provides the tenant with certain rights to deal with premises which in its opinion (acting reasonably and in good faith) is underperforming or over-rented, including by way of a substitution for and/or re-purchase of such property. The tenant may also, within the first 12 months only, (i) buy-down the rent under a Lease, by way of an adjustment to the purchase price; and (ii) reallocate the rents between two or more Leases.

The Lease Umbrella Deed provides the landlord with certain cross-default rights respecting all leases.

### **Convertible Debenture Offering**

On December 20, 2018, the REIT issued \$125.0 million aggregate principal amount of 5.50% Convertible Debentures due in December 2023, to a syndicate of underwriters co-led by RBC Dominion Securities Inc. and BMO Nesbitt Burns Inc. (the “**December 2018 Offering**”).

### **German Acquisitions**

Since September 30, 2018, the REIT announced that it has expanded its German platform through the acquisition of three medical and rehabilitation hospital properties (located in Berlin, Bernkastel-Kues and Ratzeburg) for a combined purchase price of \$87 million (€58 million) at a weighted average stabilized capitalization rate of approximately 6% (together, the “**German Acquisitions**”). The German Acquisitions have been funded with new property specific mortgages totaling \$63 million (€42 million), at a weighted average interest rate of 2.2%, proceeds from the December 2018 Offering and the remainder from existing resources.

### **Acquisition Facility**

On February 13, 2019, the REIT entered into a new 12 month, \$39 million unsecured acquisition facility, of which \$24 million was available for immediate draw and the remaining \$15 million would be made available at the discretion of the lender. The facility provides the REIT with additional resources to pursue growth initiatives, better position for the Property Transaction and for general corporate purposes.

## **CONSOLIDATED CAPITALIZATION OF THE REIT**

The following table sets forth the (a) consolidated capitalization of the REIT as at September 30, 2018, (b) the *pro forma* consolidated capitalization of the REIT as at September 30, 2018 after giving effect to the Offering, subsequent events described in the Interim MD&A, the December 2018 Offering (a small portion of the proceeds of which were used to repay debt) and the German Acquisitions, and (c) the *pro forma* consolidated capitalization of the REIT as at September 30, 2018 after giving effect to the Offering, subsequent events described in the Interim MD&A, the December 2018 Offering, the German Acquisitions and the Offering. The table does not include the *pro forma* impact of the Property Transaction (other than completed investment in Healthscope and prepaid deposits) due to the fact that certain financing aspects of the Property Transaction still need to be finalized. The table should be read in conjunction with the financial statements and notes thereto incorporated by reference in this Prospectus Supplement.

	<b>As at September 30, 2018</b>	<b>As at September 30, 2018</b>	<b>As at September 30, 2018</b>
	(unaudited)	(unaudited— <i>pro forma</i> after giving effect to subsequent events described in the Interim MD&A, the December 2018 Offering and the German Acquisitions)	(unaudited— <i>pro forma</i> after giving effect to subsequent events described in the Interim MD&A, the December 2018 Offering, the German Acquisitions and the Offering)
(in Canadian dollars (000's))			
<b>Indebtedness</b>			
Mortgages, loans payable and convertible debentures .....	2,594,329	2,779,129	2,659,799
<b>Class B LP Units</b>			
Class B LP Units <sup>(1)</sup> .....	198,507	198,507	198,507
<b>Unitholders' Equity<sup>(2)</sup></b>			
Units .....	796,213	790,225	909,555
(Authorized – unlimited) <sup>(3)</sup>			
<b>Total Capitalization</b> .....	<u>3,589,049</u>	<u>3,767,861</u>	<u>3,767,861</u>

Notes:

- (1) Issued (actual as at September 30, 2018) –17,708,065. Each Class B LP Unit is also attached to a Special Voting Unit.
- (2) Excluding non-controlling interests.
- (3) Issued (actual as at September 30, 2018) –103,343,450.
- (4) Including Underwriters' Fee and Offering expenses

## USE OF PROCEEDS

The estimated net proceeds to the REIT from the Offering, after deducting the Underwriters' Fee and the estimated expenses of the Offering, will be approximately \$119,329,760. The REIT intends to use the net proceeds of the Offering to repay debt, which currently bears an interest rate of 6.8%, and partly satisfy certain funding milestones related to the Property Transaction. The REIT expects that the immediate repayment of debt will better position the REIT to execute the Property Transaction, while prudently managing its consolidated leverage. The Offering is expected to reduce consolidated leverage by approximately 240bps to approximately 57% post completion of the Property Transaction and the Offering, and the REIT reiterates its medium-term leverage target of 50% as it sees opportunity to strengthen its balance sheet and capital structure through the repayment of high-cost corporate debt with continued capital recycling activities.

## PLAN OF DISTRIBUTION

Pursuant to the terms and conditions of the Underwriting Agreement, the REIT has agreed to create, issue and sell, and the Underwriters have severally agreed to purchase, on the Closing Date, subject to compliance with all necessary legal requirements and the terms and conditions contained in the Underwriting Agreement, an aggregate of 11,740,000 Offered Units at a purchase price of \$10.65 per Offered Unit for gross proceeds of approximately \$125,031,000.

The Underwriting Agreement provides that the REIT will pay the Underwriters' Fee of \$5,001,240, representing 4.0% of the gross proceeds of the Offering, in consideration for their services in connection with the Offering. The net proceeds to the REIT, before deducting expenses of the Offering, will be \$120,029,760. The terms of the Offering, including the Offering Price, were determined by negotiation between the REIT and the Joint Bookrunners, on their own behalf and on behalf of the Underwriters.

The REIT has granted the Underwriters the Over-Allotment Option, exercisable in whole or in part at any time up to 30 days after the Closing, to purchase up to 1,761,000 additional Offered Units at the Offering Price. If the Over-Allotment Option is exercised in full, the total price to the public will be \$143,785,650, the Underwriters'

Fee will be \$5,751,426, and the net proceeds to the REIT, before deducting expenses of the Offering, will be \$138,034,224. This Prospectus Supplement qualifies the grant of the Over-Allotment Option and the sale of Offered Units on the exercise of the Over-Allotment Option. A purchaser who acquires Offered Units forming part of the Over-Allotment Option acquires those Offered Units under this Prospectus Supplement, regardless of whether the Underwriters' over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The TSX has conditionally approved the listing of the Offered Units on the TSX. Listing will be subject to the REIT fulfilling all of the listing requirements of the TSX.

The obligations of the Underwriters under the Underwriting Agreement are several, not joint nor joint and several. If one or more of the Underwriters fail to purchase their applicable percentages of the Offered Units, the other Underwriters may, but are not obligated to, purchase on a *pro rata* basis all, but not less than all, of the Offered Units which would otherwise have been purchased by the refusing Underwriter.

The obligations of the Underwriters under the Underwriting Agreement are conditional and may be terminated at their discretion pursuant to the "disaster out", "regulatory out", "tax out" and "material adverse change out" provisions in the Underwriting Agreement. The Underwriters are, however, obligated to take up and pay for all of the Offered Units if any of the Offered Units are purchased under the Underwriting Agreement. The Underwriters are entitled under the Underwriting Agreement to indemnification by the REIT against certain liabilities and expenses.

