

PROSPECTUS SUPPLEMENT

To the Short Form Base Shelf Prospectus Dated June 15, 2012

This prospectus supplement, together with the short form base shelf prospectus to which it relates dated June 15, 2012, as amended or supplemented, and each document incorporated by reference in this prospectus supplement and in the short form base shelf prospectus to which it relates, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") or any state securities laws and, unless registered under the U.S. Securities Act or pursuant to an applicable exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered, sold, reoffered, resold or delivered, directly or indirectly, in the United States or to U.S. Persons (as defined in Regulation S under the U.S. Securities Act). This prospectus supplement, together with the short form base shelf prospectus to which it relates dated June 15, 2012, as amended or supplemented, does not constitute an offer to sell or solicitation of an offer to buy any of the securities offered hereby within the United States.

Information has been incorporated by reference in this prospectus supplement and in the short form base shelf prospectus to which it relates, from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Administrative Officer of Artis Real Estate Investment Trust at Suite 300 – 360 Main Street, Winnipeg, Manitoba, R3C 3Z3 Attention: Chief Administrative Officer (Telephone (204) 947-1250), and are also available electronically at www.sedar.com. See "Documents Incorporated By Reference".

New Issue

July 25, 2012



\$75,000,000

3,000,000 Preferred Units, Series A

This prospectus supplement, together with the short form base shelf prospectus to which it relates, qualifies the distribution of 3,000,000 Preferred Units, Series A ("**Series A Units**") of Artis Real Estate Investment Trust ("**Artis**") (the "**Offering**") at a price of \$25.00 per Series A Unit (the "**Offering Price**") pursuant to an underwriting agreement dated July 25, 2012 (the "**Underwriting Agreement**") between Artis and RBC Dominion Securities Inc., CIBC World Markets Inc. and Macquarie Capital Markets Canada Ltd., as co-lead underwriters on their own behalf and on behalf of BMO Nesbitt Burns Inc., National Bank Financial Inc., Scotia Capital Inc., Canaccord Genuity Corp., Desjardins Securities Inc. and Raymond James Ltd. (collectively, the "**Underwriters**"). The Offering Price and terms of the Series A Units were determined by negotiation between Artis and the Underwriters. For the initial approximately five year period commencing on the Closing Date (as defined herein) and ending on and including September 30, 2017 (the "**Initial Fixed Rate Period**"), the holders of Series A Units will be entitled to receive fixed cumulative preferential cash distributions, as and when declared by the board of trustees of Artis (the "**Board of Trustees**"), payable quarterly on the last business day of March, June, September and December in each year at an annual rate equal to \$1.3125 per Series A Unit. The initial distribution will be payable on September 30, 2012 and is expected to be \$0.2122 per Series A Unit, based on the anticipated closing date of the Offering of August 2, 2012. The closing of the Offering shall be August 2, 2012, or such other date as Artis and the Underwriters may agree, but in no event later than August 9, 2012 (the "**Closing Date**"). See "Details of the Offering".

For each five-year period after the Initial Fixed Rate Period (each, a "**Subsequent Fixed Rate Period**"), the holders of Series A Units will be entitled to receive fixed cumulative preferential cash distributions, as and when declared by the Board of Trustees, payable quarterly on the last business day of March, June, September and December during the Subsequent Fixed Rate Period, in an annual amount per Series A Unit determined by multiplying the Annual Fixed Distribution Rate (as defined herein) applicable to such Subsequent Fixed Rate Period by \$25.00. The Annual Fixed Distribution Rate for each Subsequent Fixed Rate Period will be equal to the sum of the Government of Canada Yield (as defined herein) on the 30th day prior to the first day of such Subsequent Fixed Rate Period plus 4.06%. See "Details of the Offering".

Option to Reclassify as Series B Units

The holders of Series A Units will have the right, at their option, to reclassify their Series A Units as Preferred Units, Series B (“**Series B Units**”) of Artis, subject to certain conditions, on September 30, 2017 and on September 30 every five years thereafter. The holders of Series B Units will be entitled to receive floating rate cumulative preferential cash distributions, as and when declared by the Board of Trustees, payable quarterly on the last business day of each Quarterly Floating Rate Period (as defined below), in the amount per Series B Unit determined by multiplying the applicable Floating Quarterly Distribution Rate (as defined herein) by \$25.00. The Floating Quarterly Distribution Rate will be equal to the sum of the T-Bill Rate (as defined herein) plus 4.06% (calculated on the basis of the actual number of days elapsed in the applicable Quarterly Floating Rate Period divided by 365) determined on the 30th day prior to the first day of the applicable Quarterly Floating Rate Period. See “Details of the Offering”. The CRA (as hereinafter defined) has expressed the preliminary view that the reclassification of the Series A Units and Series B Units would likely result in a taxable disposition at that time.

The Series A Units will not be redeemable by Artis prior to September 30, 2017. On September 30, 2017 and on September 30 every five years thereafter, subject to certain other restrictions set out in “Details of the Offering — Description of the Series A Units — Restrictions on Distributions and Retirement and Issue of Equity Interests”, Artis may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem for cash all or from time to time any part of the outstanding Series A Units for \$25.00 per Series A Unit, together with all accrued and unpaid distributions up to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by Artis). See “Details of the Offering”.

The Series A Units and the Series B Units do not have a fixed maturity date and are not redeemable at the option of the holders thereof. See “Risk Factors”.

There is currently no market through which these securities may be sold and purchasers may not be able to resell the securities purchased under this Prospectus Supplement (as defined herein). This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See “Risk Factors”.

Artis is an unincorporated real estate investment trust governed by the laws of the Province of Manitoba pursuant to a third amended and restated declaration of trust dated as of May 19, 2011 (the “**Declaration of Trust**”), which will be further amended prior to the closing of the Offering to authorize the issuance of preferred units of Artis (“**Preferred Units**”) and to convert Artis from an “open-end” trust to a “closed-end” trust. See “Summary of Declaration of Trust – Authorization to Make Amendments to the Declaration of Trust” in Artis’ annual information form dated March 30, 2012 for the year ended December 31, 2011. The head office of Artis is located at 300 - 360 Main Street, Winnipeg, Manitoba.

The outstanding trust units (“**Units**”) are listed on the Toronto Stock Exchange (“**TSX**”) under the trading symbol AX.UN. On July 23, 2012, the last trading day prior to the announcement of this Offering, the closing price of the Units of Artis on the TSX was \$17.06. The TSX has conditionally approved the listing of the Series A Units to be distributed under this Prospectus Supplement and the Series B Units as to which the Series A Units may be reclassified. Listing will be subject to Artis satisfying all of the requirements of the TSX on or before October 23, 2012. The Series A Units will be listed on the TSX under the symbol “AX.PR.A”.

The Series A Units and the Series B Units are not rated by any rating agency. See “Risk Factors”.

Price: \$25.00 per Series A Unit to yield initially 5.25% per annum

	Price to the Public ⁽¹⁾⁽³⁾	Underwriters’ Fee ⁽²⁾	Net Proceeds to Artis ⁽²⁾⁽³⁾
Per Unit	\$ 25.00	\$ 1.00	\$ 24.00
Total	\$ 75,000,000	\$ 3,000,000	\$ 72,000,000

- (1) The Offering Price and terms of the Series A Units were established by negotiation between Artis and RBC Dominion Securities Inc., CIBC World Markets Inc. and Macquarie Capital Markets Canada Ltd., as co-lead underwriters, on behalf of the Underwriters.
- (2) The Underwriters’ fee is \$0.25 for each Series A Unit sold to exempt institutions and \$1.00 for all other Series A Units sold. The totals set forth in the table represent the Underwriters’ fee and net proceeds assuming no Series A Units are sold to such exempt institutions. See “Plan of Distribution”.
- (3) After deducting the Underwriters’ fee but before deducting expenses of the Offering estimated at \$500,000, which will be paid by Artis.
- (4) Artis has granted to the Underwriters an option (the “**Over-Allotment Option**”), exercisable in whole or in part at any time up to 30 days after the closing of the Offering, to purchase up to an additional 450,000 Series A Units on the same terms and conditions as set forth above. Assuming that the Over-Allotment Option is exercised in full, the total price to the public, Underwriters’ fee and net proceeds to Artis from the Offering before expenses will be \$86,250,000, \$3,450,000 and \$82,800,000, respectively. This Prospectus Supplement, together with the Short Form Prospectus (as defined herein) to which it relates, also qualifies the distribution of the Over-Allotment Option and the Series A Units issuable upon the exercise of the Over-Allotment Option. A purchaser who acquires Series A Units forming part of the Over-Allotment Option acquires those Series A Units under this Prospectus Supplement and the Short Form Prospectus to which it relates, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See “Plan of Distribution”.

<u>Underwriters' Position</u>	<u>Maximum Size or Number of Securities Held</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	Option to acquire up to an additional 450,000 Series A Units exercisable in whole or in part	At any time up to 30 days after the closing of the Offering	\$25.00 per Series A Unit

The Underwriters, as principals, conditionally offer the Series A Units subject to prior sale, if, as and when issued and delivered by Artis and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution", and subject to the approval of certain legal matters by Aikins, MacAulay & Thorvaldson LLP on behalf of Artis and Goodmans LLP on behalf of the Underwriters. In connection with this Offering, subject to applicable laws, the Underwriters may engage in market stabilization activities at prices other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. **The Underwriters may also offer the Series A Units at a price lower than that stated above.** See "Plan of Distribution".

Subscriptions for the Series A Units will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. It is anticipated that definitive certificates evidencing the Series A Units will be available for delivery in book-entry only form through the services of CDS Clearing and Depository Services Inc. ("CDS") at closing of the Offering, which is anticipated to be on August 2, 2012, or such other date as Artis and the Underwriters may agree, but in any event no later than August 9, 2012.

Investing in the Series A Units involves risks. See "Risk Factors". The Canadian federal income tax considerations that may arise in connection with the acquisition, holding, disposition or reclassification of preferred units of a trust are, in some respects, materially different from the acquisition, holding, disposition or exchange of preferred shares of a corporation. See "Certain Canadian Federal Income Tax Considerations" for a summary of certain Canadian federal income tax considerations generally applicable to a holder of Series A Units and/or Series B Units (a "Preferred Unitholder").

Subject to applicable laws, the Underwriters may, in connection with the Offering, effect transactions that stabilize or maintain the market price of the Series A Units at levels other than those that might otherwise prevail on the open market in accordance with applicable stabilization rules.

It is important for a person making an investment in the Series A Units to consider the particular risk factors that may affect both Artis and the real estate industry in which Artis operates. See the section entitled "Risk Factors" in Artis' annual information form dated March 30, 2012 for the year ended December 31, 2011, which document is incorporated herein by reference, which describes Artis' assessment of those risk factors as well as the potential consequences to Artis and its security holders if a risk should occur. See "Risk Factors" in this Prospectus Supplement.

Artis is not a trust company and is not registered under applicable legislation governing trust companies as it does not carry on or intend to carry on the business of a trust company. Artis' securities are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* and its securities are not insured under the provisions of that Act or any other legislation.

Each of RBC Dominion Securities Inc. and CIBC World Markets Inc. is a co-lead Underwriter and is an affiliate of a lender to Artis. Each of BMO Nesbitt Burns Inc. and Scotia Capital Inc. is an Underwriter and is an affiliate of a lender to Artis. Consequently, Artis may be considered a "connected issuer" of RBC Dominion Securities Inc., CIBC World Markets Inc., BMO Nesbitt Burns Inc. and Scotia Capital Inc. within the meaning of applicable securities legislation. As at June 30, 2012, the actual indebtedness of Artis to such lenders was approximately \$75.3 million, \$135.5 million, \$97.8 million and \$114.1 million, respectively. See "Plan of Distribution".

