WESTFIELD
Real Estate Investment Trust

ANNUAL INFORMATION FORM

For the year ended December 31, 2005

APRIL 19, 2006

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GLOSSARY

"Arrangement" means the arrangement under the *Canada Business Corporations Act* which implemented the reorganization of Westfield Properties Ltd. into Westfield;

"Arrangement Agreement" means the agreement dated effective November 8, 2004 between Westfield Properties Ltd. and Westfield pursuant to which the parties agreed to implement the Arrangement;

"Asset Management Agreement" means the asset management agreement made effective February 1, 2005 between Westfield and Marwest, as amended and restated effective August 1, 2005;

"Declaration of Trust" means the declaration of trust of Westfield dated as of November 8, 2004 pursuant to which Westfield was formed under the laws of the Province of Manitoba, as may be amended, supplemented and/or restated from time to time;

"Distributable Income" means the net income of Westfield as determined in accordance with GAAP, subject to certain adjustments as set out in the Declaration of Trust, including adding back depreciation and amortization (excluding leasing costs) and excluding any gains or losses on the disposition of any asset and any other adjustments determined by the Trustees in their discretion and, for such purposes, interest expense on the Debentures is calculated on a cash basis;

"Distribution Date" means, with respect to a distribution by Westfield, a date that is on or about the 15th day of the month following the calendar month (or other period determined by the Trustees) to which such distribution relates and, for the month of December, means December 31;

"Escrow Agreement" means the escrow agreement dated as of February 9, 2004 among Westfield Properties Ltd., CIBC Mellon Trust Company in its capacity as escrow agent, and the initial shareholders of Westfield Properties Ltd.;

"GAAP" means Canadian generally accepted accounting principles, consistently applied;

"Independent Trustees" means those Trustees who are independent within the meaning of National Instrument 58-101 Corporate Governance;

"Marwest" means Marwest Management Canada Ltd., a corporation incorporated under the laws of the Province of Manitoba, and which is indirectly owned and controlled by related parties of Armin Martens and Cornelius Martens and other members of the Martens family;

"Marwest Appointees" means the two persons appointed by Marwest to serve as Trustees, currently being Armin Martens and Cornelius Martens;

"Property Management Agreement" means the property management agreement dated effective February 1, 2005 between Westfield and Marwest, as amended from time to time;

"Property Net Operating Income" means gross rental receipts less property operating expenses and realty taxes;

"Right of First Refusal Agreement" means the right of first refusal agreement dated July 7, 2005 between Westfield and Marwest pursuant to which Marwest and it affiliates granted to Westfield a right of first refusal with respect to office, retail and industrial properties that become available to, or are sold by, Marwest and its affiliates.

"Series A Debentures" means the 5 Year 7.75% Redeemable Convertible Debentures of Westfield in the aggregate principal amount of $15,000,000 issued pursuant to the Series A Trust Indenture;

"Series A Trust Indenture" means the trust indenture dated August 4, 2005 between Westfield and CIBC Mellon Trust Company in its capacity as indenture trustee relating to the Series A Debentures;

“Series B Debentures” means the 5 Year 7.50% Redeemable Convertible Debentures of Westfield in the aggregate principal amount of $10,862,000 issued pursuant to the Series B Trust Indenture;

“Series B Trust Indenture” means the trust indenture dated November 9, 2005 between Westfield and CIBC Mellon Trust Company in its capacity as indenture trustee relating to the Series B Debentures;

“**Tax Act”** means the *Income Tax Act* (Canada), as amended.

“Trustee” means a trustee of Westfield and “**Trustees**” means all of the trustees of Westfield;

“TSX” means the Toronto Stock Exchange;

“**TSXV**” means the TSX Venture Exchange Inc.;

“Unit” means a trust unit in Westfield;

“Unit Option Plan” means the Unit Option Plan dated December 20, 2004 of Westfield;

“Unitholder(s)” means the holder(s) of Units;

“Westfield” means Westfield Real Estate Investment Trust, an unincorporated closed-end trust formed under the laws of the Province of Manitoba on November 8, 2004 pursuant to the Declaration of Trust and includes, where the context requires, Westfield’s subsidiaries; and

“Westfield’s 2006 Special Meeting Circular” means the management information circular dated December 28, 2005 sent to Unitholders in respect of the special meeting of Unitholders held on January 28, 2006.

FORWARD-LOOKING STATEMENTS

Certain statements in this annual information form are “forward looking statements” that reflect management’s expectations regarding Westfield’s future growth, results of operations, performance, prospects and opportunities. All statements other than statements of historical fact contained in this annual information form are forward looking statements including, without limitation, statements regarding the timing and amount of distributions and the future financial position, business strategy, potential acquisitions, plans and objectives of Westfield. Such forward looking statements reflect management’s current beliefs and are based on information currently available to management. Forward looking statements involve significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in forward looking statements including risks associated with real property ownership, availability of cash flow, restrictions on redemption, general uninsured losses, future property acquisitions, environmental matters, tax related matters, debt financing, Unitholder liability, potential conflicts of interest, potential dilution, reliance on key personnel, changes in legislation and potential changes in the tax treatment of trusts. Although the forward looking statements contained in this annual information form are based upon what management believes to be reasonable assumptions, Westfield cannot assure investors that actual results will be consistent with these forward looking statements. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. Forward-looking statements are made as of the date of this annual information form, or such other date specified in such statements, and neither Westfield nor any other person assumes any obligation to update or revise such forward-looking statements to reflect new information, events or circumstances.

NON-GAAP MEASURES

In this annual information form, there are references to “Distributable Income” and “Property Net Operating Income”. See the definitions of “Distributable Income” and “Property Net Operating Income” contained in the Glossary.

Distributable Income is a measure sometimes used by Canadian income trusts as an indicator of financial performance. Management uses Distributable Income to analyze operating performance. As one of the factors that may be considered relevant by prospective investors is the cash distributed by Westfield relative to the price of the Units, management believes that Distributable Income is a useful supplemental measure that may assist prospective investors in assessing an investment in the Units.

Neither Distributable Income nor Property Net Operating Income is a measure recognized under GAAP and neither has a standardized meaning prescribed by GAAP. Therefore, Distributable Income and Property Net operating Income may not be comparable to similar measures presented by other issuers. Distributable Income is not intended to represent operating profits for the period nor should it be viewed as an alternative to net income, cash flow from operating activities or other measures of financial performance calculated in accordance with GAAP.

DISTRIBUTABLE INCOME

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 investment in Units is at risk, and any anticipated return on an investment in Units is based on many performance assumptions.

Although Westfield intends to make distributions of a significant percentage of its available cash to Unitholders, such cash distributions are not assured and may be reduced, suspended or discontinued. The ability of Westfield to make cash distributions and the actual amount of cash distributed will be dependent upon, among other things, the financial performance of the properties in its portfolio, its debt covenants and obligations, its working capital requirements and its future capital requirements. In addition, the market value of the Units may decline for a variety of reasons, including if Westfield is unable to meet its cash distribution targets in the future, and such decline may be significant.

It is important for a person making an investment in Units to consider the particular risk factors that may affect both Westfield and the real estate industry in which Westfield operates and which may therefore affect the stability of the cash distributions on Units. See “Risk Factors”.

The after-tax return from an investment in Units to Unitholders that is subject to Canadian income tax can be made up of both a “return on” and a “return of” capital. That composition may change over time, thus affecting a Unitholder’s after-tax return. Returns on capital are generally taxed as ordinary income, capital gains or as dividends in the hands of a Unitholder. Returns of capital are generally tax-deferred and reduce the Unitholder’s cost base in the Unit for tax purposes.

WESTFIELD REAL ESTATE INVESTMENT TRUST

Overview

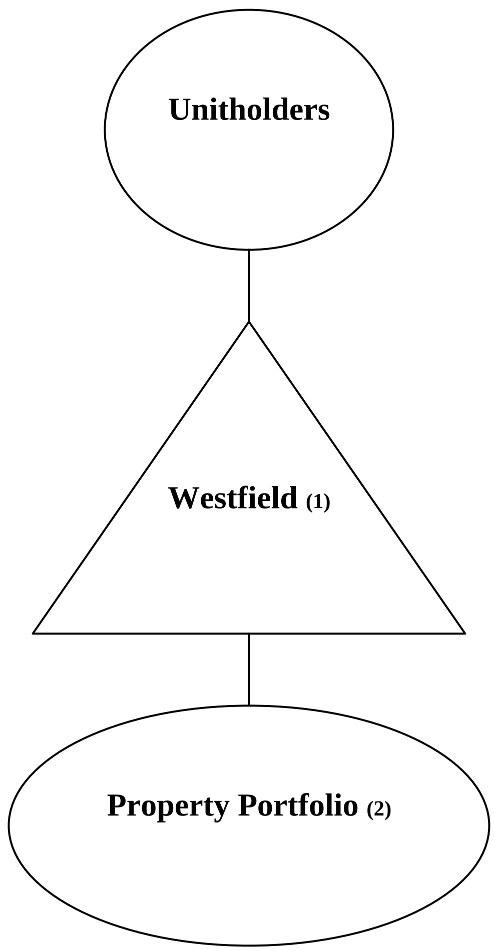
Westfield is an unincorporated closed-end real estate investment trust created by the Declaration of Trust and governed by the laws of the Province of Manitoba. Its objective is to acquire and maintain a growing portfolio of properties with stable cash distributions. Westfield is focused on acquiring properties located in Western Canada, primarily in the Province of Alberta.

Westfield was formed for the purposes of facilitating a plan of arrangement under the Canada Business Corporations Act involving Westfield Properties Ltd. whereby Westfield Properties Ltd. effectively reorganized into a real estate investment trust. The Arrangement was completed on December 20, 2004. Under the Arrangement, Westfield issued to shareholders of Westfield Properties Ltd. Units in exchange for each common share of Westfield Properties Ltd. on a one-for-one basis.

Westfield qualifies as a "mutual fund trust" as defined by the Tax Act, but is not a "mutual fund" as defined by applicable securities legislation. The head office of Westfield is located at 300 – 360 Main Street, Winnipeg, Manitoba, R3C 3Z3.

Structure of Westfield

The following diagram illustrates the organizational structure of Westfield:



Notes:

(1) Westfield is a closed-end real estate investment trust governed by the laws of the Province of Manitoba.

(2) See "Property Portfolio" for details of the properties comprising Westfield's portfolio on the date hereof. Legal title to each of Westfield's properties is held by separate bare trustee corporations which are wholly-owned subsidiaries of Westfield. The bare trustee corporations do not conduct any other business other than the holding of legal title to the assets for the benefit of Westfield. As of the date hereof, the bare trustee corporations of Westfield are 3333 Sunridge Way Inc., Capital City Regina Ltd., Southview Centre Medicine Hat Ltd., Westfield 395 Main Ltd., Westfield Airways Ltd., Westfield 111 Albert Street Mall Ltd., Westfield Albert Street Ltd., Westfield Canarama Ltd., Westfield East Landing Development Ltd., Westfield East Landing Plaza Ltd., Westfield Edgemont Ltd., Westfield Fleet Street Ltd., Westfield Gateway Ltd., Westfield Grain Exchange Ltd., Westfield Grande Prairie Ltd., Westfield JT Inc., Westfield Kensington Ltd., Westfield Keystone Village Ltd., Westfield McKnight Ltd., Westfield Strathcona Ltd., Westfield University Park Ltd., Westfield Victoria Street Ltd., Westfield Willowglen Ltd., Westfield Worobetz Saskatoon Inc. and Narland Properties (Centre 15) Ltd. All of the bare trustee corporations are incorporated under the *Canada Business Corporations Act*, except Westfield 395 Main Ltd. and Westfield Grain Exchange Ltd., which are incorporated under *The Corporations Act* (Manitoba).

The Unitholders approved a special resolution at a special meeting of Unitholders held on January 28, 2006 authorizing the Trustees to amend the Declaration of Trust to effectively convert Westfield from a closed end trust to an open end trust. See "*Recent Developments*" below.

Objective and Strategies

Objective

Westfield is a real estate investment trust listed on the TSX with the objective of acquiring and maintaining a growing portfolio of properties with stable cash distributions. Westfield seeks to provide Unitholders with stable and growing cash distributions, payable monthly and, to the maximum extent practicable, income tax deferred, from investments in a diversified portfolio of income producing office, retail and industrial properties located in Western Canada, primarily in Alberta.

Strategies

Westfield plans to achieve its objectives by employing internal and external growth strategies.

Growth through Acquisitions

Westfield intends to expand its asset base and increase Distributable Income by actively seeking accretive acquisitions primarily in Western Canada, with a strong focus on the Province of Alberta. Westfield's external growth strategy primarily involves the identification of office, retail and industrial properties for acquisition which present an accretive opportunity to provide incremental net yields greater than current yields to Unitholders. Since becoming a publicly traded real estate investment trust on December 20, 2004, Westfield has demonstrated its ability to identify accretive acquisition opportunities and to access the capital necessary to capitalize on such opportunities. Westfield seeks to identify and acquire properties with secure cash flow, the potential for capital appreciation and the potential to increase in value through efficient management.

Growth through Asset Management

Westfield believes that opportunities exist to increase cash flow from its properties through value-added asset management and leasing activity, which include:

- ***Nurturing existing tenant relationships.*** Westfield recognizes that renewal of tenant leases, as opposed to tenant replacement, often provides the best operating results as renewals minimize transaction costs associated with marketing, leasing and other tenant improvements and avoids the costs of renovation and interruption in rental income resulting from a period of vacancy. Westfield plans to continue to nurture existing tenant relationships to retain its existing tenants and to meet their needs.

- ***Increasing rental income and minimizing operating expenses.*** Westfield intends to achieve increased occupancy levels and higher renewal rents for available space by taking steps to ensure that its properties are well maintained. Operating costs are reviewed periodically in order to ensure that costs are kept within budget.

- **Maintaining *asset class diversification.*** Westfield's objective is to own properties across the office, retail and industrial asset classes in Western Canada, primarily in the Province of Alberta. Westfield believes that such diversification decreases Unitholder risk.

Three Year History

Initial Public Offering and Qualifying Transaction

Westfield Properties Ltd., the predecessor to Westfield, was incorporated on December 18, 2003. It completed its initial public offering of 1,000,000 common shares on February 12, 2004 and, on February 16, 2004, was listed as a capital pool company on the TSXV. On June 1, 2004, Westfield Properties Ltd. acquired Sunridge Home Outfitters Centre, a retail property located at 3333 Sunridge Way in Calgary, Alberta, for a purchase price of $7,690,000. The acquisition of Sunridge Home Outfitters Centre was the qualifying transaction of Westfield Properties Ltd. under TSXV Policy 2.4 *Capital Pool Companies*.