The Underwriters propose to offer the Offered Units initially at the Offering Price stated on the cover page of this Prospectus Supplement. After the Underwriters have made a reasonable effort to sell all of the Offered Units offered under this Prospectus Supplement at the Offering Price, the initially stated Offering Price may be decreased, and further changed from time to time, by the Underwriters to an amount not greater than the initially stated Offering Price and, in such case, the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Units is less than the gross proceeds paid by the Underwriters to the REIT. Any such reduction will not affect the proceeds received by the REIT.

Pursuant to policy statements of certain regulators, the Underwriters may not, throughout the period of distribution, bid for or purchase the Offered Units. The foregoing restriction is subject to exceptions, on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Offered Units. These exceptions include a bid or purchase permitted under the bylaws and rules of the TSX relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Under the first-mentioned exception, in connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Offered Units at levels other than those which might otherwise prevail in the open market. Those transactions, if commenced, may be discontinued at any time.

The Underwriting Agreement provides that the REIT will not create, issue or sell (or agree or announce any such agreement to create, issue or sell), directly or indirectly, (except in certain limited circumstances) any equity securities or other securities convertible into equity securities, without the prior written consent of the Joint Bookrunners, on behalf of the Underwriters, for a period of 90 days following the Closing Date, such consent not to be unreasonably withheld or delayed, other than: (i) in connection with the issuance of securities issued as consideration or partial consideration for the acquisition of real property or assets from an arm's length vendor, (ii) in connection with the issuance of securities to trustees, officers, employees and consultants under the REIT's deferred unit plan or other securities based compensation arrangements, (iii) to satisfy existing instruments already issued as of the date hereof, or (iv) pursuant to the DRIP.

Paul Dalla Lana has agreed not to sell, or enter into any agreement to sell (or announce any of the foregoing) any securities of the REIT held by him (or his affiliates), for a period of 90 days after the Closing Date, without the prior written consent of the Joint Bookrunners, such consent not to be unreasonably withheld. Notwithstanding the foregoing, nothing shall prevent Paul Dalla Lana from transferring securities of the REIT (a) to an affiliate, (b) in connection with an internal reorganization, (c) for tax planning purposes, including in connection with charitable activities, or in connection with a control distribution completed in accordance with Section 2.8 of National Instrument 45-102 — *Resale of Securities*, or other sale on a prospectus exempt basis, provided however, that the aggregate number of Units that may be gifted or sold pursuant to this exception in clause (c) cannot exceed

600,000 Units; (d) pursuant to a pledge as security for indebtedness owing to a bona fide lender and/or any sale of the securities upon such lender realizing on such security; or (e) pursuant to a bona fide take-over bid or any other similar transaction made generally to all Unitholders.

This Offering is being made in each of the provinces and territories of Canada. The Offered Units have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Offered Units may not be offered, sold or delivered within the United States, and each Underwriter has agreed that it will not offer, sell or deliver the Offered Units within the United States except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Underwriting Agreement permits the Underwriters, acting through their registered United States broker-dealer affiliates, to offer and resell the Offered Units in the United States to “qualified institutional buyers” as defined in Rule 144A under the U.S. Securities Act (“**Qualified Institutional Buyer**”), provided such offers and sales are made in accordance with Rule 144A under the U.S. Securities Act, and in compliance with similar exemptions under applicable state securities laws. Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Offered Units outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. The Offered Units that are sold in the United States will be restricted securities within the meaning of Rule 144 of the U.S. Securities Act and may only be offered, sold or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act.

This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy the Offered Units in the United States. In addition, until 40 days after the commencement of the Offering, any offer or sale of the Offered Units offered hereby within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act and applicable state securities laws.

A book-based system global certificate or electronic deposit evidencing the Offered Units will be issued to the Underwriters for deposit with CDS on the Closing Date. The global certificate or electronic deposit will be held by, or on behalf of, CDS as custodian of such certificate or electronic deposit for CDS participants, and registered in the name of CDS. The name in which a global certificate or electronic deposit is issued is for the convenience of the book-based system only. CDS participants include securities brokers and dealers, banks and trust companies. An investor who purchases Offered Units will therefore receive only a customer confirmation from the registered dealer who is a CDS participant and through whom the Offered Units are purchased.

Closing of the Offering is expected to take place on February 26, 2019 but may be such other date as the REIT and the Underwriters may agree (but not later than March 5, 2019).

The first distribution which purchasers of Offered Units under the Offering will be eligible to receive is the distribution expected to be payable on or about March 15, 2019 to Unitholders of record on February 28, 2019. In the event that the Closing or the closing of the Over-Allotment Option occurs after February 28, 2019, the REIT will make a cash payment to purchasers of the Offered Units (including purchasers of any Offered Units issued under the Over-Allotment Option), equal to the amount per Unit distributed by the REIT to its Unitholders for the month of February 2019 as if such purchasers had been Unitholders on February 28, 2019 for such distribution, such payment to be made on the later of: (i) the Closing or the closing of the Over-Allotment Option, as applicable, and (ii) March 15, 2019.

#### **RELATIONSHIP BETWEEN THE REIT AND CERTAIN UNDERWRITERS**

BMO Nesbitt Burns Inc. and RBC Dominion Securities Inc. are each affiliates of lenders to the REIT pursuant to the Credit Facility. The Credit Facility consists of a line of credit facility for up to \$327 million, secured by a pool of first mortgages on certain of the REIT’s Canadian properties. Affiliates of RBC Dominion Securities Inc. and Scotia Capital Inc. are each lenders to the REIT pursuant to an approximate A\$254 million credit facility secured by a pool of first mortgages on certain of the REIT’s Australasian properties. An affiliate of BMO Nesbitt Burns Inc. is a lender to the REIT pursuant to an approximate \$51 million credit facility secured by a pool of properties. Affiliates of each of RBC Dominion Securities Inc., CIBC World Markets Inc., and National Bank Financial Inc. are each mortgage lenders to the REIT in an aggregate amount of approximately \$148 million under

various first mortgages on certain of the REIT's Canadian properties. Consequently, the REIT may be considered a connected issuer of such Underwriters for the purposes of the securities regulations of certain Canadian provinces.

As of the date of this Prospectus Supplement, the REIT is in compliance with the terms of the indebtedness described above and no breaches of the terms of such indebtedness have been waived by the lenders thereunder. The financial position of the REIT has changed over the period of the indebtedness described above as set out in the REIT's publically filed financial statements. The Underwriters have advised that the decision to underwrite the Offering was made independently of the banks and the banks had no influence as to the determination of the terms of the distribution. The net proceeds of the Offering will be applied to the repayment of indebtedness under the Credit Facility. See "Use of Proceeds". The Underwriters will not receive any benefit in connection with this Offering other than the Underwriters' Fee payable by the REIT.

### PRIOR SALES

The following table sets forth the details regarding all issuances of Units, including issuances of all securities convertible into or redeemable for Units for the 12-month period prior to the date of this Prospectus Supplement.

