PURE MULTI-FAMILY REIT LP

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six months ended June 30, 2013

Dated: August 19, 2013

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SECTION I

FORWARD-LOOKING DISCLAIMER

Management's discussion and analysis ("MD&A") of the financial position and the results of operations of Pure Multi-Family REIT LP ("Pure Multi") for the three and six months ended June 30, 2013 should be read in conjunction with Pure Multi's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2013. Historical results, including trends which might appear, should not be taken as indicative of future operations or results.

Certain information in this MD&A contains forward-looking information within the meaning of applicable securities laws (also known as forward-looking statements) including, among others, statements made or implied under the headings "Results of Operations", "Financial Condition", "Liquidity and Capital Resources", "Risks and Uncertainties" and "Outlook" relating to Pure Multi's objectives, strategies to achieve those objectives, beliefs, plans, estimates, projections and intentions; and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by words such as "outlook", "believe", "expect", "may", "anticipate", "should", "intend", "estimates" and similar expressions.

Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results. Those risks and uncertainties include, among other things, risks related to: unit prices; liquidity; credit risk and tenant concentration; interest rate and other debt related risk; tax risk; ability to access capital markets; lease rollover risk; competition for real property investments; environmental matters and changes in legislation. Management believes that the expectations reflected in forward-looking statements are based upon reasonable assumptions and information currently available; however, management can give no assurance that actual results will be consistent with these forward-looking statements.

Factors and assumptions that were applied in drawing conclusions and could cause actual results, performance, or achievements to differ materially from those expressed or implied by forward-looking statements, include, but are not limited to, general economic conditions, competition for real property investments, the availability of new competitive supply of real estate, Pure Multi's ability to maintain occupancy, tenant defaults, changes in interest rates, changes in governmental regulations and taxation, and Pure Multi's ability to obtain adequate insurance and financing.

Readers are cautioned that the foregoing list of factors that may affect future results is not exhaustive. When relying on forward-looking statements to make decisions with respect to Pure Multi, investors and others should carefully consider the foregoing factors and other uncertainties and potential events.

These forward-looking statements are made as of August 19, 2013 and Pure Multi assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

BASIS OF PRESENTATION

Unless otherwise noted, all financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial information included in this MD&A for the three and six months ended June 30, 2013 includes material information up to August 19, 2013.

OVERVIEW

About Pure Multi

Pure Multi is a Canadian-based publically traded vehicle which offers investors exclusive exposure to U.S. multi-family real estate assets. It offers investors the ability to participate in monthly distributions, with potential for capital appreciation, stemming from ownership in quality apartment assets located in core cities within the "Sunbelt" region of the U.S.

Pure Multi is a limited partnership formed under the Limited Partnership Act (Ontario) to invest in multi-family real estate properties in the United States. Pure Multi was established by Pure Multi-Family Management Limited Partnership (the "Managing GP"), its managing general partner, and Pure Multi-Family REIT (GP) Inc. (the "Governing GP"), its governing general partner, pursuant to the terms of a Limited Partnership Agreement (the "LP Agreement"). Pure Multi's head office and address for service is located at 910 – 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2. A copy of the Partnership Agreement can be obtained from Pure Multi or on SEDAR at www.sedar.com.

Pure Multi, through the US REIT, was established, among other things, for the purposes of acquiring, owning and operating multi-family real estate properties in the United States.

Operational and Financial Highlights

During the six months ended June 30, 2013, Pure Multi acquired three investment properties for a combined purchase price of $85.9 million, encompassing 932 units and situated on over 48.2 acres of land. The acquisitions were financed with new mortgages and cash remaining from funds raised during the 2012 fiscal year and the bought deal dated May 8, 2013. After the acquisitions and as at June 30, 2013, the Pure Multi portfolio consisted of 9 investment properties and 2,840 units, which are situated on over 162.2 acres of land.

After obtaining the new mortgages, on the acquisitions of the investment properties noted above, Pure Multi had mortgages payable in the amount of $165.4 million, with a weighted average interest rate of 4.13% as at June 30, 2013 (December 31, 2012 - $111.7 million and 4.23%, respectively).

The resulting loan to gross book value, after the transactions noted above, is 58.6% as at June 30, 2013 (December 31, 2012 - 57.4%), well below the maximum indebtedness level of 70% stipulated within the LP Agreement.

	June 30, 2013	December 31, 2012
Number of properties	**9**	6
Number of units	**2,840**	1,908
Physical Occupancy	**95.6%**	96.4%
Investment properties *(000's)*	**$ 262,943**	$ 175,916
Mortgages payable *(000's)*	**$ 165,380**	$ 111,665
Weighted average effective interest rate on mortgages payable	**4.13%**	4.23%
Loan to gross book value	**58.6%**	57.4%

($000s, except per unit basis)	For the six months ended June 30, 2013	From date of formation May 8, 2012 to June 30, 2012	For the three months ended June 30, 2013	From date of formation May 8, 2012 to June 30, 2012
Rental revenue	**$ 11,871**	$ -	**$ 6,371**	$ -
Net rental income	**6,016**	-	**3,076**	-
Distributions	**3,680**	-	**2,061**	-
Per Class A unit (basic and diluted)	**0.18**	-	**0.09**	-
Per Class B unit (basic and diluted)	**0.92**	-	**0.52**	-
Distributable income [(1)]	**3,202**	-	**1,590**	-
per Class A unit (basic and diluted)	**0.16**	-	**0.07**	-
per Class B unit (basic and diluted)	**0.80**	-	**0.40**	-
Payout ratio [(2)]	**114.9%**	-	**129.6%**	-
Funds from operations [(1)]	**3,202**	-	**1,590**	-
per Class A unit (basic and diluted)	**0.16**	-	**0.07**	-
per Class B unit (basic and diluted)	**0.80**	-	**0.40**	-
Payout ratio [(2)]	**114.9%**	-	**129.6%**	-
Adjusted funds from operations [(1)]	**2,971**	-	**1,452**	-
per Class A unit (basic and diluted)	**0.15**	-	**0.07**	-
per Class B unit (basic and diluted)	**0.74**	-	**0.36**	-
Payout ratio [(2)]	**123.9%**	-	**141.9%**	-

(1) IFRS to non-IFRS reconciliation is performed in Section II Distributable Income, and Liquidity and Capital Resources.

(2) Payout ratios are abnormal due to excess working capital from unit offerings. Management expects payout ratios to decrease once excess working capital is applied to acquire additional investment properties.

Acquisitions

2013

Property Name	City	Units	Price ($000s)	Going-in Cap Rate	Loan to Value	Occupancy at June 30, 2013
Fairways at Prestonwood	Dallas, TX	156	$ 17,500	6.40%	49.5%	91.7%
Vistas at Hackberry Creek	Dallas, TX	560	45,400	6.49%	65.0%	94.1%
The Boulevard at Deer Park	Houston, TX	216	23,000	6.07%	71.7%	94.9%
		932	**$ 85,900**	**6.36%**	**63.7%**	**93.9%**

Fairways at Prestonwood

On March 15, 2013, Pure Multi, through the US REIT, acquired Laguna Luxury Apartments, located in Dallas, Texas, for a purchase price of $17,500,000, plus standard closing costs and adjustments. This acquisition was financed with cash and a new 10 year mortgage in the amount of $8,670,000. Subsequent to the acquisition, management of Pure Multi decided to re-brand the investment property and as such have re-named the asset to The Fairways at Prestonwood ("Prestonwood"). This new identity for the apartment community helps to clearly articulate to the market that the asset enjoys a fabulous setting overlooking the fairways of the prestigious Prestonwood Golf and Country Club.

Vistas at Hackberry Creek

On June 6, 2013, Pure Multi, through the US REIT, acquired Vistas at Hackberry Creek Apartments ("Hackberry Creek"), located in Dallas, Texas, for a purchase price of $45,400,000, plus standard closing costs and adjustments. This acquisition was financed with cash and a new 15 year mortgage in the amount of $29,500,000.

The Boulevard at Deer Park

On June 21, 2013, Pure Multi, through the US REIT, acquired Deer Park Apartments, located in Houston, Texas, for a purchase price of $23,000,000, plus standard closing costs and adjustments. This acquisition was financed with cash and a new 10 year mortgage in the amount of $16,480,000. Subsequent to the acquisition, management of Pure Multi decided to re-brand the investment property and as such have re-named the asset to The Boulevard at Deer Park ("Deer Park").

2012

Property Name	**City**	**Units**	**Price** *($000s)*	**Going-in Cap Rate**	**Loan to Value**	**Occupancy at June 30, 2013**
Oakchase Apartments	Arlington, TX	236	$ 13,580	7.60%	65.8%	96.2%
Windscape Apartment Homes	Grand Prairie, TX	154	8,379	7.60%	60.7%	94.2%
Stoneleigh at Valley Ranch	Irving, TX	210	22,600	6.90%	60.5%	97.1%
Sunset Point Apartment Homes & Springmist Apartments	Arlington, TX	408	24,569	7.00%	65.0%	97.1%
Prairie Creek Villas	Richardson, TX	464	52,500	7.40%	62.1%	97.0%
Stoneleigh at Bear Creek	Euless, TX	436	49,350	6.50%	65.0%	95.6%
		1,908	**$ 170,978**	**7.04%**	**63.4%**	**96.4%**

The weighted average occupancy rate was 95.6% for all properties owned as at June 30, 2013 (December 31, 2012 - 96.4%). The lease terms at residential properties typically have terms between 1 to 12 months.