The Arrangement

On December 20, 2004, Westfield Properties Ltd. completed the Arrangement pursuant to which Westfield acquired all of the issued and outstanding common shares of Westfield Properties Ltd. in exchange for Units on a one-for-one basis and Westfield Properties subsequently dissolved. Upon completion of the Arrangement, Westfield was a publicly traded real estate investment trust which owned the Sunridge Home Outfitters Centre.

2005 Acquisitions

For a more detailed summary of Westfield's properties, see "*Property Portfolio*" below.

Acquisitions completed after the Arrangement

On February 1, 2005, Westfield acquired Royal Square, a retail property located at 15 Worobetz Place in Saskatoon, Saskatchewan, for a purchase price of $2,810,000.

On February 2, 2005, Westfield acquired Capital City Centre, a retail property located at 1825 and 1875 E. Victoria Ave. in Regina, Saskatchewan, for a purchase price of $7,680,000.

The acquisitions of Royal Square and Capital City Centre were made from the same vendor. Sunridge Home Outfitters Centre was the only other property Westfield owned for the purposes of determining the significance of the Royal Square and Capital City Centre acquisitions to Westfield. As a result, the Royal Square and Capital City Centre acquisitions constituted a significant acquisition of related businesses within the meaning of National Instrument 51-102 *Continuous Disclosure Obligations*. Westfield hereby incorporates by reference into this annual information form its business acquisition report dated April 29, 2005 in respect of the Royal Square and Capital City Centre acquisitions. A copy of Westfield's business acquisition report dated April 29, 2005 is available at www.sedar.com.

On May 2, 2005, Westfield agreed to enter into a long-term headsublease relating to the Johnston Terminal, a mixed use building located at 25 Forks Market Road in Winnipeg, Manitoba at the Historic Forks Site, subject to the receipt of regulatory and Unitholder approvals. On August 1, 2005, Westfield entered into the headsublease and on August 3, 2005, Westfield exercised its option to prepay the base rent under the headsublease for total consideration of $10,600,000.

On August 15, 2005, Westfield acquired Sears Centre, a retail property located at 12429 – 99th Street in Grande Prairie, Alberta, for a purchase price of $7,331,500.

On August 31, 2005, Westfield acquired Southview Centre, a retail property located at 3201 – 13th Ave. S.W. in Medicine Hat, Alberta, for a purchase price of $22,100,000.

On September 16, 2005, Westfield acquired Airways Business Park, a two-storey suburban office development located at 1935 – 32nd Avenue N.E. in Calgary, Alberta, for a purchase price of $6,900,000.

On September 30, 2005, Westfield acquired the following properties:

- Edgemont Mall, an unenclosed shopping centre located at 34 Edgedale Drive N.W. in Calgary Alberta, for a purchase price of $4,240,000;

- Canarama Mall, an enclosed shopping centre located at 7 Assiniboine Drive in Saskatoon, Saskatchewan, for a purchase price of $10,700,000;

- Shoppers Landmark Centre, an unenclosed retail shopping centre located at 4150 Albert Street in Regina, Saskatchewan, for a purchase price of $10,500,000;

- Strathcona Shoppers Centre, an unenclosed retail shopping centre located a 2202 Broad Street in Regina, Saskatchewan, for a purchase price of $4,260,000;

- the Grain Exchange Building, an office building located at 167 Lombard Avenue in Winnipeg, Manitoba, for a purchase price of $10,250,000; and

- the Hamilton Building, an office building located at 395 Main Street in Winnipeg, Manitoba, for a purchase price of $14,200,000.

On October 31, 2005, Westfield acquired the following properties for an aggregate purchase price of $18,550,000:

- the Xentel Building, a four-storey professional office building located at 417 – 14th Street N.W. in Calgary, Alberta;

- the Campana Building, a six-storey, class "B" professional office building located at 609 – 14th Street N.W. in Calgary, Alberta; and

- the Hillhurst Building, a four-storey professional office building located at 301 – 14th Street N.W. in Calgary, Alberta.

On October 31, 2005, Westfield also acquired McKnight Village, a multi-building unenclosed retail centre located at 5220 Falsbridge Drive N.E. in Calgary, Alberta, for a purchase price of $22,800,000.

On November 15, 2005, Westfield acquired Willowglen Business Park, a multi-building suburban office development located at Manning Road N.E. and Manning Close N.E in Calgary, Alberta, for a purchase price of $30,000,000.

On December 1, 2005, Westfield acquired Gateway Power Centre, an open retail development located at 111th Street and 105A Avenue in Grande Prairie, Alberta, for a purchase price of $8,675,000.

On December 1, 2005, Westfield acquired the Plainsman Building, a four-storey professional office building located at 301 Victoria Street in Kamloops, British Columbia, for a purchase price of $8,225,000.

On December 15, 2005, Westfield acquired the following properties:

- Albert Street Mall, a three building retail property located at 111 Albert Street in Regina, Saskatchewan, for a purchase price of $3,355,000;

- East Landing Mall, a two building retail property located at 2525 Quance Street in Regina, Saskatoon, for a purchase price of $7,034,000;

- East Landing Plaza, a two building retail property located at 2525 Quance Street in Regina, Saskatchewan, for a purchase price of $3,764,000;

- Fleet Street Crossing, a three building retail development located at 2220 Victoria Avenue East in Regina, Saskatchewan, for a purchase price of $5,385,000;
- Keystone Village Mall, a one-storey retail strip centre located at 1300 – 18th Street in Brandon, Manitoba, for a purchase price of $3,535,000; and
- West Landing Mall, a retail strip mall located at 570 University Park Drive in Regina, Saskatchewan, for a purchase price of $7,098,000.

Effective December 16, 2005, Westfield acquired Centre 15 Building, a seven-storey office building located at 1509 Centre Street S.W. in Calgary, Alberta, for a purchase price of $11,790,000.

PROPERTY PORTFOLIO

Overview

As of December 31, 2005, the Property Portfolio is comprised of 27 properties located across Western Canada. The breakdown of Westfield's properties by province is set forth in the table and chart below:

By Province

Location	GLA (sq ft)	% of GLA	% of Property Net Operating Income[1]
British Columbia	35,252	1.9%	3.0%
Alberta	1,067,757	56.1%	54.1%
Saskatchewan	381,019	20.0%	25.8%
Manitoba	418,521	22.0%	17.1%
Total	**1,902,549**	**100.0%**	**100.0%**

(1) Based on estimated Property Net Operating Income for 2006.

By City

Location	GLA (sq ft)	% of GLA	% of Property Net Operating Income[1]
British Columbia			
Kamloops	35,252	1.9%	3.0%
Alberta			
Calgary	709,444	37.3%	38.2%
Grande Prairie	193,063	10.1%	8.2%
Medicine Hat	165,250	8.7%	7.7%
Saskatchewan			
Regina	275,464	14.5%	19.6%
Saskatoon	105,555	5.5%	6.2%
Manitoba			
Brandon	21,470	1.1%	1.4%
Winnipeg	397,051	20.9%	15.7%
Total	**1,902,549**	**100.0%**	**100.0%**

(1) Based on estimated Property Net Operating Income for 2006.

By Property Type

Location	GLA (sq ft)	% of GLA	% of Property Net Operating Income[1]
Retail	915,359	48.1%	55.8%
Office	987,190	51.9%	44.2%
Total	**1,902,549**	**100.0%**	**100.0%**

(1) Based on estimated Property Net Operating Income for 2006.

Summary of Information regarding Property Portfolio

The following table summarizes certain key information regarding Westfield's properties as at December 31, 2005:

Retail Properties

Property	Location	GLA (sq ft)	Occupancy	Year Built / Redeveloped
Albert Street Mall	Regina, SK	17,769	100.0%	1994
Canarama Mall	Saskatoon, SK	64,458	95.6%	1971/1978/1989/2005
Capital City Centre	Regina, SK	44,319	99.7%	1998/2003
East Landing Mall	Regina, SK	40,937	80.4%	1996
East Landing Plaza	Regina, SK	25,061	94.0%	1997
Edgemont Mall [1]	Calgary, AB	18,119	100.0%	
Fleet Street Crossing	Regina, SK	37,736	89.2%	1976/2001
Gateway Power Centre	Grande Prairie, AB	61,272	99.9%	1988
Keystone Village Mall	Brandon, MB	21,470	100.0%	1988
McKnight Village	Calgary, AB	85,533	94.0%	1988/1995
Royal Square	Saskatoon, SK	41,097	91.1%	1982
Sears Centre[2]	Grande Prairie, AB	131,791	95.4%	1994
Shoppers Landmark Centre	Regina, SK	48,708	98.0%	2003
Southview Centre[3]	Medicine Hat, AB	165,250	90.8%	1973/2000
Strathcona Shoppers Centre	Regina, SK	21,910	100.0%	2004
Sunridge Home Outfitters	Calgary, AB	50,905	100.0%	2000
West Landing Mall	Regina, SK	39,024	97.3%	1998
Total		**915,359**	**94.7%**	

(1) On January 12, 2006, Westfield sold Edgemont Mall. See "Recent Developments" below.

(2) Title to Sears Centre remains in the name of the vendor of the property. Westfield is entitled to all rents and is responsible for the mortgage payments. Upon refinancing the existing indebtedness on the property, the transfer currently held by the solicitors for Westfield will be used to transfer title to the property, which is expected to occur on or before December 31, 2006.

(3) There is currently a vendor take-back lease on Southview Centre for 15,000 square feet at $7.50 per square foot for a term of one year. The lease may be terminated prior to its expiry in the event Westfield enters into a lease with another party for the premises. Westfield has received a commitment to lease the premises from a third party.

Office Properties

Property	Location	GLA (sq ft)	Occupancy	Year Built / Redeveloped
Airways Business Park	Calgary, AB	62,801	91.7%	1979
Campana Place	Calgary, AB	49,063	90.7%	1982
Centre 15 Building	Calgary, AB	77,734	90.9%	1981/1999
Grain Exchange Building	Winnipeg, MB	258,568	82.5%	1906/2002
Hamilton Building(1)	Winnipeg, MB	66,194	100.0%	1918/2001
Hillhurst Building	Calgary, AB	63,271	94.0%	1966/1979
Johnston Terminal(2)	Winnipeg, MB	72,289	100.0%	1929/1993
Plainsman Building(3)	Kamloops, BC	35,252	100.0%	1989
Willowglen	Calgary, AB	286,179	89.5%	1982
Xentel Building	Calgary, AB	15,839	100.0%	1981
Total		**987,190**	**90.3%**	

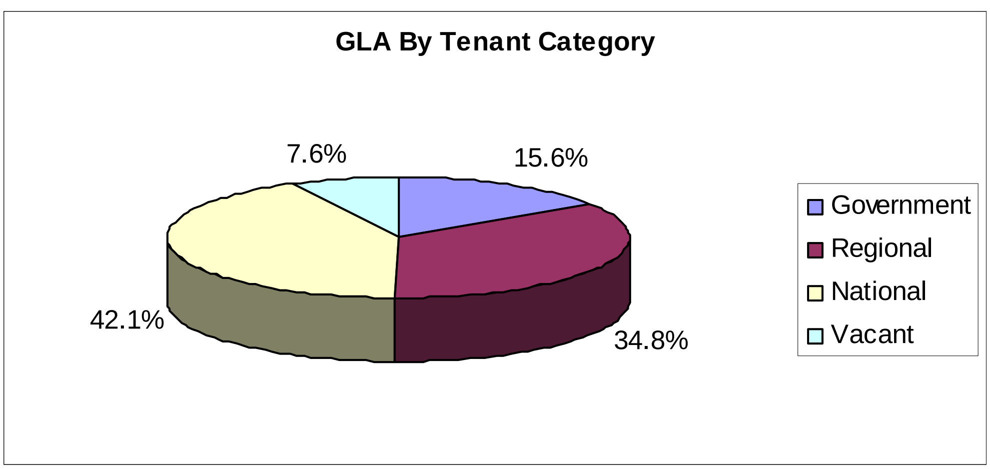
(1) Title to the Hamilton Building was held in escrow pending payment of a vendor loan which occurred subsequent to December 31, 2005.

(2) The Johnston Terminal is a mixed use office and retail building. Floors 1 and 2 are retail (46% of GLA) and floors 3 and 4 are office (54% of GLA).

(3) There is currently a vendor take-back lease on Plainsman for 1,030 square feet at $23.00 per square foot and 1,058 square feet at $14.75 per square foot for a term of two years. The lease may be terminated prior to its expiry in the event Westfield enters into a lease with another party for these premises.

Tenant Mix

There are a total of 434 tenants occupying Westfield's properties as at December 31, 2005. The properties have a diversified tenant base, with a high proportion of national tenancies in place. The following chart shows the mix of tenants in the properties based on square feet under lease, as at December 31, 2005.

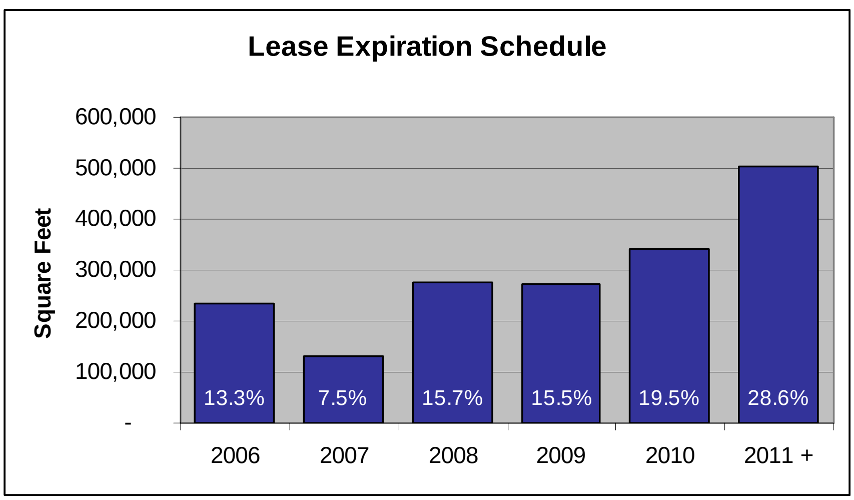


Westfield has a well diversified tenant roster, with no one tenant contributing to more than 6% of annual rental revenues. The following chart shows the ten largest tenants of Westfield's properties ranked by share of annual rental revenue as well as by square footage under lease.