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GLOSSARY OF DEFINED TERMS

The following terms used in this Prospectus Supplement have the meanings set out below:

“**1933 Act**” means the United States Securities Act of 1933, as amended;

“**Annual Fixed Distribution Rate**” has the meaning set forth in “Details of the Offering”;

“**Artis**” means Artis Real Estate Investment Trust, a trust formed under the laws of the Province of Manitoba on November 8, 2004 and governed by the Declaration of Trust and includes, where the context requires, Artis’ subsidiaries;

“**Artis’ 2011 AIF**” means the annual information form dated March 30, 2012 for Artis’ financial year ended December 31, 2011;

“**Artis’ 2012 Meeting Circular**” means the management information circular dated May 9, 2012 in respect of the annual and special meeting of Unitholders held on June 20, 2012;

“**Bloomberg Screen GCAN5YR Page**” has the meaning set forth in “Details of the Offering”;

“**Board of Trustees**” means the board of Trustees;

“**CRA**” means the Canada Revenue Agency;

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

“**Credit Facility**” means the revolving term credit facility entered into between Artis and Brookfield Bridge Lending Fund Inc. in the aggregate principal amount of \$60 million;

“**Declaration of Trust**” means the declaration of trust of Artis, which was most recently amended pursuant to the third amended and restated declaration of trust of Artis dated as of May 19, 2011, pursuant to which Artis is governed under the laws of the Province of Manitoba, as may be further amended, supplemented and/or restated from time to time, including, where the context requires, the fourth amended and restated declaration of trust to be dated on or prior to the closing of the Offering pursuant to which Artis will be converted from an “open-end” trust to a “closed-end” trust and Preferred Units will be authorized to be issued thereunder;

“**Fixed Rate Calculation Date**” has the meaning set forth in “Details of the Offering”;

“**Government of Canada Yield**” has the meaning set forth in “Details of the Offering”;

“**Initial Fixed Rate Period**” has the meaning set forth in “Details of the Offering”;

“**Net Realized Capital Gains**” means, for any period, the amount, if any, by which the amount of the capital gains of Artis for the period exceeds the amount of any capital losses of Artis for the period determined in accordance with the Tax Act;

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

“**Offering**” means the offering of Series A Units pursuant to this Prospectus Supplement and the Short Form Prospectus;

“**Over-Allotment Option**” means the option granted by Artis to the Underwriters to acquire up to an additional 450,000 Series A Units on the same terms and conditions as the Offering, exercisable in whole or in part at any time up to 30 days after the closing of the Offering for the purposes of covering over-allotments and for market stabilization purposes;

“**Partnership**” means AX LP, a limited partnership formed under the laws of the Province of Manitoba on October 31, 2006 and a wholly-owned subsidiary of Artis;

“**Plans**” means trusts governed by registered retirement savings plans, deferred profit sharing plans, registered education savings plans, registered retirement income funds, tax-free savings accounts and registered disability savings plans, and a “**Plan**” means any one of them;

“**Preferred Unitholder(s)**” means the holder(s) of Series A Units or Series B Units;

“Preferred Units” means preferred equity securities of Artis, issuable in series, which entitle the holder to receive cumulative distributions at fixed rates of return in priority to distributions paid on the Units and include the Series A Units and the Series B Units;

“Prospectus Supplement” means this prospectus supplement to the Short Form Prospectus;

“REIT Exception” means the exception from the SIFT Rules available to a SIFT trust which satisfies a series of conditions relating to the nature of a SIFT’s revenue and property, as more particularly described below under “Canadian Federal Income Tax Considerations – SIFT Rules – REIT Exception”;

“Series A Units” means the Preferred Units, Series A of Artis;

“Series B Units” means the Preferred Units, Series B of Artis;

“Series D Debentures” means the 7 year, 5.00% Series D convertible debentures issued pursuant to the Series D Trust Indenture;

“Series D Trust Indenture” means Artis indenture dated May 4, 2010 between Artis and CIBC Mellon Trust Company in its capacity as indenture trustee relating to the Series D Debentures, which Series D Debentures were originally issued on November 30, 2007;

“Series E Debentures” means the 5 year, 7.50% Series E convertible redeemable unsecured subordinated debentures issued pursuant to the Series E Trust Indenture;

“Series E Trust Indenture” means Artis indenture dated July 9, 2009 between Artis and CIBC Mellon Trust Company in its capacity as indenture trustee relating to the Series E Debentures;

“Series F Debentures” means the 10 year, 6.00% Series F convertible redeemable unsecured subordinated debentures issued pursuant to the Series F Trust Indenture;

“Series F Trust Indenture” means Artis indenture dated April 22, 2010 between Artis and CIBC Mellon Trust Company in its capacity as indenture trustee relating to the Series F Debentures;

“Series G Debentures” means the 7 year, 5.75% Series G convertible redeemable unsecured subordinated debentures issued pursuant to the Series G Trust Indenture;

“Series G Trust Indenture” means Artis indenture dated April 21, 2011 between Artis and BNY Trust Company of Canada in its capacity as indenture trustee relating to the Series G Debentures;

“Short Form Prospectus” means the short form base shelf prospectus dated June 15, 2012 to which this Prospectus Supplement relates;

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

“SIFT Rules” means the amendments to provisions of the Tax Act proclaimed in force on June 22, 2007, as amended, that implement the changes announced as part of the Tax Fairness Plan proposed by the Minister of Finance (Canada) on October 31, 2006 which modify the tax treatment of “specified investment flow-throughs”, including publicly traded income trusts and limited partnerships, and the tax treatment of their unitholders in the manner described below under “Canadian Federal Income Tax Considerations – SIFT Rules”;

“Subsequent Fixed Rate Period” has the meaning set forth in “Details of the Offering”;

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

“Trustee” means a trustee of Artis and **“Trustees”** means all of Trustees of Artis;

“TSX” means the Toronto Stock Exchange;

“Underwriters” means, collectively, RBC Dominion Securities Inc., CIBC World Markets Inc., Macquarie Capital Markets Canada Ltd., BMO Nesbitt Burns Inc., National Bank Financial Inc., Scotia Capital Inc., Canaccord Genuity Corp., Desjardins Securities Inc. and Raymond James Ltd.;

“Underwriting Agreement” means the underwriting agreement dated July 25, 2012 between Artis and the Underwriters;

“**Unit**” means a voting, participating trust unit of Artis and, for greater certainty, does not include Preferred Units; and

“**Unitholder(s)**” means the holder(s) of Units.

ABOUT THIS PROSPECTUS SUPPLEMENT

In this Prospectus Supplement, unless otherwise specified, all references to “dollars” or “\$” are to Canadian dollars.

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the securities that Artis is offering and also adds to and updates certain information contained in the Short Form Prospectus and the documents incorporated by reference into this Prospectus Supplement or the Short Form Prospectus. The second part, the Short Form Prospectus, gives more general information.

Readers should rely only on the information contained in this Prospectus Supplement and the Short Form Prospectus or in documents incorporated by reference into this Prospectus Supplement and the Short Form Prospectus. Artis and the Underwriters have not authorized any other person to provide prospective investors with different information and any such information should not be relied upon. Artis and the Underwriters are not making an offer to sell the Series A Units in any jurisdiction where the offer or sale is not permitted. Readers should assume that the information appearing in this Prospectus Supplement and the Short Form Prospectus, as well as information Artis has previously filed with the securities regulatory authority in each of the provinces and territories of Canada that is incorporated by reference into this Prospectus Supplement and the Short Form Prospectus is accurate as of their respective dates only. The business, financial condition, results of operations and prospects of Artis may have changed since those dates.

FORWARD-LOOKING STATEMENTS

Certain statements in this Prospectus Supplement, in the Short Form Prospectus and in the documents incorporated by reference herein and in the Short Form Prospectus are “forward-looking statements” that reflect management’s expectations regarding Artis’ future growth, results of operations, performance, prospects and opportunities. Prospective purchasers are cautioned not to place undue reliance on forward-looking information. All statements other than statements of historical fact contained or incorporated by reference herein 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 Artis. 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 relating to real property ownership, current economic conditions, debt financing risk, interest rate fluctuations, tenant risk, illiquidity risk, competition, future property acquisitions, general uninsured losses, environmental matters, land and air rights leases, public market risk, market price of the Series A Units or the Series B Units, changes to implement new tax on trusts, changes in legislation and investment eligibility, other tax related risk factors, availability of cash flow, fluctuations in cash distributions, the nature of the Series A Units or the Series B Units, legal rights attaching to the Series A Units or the Series B Units, restrictions on redemptions, failure to obtain additional financing, dilution, Preferred Unitholder liability, potential conflicts of interest, relationship with management and key personnel, changes in legislation, Trustees and management, the conversion to international financial reporting standards and risks relating to the Series A Units or the Series B Units. In particular, the proposed acquisitions described herein or in documents incorporated by reference herein are, in certain cases, subject to conditions that may not be satisfied and there can be no assurance that such acquisitions will be completed.

Although the forward-looking statements contained or incorporated by reference herein are based upon what management believes to be reasonable assumptions, Artis cannot assure investors that actual results will be consistent with these forward-looking statements.

The forward-looking statements contained in this Prospectus Supplement, in the Short Form Prospectus and in the documents incorporated by reference herein and therein are expressly qualified in their entirety by this cautionary statement and by the cautionary statements contained in the Short Form Prospectus and in the documents incorporated by reference herein and therein. The forward-looking statements contained in this Prospectus Supplement are made as at the date of this Prospectus Supplement, the forward-looking statements contained in the Short Form Prospectus are made as at the date of the Short Form Prospectus and the forward-looking statements contained in the documents incorporated by reference herein or in the Short Form Prospectus are made as of the date of such documents, and Artis assumes no obligation to update or revise such forward-looking statements to reflect new events or circumstances except as otherwise required by applicable securities legislation.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in the Short Form Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Administrative Officer of Artis at 300 – 360 Main Street, Winnipeg, Manitoba R3C 3Z3, telephone (204) 947-1250 and are also available electronically at www.sedar.com.

This Prospectus Supplement is deemed to be incorporated by reference into the Short Form Prospectus as of the date hereof and only for the purposes of the distribution of the Series A Units offered hereby.

Except to the extent that their contents are modified or superseded by a statement contained herein or in any other subsequently filed document that is also incorporated by reference in this Prospectus Supplement, the following documents, filed with applicable securities regulatory authorities in Canada, are specifically incorporated by reference herein and form an integral part of this Prospectus Supplement and the Short Form Prospectus:

- (a) Artis' 2011 AIF;
- (b) Artis' audited consolidated financial statements as at December 31, 2011, December 31, 2010 and January 1, 2010 and for the years ended December 31, 2011 and 2010 and the independent auditor's report thereon;
- (c) Artis' management discussion and analysis of its financial condition and results of operations for the years ended December 31, 2011 and December 31, 2010;
- (d) Artis' unaudited consolidated financial statements as at and for the three-month periods ended March 31, 2012 and March 31, 2011;
- (e) Artis' management discussion and analysis of its financial condition and results of operations for the three-month periods ended March 31, 2012 and March 31, 2011;
- (f) Artis' 2012 Meeting Circular;
- (g) Artis' material change report dated January 18, 2012 with respect to the announcement of the offering of 5,000,000 Units at a price of \$15.05 per Unit for aggregate gross proceeds to Artis of \$75,250,000, subject to increase in the event of the exercise of the underwriters' over-allotment option to purchase up to an additional 750,000 Units at a price of \$15.05 per Unit;
- (h) Artis' material change report dated March 16, 2012 with respect to the announcement of the offering of 6,135,000 Units at a price of \$16.30 per Unit for aggregate gross proceeds to Artis of \$100,000,500, subject to increase in the event of the exercise of the underwriters' over-allotment option to purchase up to an additional 920,250 Units at a price of \$16.30 per Unit; and
- (i) Artis' material change report dated May 8, 2012 with respect to the announcement of the offering of 6,100,000 Units at a price of \$16.50 per Unit for aggregate gross proceeds to Artis of \$100,650,000, subject to increase in the event of the exercise of the underwriters' option to purchase up to an additional 915,000 Units at a price of \$16.50 per Unit.

All of Artis' documents of the type described in Section 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions* which are filed by Artis with a securities commission or similar regulatory authority in any of the provinces or territories of Canada after the date of this Prospectus Supplement and prior to the termination of the Offering shall be deemed to be incorporated by reference into this Prospectus Supplement and the Short Form Prospectus for the purpose of this Offering.

Upon new audited annual financial statements and related management's discussion and analysis being filed by Artis with the applicable securities regulatory authorities after the date of this Prospectus Supplement and prior to the termination of the Offering, the previously filed audited annual financial statements and all unaudited interim financial statements, together with related management's discussion and analysis, relating to prior periods shall be deemed to no longer be incorporated into this Prospectus Supplement and the Short Form Prospectus for the purpose of the Offering.