#### Units

<u>Date of Issuance</u>	<u>Security Issued</u>	<u>Reason for Issuance</u>	<u>Number of Securities Issued</u>	<u>Price per Unit (\$)</u>
February 15, 2018	Units	Pursuant to the DRIP	61,929	10.70
March 14, 2018	Units	Conversion of Debentures	4,800	11.25
March 15, 2018	Units	Pursuant to the DRIP	61,775	11.01
March 21, 2018	Units	Conversion of Deferred Units	78,200	10.97
April 16, 2018	Units	Pursuant to the DRIP	57,500	11.24
May 16, 2018	Units	Pursuant to the DRIP	61,689	11.33
May 18, 2018	Units	Conversion of Deferred Units	2,283	11.34
May 23, 2018	Units	Conversion of Deferred Units	372,275	10.78
June 15, 2018	Units	Pursuant to the DRIP	64,374	11.25
July 16, 2018	Units	Pursuant to the DRIP	64,121	11.35
July 23, 2018	Units	Conversion of Debentures	1,066	11.25
August 15, 2018	Units	Pursuant to the DRIP	64,255	11.52
September 17, 2018	Units	Pursuant to the DRIP	63,643	11.39
October 15, 2018	Units	Pursuant to the DRIP	68,520	10.71
November 15, 2018	Units	Pursuant to the DRIP	70,405	10.90
December 15, 2018	Units	Pursuant to the DRIP	67,872	10.36
December 21, 2018	Units	Conversion of Debentures	8,000	9.83
January 2, 2019	Units	Conversion of Debentures	4,478	9.44
January 7, 2019	Units	Conversion of Debentures	52,248	9.60
January 15, 2019	Units	Pursuant to the DRIP	78,919	10.25
February 15, 2019	Units	Pursuant to the DRIP	72,513	11.00

#### Deferred Units

<u>Date of Issuance</u>	<u>Security Issued</u>	<u>Reason for Issuance</u>	<u>Number of Securities Issued</u>	<u>Price per Unit (C\$)</u>
February 15, 2018	Deferred Units	Deferred Units Issued in Lieu of Cash Distributions	12,513	10.38
March 15, 2018	Deferred Units	Deferred Units Issued in Lieu of Cash Distributions	12,239	10.68
March 31, 2018	Deferred Units	Trustee Compensation Units	10,218	11.30

<b>Date of Issuance</b>	<b>Security Issued</b>	<b>Reason for Issuance</b>	<b>Number of Securities Issued</b>	<b>Price per Unit (C\$)</b>
April 5, 2018	Deferred Units	Executive Compensation	197,071	11.27
April 16, 2018	Deferred Units	Deferred Units Issued in Lieu of Cash Distributions	9,249	10.90
May 15, 2018	Deferred Units	Deferred Units Issued in Lieu of Cash Distributions	10,433	10.98
June 15, 2018	Deferred Units	Deferred Units Issued in Lieu of Cash Distributions	7,822	10.90
June 30, 2018	Deferred Units	Trustee Compensation Units	12,499	11.26
July 16, 2018	Deferred Units	Deferred Units Issued in Lieu of Cash Distributions	7,867	11.01
August 15, 2018	Deferred Units	Deferred Units Issued in Lieu of Cash Distributions	7,801	11.17
September 17, 2018	Deferred Units	Deferred Units Issued in Lieu of Cash Distributions	7,933	11.05
September 30, 2018	Deferred Units	Trustee Compensation Units	15,133	11.30
October 15, 2018	Deferred Units	Deferred Units Issued in Lieu of Cash Distributions	8,585	10.39
November 15, 2018	Deferred Units	Deferred Units Issued in Lieu of Cash Distributions	8,417	10.57
December 15, 2018	Deferred Units	Deferred Units Issued in Lieu of Cash Distributions	8,895	10.05
December 31, 2018	Deferred Units	Trustee Compensation Units	14,365	9.45
January 15, 2019	Deferred Units	Deferred Units Issued in Lieu of Cash Distributions	8,978	9.95
February 15, 2019	Deferred Units	Deferred Units Issued in Lieu of Cash Distributions	7,801	9.95

#### **Convertible Unsecured Subordinated Debentures**

<b>Date of Issuance</b>	<b>Security Issued</b>	<b>Reason for Issuance</b>	<b>Principal Amount</b>
December 20, 2018	5.50% Debentures due in 2023	Public Offering	\$125,000,000

#### **PRICE RANGE AND TRADING VOLUME OF UNITS**

The Units are listed on the TSX and are quoted under the symbol “NWH.UN”. The following table sets forth, for the 12-month period before the date of this Prospectus Supplement, the market price ranges and trading volumes for the Units on the TSX.

<b>Period</b>	<b>High</b>	<b>Low</b>	<b>Volume</b>
	\$	\$	
February 2018	11.52	10.51	5,346,618
March 2018	11.48	10.50	7,335,199
April 2018	11.39	11.01	3,349,232
May 2018	11.71	11.16	3,245,847
June 2018	11.47	11.17	2,890,125
July 2018	11.40	11.09	2,064,258
August 2018	11.69	11.23	2,714,052
September 2018	11.45	11.15	2,437,479

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
	\$	\$	
October 2018	11.35	10.52	3,467,196
November 2018	11.00	10.39	3,565,623
December 2018	10.54	9.27	5,150,198
January 2019	10.81	9.35	5,991,056

On February 14, 2019, being the last full day on which the Units traded prior to the public announcement of the Offering, the closing price of the Units on the TSX was \$11.12. On February 15, 2019, being the last day on which the Units traded prior to the date of this Prospectus Supplement, the closing price of the Units on the TSX was \$10.68.

### CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Goodmans LLP, counsel to the REIT, and McMillan LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable as of the date hereof to the acquisition, holding and disposition of Offered Units acquired under this Offering. This summary is applicable to a holder who, for the purposes of the Tax Act and at all relevant times, is or is deemed to be resident in Canada, deals at arm's length with and is not affiliated with the REIT or the Underwriters and holds the Offered Units as capital property (in this section, referred to as a "**Holder**"). The Offered Units generally will be capital property to a Holder provided that the Holder does not hold the Offered Units in the course of carrying on a business and has not acquired them in a transaction or transactions considered to be an adventure or concern in the nature of trade. Certain Holders who might not otherwise be considered to hold their Offered Units as capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Offered Units, and any other "Canadian security" (as defined in the Tax Act) owned in the taxation year in which the election is made and in subsequent taxation years, deemed to be capital property. Holders who do not hold their Offered Units as capital property should consult their own tax advisors regarding their particular circumstances.

This summary does not apply to a Holder: (i) that is a "financial institution" subject to the mark-to-market rules; (ii) that is a "specified financial institution"; (iii) that is a partnership; (iv) an interest in which would be a "tax shelter investment"; (v) that has elected to determine its "Canadian tax results" in a foreign currency pursuant to the "functional currency" reporting rules; or (vi) that enters into a "derivative forward agreement" with respect to any Offered Units, all within the meaning of the Tax Act. Such Holders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of Offered Units. In addition, this summary does not address the deductibility of interest by a purchaser who has borrowed money to acquire Offered Units under this Offering.

This summary is based on the facts set out in this Prospectus Supplement, the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof ("**Proposed Amendments**"), counsels' understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"), and a certificate as to certain factual matters from an executive officer of the REIT. Except for Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein. No assurance can be given that the Proposed Amendments will be enacted in the form proposed or at all or that the CRA will not change its administrative policies or assessing practices. Amendments to the Tax Act or to the Proposed Amendments could significantly alter the tax status of the REIT or the tax consequences of investing in Units.