	Tenant	GLA (sq ft)	% of Property Net Operating Income	Weighted Average Lease Terms to Maturity (Yrs)
1	Sears	105,483	1.9%	4.6
2	Public Works	93,683	3.3%	2.7
3	Shoppers Drug Mart	70,957	5.4%	8.5
4	City of Winnipeg	66,194	4.3%	11.0
5	Columbia College	44,792	1.8%	2.6
6	Home Outfitters	39,939	2.5%	10.8
7	Future Shop	36,585	1.7%	3.5
8	Hinz Automation	33,065	1.2%	4.8
9	The Brick	32,781	1.4%	7.5
10	London Drugs	31,258	2.1%	15.1
	Total	**554,737**	**25.6%**	**6.5**

Lease Maturities

As the below chart indicates, Westfield has a stable lease expiry schedule, with over 28% of leases in place to 2011 and later. Average term to maturity is approximately 4.5 years and overall vacancy is 7.6% across the portfolio



Description of Retail Properties

Albert Street Mall, *111 Albert Street, Regina, SK*

Albert Street Mall is a 17,769 sq. ft. three-building retail development built in 1994. Albert Street is Regina's major arterial commercial street with high traffic flows. The Mall has excellent exposure and good access. Albert Street Mall is 100% occupied by the Regina Public Library, Blockbuster Video and Tim Hortons.

Canarama Mall, *7 Assiniboine Drive, Saskatoon, SK*

Canarama Mall is an enclosed 64,458 sq. ft. retail shopping centre anchored by an OK Economy (Extra) Foods store and new format Shoppers Drug Mart. The centre is approximately 95.6% occupied; other key tenancies include The Running Room, Saskatchewan Credit Union and Tim Hortons. Canarama Mall is well-located at a high visibility corner location with convenient access from Circle Drive, Assiniboine Drive and Warman Road. The mall was built in phases between 1971 and 1989, and was substantially redeveloped between 2003 and 2005.

Capital City Centre, *1825 and 1875 E. Victoria Ave., Regina, SK*

Capital City Centre is a six-building development located on Regina's busy Victoria Avenue (Trans Canada Highway) retail strip and is shadow-anchored by a Home Depot. The first four one-story buildings were completed in 1998, a fifth in 1999 and the final building in 2003. Altogether the buildings comprise 44,319. ft. of leasable space which is 99.7% occupied by national and regional tenants (Bank of Montreal, Kelsey's, A & W, Grainfields, Future Shop, Pitney Bowes).

East Landing Mall, *2525 Quance Street, Regina, SK*

East Landing Mall is a 40,937 sq. ft. two-building retail development built in 1996. The Mall is located at the south east corner of Quance and University Park Drive, which is one of the two best retail commercial districts in Regina. East Landing Mall is anchored by a stand-alone Pizza Hut Restaurant and the CRU building is anchored by a Blockbuster Video. The mall is 80.4% occupied.

East Landing Plaza, *2525 Quance Street, Regina, SK*

East Landing Plaza is a 25,061 sq. ft. two-building retail development built in 1997. The centre is located one block from Victoria Avenue (the Trans Canada) at the corner of Quance and University Park Drive, which is one of the two best retail commercial districts in Regina. The plaza is 94.0% occupied by a combination of local (medical clinic), regional (Joey's Only Seafood) and national (Edward Jones, Extreme Pita, Fabutan) tenancies.

Edgemont Mall, *34 Edgedale Drive N.W., Calgary, AB*

Edgemont Mall is a 100% occupied one-storey retail strip centre with 18,119 sq. ft. of leasable area. It was built in 1981 and is anchored by a Mac's Convenience Store and Manhattan's Pub and Sports Bar, with a combination of other local and regional tenancies in place. The Mall is situated on a highly visible corner site in Edgemont, which is a stable, mature primarily residential district with above-average income levels.

Fleet Street Crossing, *2220 Victoria Avenue East, Regina, SK*

Fleet Street Crossing is a three-building retail development with 37,736 sq. ft. of leasable space. The original building was constructed in 1976 and new construction and redevelopment occurred throughout 2000 and 2001. Fleet Street Crossing is highly visible from Victoria Avenue, a major arterial route with high traffic volume. The centre is 89.2% occupied, and has a high proportion of national and regional tenancies (Arby's, Domino's Pizza, Culligan of Canada, CitiFinancial, Farm Credit Canada, H&R Block, St. John's Music).

Gateway Power Centre, *111th Street and 105A Avenue, Grande Prairie, AB*

Gateway Power Centre is an open retail development with 61,272 sq. ft. of leasable area. The development is shadow anchored by a neighbouring London Drugs, Wal-Mart and Save-On Foods. The two buildings acquired include the 16,779 sq. ft. Peavey Mart building (constructed in 1999) and a 44,500 sq. ft. CRU (built in 1998). The CRU is 99.9% occupied with a variety of tenants including Canada Post, M & M Meats, and Subway, and is anchored by a Future Shop.

Keystone Village Mall, *1300 – 18th Street, Brandon, MB*

Keystone Village Mall is 21,470 sq. ft. one-storey retail strip centre located at the southwest corner of Queens Avenue and 18th Street in close proximity to other retail/commercial malls, hotels and restaurants. Brandon is Manitoba's second largest city and 18th Street is a major north/south thoroughfare. The building was constructed in 1988 and has since undergone fairly extensive modernization and renovation. Keystone Village is 100% occupied and includes a high proportion of national (Quiznos, M & M Meats, Warehouse One, Microplay) and regional (Manitoba Motor League, Wellington West Capital) tenancies.

McKnight Village Mall, *5220 Falsbridge Drive N.E., Calgary, AB*

McKnight Village is a multi-building retail centre with 85,553 sq. ft. of leasable area. It is located in close proximity to a stable, primarily residential Calgary neighborhood, accessible from both Falsbridge Drive and Falconridge Drive, and with excellent visibility from McKnight Boulevard. The buildings were constructed in two phases (phase I – 1988, phase II – 1995) and are currently 94.0% occupied. McKnight Village is anchored by a new format Shoppers Drug Mart; other key tenants include Blaskin and Lane Tire Centre, Royal Bank and Boston Pizza.

Royal Square, *15 Worobetz Place, Saskatoon, SK*

Royal Square is a single storey retail strip centre located in the district known as the Confederation Suburban Centre. Royal Square is shadow-anchored by the Confederation Mall, Wal-Mart, Canadian Tire and SuperValue. Royal Square has 41,097 square feet of leasable space and is 91.1% occupied. The centre was built in 1982 and has 12 units, including the Royal Bank, a Joey's Only Seafood Restaurant and a medical clinic.

Sears Centre, *12429 – 99th Street, Grande Prairie, AB*

The Sears Centre is a 131,791 sq. ft. retail centre built in 1994 and anchored by Sears Canada Inc. It is a highly visible shopping centre adjacent to a Superstore and the Prairie Mall in Grande Prairie, Alberta. Grande Prairie is a thriving Alberta community serving a population of over 200,000 and growing. The centre is 95.4% occupied by Sears Canada Inc. plus a variety of other national (Harley Davidson, Don Cherry's/Smitty's) and local tenants. The site also has additional room available for future expansion.

Shoppers Landmark Centre, *4150 Albert Street, Regina, SK*

Shoppers Landmark Centre is a retail shopping centre with 48,708 sq. ft. of leasable area. The centre was built in 2003 and is a highly visible development in Regina's major commercial district. Landmark Centre is anchored by a new format Shoppers Drug Mart and other high-profile tenants include the Bank of Nova Scotia and Quiznos. The centre is 98.0% occupied.

Southview Centre, *3201 – 13th Ave. S.W., Medicine Hat, AB*

Southview Centre is a Power Centre with 165,250 sq. ft. of leasable space. It was built in 1973 and substantially re-developed in 2000. It is 90.8% occupied by tenants including The Brick, London Drugs, Winners, Jysk, Michaels, Reitmans, Tim Horton's and the TD Bank. Southview Centre is located in the major retail sector of Medicine Hat, one of southern Alberta's fastest growing cities.

Strathcona Shoppers Centre, 2202 Broad Street, Regina, SK

Strathcona Shoppers Centre is a new one-storey retail building constructed in 2004 with 21,910 sq. ft. of leasable space. Broad Street is one of Regina's main traffic arterials and the centre is located close to the hospital and established residential neighbourhoods. The Strathcona Centre is anchored by Shoppers Drug Mart on an attractive long-term lease and is 100% occupied.

Sunridge Home Outfitters Centre, *3333 Sunridge Way, Calgary, AB*

Sunridge Home Outfitters was built in 2000 and is anchored by Home Outfitters, a division of the Hudson's Bay Company. The centre is a retail development in a "Power Centre Node" within the Sunridge Retail Park located in the vicinity of 16th Avenue and 36th Street in northeast Calgary. The Property has 50,905 square feet of leasable space and is 100% occupied by two tenants. Home Outfitters occupies 39,939 sq. ft. (Hudson's Bay guarantees the lease) and the second tenant occupies 10,966 sq. ft., both on long-term leases with escalations every five years.

West Landing Mall, *570 University Park Drive, Regina, SK*

West Landing Mall is a retail strip mall constructed in 1998 with 39,024 sq. ft. of leasable space. The mall is located in one of the two best retail commercial districts in Regina, in close proximity to a Sobeys, Victoria Square Shopping Centre and a variety of other retail developments. West Landing is anchored by a Rogers' Video and the Conexus Credit Union and is 97.3% occupied. Other national tenancies include Sterling Shoes (Shoe Warehouse) and Mr. Big and Tall.

Description of Office Properties

Airways Business Park, *1935 – 32nd Avenue N.E., Calgary, AB*

Airways Business Park is a two-storey suburban office building built in 1979 with 62,801 sq. ft. of leasable space. It is located in the South Airways Industrial Park, which is a light-to-medium intensity commercial and suburban office development offering excellent access to major traffic arterials and residential communities. Main floor retail space is measured at 19,949 sq. ft. with the balance allocated to office tenancies. Airways Business Park is 91.7% occupied, with the largest tenant being the Business Development Bank of Canada.

Campana Building, *609 – 14th Street NW, Calgary, AB*

The Campana Street building is a six-storey class "B" professional office building originally constructed in 1982 with 49,063 sq. ft. of leasable area, plus an enclosed parkade. The building is located in the Kensington district, close to excellent retail and restaurant amenities. 14th Street N.W. is a high traffic arterial to the downtown Calgary commercial core. Campana is 90.7% occupied by a variety of local, regional, national and government tenants.

Centre 15 Building, *1509 Centre Street SW, Calgary, AB*

The Centre 15 Building is a seven-storey office building with 77,734 sq. ft. of leasable space. It was originally built in 1981with additional development in 1999. Centre 15 also boasts two floors of underground heated parking. The most significant tenant is Calgary Health Region who has 30,320 sq. ft. on a long-term lease. Centre 15 is 90.9% occupied.

Grain Exchange Building, *167 Lombard Avenue, Winnipeg, MB*

The Grain Exchange Building is a historic landmark in the City of Winnipeg. This ten storey office building boasts direct access to the Winnipeg commerce district's underground concourse system as well as close proximity to the Fairmont Hotel and the Exchange/Waterfront district which is undergoing significant redevelopment. Approximately 38% of the 258,568 sq. ft. of leasable area is on lease to government tenants and is currently 82.5% occupied. The Grain was originally constructed in 1906, and has undergone significant redevelopment and renovations, most recently in 2002.

Hamilton Building, *395 Main Street, Winnipeg, MB*

The Hamilton Building is a 66,194 sq. ft. Grade I Heritage Building located in the heart of downtown Winnipeg. It is 100% occupied by the City of Winnipeg on an attractive long-term lease with escalations. The building was originally constructed in 1918 and was completely redeveloped in 2001 for the existing tenant's use.

Hillhurst Building, *301 – 14th Street N.W., Calgary, AB*

The Hillhurst Building is a four-storey class “B” professional office building built in two phases (1966 and 1979) with 63,271 sq. ft. of leasable area, plus an enclosed parkade. The building is located on a highly visible corner site in the Kensington district, close to excellent retail and restaurant amenities. 14th Street N.W. is a high traffic arterial to the downtown Calgary commercial core. Hillhurst is 94.0% occupied, with the most significant tenant being the Alberta Ministry of Infrastructure.

Johnston Terminal, *25 Forks Market Road, Winnipeg, MB*

The Johnston Terminal is a 72,289 sq. ft. mixed office/retail use building located at the Historic Forks Site in the heart of Winnipeg. The Forks site is a popular visitor destination and public events site boasting green space with a river walk, museum, indoor market and parkade. The Johnston Terminal itself is a historic building constructed in 1929 and completely restored in 1993 for retail and office tenancies. Main floor and second floor tenants are retailers, including the Old Spaghetti Factory, Finn McCues and Cricklewood’s. The third and fourth floors (54% of leasable sq. ft.) are home to office tenants, such as the Government of Canada and the Teachers’ Retirement Allowance Fund.

Plainsman Building, *301 Victoria Street, Kamloops, B.C.*

The Plainsman Building is a four-storey professional office building built in 1999. The building has 35,252 sq. ft. of leasable area and is 100% occupied. It is located in the downtown commercial core of Kamloops and has heated underground parking facilities. Key tenants include TD Canada Trust, TD Evergreen, the B.C. Government (Single Point of Contact) and McDonald’s.

Willowglen Business Park, *Manning Road NE and Manning Close NE, Calgary, AB*

Willowglen Business Park is a multi-building suburban office development boasting ample parking and green space in a park-like setting. It is well-located in an established light industrial district and enjoys excellent visibility to Deerfoot Trail. The eleven Willowglen buildings were constructed in 1982 and together comprise 286,179 sq. ft. of leasable area. The property is 89.5% occupied, with the largest tenancies being the Calgary Board of Education, Columbia College, Hinz Automation, Total Care Pharmacy Ltd. and Alberta Public Works.

Xentel Building*, 417 – 14th Street NW, Calgary, AB*

The Xentel building is a four-storey professional office building originally constructed in 1981 with 15,839 sq. ft. of leasable area. The building is located in Calgary’s Kensington district, close to excellent retail and restaurant amenities. 14th Street N.W. is a highly trafficked arterial to the downtown Calgary commercial core. The building is 100% occupied by Xentel DM Inc. (a publicly owned North American specialty marketing firm) on a long-term lease with escalations.

Mortgages

The following table lists the mortgages and particulars regarding the respective properties, the original mortgage amount, the balance of the debt as at December 31, 2005, the interest rate, and the expected balance of the debt at Maturity. As at December 31, 2004, the REIT owned one property with Mortgage debt outstanding of $5,624,575. To the knowledge of the REIT, as at December 31, 2005 all the mortgages are in good standing.