Upon a new annual information form being filed by Artis with the applicable securities regulatory authorities after the date of this Prospectus Supplement and prior to the termination of the Offering, the previously filed annual information form, any material change reports filed prior to the end of the financial year in respect of which the new annual information form is filed, any information circular filed since the start of such financial year, and any business acquisition report for acquisitions completed since the beginning of such financial year (unless such report is incorporated by reference into the current annual information form or less than nine months of the acquired business' or related businesses' operations are incorporated into Artis' most recent audited financial

statements), shall be deemed to no longer be incorporated into this Prospectus Supplement and the Short Form Prospectus for the purpose of the Offering.

Upon interim financial statements and related management's discussion and analysis being filed by Artis with the applicable securities regulatory authorities after the date of this Prospectus Supplement and prior to the termination of the Offering, all previously filed interim financial statements, and related management's discussion and analysis, relating to prior periods shall be deemed no longer to be incorporated by reference into this Prospectus Supplement and the Short Form Prospectus for the purpose of the Offering.

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

ELIGIBILITY FOR INVESTMENT

In the opinion of Aikins, MacAulay & Thorvaldson LLP, counsel to Artis, and Goodmans LLP, counsel to the Underwriters, provided that Artis continues to qualify as a mutual fund trust or the Series A Units and Series B Units are listed on a "designated stock exchange" as defined in the Tax Act, which currently includes the TSX, the Series A Units and Series B Units issuable on a conversion of Series A Units, if issued on the date hereof, will be qualified investments under the Tax Act and the regulations under the Tax Act for Plans. Adverse tax consequences may apply to a Plan, or an annuitant thereunder, if the Plan acquires or holds property that is not a qualified investment for the Plan.

Notwithstanding the foregoing, if the Series A Units or Series B Units are a "prohibited investment" for a tax-free savings account ("TFSA"), registered retirement savings plan ("RRSP") or registered retirement income fund ("RRIF"), the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. Series A Units and Series B Units will generally be a "prohibited investment" for a TFSA, RRSP or RRIF if the holder of a TFSA or the annuitant of an RRSP or RRIF, as the case may be, does not deal at arm's length with Artis for purposes of the Tax Act or has a "significant interest" (within the meaning of the Tax Act) in Artis or in any person or partnership with which Artis does not deal at arm's length for purposes of the Tax Act. The Department of Finance has recently indicated that it is prepared to recommend further amendments to the prohibited investment rules contained in the Tax Act; however, no draft legislation has been released as at the date hereof. Holders of a TFSA and annuitants of an RRSP or RRIF should consult their own tax advisors as to whether the Series A Units and Series B Units will be a "prohibited investment" in their particular circumstances.

ARTIS

As of the date of this Prospectus Supplement, Artis is an unincorporated open-end real estate investment trust created pursuant to the Declaration of Trust and governed by the laws of the Province of Manitoba. Artis was formed on November 8, 2004 under the name “Westfield Real Estate Investment Trust”. Effective February 15, 2007, Artis changed its name to “Artis Real Estate Investment Trust”.

The objective of Artis is to acquire and maintain a growing portfolio of properties with stable cash distributions. Artis is a diversified Canadian real estate investment trust investing in office, industrial and retail properties. Since 2004, Artis has executed an aggressive but disciplined growth strategy, building a portfolio of commercial properties in Canada and the United States, with a major focus on Western Canada. Artis’ commercial property comprises nearly 17.8 million square feet of leasable area in 169 properties. Leasable area by asset class is approximately 22.0% retail, 37.8% office and 40.2% industrial. The portfolio is located 9.4% in British Columbia, 29.9% in Alberta, 5.6% in Saskatchewan, 20.1% in Manitoba, 11.2% in Ontario and 23.8% in the United States.

Consistent with its past practices and in the normal course, Artis continues to be engaged in discussions with respect to possible acquisitions of quality commercial properties in select markets in Canada and in the United States. However, there can be no assurance that any of these discussions will result in further definitive agreements to acquire properties and, if they do, what the terms or timing of any acquisition would be. Artis continues to actively pursue other acquisition opportunities in select markets in Canada and in the United States.

The Units are listed for trading on the TSX under the symbol “AX.UN”. The Series F Debentures and Series G Debentures are listed for trading on the TSX under the symbols “AX.DB.F” and “AX.DB.U”, respectively.

Artis is not a “mutual fund” as defined by applicable securities legislation. The head office of Artis is located at 300 – 360 Main Street, Winnipeg, Manitoba, R3C 3Z3.

The Unitholders of Artis have authorized the Trustees to amend the Declaration of Trust to, among other things: (i) convert Artis from an open-end trust to a closed-end trust by removing the redemption right attached to the Units; (ii) authorize the creation and issuance of Preferred Units; and (iii) make such other amendments that the Trustees consider necessary or advisable to facilitate the creation and/or issuance of the Preferred Units. For details, see “Summary of Declaration of Trust – Authorization to Make Amendments to the Declaration of Trust” in Artis’ 2011 AIF.

RECENT DEVELOPMENTS

Certain recent developments involving Artis from December 31, 2011 to June 15, 2012, the date of the Short Form Prospectus to which this Prospectus Supplement relates, are described under “Recent Developments” in the Short Form Prospectus. The following is a summary of certain additional recent developments involving Artis since June 15, 2012.

Acquisition of Industrial Property Portfolio in Minneapolis, Minnesota

On July 6, 2012, Artis acquired the RER Industrial Portfolio, which is comprised of four industrial buildings located throughout Minneapolis, Minnesota and totaling 500,524 square feet of leasable area. With over 36.1 acres of land, the properties offer the potential for future development as well. The RER Industrial Portfolio is 99% occupied by a variety of national and regional tenants, including Wagner Spray Tech Corp., Caribou Coffee, and Supply Technologies. The weighted-average lease term to maturity for the portfolio is 4.4 years. The purchase price of US\$38.0 million, representing a going-in capitalization rate of 7.7%, was financed by way of a new US\$26.6 million three-year mortgage (with an option to extend for two additional one-year terms) bearing interest at a floating rate equivalent to LIBOR plus 2.25% per annum and with cash on hand.

Acquisition of Industrial Portfolio in the Greater Toronto Area (the “GTA”), Ontario

On July 17, 2012, Artis acquired the GTA Industrial Portfolio, which is comprised of 17 light industrial buildings located throughout the Greater Toronto Area and totaling approximately 1.1 million square feet of leasable area. The portfolio is currently approximately 98% leased to tenants in a variety of industries, including The Harding Interactive Display Corporation, Dynaplas Ltd., Beckman Coulter Canada Inc., McFadden’s Hardwood and Sylvite Agri-Services. The purchase price of \$95.5 million, representing a going-in capitalization rate of 6.7%, was financed from cash on hand and by way of a new \$52.5 million five-year mortgage bearing interest at a fixed rate of 3.02% per annum.

Proposed Acquisition of Retail Property in West Kelowna, British Columbia

Artis has entered into an unconditional agreement to acquire the Westbank Hub Shopping Centre, a four-building Class A retail complex comprising 179,087 square feet of leasable area. The property is located in West Kelowna, British Columbia and is part of the area's one million square foot regional retail node, which is anchored by major retail stores such as Walmart, Future Shop, and Winners. Westbank Hub Shopping Centre is strategically located along Highway 97, with exposure to over 45,000 vehicles on a daily basis. The property is 100% occupied by a strong mix of national tenants, including anchor tenants Home Depot, Canadian Tire, and Mark's Work Wearhouse. The weighted-average lease term to maturity for the property is 13.3 years. Artis is acquiring a 75% interest in this property for a purchase price of \$29.3 million, which represents a going-in capitalization rate of 6.0%. The purchase price is expected to be financed by way of the assumption of 75% of the existing mortgage financing on the property, being \$15.2 million, at an interest rate of 3.75% per annum, and from cash on hand. Subject to the satisfaction or waiver of the conditions of closing, the acquisition is anticipated to close in the third quarter of 2012.

Proposed Development of a Mixed Use Commercial Complex in Winnipeg, Manitoba

Artis has entered into a limited partnership agreement with respect to the development of Centrepoint, a new mixed use commercial complex to be located in downtown Winnipeg's Sport Hospitality and Entertainment district, directly across from the city's arena, the MTS Centre. Centrepoint will comprise approximately 130,375 square feet of leasable area; development plans include a five-storey LEED Silver Certified office tower, including one floor of retail at street level, plus an adjacent four-storey covered parking structure. Stantec Engineering has committed to a 10-year lease for over 57,000 square feet of the office space and the development is over 50% pre-leased at this time. Artis will contribute up to \$10.0 million in capital to the project during the development period, which is anticipated to start this spring and complete in mid-2013. Artis owns a 50% interest in the limited partnership. The complex also includes plans to construct a hotel, although Artis will not be involved in the development or ownership of the hotel.

Debt Refinancing Activities and Repayments

Since June 15, 2012, Artis obtained new financing of approximately US\$43.3 million on MAX at Kierland, which was acquired for cash on May 25, 2012. As well, Artis refinanced a maturing mortgage, realizing additional net proceeds of \$8.2 million and repaid maturing mortgages in an aggregate principal amount of \$2.9 million.

Grant of Restricted Units

On June 29, 2012, Artis granted to its officers and certain employees an aggregate of 9,600 restricted units. Restricted units vest on and after the third anniversary of the date of grant. Holders of restricted units receive additional restricted units during the vesting period in accordance with the equity incentive plan of Artis dated May 19, 2011.

Redemption of Series E Debentures

On June 30, 2012, Artis redeemed all of the outstanding Series E Debentures having an aggregate principal amount of \$281,000 in cash, plus accrued and unpaid interest up until the redemption date.

USE OF PROCEEDS

The net proceeds from the Offering (after deducting the Underwriters' fee of \$3,000,000, but prior to the deduction of the expenses of the Offering estimated at \$500,000) will be \$72,000,000. If the Over-Allotment Option is exercised in full, the net proceeds to Artis (after deducting the Underwriters' fee of \$3,450,000, but prior to deducting the expenses of the Offering estimated at \$500,000) will be \$82,800,000.

Artis intends to use the net proceeds of the Offering, together with the proceeds of new mortgage financings and cash currently on hand, to fund the proposed acquisition described herein under "Recent Developments", with any balance used to fund additional acquisitions, to reduce indebtedness and/or for general trust purposes.

CONSOLIDATED CAPITALIZATION

All dollar figures disclosed under this “Consolidated Capitalization” section are expressed in thousands of dollars, other than per Unit prices.

The material changes in the consolidated capitalization of Artis since March 31, 2012 to the date of this Prospectus Supplement (in thousands of dollars) are as follows:

- (a) on May 16, 2012, Artis issued 7,015,000 Units (inclusive of 915,000 Units issued pursuant to the exercise of the Underwriters’ over-allotment) at a price of \$16.50 per unit for aggregate gross proceeds of \$115,748;
- (b) Artis obtained new or assumed mortgage financing relating to the acquisition of income-producing properties in the amount of \$344,224;
- (c) Artis drew an additional \$25,000 on the revolving term credit facility related to the acquisition of income-producing properties;
- (d) Artis obtained new financing of \$24,115 on a previously unencumbered Saskatchewan property and a previously unencumbered Alberta property that were acquired in January and February of 2012, respectively;
- (e) Artis refinanced an office property in Calgary, Alberta, obtaining additional proceeds of \$8,192;
- (f) Artis repaid two maturing mortgages of \$2,898;
- (g) Artis redeemed the outstanding Series E convertible debentures with a face value of \$281, decreasing the carrying value of debentures by \$479;
- (h) Artis issued an aggregate of 331,260 Units under its distribution reinvestment and Unit purchase plan, increasing equity by \$5,215;
- (i) Artis issued an aggregate of 782,462 Units pursuant to the conversion of debentures, increasing equity and decreasing the carrying value of debentures by \$12,408; and
- (j) Artis issued an aggregate of 184,000 Units under its unit option plan, increasing equity by \$3,073.

The following table sets forth the *pro forma* capitalization of Artis as at March 31, 2012, as adjusted to give effect to transactions which have closed since March 31, 2012 and this Offering (prior to giving effect to the exercise of the Over-Allotment Option).