**This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Offered Units. The income and other tax consequences of acquiring, holding or disposing of Offered Units will vary depending on a Holder's particular status and circumstances, including the province or territory in which the Holder resides or carries on business. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any**

**prospective Holder of Offered Units. A prospective Holder should consult its own tax advisors for advice with respect to the income tax consequences of an investment in Offered Units in its own circumstances.**

**This summary does not address Canadian federal tax considerations applicable to Non-Residents, and Non-Residents should consult their own tax advisors regarding the tax consequences to them of acquiring, holding and disposing of Offered Units. Distributions on Offered Units or amounts paid in respect thereof, whether in cash or Units, will be paid or issued net of any applicable withholding tax.**

### **Mutual Fund Trust Status**

This summary assumes the REIT will qualify at all times as a “mutual fund trust” within the meaning of the Tax Act. An executive officer of the REIT has advised counsel that it intends to ensure that the REIT will meet the requirements necessary for it to qualify as a mutual fund trust at all times. **If the REIT were not to qualify as a mutual fund trust at all times, the income tax considerations, in certain respects, would be materially and adversely different from those described below.**

### **SIFT Rules and the REIT Exception**

The SIFT Rules effectively tax certain income of a publicly-traded trust or partnership that is distributed to its investors on the same basis as would have applied had the income been earned through a taxable Canadian corporation and distributed by way of dividend to its shareholders. These rules apply to “SIFT trusts”, “SIFT partnerships” (each as defined in the Tax Act) and their investors.

Where the SIFT Rules apply, distributions of a SIFT trust’s “non-portfolio earnings” are not deductible in computing the SIFT trust’s net income. Non-portfolio earnings generally are defined as income attributable to a business carried on by the SIFT trust in Canada or to income (other than certain dividends) from, and capital gains from the disposition of, “non-portfolio properties” (as defined in the Tax Act). The SIFT trust is itself liable to pay income tax on an amount equal to the amount of such non-deductible distributions (grossed up for taxes) at a rate that is substantially equivalent to the combined federal and provincial general tax rate applicable to taxable Canadian corporations. Such non-deductible distributions paid to a holder of units of the SIFT trust generally are deemed to be taxable dividends received by the holder of such units from a taxable Canadian corporation. Such deemed dividends will qualify as “eligible dividends” for purposes of the enhanced gross-up and dividend tax credit available under the Tax Act to individuals resident in Canada and for purposes of computing a Canadian resident corporation’s “general rate income pool” or “low rate income pool”, as the case may be (each as defined in the Tax Act). In general, distributions paid as returns of capital will not be subject to the SIFT Rules.

The REIT will not be considered to be a SIFT trust in respect of a particular taxation year and, accordingly, will not be subject to the SIFT Rules in that year, if it qualifies as a “real estate investment trust”, as defined in the Tax Act, throughout the year (the “**REIT Exception**”). The REIT Exception is comprised of a number of technical tests and the determination as to whether the REIT qualifies for the REIT Exception in any particular taxation year can only be made with certainty at the end of that taxation year. An executive officer of the REIT has advised counsel that the REIT expects to qualify for the REIT Exception in 2019 and future years. However, no assurances can be given that subsequent investments or activities undertaken by the REIT, or fluctuations in asset values, will not result in the REIT failing to qualify for the REIT Exception in 2019 or any subsequent taxation year. In addition, the REIT has acquired investments in entities in which it does not have a controlling interest. Even though the REIT does not control such entities, their activities and sources of revenue will be relevant in determining whether the REIT satisfies the REIT Exception. Accordingly, whether the REIT satisfies the REIT Exception may be beyond its control. Counsel expresses no view as to whether the REIT will satisfy the REIT Exception. **If the REIT is subject to the SIFT Rules, certain of the income tax considerations described below would, in some respects, be materially and adversely different, and the SIFT Rules may have a material adverse effect on the after-tax returns of certain Unitholders.**

The remainder of this summary is subject to the SIFT Rules discussed above and assumes that the REIT is at all times eligible for the REIT Exception.

### **Taxation of the REIT**

The taxation year of the REIT is the calendar year. The REIT must compute its income or loss for each taxation year as though it were an individual resident in Canada. The REIT's income for a taxation year for purposes of the Tax Act will include, among other things, any net realized taxable gains by the REIT in the year and the REIT's share of income (or loss, subject to its "at risk" amount) of NWI LP and NHP LP (individually a "**Partnership**" and collectively, the "**Partnerships**") as determined in accordance with their limited partnership agreements, for a fiscal year ending in or coincidentally with the taxation year of the REIT, whether or not such income is distributed to the REIT in the taxation year.

The REIT may deduct from its taxable income amounts which are paid or become payable by it to Unitholders in such year. An amount will be considered to be payable in a taxation year if it is paid to a Unitholder in the year by the REIT or if a Unitholder is entitled in the year to enforce payment of the amount. Counsel has been advised by an executive officer of the REIT that the Trustees' current intention is to make payable to Unitholders each year sufficient amounts such that the REIT generally will not be liable to pay tax under Part I of the Tax Act. Where the REIT does not have sufficient cash to distribute such amounts in a particular taxation year, the REIT can make one or more in-kind distributions in the form of additional Units. Income of the REIT payable to the Unitholders in the form of additional Units generally will be deductible to the REIT in computing its taxable income.

In computing its income or loss, the REIT may deduct administrative costs and other expenses of a current nature incurred by it for the purpose of earning income from its business or property, provided such expenses are reasonable and otherwise deductible, subject to the applicable provisions of the Tax Act. The REIT may also deduct any reasonable expenses incurred by it in the course of the issuance of its units on a five-year straight line basis (subject to pro-rata for short taxation years).

Cash distributions from each Partnership in excess of income allocated to the REIT by that Partnership generally will not be taxable to the REIT. However, the adjusted cost base of the REIT's limited partnership units of that Partnership will be reduced by any such distributions received. If at any time the adjusted cost base of the limited partnership units of the Partnerships would become a negative amount, the REIT will be deemed to have realized a capital gain equal to such amount.

A distribution by the REIT of its property upon a redemption of Units will be treated as a disposition by the REIT of such property for proceeds of disposition equal to the fair market value thereof. The REIT will realize a capital gain (or a capital loss) to the extent that the proceeds from the disposition of the property exceed (or are less than) the adjusted cost base of the relevant property and any reasonable costs of disposition.

Losses incurred by the REIT cannot be allocated to Unitholders but may be deducted by the REIT in the future years in accordance with the Declaration of Trust and the Tax Act. In the event the REIT would otherwise be liable for tax on its net realized taxable capital gains for a taxation year, it will be entitled for such taxation year to reduce (or receive a refund in respect of) its liability for such tax by an amount determined under the Tax Act based on the redemption of Units of the REIT during the year (the "**capital gains refund**"). In certain circumstances, the capital gains refund in a particular taxation year may not completely offset the REIT's tax liability for the taxation year arising in connection with the transfer of property *in specie* to redeeming unitholders on the redemption of Units.