Retail Properties

Property	Original Mortgage (at date of acquisition or refinancing)	Balance Outstanding December 31, 2005	Maturity Date	Interest Rate (%)	Balance at Maturity
Albert Street Mall	$2,160,000	$2,160,000	January 1, 2013	5.08%	$1,797,203
Canarama Mall	6,654,755	6,606,164	March 1, 2010	5.45%	5,671,850
Capital City Centre	5,760,000	5,688,919	April 1, 2015	5.74%	4,352,994
East Landing Mall	4,550,000	4,550,000	January 1, 2013	5.08%	3,785,775
East Landing Plaza	2,694,450	2,694,450	January 1, 2013	5.08%	2,241,886
Edgemont Mall(1)	3,000,000	2,982,108	July 1, 2015	5.17%	2,101,567
Fleet Street Crossing	3,675,000	3,675,000	January 1, 2013	5.08%	3,057,741
Gateway Power Centre	5,257,771	5,244,687	June 15, 2010	5.16%	4,448,725
Keystone Village Mall	2,230,000	2,230,000	January 1, 2013	5.08%	1,855,446
McKnight Village	15,000,000	14,975,278	September 1, 2015	5.18%	11,217,264
Royal Square	1,826,000	1,821,561	November 1, 2010	5.06%	1,524,089
Sears Centre	5,132,050	5,101,867	December 15, 2006	6.00%	5,007,668
Shoppers Landmark	7,350,000	7,325,111	October 1, 2015	5.01%	5,425,820
Southview Centre	15,250,000	15,213,194	October 1, 2015	5.04%	12,400,131
Strathcona Shoppers	2,395,055	2,372,958	January 1, 2011	6.96%	1,830,308
Sunridge Home Outfitters	5,675,551	5,517,851	December 1, 2008	6.18%	5,155,818
West Landing Mall(2)	4,934,500	4,934,500	January 1, 2013	5.08%	4,105,694
Total	**$93,545,132**	**$93,093,649**			**$75,979,977**

(1) On January 12, 2006, Edgemont Mall was sold by Westfield. See " Recent Developments" below.

(2) Westfield University Park Ltd., which holds legal title to the West Landing Mall, has guaranteed the indebtedness of Westfield East Landing Development Ltd., which holds legal title to East Landing Mall, in an amount of up to $4,550,000. The guarantee is secured by a second collateral mortgage. This collateral mortgage does not increase Westfield's overall indebtedness.

Office Properties

Property	Original Mortgage (at date of acquisition or refinancing)	Balance Outstanding December 31, 2005	Maturity Date	Interest Rate (%)	Balance at Maturity
Airways Business Park	$4,750,000	$4,733,248	November 1, 2010	4.75%	$4,175,490
Campana Place	4,975,000	4,966,428	October 5, 2010	4.88%	4,405,463
Campana Place(1)	166,667	166,667	October 31, 2010	4.60%	146,296
Centre 15 Building	7,875,000	7,875,000	January 1, 2011	4.99%	6,969,089
Grain Exchange Building	6,662,500	6,640,505	November 2, 2006	5.38%(2)	6,490,560
Hamilton Building	9,940,000	9,940,000	February 1, 2016	5.11%	8,099,052
Hillhurst Building	6,185,000	6,174,343	October 5, 2010	4.88%	5,476,962
Hillhurst Building(1)	166,667	166,667	October 31, 2010	4.60%	146,296
Hillhurst Building	200,000	200,000	October 31, 2015	0.00%(3)	—
Johnston Terminal	7,840,000	7,840,000	December 2, 2006	5.13%(4)	7,636,103
Plainsman Building	4,420,666	4,413,016	December 15, 2007	5.50%	4,225,517
Willowglen	21,000,000	21,000,000	December 1, 2015	5.42%	15,767,768
Xentel Building	1,340,000	1,337,690	October 5, 2010	4.88%	1,186,554
Xentel Building(1)	166,666	166,666	October 31, 2010	4.60%	146,296
Total	**$75,688,166**	**$75,620,230**			**$64,871,446**

(1) This refers to one-third of a $500,000 mortgage registered against Campana Place, Hillhurst Building and Xentel Building.

(2) The interest rate on the mortgage relating to the Grain Exchange Building is floating at the prime rate plus 3/8%.

(3) Interest-free vendor take-back financing with principal repayments amortized over the ten-year term of the mortgage.

(4) The interest rate on the mortgage relating to the Johnston Terminal is floating at prime plus 1/8%. For further particulars related to the financing of this transaction, see "Recent Developments — Mortgage Financing and Repayment of $7,100,000 Non-Convertible Debenture" below.

Total Portfolio

	Original Mortgage (at date of acquisition or refinancing)	Balance Outstanding December 31, 2005	Balance at Maturity
Retail	$93,545,132	$93,093,649	$75,979,977
Office	75,688,166	75,620,230	64,871,446
Total	**$169,233,298**	**$168,713,879**	**$140,851,423**

The above listed mortgages have a weighted average interest rate of 5.24% and a weighted average term of 6.6 years. Mortgages having an expected maturity value of $22,632,141 will mature in the next twelve months and Westfield anticipates no difficulty in arranging replacement financing.

Debentures

As at December 31, 2005, Westfield had convertible debentures outstanding as follows:

1. a 1 year $875,000 7.25% convertible redeemable debenture maturity August 3, 2006. See “Summary of Capital Structure – Other Debentures”;

2. Series A Debentures in the aggregate principal amount of $15,000,000. See “Summary of Capital Structure – Series A Debentures”; and

3. Series B Debentures in the aggregate principal amount of $10,862,000. See “Summary of Capital Structure – Series B Debentures”.

RECENT DEVELOPMENTS

Acquisitions Completed in 2006

Westfield has acquired the following four additional properties since December 31, 2005: (i) Northwest Centre I & II; (ii) Southwood Mall; (iii) Circle 8 Mall; and (iv) Reenders Square. The purchase price for the four properties was an aggregate of approximately $69,430,000. In connection with the proposed acquisitions, Westfield also paid an aggregate of $1,430,859 in mortgage prepayment penalties. On a weighted average basis, the going-in capitalization rate for the four acquisitions was 7.81% (7.65% when factoring in mortgage pre-payment penalties).

2006 Completed Acquisitions

Property	Property Type	Location	GLA (sq ft)	Occupancy (as at April 1, 2006)	Year Built / Redeveloped
Northwest Centre	Office	Calgary, AB	77,553	99.9%	1981
Southwood Mall............	Retail	Calgary, AB	111,184	98.4%	1964/1993
Circle 8 Mall	Retail	Saskatoon, SK	77,010	98.4%	1990/1993
Reenders Square............	Retail	Winnipeg, MB	65,754	100.0%	1998
Total.............................			**331,501**	**99.1%**	

Northwest Centre I & II — Calgary, Alberta

Westfield acquired Northwest Centre I & II in Calgary, Alberta on February 28, 2006. Northwest Centre I & II is a suburban office complex located in northwest Calgary on 16th Avenue (TransCanada Highway) near the Calgary Regional Hospital and the University of Calgary. Northwest Centre I & II is comprised of two four-storey office buildings which are connected to a multilevel underground parkade. The total building area comprises 77,553 square feet of GLA and is 99.9% occupied. A substantial portion of the rental income is derived from two tenants, Komex International, an engineering and consulting firm (52.7% of the GLA) and the Calgary Health Region (30.7% of the GLA).

Southwood Mall — Calgary, Alberta

Westfield acquired Southwood Mall in Calgary, Alberta on March 31, 2006. Southwood Mall is a non-enclosed retail mall located in Calgary's affluent southwest district. Situated at the corner of Elbow Drive and Southland Drive S.W., Southwood Mall is located in the heart of a strong demographic area and has excellent visibility and ease of access. The mall is comprised of 111,184 square feet of GLA and is 98.4% occupied. Over 50% of the tenancies are “national”, including Fabricland, Rexall Drugs, the Province of Alberta, Pet Planet, Fabutan, Dollarland, Tim Horton's, Pizza Hut, the Bank of Montreal and Roger's Video. The two largest tenants in Southwood Mall are Sport Swap (13.2% of the GLA) and the Province of Albert (10.6% of the GLA).

Circle 8 Mall — Saskatoon, Saskatchewan

Westfield acquired Circle 8 Mall in Saskatoon, Saskatchewan on March 31, 2006. Circle 8 Mall is an unenclosed retail mall located at Circle Drive and 8th Street East in Saskatoon, Saskatchewan which Westfield considers to be a prime location. Circle 8 Mall is comprised of 77,010 square feet of GLA and is 98.4% occupied. Tenants of Circle 8 Mall include well known retail enterprises such as VHQ, Quizno's, Liquor Board of Saskatchewan, Reitman's, McNally Robinson Booksellers, Canadian Imperial Bank of Commerce, Citi Financial and Moxie's Restaurant and Bar, among others; 70% of the tenants are “national” in caliber. The two largest tenants are McNally Robinson (26.6% of the GLA) and the Liqour Board (16.7% of the GLA).

Reenders Square — Winnipeg, Manitoba

Westfield acquired Reenders Square in Winnipeg, Manitoba on March 31, 2006. Reenders Square is an anchored by a Sobeys/IGA (56% of the GLA) on a long-term lease to 2018 and is part of an overall "Power Centre Node" anchored by a large regional shopping centre known as Kildonan Place. Reenders Square is comprised of 65,754 square feet of GLA and is 100% leased. Over 80% of the tenancies are “national” in caliber, including Sobeys, Blockbuster, Vita Health, PetValu Canada, Rice Financial Group, Subway and Panago's Pizza, among others.

Other Recent Developments

Disposition of Edgemont Mall in Calgary, Alberta

On January 12, 2006, Westfield sold Edgemont Mall, a one-storey retail strip centre with 18,119 sq. ft. of leasable area for a sale price of $5,300,000. Westfield had acquired Edgemont Mall on September 30, 2005 for a purchase price of $4,240,000, plus closing costs.

Election of Additional Trustee

On January 28, 2006, Unitholders approved a resolution to increase the number of Trustees from six (6) to seven (7) and elected Andre Kuzmicki as an additional Trustee until the next annual meeting of Unitholders.

Consolidation of Units

On January 28, 2006, Unitholders approved a special resolution authorizing the Unit Consolidation, which was a consolidation of Units on a fifteen-for-one (15:1) basis, as more particularly described in Westfield's 2006 Special Meeting Circular. The Unit Consolidation was effected on February 1, 2006. In connection with the Unit Consolidation, the trading symbol of the Units was changed to "WFD.UN" and the trading symbol for the Series A Debentures was changed to "WFD.DB.A".

Approval to Convert to Open-End Trust and Additional Amendments to the Declaration of Trust

On January 28, 2006, Unitholders approved a special resolution authorizing the Trustees to amend the Declaration of Trust to convert Westfield from a closed-end trust to an open-end trust and to make additional amendments to the Declaration of Trust that the Trustees determine to be in the best interest of Westfield and not prejudicial to Unitholders. The implementation of the conversion to open-end trust status and the amendments to the Declaration of Trust is subject to Westfield obtaining a favourable advance tax ruling from Canada Revenue Agency and the final approval of the Trustees. An application for an advance income tax ruling was filed with Canada Revenue Agency on March 20, 2006.

TGS North American Real Estate Investment Trust

On February 6, 2006, TGS North American Real Estate Investment Trust announced that it was commencing a process to solicit bid proposals for its acquisition or merger. Westfield is participating in the bidding process. There can be no assurance that Westfield will be the successful bidder or, even if Westfield is the successful bidder, that the conditions of the closing of the acquisition proposal will be satisfied.

Unit Offering

On March 8, 2006, Westfield sold 3,572,000 Units at a price of $14.00 per Unit in each province of Canada (except Quebec) by way of a final short form prospectus dated February 27, 2006. On March 30, 2006, Westfield sold an additional 290,000 Units at price of $14.00 per Unit pursuant to the partial exercise of the over-allotment option granted to the Underwriters.

TSX Listing

On April 17, 2006, Westfield graduated from the TSXV to the TSX and the Units, Series A Debentures and Series B Debentures were listed and posted for trading on the TSX effective on such date. In connection with the listing of the foregoing securities on the TSX, the securities were delisted from the TSXV.

Convertible Debenture Offering

On April 13, 2006, Westfield announced that it has entered into an agreement to sell an aggregate of $30 million of 6.25% Series C Convertible Redeemable Debentures to a syndicate of underwriters, including Canaccord Capital Corporation, CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., Bieber Securities Inc., and Westwind Partners Inc. on a bought deal basis. The proceeds of the offering will be used to fund further acquisitions and for working capital purposes. The offering is expected to close on or about May 2, 2006.

RISK FACTORS

There are certain risks inherent in the activities of Westfield, including the risks described below.

Real Property Ownership

All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, supply and demand for leased premises, competition from other available premises and various other factors.

The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants and upon vacancy rates of Westfield's portfolio of income producing properties. Westfield’s financial performance would be adversely affected if a significant number of tenants were to become unable to meet their obligations under their leases. Upon the expiry of any lease, there can be no assurance that the lease will be renewed on favourable terms to Westfield or at all and no guarantee that the tenant can be replaced. The terms of any subsequent leases may be less favourable to Westfield than the existing leases. In the event of default by a tenant, delays or limitations in enforcing rights as lessor may be experienced and costs incurred in protecting Westfield's investment may be incurred. Furthermore, at any time, a tenant of any of Westfield’s property or properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant’s lease and thereby adversely affect the financial performance of Westfield.

Certain expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the real property is producing any income. If Westfield is unable to make mortgage payments on any property losses could be sustained as a result of the mortgagee's excise of its right of foreclosure and sale.

Illiquidity 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 Westfield’s ability to vary its portfolio promptly in response to changing economic or investment conditions. If Westfield were required to liquidate its real property investments the proceeds to Westfield may be significantly less than the aggregate carrying value of its properties.

Debt Financing

Westfield will be subject to the risks associated with debt financing. Westfield will consider structuring the timing of the renewal of significant tenant leases on properties in relation to the time at which mortgage indebtedness on such property becomes due for refinancing. There can be no assurance that Westfield will be able to refinance its existing indebtedness on terms that are as or more favourable to Westfield as the terms of existing indebtedness.

Competition

The real estate business is very competitive. Numerous other developers, managers and owners of office, industrial and retail properties compete with Westfield in seeking properties. The existence of competing developers and owners could have an adverse effect on Westfield’s ability to acquire properties and on the rents charged or concessions granted. There can be no guarantee that additional properties will be available to Westfield on reasonable prices or at all.

Future Property Acquisition

Westfield's success depends in large part on identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively operating the properties it acquires. If Westfield is unable to manage its growth effectively, its business, operating results and financial condition could be adversely affected.

General Uninsured Losses

Westfield carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or under-insured loss occur, Westfield could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, but Westfield would continue to be obliged to repay any recourse mortgage indebtedness on such properties.