As at June 30, 2013, the geographic concentration of Pure Multi's portfolio is made up of nine investment properties, with an aggregate of 2,840 units, all located within the state of Texas.

May 2012 Class B Unit Offering

On May 30, 2012, Pure Multi issued 200,000 Class B units (each a "Class B Unit") at a price of $5.00 per Class B Unit, for gross proceeds of $1,000,000.

July 2012 Class A Unit Offering

On July 10, 2012, Pure Multi completed its initial public offering of 11,500,000 Class A units (each a "Class A Unit"), inclusive of 1,500,000 Class A Units issued July 18, 2012 pursuant to the exercise in full of the over-allotment option, at a price of $5.00 per Class A Unit, for gross proceeds of $57,500,000.

Proceeds from the May 2012 Class B Unit Offering and the July 2012 Class A Unit Offering were used to acquire Oakchase, Windscape, Valley Ranch, Sunset Point and Prairie Creek. The following tables provide a description about Pure Multi's use of such proceeds, including purchase prices (before closing adjustments), mortgage proceeds and balance of funds to complete each acquisition:

Use of Proceeds *($000s)*	**Purchase Price (Before Closing Adjustments)**	**Mortgage Proceeds**	**Balance Required to Close**
Property purchases to date	$ 121,628[(1)]	$ 76,326[(2)]	$ 45,302
Unallocated working capital	-	-	8,898
Totals	**$ 121,628**	**$ 76,326**	**$ 54,200**

Notes:

(1) Pure Multi completed the acquisitions of the Oakchase, Windscape, Valley Ranch, Sunset Point and Prairie Creek, which closed on July 12, 2012, July 12, 2012, July 18, 2012, September 26, 2012 and October 11, 2012, respectively, with the funds from the July 2012 Class A Unit Offering.

(2) Pure Multi acquired Oakchase, Windscape, Valley Ranch, Sunset Point and Prairie Creek with funds from the July 2012 Class A Unit Offering. Pure Multi financed Oakchase, Windscape, Valley Ranch and Sunset Point with cash and mortgages in the amount of $8,940,000, $5,090,000, $13,680,000 and $15,970,000, respectively. Upon acquisition of Prairie Creek, Pure Multi assumed a mortgage in the amount of $32,645,789.

Pure Multi had identified two investment properties, Oakchase and Windscape, as disclosed in the Prospectus dated July 3, 2012, for acquisition. Pure Multi subsequently acquired Valley Ranch on July 18, 2012, Sunset Point on September 26, 2012 and Prairie Creek on October 11, 2012, as described above. The result of these additional acquisitions increased the actual property purchases and mortgage proceeds obtained, while reducing the amount of unallocated working capital.

October 2012 Class A Unit Offering

On October 18, 2012, Pure Multi completed a public offering of 5,589,000 Class A Units, inclusive of 729,000 Class A Units issued pursuant to the exercise in full of the over-allotment option, at a price of $5.15 per Class A Unit, for gross proceeds of $28,783,350.

Proceeds from the October 2012 Class A Unit Offering were used to acquire Bear Creek and Prestonwood. The following tables provide a description about Pure Multi's use of such proceeds, including purchase prices (before closing adjustments), mortgage proceeds and balance of funds to complete the acquisition:

Use of Proceeds *($000s)*	**Purchase Price (Before Closing Adjustments)**	**Mortgage Proceeds**	**Balance Required to Close**
Property purchases to date	$ 66,850[(1)]	$ 40,750[(2)]	$ 26,100
Unallocated working capital	-	-	700
Totals	**$ 66,850**	**$ 40,750**	**$ 26,800**

Notes:

[(1)] Pure Multi completed the acquisitions of Bear Creek and Prestonwood, which closed on October 31, 2012 and March 15, 2013, respectively, with the funds from the October 2012 Class A Unit Offering.

[(2)] Pure Multi acquired Bear Creek and Prestonwood with funds from the October 2012 Class A Unit Offering and mortgages in the amount of $32,080,000 and $8,670,000, respectively.

Pure Multi had identified one investment property, Bear Creek, as disclosed in the Prospectus dated October 12, 2012, for acquisition. Pure Multi subsequently acquired Prestonwood on March 15, 2103, as described above. The result of this additional acquisition increased the actual property purchases and mortgage proceeds obtained, while reducing the amount of unallocated working capital.

May 2013 Class A Unit Offering

On May 8, 2013, Pure Multi completed a public offering of 7,000,000 Class A Units, at a price of $5.00 per Class A Unit, for gross proceeds of $35,000,000.

Proceeds from the May 2013 Class A Unit Offering were used to acquire Hackberry Creek and Deer Park. The following tables provide a description about Pure Multi's previous disclosure regarding the proposed use of proceeds to acquire the May 2013 Target Properties, which was identified in Pure Multi's short form prospectus dated May 1, 2013, available on SEDAR at www.sedar.com, and its actual use of such proceeds, including purchase prices (before closing adjustments), mortgage proceeds and balance of funds to complete the acquisition:

Proposed Use of Proceeds *($000s)*	**Purchase Price (Before Closing Adjustments)**	**Estimated Mortgage Proceeds**	**Estimated Balance Required to Close**
Proposed property purchases	$ 68,400	$ 46,600	$ 21,800
Unallocated working capital	-	-	10,950
Totals	**$ 68,400**	**$ 46,600**	**$ 32,750**

Actual Use of Proceeds *($000s)*	**Purchase Price (Before Closing Adjustments)**	**Mortgage Proceeds**	**Balance Required to Close**
Property purchases to date	$ 68,400[(1)]	$ 45,980[(2)]	$ 22,420
Unallocated working capital	-	-	10,330
Totals	**$ 68,400**	**$ 45,980**	**$ 32,750**

Notes:

(1) Pure Multi completed the acquisitions of Hackberry Creek and Deer Park, which closed on June 6, 2013 and June 21, 2013, respectively, with the funds from the May 8, 2013 Class A Unit Offering.

(2) Pure Multi acquired Hackberry Creek and Deer Park with funds from the May 2013 Class A Unit Offering and mortgages in the amount of $29,500,000 and $16,480,000, respectively.

Pure Multi had anticipated obtaining a new mortgage financing in the amount of $17,100,000 on the Deer Park investment property, as disclosed in the Prospectus dated May 1, 2013. Pure Multi subsequently obtained new mortgage financing in the amount of $16,480,000, as described above. The result of this change reduced the actual amount of mortgage proceeds obtained, which also reduced the amount of unallocated working capital from the proposed amounts disclosed in the prospectus dated May 1, 2013.

OUTLOOK

During a successful 2012 fiscal year, Pure Multi executed on management's previously stated growth strategy by raising over $87 million and acquiring 6 investment properties, totaling 1,908 high-quality apartment units, in the Dallas-Fort Worth area. During the first half of 2013, Pure Multi continued to execute their growth strategy by acquiring three additional investment properties, encompassing 932 high-quality apartment units, located in the Dallas-Fort Worth area and the Houston submarket, as well as issuing 7,000,000 additional Class A Units for gross proceeds of $35 milion. As at June 30, 2013, Pure Multi's portfolio consisted of 2,840 high-quality apartment units, with the weighted average year of construction being 1994.

Pure Multi's strategy is one of strong growth combined with steady cash distributions to unitholders. Management continues to focus on core "Sunbelt" markets within the U.S. and acquire well located, quality apartment communities with a conservative mix of medium to long-term conventional mortgage debt.

The hallmark of the apartment sector is steady, stable performance over the long-term, which offers investors a positive cash-flow yield, with potential for capital appreciation. The sub-prime mortgage financial collapse of 2008-2009 externally influenced this historically stable sector thereby creating an opportune buying climate for well-capitalized investment groups looking to acquire quality apartment assets at attractive yields. Combined with a Canadian dollar that is trading at or near historical highs, the value proposition of entering the U.S. multi-family investment market that is firmly trending in recovery mode becomes more compelling.

Pure Multi's initial focus has been to establish a strong presence in the Dallas-Fort Worth area with the intention to grow its footprint in this market in the coming quarters, thereby benefitting from exposure to the robust Dallas-Fort Worth economy, currently one of the strongest growing economies in the U.S. Pure Multi intends to apply a similar focused strategy in other core markets within the "Sunbelt" region with strong and growing economies in the coming quarters, as evidenced by the Deer Park acquisition on June 21, 2013, located in the submarket of Houston, Texas.

There continues to be a large supply of acquisition opportunities that come to the market, permitting Pure Multi to execute its growth plans with discipline. Management is excited about the growth prospects of the Pure Multi investment platform over the coming months.