The Declaration of Trust provides that all or a portion of any capital gain or income realized by the REIT in connection with such redemptions may, at the discretion of the Trustees, be treated as capital gains or income paid to, and designated as capital gains or income of, the redeeming Unitholder. Such income or the taxable portion of the capital gain so designated must be included in the income of the redeeming Unitholder (as income or taxable capital gains) and will be deductible by the REIT in computing its income.

### **Taxation of the Partnerships**

An executive officer of the REIT has advised counsel that it expects that each Partnership will qualify as an "excluded subsidiary entity" (as defined in the Tax Act) at all times, such that it will not be subject to tax under the Tax Act (including under the SIFT Rules). The remainder of this summary assumes that each Partnership will not be subject to the SIFT Rules. **If either Partnership were subject to the SIFT Rules, the income tax considerations would be materially and adversely different from those described below.**

The Partnerships are not subject to tax under the Tax Act. However, the income or loss of each Partnership must be computed for each fiscal year as if it was a separate person resident in Canada, and allocated to its partners on the basis of their respective shares of that income or loss as provided for in its limited partnership agreement. For purposes of the Tax Act, each Partnership must compute its income (or losses) in Canadian currency. Where a Partnership holds investments denominated in foreign currencies (or incurs indebtedness denominated in foreign currencies), gains and losses may be realized by that Partnership as a consequence of fluctuations in the relative values of the Canadian and foreign currencies (including on the repayment of such foreign currency indebtedness).

NWI LP's income for purposes of the Tax Act will include, among other things, "foreign accrual property income" ("FAPI") realized by an entity that is, or is deemed to be, a "controlled foreign affiliate" (a "CFA"), any dividends received as further described below, and the taxable portion of distributions from foreign trusts. It is expected that income earned by certain foreign subsidiaries will be FAPI. Any FAPI earned by a CFA of NWI LP must be included in computing its income for the taxation year of NWI LP in which the taxation year of such foreign subsidiary ends, subject to a deduction for grossed-up "foreign accrual tax" as computed in accordance with the Tax Act, whether or not NWI LP actually receives a distribution of FAPI in the taxation year, and less certain amounts that are otherwise included in income. The adjusted cost base to NWI LP of the shares of the applicable foreign subsidiary will be increased by the net amount so included in the income of NWI LP. At such time as NWI LP receives a dividend of amounts that were previously included in its income as FAPI, that dividend effectively will not be taxable to NWI LP and there will be a corresponding reduction in the adjusted cost base to NWI LP of the shares of the applicable foreign subsidiary. The Tax Act contains rules applicable to certain foreign tax credit generator transactions (the "**Foreign Tax Credit Generator Rules**"). Under the Foreign Tax Credit Generator Rules, the deduction for "foreign accrual tax" may be limited in certain circumstances. No assurances can be given that the Foreign Tax Credit Generator Rules will not apply to NWI LP in computing its taxable income. If the Foreign Tax Credit Generator Rules apply to NWI LP, NWI LP's taxable income will increase thereby increasing the allocation of income by NWI LP to the REIT and, therefore, the allocation of income by the REIT to Unitholders.

In computing its income or loss, each Partnership may deduct administrative costs and other expenses of a current nature incurred by it for the purpose of earning income from its business or property, provided such expenses are reasonable and otherwise deductible, subject to the applicable provisions of the Tax Act. Each Partnership may also deduct any reasonable expenses incurred by it in the course of the issuance of its units on a five-year straight line basis (subject to pro-ration for short taxation years).

If a Partnership incurs a loss for tax purposes, the REIT's ability to deduct such losses may be limited by certain rules in the Tax Act.

## **Taxation of the Units**

### ***REIT Distributions***

A Holder generally will be required to include in computing income for a particular taxation year the portion of the net income of the REIT, including net realized taxable capital gains, that is paid or payable to the Holder in that taxation year, whether or not those amounts are received in cash, additional Units or otherwise. Any loss of the REIT for purposes of the Tax Act cannot be allocated to, or treated as a loss of, a Holder.

Provided that the appropriate designations are made by the REIT, net taxable capital gains realized by the REIT that are paid or become payable to a Holder will retain their character as taxable capital gains to Holders for purposes of the Tax Act. The non-taxable portion of any net realized capital gains of the REIT that is paid or payable to a Holder in a year will not be included in computing the Holder's income for the year. Any other amount in excess of the net income of the REIT that is paid or payable to a Holder in a year generally should not be included in the Holder's income for the year. However, such an amount which becomes payable to a Holder (other than as proceeds of disposition of Units or any part thereof) will reduce the adjusted cost base of the Units held by such Holder. To the extent that the adjusted cost base of a Unit otherwise would be less than zero, the Holder will be deemed to have realized a capital gain equal to the negative amount and the Holder's adjusted cost base of the Units will be nil.

Provided that the appropriate designations are made by the REIT, such portion of its foreign source income will retain its character in the hands of a Holder for purposes of the Tax Act. Foreign taxes paid by NWI LP will be

allocated pursuant to its limited partnership agreement. Each Holder's share of the "business-income tax" and "non-business-income tax" paid in a foreign country for a year will be creditable against its Canadian federal income tax liability to the extent permitted by the detailed rules contained in the Tax Act. Although the foreign tax credit provisions are designed to avoid double taxation, the maximum credit is limited. Because of this, and because of timing differences in recognition of expenses and income and other factors, double taxation may arise.

Under the Foreign Tax Credit Generator Rules, the foreign "business-income tax" or "non-business-income tax", each as defined in the Tax Act, for any taxation year may be limited in certain circumstances. No assurances can be given that the Foreign Tax Credit Generator Rules will not apply to any Holder. If the Foreign Tax Credit Generator Rules apply, a Holder's foreign tax credits will be limited.

### ***Disposition of Units***

Upon the disposition or deemed disposition of Units by a Holder, whether on a redemption or otherwise, the Holder generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition are greater (or less) than the aggregate of the Holder's adjusted cost base of the Units immediately before such disposition and any reasonable costs of disposition.

The adjusted cost base to a Holder of a Unit generally will include all amounts paid by the Holder for the Unit subject to certain adjustments and may be reduced by distributions made by the REIT to a Holder of Units as described above. The cost of additional Units received in lieu of a cash distribution of income (including net capital gains) will be the amount of income (including net capital gains) of the REIT distributed by the issuance of such Units. For the purpose of determining the adjusted cost base to a Holder, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Holder as capital property immediately before that acquisition.

A redemption of Units in consideration for cash or other assets of the REIT, as the case may be, will be a disposition of such Units for proceeds of disposition equal to such cash or the fair market value of such other assets, as the case may be, less any income or capital gain realized by the REIT in connection with the redemption of those Units to the extent such income or capital gain is designated by the REIT to the redeeming Holder. Holders exercising the right of redemption consequently will realize a capital gain, or sustain a capital loss, depending upon whether such proceeds of disposition exceed, or are exceeded by, the adjusted cost base of the Units redeemed. Where income or a capital gain realized by the REIT in connection with the distribution of property *in specie* on the redemption of Units has been designated by the REIT to a redeeming Holder, the Holder will be required to include in income the income or taxable portion of the capital gain so designated. The cost of any property distributed *in specie* by the REIT to a Holder upon a redemption of Units will be equal to the fair market value of that property at the time of the distribution. The Holder will thereafter be required to include in income interest or other income derived from the property, in accordance with the provisions of the Tax Act.