Interest Rate Fluctuations

Westfield's mortgage financings may include indebtedness with interest rates based on variable interest rates that result in fluctuations in Westfield's cost of borrowing. In the event that interest rates increase, Unitholders will be adversely affected.

Environmental Matters

As an owner of real property, Westfield will be subject to various federal, provincial and municipal laws relating to environmental matters. Such laws provide that Westfield could be liable for the costs of removal of certain hazardous substances and remediation of certain hazardous locations. The failure to remove or remediate such substances or locations, if any, could adversely affect Westfield’s ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against Westfield. Management is not aware of any material non-compliance with environmental laws with respect to its properties. Westfield is also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with its properties.

Land Leases

To the extent that the properties in which Westfield has or will have an interest are located on leased land, the land leases may be subject to periodic rate resets which may fluctuate and may result in significant rental rate adjustments. As at December 31, 2005, only one of Westfield 27 properties is on leased land and the land lease has been fully paid.

Public Market Risk

The price for the Units or other listed securities of Westfield could be subject to wide fluctuations in response to variations in operating results, the gain or loss of significant properties, market conditions in the industry, as well as general economic conditions or other risk factors set out herein. It is not possible to predict the price at which Units or other listed securities will trade and there can be no assurance that an active trading market for the Units or other listed securities will be sustained. In the event that the TSX determines that there is not a sufficient market for a listed security, such security may be delisted. The Units and other listed securities will not necessarily trade at values determined solely by reference to the value of the property or properties of Westfield. Accordingly, the Units may trade at a premium or at a discount to values implied by the value of the properties of Westfield. The market price for the Units or other listed securities may be affected by factors beyond the control of Westfield.

Market Price of Units

One of the factors that may influence the market price of the Units is the annual yield thereon. Accordingly, an increase in market interest rates may lead purchasers of Units to expect a higher annual yield, which could adversely affect the market price of the Units. In addition, the market price for the Units may be affected by changes in general market conditions, fluctuations in the market for equity securities, short-term supply and demand factors for real estate investment trusts and numerous other factors beyond the control of Westfield.

Tax Related Risk Factors

There can be no assurance that Canadian federal income tax laws (or the judicial interpretation thereof or the administrative and/or assessing practices of Canada Revenue Agency) respecting the treatment of mutual fund trusts will not be changed in a manner which adversely affects Westfield or the holder of Units. If Westfield ceases to qualify as a mutual fund trusts under the Tax Act, the income tax consideration for Unitholders would be materially and adversely different in certain respects, including that Units may cease to be qualified investments for deferred income plans. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

Proposed Conversion to Open-end Status

On January 28, 2006, Unitholders passed a special resolution authorizing the Trustees to amend the Declaration of Trust to convert Westfield from a closed end trust to an open end trust. The Trustees will proceed with the proposed conversion to open-end status only if Westfield obtains an advance tax ruling from the Canada Revenue Agency confirming that the addition of the proposed redemption features will not result in a disposition by existing Unitholders of their Units.

In the event that Westfield converts to an open-end trust and a Unitholder exercises the redemption feature attached to the Units, the Unitholder will receive unsecured subordinated promissory notes of Westfield or a subsidiary of Westfield. There will be no market on which to trade such promissory notes and, as a result, it may not be possible for the holder to sell or dispose of such promissory notes.

Unitholder Liability

On June 16, 2005, *The Investment Trust Unitholders' Protection Act* (Manitoba) came into force. This legislation creates a statutory limitation on the liability of beneficiaries of Manitoba income trusts such as Westfield. The legislation provides that a Unitholder will not be, as a beneficiary, liable for any act, default, obligation, or liability of Westfield. Further, the Declaration of Trust provides that no Unitholder or annuitant under a plan of which a Unitholder acts as trustee or carrier (an "annuitant") will be held to have any personal liability as such, and that no resort shall be had to the private property of any Unitholder or annuitant for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of Westfield or its Trustees.

Notwithstanding the Declaration of Trust, Unitholders may not be protected from liabilities of Westfield to the same extent as a shareholder of a corporation is protected from the liabilities of the corporation. There is the possibility that personal liability may also arise in respect of claims against Westfield (to the extent that not satisfied by Westfield) that do not arise out of contract, including claims in tort, claims for taxes and possibly certain other statutory liabilities.

Potential Conflicts of Interest

There are potential conflicts of interest to which the Trustees and the directors and officers of Westfield and Marwest are, and will continue to be, subject to in connection with the current operations and the future ongoing operations of Westfield.

Both Armin Martens, President and Chief Executive Officer of Westfield, and Cornelius Martens, Vice-President of Westfield, are directors and senior officers of Marwest and various other companies affiliated with Marwest. Armin Martens and Cornelius Martens and related parties also own and control Marwest and its affiliates. James Green, Chief Financial Officer of Westfield, is also the Chief Financial Officer of Marwest and certain of its affiliates. The individuals above serve as Trustees and/or senior officers of Westfield and are, through Marwest and its affiliates or other entities engaged in a wide range of real estate activities, including the development, acquisition, divestiture and management of real estate.

The Declaration of Trust does not restrict the Trustees or officers of Westfield from being engaged (directly or indirectly) in real estate and business transactions in which their individual interests actually, or are perceived to, conflict with the interests of Westfield. There can be no guarantee that the Trustees and officers of Westfield, in acting in a capacity other than as a Trustee or officer of Westfield, or Marwest, will act in the best interests of Westfield in connection with such other real estate activities.

Furthermore, where there are conflicts of interests involving the entering into of contracts by Westfield in which a trustee or officer has a direct or indirect interest, such conflicts of interest will be resolved by procedures and remedies similar to those provided under the *Canada Business Corporations Act*. Armin Martens, Cornelius Martens and James Green have disclosed in writing their respective interests in Marwest and the contracts entered into between Westfield and Marwest and did not and will not vote on any decision which would be viewed as a conflict of interest.

Relationship with Marwest

The financial performance of Westfield will depend in part on the performance of Marwest in its capacity as asset manager and property manager.

Availability of Cash Flow

Distributable Income may exceed actual cash available to Westfield from time to time because of items such as principal repayments, tenant allowances, leasing commissions and capital expenditures and, if and when Westfield converts to an open-end real estate investment trust, redemptions of Units. Westfield may be required to use part of its debt capacity or reduce distributions to Unitholders in order to accommodate such items.

Fluctuations in Cash Distributions

Although Westfield currently distributes monthly cash distributions to Unitholders equal to $1.05 per Unit on an annualized basis, the actual amount of cash distributed in respect of Units will depend on numerous factors, including the amount of principal repayments, tenant allowances, leasing commissions, capital expenditures and other factors that may be beyond the control of Westfield. Westfield may modify or suspend distributions at any time.

Legal Rights attaching to Units

Securities such as the Units share certain, although not all, attributes common to shares of a corporation. Unitholders will not have all of the statutory rights normally associated with the ownership of shares in a corporation including, for example, the right to bring “oppression” or “derivative” actions against Westfield. The Units are not “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. Furthermore, Westfield will not be a trust company and, accordingly, will not be registered under any trust and loan company legislation as it will not carry on the business of a trust company.

Failure to Obtain Additional Financing

Westfield will likely require additional financing in order to grow and expand its operations. It is possible that such financing will not be available or, if it is available, will not be available on favourable terms. In addition, upon the expiry of the term of financing or refinancing of any particular property owned by Westfield, refinancing may not be available in amounts required or may be available only on terms less favourable to Westfield than existing financing. Future financing may take many forms, including debt or equity financing, which could alter the debt-to-equity ratio or which could be dilutive to Unitholders.

Dilution

The number of Units that Westfield is authorized to issue an unlimited number of Units. Any issuance of Units to a particular Unitholder will have a dilutive effect on such Unitholder.

Reliance on Key Personnel

The success of Westfield is highly dependent on the services of Armin Martens, Cornelius Martens and James Green. The loss of the services of any of these individuals may have an adverse effect on Westfield.

Changes in Legislation

There can be no assurance that income tax laws will not be changed in a manner that will adversely affect Westfield or its Unitholders.

Trustees & Management

The Trustees will not devote their full time and attention to the affairs of Westfield. In addition, Marwest has the ability to appoint members to the board of Trustees and certain committees of the board that are disproportionate to their relative percentage ownership. Management personnel are not required to devote their full time and attention to the affairs of Westfield.

SUMMARY OF DECLARATION OF TRUST

The following is a brief summary of certain provisions of the Declaration of Trust of Westfield as at December 31, 2005. The summary below is not complete and, for full particulars, reference should be made to the Declaration of Trust. For potential amendments to the Declaration of Trust which have been approved by Unitholders, see Westfield's 2006 Special Meeting Circular.

Units

The beneficial interests in Westfield shall be divided into interests of one class and of equal value, referred to as Units, which shall, without preference or priority, be entitled to the rights and subject to the limitations, restrictions and conditions set out in the Declaration of Trust. The number of Units which Westfield may issue is unlimited. Units will be issued in registered form and will be transferable, subject to terms and conditions of the Declaration of Trust.

Each Unit represents an equal interest in Westfield with all other outstanding Units. All Units outstanding from time to time participate *pro rata* in any distribution by Westfield and, in the event of termination of Westfield, in the net assets of Westfield remaining after satisfaction of all liabilities. No Unit has any preference or priority over any other.

No Units shall be issued other than as fully paid and non-assessable. There are no pre-emptive rights attaching to the Units.

Legal Ownership of Assets of Westfield

The legal ownership of the assets of Westfield and the right to deal with the assets of Westfield are vested exclusively in the Trustees, subject to the provisions of the Declaration of Trust, and the Unitholders shall have no interest therein other than the beneficial interest in Westfield conferred by their Units issued hereunder and shall have no right to compel any partition, division, dividend or distribution of Westfield or any of the assets of Westfield. The Units shall be personal property and shall confer upon the holders thereof only the interest and rights specifically set forth in the Declaration of Trust. No Unitholder has or is deemed to have any right of ownership in any of the assets of Westfield.

Meetings of Unitholders

The Declaration of Trust provides that meetings of Unitholders must be called and held for the election or removal of Trustees (other than the Marwest Appointees) the appointment or removal of the auditors of Westfield, the approval of amendments to the Declaration of Trust (except as described below under "*Amendments to Declaration of Trust*"), the sale or transfer of the all or substantially all of the assets of Westfield (other than as part of an internal reorganization of the assets of Westfield as approved by the Trustees) and the termination of Westfield. Meetings of Unitholders will be called and held annually for the election of the Trustees and the appointment of auditors of Westfield.

A meeting of Unitholders may be convened at any time and for any purpose by the Trustees and must be convened for the purposes set forth in the Declaration of Trust if requisitioned by the holders of not less than 5% of the Units then outstanding by a written requisition, except in certain circumstances. A requisition must state in reasonable detail the business proposed to be transacted at the meeting. Unitholders have the right to obtain a list of Unitholders to the same extent and upon the same conditions as those which apply to shareholders of a corporation governed by the *Canada Business Corporations Act*.

Purchases of Units

Westfield may from time to time purchase Units in accordance with applicable securities legislation and the rules prescribed under applicable stock exchange or regulatory policies. Any such purchases will constitute an “issuer bid” under Canadian provincial securities legislation and must be conducted in accordance with the applicable requirements thereof. A Unitholder does not have the right at any time to require Westfield to purchase such Unitholder’s Units.

Take-Over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid is made for Units within the meaning of *The Securities Act* (Manitoba) and not less than 90% of the Units (other than Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units held by Unitholders who did not accept the offer either, at the election of such Unitholders, on the terms offered by the offeror or at the fair value of such Unitholders’ Units determined in accordance with the procedures set out in the Declaration of Trust.

Issuance of Units

Westfield may issue new Units from time to time. In addition, new Units may be issued for cash through public offerings, through rights offerings to existing Unitholders (i.e., in which Unitholders receive rights to subscribe for new Units in proportion to their existing holdings of the Units, which rights may be exercised or sold to other investors) or through private placements (i.e., offerings to specific investors which are not made generally available to the public or existing Unitholders). In certain instances, Westfield may issue new Units as consideration for the acquisition of new properties or assets. The price or the value of the consideration for which Units may be issued will be determined by the Trustees, generally in consultation with investment dealers or brokers who may act as underwriters or agents in connection with offerings of Units. No new Units issued will provide the holder thereof with enhanced voting or other enhanced rights.

Limitation on Non-Resident Ownership

At no time may non-residents of Canada (within the meaning of the Tax Act) be the beneficial owners of more than 49% of the Units and the Trustees shall inform the transfer agent and registrar of this restriction. At the request of Westfield, the transfer agent and registrar may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Trustees become aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 49% of the Units then outstanding are, or may be, non-residents or that such a situation is imminent, the Trustees may direct the transfer agent and registrar to make a public announcement thereof and direct the transfer agent and registrar not to accept a subscription for Units from or issue or register a transfer of Units to a person unless the person provides a declaration that the person is not a non-resident of Canada (within the meaning of the Tax Act). If, notwithstanding the foregoing, the Trustees determine based on the declarations so received that more than 49% of the Units are held by non-residents, the transfer agent and registrar may, on direction from the Trustees, send a notice to non-resident holders of such Units, chosen in inverse order to the order of registration or in such manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not more than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the transfer agent and registrar with satisfactory evidence that they are not non-residents within such period, the transfer agent and registrar shall notify the Trustees who may on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be Unitholders and their rights shall be limited to receiving the net proceeds of sale upon surrender of the certificate representing such Units.

Information and Reports

Westfield will furnish to Unitholders such financial information and reports as are from time to time required by applicable securities laws, including prescribed forms needed for the completion of Unitholders' tax returns under the Tax Act and equivalent provincial legislation.

Amendments to Declaration of Trust

The Declaration of Trust may be amended or altered from time to time. Certain amendments (including termination of Westfield) require approval by at least two-thirds of the votes cast at a meeting of Unitholders called for such purpose. Other amendments to the Declaration of Trust require approval by a majority of the votes cast at a meeting of the Unitholders called for such purpose.

The following amendments require the approval of two-thirds of the votes cast by all Unitholders at a meeting:

(a) an exchange, reclassification or cancellation of all or part of the Units;

(b) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the Units and, including, without limiting the generality of the foregoing,

  (i) the removal or change of rights to distributions (but not a change to the specific amount of a distribution);
  (ii) the addition or removal of or change to conversion privileges, options, voting, transfer or pre-emptive rights; or
  (iii) the reduction or removal of a distribution preference or liquidation preference;

(c) the creation of new rights or privileges attaching to certain of the Units;

(d) the constraint of the issue, transfer or ownership of the Units or the change or removal of such constraint; and

(e) the amendment of the investment guidelines set out under "Investment Guidelines and Operating Policies - Investment Guidelines" and the operating policies set out at paragraphs (b), (d), (e), (f), (g) and (h) under "Investment Guidelines and Operating Policies".