SECTION II

RESULTS OF OPERATIONS

($000s, except per unit basis)		**For the six months ended June 30, 2013**		From date of formation May 8, 2012 to June 30, 2012		**For the three months ended June 30, 2013**		From date of formation May 8, 2012 to June 30, 2012
Revenues								
Rental	**$**	**11,871**	$	-	**$**	**6,371**	$	-
Operating expenses								
Insurance		**270**		-		**150**		-
Property management		**356**		-		**191**		-
Property taxes		**1,960**		-		**1,050**		-
Property operating expenses		**3,269**		-		**1,904**		-
		5,855		-		**3,295**		-
Net Rental Income		**6,016**		-		**3,076**		-
Net Finance Income (Expense)								
Interest income		**1**		-		**1**		-
Mortgage interest		**(2,240)**		-		**(1,206)**		-
Distributions to preferred unitholders		**(7)**		-		**(4)**		-
Preferred unit offering costs		**(44)**		-		**-**		-
		(2,290)		-		**(1,209)**		-
Other Income (Expense)								
Other income		**2**		-		**2**		-
General and administrative		**(274)**		-		**(153)**		-
Fair value adjustments to investment properties		**(112)**		-		**(69)**		-
		(384)		-		**(220)**		-
Net Income and Comprehensive Income		**3,342**	$	-		**1,647**	$	-
Earnings per Class A unit – basic and diluted	**$**	**0.17**	$	-	**$**	**0.07**	$	-
Weighted average number of Class A units – basic and diluted		**19,177,398**		-		**21,242,846**		-
Earnings per Class B unit – basic and diluted	**$**	**0.84**	$	-	**$**	**0.41**	$	-
Weighted average number of Class B units – basic and diluted		**200,000**		200,000		**200,000**		200,000

During the six months ended June 30, 2013, Pure Multi recorded rental revenue of $11,871,102, net rental income of $6,015,604 and net income of $3,341,511 from its 9 investment properties. There is no comparison period, even though Pure Multi was formed as a limited partnership until May 8, 2012, as Pure Multi did not begin operations until July 10, 2012. During the six months ended June 30, 2013, Pure Multi incurred $274,213 of general and administrative expenses and a fair value adjustment loss to investment properties of $111,349, which relate to the acquisition costs of the investment properties. Net income was in-line with management expectations for the six months ended June 30, 2013.

Pure Multi's loan to gross book value ratio increased to 58.6% at June 30, 2013 from 57.4% at December 31, 2012 and its distribution payout ratio on Distributable Income was 114.9% for the six months ended June 30, 2013. For further clarity, the Pure Multi's loan to gross book value ratio is defined as the ratio between Pure Multi's overall borrowed money, including the face amount outstanding of any convertible debentures, and the total book value of the assets plus accumulated depreciation and amortization in respect of such assets. Pure Multi defines distribution payout ratio as the percentage of Distributable Income that is paid out to unitholders. As described in the *"Operational and Financial Highlights"* section, the payout ratio on Distributable Income was abnormally high due to the Class A Unit Offering during 2013 not being fully invested, as at June 30, 2013. Management expects payout ratios to decrease once excess working capital is applied to acquire additional investment properties.

Rental Revenue

Rental revenue from investment properties includes recoveries of specified operating expenses, in accordance with the terms of the lease agreements.

Operating Expenses

Operating expenses include costs relating to such items as cleaning, building repairs and maintenance, elevator, HVAC, property payroll, insurance, property taxes, utilities and property management fees among other items. The following table illustrates operating expenses as a percentage of total operating expenses:

	For the six months ended June 30, 2013	From date of formation May 8, 2012 to June 30, 2012	**For the three months ended June 30, 2013**	From date of formation May 8, 2012 to June 30, 2012
Insurance	**4.6%**	-	**4.6%**	-
Property management	**6.1%**	-	**5.8%**	-
Property taxes	**33.5%**	-	**31.9%**	-
Property operating expenses	**55.8%**	-	**57.7%**	-
	100.0%	-	**100.0%**	-

Finance Income

Finance income consists of interest income which was earned from bank deposits at Pure Multi and the property level.

Finance Expenses

Finance expenses consist of mortgage interest, distributions to preferred unitholders and preferred unit offering costs. Pure Multi declared distributions in the amount of $7,075 to the preferred unitholders during the six months ended June 30, 2013. Preferred unit offering costs are the costs incurred by Pure Multi that relate to the issuance of preferred units. During the six months ended June 30, 2013, Pure Multi incurred preferred unit offering costs of $43,835.

Mortgage Interest Expense

The weighted average interest rate on the mortgages is 4.13% per annum as at June 30, 2013 (December 31, 2012 – 4.23%) and the mortgages mature between 2017 and 2028 with a weighted average mortgage term of 8.7 years remaining (December 31, 2012 – 7.3 years remaining). Pure Multi intends to refinance any mortgages which mature within six months of the maturity date.

Income Taxes

Pure Multi is not subject to tax under Part I of the Income Tax Act (Canada) (the "Tax Act"). Each partner of Pure Multi is required to include in computing the partner's income for a particular taxation year the partner's share of the income or loss of Pure Multi for its fiscal year ending in or on the partner's taxation year-end, whether or not any of that income or loss is distributed to the partner in the taxation year. Accordingly, no provision has been made for Canadian income taxes under Part I of the Tax Act.

General and Administrative Expenses

General and administrative expenses are primarily comprised of director's fees, directors and officers liability insurance, professional fees, legal fees, filing fees, and administrative expenses. Professional fees include auditing and tax fees. Administrative expenses include US REIT compliance expenditures, investor relations expenses and bank charges. For the six months ended June 30, 2013, total general and administrative expenses amounted to 2.3% of rental revenue. Pursuant to the Asset Management Agreement with the Managing GP, as described in the *"Related Party Transactions"* section, Pure Multi will not compensate the Managing GP for any remuneration or compensation for its services, which includes providing asset management, administrative and reporting services. The Asset Management Agreement also requires the Managing GP to provide Pure Multi with support services consisting of office space and equipment and the necessary clerical and secretarial personnel for the administration of its day-to-day activities, at no cost.

The following table illustrates corporate expenses as a percentage of overall general and administrative expenses:

	For the six months ended June 30, 2013	From date of formation May 8, 2012 to June 30, 2012	**For the three months ended June 30, 2013**	From date of formation May 8, 2012 to June 30, 2012
Insurance	**5.2%**	-	**4.7%**	-
Professional fees	**51.2%**	-	**52.7%**	-
Legal and filing fees	**8.4%**	-	**4.6%**	-
Director's fees	**9.9%**	-	**8.8%**	-
Administrative expenses	**25.3%**	-	**29.2%**	-
	100.0%	-	**100.0%**	-
As a percentage of rental revenue	**2.3%**	-	**2.4%**	-

Other Income (Expense)

Other income (expense), is income (expense) incurred on foreign exchange gains (losses) incurred by Pure Multi as a minor amount of transactions occur in Canadian dollars while cash and cash equivalents are held in United States dollars. During the six months ended June 30, 2013, Pure Multi earned $1,826 in other income.

Fair Value Adjustment to Investment Properties

As Pure Multi revalues its investment properties at fair value each reporting date, it records the fair value adjustments as an income or expense item. For the six months ended June 30, 2013, Pure Multi had a negative fair value adjustment to income of $111,349. This fair value adjustment to investment properties was due to the acquisition costs related to previous property acquisitions.

Offering Costs

Offering costs are the costs incurred by Pure Multi that relate to the issuance of Class A Units, which are included in equity. During the six months ended June 30, 2013, Pure Multi incurred offering costs of $2,125,594.

Distributions to Limited Partners

Pure Multi declared distributions in the amount of $3,496,020 to Class A unitholders and $184,001 to Class B unitholders during the six months ended June 30, 2013.

DISTRIBUTABLE INCOME

Pure Multi uses Distributable Income ("DI") to measure its ability to earn and distribute cash to unitholders. DI is a non-IFRS measurement and should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of Pure Multi's performance. DI as computed by Pure Multi may differ from similar computations as reported by other similar business entities and, accordingly, may not be comparable to DI as reported by such business entities. DI does not have any standardized meaning prescribed by IFRS. Management calculates DI by adding to or deducting the following items from net cash from operating activities: non-cash working capital items, interest income, interest expense, distributions to preferred unitholders and preferred unit offering costs.

