WOODFINE

CAPITAL PROJECTS

WOODFINE LPs

WOODFINE MANAGEMENT CORP.

WOODFINE CREDIT LTD.

January 2024

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CORPORATE STRUCTURE

Ralph Peterson
Independent Director

Stewart Gillespie
Independent Director

Ian Thomas
Chairman of the Board

Peter M. Woodfine
Executive Officer

Mathew Woodfine
Financial Officer
(Interim)

Jennifer M. Woodfine
Corporate Secretary

CANADIAN HOLDING COMPANY

WOODFINE
CAPITAL PROJECTS

10% OWNERSHIP

100% OWNERSHIP

CANADIAN LIMITED PARTNERSHIPS

WOODFINE LPs

LP UNITS W

Herb Evers
Independent Director

Bruce Andrews
Independent Director

UNITED STATES SUBSIDIARY

WOODFINE
MANAGEMENT CORP.

Mathew Woodfine
Operating Officer

UNITED KINGDOM SUBSIDIARY

WOODFINE
CREDIT LTD.

Mathew Woodfine
Operating Officer

THE FIRM

The Firm is overseen by Peter M. Woodfine and headquartered in New York City. The Woodfine Group has been involved in the construction, leasing and syndication of commercial real estate in Western Canada since the 1980s. Woodfine Capital Projects Inc. (WCP) is a fully integrated procurement, development and management company that Peter M. Woodfine is advancing for the next 15-year business cycle.

As investors become increasingly interested in sourcing asset classes and investment opportunities that are uncorrelated to the stock market, The Firm recognizes a need for a regulated "Alternative Investment" market to hedge against traditional exchange-traded instruments.

Through WCP, The Firm makes investments in real estate via limited partnerships that it establishes. The public, non-listed limited partnership offers a solution between the private and public equity worlds, where The Firm is able to raise freely transferable equity and create leverage through first secured debentures.

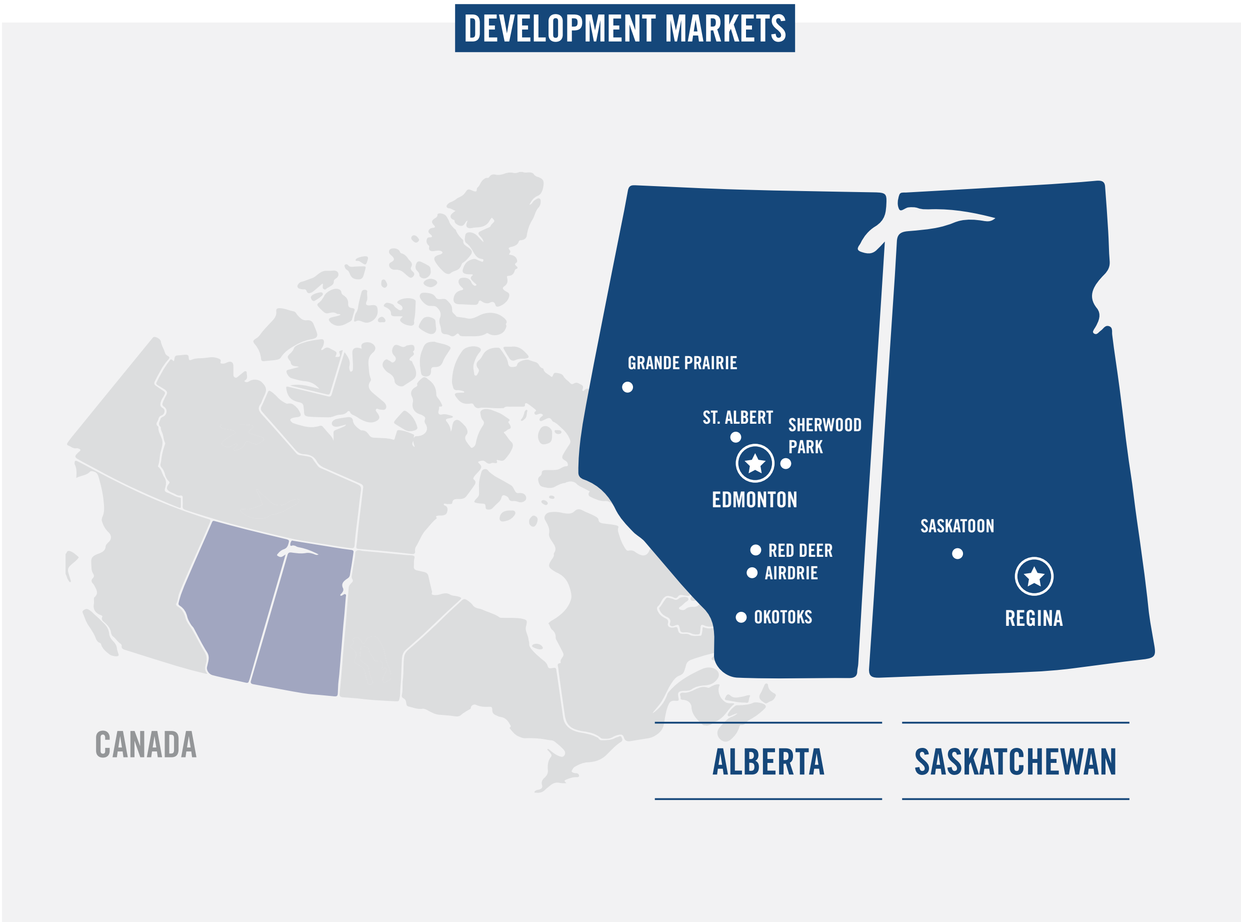
The LP structure affords management the opportunity to repeat its process across the changing landscape of opportunities and allows investors to fully participate in the creation of equity.