	As at March 31, 2012 before giving effect to transactions since March 31, 2012 and this Offering ⁽¹⁾	As at March 31, 2012 after giving effect to transactions since March 31, 2012 and this Offering ⁽¹⁾⁽²⁾⁽³⁾
	(expressed in 000’s)	(expressed in 000’s)
Indebtedness		
Mortgages and Bank Indebtedness	\$ 1,624,214	\$ 2,022,847
Convertible Debentures	212,055	199,168
Total Indebtedness	1,836,269	2,222,015
Unitholders’ Equity	1,508,212	1,639,623
Preferred Unitholders’ Equity	0	71,500
TOTAL CAPITALIZATION	\$ 3,344,481	\$ 3,933,138

(1) See “Recent Developments”.

(2) In accordance with International Financial Reporting Standards, Artis accounts for its convertible debentures entirely as Indebtedness. In conjunction with the issuance of the Series A Units, Artis will make amendments to its Declaration of Trust, including, among other things, converting from an open-ended trust to a closed-ended trust by removing the redemption right attached to the Units. Once the Trust is closed, the accounting treatment pursuant to International Financial Reporting Standards may be different, such that some component of the convertible debentures may be classified as Indebtedness, and some component may be classified as Unitholders’ Equity.

(3) In accordance with International Financial Reporting Standards, Artis accounts for its Unit options as cash-settled share-based payment transactions and records the fair value of the Unit options as liabilities as at the balance sheet date. Once the Trust is closed, the accounting treatment pursuant to IFRS may be different, such that Unit options may be classified as equity-settled share-based payment transactions and consequently recorded as equity instruments as at the balance sheet date.

EARNINGS COVERAGE RATIOS

Dollar amounts disclosed in this “Earnings Coverage Ratio” section are disclosed in thousands of dollars.

Artis’ interest requirements for the year ended December 31, 2011 amounted to approximately \$78,942 and Artis’ earnings before interest and income tax was \$399,762 for the same period, which was approximately \$320,820 in excess of the interest requirements for such period, representing an earnings coverage ratio of approximately 5.06. Artis’ earnings before interest and income tax, excluding the fair value gain on investment properties recorded during the period, was \$153,668, which was approximately \$74,726 in excess of the interest requirements for such period, representing an earnings coverage ratio of approximately 1.95.

Artis’ pro forma interest requirements, after adjusting for the issue of the Series A Units and debt incurred or repaid since December 31, 2011, would amount to \$94,075 for the year ended December 31, 2011 and would result in its earnings before interest and income tax for the same period being \$305,687 in excess of the interest requirements for the same period, representing an adjusted earnings coverage ratio of approximately 4.25. Pro forma earnings before interest and income tax for the same period, excluding the fair value gain on investment properties recorded during the period, would be \$59,593 in excess of the interest requirements for such period, representing an earnings coverage ratio of approximately 1.63. In these pro forma calculations, the distribution requirements on the Series A Units are included in interest.

Artis’ interest requirements for the twelve months ended March 31, 2012, amounted to approximately \$83,972 and Artis’ earnings before interest and income tax was \$348,650 for the same period, which was approximately \$264,678 in excess of the interest requirements for such period, representing an earnings coverage ratio of approximately 4.15. Artis’ earnings before interest and income tax, excluding the fair value gain on investment properties recorded during the period, was \$161,845, which was approximately \$77,873 in excess of the interest requirements for such period, representing an earnings coverage ratio of approximately 1.93.

Artis’ pro forma interest requirements, after adjusting for the issue of the Series A Units and debt incurred or repaid since March 31, 2012, would amount to \$99,739 for the twelve months ended March 31, 2012, and would result in its earnings before interest and income tax for the same period being \$248,911 in excess of the interest requirements for the same period, representing an adjusted earnings coverage ratio of approximately 3.50. Pro forma earnings before interest and income tax for the same period, excluding the fair value gain on investment properties recorded during the period, would be \$62,106 in excess of the interest requirements for such period, representing an earnings coverage ratio of approximately 1.62. In these pro forma calculations, the distribution requirements on the Series A Units are included in interest.

The earnings coverage ratios set forth above have been prepared in accordance with Canadian disclosure requirements, using financial information that was prepared in accordance with International Financial Reporting Standards. The adjusted earnings coverage ratio calculation does not include any additional earnings that may be derived from the use of the net proceeds of the Offering or cash on hand or from properties acquired after December 31, 2011 or March 31, 2012, as applicable.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, Artis agreed to sell and the Underwriters have severally agreed to purchase on the closing date, being August 2, 2012, or such other date as may be agreed upon, but in any event not later than August 9, 2012, subject to compliance with all necessary legal requirements and to the terms and conditions contained in the Underwriting Agreement, an aggregate of 3,000,000 Series A Units at a price of \$25.00 per Unit for gross proceeds to Artis of \$75,000,000, payable in cash to Artis by the Underwriters against delivery of the Series A Units on the Closing Date. This Offering is being made in all provinces and territories of Canada pursuant to this Prospectus Supplement and the Short Form Prospectus to which it relates. The Underwriting Agreement provides that Artis will pay to the Underwriters a fee of \$0.25 for each Series A Unit sold to exempt institutions and \$1.00 for all other Series A Unit purchased by the Underwriters in consideration for their services in connection with this Offering. The Offering Price of the Series A Units was determined by negotiation between Artis and the RBC Dominion Securities Inc., CIBC World Markets Inc. and Macquarie Capital Markets Canada Ltd., as co-lead underwriters, on behalf of the Underwriters.

Artis has granted to the Underwriters the Over-Allotment Option, which is exercisable in whole or in part at any time up to 30 days after the closing date of the Offering, to purchase up to an additional 450,000 Series A Units, being 15% of the Series A Units sold under the Offering, on the same terms and conditions as set forth above to cover over-allotments, if any, and for market stabilization purposes. In the event that the Over-Allotment Option is exercised in full, the total price to the public, Underwriters’ fee and net proceeds to Artis from this Offering before expenses will be \$86,250,000, \$3,450,000 and \$82,800,000, respectively. This Prospectus Supplement also qualifies the distribution of the Over-Allotment Option and the Series A Units issuable upon the exercise of the Over-Allotment Option.

A purchaser who acquires Series A Units forming part of the Over-Allotment Option acquires those Series A Units under this Prospectus Supplement, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The terms and provisions attaching to the Series A Units shall be as set out under “Details of the Offering”. The initial distribution on the Series A Units will be payable on September 30, 2012 and will be \$0.2122 per Series A Unit, based on the anticipated closing date of the Offering of August 2, 2012. See “Details of the Offering”.

Subscriptions for the Series A Units will be received subject to rejection or allotment, in whole or in part, and the right is reserved to close the subscription books at any time without notice. It is anticipated that definitive certificates evidencing the Series A Units will be available for delivery in book-entry only form through the services of CDS Clearing and Depository Services Inc. at closing of the Offering, which is anticipated to be on August 2, 2012, or such other date as Artis and the Underwriters may agree, but in any event no later than August 9, 2012.

Artis has agreed that it will not issue or sell any preferred units or securities convertible or exercisable into preferred units for a period of 90 days following the closing of the Offering, except the Series A Units issuable pursuant to the exercise of the Over-Allotment Option, without the prior consent of RBC Dominion Securities Inc., CIBC World Markets Inc. and Macquarie Capital Markets Canada Ltd. on behalf of the Underwriters, such consent not to be unreasonably withheld.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the securities if any of the securities are purchased under the Underwriting Agreement. The Underwriters propose to offer the Series A Units initially at the public offering price on the cover page of this Prospectus Supplement. After the Underwriters have made a reasonable effort to sell all of the Series A Units offered by this Prospectus Supplement at the price specified herein, the offering price may be decreased and the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Units is less than the gross proceeds paid by the Underwriters to Artis.

Artis has agreed to indemnify the Underwriters against certain liabilities, including certain liabilities under Canadian provincial securities legislation.

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

Artis may be considered to be a “connected issuer” of RBC Dominion Securities Inc., one of the Underwriters, which is an affiliate of a lender to Artis. As at June 30, 2012, Artis was indebted to such lender for an aggregate principal amount of approximately \$75.3 million. Artis and its subsidiaries are in compliance with the terms of the mortgages. None of the proceeds of this Offering will be applied to reduce the indebtedness under the mortgages to such lender. Such lender has a first mortgage against certain of Artis’ properties as security for the indebtedness.

Artis may also be considered to be a “connected issuer” of CIBC World Markets Inc., one of the Underwriters, which is an affiliate of a lender to Artis. As at June 30, 2012, Artis was indebted to such lender for an aggregate principal amount of approximately \$135.5 million. Artis and its subsidiaries are in compliance with the terms of the mortgages. None of the proceeds of this Offering will be applied to reduce the indebtedness under the mortgages to such lender. Such lender has a first mortgage against certain of Artis’ properties as security for the indebtedness.

Artis may also be considered to be a “connected issuer” of BMO Nesbitt Burns Inc., one of the Underwriters, which is an affiliate of a lender to Artis. As at June 30, 2012, Artis was indebted to such lender for an aggregate principal amount of approximately \$97.8 million. Artis and its subsidiaries are in compliance with the terms of the mortgages. None of the proceeds of this Offering will be applied to reduce the indebtedness under the mortgages to such lender. Such lender has a first mortgage against certain of Artis’ properties as security for such indebtedness.

Artis may also be considered to be a “connected issuer” of Scotia Capital Inc., one of the Underwriters, which is an affiliate of a lender to Artis. As at June 30, 2012, Artis was indebted to such lender for an aggregate principal amount of approximately \$114.1 million. Artis and its subsidiaries are in compliance with the terms of the mortgages. None of the proceeds of this Offering will be applied to reduce the indebtedness under the mortgages to such lender. Such lender has a first mortgage against certain of Artis’ properties as security for such indebtedness.

Since the indebtedness under each lending arrangement discussed above was incurred, the financial position of Artis and the value of the security of the lenders have not materially changed. The Offering was not required, suggested or consented to by any lender to Artis.

The Series A Units offered hereunder have not been and will not be registered under the 1933 Act or any state securities laws, and, accordingly, may not be offered or sold within the United States (as such term is defined in Regulation S under the 1933 Act) except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws. The Underwriting Agreement permits the Underwriters to offer the Series A Units for sale by Artis to certain “accredited investors” that meet the criteria set forth in Rule 501(a) of Regulation D under the 1933 Act, as amended by the *Dodd-Frank Wall Street Reform and Consumer Protection Act* in the United States on a substituted purchaser basis pursuant to Rule 506 of Regulation D under the 1933 Act. Moreover, the Underwriting Agreement provides that the Underwriters will offer and sell the Series A Units outside the United States only in accordance with Rule 903 of Regulation S under the 1933 Act.

The issued and outstanding Units, Series F Debentures and Series G Debentures are currently listed on the TSX under the symbols “AX.UN”, “AX.DB.F” and “AX.DB.U”, respectively. The TSX has conditionally approved the listing of the Series A Units to be distributed under this Prospectus Supplement and the Series B Units as to which the Series A Units may be reclassified. Listing of the Series A Units will be subject to Artis satisfying all of the requirements of the TSX on or before October 23, 2012. The trading symbol reserved for the Series A Units is “AX.PR.A”.

DETAILS OF THE OFFERING

Description of the Series A Units

The following is a summary of certain provisions attaching to the Series A Units as a series.

Definition of Terms

The following definitions are relevant to the Series A Units:

“**Annual Fixed Distribution Rate**” means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 4.06%.

“**Bloomberg Screen GCAN5YR Page**” means the display designated as page “GCAN5YR<INDEX>” on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada bond yields.

“**Fixed Rate Calculation Date**” means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

“**Government of Canada Yield**” on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers selected by Artis, as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

“**Initial Fixed Rate Period**” means the period commencing on the Closing Date and ending on and including September 30, 2017.

“**Subsequent Fixed Rate Period**” means for the initial Subsequent Fixed Rate Period, the period commencing on October 1, 2017 and ending on and including September 30, 2022, and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including September 30 in the fifth year thereafter.

Issue Price

The Series A Units will have an issue price of \$25.00 per unit.

Distributions

During the Initial Fixed Rate Period, the holders of the Series A Units will be entitled to receive fixed cumulative preferential cash distributions, as and when declared by the Board of Trustees, payable quarterly on the last business day of March, June, September and December in each year during the Initial Fixed Rate Period, at an annual rate equal to \$1.3125 per Series A Unit. The initial distribution will be payable on September 30, 2012 and will be \$0.2122 per Series A Unit, based on the anticipated Closing Date of August 2, 2012.