### ***Other Amounts Received by Purchasers pursuant to the Offering***

If the Closing or the closing of the Over-Allotment Option occurs after the record date for the REIT's distribution for the month of February 2019, purchasers should consult their own tax advisors with respect to the tax consequences of the payment to be made by the REIT in such circumstances to purchasers of the Offered Units (including purchasers of any Units issued under the Over-Allotment Option) in respect of the Units being acquired after such date, of an amount equal to the amount per Unit distributed by the REIT to its Unitholders as if such purchasers had been Unitholders on the record date for such distribution.

### ***Capital Gains and Capital Losses***

Generally, one-half of any capital gain realized by a Holder from a disposition or deemed disposition of Units and the amount of any net taxable capital gains designated by the REIT in respect of the Holder will be included in the Holder's income under the Tax Act as a taxable capital gain. One-half of any capital loss (an "allowable capital loss") realized on a disposition or deemed disposition of Units will be deducted against any taxable capital gains realized by the Holder in the year of disposition, and any excess of allowable capital losses over taxable capital gains may be carried back to the three preceding taxation years or forward to any subsequent taxation year and applied against net taxable capital gains in those years, subject to the detailed rules contained in the Tax Act.

A Holder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on its “aggregate investment income” (as defined in the Tax Act), including taxable capital gains.

### ***Alternative Minimum Tax***

A Holder who is an individual or trust (other than certain specified trusts) may have an increased liability for alternative minimum tax as a result of capital gains realized on a disposition of Units and net income of the REIT, paid or payable, or deemed to be paid or payable, to the Holder and that is designated as taxable dividends and net taxable capital gains.

## **RISK FACTORS**

**There are certain risks inherent in an investment in the Offered Units and in the activities of the REIT, which prospective purchasers should carefully consider before investing in the Offered Units. In addition to the risks described herein, reference is made to the section entitled “Risk Factors” beginning at page 44 of the Annual Information Form, which is incorporated herein by reference.**

### **Risks Relating to the Offering**

#### *Timing for Investment of Net Proceeds*

The REIT expects to apply the available net proceeds of the Offering as described under the heading “Use of Proceeds”. To the extent the net proceeds of the Offering are not either used or deployed in a timely manner for such purposes, such proceeds may remain undeployed in a dilutive manner to Unitholders.

#### *Investment Eligibility*

There can be no assurance that the Units will continue to be qualified investments for Exempt Plans under the Tax Act. The Tax Act imposes penalties for the acquisition or holding of non-qualified or prohibited investments.

### **Risks Relating to the Property Transaction**

#### *The Property Transaction may not be completed*

The Closing Date will occur before the completion of the Property Transaction. The closing of the Offering is not conditional upon the completion of the Property Transaction. Completion of the Property Transaction is subject to the satisfaction of certain closing conditions, including FIRB Approval and completion of the Brookfield / Healthscope Transaction. If one or both of these conditions has not been satisfied by the applicable sunset date (being the FIRB Approval Sunset Date for the FIRB Approval and November 1, 2019 for completion of the Brookfield / Healthscope Transaction), then either party may terminate the Sale Contracts.

There is no certainty, nor can the REIT provide any assurance, that these conditions will be satisfied or that Delayed Settlements will not arise above the A\$250 million threshold at which the REIT must make an election as to whether it will acquire all or none of those properties subject to the Delayed Settlements. As such, there is no assurance that the Property Transaction, or the Brookfield / Healthscope Transaction will be completed, or if completed, will be on terms that are exactly the same as discussed in this Prospectus Supplement. If the Property Transaction is not completed as contemplated, the REIT will not realize the benefits from the Property Transaction as described in this Prospectus Supplement, and could suffer adverse consequences, including loss of investor confidence.

The Commitment Deed may be terminated by Healthscope as a result of defaults of NorthWest Australia, which include: (i) a breach of key obligations under the Commitment Deed by NorthWest Australia with respect to FIRB Approval, providing Healthscope with notices where there is a Property for which settlement is delayed and preparation of certain Property Transaction documents (ii) a failure of NorthWest Australia to obtain FIRB Approval; (iii) insolvency of the REIT or NorthWest Australia; (v) any representation and warranty given by the REIT or NorthWest Australia being incorrect or misleading in any material respect (and not remedied within two

business days); (vi) failure by NorthWest Australia to deliver an officer's certificate to Healthscope when requested (acting reasonably) or to pay amounts owing at settlement under the Sale Contracts; and (vii) Brookfield exercises its right to terminate the Process Deed (or is entitled to request that Healthscope exercise any right to terminate the Commitment Deed in accordance with the Process Deed, (each a “**PropCo Default**”).

The Process Deed may be terminated by Brookfield in certain circumstances, including NorthWest's failure to comply with the Funding Milestone Obligations under the Process Deed or if the Implementation Deed is terminated. NorthWest has satisfied some of the Funding Milestone Obligations but some remain outstanding as at the date hereof.

The Sale Contract permits the Seller to terminate for certain breaches by the relevant NWH Property Buyer, subject to the NWH Property Buyer having a reasonable period to remedy defaults that are capable of remedy. No cure period will be allowed for failure of a NWH Property Buyer to pay the purchase price. Default interest is payable on unpaid monies.

Pursuant to the Process Deed, the REIT may have to make liquidated damages and/or expense reimbursement payments in certain circumstances where the Property Transaction is not completed due to a Propco Default, other material default or a failure to obtain FIRB Approval by the applicable date. These payments could be materials to the REIT. See “*Risk Factors – Risks Related to the Property Transaction – Potential Liabilities Associated with the Property Transaction*”.

#### *Potential Liabilities Associated with the Property Transaction*

If the REIT were to materially default, beyond applicable cure periods, on its obligations under the Property Transaction then the Sale Contracts may be terminated or assigned to another property investor and the REIT may be subject to damages, including up to A\$50 million of liquidated damages in certain specified circumstances (including failure to obtain FIRB Approval prior to the FIRB Approval Sunset Date) and up to A\$250 million of liquidated damages in certain other limited circumstances when the properties cannot be sold to another property investor despite Brookfield’s good faith efforts. These payments are non-exclusive remedies, and are in addition to any other rights which Brookfield may have. The REIT has delivered a A\$50 million letter of credit in support of its obligations under the Property Transaction.

*Upon the completion of the Property Transaction, the REIT will indirectly assume liabilities arising out of or related to the Portfolio.*

The REIT may assume unknown liabilities that could be significant. There may be liabilities, including under applicable environmental laws, that the REIT failed to discover or was unable to quantify in its due diligence review, and which the tenant may fail to remedy notwithstanding its obligations under the Leases. The subsequent discovery or quantification of any other material liabilities could have a material adverse effect on the REIT’s business, financial condition or future prospects, which could include diminution in the value of one or more of the acquired assets or the inability to finance or dispose of the one or more of the assets on acceptable terms.