THE FIRM

The Firm is a multinational corporation focused solely on Alternative Investments. The Firm's Canadian holding company initiates the establishment of the Woodfine LPs and The Firm's subsidiaries directly engage in the business of procurement, development and management of real property.

Management of each LP is provided by a separate limited company, acting as General Partner (GP), which is wholly owned by WCP. Each GP's board of directors is required to have a majority of independent directors in order to sustain objectivity.

- **Woodfine Capital Projects Inc.**, based in Canada, is the holding company and executive department of The Firm.
- **Woodfine Management Corp**, based in New York City, is the operations department. It provides advisory services for the procurement, development and management of the Woodfine LPs as well as third parties.
- **Woodfine Limited Partnerships** (Woodfine LPs) are public non-listed investment funds originated by The Firm.



The Firm forecasts long-term structural and demographic trends in order to effectively meet future real-estate needs and create uncorrelated investment opportunities for investors.

The Firm's current investment mandate focuses on "Power Centres" in Western Canada.

- Power Centres are large groups of retail businesses anchored by big-box retail tenants.
- In the last decade, retail consumers have been pulled from Main Street toward these centres, creating opportunity through proximity to heavy consumer traffic for professionals and service providers.
- The Firm has identified multiple secondary markets in Western Canada with a clear shortage or absence of high-end real estate within or near established Power Centres.
- The Firm intends to develop projects within these regions and across various real-estate asset classes.
- While Alternative Investments typically require a longer-term commitment, expected return on invested capital (ROI) tends to be significantly higher than listed equity investments

ALTERNATIVE INVESTMENTS

Though historically considered complex, Alternative Investments ("Alternatives") can be simply explained.

Alternatives are defined as investments outside of the three traditional asset types: stocks, bonds and cash.

TYPICAL ALTERNATIVE INVESTMENTS

- **Real Estate:** Income-producing properties as investments, real-estate development or Real Estate Investment Trusts (REITs). Most retail investors are overweight in home ownership despite it resulting in the lowest returns within the real-estate sector.

- **Private Equity:** Owning equity securities in non-publicly listed companies. Deals typically include leveraged buyouts, distressed investments and venture capital.

- **Hedge Funds:** Various trading strategies designed to outperform the market and provide insurance against downturns in certain markets. Fees tend to be high.

Historically, many investors believed that the optimal portfolio could be constructed, in accordance with the Mutual Fund Theorem, with some combination of traditional assets. The initial disruption to managing investment portfolios as such came in the mid-1980s, when large institutions such as pension funds and endowments began adding Alternatives to their portfolios.

In recognizing the value and necessity of diversifying the greater portfolio away from traditional stocks and bonds, which tend to be highly correlated, these institutions began a longer trend toward the ideal of a more balanced portfolio including assets **uncorrelated** to one another.