($000s, except per unit basis)	**For the six months ended June 30, 2013**	From date of formation May 8, 2012 to June 30, 2012	**For the three months ended June 30, 2013**	From date of formation May 8, 2012 to June 30, 2012
Net cash provided from operating activities	**$ 6,523**	$ -	**$ 4,608**	$ -
Adjustment:				
Changes in non-cash operating working capital	**(780)**	-	**(1,683)**	-
Interest income	**1**	-	**1**	-
Interest expense	**(2,491)**	-	**(1,332)**	-
Distributions to preferred unitholders	**(7)**	-	**(4)**	-
Preferred unit offering costs	**(44)**	-	**-**	-
Distributable Income	**$ 3,202**	$ -	**$ 1,590**	$ -
Class A units	**3,042**	-	**1,511**	-
Class B units	**160**	-	**79**	-
Distributions to Unitholders				
Class A units	**$ 3,496**	$ -	**$ 1,958**	$ -
Class B units	**184**	-	**103**	-
Total distributions paid	**$ 3,680**	$ -	**$ 2,061**	$ -
Total distributions paid as a % of Distributable Income [(1)]	**114.9%**	-	**129.6%**	-
Weighted average number of units *(000s)*				
Class A units	**19,177**	-	**21,243**	-
Class B units	**200**	200	**200**	200
Diluted weighted average number of units *(000s)*				
Class A units	**19,177**	-	**21,243**	-
Class B units	**200**	200	**200**	200
Basic DI per unit				
Class A units	**$ 0.16**	$ -	**$ 0.07**	$ -
Class B units	**0.80**	-	**0.40**	-
Diluted DI per unit				
Class A units	**0.16**	-	**0.07**	-
Class B units	**0.80**	-	**0.40**	-
Distributions paid per unit				
Class A units	**0.18**	-	**0.09**	-
Class B units	**0.92**	-	**0.52**	-

[(1)] Payout ratios are abnormal due to excess working capital from unit offerings. Management expects payout ratios to decrease once excess working capital is applied to acquire additional investment properties.

Pure Multi may distribute to unitholders on each distribution date such percentage of the DI of Pure Multi for the month immediately preceding the month in which the distribution date falls, as the board of directors of the Governing GP may determine at their discretion. Currently, the board of directors of the Governing GP intends to make an annual cash distribution to unitholders of $0.36 per unit, with an increase in the annual amount to $0.375 per unit beginning on the September 30, 2013 distribution payable date. Monthly distributions will be paid on the distribution date to unitholders of record on the last business day of such month.

The board of directors of the Governing GP looks beyond quarter-to-quarter fluctuations in working capital when making decisions regarding monthly distributions. As a result, management believes that the measure of DI, which excludes the impact of changes in non-cash working capital, is a better measure for determining operating performance. Management believes that the calculation of Standardized Distributable Cash, defined as cash flow from operations, distorts Pure Multi's quarter-to-quarter distributable cash and payout ratios, as non-cash operating working capital fluctuates.

For the purpose of this MD&A, management defines "Diluted DI per unit" as Distributable Income divided by the diluted weighted average number of units outstanding.

STANDARDIZED DISTRIBUTABLE CASH

The following is a reconciliation of Pure Multi's DI to standardized distributable cash.

($000s)	**For the six months ended June 30, 2013**	From date of formation May 8, 2012 to June 30, 2012	**For the three months ended June 30, 2013**	From date of formation May 8, 2012 to June 30, 2012
Distributable income	**$ 3,202**	$ -	**$ 1,590**	$ -
Interest income	**(1)**	-	**(1)**	-
Interest expense	**2,491**	-	**1,332**	-
Distributions to preferred unitholders	**7**	-	**4**	-
Preferred unit offering costs	**44**	-	**-**	-
(Increase) decrease in amounts receivable	**13**	-	**(5)**	-
(Increase) decrease in prepaid expenses	**(197)**	-	**(91)**	-
Increase (decrease) in rental deposits	**152**	-	**115**	-
Increase (decrease) in unearned revenue	**137**	-	**38**	-
Increase (decrease) in accounts payable and accrued liabilities	**675**	-	**1,626**	-
Standardized Distributable Cash (net cash from operating activities)	**$ 6,523**	$ -	**$ 4,608**	$ -

SEGMENTED INFORMATION

Pure Multi currently operates in one business segment, the owning and operating of multifamily apartment properties in the sun-belt area in the United States. The primary format for segment reporting is based on geographical region and is consistent with the internal reporting provided to the chief operating decision-maker, determined to be the general partners.

FINANCIAL CONDITION

Assets

Investment Properties

Investment properties are stated at fair value. Fair value adjustments to investment properties arising from changes in fair values are included in the statement of income and comprehensive income in the year which they arise.

The investment properties are pledged as security against the mortgages payable.

Prepaid Expenses

Prepaid expenses primarily consist of insurance, utility deposits and property taxes.

Mortgage Reserve Fund

The mortgage reserve fund consists of cash on deposit requested by the lenders to be retained in escrow to pay for any repairs to the properties and certain costs. These funds will be released to pay the respective obligations or once certain conditions are met, such as completion of repairs. As at June 30, 2013, the term for the current mortgage reserve fund is less than 12 months. The amortized cost of the mortgage reserve fund is $3,440,366 as at June 30, 2013 (December 31, 2012 - $2,984,517).

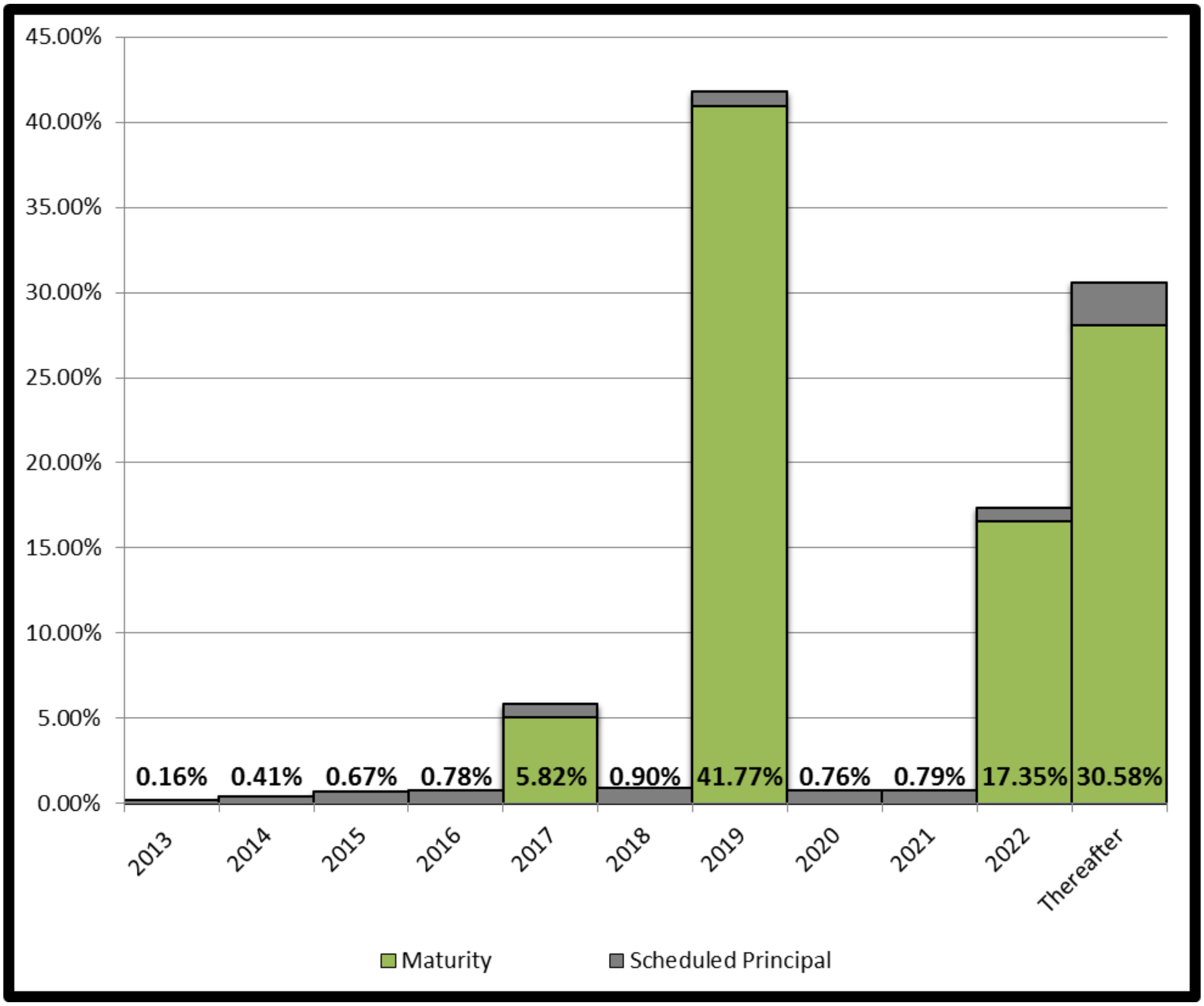
Liabilities

The LP Agreement limits the indebtedness of Pure Multi to a maximum of 70% of the gross book value. The gross book value is defined as the total book value of the assets plus accumulated depreciation and amortization in respect of such assets. The indebtedness is 58.6% of the gross book value as at June 30, 2013 (December 31, 2012 – 57.4%).