The REIT intends to structure the Property Transaction such that the REIT will hold at closing an approximate 25% to 30% ownership interest in the Portfolio. In order for the REIT to achieve its desired ownership level in the Portfolio, the REIT intends to enter into ownership arrangements with others. The terms and structure of such arrangements have not currently been finalized and there is no assurance that such arrangements will be finalized prior to the date the REIT is required to satisfy the Funding Milestone Obligations, the completion of the Property Transaction or at all. Even if such arrangements are entered into, they may not be on terms currently anticipated by the REIT and/or may not reduce the REIT’s ownership level in the Portfolio to the currently contemplated range. The failure to enter into such ownership arrangements to the desired extent on a timely basis or at all could have a material adverse effect on the REIT’s business or financial condition, which could include an increase in the REIT’s indebtedness, adverse impacts on the REIT’s ability to obtain future funding on favourable terms, the inability to realize the expected benefits from the Property Transaction, and the inability to meet the Funding Milestone Obligations. If the REIT cannot finalize the terms and structure of such ownership arrangements with others in a timely manner, the REIT may be unable to fulfill its obligations to Brookfield, thus subjecting the REIT to liquidated damages and liability for other applicable remedies Brookfield may have under the Sale Contracts and other Property Transaction documents.

### *Indemnities in favour of NorthWest.*

The representations and warranties provided by the sellers of the Portfolio are customary for an “as is” transaction of this nature in Australia; however, there can be no assurance of adequate recovery by the REIT from the sellers for any breach of the representations, warranties and covenants of the such sellers under such agreements.

### *The REIT may not realize its expected returns on the Property Transaction*

The Property Transaction involves risks that could materially and adversely affect the REIT’s business plan, including the failure of the Property Transaction to realize the results the REIT expects. While management believes the Property Transaction will be accretive, such determination is based on certain assumptions (including assumptions relating to expected NOI and related management fee streams) and should not be regarded as a guarantee of future performance or results. If the Property Transaction fails to realize the results that the REIT expects there may be a decline in the trading price of the REIT’s securities, a requirement to pay certain costs related to the Portfolio and loss of investor confidence.

## **EXPERTS**

Certain legal matters in connection with the Offering are being reviewed on behalf of the REIT by Goodmans LLP and on behalf of the Underwriters by McMillan LLP. As of the date hereof, the respective partners and associates of each firm beneficially owned, directly or indirectly, less than one percent of the securities of the REIT and its associates and affiliates.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

The auditors of the REIT are KPMG LLP, Chartered Professional Accountants, Toronto, Ontario. KPMG LLP is independent of the REIT within the meaning of the relevant rules of professional conduct and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

The Transfer Agent and registrar for the Offered Units is Computershare Investor Services Inc. at its principal office located in Toronto, Ontario.

## **PURCHASERS’ STATUTORY RIGHTS**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions to the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions to 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 advisor.

## **GLOSSARY OF TERMS**

In this Prospectus Supplement, the following terms will have the meanings set forth below, unless otherwise indicated. Words importing the singular include the plural and vice versa and words importing any gender include all genders:

“**5.50% Debentures due in 2023**” means the 5.50% convertible unsecured subordinated debentures of the REIT issued in an initial aggregate principal amount of \$125 million in December 2018 and due on December 31, 2023;

“**affiliate**” has the meaning ascribed thereto in the *Securities Act* (Ontario);

“**AFFO**” has the meaning ascribed thereto under “*Non-IFRS Measures*”;

“**allowable capital loss**” has the meaning ascribed thereto under “*Taxation of Holders of Units – Capital Gains and Capital Losses*”;

“**Annual Financial Statements**” has the meaning ascribed thereto under “*Documents Incorporated by Reference*”;

“**Annual Information Form**” has the meaning ascribed thereto under “*Documents Incorporated by Reference*”;

“**Annual MD&A**” has the meaning ascribed thereto under “*Documents Incorporated by Reference*”;

“**ANZ**” means Australia and New Zealand Banking Group Limited;

“**ANZ Facilities**” has the meaning ascribed thereto under “*The Property Transaction – Financing and Funding*”;

“**Arrangement Scheme**” has the meaning ascribed thereto under “*Recent Developments - Healthscope Property Transaction – Summary*”;

“**BidCo**” means VIG Bidco Pty Ltd.;

“**Brookfield**” means VIG Bidco Pty Ltd.;

“**Brookfield / Healthscope Transaction**” has the meaning ascribed thereto under “*Recent Developments - Healthscope Property Transaction – Summary*”;

“**capital gains refund**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations – Taxation of the REIT*”;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**CFA**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations – Taxation of the Partnerships*”;

“**Class B LP Units**” means the class B limited partnership units of NWI LP;

“**Closing**” has the meaning ascribed thereto on the cover page of this Prospectus Supplement;

“**Closing Date**” means February 26, 2019 or such other date as the REIT and the Underwriters may agree, as more specifically described on the cover page of this Prospectus Supplement and under “*Plan of Distribution*”;

“**Commitment Deed**” has the meaning ascribed thereto under “*Recent Developments - Healthscope Property Transaction – Agreements Effecting the Property Transaction*”;

“**CRA**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations*”;

“**Credit Facility**” means a line of credit facility for up to \$327 million secured by a pool of first mortgages on certain of the REIT’s properties

“**December 2018 Offering**” has the meaning ascribed thereto under “*Recent Developments – Convertible Debenture Offering*”;

“**Declaration of Trust**” has the meaning ascribed thereto on the cover page of this Prospectus Supplement;

“**Delayed Settlement**” has the meaning ascribed thereto under “*Recent Developments - Healthscope Property Transaction – Agreements Effecting the Property Transaction*”;

“**DRIP**” means the distribution reinvestment plan adopted by the REIT pursuant to which eligible holders of Units and holders of Class B LP Units are entitled to elect to have cash distributions in respect of Units or Class B LP Units, as applicable, automatically reinvested in additional Units;

“**Exempt Plans**” has the meaning ascribed thereto under “*Eligibility for Investment*”;

“**FAPI**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations – Taxation of the Partnerships*”;

“**FFO**” has the meaning ascribed thereto under “*Non-IFRS Measures*”;

“**FIRB Approval**” has the meaning ascribed thereto under “*The Property Transaction – Summary*”;

“**FIRB Approval Sunset Date**” means the later of June 9, 2019 and 21 days prior to the meeting of the shareholders of Healthscope to approve the Arrangement Scheme;

“**Foreign Tax Credit Generator Rules**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations – Taxation of the Partnerships*”;

“**forward-looking statements**” has the meaning ascribed thereto under “*Notice Concerning Forward-Looking Statements*”;

“**Funding Milestone Obligations**” has the meaning ascribed thereto under “*Recent Developments - Healthscope Property Transaction – Agreements Effecting the Property Transaction*”;

“**German Acquisitions**” has the meaning ascribed thereto under “*Recent Developments – German Acquisitions*”

“**Healthscope**” means Healthscope Limited ACN 144 840 639;

“**Holder**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations*”;

“**IFRS**” means International Financial Reporting Standards;

“**Implementation Deed**” has the meaning ascribed thereto under “*Recent Developments - Healthscope Property Transaction – Summary*”;

“**Interim Financial Statements**” has the meaning ascribed thereto under “*Documents Incorporated By Reference*”;

“**Interim MD&A**” has the meaning ascribed thereto under “*Documents Incorporated By Reference*”;

“**Joint Bookrunners**” has the meaning ascribed thereto on the cover page of this Prospectus Supplement;