The Trustees may, without the approval of the Unitholders, make certain amendments to the Declaration of Trust, including amendments:

(a) aimed at ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over (i) the Trustees or over Westfield, (ii) the status of Westfield as a "mutual fund trust" under the Tax Act and, if the Trustees so decide, a "registered investment" under the Tax Act or (iii) the distribution of Units,

(b) which, in the opinion of the Trustees, provide additional protection for the Unitholders,

(c) to remove any conflicts or inconsistencies between public disclosure and the Declaration of Trust or to make minor corrections which are, in the opinion of Trustees, necessary or desirable and not prejudicial to the Unitholders,

(d) which, in the opinion of the Trustees, are necessary or desirable as a result of changes in taxation laws,

(e) which, in the opinion of the Trustees, are necessary or desirable in order to permit distributions to be paid through the issuance of Units rather than in cash, and

(f) for any purpose (except one in respect of which a Unitholder vote is specifically otherwise required) if the Trustees are of the opinion that the amendment is not prejudicial to Unitholders and is necessary or desirable.

Term of Westfield and Sale of Substantially All Assets

Westfield has been established for an indefinite term. Pursuant to the Declaration of Trust, termination of Westfield or the sale or transfer of the assets of Westfield as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of Westfield as approved by the Trustees) requires approval by at least two-thirds of the votes cast at a meeting of the Unitholders.

Conflict of Interest Restrictions and Provisions

The Declaration of Trust contains "conflict of interest" provisions that serve to protect Unitholders without creating undue limitations on Westfield. As the Trustees may be engaged in a wide range of real estate and other activities, the Declaration of Trust contains provisions, similar to those contained in the *Canada Business Corporations Act* that require each Trustee to disclose to Westfield any interest in a material contract or transaction or proposed material contract or transaction with Westfield (including a contract or transaction involving the making or disposition of any investment in real property or a joint venture arrangement) or the fact that such person is a director or officer of or otherwise has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with Westfield. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. If a material contract or transaction or proposed material contract or transaction is one that in the ordinary course would not require approval by the Trustees, a Trustee is required to disclose in writing to Westfield or request to have entered into the minutes of meetings of Trustees the nature and extent of his interest forthwith after the Trustee becomes aware of the contract or transaction or proposed contract or transaction. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one for indemnity under the provisions of the Declaration of Trust or liability insurance.

The Declaration of Trust further provides that Marwest and its affiliates and their respective directors, officers and employees, may, from time to time, be engaged, for their own account or on behalf of others (including without limitation as trustee, administrator or manager of other trusts or portfolios) in real estate investment and other activities identical or similar to or competitive with the activities of the Trust or of Marwest and its affiliates in connection with the Trust. The Declaration of Trust provides that neither Marwest nor any of its affiliates (nor their respective directors, officers and employees) shall incur or be under any liability to the Trust, any Unitholder or any annuitant for, by reason of, or as a result of any such engagement or competition or the manner in which they may resolve any conflict of interest or duty arising therefrom.

INVESTMENT GUIDELINES AND OPERATING POLICIES

Investment Guidelines

The Declaration of Trust provides for certain guidelines on investments which may be made by Westfield. The assets of Westfield may be invested only in accordance with the following guidelines (unless approved by a majority of the Trustees (including a majority of the Independent Trustees):

(a) Westfield may invest in interests (including fee ownership and leasehold interests) in income-producing real property in Canada and the United States;

(b) Westfield will not make any investment, take any action or omit to take any action that would result in:

  (i) Units not being units of a "mutual fund trust" within the meaning of the Tax Act;

  (ii) Units being disqualified as a "qualified investment" for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans or registered education savings plans;

  (iii) Westfield being liable under the Tax Act to Tax Act; or

  (iv) Units being foreign property for the purpose of the Tax Act;

(c) Westfield may invest in a joint venture arrangement only if:

(i) the arrangement is one pursuant to which Westfield holds an interest in real property jointly or in common with others ("joint venturers") either directly or through the ownership of securities of a corporation or other entity (a "joint venture entity") as co-owners and not as partners;

(ii) Westfield's interest in the joint venture arrangement is not subject to any restriction on transfer other than a right of first offer or right of first refusal, if any, in favour of the joint venturers;

(iii) Westfield has a right of first offer or right of first refusal to buy the interests of the other joint venturers; and

(iv) the joint venture arrangement provides an appropriate buy-sell mechanism to enable a joint venturer to purchase the other joint venturers' interests or to sell its interest;

provided that, notwithstanding the foregoing, Westfield may from time to time enter into any joint venture arrangement which does not comply with any of subparagraphs (c) (ii), (iii) or (iv) above if the Trustees determine that the investment is desirable for Westfield and is otherwise in compliance with the investment restrictions, the investment guidelines and the operating policies established in accordance with the Declaration of Trust and in effect at such time;

(d) Westfield will not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term "hedging" will have the meaning ascribed thereto by National Instrument 81-102 adopted by the Canadian Securities Administrators, as amended from time to time;

(e) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province or of Canada, short-term government debt securities, receivables under installment receipt agreements or money market instruments of, or guaranteed by, a Schedule I Canadian bank maturing within one year from the date of issue or except as permitted pursuant to the investment guidelines set forth in the Declaration of Trust, Westfield may not hold securities of another issuer unless either (i) such securities derive their value, directly or indirectly, principally from real property, or (ii) the principal business of Westfield of the securities is the ownership or operation, directly or indirectly, of real property (in each case as determined by the Trustees) and provided that nothing herein shall restrict Westfield from holding the securities of wholly-owned subsidiaries which hold legal title to its properties as bare trustee;

(f) Westfield will not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;

(g) Westfield will not invest in operating businesses unless such investment is incidental to a transaction: (i) where revenue will be derived, directly or indirectly, principally from real property, or (ii) which principally involves the ownership, maintenance, improvement, leasing or management, directly or indirectly, of real property (in each case as determined by the Trustees);

(h) Westfield will not acquire interests in general partnerships or limited partnerships provided that Westfield may invest in a limited partnership if:

(i) the limited partnership is formed and operated solely for the purpose of acquiring, owning, maintaining, improving, leasing or managing a particular real property or properties or interests therein;

(ii) Westfield's interest in the limited partnership is not subject to any restriction on transfer other than a right of first offer or right of first refusal, if any, in favour of any other partner or any affiliate thereof;

(iii) Westfield has a right of first offer or right of first refusal to buy the interests of the other partners; and

(iv) Westfield has received a legal opinion to the effect that the investment (a) would not result in Westfield or any registered retirement savings plan, registered retirement income fund or deferred profit sharing plan being liable under the Tax Act to pay tax imposed as a result of holdings by Westfield of foreign property as defined in the Tax Act, (b) would not disqualify Westfield as a "mutual fund trust" within the meaning of the Tax Act, and (c) would not result in Westfield losing any status under the Tax Act that is otherwise beneficial to Westfield and its Unitholders;

provided that, notwithstanding the foregoing, Westfield may from time to time enter into any limited partnership arrangement which does not comply with any of subparagraphs (h) (ii) or (iii) above if the Trustees determine that the investment is desirable for Westfield and is otherwise in compliance with the investment restrictions, the investment guidelines and the operating policies established in accordance with the Declaration of Trust and in effect at such time;

(i) Westfield may invest in raw land for development or other development projects for the purpose of (i) renovating or expanding existing facilities; or (ii) developing new facilities which will, upon completion, be income-producing. In furtherance of subparagraph (ii), without limiting the generality of paragraph (e) and notwithstanding the provisions of paragraphs (j) and (k) below, Westfield may invest in mortgages (including participating or convertible mortgages): (A) granted by an entity, directly or indirectly, wholly owned by Westfield or by Westfield with a joint venturer; (B) granted by a joint venturer; or (C) provided that Westfield has an option or a right to acquire an interest in the project or an entity which owns any such development project, in each case secured against the real property underlying any such development project and may continue to hold such mortgages following completion of the project;

(j) notwithstanding the provisions of paragraph (i) above and (k) below, Westfield may invest in mortgages and mortgage bonds (including, with the consent of a majority of the Trustees, a participating or convertible mortgage) where: (i) the security therefor is income-producing real property which otherwise meets the general investment guidelines of Westfield adopted by the Trustees from time to time in accordance with the Declaration of Trust and the restrictions set out therein; and (ii) the mortgage is registered on title to the real property which is security therefor;

(k) notwithstanding paragraphs (i) and (j) above, Westfield may invest in mortgages if Westfield intends to use the acquisition of the mortgages as a method of acquiring control of an income-producing real property which would otherwise meet the investment guidelines of Westfield;

(l) Westfield may not invest in or acquire securities of a Canadian real estate investment trust unless:

(i) the activities of the real estate investment trust are focused on acquiring, holding, maintaining, improving, leasing or managing primarily income-producing real properties; and

(ii) in the case of any proposed investment or acquisition which would result in Westfield owning beneficially more than 10% of the outstanding units of such real estate investment trust (the "acquired trust"), the investment is made for the purpose of subsequently effecting the merger or combination of the operations and assets of Westfield and the acquired trust or for otherwise ensuring that Westfield will control the business and operations of the acquired trust.

For the purpose of the foregoing guidelines (other than paragraph (b)), the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by Westfield will be deemed to be those of Westfield on a proportionate consolidation basis. In addition, any references in the foregoing to investments in real property will be deemed to include an investment in a joint venture arrangement.

Operating Policies

The Declaration of Trust provides that the operations and affairs of Westfield will be conducted in accordance with the following policies (unless otherwise agreed to by the Independent Trustees):

(a) (i) any written instrument creating an obligation which is or includes the granting by Westfield of a mortgage, or

(ii) to the extent that the Trustees determine to be practicable and consistent with their fiduciary duty to act in the best interests of the Unitholders, any written instrument which in the judgment of the Trustees is a material obligation;

must, so far as is commercially reasonable, in each case, contain a provision or be subject to an acknowledgement to the effect that the obligation being created is not personally binding upon, and that resort will not be had to, nor will recourse or satisfaction be sought from, the private property of any of the Trustees, Unitholders, annuitants under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of Westfield, but that only property of Westfield or a specific portion thereof will be bound; Westfield, however, is not required, subject to having, in the opinion of the Trustees, used all reasonable efforts to comply with this requirement;

(b) in addition to the provisions of paragraph (i) under the heading "Investment Guidelines and Operating Policies — Investment Guidelines", Westfield may engage in construction or development of real property in order to maintain its real properties in good repair or to enhance the income-producing potential of properties in which Westfield has an interest;

(c) title to each real property must be held by and registered in the name of Westfield, the Trustees, a Trustee for Westfield or in the name of a corporation or other entity wholly-owned, directly or indirectly, by Westfield or, directly or indirectly, by Westfield together with joint venturers;

(d) Westfield will not directly or indirectly guarantee any indebtedness or liabilities of any person unless such guarantee (i) is given in connection with or incidental to an investment that is otherwise permitted under the heading "Investment Guidelines and Operating Policies — Investment Guidelines" (which for greater certainty includes a guarantee of a mortgage granted to a bare trustee corporation), and (ii) has been approved by a majority of the Independent Trustees. In addition, Westfield will not directly or indirectly guarantee any indebtedness or liabilities of any person if doing so (A) would result in Westfield or any registered retirement savings plan, registered retirement income fund or deferred profit sharing plan being liable under the Tax Act to pay tax imposed as a result of holdings by Westfield of foreign property as defined in the Tax Act, (B) would disqualify Westfield as a "mutual fund trust" within the meaning of the Tax Act, or (C) would result in Westfield losing any status under the Tax Act that is otherwise beneficial to Westfield and its Unitholders;

(e) Westfield will obtain an independent appraisal, or otherwise satisfy itself of the value, of each property that it intends to acquire;

(f) Westfield will obtain and maintain at all times insurance coverage in respect of potential liabilities of Westfield and the accidental loss of value of the assets of Westfield from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties; and

(g) Westfield will obtain or review such environmental audits of each real property to be acquired by it to the satisfaction of the Trustees. All new leases granted by Westfield must contain appropriate covenants from the lessee respecting environmental matters as determined by the Trustees from time to time.

For the purpose of the foregoing policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by Westfield will be deemed to be those of Westfield on a proportionate consolidated basis. In addition, any references in the foregoing to investment in real property will be deemed to include an investment in a joint venture arrangement.

Amendments to Investment Guidelines and Operating Policies

Pursuant to the Declaration of Trust, all of the investment guidelines set out under the heading "Investment Guidelines and Operating Policies — Investment Guidelines" and the operating policies contained in subparagraphs (b), (d), (e), (f), (g) and (h) under the heading "Investment Guidelines and Operating Policies — Operating Policies" may be amended only with the approval of two-thirds of the votes cast by Unitholders of Westfield at a meeting of Unitholders called for such purpose. The remaining operating policies may be amended with the approval of a majority of the votes cast by Unitholders at a meeting called for such purpose.

DISTRIBUTIONS AND DISTRIBUTION POLICY

The following outlines the distribution policy of Westfield as contained in the Declaration of Trust and the current distribution policy of the Trustees. The distribution policy may be amended by the Trustees from time to time.

Current Distribution Policy

Westfield currently intends to make monthly cash distributions to Unitholders equal to $1.05 per Unit on an annualized basis (and after factoring in the Unit Consolidation), until the Trustees resolve otherwise.

Computation of Distributable Income for Distribution Purposes

Distributable Income means net income of Westfield determined in accordance with GAAP, subject to certain adjustments as set out in the Declaration of Trust, including adding back depreciation and amortization (excluding leasing costs) and excluding any gains or losses on the disposition of any asset. Interest expense on the Debentures for purposes of calculating Distributable Income is calculated on a cash basis, annualized over the reporting period. Distributable Income so calculated may reflect any other adjustments determined by the Trustees in their discretion and may be estimated whenever the actual amount has not been fully determined. Such estimates will be adjusted as of the subsequent Distribution Date when the amount of Distributable Income has been finally determined.

Distributions of Distributable Income and Net Realized Capital Gains

The following is a summary of the provisions of the Declaration of Trust relating to distributions.

Unitholders at the close of business on the last business day of a month (or other period selected by the Trustees) shall be entitled to receive any distribution of Distributable Income declared by the Trustees for such month (or other period). The distribution for any month (or other period) will be paid on or about the Distribution Date.

Notwithstanding the foregoing, the Trust shall distribute in each year an amount equal to not less than the greater of: (i) the percentage of Distributable Income for such year set down in a policy of the Trustees; and (ii) an amount of net income and net realized capital gains for such year as is necessary to ensure that the Trust will not be subject to tax on its net income and net capital gains under Part I of the Tax Act in accordance with the terms of the Declaration of Trust.