Mortgages Payable

The mortgages bear interest at a weighted average effective rate of 4.13% as at June 30, 2013 (December 31, 2012 – 4.23%) and mature between 2017 and 2028. The scheduled mortgage payments, principal maturities and weighted average effective rate are as follows:

Six months ended June 30 ***($000s)***	***Weighted Average Effective Rate (on expiry)***	**Scheduled Principal Repayments**	**Principal Maturities**	**Total Repayments**
Remainder of 2013	-	$ 268	$ -	$ 268
2014	-	671	-	671
2015	-	1,086	-	1,086
2016	-	1,264	-	1,264
2017	*3.28%*	1,268	8,213	9,481
2018	-	1,463	-	1,463
2019	*4.65%*	1,350	66,650	68,000
2020	-	1,241	-	1,241
2021	-	1,293	-	1,293
2022	*3.53%*	1,280	26,962	28,242
Thereafter	*3.93%*	4,069	45,702	49,771
	4.13%	$ 15,253	$ 147,527	162,780
Unamortized mortgage transaction costs				(1,632)
Unamortized mark to market mortgage adjustment				4,232
				$ 165,380



Preferred Units

During the six months ended June 30, 2013, the US REIT issued 125 preferred units at $1,000 per unit for gross proceeds of $125,000. On consolidation, the preferred units of the US REIT become the preferred units of Pure Multi.

The preferred units are non-voting preferred units. Unitholders holding preferred units are entitled to receive dividends from the US REIT at a per annum rate equal to 12.5%, payable on June 30 and December 31 of each year. Unitholders holding preferred units will be allocated such return in priority to any allocations or distributions to all other classes and series of units of the US REIT. However, after payment of such return to unitholders holding preferred units, preferred unitholders are not otherwise entitled to share in the income of the US REIT.

The US REIT may redeem the preferred units at any time, for a price equal to $1,000 per preferred unit, plus accumulated and unpaid distributions and a redemption premium if the preferred units are redeemed before January 1, 2015. The redemption premium is equal to $100 per preferred unit if redemption occurs on or before December 31, 2014. There is no redemption premium for redemptions after December 31, 2014.

Due to the fixed distributions and preferred treatment for preferred units, they meet the definition of a liability. In addition, the Board does not expect to redeem any preferred units within the next year. Thus, the preferred units are classified as non-current liabilities.

Partners' Capital

The capital of Pure Multi consists of an unlimited number of units of Pure Multi and the interest held by the Governing GP. The Governing GP has made a capital contribution of $20 to Pure Multi and has no further obligation to contribute capital.

From the date of formation on May 8, 2012 to December 31, 2012 ("Period Ended"), the Managing GP subscribed for 200,000 Class B Units of Pure Multi, at a price of $5.00 per Class B Unit, for gross proceeds to Pure Multi of $1,000,000, which entitles the Class B Unitholders, initially, a 5% interest in Pure Multi. Pure Multi did not issue any additional Class B Units during the six months ended June 30, 2013.

During the Period Ended December 31, 2012, Pure Multi issued 17,089,000 Class A Units of Pure Multi, for gross proceeds of $86,283,350, less offering costs. During the six months ended June 30, 2013, Pure Multi issued an additional 7,000,000 Class A Units of Pure Multi, for gross proceeds of $35,000,000, less offering costs.

As at June 30, 2013, Pure Multi has 24,089,000 Class A Units and 200,000 Class B units outstanding.

The capital of Pure Multi is divided into Class A Units and Class B Units. The Class A Units are the subject of the public offerings described in the Prospectus' dated July 3, 2012, October 12, 2012 and May 1, 2013. The Class B Units were subscribed for by the Managing GP on May 30, 2012. Except as set out in the LP Agreement, no Class A Unit or Class B Unit has any preference or priority over another.

The Class A Units will share in a 95% equity interest in all distributions and all net assets of Pure Multi and the Managing GP, as the holder of the Class B Units, will share in a 5% equity interest in all distributions and all net assets of Pure Multi. These respective interests, which are called the Class A Unit Percentage Interest and Class B Unit Percentage Interest, will remain fixed, notwithstanding the issue of further Class A Units, until the occurrence of a Determination Event, as described below. Following the occurrence of a Determination Event, the number of Class A Units to which the Class B Unitholder is entitled upon exercising the Conversion Rights attached thereto becomes fixed, and future issuances of Class A Units will result in a decline in the Class B Unit Percentage Interest.

All distributions will be made to the holders of the Class A Units and the Class B Units in accordance with the Class A Unit Percentage Interest and Class B Unit Percentage Interest, respectively. As further detailed in the LP Agreement, until a Determination Event occurs, distributions from Pure Multi will generally be made 95% to the Class A Units and 5% to the Class B Units.

Pursuant to the LP Agreement, the Class B Unitholders as a class are entitled to convert some or all of their Class B Units into Class A Units based on the Specified Ratio. Upon the Class B Unitholders exercising their Conversion Rights, they will own that number of Class A Units which is equal to the Class B Unit Percentage Interest (initially 5%) of all Class A Units outstanding after such conversion. The Class B Unit Percentage Interest will remain fixed at 5% notwithstanding the issue of further Class A Units, until the occurrence of a Determination Event. Following the occurrence of a Determination Event, the number of Class A Units to which the Class B Unitholder is entitled upon exercising Conversion Rights becomes fixed, and future issuances of Class A Units will result in a decline in the Class B Unit Percentage Interest. A Determination Event is the earliest to occur of the following: (a) Pure Multi's Market Capitalization exceeding $300,000,000 for a period of 10 consecutive trading days; (b) an arm's length take-over bid being made for the Units, provided that not less than 51% of the Class A Units not held by the offer or are taken-up in such bid; and (c) substantially all of the assets of Pure Multi being sold or Pure Multi being liquidated.

The Conversion Rights may be exercised by the Managing GP at any time provided that:

(a) Pure Multi is legally entitled to comply with its obligations in connection with the exercise of the Conversion Rights; and

(b) the Class B Unitholder who exercises the Conversion Rights complies with all applicable securities laws.

Upon the exercise of the Conversion Rights, the Class B Unitholders will receive that number of Class A Units which is equal to the Specified Ratio multiplied by the number of outstanding Class B Units. As such, pursuant to the terms of the LP Agreement, the Class B Unitholders will receive such number of Class A Units representing the same Class B Unit Percentage Interest in the net assets of Pure Multi as was previously designated in the form of Class B Units. Subject to applicable laws, Pure Multi will redesignate all the interests of Class B Unitholders into Units at the Specified Ratio, as defined in LP Agreement, effective as of the date that Pure Multi receives a notice of exercise of the Conversion Rights. Upon such occurrence, the interests of Class B Unitholders will be redesignated as Class A Units. The Class B Units will not be required to be redeemed or cancelled.

Pursuant to the LP Agreement, the Managing GP or any Affiliate or Associate of the Managing GP which is then the Class B Unitholder, has agreed that it will not dispose of more than one-third of the Class A Units received by it upon the conversion of the Class B Units in each consecutive twelve month period ending after the first anniversary of the earlier of: (i) the date a Determination Event occurs; and (ii) the date upon which the conversion is completed. This limitation will not apply where the Conversion Rights have been exercised in connection with a takeover bid or a sale of substantially all of Pure Multi's assets.

LIQUIDITY AND CAPITAL RESOURCES

Funds from Operations and Adjusted Funds from Operations

Funds from operations ("FFO") is a non-IFRS measure and should not be construed as an alternative to net earnings determined in accordance with IFRS. However, FFO is an operating performance measure which is widely used by the real estate industry and Pure Multi has calculated FFO in accordance with the recommendations of the Real Property Association of Canada ("REALpac"). Pure Multi's method of calculating FFO may differ from other companies and accordingly may not be comparable to similar measures presented by other companies.

The use of FFO, combined with the required IFRS presentations, has been presented for the purpose of improving the understanding of operating results in the real estate industry by the investing public and in making comparisons of the companies operating results more meaningful.

As FFO excludes fair value adjustments, amortization, and gains and losses from property dispositions, it provides a performance measure that, when compared period over period, reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and realty taxes; acquisition activities; and interest costs, and provides a perspective of financial performance that is not immediately apparent from net earnings determined in accordance with IFRS.

FFO is a widely accepted supplemental measure of financial performance for real estate entities; however, it does not represent amounts available for capital programs, debt service obligations, commitments or uncertainties. FFO should not be interpreted as an indicator of cash generated from operating activities and is not indicative of cash available to fund operating expenditures, or for the payment of cash distributions. FFO is simply one measure of operating performance.

Adjusted funds from operations ("AFFO") is also a non-IFRS measure and should not be construed as an alternative to net earnings determined in accordance with IFRS. However, AFFO is widely accepted as a performance measurement tool in the real estate industry. AFFO is calculated by adjusting the FFO for non-cash compensation items, and maintenance capital expenditures. Pure Multi's method of calculating AFFO may differ from other companies and accordingly may not be comparable to similar measures presented by other companies.