Ideally, then, a portfolio may be constructed and adjusted to match various desired risk/reward profiles; the more uncorrelated the group of securities, the more control there exists in creating the proper risk-adjusted portfolio for any given investor.

While Alternatives have, until recently, been available more exclusively to a select group of institutional investors, we believe in their value within any portfolio and intend to disrupt this pattern through our offerings.

Real Estate, Private Equity and Hedge Funds all differ in their capital structure from standard assets. In each case, however, there is a manager redirecting the cash flow of the underlying asset to other investments or using that cash flow to take on debt. This results in **leverage** on the underlying asset, which is a defining characteristic of Alternatives.

Investors today are discovering that a traditional "60/40" allocation between stocks and bonds may not be sufficient in meeting their long-term goals. Though the use of leverage can lead to greater returns over time, it must be done thoughtfully and with an eye toward risk management. The risk/reward balance of any portfolio can be enhanced through the use of Alternatives, but the inherent risks in the structure should be carefully considered.

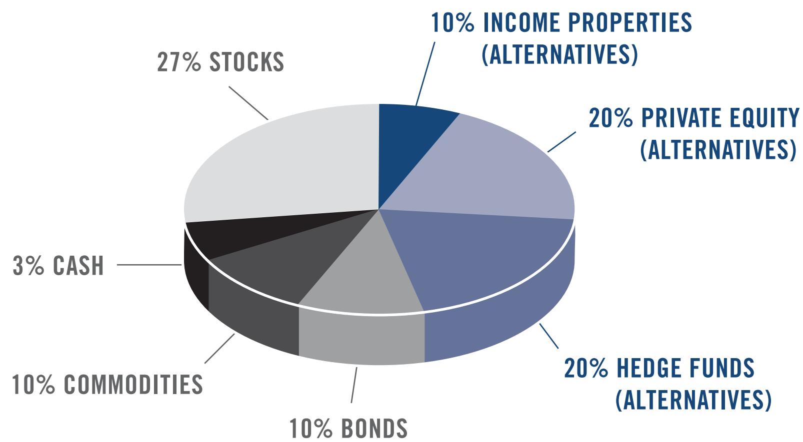
Active selection of Alternatives can have the following benefits:

- Effective portfolio hedges – low correlation to traditional, public markets
- Overall portfolio diversification
- Enhanced returns
- Reduced volatility to unrelated public market fluctuations

The Firm's offerings, as freely transferable units and registered investments, aim to add additional benefits:

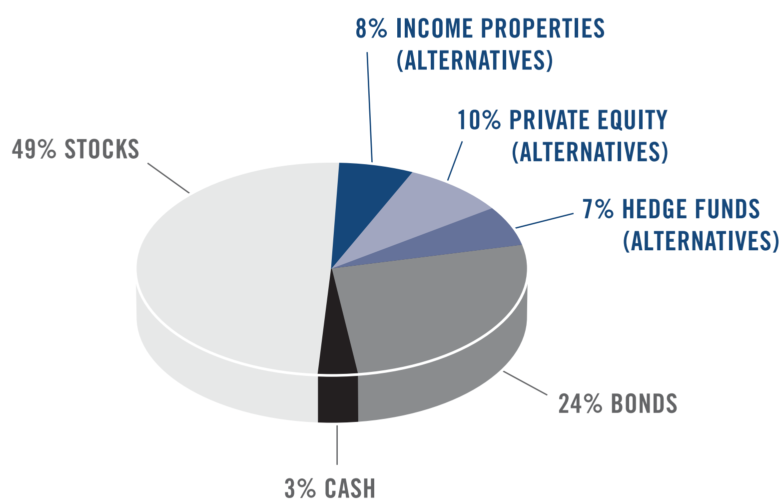
- Consistent income through sustainable distributions over time
- High transparency and public disclosure
- Increased liquidity via freely transferable units

TYPICAL ENDOWMENT FUND



Due to the higher risks inherent in the leveraged structure of Alternatives, larger institutions have historically been better suited to include them in portfolios. As pension funds and endowments have learned, this higher risk/reward profile requires that Alternatives are carefully balanced in a portfolio of stocks, bonds, indexes and commodities where they make up a practical percentage of total assets.