During each Subsequent Fixed Rate Period, the holders of Series A Units will be entitled to receive fixed cumulative preferential cash distributions, as and when declared by the Board of Trustees, payable quarterly on the last business day of March, June, September and December in each year during the Subsequent Fixed Rate Period, in an annual amount per Series A Unit determined by multiplying the Annual Fixed Distribution Rate applicable to such Subsequent Fixed Rate Period by \$25.00.

The Annual Fixed Distribution Rate applicable to a Subsequent Fixed Rate Period will be determined by Artis on the Fixed Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon Artis and upon all holders of Series A Units. Artis will, on the Fixed Rate Calculation Date, give written notice of the Annual Fixed Distribution Rate for the ensuing Subsequent Fixed Rate Period to the registered holders of the then outstanding Series A Units.

Payment of distributions and other amounts in respect of the Series A Units will be made by Artis to CDS, or its nominee, as the case may be, as registered holder of the Series A Units. As long as CDS, or its nominee, is the registered holder of the Series A Units, CDS, or its nominee, as the case may be, will be considered the sole owner of the Series A Units for the purposes of receiving payment on the Series A Units.

Redemption

The Series A Units will not be redeemable by Artis prior to September 30, 2017. On September 30, 2017 and on September 30 every five years thereafter (or, if such date is not a business day, the immediately following business day), and subject to certain other restrictions set out in “Description of the Series A Units — Restrictions on Distributions and Retirement and Issue of Equity Interests”, Artis may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or from time to time any part of the outstanding Series A Units by payment in cash of a per Series A Units sum equal to \$25.00, together with all accrued and unpaid distributions up to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by Artis).

If less than all of the outstanding Series A Units are to be redeemed, the Series A Units to be redeemed shall be selected on a *pro rata* basis disregarding fractions or, if such Series A Units are at such time listed on the TSX, with the consent of the TSX, in such manner as the Board of Trustees in its sole discretion may, by resolution, determine.

The Series A Units do not have a fixed maturity date and are not redeemable at the option of the holders of Series A Units, See “Risk Factors”.

Reclassification of Series A Units as Series B Units

Holders of Series A Units will have the right, at their option, on September 30, 2017 and on September 30 every five years thereafter (a “**Series A Reclassification Date**”), to reclassify, subject to the restrictions on reclassification described below and the payment of the tax, if any, required to be paid or remitted by Artis in connection with the reclassification, all or any of their Series A Units registered in their name as Series B Units on the basis of one Series B Unit for each Series A Unit. If a Series A Reclassification Date would otherwise fall on a day that is not a business day, such Series A Reclassification Date shall be the immediately following business day. The reclassification of Series A Units may be effected upon written notice given by the registered holders of the Series A Units not earlier than the 30th day prior to, but not later than 5:00pm (Toronto time) on the 15th day preceding, a Series A Reclassification Date. Once received by Artis, an election notice is irrevocable. If Artis does not receive an election notice from a holder of Series A Units during such time, the Series A Units held by such holder shall be deemed not to have been reclassified,

Artis will, at least 30 days and not more than 60 days prior to the applicable Series A Reclassification Date, give notice in writing to the then registered holders of the Series A Units of the above-mentioned reclassification privilege. On the 30th day prior to each Series A Reclassification Date, Artis will give notice in writing to the then registered holders of the Series A Units of the Annual Fixed Distribution Rate for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Distribution Rate (as defined below) applicable to the Series B Units for the next succeeding Quarterly Floating Period (defined below).

If Artis gives notice to the registered holders of the Series A Units of the redemption on a Series A Reclassification Date of all of the Series A Units, Artis will not be required to give notice as provided hereunder to the registered holders of the Series A Units of the Floating Quarterly Distribution Rate, the Annual Fixed Distribution Rate or the reclassification privilege of holders of Series A Units and the right of any holder of Series A Units to reclassify such Series A Units as Series B Units will cease and terminate in that event.

Holders of Series A Units will not be entitled to reclassify their Series A Units as Series B Units if Artis determines that there would remain outstanding on a Series A Reclassification Date less than 500,000 Series B Units, after taking into account all Series A Units in respect of which a notice of reclassification as Series B Units has been provided and all Series B Units in respect of which a notice of reclassification as Series A Units has been provided. Artis will give notice in writing to all affected holders of Series A Units of their inability to reclassify their Series A Units at least seven days prior to the applicable Series A Reclassification Date. Furthermore, if Artis determines that there would remain outstanding on a Series A Reclassification Date less than 500,000 Series A Units after taking into account all Series A Units in respect of which a notice of reclassification as Series B Units has been provided and all Series B Units in respect of which a notice of reclassification as Series A Units has been provided then each of the remaining outstanding Series A Units will automatically be reclassified as Series B Units on the Series A Reclassification Date on a one for one basis. Artis will give notice in writing to this effect to the then registered holders of such remaining Series A Units at least seven days prior to the Series A Reclassification Date.

Upon exercise by a registered holder of its reclassification privilege in respect of reclassifying Series A Units as Series B Units (and upon an automatic reclassification), Artis reserves the right not to deliver Series B Units to any person whose address is in, or whom Artis or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require Artis to take any action to comply with the securities or analogous laws of such jurisdiction.

If Artis is subject to any tax or any obligation to withhold and/or remit tax in respect of the reclassification of Series A Units, it is permitted to withhold and sell a portion of the reclassified units that would otherwise be issued to the holder of Series A Units that has elected to reclassify.

Purchase for Cancellation

Subject to applicable law and to the provisions described under “Description of the Series A Units — Restrictions on Distributions and Retirement and Issue of Equity Interests” below, Artis may at any time purchase for cancellation the whole or any part of the Series A Units at the lowest price or prices at which, in the opinion of the Board of Trustees, such units are obtainable.

Rights on Termination or Liquidation

In the event of the termination, liquidation, dissolution or winding-up of Artis or any other distribution of assets of Artis among its holders of equity securities for the purpose of winding-up its affairs, the holders of the Series A Units will be entitled to receive \$25.00 per Series A Unit, together with all accrued and unpaid distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by Artis), before any amount is paid or any assets of Artis are distributed to the holders of any Units or Preferred Units (collectively, “**Equity Interests**”) ranking junior as to capital to the Series A Units. Upon payment of such amounts, the holders of the Series A Units will not be entitled to share in any further distribution of the assets of Artis.

Priority

The Series A Units will rank equally with each other and the Series B Units and will rank in priority to the Units and over any other units of Artis ranking junior to the Series A Units and Series B Units with respect to priority in the payment of distributions and in the distribution of assets in the event of the termination, liquidation, dissolution or winding-up of Artis, whether voluntary or involuntary, or in the event of any other distribution of assets of Artis among its holders of equity securities for the purpose of winding-up its affairs. No Preferred Units shall be issued that rank prior to the Series A Units and Series B Units.

Restrictions on Distributions and Retirement and Issue of Equity Interests

So long as any of the Series A Units are outstanding, Artis shall not, without the approval of the holders of the Series A Units:

- (a) declare, pay or set apart for payment any distributions (other than amounts that are paid solely through the issuance of additional Units) on Equity Interests of Artis ranking as to distributions junior to the Series A Units;

- (b) except out of the net cash proceeds of a substantially concurrent issue of Equity Interests of Artis ranking as to return of capital and distributions junior to the Series A Units, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Equity Interests of Artis ranking as to capital junior to the Series A Units;
- (c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series A Units then outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Preferred Units, ranking as to the payment of distributions or return of capital on a parity with the Series A Units;

unless, in each such case, all accrued and unpaid distributions up to and including the distribution payable for the last completed period for which all distributions were payable on the Series A Units and on all other Equity Interests of Artis ranking on a parity with the Series A Units with respect to the payment of distributions have been declared paid or set apart for payment.

Series A Unitholder Approvals

In addition to any other approvals required by law, the approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Series A Units as a series and any other approval to be given by the holders of the Series A Units may be given by a resolution carried by an affirmative vote of at least 66 $\frac{2}{3}$ % of the votes cast at a meeting at which the holders of a majority of the outstanding Series A Units are present or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series A Units then present would form the necessary quorum. At any meeting of holders of Series A Units as a series, each such holder shall be entitled to one vote in respect of each Series A Unit held.

Voting Rights

The holders of the Series A Units will not (except as otherwise provided by law, and except for meetings of the holders of Preferred Units as a class and meetings of all holders of Series A Units as a series as contemplated by the Declaration of Trust) be entitled to receive notice of, attend, or vote at any meeting of unitholders of Artis unless and until Artis shall have failed to pay eight quarterly distributions on the Series A Units, whether or not consecutive and whether or not such distributions have been declared and whether or not there are any monies of Artis properly applicable to the payment of distributions. In the event of such non-payment, and for only so long as any such distributions remain in arrears, the holders of the Series A Units will be entitled to receive notice of and to attend each meeting of unitholders of Artis (other than any meetings at which only holders of another specified class or series are entitled to vote) and such holders of Series A Units shall have the right, at any such meeting, to one vote for each Series A Unit held.

No other voting rights shall attach to the Series A Units in any circumstances. Upon payment of the entire amount of all distributions on the Series A Units in arrears, the voting rights of the holders of the Series A Units shall forthwith cease (unless and until the same default shall again arise under the foregoing provisions).

Tax Matters

Artis' income and net taxable gains for the purposes of the Tax Act will be allocated to the holders of Units and Preferred Units in the same proportion as the distributions received by such holders.

Description of the Series B Units

The following is a summary of certain provisions attaching to the Series B Units as a series.

Definition of Terms

The following definitions are relevant to the Series B Units:

“Floating Quarterly Distribution Rate” means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 4.06% (calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365).

“Floating Rate Calculation Date” means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

“**Quarterly Commencement Date**” means the 1st of each of April, July, October and January in each year.

“**Quarterly Floating Rate Period**” means, for the initial Quarterly Floating Rate Period, the period commencing on October 1, 2017 and ending on and including December 31, 2017, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

“**T-Bill Rate**” means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada and posted on Reuters page BOCBILL, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

Distributions

The holders of the Series B Units will be entitled to receive floating rate cumulative preferential cash distributions, as and when declared by the Board of Trustees, payable quarterly on the last business day of each Quarterly Floating Rate Period, in an amount per Series B Unit determined by multiplying the applicable Floating Quarterly Distribution Rate by \$25.00.

The Floating Quarterly Distribution Rate for each Quarterly Floating Rate Period will be determined by Artis on the Floating Rate Calculation Date. Such determination will, in the absence of manifest error, be final and binding upon Artis and upon all holders of Series B Units. Artis will, on the Floating Rate Calculation Date, give written notice of the Floating Quarterly Distribution Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series B Units.

Payment of distributions and other amounts in respect of the Series B Units will be made by Artis to CDS, or its nominee, as the case may be, as registered holder of the Series B Units. As long as CDS, or its nominee, is the registered holder of the Series B Units, CDS, or its nominee, as the case may be, will be considered the sole owner of the Series B Units for the purposes of receiving payment on the Series B Units.

Redemption

Subject to certain other restrictions set out in "Description of the Series B Units —Restrictions on Distributions and Retirement and Issue of Equity Interests", Artis may, at its option, on at least 30 days and not more than 60 days prior written notice, redeem all or from time to time any part of the outstanding Series B Units by payment in cash of a per unit sum equal to (i) \$25.00 in the case of redemptions on September 30, 2022 and on September 30 every five years thereafter (each, a “**Series B Reclassification Date**”), or (ii) \$25.50 in the case of redemptions on any date which is not a Series B Reclassification Date on or after September 30, 2017, in each case together with all accrued and unpaid distributions up to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by Artis).

If less than all of the outstanding Series B Units are to be redeemed, the Series B Units to be redeemed shall be selected on a pro rata basis disregarding fractions or, if such Series B Units are at such time listed on the TSX, with the consent of the TSX, in such manner as the Board of Trustees in its sole discretion may, by resolution, determine.

The Series B Units do not have a fixed maturity date and are not redeemable at the option of the holders of Series B Units. See "Risk Factors".