The following table provides the analysis of Pure Multi's FFO and AFFO performance:

($000s, except per unit basis)	**For the six months ended June 30, 2013**	From date of formation May 8, 2012 to June 30, 2012	**For the three months ended June 30, 2013**	From date of formation May 8, 2012 to June 30, 2012
Net income and comprehensive income	**$ 3,342**	$ -	**$ 1,647**	$ -
Adjustment:				
Amortization of mortgage transaction costs	**78**	-	**40**	-
Amortization of mark to market mortgage adjustment	**(329)**	-	**(166)**	-
Valuation loss from investment properties	**111**	-	**69**	-
Funds from operations	**$ 3,202**	$ -	**$ 1,590**	$ -
Maintenance capital provision [1]	**(314)**	-	**(168)**	-
Capital expenditures related to acquisition of investment properties [1]	**83**	-	**30**	-
Adjusted funds from operations	**$ 2,971**	$ -	**$ 1,452**	$ -
Weighted average number of units *(000s)*				
Class A units	**19,177**	-	**21,243**	-
Class B units	**200**	200	**200**	200
Diluted weighted average number of units *(000s)*				
Class A units	**19,177**	-	**21,243**	-
Class B units	**200**	200	**200**	200
FFO per unit - Basic				
Class A units	**$ 0.16**	$ -	**$ 0.07**	$ -
Class B units	**0.80**	-	**0.40**	-
FFO per unit - Diluted				
Class A units	**$ 0.16**	$ -	**$ 0.07**	$ -
Class B units	**0.80**	-	**0.40**	-
Payout Ratio on FFO [2]	**114.9%**	-	**129.6%**	-
AFFO per unit - Basic				
Class A units	**$ 0.15**	$ -	**$ 0.07**	$ -
Class B units	**0.74**	-	**0.36**	-
AFFO per unit – Diluted				
Class A units	**$ 0.15**	$ -	**$ 0.07**	$ -
Class B units	**0.74**	-	**0.36**	-
Payout Ratio on AFFO [2]	**123.9%**	-	**141.9%**	-

[1] Based on an industry estimate of $300 per unit per year. This maintenance capital provision is estimated to be incurred on the property portfolio as to sustain its current revenue rental income-generating potential into future periods. Pure Multi does not include capital expenditures that increase the value of the current rental revenue, or initial capital expenditures that are required to be performed upon acquisition of an investment property.

[2] Payout ratios are abnormally high due to excess working capital from unit offerings. Management expects payout ratios to decrease once excess working capital is applied to acquire additional investment properties.

The following is a reconciliation of the Pure Multi's FFO to cash provided by operations:

($000s)	**For the six months ended June 30, 2013**	From date of formation May 8, 2012 to June 30, 2012	**For the three months ended June 30, 2013**	From date of formation May 8, 2012 to June 30, 2012
Funds from operations	**$3,202**	$ -	**$ 1,590**	$ -
(Increase) decrease in accounts receivable	**13**	-	**(5)**	-
Increase in prepaid expenses	**(197)**	-	**(91)**	-
Increase in rental deposits	**152**	-	**115**	-
Increase in accounts payable and accrued liabilities	**675**	-	**1,626**	-
Increase in unearned revenue	**137**	-	**38**	-
Interest income	**(1)**	-	**(1)**	-
Interest expense	**2,491**	-	**1,332**	-
Distributions to preferred unitholders	**7**	-	**4**	-
Preferred unit offering costs	**44**	-	**-**	-
Net cash provided from operating activities	**$ 6,523**	$ -	**$ 4,608**	$ -

Capital Resources

Cash collected from issuing Class A Units, proceeds from the new mortgages obtained and the cash generated by investment properties represent the primary source of funds to fund total distributions to limited partners of $3,680,021 for the six months ended June 30, 2013.

For the six months ended June 30, 2013, cash provided from operating activities was more than cash distributions declared. Management expects that cash provided from operating activities will exceed cash distributions declared. For the six months ended June 30, 2013, net income was less than cash distributions declared. Management expects net income to exceed cash distributions, before non-cash items such as fair value adjustments to investment properties, once the excess working capital has been allocated to acquire additional investment properties.

There are no significant working capital requirements that currently exist and there are no pending items that may affect liquidity. There are no legal or practical restrictions on the ability of Pure Multi's properties to transfer funds to Pure Multi.

Proceeds from the issuance of units and conventional mortgage financing have been used mainly to fund property acquisitions. Pure Multi intends to refinance any mortgages which mature within six months.

Management expects to be able to meet all of Pure Multi's ongoing obligations and to finance future growth through cash generated by operations, the issuance of units and by using conventional mortgages. Pure Multi is not in default or arrears on any of its obligations including distribution payments, interest or principal payments on debt.

In accordance with National Instrument 41-201, Pure Multi is required to provide additional disclosure relating to cash distributions.

($000s)	**For the six months ended June 30, 2013**	From date of formation May 8, 2012 to June 30, 2012	**For the three months ended June 30, 2013**	From date of formation May 8, 2012 to June 30, 2012
Cash provided from operating activities	**$ 6,523**	$ -	**$ 4,608**	$ -
Actual cash distributions paid or payable	**3,680**	-	**2,061**	-
Excess of cash provided from operating activities over cash distributions paid	**$ 2,843**	$ -	**$ 2,547**	$ -

($000s)	For the six months ended June 30, 2013	From date of formation May 8, 2012 to June 30, 2012	For the three months ended June 30, 2013	From date of formation May 8, 2012 to June 30, 2012
Net income	**$ 3,342**	$ -	**$ 1,647**	$ -
Actual cash distributions paid or payable	**3,680**	-	**2,061**	-
Shortfall of net income over cash distributions paid	**$ (338)**	$ -	**$ (414)**	$ -

CAPITAL STRUCTURE

Pure Multi defines capital as the aggregate of partners' capital, preferred units and long term debt. Pure Multi's objectives in managing capital are to maintain a level of capital that complies with investment and debt restrictions pursuant to the initial offering prospectus; complies with existing debt covenants, if any; funds its business strategies; and builds long-term partners' value. Pure Multi's capital structure is approved by the board of directors of the Governing GP through its periodic reviews.

The LP Agreement provides for a maximum indebtedness level of up to 70% of the gross book value. The term "indebtedness" means any obligation of Pure Multi for borrowed money (including the face amount outstanding under any convertible debentures and any outstanding liabilities of Pure Multi arising from the issuance of subordinated notes but excluding any premium in respect of indebtedness assumed by Pure Multi for which Pure Multi has the benefit of an interest rate subsidy), but excludes trade accounts payable, distributions payable to unitholders, accrued liabilities arising in the ordinary course of business and short-term acquisition credit facilities. The LP Agreement defines "gross book value" as the book value of the assets of Pure Multi plus the amount of accumulated depreciation and amortization in respect of such assets (and related intangible assets), the amount of future income tax liability arising out of indirect acquisitions and excluding the amount of any receivable reflecting interest rate subsidies on any debt assumed by Pure Multi. Pure Multi's indebtedness is 58.6% as at June 30, 2013 (December 31, 2012 – 57.4%).

Maintaining a relatively low indebtedness ratio is important in current economic conditions because it allows Pure Multi to access additional financing if necessary.

The LP Agreement allows the board of directors of the Governing GP, at their discretion, to distribute to the unitholders in each year all or a portion of Pure Multi's income for the year, as calculated in accordance with the Tax Act, after all permitted deductions under the Tax Act have been taken. The board of directors of the Governing GP also reviews the cash distribution paid to the unitholders on a regular basis. The total distributions declared to Class A unitholders during the six months ended June 30, 2013 was $3,496,020. The total distributions declared to Class B unitholders during the six months ended June 30, 2013 was $184,001.

Pure Multi is in compliance with all restrictions during the six months ended June 30, 2013 and the Period Ended December 31, 2012.

The capital structure consisted of the following components at June 30, 2013 and December 31, 2012:

($000s)	June 30, 2013	December 31, 2012	Change
Capital			
Mortgages payable	**$ 165,380**	$ 111,665	$ 53,715
Preferred units	**125**	-	125
Partners' capital	**111,863**	79,327	32,536
Total Capital	**$ 277,368**	$ 190,992	$ 86,376

The total capital of Pure Multi increased during the six months ended June 30, 2013 due to the issuance of new Class A Units, proceeds of mortgages related to acquisitions, the issuance of preferred units and net income earned from operations. These increases were offset by the repayment of mortgage principal and distributions to unitholders.

FINANCIAL INSTRUMENTS

For certain of Pure Multi's financial instruments, including cash and cash equivalents, amounts receivable, mortgage reserve fund, and accounts payable and accrued liabilities, the carrying amounts approximate the fair values due to the short-term nature of the instruments.

The fair values of the mortgages payable and preferred units have been calculated based on discounted future cash flows using discount rates that reflect current market conditions for instruments having similar terms and conditions. Discount rates are either provided by lenders or are observable in the open market.

	June 30, 2013		December 31, 2012	
($000s)	**Carrying Amount**	**Fair Value**	Carrying Amount	Fair Value
Mortgages payable	**$ 165,380**	**$ 170,502**	$ 111,665	$ 113,740
Preferred units	**125**	**125**	-	-
Accounts payable and accrued liabilities	**4,275**	**4,275**	3,311	3,311
Mortgage reserve fund	**3,440**	**3,440**	2,985	2,985
Amounts receivable	**350**	**350**	363	363
Cash and cash equivalents	**14,923**	**14,923**	14,961	14,961

OFF-BALANCE SHEET ITEMS

Pure Multi does not have any off-balance sheet items.