TYPICAL PENSION FUND



In order to have $20 invested in Alternatives in a reasonable fashion, an investor should have $100 or more of total capital to offset the risk. Regulations require that investors prove they are able to handle the risk of Alternatives, in part because these deals are not listed on a public exchange and their securities are not freely transferable.

While it is not the case that Alternatives are inherently more profitable, the leverage involved can turn a good investment into a potentially great one.

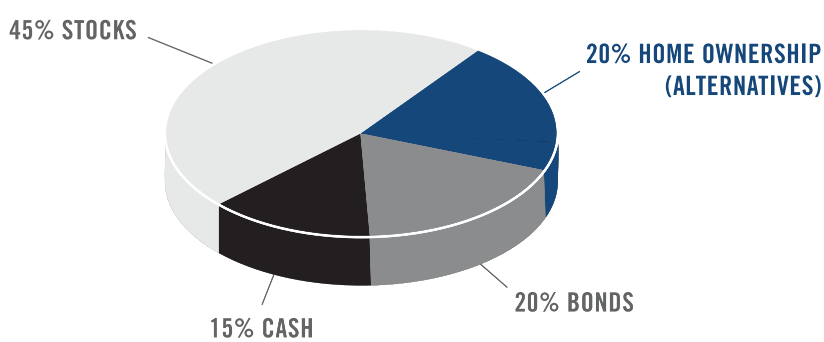
An investor required to allocate a minimum of $1.0 million, for example, should have a portfolio of at least $5.0 million to balance the risk of the Alternative investment. Such a high bar for entry into the Alternatives market is unfortunate for the retail investor. Alternatives are expected to deliver higher returns over time – often within the range of 15% compounded annual returns. Equity securities are generally expected to offer closer to an 8% compounded annual return. This difference is significant – doubling the potential return when results are compounded is triple the reward.

Until quite recently, access to Alternatives was nearly exclusive to pension funds, endowments and ultra high net worth families. Barriers such as high minimum investments, higher fees than mutual funds and ETFs and lack of access to relevant information have proven difficult to breach. Despite what is known about the benefits of Alternatives, a typical household portfolio today looks like the chart below.

The Firm focuses solely on Alternatives in order to provide individual investors with access to more diversified, uncorrelated portfolios like those of the larger institutions.

To remedy this discrepancy, several Alternative investment managers now offer Private Equity funds though mutual funds. Real estate is now securitized on the exchanges as REITs and newly created ETFs are no longer required to disclose their trading, allowing them to pursue strategies more akin to Hedge Funds. In all these cases, the minimum investment requirement has been greatly reduced. This is advantageous for Alternative investment managers, who benefit from a larger pool of available capital. More importantly, the retail investor now has another tool in customizing a portfolio's risk-adjusted returns over time.