Reclassification of Series B Units as Series A Units

Holders of Series B Units will have the right, at their option, on each Series B Reclassification Date, to reclassify, subject to the restrictions on reclassification described below and the payment of the tax, if any, required to be paid or remitted by Artis in connection with the reclassification, all or any of their Series B Units registered in their name as Series A Units on the basis of one Series A Unit for each Series B Unit. If a Series B Reclassification Date would otherwise fall on a day that is not a business day, such Series B Reclassification Date shall be the immediately following business day. The reclassification of Series B Units may be effected upon written notice given by the registered holders of the Series B Units not earlier than the 30th day prior to, but not later than 5:00 pm (Toronto time) on the 15th day preceding, a Series B Reclassification Date. If Artis does not receive an election notice from a holder of Series B Units during such time, the Series B Units held by such holder shall be deemed not to have been reclassified. Once received by Artis, an election notice is irrevocable.

Artis will, at least 30 days and not more than 60 days prior to the applicable Series B Reclassification Date, give notice in writing to the then registered holders of the Series B Units of the above-mentioned reclassification privilege. On the 30th day prior to each Series

B Reclassification Date, Artis will give notice in writing to the then registered holders of the Series B Units of the Floating Quarterly Distribution Rate for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Distribution Rate applicable to the Series A Units for the next succeeding Subsequent Fixed Rate Period.

If Artis gives notice to the registered holders of the Series B Units of the redemption on a Series B Reclassification Date of all of the Series B Units, Artis will not be required to give notice as provided hereunder to the registered holders of the Series B Units of the Annual Fixed Distribution Rate, the Floating Quarterly Distribution Rate or the reclassification privilege of holders of Series B Units and the right of any holder of Series B Units to reclassify such Series A Units into Series B Units will cease and terminate in that event.

Holders of Series B Units will not be entitled to reclassify their Series B Units as Series A Units if Artis determines that there would remain outstanding on a Series B Reclassification Date less than 500,000 Series A Units, after taking into account all Series B Units in respect of which a notice of reclassification as Series A Units has been provided and all Series B Units in respect of which a notice of reclassification as Series B Units has been provided. Artis will give notice in writing to all affected holders of Series B Units of their inability to reclassify their Series B Units at least seven days prior to the applicable Series B Reclassification Date. Furthermore, if Artis determines that there would remain outstanding on a Series B Reclassification Date less than 500,000 Series B Units after taking into account all Series B Units in respect of which a notice of reclassification as Series A Units has been provided and all Series A Units in respect of which a notice of reclassification as Series B Units has been provided then each of the remaining outstanding Series B Units will automatically be reclassified as Series A Units on the Series B Reclassification Date on a one for one basis. Artis will give notice in writing to this effect to the then registered holders of such remaining Series B Units at least seven days prior to the Series B Reclassification Date.

Upon exercise by a registered holder of its reclassification privilege in respect of reclassifying Series B Units as Series A Units (and upon an automatic reclassification), Artis reserves the right not to deliver Series A Units to any person whose address is in, or whom Artis or its transfer agent has reason to believe is a resident of, any jurisdiction outside Canada, to the extent that such issue would require Artis to take any action to comply with the securities or analogous laws of such jurisdiction.

If Artis is subject to any tax or any obligation to withhold and/or remit tax in respect of the reclassification of Series B Units, it is permitted to withhold and sell a portion of the reclassified units that would otherwise be issued to the holder of Series B Units that has elected to reclassify.

Purchase for Cancellation

Subject to applicable law and to the provisions described under “Description of the Series B Units — Restrictions on Distributions and Retirement and Issue of Equity Interests” below, Artis may at any time purchase for cancellation the whole or any part of the Series B Units at the lowest price or prices at which, in the opinion of the Board of Trustees, such units are obtainable.

Rights on Termination or Liquidation

In the event of the termination, liquidation, dissolution or winding-up of Artis or any other distribution of assets of Artis among its holders of equity securities for the purpose of winding-up its affairs, the holders of the Series B Units will be entitled to receive \$25.00 per Series B Unit, together with all accrued and unpaid distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by Artis), before any amount is paid or any assets of Artis are distributed to the holders of any Equity Interests ranking junior as to capital to the Series B Units. Upon payment of such amounts, the holders of the Series B Units will not be entitled to share in any further distribution of the assets of Artis.

Priority

The Series B Units will rank equally with each other and the Series A Units and will rank in priority to the Units and over any other units of Artis ranking junior to the Series B Units and Series A Units with respect to priority in the payment of distributions and in the distribution of assets in the event of the termination, liquidation, dissolution or winding-up of Artis, whether voluntary or involuntary, or in the event of any other distribution of assets of Artis among its holders of equity securities for the purpose of winding-up its affairs. No Preferred Units shall be issued that rank prior to the Series A Units and Series B Units.

Restrictions on Distributions and Retirement and Issue of Equity Interests

So long as any of the Series B Units are outstanding, Artis shall not, without the approval of the holders of the Series B Units:

- (a) declare, pay or set apart for payment any distributions (other than amounts that are paid solely through the issuance of additional Units) on Equity Interests of Artis ranking as to distributions junior to the Series B Units;
- (b) except out of the net cash proceeds of a substantially concurrent issue of Equity Interests of Artis ranking as to return of capital and distributions junior to the Series B Units, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Equity Interests of Artis ranking as to capital junior to the Series B Units;
- (c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series B Units then outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Preferred Units, ranking as to the payment of distributions or return of capital on a parity with the Series B Units;

unless, in each such case, all accrued and unpaid distributions up to and including the distribution payable for the last completed period for which all distributions were payable on the Series B Units and on all other Equity Interests of Artis ranking on a parity with the Series B Units with respect to the payment of distributions have been declared paid or set apart for payment.

Series B Unitholder Approvals

In addition to any other approvals required by law, the approval of all amendments to the rights, privileges, restrictions and conditions attaching to the Series B Units as a series and any other approval to be given by the holders of the Series B Units may be given by a resolution carried by an affirmative vote of at least 66 $\frac{2}{3}$ % of the votes cast at a meeting at which the holders of a majority of the outstanding Series B Units are present or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series B Units then present would form the necessary quorum. At any meeting of holders of Series B Units as a series, each such holder shall be entitled to one vote in respect of each Series B Unit held.

Voting Rights

The holders of the Series B Units will not (except as otherwise provided by law, and except for meetings of the holders of Preferred Units as a class and meetings of all holders of Series B Units as a series as contemplated by the Declaration of Trust) be entitled to receive notice of, attend, or vote at any meeting of unitholders of Artis unless and until Artis shall have failed to pay eight quarterly distributions on the Series B Units, whether or not consecutive and whether or not such distributions have been declared and whether or not there are any monies of Artis properly applicable to the payment of distributions. In the event of such non-payment, and for only so long as any such distributions remain in arrears, the holders of the Series B Units will be entitled to receive notice of and to attend each meeting of unitholders of Artis (other than any meetings at which only holders of another specified class or series are entitled to vote) and such holders of Series B Units shall have the right, at any such meeting, to one vote for each Series B Unit held,

No other voting rights shall attach to the Series B Units in any circumstances. Upon payment of the entire amount of all distributions on the Series B Units in arrears, the voting rights of the holders of the Series B Units shall forthwith cease (unless and until the same default shall again arise under the foregoing provisions).

Tax Matters

Artis' income and net taxable gains for the purposes of the Tax Act will be allocated to the holders of Units and Preferred Units in the same proportion as the distributions received by such holders.

PRIOR SALES

Prior Sales

Artis has not previously sold any Series A Units or Series B Units or securities convertible into Series A Units or Series B Units.

Trading Price and Volume

Units

The Units are listed for trading on the TSX under the trading symbol “AX.UN”. The table below sets out the high and low trading price for the Units for the twelve month period prior to the date of this Prospectus Supplement.

Month	High (\$)	Low (\$)	Volume
July, 2011	14.20	13.77	2,477,869
August, 2011	14.00	9.83	5,848,189
September, 2011	13.68	12.18	5,181,304
October, 2011	13.40	11.10	3,769,140
November, 2011	14.04	12.80	2,941,427
December, 2011	14.15	13.73	3,842,621
January, 2012	15.39	13.99	6,377,630
February, 2012	16.05	14.97	5,054,960
March, 2012	16.63	15.59	8,473,946
April, 2012	16.84	15.97	4,268,870
May, 2012	16.96	15.55	5,825,985
June, 2012	16.56	15.35	6,457,202
July 1, 2012 to July 24, 2012	17.16	16.20	3,774,247

Series F Debentures

The Series F Debentures are listed for trading on the TSX under the trading symbol “AX.DB.F”. The table below sets out the high and low trading price for the Series F Debentures for the twelve month period prior to the date of this Prospectus Supplement.

Month	High (\$)	Low (\$)	Volume
July, 2011	103.64	101.80	5,530
August, 2011	103.00	98.00	15,420
September, 2011	103.00	93.01	9,080
October, 2011	100.51	92.00	7,940
November, 2011	100.50	98.00	5,290
December, 2011	101.98	100.00	7,760
January, 2012	105.60	101.50	13,800
February, 2012	108.29	104.95	13,830
March, 2012	108.28	105.08	15,190
April, 2012	112.66	106.40	21,010
May, 2012	113.78	105.75	19,230
June, 2012	109.00	104.25	14,530
July 1, 2012 to July 24, 2012	112.98	107.11	14,650

Series G Debentures

The Series G Debentures are listed for trading on the TSX under the trading symbol “AX.DB.U”. The table below sets out the high and low trading price for the Series G Debentures for the period commencing on the date of listing on the TSX and ending on the date prior to the date of this Prospectus Supplement.

Month	High (\$)	Low (\$)	Volume
July, 2011	101.00	99.60	20,350
August, 2011	100.51	94.00	31,930
September, 2011	98.90	89.99	21,660
October, 2011	96.00	87.50	12,890
November, 2011	97.20	91.50	8,520
December, 2011	96.85	92.25	9,130
January, 2012	101.00	96.10	24,050
February, 2012	102.10	100.25	12,980
March, 2012	103.00	100.75	54,600
April, 2012	103.00	100.55	22,140
May, 2012	102.94	99.75	19,360
June, 2012	101.60	99.50	24,070
July 1, 2012 to July 24, 2012	104.00	100.51	17,290

PRINCIPAL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Aikins, MacAulay & Thorvaldson LLP, counsel to Artis, and Goodmans LLP, counsel to the Underwriters, the following is, at the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a Preferred Unitholder who acquires Series A Units pursuant to the Offering and who, at all relevant times, for purposes of the Income Tax Act (Canada) (the “**Tax Act**”), is or is deemed to be resident in Canada, holds the Series A Units acquired pursuant to the Offering and any Series B Units acquired as a result of a reclassification of Series A Units as capital property, deals with Artis at arm's length and is not affiliated with Artis and is not exempt from tax under Part I of the Tax Act. Generally, the Series A Units and Series B Units will be considered capital property to a Preferred Unitholder provided that the Preferred Unitholder does not hold the Series A Units or Series B Units in the course of carrying on a business and has not acquired them as an adventure or concern in the nature of trade. Certain Preferred Unitholders whose Series A Units or Series B Units might not otherwise qualify as capital property may be entitled to obtain such qualification in certain circumstances by making an irrevocable election permitted by subsection 39(4) of the Tax Act. Such Preferred Unitholders should consult their own tax advisors regarding their particular circumstances.

This summary is not applicable to a Preferred Unitholder (i) that is a partnership a member of which is not resident in Canada for the purposes of the Tax Act, (ii) that is a “financial institution” (as defined in the Tax Act for purposes of the mark-to-market rules), (iii) that is a “specified financial institution” (as defined in the Tax Act), (iv) an interest in which is a “tax shelter investment” (as defined in the Tax Act), or (v) who has elected to have the “functional currency” reporting rules under the Tax Act apply. In addition, this summary does not address the deductibility of interest by a Preferred Unitholder who has borrowed money to acquire Preferred Units.

This summary is based upon the facts set out in this prospectus supplement, the provisions of the Tax Act and the regulations under the Tax Act (“**Regulations**”) in force at the date of this prospectus supplement, all specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”), counsel's understanding of the current published administrative practices and assessing policies of the CRA and a certificate of Artis as to certain factual matters. This summary is also based on an advance income tax ruling received by Artis from the CRA on July 6, 2012 (the “**Ruling**”) and opinions contained in the Ruling. Artis received the Ruling in respect of the authorization of the Preferred Units, the issuance of the Series A Units and Series B Units, and the implementation of the amendments to the Declaration of Trust to convert Artis from an open-end to a closed-end mutual fund trust (the “**Proposed Transactions**”). The Ruling included opinions regarding the application, to trusts which hold property through a partnership, of the asset and income tests which must be met by a closed-end mutual fund trust, which tests will have to be met by Artis after its conversion to a closed-end mutual fund trust. Although opinions are not binding on the CRA, the opinions contained in the Ruling reflect the current administrative views of the CRA.