SECTION III

SUMMARY OF QUARTERLY RESULTS

During the three months ended June 30, 2013:

- Assets increased to $282,265,029 from $202,321,396 as at March 31, 2013. This increase was primarily due to the acquisition of two additional investment properties during this period for a total of $68,400,000. As at June 30, 2013, Pure Multi had cash and cash equivalents of $14,923,069 compared to $5,768,921 as at March 31, 2013. The change was primarily due to the cash raised from the issuance of Class A Units in May 2013, the subsequent acquisitions of two investment properties and distributions to unitholders.
- Liabilities increased to $170,402,405 from $122,918,764 as at March 31, 2013. This increase was primarily due to the mortgages acquired relating to the acquired investment properties noted above.
- Partners' capital increased to $111,862,624 from $79,402,632 as at March 31, 2013. This increase was due to the issuance of Class A Units during May 2013 and net income earned by Pure Multi during the period, and was partially offset by the distributions declared to unitholders.
- Earned rental revenue of $6,371,334 from the investment properties it held during the quarter. These properties incurred operating expenses of $3,295,586, resulting in net rental income of $3,075,748 during the same period.

- Incurred mortgage interest of $1,206,149 and distributions to preferred unitholders of $3,907. This was partially offset by interest income earned of $655, resulting in net finance expenses of $1,209,401 during the same period.
- Incurred general and administrative expenses of $152,388 and a fair value loss on investment properties of $68,931. The fair value loss on investment properties was a result of acquisition costs on the purchase of the investment properties.

During the three months ended June 30, 2013, Pure Multi had net income of $1,646,649, as a result of the above transactions.

Quarter ended *($000s, except per unit amounts)*	**June 30, 2013**
Rental revenue	**$ 6,371**
Operating expenses	**3,296**
Net rental income	**3,075**
Mortgage interest	**(1,206)**
General and administrative expenses	**(152)**
Net income and comprehensive income	**1,647**
Basic net income per unit	
Class A units	**0.07**
Class B units	**0.41**

Quarter ended *($000s, except per unit amounts)*	March 31, 2013	December 31, 2012	September 30, 2012	From date of formation May 8, 2012 to June 30, 2012
Rental revenue	$ 5,500	$ 4,746	$ 1,325	$ -
Operating expenses	2,560	(2,251)	(723)	-
Net rental income	2,940	2,495	602	-
Mortgage interest	(1,034)	(944)	(219)	-
General and administrative expenses	(122)	(67)	(80)	-
Net income and comprehensive income	1,695	1,438	262	-
Basic net income per unit				
Class A units	0.09	0.09	0.02	-
Class B units	0.42	0.36	0.07	-

As at *($000s)*	**June 30, 2013**
Total assets	**$ 282,265**
Total liabilities	**170,402**
Partners' capital	**111,863**
Investment properties	**262,943**
Mortgages payable	**165,380**

As at *($000s)*	March 31, 2013	December 31, 2012	September 30, 2012	June 30, 2012
Total assets	$ 202,321	$ 194,636	$ 97,709	$ 1,000
Total liabilities	122,919	115,309	45,014	-
Partners' capital	79,403	79,327	52,695	1,000
Investment properties	193,469	175,916	69,183	-
Mortgages payable	119,997	111,665	43,061	-

SECTION IV

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Pure Multi's significant accounting policies are described in note 3 to the December 31, 2012 audited consolidated financial statements.

The policies that are most subject to estimation and judgment are outlined below.

Valuation of Investment Properties

The fair value of the investment properties is determined by management, in conjunction with independent real estate valuation experts using recognized valuation techniques.

The determination of the fair value of investment property requires the use of estimates such as future cash flows from assets (based on factors such as tenant profiles, future revenue streams and overall repair and condition of the property) and discount rates applicable to those assets. These estimates are based on market conditions existing at the reporting date.

Management reviews each appraisal and ensures the assumptions used by the appraisers are reasonable and the final fair value amount reflects those assumptions used in the various approaches. Management does not expect to obtain appraisals for each property at each reporting date. Where an appraisal is not obtained at the reporting date, management uses similar valuation methods to evaluate each investment property and estimates the fair value.

FUTURE ACCOUNTING CHANGES

Pure Multi's significant accounting policies are described in note 3 to the December 31, 2012 audited consolidated financial statements.

Adoption of new accounting policies

(a) IFRS 10 – Consolidated financial statements

As a result of the adoption of IFRS 10, Pure Multi has changed its accounting policy with respect to determining whether it has control over and consequently whether it consolidates its investees. IFRS 10 introduces a new control model that is applicable to all investees; among other things, it requires the consolidation of an investee if Pure Multi controls the investee on the basis of de facto circumstances.

In accordance with the transitional provisions of IFRS 10, Pure Multi re-assessed the control conclusion for its investees at January 1, 2013. Based on this assessment, the adoption of IFRS 10 does not change Pure Multi's conclusions around control of its investee. Therefore, no adjustments to previous accounting for investees are required in the consolidated financial statements.

(b) IFRS 11 – Joint arrangements

As a result of the adoption of IFRS 11, Pure Multi has changed its accounting policy with respect to interests in joint arrangements.

Under IFRS 11, Pure Multi classifies its interests in joint arrangements as either joint operations or joint ventures depending on Pure Multi's rights to the assets and obligations for the liabilities of the arrangement. For the six months ended June 30, 2013, Pure Multi was not party to a joint arrangement. Therefore, the adoption of IFRS 11 does not have an impact on Pure Multi's consolidated financial statements.

(c) IFRS 12 – Disclosure of Interests in Other Entities

The objective of IFRS 12 is to require the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. Pure Multi has included new disclosures in the condensed consolidated financial statements which are required under IFRS 12.

(d) IFRS 13 – Fair value measurement

In accordance with the transitional provisions, IFRS 13 has been applied prospectively from that date. As a result, Pure Multi has adopted a new definition of fair value which measures the fair value of an asset or liability based on assumptions that market participants would use under current market conditions, including assumptions about risks. The adoption of IFRS 13 had no impact on the measurement of Pure Multi's assets and liabilities at January 1, 2013. However, Pure Multi has included new disclosure in the condensed consolidated financial statements which are required under IFRS 13.

(e) Amendments to IAS 1 – Presentation of financial statements

The amendments to IAS 1, Presentation of Financial Statements, require items of other comprehensive income and the corresponding tax expense to be grouped based on whether they will or will not be classified to the statement of earnings in the future. The adoption of the amendments to IAS 1 does not change the presentation of Pure Multi's other comprehensive income.

Standards issued but not yet effective

(f) IFRS 9 - Financial instruments

In November 2009, as part of the IASB's project to replace International Accounting Standard ("IAS") 39, Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9, Financial Instruments, which introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities and is applicable for annual periods starting on or after January 1, 2015. The full impact of the changes in accounting for financial instruments will not be known until the IASB's project has been completed.

(g) IAS 32 – Financial instruments: presentation

In December 2011, the IASB made amendments to IAS 32, Financial Instruments. The amendments to IAS 32 clarify the requirements for offsetting financial instruments. The amended version of IAS 32 is effective for Pure Multi's year-end beginning January 1, 2014, with early adoption permitted. The adoption of the amendment to IAS 32 is not expected to have a significant impact on Pure Multi's consolidated financial statements.

SECTION V

RISKS AND UNCERTAINTIES

All income producing property investments are subject to a degree of risk and uncertainty. They are affected by various factors including general market conditions and local market circumstances. An example of general market conditions would be the availability of long-term financing whereas local conditions would relate to factors affecting specific properties in a particular geographic location, such as changes in market lease rates as a result of an over-supply of space or a reduction in demand for real estate. Management attempts to manage these risks by acquiring investment properties in various cities with strong economic and growth indicators, and engaging property management groups with local knowledge and experience.

The board of directors of the Governing GP has the overall responsibility for the establishment and oversight of Pure Multi's risk management framework. Pure Multi's risk management policies are established to identify and analyze the risks faced by Pure Multi, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and in response to Pure Multi's activities.

In the normal course of business, Pure Multi is exposed to a number of risks that can affect its operating performance. These risks, and the actions taken to manage them, are as follows:

Interest Rate and Financial Risk

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. Pure Multi is exposed to financial risk from the interest rate differentials between the market rate and the rates used on these financial instruments.

Pure Multi manages its financial instruments and interest rate risks based on its cash flow needs. Pure Multi minimizes interest rate risk by obtaining long-term, fixed rate mortgages whenever possible. It targets a conservative ratio of debt to gross book value within the range of 55% to 65% and is restricted under the LP Agreement to a maximum of 70%. Mortgages payable bear interest at fixed rates; therefore Pure Multi currently is not exposed to significant interest rate risk.

The interest rate profile of Pure Multi's interest-bearing financial instruments was:

	Face Value	
	June 30, 2013	December 31, 2012
Fixed rate instruments		
Mortgages payable	$ 162,779,219	$ 108,338,765
Preferred units	125,000	-
	162,904,219	108,338,765
Variable rate instruments		
Variable rate mortgages payable	-	-

Credit Risk

Credit risk is the risk of financial loss to Pure Multi if a tenant, customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from Pure Multi's receivables from tenants.

Pure Multi's exposure to credit risk is influenced mainly by the individual characteristics of each tenant. Pure Multi, through the US REIT, minimizes the risk by checking tenants' credit histories, requesting security deposits and initiating a prompt collection process. In addition, there is no concentration of credit risk due to the large number of individual tenants.