Notwithstanding the calculation of Distributable Income, the Trustees may make such distributions to Unitholders as they may determine in their sole discretion and any such distributions in excess of Distributable Income shall be made from the capital of the Trust and there shall be no restriction on the authority of the Trustees to make an encroachment on capital for such purposes.

On the last day of each taxation year of the Trust, an amount equal to the net income of the Trust for such taxation year, determined in accordance with the provisions of the Tax Act other than paragraph 82(1)(b) and subsection 104(6) thereof and excluding net realized capital gains, not previously made payable to Unitholders in such taxation year, less than amount of any non-capital losses as defined in the Tax Act of the Trust carried forward, shall be automatically payable to Unitholders at the close of business on such day.

On the last day of each taxation year of the Trust, an additional distribution equal to the net realized capital gains for the taxation year of the Trust not previously made payable to Unitholders in such taxation year shall be automatically payable to Unitholders at the close of business on such day except to the extent that:

(a) the distributions previously payable to Unitholders in such taxation year exceed the aggregate of (A) net income of the Trust for such taxation year, determined in accordance with the provisions of the Tax Act other than paragraph 82(1)(b) and subsection 104(6) thereof and excluding net realized capital gains, and (B) any net realized capital gains previously made payable to Unitholders in such taxation year (such excess is hereinafter referred to as the "Excess Distribution");

(b) net realized capital gains retained by the Trust would not be subject to tax in the Trust by reason of the deduction of the net loss of the Trust for such taxation year determined in accordance with the provisions of the Tax Act other than paragraph 82(1)(b) and subsection 104(6) thereof or the carry forward of "net capital losses" as defined in the Tax Act;

(c) net realized capital gains retained by the Trust would not be subject to tax in the Trust by reason of the carry forward of "non-capital losses" as defined in the Tax Act, provided that the Trustees exercise their discretion to so apply such loss carry forwards before the end of the Taxation Year; and

(d) net realized capital gains for such taxation year in respect of which the Trust is entitled to a capital gains refund under the Tax Act as determined by the Trustees in their sole discretion.

To the extent that an additional distribution of net realized capital gains is not made by reason of paragraph (a) above, the distributions of Distributable Income made pursuant to the preceding paragraph shall be deemed to have included payment of net realized capital gains equal to the lesser of the net realized capital gains for the taxation year and Excess Distributions.

Each year the Trust shall deduct such amounts as are paid or payable to Unitholders for the year as is necessary to ensure that the Trust is not liable for income tax under Part I of the Tax Act in the related taxation year.

The Trustees shall deduct or withhold from distributions payable to Unitholders all amounts required by law to be withheld from such distributions and the Trust shall remit such taxes to the appropriate governmental authority within the times prescribed by law. Unitholders who are non-residents of Canada will be required to pay all withholding taxes payable in respect of any distributions of income by the Trust.

In computing the net income of the Trust for income tax purposes for any year, except as the Trustees otherwise determine, the Trust shall claim the maximum amount of capital cost allowance and other discretionary deductions available to the Trust under the Tax Act.

Unless the Trustees otherwise determine, the (i) net income of the Trust for a taxation year of the Trust, determined in accordance with the provisions of the Tax Act other than paragraph 82(1)(b) and subsection 104(6), and (ii) net realized capital gains payable to Unitholders shall be allocated to the Unitholders for the purposes of the Tax Act in the same proportion as the total distributions made to Unitholders in such taxation year in accordance with the Declaration of Trust. The Trustees shall in each year make such other designations for tax purposes in respect of Distributable Income and other distributions that the Trustees consider to be reasonable in all of the circumstances.

Under the terms of the Series A Trust Indenture and the Series B Trust Indenture, Westfield is prohibited from paying any distributions on its Units if it is in default of its obligations to pay the principal and interest on the Series A Debentures or the Series B Debentures, respectively.

Distribution History

The following is a summary of the distributions made by Westfield since February 2005, the date on which Westfield made its first cash distribution, to the date hereof:

Distribution Record Date	Payment Date	Amount of Distribution per Unit (1)	Portion of Distribution per Unit Taxable as Income
January 31, 2005	February 15, 2005	$0.0033	nil
February 28, 2005	March 15, 2005	$0.0033	nil
March 31, 2005	April 15, 2005	$0.0033	nil
April 30, 2005	May 16, 2005	$0.0033	nil
May 31, 2005	June 15, 2005	$0.0033	nil
June 30, 2005	July 15, 2005	$0.0033	nil
July 31, 2005	August 15, 2005	$0.0033	nil
August 31, 2005	September 15, 2005	$0.00583	nil
September 30, 2005	October 14, 2005	$0.00583	nil
October 27, 2005	November 15, 2005	$0.00583	nil
November 30, 2005	December 16, 2005	$0.00583	nil
December 31, 2005	December 31, 2005	$0.00583	nil

(1) Based upon distributions made prior to the Unit Consolidation

DESCRIPTION OF CAPITAL STRUCTURE

Units

The beneficial interests in Westfield are divided into interests of one class and of equal value, referred to as Units. The rights, limitations, restrictions and conditions attaching to the Units are described in the Declaration of Trust. See "Summary of Declaration of Trust". The number of Units which Westfield may issue is unlimited. Units will be issued in registered form and will be transferable, subject to terms and conditions of the Declaration of Trust.

Each Unit represents an equal interest in Westfield with all other outstanding Units. All Units outstanding from time to time participate pro rata in any distribution by Westfield and, in the event of termination of Westfield, in the net assets of Westfield remaining after satisfaction of all liabilities. No Unit has any preference or priority over any other.

No Units shall be issued other than as fully paid and non-assessable. There are no pre-emptive rights attaching to the Units.

Series A Debentures

The Series A Debentures represent a direct debt unsecured obligation of Westfield which is governed by the Series A Trust Indenture. The principal terms of the Series A Debentures are as follows:

Principal Amount per Series A Debenture:	$10.00
Number of Series A Debentures outstanding:	1,500,000
Aggregate Principal Amount:	$15,000,000
Term:	5 Years, maturing on August 4, 2010
Interest Rate:	7.75% per annum
Frequency of Payment:	Semi-annually, not in advance
Conversion Privilege:	The Series A Debentures are convertible into Units at the option of the holder after the first anniversary of the issue of the Debentures at a price of $12.60 per Unit (post-Unit Consolidation).
Redemption Right:	The Series A Debentures are redeemable at the option of Westfield: (a) at any time after the second anniversary of the issue of the Debentures provided that the market price of the Units (calculated in accordance with the Series A Trust Indenture) exceeds 150% of the conversion price; and (b) at any time after the fourth anniversary of the issue of the Debentures provided that the market price of the Units (calculated in accordance with the Series A Trust Indenture) exceeds 125% of the conversion price.

Series B Debentures

The Series B Debentures represent a direct debt unsecured obligation of Westfield which is governed by the Series B Trust Indenture. The principal terms of the Series B Debentures are as follows:

Principal Amount per Series B Debenture:	$10.00
Number of Series B Debentures outstanding:	1,086,200
Aggregate Principal Amount:	$10,862,000
Term:	5 Years, maturing on November 9, 2010
Interest Rate:	7.50% per annum
Frequency of Payment:	Semi-annually, not in advance
Conversion Privilege:	The Series B Debentures are convertible into Units at the option of the holder after the second anniversary of the issue of the Debentures at a price of $13.50 per Unit (post-Unit Consolidation).
Redemption Right:	The Series B Debentures are redeemable at the option of Westfield: (a) at any time after the second anniversary of the issue of the Debentures provided that the market price of the Units (calculated in accordance with the Series B Trust Indenture) exceeds 150% of the conversion price; and (b) at any time after the fourth anniversary of the issue of the Debentures provided that the market price of the Units (calculated in accordance with the Series B Trust Indenture) exceeds 125% of the conversion price.

Other Debentures

Westfield issued two debentures to the lessor in connection with the exercise of its right to prepay the base rent under the headsublease for the Johnston Terminal Property in Winnipeg, Manitoba. Westfield issued a 1 year 7.25% convertible redeemable debenture in the principal amount of $875,000 maturing August 3, 2006. The debenture is convertible into Units at the option of the holder immediately prior to maturity at a price of $6.00 per Unit (post-Unit Consolidation). Westfield also issued a non-convertible $7,100,000 debenture bearing a variable interest rate of prime + 1/8%, which is to be repaid out of the proceeds of first mortgage financing to be arranged by Westfield with respect to the Johnston Terminal property. The $7,100,000 debenture was repaid in full upon the refinancing of the Johnston Terminal property.

Unit Option Plan

Westfield adopted the Unit Option Plan under which the Trustees may from time to time, and in accordance with TSX requirements, grant to Trustees, officers, investor relations consultants and technical consultants to Westfield, non-transferable options to purchase Units, provided that the number of Units reserved for issuance under options will not exceed 10% of the issued and outstanding Units, exercisable for a period of up to 5 years from the date of grant. The number of Units reserved for issuance under options to any individual Trustee or officer will not exceed five percent (5%) of the issued and outstanding Units and the number of Units reserved for issuance to all investor relations consultants and technical consultants will not exceed two percent (2%) of the issued and outstanding Units. Options may be exercised no later than 90 days following cessation of the optionee's position with Westfield, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

The Unit option plan provides that, for an investor relations consultant, no option shall be exercisable for a period exceeding twelve (12) months from the date the option is granted, with no more than ¼ of the options vesting in any three month period. Any option granted to an investor relations consultant expires 30 days after the date that such person ceases to carry on investor relations activities on behalf of Westfield.

On December 8, 2005, Westfield publicly disclosed that it will to restrict the number of Units reserved for issuance under options to five percent (5%) of the issued and outstanding Units, in aggregate. In connection with its listing of the Units, the Series A Debentures and the Series B Debentures on the TSX, Westfield represented to the TSX that it would only issue options to acquire up to 5% of the issued and outstanding Units from time to time.

MARKET FOR SECURITIES

Trading Price and Volume

Units

The table below sets out the high and low trading price (on a pre-Unit Consolidation basis) for the Units for the last completed financial year of Westfield.

Month	High ($)	Low ($)	Volume
January, 2005	0.40	0.40	25,000
February, 2005	0.44	0.36	36,200
March, 2005	0.43	0.36	134,400
April, 2005	0.44	0.40	40,000
May, 2005	0.42	0.395	89,500
June, 2005	0.65	0.40	137,928
July, 2005	0.75	0.59	70,800
August, 2005	0.87	0.70	324,000
September, 2005	1.20	0.75	311,500
October, 2005	1.20	0.80	288,883
November, 2005	0.85	0.78	104,850
December, 2005	0.80	0.75	275,000

Series A Debentures

The Series A Debentures were listed and posted for trading on the TSXV under the symbol “WRT.DB.A” effective December 20, 2005.

Series B Debentures

The Series B Debentures were listed and posted for trading on the TSXV effective April 10, 2006.

The Units, Series A Debentures and Series B Debentures were listed on the TSX effective April 17, 2006.

Prior Sales of Unlisted Securities

The following is a summary of the sales of securities of Westfield which, at the time of issuance, were not listed on a stock exchange:

- on August 4, 2005, Westfield sold 1,500,000 Series A Debentures at a price of $10.00 per Series A Debenture for aggregate proceeds to Westfield of $15,000,000. For details regarding terms of the Series A Debentures, see “Description of Capitalization – Series A Debentures”.

- on November 9, 2005, Westfield sold 1,086,200 Series B Debentures at a price of $10.00 per Series B Debenture for aggregate proceeds to Westfield of $10,862,000. For details regarding the terms of the Series B Debentures, see “Description of Capitalization – Series B Debentures”.

Westfield also issued the other debentures described under "Description of Capitalization – Other Debentures" in connection with a transaction involving the Johnston Terminal property.

ESCROWED SECURITIES

The table below sets forth the relevant particulars of the Units held in escrow as at December 31, 2005.

Designation of Class	Number of Units in Escrow	Percentage of Class
Units	450,000	<0.5%

CIBC Mellon Trust Company (in such capacity, the "Escrow Agent") is the escrow agent under the Escrow Agreement, pursuant to which all Units received in exchange for escrowed seed shares of Westfield Properties Ltd. were subject to escrow. 150,000 Units are scheduled to be released from escrow on each of the following dates: June 4, 2006, Dec 4, 2006 and June 4, 2007.

TRUSTEES AND OFFICERS

Trustees

The Declaration of Trust provides that the investment policies and operations of Westfield are the responsibility of its Trustees, of which as at December 31, 2006 there were six (6). At the special meeting of Unitholders held on January 28, 2006, Unitholders passed a resolution increasing the number of Trustees from six (6) to seven (7) and electing Andre Kuzmicki as an additional Trustee.

The number of Trustees may be changed by the Unitholders. Under the Declaration of Trust and the Asset Management Agreement, Marwest is entitled to appoint two (2) Trustees where the number of Trustees is five or more and one (1) Trustee where the number of Trustees is four or less. The current Marwest Appointees are Armin Martens and Cornelius Martens. Trustees (other than the Marwest Appointees) are elected annually by resolution passed by a majority of the votes cast at a meeting of the Unitholders. Trustees elected at an annual meeting will be elected for a term expiring at the subsequent annual meeting and will be eligible for re-election. A Trustee elected or appointed to fill a vacancy will be elected for the remaining term of the Trustee he or she is succeeding.

The table below sets forth, for each Trustee as at December 31, 2005, their current position(s) with Westfield, the period of time they have served as a Trustee, their principal occupation for the past five years, the total number of Units held by them and the number of Units held by them which are currently subject to escrow.

Name and Municipality of Residence	Current Office Held with Westfield (1)	Principal Occupation During the Past Five Years
Armin Martens (3) East St. Paul, MB	Trustee, President and Chief Executive Officer	President of Marwest Development Corporation and senior officer of Marwest and Marwest Construction Ltd., located in Winnipeg, Manitoba.
Cornelius Martens East St. Paul, MB	Trustee and Executive Vice-President	President of various companies comprising the Marwest Group of Companies, including Marwest and Marwest Construction Ltd, located in Winnipeg, Manitoba
Edward Warkentin (2) East St. Paul, MB	Trustee and Chair	Partner at the law firm of Aikins, MacAulay & Thorvaldson LLP, Winnipeg, Manitoba.

Name and Municipality of Residence	Current Office Held with Westfield (1)	Principal Occupation During the Past Five Years
Victor Thielmann (2) (3) Winnipeg, MB	Trustee	President of Nova 3 Engineering Ltd., an engineering firm located in Winnipeg, Manitoba
Wayne Townsend (2) (3) Winnipeg, MB	Trustee	Partner at Lawton Partners Financial Planning Services Limited, a financial planning services firm located in Winnipeg, Manitoba
Allan McLeod (3) Winnipeg, MB	Trustee	Chief Executive Officer, Tribal Councils Investment Group of Manitoba Ltd.