There can be no assurance that the Tax Proposals will be implemented in their current form or at all. Except for the Tax Proposals, this summary does not otherwise take into account or anticipate any changes of law or practice, whether by judicial, governmental or legislative decision or action, or changes in the administrative policies or assessment practices of the CRA, nor does it take into account provincial, territorial or foreign tax legislation or considerations which may differ significantly from those discussed in this prospectus supplement. There can be no assurances that the CRA will not change its administrative and assessing practices, including those upon which the opinions in the Ruling are based. Modification or amendment of the Tax Act and Regulations or the Tax Proposals could significantly alter the tax status of Artis or the tax consequences of investing in Preferred Units.

This summary is of a general nature only, and is not exhaustive of all the Canadian federal tax considerations applicable to acquiring, holding and disposing of Series A Units and/or Series B Units. It is not intended to be, nor should it be construed to be, legal or tax advice to any particular Preferred Unitholder, and no representations with respect to the income tax consequences to any particular Preferred Unitholder are made. Accordingly, prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring, holding and disposing of Series A Units and/or Series B Units, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

This summary does not address any Canadian federal income tax considerations applicable to Non-Residents, and Non-Residents should consult their own tax advisors regarding the tax consequences of acquiring and holding Series A Units or Series B Units. All payments to Non-Residents of distributions on the Series A Units or Series B Units will be net of any applicable withholding taxes.

Status of Artis

Based on the representations as to factual matters set out in the Officer's Certificate and the current administrative views of the CRA, Artis currently qualifies as a "mutual fund trust" as defined in the Tax Act and would so qualify if the Proposed Transactions were implemented on or prior to the date hereof.

A mutual fund trust can either be a "closed-end" or "open-end" trust. Artis is currently an "open-end" trust. In order to qualify as a "closed-end" mutual fund trust, Artis must restrict its activities to the making of passive investments (such as the ownership of Canadian real property that is capital property) and must satisfy all of the following conditions:

- (a) at all times, at least 80% of Artis' assets must consist of shares (or rights to acquire shares), cash, bonds, debentures, mortgages, notes or other similar obligations, marketable securities or Canadian real estate;
- (b) not less than 95% of its income (computed without regard to any distributions) for each taxation year must be derived from, or from the disposition of, investments described in (a);
- (c) not more than 10% of Artis' assets at any time may consist of shares, bonds or securities of any one corporation or debtor; and
- (d) all units of Artis must be listed on a designated stock exchange in Canada.

The Trustees have advised counsel that they intend to implement the changes to the Declaration of Trust which were approved by the Unitholders, with the result that Artis would be converted from an open-end trust to a closed-end trust prior to the closing of the Offering. The Ruling confirms that the conversion will not result in a disposition by Artis of its property or by the Unitholders of their Units, includes opinions regarding the application of the asset and income tests (described above) which must be met by a closed-end mutual fund trust which holds property through a partnership, and includes an opinion that none of the factual information or the description of the Proposed Transactions contained in the Ruling would lead to a conclusion that Artis did not meet the requirements to be a closed-end mutual fund trust. Although opinions are not binding on the CRA, the opinions contained in the Ruling reflect the current administrative views of the CRA. Management of Artis intends to ensure that Artis will, from and after the time of the conversion, be able to satisfy the conditions to qualify as a closed-end mutual fund trust.

Currently, a trust will not be considered to be a mutual fund trust if it is established or maintained primarily for the benefit of Non-Residents unless restrictions in respect of its assets are followed. This summary assumes that Artis was not established and is not maintained primarily for the benefit of Non-Residents and counsel is of the view that this assumption is reasonable in light of the restrictions on the ownership of Units by Non-Residents which are contained in the Declaration of Trust.

The balance of this summary assumes that Artis qualifies as a mutual fund trust and will continue to so qualify at all material times. If Artis were not to qualify as a mutual fund trust, the income tax considerations described below would, in some respects, be materially different.

Taxation of Artis

The taxation year of Artis is the calendar year. The income of Artis for the purposes of the Tax Act will include rents in respect of Artis' portfolio of properties, any taxable capital gain and recapture of capital cost allowance arising on the disposition of property owned by Artis, and its share of the income of the Partnership for each fiscal year ending on or before the year-end of Artis. In computing its income for purposes of the Tax Act, Artis may deduct reasonable administrative costs, interest, and other expenses incurred by it for the purpose of earning income from property. Artis may also deduct from its income for the year a portion of any reasonable expenses incurred by Artis to issue the Series A Units. The portion of such issue expenses deductible by Artis in a taxation year is 20% of such issue expenses, pro-rated where Artis' taxation year is less than 365 days.

Subject to the SIFT Rules, in each taxation year, Artis will be subject to tax under Part I of the Tax Act on its income for the year, including net realized taxable capital gains, computed in accordance with the detailed provisions of the Tax Act, less the portion thereof that it deducts in respect of the amounts paid or payable or deemed to be paid or payable in the year to Unitholders and Preferred Unitholders. An amount will be considered to be payable to a Unitholder or Preferred Unitholder in a taxation year if it is paid to the Unitholder or Preferred Unitholder in the year by Artis or if the Unitholder or Preferred Unitholder is entitled in that year to enforce payment of the amount.

Losses incurred by Artis cannot be allocated to Unitholders or Preferred Unitholders but may be deducted by Artis in accordance with the Tax Act.

SIFT Rules and REIT Exception

The Tax Act contains provisions (the “**SIFT Rules**”) applicable to specified investment flow-through trusts or partnerships (“**SIFTS**”) and investors in SIFTS. If Artis were to become subject to the SIFT Rules, Artis would generally be taxed in a manner similar to corporations on income from business carried on in Canada by Artis and on income (other than taxable dividends) or capital gains from “non-portfolio properties” (as defined in the Tax Act), at a combined federal/provincial tax rate similar to that of a corporation. Allocations or distributions of income and capital gains that are subject to the SIFT Rules will be taxed as a dividend from a taxable Canadian corporation in the hands of the beneficiaries of Artis. Under the SIFT Rules, such dividends will be “eligible dividends” (as defined in the Tax Act) and a Canadian resident individual should therefore benefit from an enhanced gross-up and dividend tax credit available under the Tax Act. In general, distributions paid as returns of capital will not be subject to the SIFT Rules.

Artis will not be considered to be a SIFT trust in respect of a particular taxation year and, accordingly, will not be subject to the SIFT Rules in that year, if it qualifies as a “real estate investment trust” for the year (the “**REIT Exception**”). The REIT Exception to the SIFT Rules is comprised of a number of technical tests and the determination as to whether Artis qualifies for the REIT Exception in any particular taxation year can only be made with certainty at the end of that taxation year. Management of Artis believes that Artis has met the requirements of the REIT Exception in each taxation year since 2009 and will be able to meet the requirements of the REIT Exception throughout 2012, and intends for Artis to qualify for the REIT Exception at all future times. However, there can be no assurance that subsequent investments or activities undertaken by Artis will not result in Artis failing to qualify for the REIT Exception. If Artis is subject to the SIFT Rules, certain income tax considerations would, in some respects, be materially and adversely different, and the SIFT Rules may, depending on the nature of distributions from Artis, including what portion of its distributions are income and what portion are returns of capital, have a material adverse effect on the after-tax returns of certain Unitholders and Preferred Unitholders.

Taxation of the Partnership

The Partnership is expected to be an “excluded subsidiary entity” for purposes of the SIFT Rules and, as a result, will not be subject to tax under the Tax Act. Each partner of the Partnership, including Artis, will be required to include in computing the partner’s income the partner’s share of the income or loss (limited to its “at-risk amount”) of the Partnership for its fiscal year end ending in or coincident with the partner’s taxation year, whether or not such income is distributed to the partner in the taxation year. For this purpose, the income or loss of the Partnership will be computed for each fiscal year as if the Partnership were a separate person resident in Canada. In computing the income or loss of the Partnership, deductions may be claimed in respect of its reasonable administrative and other expenses incurred for the purpose of earning income from its business and investments and available capital cost allowances. The income (including taxable capital gains) or loss of the Partnership for a fiscal year will be allocated to the partners of the partnership, including Artis, on the basis of their respective share of such income or loss, subject to the detailed rules in the Tax Act in that regard. If the adjusted cost base of a unit held by Artis is negative at the end of a fiscal period of the Partnership, the amount by which it is negative will be deemed to be a capital gain realized by Artis at that time and the adjusted cost base of such unit will be increased by the amount of the deemed gain.

Taxation of Preferred Unitholders

A Preferred Unitholder is required to include in computing his or her income for tax purposes in each year the amount of income and net taxable capital gains, if any, paid or payable, or deemed to be paid or payable, to the Preferred Unitholder in the year by Artis to the extent that Artis deducts such amount in computing its income for tax purposes. Artis’s income and net taxable gains for the purposes of the Tax Act will be allocated to the holders of Units and Preferred Units in the same proportion as the distributions received by such holders.

The amount of the non-taxable portion of any net realized capital gains of Artis that is paid or payable to a Preferred Unitholder in a taxation year will not be included in computing the Preferred Unitholder’s income for the year. The Preferred Unitholder will not be required to reduce the adjusted cost base of the Preferred Unitholder’s Series A or Series B Units by such an amount.

Any other amount in excess of the income for tax purposes of Artis that is paid or payable to a Preferred Unitholder in that year generally will not be included in the Preferred Unitholder's income for the year. However, where such an amount is paid or payable to a Preferred Unitholder, the Preferred Unitholder will be required to reduce the adjusted cost base of the Preferred Unitholder's Series A or Series B Units, as the case may be, by that amount. To the extent that the adjusted cost base of a Series A or Series B Unit would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Series A or Series B Unit, as the case may be, to the Preferred Unitholder will then be nil. The taxation of capital gains is described below under "Capital Gains and Capital Losses".

Provided that appropriate designations are made by Artis, such portions of its net taxable capital gains, taxable dividends received or deemed to be received on shares of taxable Canadian corporations and foreign source income as are paid or payable, or deemed to be paid or payable to a Preferred Unitholder, will effectively retain their character and be treated as such in the hands of the Preferred Unitholder for the purposes of the Tax Act and Preferred Unitholders may be entitled to claim a foreign tax credit for foreign taxes paid by Artis. To the extent that amounts are designated as having been paid to Preferred Unitholders out of the net taxable capital gains of Artis, such designated amounts will be deemed for tax purposes to be received by Preferred Unitholders in the year as a taxable capital gain and will be subject to the general rules relating to the taxation of capital gains. See "Capital Gains and Capital Losses" below. To the extent that amounts are designated as having been paid to Preferred Unitholders out of taxable dividends received or deemed received on shares of taxable Canadian corporations, the normal (or in the case of eligible dividends, the enhanced) gross-up and dividend tax credit rules will apply to individuals, the deduction in computing taxable income will be available to corporations, and the refundable tax under Part IV of the Tax Act will be payable by Preferred Unitholders that are private corporations and certain other corporations controlled directly or indirectly by or for the benefit of an individual or a related group of individuals. Preferred Unitholders should consult their own tax advisors for advice with respect to the potential application of these provisions.

A Preferred Unitholder that is throughout the year a "Canadian-controlled private corporation" as defined in the Tax Act may be liable to pay an additional refundable tax on certain investment income.

Disposition and Reclassification of Units

In general, a disposition or deemed disposition of a Series A or Series B Unit will give rise to a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Series A or Series B Unit, as the case may be, to the Preferred Unitholder. In the Ruling, the CRA expresses the preliminary view that the reclassification of Series A Units as Series B Units (or Series B Units as Series A Units) would likely result in a taxable disposition at that time. In such circumstances, a Preferred Unitholder will generally be considered to have disposed of the reclassified Preferred Units for proceeds of disposition equal to the fair market value of the Preferred Units into which such units are reclassified.