Currency Risk

Pure Multi is exposed to minimal currency risk since a small portion of the expenses is in Canadian dollars.

Lease Rollover Risk

Lease rollover risk arises from the possibility that Pure Multi may experience difficulty renewing leases as they expire or in re-leasing space vacated by tenants upon lease expiry. All leases of Pure Multi's investment properties have lease terms of one year or less. Typically, Pure Multi instructs its property managers to initiate the renewal process before the existing leases expire. For any vacant spaces, Pure Multi uses qualified leasing agents to actively market the spaces.

Unit Prices

It is not possible to predict the price at which units will trade and there can be no assurance that an active trading market for the units will be sustained. The units will not necessarily trade at values determined solely by reference to the value of the investment properties of Pure Multi. Accordingly, the units may trade at a premium or discount to the value implied by the value of Pure Multi's investment properties. The market price for the units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond Pure Multi's control.

Environmental Risk

As an owner of real property, Pure Multi is subject to various federal, state and municipal laws relating to environmental matters.

Management carries out environmental inspections, by qualified environmental consultants, before a property is purchased. Management is not aware of any material non-compliance with environmental laws with respect to the current portfolio and is not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with the current portfolio.

Liquidity Risk

Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may tend to limit Pure Multi's ability to vary its portfolio promptly in response to changing economic or investment conditions. If Pure Multi were required to liquidate a real property investment, the proceeds to Pure Multi might be significantly less than the aggregate carrying value of such property.

Liquidity risk is the risk that Pure Multi will not be able to meet its financial obligations as they fall due. Pure Multi's approach to managing liquidity is to ensure that it will have sufficient cash available to meet its liabilities when due. In addition, Pure Multi intends to refinance any mortgages which mature within six months.

	Nominal interest rate	Year of maturity	June 30, 2013 Face value	December 31, 2012 Face value
Oakchase	3.28%	2017	$ 8,940,000	$ 8,940,000
Windscape	3.52%	2019	5,090,000	5,090,000
Valley Ranch	3.51%	2022	13,680,000	13,680,000
Sunset Point	3.54%	2022	15,970,000	15,970,000
Prairie Creek	6.02%	2019	32,369,219	32,578,765
Bear Creek	3.45%	2019	32,080,000	32,080,000
Prestonwood	3.46%	2023	8,670,000	-
Hackberry Creek	3.90%	2028	29,500,000	-
Deer Park	4.21%	2023	16,480,000	-
Total mortgages principal payable			162,779,219	108,338,765
Unamortized mortgage transaction costs			(1,632,005)	(1,235,527)
Unamortized mark to market mortgage adjustment			4,232,306	4,561,433
Total carrying value of mortgages payable			$ 165,379,520	$ 111,664,671

Tax Risk

The US REIT currently qualifies as a real estate investment trust for U.S. federal income tax purposes. Thus, the US REIT is not subject to U.S. federal income tax. If the US REIT does not qualify or ceases to qualify as a REIT under the REIT exception, adverse consequences could arise including a material reduction of distributions to unitholders and Pure Multi.

There can be no assurance that Canadian or U.S. federal income tax laws regarding the treatment of mutual fund trusts and of REITs will not be changed, or that administrative and assessment practices of the Canada Revenue Agency or IRS will not develop in a manner which adversely affects Pure Multi or its unitholders.

RELATED PARTY TRANSACTIONS

Managing GP

Pure Multi is related to the Managing GP, by virtue of having officers and directors in common. During the six months ended June 30, 2013, Pure Multi declared distributions to the Managing GP in the amount of $184,001. Included in accounts payable and accrued liabilities at June 30, 2013 was $184,001 (December 31, 2012 - $116,579).

Tipton Asset Group, Inc.

Tipton Asset Group, Inc. ("Tipton") is the property manager for Pure Multi. Pure Multi is related to Tipton by virtue of having officers and directors in common. Tipton charged $356,100 in property management fees during the six months ended June 30, 2013. Included in accounts payable and accrued liabilities at March 31, 2013 was $nil (December 31, 2012 - $nil).

Compensation

Currently, the directors of the Governing GP who are not affiliated with or employees of the Managing GP receive annual compensation in the amount of $12,500, plus $500 for attendance at meetings of the directors or any committee. As well, the Governing GP indirectly reimburses such directors for any out of pocket expenses, including out of pocket expenses for attending meetings. Pure Multi reimburses the Governing GP for such amounts. In addition, Pure Multi has obtained insurance coverage for such directors. Compensation is reviewed on an annual basis, giving consideration to Pure Multi's growth and the extent of its portfolio.

Pure Multi compensates the independent directors of the Governing GP through annual compensation. The amount incurred for during the six months June 30, 2013 was $27,169.

Asset Management Agreement

The Managing GP, pursuant to the Asset Management Agreement, will provide asset management, administrative and reporting services to Pure Multi as its managing general partner. The Asset Management Agreement also requires the Managing GP to provide Pure Multi with support services consisting of office space and equipment and the necessary clerical and secretarial personnel for the administration of its day-to-day activities, at no cost. The Asset Management Agreement may be terminated by Pure Multi at any time upon the occurrence of certain events of default and at any other time upon not less than 60 days notice, without bonus or penalty. In lieu of the fees typically associated with a third party asset management agreement, the Managing GP will only be entitled to a reimbursement of any reasonable costs and expenses (including legal and audit costs but excluding personnel costs) that it incurs providing asset management services to Pure Multi and will not be entitled to any other remuneration or compensation for its services.

OUTSTANDING UNIT DATA

Except as set out in the LP Agreement, no Class A Unit or Class B Unit has any preference or priority over another. All units have equal voting rights at meetings of unitholders.

Upon completion of the offerings and exercise of the over-allotment option, holders of Class A Units share in a 95% equity interest in all distributions and all net assets of Pure Multi, and the Managing GP, as the holder of Class B Units, shares in a 5% equity interest in all distributions and all net assets of Pure Multi.

On May 30, 2012, the Managing GP subscribed for 200,000 Class B Units of Pure Multi, at a price of $5.00 per Class B Unit, for gross proceeds to Pure Multi of $1,000,000, which entitles the Class B Unitholders, initially, a 5% interest in Pure Multi. On July 10, 2012, Pure Multi issued 10,000,000 Class A Units, at a price of $5.00 per unit, for gross proceeds of $50,000,000, less offering costs. On July 18, 2012, Pure Multi issued an additional 1,500,000 Class A Units pursuant to the over-allotment option granted to the syndicate of underwriters involved with the July 10, 2012 offering, at a price of $5.00 per unit, for gross proceeds of $7,500,000, less offering costs. On October 18, 2012, Pure Multi issued 5,589,000 Class A Units, at a price of $5.15 per unit, for gross proceeds of $28,783,350, less offering costs. On May 8, 2013, Pure Multi issued 7,000,000 Class A Units, at a price of $5.00 per unit, for gross proceeds of $35,000,000, less offering costs.

As at June 30, 2013, the total number of Class A Units outstanding was 24,089,000 and the total number of Class B Units outstanding was 200,000.

SECTION VI

SUBSEQUENT EVENTS

a) Windsong Apartments ("Windsong")

On July 19, 2013, Pure Multi, through the US REIT, acquired Windsong, located in Dallas, Texas, for a purchase price of $16,500,000, plus standard closing costs and adjustments. This acquisition was financed with cash and proceeds from a new credit facility.

b) Fountainwood Apartments ("Fountainwood")

On July 1, 2013, Pure Multi, through the US REIT, entered into a non-binding purchase and sale agreement for the acquisition of Fountainwood, located in Plano, Texas, for a purchase price of $19,800,000, plus standard closing costs and adjustments. The acquisition is expected to close in late August 2013.

c) Livingston Apartments ("Livingston")

On July 1, 2013, Pure Multi, through the US REIT, entered into a non-binding purchase and sale agreement for the acquisition of Livingston, located in Euless, Texas, for a purchase price of $25,500,000, plus standard closing costs and adjustments. The acquisition is expected to close in late August 2013.

d) San Brisas Apartments ("Livingston")

On July 1, 2013, Pure Multi, through the US REIT, entered into a non-binding purchase and sale agreement for the acquisition of a 20% interest in San Brisas, located in Casa Grande, Arizona, for a purchase price of $5,600,000, plus standard closing costs and adjustments. The acquisition is expected to close in late August 2013.

e) Issuance of Convertible Debentures

On August 7, 2013, Pure Multi completed a bought deal of 20,000 convertible unsecured subordinated debenture units (each a “Debenture”) of Pure Multi and completed the over-allotment option in full of 3,000 Debenture units of Pure Multi, at a price of $1,000 per Debenture, for total gross proceeds of $23,000,000. The Debentures will mature on September 30, 2020 and bear interest at a rate of 6.50% per annum. The Debentures are convertible, at the holder’s option, into Class A Units at a conversion price of $5.65 per Class A Unit.

ADDITIONAL INFORMATION

Additional information relating to Pure Multi is available on SEDAR at www.sedar.com or on Pure Multi’s website at www.puremultifamily.com.