Notes:

(1) All offices held with Westfield since inception of Westfield November 8, 2004, except that Allan McLeod was elected as director on June 10, 2005 and Edward Warkentin was appointed as the Chair of the board of Trustees on October 27, 2005. All Trustees and officers of Westfield on the effective date of the Arrangement were also the directors and officers of Westfield Properties Ltd. from its inception on December 18, 2003 until its dissolution on December 20, 2004.

(2) Member of the Governance and Compensation Committee as at December 31, 2005.

(3) Member of the Audit Committee as at December 31, 2005.

As at December 31, 2005, The Trustees and executive officers of Westfield, as a group, beneficially own, directly or indirectly, or exercise control or direction over 6,618,628 Units of Westfield (on a pre-consolidation basis), which represents approximately 5.5% of the issued and outstanding Units of Westfield on a non-diluted basis. In addition, First Nations Financial Services Inc. (a wholly-owned subsidiary of Tribal Councils Investment Group of Manitoba, a company of which Allan McLeod is the Chief Executive Officer) owns 4,928,571 Units (on a pre-consolidated basis).

Committees of the Trustees

Audit Committee

Westfield is required under the Declaration of Trust to have an Audit Committee composed of not less than three Trustees. The duties and responsibilities of the Audit Committee are set forth in the written Audit Committee Charter governing the Audit Committee. The Audit Committee has also adopted a whistleblower policy. The Audit Committee members are currently Wayne Townsend, Victor Thielmann and Allan McLeod.

Governance and Compensation Committee

Westfield is required under the Declaration of Trust to have a Governance and Compensation Committee composed of at least two Trustees. The Governance and Compensation Committee is charged with responsibility for negotiating and finalizing and otherwise dealing with all employment, consulting or other compensation agreements between Westfield and any Trustee or senior officer of Westfield and with administering the Unit Option Plan. The Governance and Compensation Committee is currently comprised of four members, who are currently Edward Warkentin, Wayne Townsend, Victor Thielmann and Armin Martens.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No Trustee or officer of Westfield:

(a) is, as at the date hereof or has been, within 10 years before the date hereof, a director or executive officer of any person or company that, while that person was acting in that capacity:

(i) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities laws;

(ii) was subject to an event that resulted , after the Trustee or officer ceased to be a director or officer, in the company being subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation; or

(iii) or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, with 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

No Trustee or officer of Resulting Issuer has (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (b) been subject to any other penalties or sanctions by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder.

Conflicts of Interest

There are potential conflicts of interest to which: (i) the trustees of Westfield, and (ii) Marwest and its affiliates (and their respective directors, officers and employees), are subject to in connection with the ongoing operations of Westfield.

Both Armin Martens, President and Chief Executive Officer of Westfield, and Cornelius Martens, Executive Vice-President of Westfield, are directors and senior officers of Marwest and various other companies affiliated with Marwest. Armin Martens and Cornelius Martens and their families also own and control Marwest and its affiliates. James Green, Chief Financial Officer of Westfield is also the Chief Financial Officer of Marwest and certain of its affiliates. The individuals above serve as Trustees and/or senior officers of Westfield and, through their involvement with Marwest and its affiliates or other entities, are engaged in a wide range of real estate activities, including the development, acquisition, divestiture and management of real estate.

The Declaration of Trust does not restrict the Trustees or officers of Westfield or Marwest or its affiliates from being engaged (directly or indirectly) in real estate and business transactions in which their individual interests actually, or are perceived to, conflict with the interests of Westfield. Accordingly, there can be no guarantee that the Trustees and officers of Westfield, when acting in a capacity other than a Trustee or officer of Westfield, or that Marwest will act in the best interests of Westfield in connection with their real estate activities.

Where there are conflicts of interests involving the entering into of contracts by Westfield in which a Trustee or officer has a direct or indirect interest, such conflicts of interest will be resolved by procedures and remedies similar to those provided under the *Canada Business Corporations Act*. Armin Martens, Cornelius Martens and James Green have disclosed in writing their respective interests in Marwest and their interest in the Asset Management Agreement and the Property Management Agreement and in the transactions involving the Johnston Terminal property and the Hamilton Building Property.

MANAGEMENT OF WESTFIELD

From June 1, 2004 until January 31, 2005, Marwest managed the affairs of Westfield (and its predecessor, Westfield Properties Ltd.) for a fee of $1,000 per month. Effective February 1, 2005, the date upon which Westfield acquired its second property, Westfield and Marwest entered into the Asset Management Agreement and the Property Management Agreement.

Asset Management

The Asset Management Agreement is a long-term agreement pursuant to which Marwest is responsible for all of the day-to-day affairs of the operations and activities of Westfield. Marwest provides the following individuals to serve as management to Westfield in the following capacities:

Armin Martens	-	President and Chief Executive Officer
Cornelius Martens	-	Executive Vice-President
James Green	-	Chief Financial Officer

The management individuals have agreed to devote the amount of time necessary to the management of Westfield in order to fulfill Westfield's objectives. Marwest may provide alternative or additional personnel to serve as management to Westfield, provided that the consent of the Trustees (acting reasonably) is obtained.

Under the Asset Management Agreement, Marwest is also responsible for, among other things:

- providing Westfield with support services, consisting of accounting and human resource services, office space and equipment and secretarial personnel for the administration of the day-today activities of Westfield;
- identifying investment opportunities which meet the investment guidelines set out in the Declaration of Trust of Westfield;
- providing the Trustees with information and advice relating to proposed acquisitions, dispositions and financings;
- establishing investment and operating plans for Westfield;
- conducting and supervising the due diligence required in connection with proposed acquisitions and completion of any resulting transactions;
- supervising and providing direction to the property manager of Westfield;
- maintaining the books and financial records of Westfield;
- determining and preparing designations, elections and determinations to be made in connection with the income and capital gains of Westfield for tax and accounting purposes;
- preparing reports and other information required to be sent to the Unitholders and other disclosure documents;
- calculating and determining all allocations of income;
- communicating with Unitholders and other persons, including investment dealers, lenders and professionals;
- administering or supervising the administration on behalf of Westfield of the payment of distributable income and other distributions by Westfield; and
- without limiting the generality of the foregoing, such further duties as may be required by the Trustees.

Under the Asset Management Agreement, from February 1, 2005 until July 31, 2005, Marwest was entitled to an annual advisory fee payable quarterly equal to 0.25% of the adjusted cost base of Westfield's assets, an acquisition fee equal to 0.35 percent of the cost of the property acquired, a disposition fee equal to 0.35% of the total sale price of the property sold and a financing coordination fee of 0.25% of the principal amount borrowed by Westfield. Effective August 1, 2005, the Asset Management Agreement was amended to eliminate the financing co-ordination and disposition fees and to increase the acquisition fee from 0.35% to 0.5% of the cost of the property acquired.

Property Management

The Property Management Agreement is a long-term agreement under which Marwest is responsible for the management, operation and maintenance of Westfield's properties. Without limiting the generality of the foregoing, Marwest is responsible for leasing and collection of rents, maintenance and repairs, tenant relations and handling tenant complaints, obtaining necessary licenses and permits, the preparation of budgets and maintenance of insurance. Marwest is entitled to delegate its duties to third party property managers.

Under the Property Management Agreement, Marwest is entitled to an annual management fee for each property owned by Westfield based upon one of the following formulae, to be determined by the Independent Trustees on a property-by-property basis:

(a) a fee equal to four percent (4%) of the gross receipts which are collected from the property, plus G.S.T.; or

(b) a fee equal to five percent (5.0%) of net rents from the property, plus G.S.T.

Under the Property Management Agreement, Marwest is also entitled to receive: (i) a leasing commission equal to five percent (5%) plus G.S.T., of the total rental payments for the first five years under the lease, plus 3% on the balance of the duration of the lease, less any leasing commissions paid to a third party agent; (ii) a leasing renewal commission payable in an amount equal to fifty percent (50%) of the leasing commission set forth above; and (iii) tenant improvement or renovation fees where Westfield instructs Marwest to construct tenant improvements or to renovate same or where Marwest is requested by Westfield to construct, modify, or re-construct improvements to, or on, a property, in an amount equal to five (5%) percent plus G.S.T., of the total cost of such work, the cost of al1 permits, material, labour, contracts, and subcontracts together with fees to designers, engineers and other consultants engaged by Marwest or contractors to complete such tenant improvements or renovations or such other fee as negotiated between Marwest and Westfield.

Right of First Refusal

Under the Right of First Refusal Agreement, Marwest and its affiliates (collectively with Marwest, the "Marwest Group") granted to Westfield a right of first refusal with respect to office, retail and industrial properties (individually a "Subject Property" and collectively the "Subject Properties") which are presented to a member of the Marwest Group, or which a member of the Marwest Group may, from time to time, secure as a potential acquisition. The Marwest Group agreed that, for so long as Marwest is the manager of Westfield and Westfield continues to have the investment strategy of acquiring the Subject Properties, the members of the Marwest Group are required to first refer to Westfield all potential Subject Property acquisitions.

"Subject Properties" do not include the following properties ("Excluded Properties"):

(a) properties (including mixed-use properties) in respect of which a substantial portion of income is derived from residential tenancies;

(b) properties acquired for development (provided that, once developed, if any such property is an office, retail or industrial property and a member of the Marwest Group wishes to sell such property, such property will be a Subject Property for the purposes hereof); and

(c) special purpose properties such as long-term care facilities, assisted living and residential retirement facilities and hotels.

If the Independent Trustees indicate that Westfield is not interested in acquiring a Subject Property, the Marwest Group member is entitled to the investment opportunity.

The Right of First Refusal Agreement does not restrict Marwest or any member of the Marwest Group, or their respective directors, officers and employees from acquiring (directly or indirectly) Excluded Properties or interests therein without the approval of or notice to Westfield.

PROMOTERS

Westfield Properties Ltd., the predecessor to Westfield, may be considered to have acted as a "promoter" of Westfield within the past three years.

LEGAL PROCEEDINGS

To the knowledge of Westfield, it is not a party to any legal proceedings. To the knowledge of Westfield, no legal proceedings involving Westfield are contemplated or threatened, except that Westfield has received a letter demanding that it change its name to remove the word "Westfield" from its name. Westfield has not agreed to such demand.

INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

In 2005, Westfield acquired two income-producing properties from related parties of Armin Martens and Cornelius Martens, and other members of the Martens family, for an aggregate purchase price of $24.8 million, the details of which are as follows:

(a) On May 5, 2005, Westfield agreed to enter into a long-term headsublease (the "Headsublease") with Johnston Terminal Ltd. ("JTL") with respect to the office/retail property commonly known as the "Johnston Terminal" located at 25 Forks Market Road at "The Forks" National Historic Site in Winnipeg, Manitoba (the "Johnston Terminal Transaction"). JTL is owned by related parties of Armin Martens and Cornelius Martens and other members of the Martens family. Under the Headsublease, Westfield, as tenant, leases the Johnston Terminal from JTL, as landlord. JTL holds a 99 year ground lease with respect to the Johnston Terminal which commenced on August 1, 1992. The Headsublease will be long-term and will expire on July 1, 2090, being the date that is one year from the date of the expiry of the ground lease. The Headsublease enables Westfield to sublease the retail and office space in the Johnston Terminal. Under the Headsublease, Westfield was granted an option to prepay the base rent thereunder. The option provided that the prepayment may be made through the issuance of: (i) Units at a deemed price of $6.00 per Unit (on a post-consolidation basis); (ii) a 1 year 7.25% convertible redeemable debenture, the principal amount of such debenture which may convertible into Units at a price of $6.00 per Unit (on a post-consolidation basis) at the option of the holder; and (iii) a $7,100,000 debenture, which was used as interim financing and was repaid out of the proceeds of new mortgage financing arranged by Westfield on December 22, 2005. Westfield and JTL executed the Headsublease on August 1, 2005 and Westfield exercised its option to prepay the base rent on August 3, 2005; and

(b) On September 30, 2005, Westfield purchased the Hamilton Building located at 395 Main Street Ltd. in Winnipeg, Manitoba for a purchase price of $14.2 million. The vendor of the Hamilton Building is owned by related parties of Armin Martens and Cornelius Martens and other members of the Martens family.

Armin Martens, Cornelius Martens and James Green have an interest in the Asset Management Agreement and the Property Management Agreement by virtue of the fact that they are directors and officers of Marwest and, in the case of Armin Martens and Cornelius Martens, by virtue of the fact that Marwest is owned by related parties to them and other members of the Martens family.

Aikins, MacAulay & Thorvaldson LLP, a law firm associated with Edward Warkentin, provides legal services to Westfield in connection with its property acquisitions, debt and equity financings, regulatory matters and other legal matters.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of Westfield are KPMG LLP in Winnipeg, Manitoba

The registrar and transfer agent of Westfield is CIBC Mellon Trust Company, 600, 333-7th Avenue S.W. in Calgary, Alberta T2P 2Z1.

MATERIAL CONTRACTS

The following are the only material contracts, other than contracts entered into in the ordinary course of business, entered into by Westfield in the most recently completed financial year of Westfield or up to the date hereof, which are in force and effect:

1. Declaration of Trust;
2. Asset Management Agreement;
3. Property Management Agreement;
4. Right of First Refusal Agreement;
5. Series A Trust Indenture; and
6. Series B Trust Indenture.

Westfield has also adopted the Unit Option Plan.

Electronic copies of the contracts set out above may be accessed on the SEDAR website at www.sedar.com.

INTERESTS OF EXPERTS

KPMG LLP are the auditors who prepared the auditors' report and the report on Canadian generally accepted accounting standards for Westfield's annual financial statements as at December 31, 2005. As of December 31, 2005, KPMG LLP and its partners did not hold any registered or beneficial ownership interest, direct or indirect, in the securities of Westfield.

Aikins, MacAulay & Thorvaldson LLP are legal counsel to Westfield. As of December 31, 2005, Aikins, MacAulay & Thorvaldson LLP and its partners owned less than 1% of the issued and outstanding Units of Westfield.

ADDITIONAL INFORMATION

Additional information related to Westfield may be found on SEDAR at www.sedar.com. Additional information, including Trustee's and offices' remuneration and indebtedness, principal holders of the Units and securities authorized for issuance under equity compensation plans, as applicable, is contained in Westfield's information circular prepared in connection with the annual general meeting of Unitholders held on May 11, 2005. Additional financial information is provided in Westfield's financial statements and management discussion and analysis for its most recently completed financial year and interim periods and subsequent continuous disclosure.