TYPICAL HOUSEHOLD PORTFOLIO

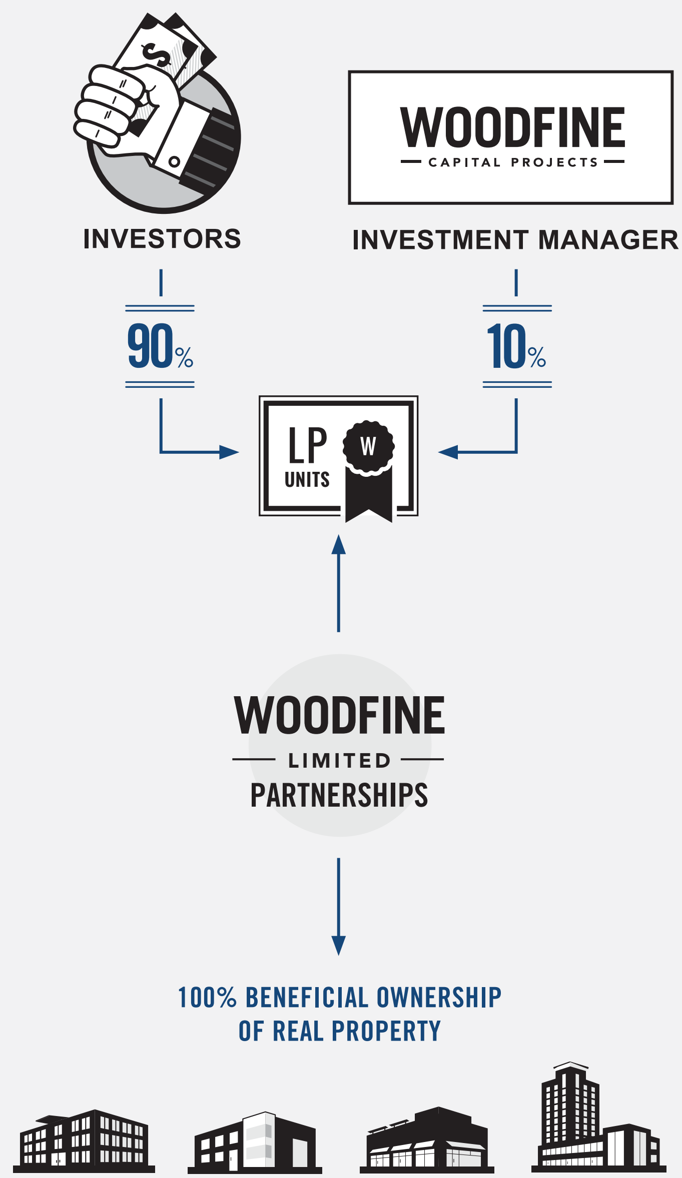


WOODFINE LPs

- The Firm developed the Woodfine LPs in response to the growing need and demand for access to liquid, transparent Alternatives.
- Woodfine LPs offer investors an alternative to exchange-traded investments or direct real-estate ownership.
- Limited partnerships are closed-end funds that do not accept new subscriptions for LP Units after an initial period.
- As Alternatives, Woodfine LPs are designed to occupy a specific portion of a well-diversified and effective portfolio.

The Firm currently has, or proposes to make available to investors, real-estate assets that fall into four categories of qualified investments:

- **PROFESSIONAL CENTRES**
- **TECH INDUSTRIAL**
- **RETAIL SELECT**
- **SUBURBAN OFFICE**



Each category of qualified investments is held in and funded through a separate limited partnership, which enables investors to select the asset class, or combination of asset classes, that meets their investment objectives. The qualified investment criteria define the type of product that each fund can build. This structure also separates the different categories of qualified investments into separate investment entities, minimizing the spread of liability risks from one category to another. Our target for each qualified investment is to produce a minimum of 15% compounded 10-year returns with ongoing organic growth through debt reduction.

Woodfine LPs were created with the various concerns regarding Alternatives for retail investors in mind. These partnerships disrupt the industry standard and help streamline some of the existing issues of Alternative products:

- **Liquidity & Transparency** – The firm is a regulated reporting issuer not listed on any exchanges. Investors therefore participate in all the benefits and transparency of quarterly filings required by the government, but the investment is not subject to the correlation effect of listed public market securities.

- **Carried Interest** – Rather than taking 20% of the profit, Woodfine LPs take profit in equity participation in the asset. This is a huge departure from standard industry practices; although the proceeds to the manager are roughly the same, no profit is removed from the fund. Rather, the profit is reinvested over time to create more value. In order for management to realize its gains, it must sell some or all of its participation, allowing the fund to be a true asset rather than a liability. In the case of Woodfine LPs, the promoter's participation is held in escrow until investors receive sums equal to a return of the initial capital.

- **Fees on Unearned Profits** – Instead of taking fees on the Net Asset Value (NAV), which is also a form of profit taking, Woodfine LPs charge a contribution to overhead as a fixed percentage of the Gross Funded Value of the fund. All of the profit participation exists in the equity. There is a clear division between equity and profit, and investors can see exactly how much profit the manager has made by taking the unit value and multiplying it over the number of shares the promoter holds. Importantly, overhead on managing capital is fixed to the capital raised rather than the increase in the value of the asset created.

- **Management Control vs. Investor Control** – Because the management neither has rights to profit participation nor holds any equity participation in the fund, the conflict of interest is removed. The promoter holds the equity participation in the fund; should its manager be fired, that promoter still remains an investor, alleviating a potential conflict of interest.

Disruptive technologies are defined as innovations that lead to the drastic and definitive disappearance of former products or services.

In recent years the changing Alternatives story has been brought to light. Now that Alternatives are entering the mainstream and are frequently discussed in the media, the industry is facing public scrutiny. We are witnessing a constantly evolving investment landscape which often requires intervention via increased regulation and lawsuits.