“**Lease**” has the meaning ascribed thereto under “*Recent Developments - Healthscope Property Transaction – Agreements Effecting the Property Transaction*”;

“**Lease Umbrella Deed**” has the meaning ascribed thereto under “*Recent Developments - Healthscope Property Transaction – Agreements Effecting the Property Transaction*”;

“**Marketing Materials**” has the meaning ascribed thereto under “*Documents Incorporated by Reference*”;

“**NHP LP**” means NHP Holdings Limited Partnership, the limited partnership formed under the laws of Ontario;

“**NOI**” has the meaning ascribed thereto under “*Non-IFRS Measures*”;

“**Non-Resident**” means either a “non-resident” of Canada within the meaning of the Tax Act or a partnership that is not a “Canadian partnership” within the meaning of the Tax Act;

“**NorthWest**” means NorthWest Healthcare Properties Real Estate Investment Trust;

“**NorthWest Australia**” means NWH Australia Asset Trust;

“**NWH Property Buyer**” has the meaning ascribed thereto under “*Recent Developments - Healthscope Property Transaction – Summary*”;

“**NWI LP**” means NWI Healthcare Properties LP;

“**Offered Units**” means the Units that are being sold to the public pursuant to this Prospectus Supplement;

“**Offering**” means the public offering of Offered Units pursuant to this Prospectus Supplement;

“**Offering Price**” has the meaning ascribed thereto on the cover page of this Prospectus Supplement;

“**On-Loans**” has the meaning ascribed thereto under “*Recent Developments – Healthscope Property Transaction – Financing and Funding*”;

“**Over-Allotment Option**” has the meaning ascribed thereto on the cover page of this Prospectus Supplement and described under “Plan of Distribution”;

“**Partnership**” or “**Partnerships**” has the meaning ascribed under “*Certain Canadian Federal Income Tax Considerations – Taxation of the REIT*”;

“**Portfolio**” has the meaning ascribed thereto under “*Recent Developments - Healthscope Property Transaction – Summary*”;

“**PropCo Default**” has the meaning ascribed thereto under “*Risk Factors – Risks Relating to the Property Transaction*”;

“**Property Transaction**” has the meaning ascribed thereto under “*Recent Developments - Healthscope Property Transaction – Summary*”;

“**Process Deed**” has the meaning ascribed thereto under “*Recent Developments - Healthscope Property Transaction – Agreements Effecting the Property Transaction*”;

“**Proposed Amendments**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations*”;

“**Prospectus Supplement**” means this prospectus supplement to the Base Shelf Prospectus;

“**Qualified Institutional Buyer**” has the meaning ascribed thereto under “*Plan of Distribution*”;

“**RDSP**” has the meaning ascribed thereto under “*Eligibility for Investment*”;

“**RESP**” has the meaning ascribed thereto under “*Eligibility for Investment*”;

“**REIT**” has the meaning ascribed thereto on the cover page of this Prospectus Supplement;

“**REIT Exception**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations – SIFT Rules and the REIT Exception*”;

“**RRIF**” has the meaning ascribed thereto under “*Eligibility for Investment*”;

“**RRSP**” has the meaning ascribed thereto under “*Eligibility for Investment*”;

“**Rule 144A**” has the meaning ascribed thereto under “*Plan of Distribution*”;

“**Sale Contracts**” has the meaning ascribed thereto under “*Recent Developments - Healthscope Property Transaction – Agreements Effecting the Property Transaction*”;

“**Sale Contracts Umbrella Deed**” has the meaning ascribed thereto under “*Recent Developments - Healthscope Property Transaction – Agreements Effecting the Property Transaction*”;

“**Securities Commissions**” means each securities commission or securities regulatory authority in the provinces and territories in which the REIT is a reporting issuer;

“**SEDAR**” has the meaning ascribed thereto on the cover page of this Prospectus Supplement;

“**Seller**” has the meaning ascribed thereto under “*Recent Developments - Healthscope Property Transaction – Agreements Effecting the Property Transaction*”;

“**SIFT**” means a SIFT trust or a SIFT partnership as defined in the SIFT Rules;

“**SIFT Rules**” means the amendments to the Tax Act proclaimed in force on June 22, 2007, as amended, that implement the changes announced as part of the Tax Fairness Plan proposed by Finance on October 31, 2006 which modify the tax treatment of SIFTs and the tax treatment of their unitholders in the manner described above under “*Certain Canadian Federal Income Tax Considerations — SIFT Rules*”;

“**Special Voting Unit**” means a special voting unit of the REIT;

“**subsidiary**” has the meaning ascribed thereto in Ontario Securities Commission Rule 45-501 — *Ontario Prospectus and Registration Exemptions*;

“**Takeover Bid**” has the meaning ascribed thereto under “*Recent Developments - Healthscope Property Transaction – Summary*”;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended;

“**TFSA**” has the meaning ascribed thereto under “*Eligibility for Investment*”;

“**Transfer Agent**” means Computershare Investor Services Inc., at its principal office in Toronto, Ontario;

“**Trustees**” means the trustees of the REIT from time to time;

“**TSX**” means the Toronto Stock Exchange;

“**U.S. Securities Act**” has the meaning ascribed thereto on the cover page of this Prospectus Supplement;

“**Underwriters**” has the meaning ascribed thereto on the cover page of this Prospectus Supplement;

“**Underwriters’ Fee**” has the meaning ascribed thereto on the cover page of this Prospectus Supplement, as described under “*Plan of Distribution*”;

“**Underwriting Agreement**” has the meaning ascribed thereto on the cover page of this Prospectus Supplement, as described under “*Plan of Distribution*”;

“**Unitholder**” means a holder of Units; and

“**Units**” mean trust units of the REIT.

**CERTIFICATE OF THE REIT**

February 18, 2019

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

**NORTHWEST HEALTHCARE PROPERTIES  
REAL ESTATE INVESTMENT TRUST**

(Signed) Paul Dalla Lana  
Chief Executive Officer

(Signed) Shailen Chande  
Chief Financial Officer

On behalf of the Board of Trustees

(Signed) Colin Loudon  
Trustee

(Signed) Robert Baron  
Trustee

**CERTIFICATE OF THE UNDERWRITERS**

February 18, 2019

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces and territories of Canada.

**BMO NESBITT BURNS INC.**

By: (Signed) Onorio Lucchese

**RBC DOMINION SECURITIES INC.**

By: (Signed) David Switzer

**SCOTIA CAPITAL INC**

By: (Signed) Bryce Stewart

**CIBC WORLD MARKETS INC.**

By: (Signed) Jeff Appleby

**NATIONAL BANK FINANCIAL INC.**

By: (Signed) Andrew Wallace

**TD SECURITIES INC.**

By: (Signed) Aliyah Mohamed

**ECHELON WEALTH PARTNERS INC.**

By: (Signed) David G. Anderson

**CANACCORD GENUITY CORP.**

By: (Signed) Dan Sheremeto

**HAMPTON SECURITIES LIMITED**

By: (Signed) Mike Ligeti

**INDUSTRIAL ALLIANCE  
SECURITIES INC.**

By: (Signed) Dennis Kunde

**RAYMOND JAMES LTD.**

By: (Signed) Lucas Atkins