The adjusted cost base of a Series A or Series B Unit to a Preferred Unitholder will include all amounts paid or payable by the Preferred Unitholder for the Series A or Series B Unit, with certain adjustments. For the purpose of determining the adjusted cost base to a Preferred Unitholder of Series A or Series B Units, when a Series A or Series B Unit is acquired, the cost of the newly-acquired Series A or Series B Unit will be averaged with the adjusted cost base of all of the Series A or Series B Units owned by the Preferred Unitholder at that time as capital property immediately before that acquisition.

Capital Gains and Capital Losses

One-half of the amount of any capital gain (a "**taxable capital gain**") realized by a Preferred Unitholder in a taxation year generally must be included in the Preferred Unitholder's income for that year, and one-half of the amount of any capital loss (an "**allowable capital loss**") realized by a Preferred Unitholder in a taxation year must generally be deducted from taxable capital gains realized by the Preferred Unitholder in that year. Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances provided in the Tax Act.

Where a Preferred Unitholder that is a corporation or trust (other than a mutual fund trust) disposes of a Preferred Unit, the Preferred Unitholder's capital loss from the disposition will generally be reduced by the amount of dividends received by Artis and previously designated by Artis to the Preferred Unitholder except to the extent that a loss on a previous disposition of a Preferred Unit has been reduced by those dividends. Analogous rules apply where a corporation or trust (other than a mutual fund trust) is a member of a partnership that disposes of Preferred Units.

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

Alternative Minimum Tax

In general terms, income for tax purposes of Artis paid or payable to a Preferred Unitholder who is an individual or a certain type of trust that is designated as taxable dividends or as net realized capital gains and capital gains realized on the disposition of Series A or Series B Units may increase the Preferred Unitholder's liability for alternative minimum tax.

RISK FACTORS

General

There are certain risks inherent in an investment in securities of Artis and in the activities of Artis which investors should carefully consider before investing in the Series A Units, including risks relating to real property ownership, current economic conditions, debt financing risk, interest rate fluctuations, tenant risk, illiquidity risk, competition, future property acquisitions, general uninsured losses, environmental matters, land and air rights leases, public market risk, market price of the Series A Units or the Series B Units, risks relating to the SIFT Rules, changes in legislation and investment eligibility, other tax related risk factors, availability of cash flow, fluctuations in cash distributions, the nature of the Series A Units or the Series B Units, legal rights attaching to the Series A Units or the Series B Units, restrictions on redemptions, failure to obtain additional financing, dilution, Preferred Unitholder liability, potential conflicts of interest, relationship with management and key personnel, changes in legislation, trustees and management and the conversion to international financial reporting standards. Reference is made to the section entitled “Risk Factors” in Artis’ 2011 AIF, which is incorporated by reference in this Prospectus Supplement, for a discussion of the risks inherent in an investment in Artis.

Tax-Related Risk Factors

Although as of the date hereof management of Artis believes that Artis met the requirements of the REIT Exception in each taxation year since 2009 and will be able to meet the requirements of the REIT Exception throughout 2012, there can be no assurance that Artis has or will do so. Please refer to the discussion under “Canadian Federal Income Tax Considerations—SIFT Rules”. In addition to the foregoing, no assurance can be given that Canadian federal income tax law respecting the taxation of income trusts and other flow-through entities will not be further changed in a manner that adversely affects Artis and its securityholders.

The Canadian federal income tax considerations that may arise in connection with the acquisition, holding, disposition or reclassification of Preferred Units are, in some respects, materially different from the acquisition, holding, disposition or exchange of preferred shares of a corporation. See “Certain Canadian Federal Income Tax Considerations” for a summary of the principal Canadian federal income tax considerations generally applicable to a Preferred Unitholder. In particular, in the Ruling the CRA expresses the preliminary view that the reclassification of Series A Units as Series B Units (or Series B Units as Series A Units) would likely result in a taxable disposition at that time. A disposition or deemed disposition of a Series A or Series B Unit will give rise to a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Series A or Series B Unit, as the case may be, to the Preferred Unitholder. The adjusted cost base of a Series A Unit or Series B Unit to a Preferred Unitholder will be reduced by any amount in excess of the income for tax purposes of Artis that is paid or payable to the holder thereof on such Preferred Unit. It is currently anticipated that a portion of the distributions paid by Artis in a given year will consist of such amounts.

Prior to the closing of the Offering, Artis will amend the Declaration of Trust to remove the redemption right attaching to the Units which will cause Artis to cease to qualify as an “open-end trust” and will require it to satisfy the conditions necessary to qualify as a “closed-end trust”. Artis received the Ruling in respect of the authorization of the Preferred Units, the issuance of the Series A Units and Series B Units, and the implementation of the amendments to the Declaration of Trust to convert Artis from an open-end to a closed-end mutual fund trust. The Ruling includes opinions regarding the application, to trusts which hold property through a partnership, of the asset and income tests which must be met by a closed-end mutual fund trust, which tests will have to be met by Artis after its conversion to a closed-end mutual fund trust. Although opinions are not binding on the CRA, the opinions contained in the Ruling reflect the current administrative views of the CRA. However, there can be no assurances that the CRA will not change its administrative and assessing practices, including those upon which the opinions in the Ruling are based.

The Tax Act contains restrictions relating to the activities and the investments permitted by a mutual fund trust, and in particular restrictions on investments and income which must be complied with by closed-end trusts. These restrictions are described under “Principal Canadian Federal Income Considerations - Status of the Fund”. No assurance can be given that Artis will be able to comply with these restrictions at all times. If Artis were not to qualify as a mutual fund trust, the income tax considerations described under “Principal Canadian Federal Income Tax Considerations” would, in some respects, be materially and adversely different.

Risk Factors Specific to the Series A Units and Series B Units

Prevailing yields on similar securities will affect the market value of the Series A Units and Series B Units. Assuming all other factors remain unchanged, the market value of the Series A Units and Series B Units would be expected to decline as prevailing yields for similar securities rise and would be expected to increase as prevailing yields for similar securities decline. Spreads over the Government of Canada Yield, T-Bill Rate and comparable benchmark rates of interests for similar securities will also affect the market value of the Series A Units and Series B Units in an analogous manner.

Neither the Series A Units nor the Series B Units have a fixed maturity date and are not redeemable at the option of the holder thereof. The ability of a holder to liquidate its holdings of Series A Units or Series B Units, as applicable, may be limited. There can be no assurance that an active trading market will develop for the Series A Units after the Offering or for the Series B Units following the reclassification of any Series A Units as Series B Units, or if developed, that such a market will be sustained at the Offering Price.

Neither the Series A Units nor the Series B Units are rated by any recognized rating agency, unlike in the case of most other preferred share issuances. There can be no assurances that this will not affect the value of the Series A Units and/or the Series B Units.

Artis may choose to redeem the Series A Units and the Series B Units from time to time, in accordance with the rights described under “Details of the Offering — Description of the Series A Units — Redemption” and “Details of the Offering — Description of the Series B Units — Redemption”, including when prevailing interest rates are lower than the yield borne by the Series A Units and the Series B Units, respectively. If prevailing rates are lower at the time of redemption, a purchaser would not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yield on the Series A Units or Series B Units being redeemed. Artis’ redemption right also may adversely impact a purchaser’s ability to sell Series A Units or Series B Units as the optional redemption date or period approaches.

The distribution rate in respect of the Series A Units will reset on September 30, 2017 and every five years thereafter. The distribution rate in respect of the Series B Units will reset quarterly. In each case, the new distribution rate is unlikely to be the same as, and may be lower than, the distribution rate for the applicable preceding distribution period.

Investments in the Series B Units, given their floating interest component, entail risks not associated with investments in the Series A Units. The resetting of the applicable rate on a Series B Unit may result in a lower yield compared to fixed rate Series A Units. The applicable rate on a Series B Unit will fluctuate in accordance with fluctuations in the T-Bill Rate on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which Artis has no control.

An investment in the Series A Units, or in the Series B Units, as the case may be, may become an investment in Series B Units, or in Series A Units, respectively, without the consent of the holder in the event of an automatic reclassification in the circumstances described under “Details of the Offering — Description of the Series A Units – Reclassification of Series A Units as Series B Units” and “Details of the Offering — Description of the Series B Units – Reclassification of Series B Units as Series A Units”. Upon the automatic reclassification of the Series A Units as Series B Units, the distribution rate on the Series B Units will be a floating rate that is adjusted quarterly by reference to the T-Bill Rate which may vary from time to time while, upon the automatic reclassification of the Series B Units as Series A Units, the distribution rate on the Series A Units will be, for each five-year period, a fixed rate that is determined by reference to the Government of Canada Yield on the 30th day prior to the first day of each such five-year period. In addition, holders may be prevented from reclassifying their Series A Units as Series B Units, and vice versa, in certain circumstances. See “Details of the Offering — Description of the Series A Units — Reclassification of Series A Units as Series B Units” and “Details of the Offering — Description of the Series B Units — Reclassification of Series B Units as Series A Units”.

Risk Factors Specific to the Offering

While the net proceeds of the Offering are expected to enhance Artis’ liquidity, to the extent that a portion of the net proceeds of the Offering remains as cash, or is used to repay indebtedness with a low interest rate, the Offering is expected to result in dilution, on a per unit basis, to Artis’ net income and other measures used by Artis.

Although Artis expects to complete the proposed acquisitions described above under “Recent Developments”, there can be no assurance that such proposed acquisitions will be completed in a timely manner or at all. In the event that one or more of the proposed acquisitions is not completed, Artis will seek to make alternative property acquisitions. In such event, there can be no assurance that alternative property acquisitions will be available on attractive terms or at all. Accordingly, the failure to complete one or more of the proposed acquisitions may adversely affect Artis.

INTERESTS OF EXPERTS

Deloitte & Touche LLP, Chartered Accountants, of Winnipeg, Manitoba, prepared the independent auditor's report relating to Artis' annual financial statements as at and for the years ending December 31, 2011 and December 31, 2010 and is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Manitoba.

Aikins, MacAulay & Thorvaldson LLP is legal counsel to Artis and Goodmans LLP is legal counsel to the Underwriters. As of the date hereof, neither the partners and associates of Aikins, MacAulay & Thorvaldson LLP nor the partners and associates of Goodmans LLP own more than 1% of the issued and outstanding Units of Artis.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Deloitte & Touche LLP, Chartered Accountants, of Winnipeg, Manitoba is the current auditor of Artis.

The registrar and transfer agent of Artis is CIBC Mellon Trust Company, 600, 333 – 7th Avenue S.W. in Calgary, Alberta and in Toronto, Ontario.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

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

INDEPENDENT AUDITOR'S CONSENT

We have read the prospectus supplement of Artis Real Estate Investment Trust ("Artis") dated July 25, 2012 relating to the sale and issue of 3,000,000 Preferred Units, Series A of Artis, to the short form base shelf prospectus of Artis dated June 15, 2012 relating to the sale and issue of units, preferred units, debt securities, warrants and subscription receipts of Artis (collectively, the "Prospectus"). We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Prospectus of our report to the unitholders of Artis on the consolidated balance sheets of Artis as at December 31, 2011, December 31, 2010 and January 1, 2010; and the consolidated statements of operations, consolidated statements of changes in unitholders' equity and consolidated statements of cash flows for the years ended December 31, 2011 and December 31, 2010. Our report is dated March 14, 2012.

Deloitte & Touche LLP.

Chartered Accountants
Winnipeg, Manitoba
July 25, 2012

CERTIFICATE OF THE UNDERWRITERS

Dated: July 25, 2012

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

RBC DOMINION SECURITIES INC.

Per: (Signed) WILLIAM WONG

CIBC WORLD MARKETS INC.

Per: (Signed) MARK G. JOHNSON

**MACQUARIE CAPITAL MARKETS
CANADA LTD.**

Per: (Signed) JOHN BARTKIW

BMO NESBITT BURNS INC.

Per: (Signed) ASHISH MATHUR

NATIONAL BANK FINANCIAL INC.

Per: (Signed) ANDREW WALLACE

SCOTIA CAPITAL INC.

Per: (Signed) STEPHEN SENDER

CANACCORD GENUITY CORP.

Per: (Signed) JUSTIN BOSA

DESJARDINS SECURITIES INC.

Per: (Signed) MARK A. EDWARDS

RAYMOND JAMES LTD.

Per: (Signed) J. GRAHAM FELL