Investors and managers need a new way forward. The practice of paying managers while investors lose money must change. To address this dilemma, the proper alignment of managers' and investors' interests is absolutely key. The manager's profit may stay the same, but it must also be directly proportional to the investor's profit. This simple shift is the essence of the Woodfine LP.

The Firm does not have existing projects with troubled histories involving the recent financial crisis. We capitalize on new opportunities free of the weight of the past, while simultaneously learning from the mistakes of earlier competitors. With each generation comes a radical change in thinking; we believe the next wave of investment dollars that enter the system will expect and require better transparency and respect for the "shoulder-to-shoulder" mindset.

Ultimately, the public non-listed limited partnership offers the same accountability to investors as publicly listed companies, without the volatility of the stock market. And, critically, in the words of Warren Buffett, the managers "make money only when the partners do and in exactly the same proportion."

THE FIRM CREATED THE WOODFINE LPS WITH A VIEW TOWARD FACILITATING THIS VERY DISRUPTION. AS A RESULT, INVESTORS PARTICIPATE IN THE ADDITIONAL BENEFITS:

- **Qualified Investments**

  All investments in Woodfine LPs must be approved by the independent directors of the manager rather than the promoter. Each Woodfine LP contains clear guidelines for the investments of the fund.

- **Equity Creation and Participation**

  Because we develop properties at cost instead of buying income-producing properties at the margin, investors participate in the creation of equity during the development process.

- **Competitive Return**

  As a result of the above, and to compensate for the investment timeline, The Firm's projects offer a highly competitive expected return.

- **Tax Benefits**

  As a partnership, there are no taxes payable at the level of the Woodfine LPs. The income and capital gains of the LP are declared by the partners and taxed at their marginal rates.

- **Initial Projects Financed in Cash**

  We build the first buildings using all cash, then use funds from Woodfine LPs to leverage the income from those initial buildings to finance future construction.

- **Alignment of Interests**

  Our alternative compensation structure puts management in equal company with the investors. The Firm is paid a profit in LP units rather than cash, allowing initial cash balances to be invested into future returns.

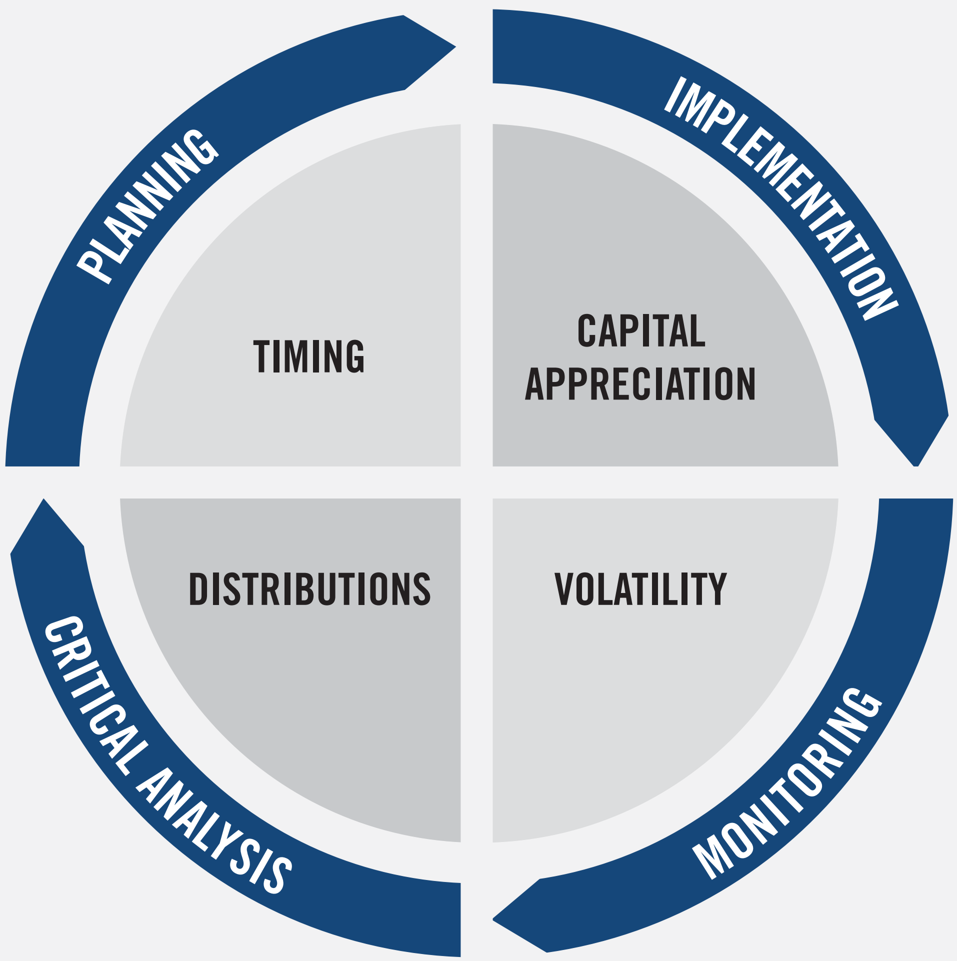
- **Repeatable Process**

  Our consistent cycle of planning, implementation, monitoring, and critical analysis allows The Firm to implement the same effective process for different and variable projects.

INVESTMENT CYCLE

The Firm has established a repeatable, cyclical process in serving Woodfine LPs and third parties.

A typical investment cycle has four phases: **planning**, **implementation**, **monitoring** and **critical analysis**. By recognizing these four phases, we attempt to maintain a balance between hindsight and foresight in all our projects.



PLANNING

- Opportunity sourcing is focused on identifying a distinct competitive advantage and the existence of incremental value over similar assets, while simultaneously carefully evaluating associated risk.
- Extensive due diligence for each project includes, but is not limited to, engineering and surveying, evaluation of zoning requirements, contractor and subtrade costs, collaboration with related municipalities and appraisal of value, lease rates and cap rates.
- Independent Directors review each project report. Projects that meet rigorous standards and present clear value-creation potential are green-lighted.

MONITORING

- The Firm creates an ongoing management platform for each project.
- Optimization is reached through a combination of consistent reviews, strong financial data systems and appropriate incentives.
- Third-party clients can expect full asset management services such as key employee hiring, lease arrangements and financial support on property funds.

IMPLEMENTATION

- Implementation begins only once the full details and scope of each project have been defined and approved.
- Our design-build approach ensures an integrated development process, including site acquisition, financing, construction, leasing and management.
- The Firm is highly efficient in its implementation process. Each project is optimized from beginning to end through control of costs, thorough time management and risk awareness.

CRITICAL ANALYSIS

- A strong focus on compliance over time is maintained with The Firm's business code of conduct, sustainable modeling and market-oriented policies.
- The Firm will regularly and rigorously evaluate each project based on its comprehensive monitoring process and determine whether an asset should be retained or sold.

EXECUTIVE SUMMARY

NEW YORK BASED CANADIAN ASSET MANAGEMENT FIRM

Woodfine Management Corp. provides complete real asset procurement, development and management services for Woodfine Capital Projects Inc. (The Firm) and Woodfine LPs.

ACCESS TO ALTERNATIVE INVESTMENTS

Woodfine LPs offer investors the portfolio correlation benefits of a nontraditional asset class.

COMPELLING LONG-TERM INVESTMENT

Investors participate in the creation of equity through professionally managed investments in commercial real estate.

REPEATABLE PROCESS

The Firm creates diverse opportunities in multiple real-estate classes via Woodfine LPs. Each LP functions independently through a cyclical and repeatable process of planning, implementation, monitoring and critical analysis.

FRACTIONAL OWNERSHIP OF REAL ESTATE

Qualified investments are funded through Woodfine LPs, which are distinguished by category and provide investors the opportunity to customize their investments through various classes of real estate.

ALIGNMENT OF INTERESTS

The Firm management earns returns via profit only. Capital is never taken from the Woodfine LPs, allowing full investment of each fund into future returns. **Both Investors and The Firm participate in the asset, not the profit, side by side.**

LIQUID ASSET

There are no restrictions on the transfer of LP units. Further, Woodfine LPs are not listed on any stock exchange and therefore avoid exposure to market volatility and unrelated securities price fluctuations.

INDEPENDENT EVALUATION

An independent board of directors must endorse each project prior to approval. Directors require projects to meet rigorous qualification standards and to exhibit a clear path toward value creation.

CONTACT US

To learn more about how Woodfine LPs could play a role in your portfolio, contact your financial advisor or call us directly.

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