

TRIVIRTUS

R E A L E S T A T E F U N D I L P

A TENANT DRIVEN APPROACH TO ATTRACTIVE INVESTMENT RETURNS



DISCLAIMER

This presentation does not constitute or form part of any offer for sale or subscription or any solicitation of any offer to buy or subscribe for any securities nor shall it or any part form the basis of or be relied upon in connection with any contract or commitment whatsoever. Any decision in connection with any proposed purchase of interests in any fund must be made solely on the basis of the information contained in the relevant term sheet. While all reasonable care has been taken to ensure that the facts stated in this presentation are accurate and that any forecasts, opinions and expectation contained herein are fair and reasonable, the presentation has not been independently verified and no reliance whatsoever should be placed on it. Accordingly no representation or warranty expressed or implied is made to the fairness, accuracy, completeness or correctness of this presentation or opinions contained herein and each recipient of this presentation must make its own investigation and assessment of the matters contained herein. In particular, but without prejudice as to the generality of the foregoing, no representation or warranty is given, and no responsibility or liability is accepted, as to the achievements or reasonableness of any future projections or the assumptions underlying them, or any forecasts, estimates, or statements as to prospects contained or referred to in this presentation. No responsibility or liability whatsoever is accepted by any person for any loss howsoever arising from any use of, or in connection with, this presentation or its contents or otherwise arising in connection therewith. In issuing this presentation, TriVirtus Capital Inc. does not undertake any obligation to update or to correct any inaccuracies which may become apparent in this presentation. This presentation is being supplied to you for your own information and may not be distributed, published, reproduced or otherwise made available to persons with addresses in the United States and Canada where such distribution or availability may lead to a breach of any law or regulatory requirements.

This presentation is being made available to you for your exclusive use and for the sole purpose of assisting you in evaluation whether you wish to make an investment in TriVirtus Real Estate Fund I LP (the "Fund" or "TriVirtus Fund I LP").

The information and opinions contained in this presentation are strictly confidential. Accordingly, the contents of this presentation and any other information or opinions subsequently supplied or given to you will constitute confidential information relating to the Fund ("Confidential Information") and you may not, without our prior written consent make any copies of the confidential information. By accepting delivery of this presentation you agree that it is not to be reproduced in whole or in part other than as permitted above and that its contents will not be disclosed by you to any other person (other than your professional advisors). By receiving this presentation, you agree that you will on request, return or procure the return of this presentation and all other Confidential Information, expunge all Confidential Information from any computer, or similar device into which it was entered or programmed, and destroy all notes, analysis, or memoranda containing Confidential Information.

All dollar figures are Canadian unless noted otherwise. Performance is unaudited. Past returns are not necessarily indicative of future performance.



OFFERING TERMS (CAD \$)

Structure	Limited Partnership distributed to “accredited investors”, initially under the “private issuer” exemption
Minimum investment	\$250,000
Management Fee	2.0% of NAV
Targeted Return	12%+ per annum
Hurdle	8.0%; Annual, No Reset
Cash Distributions	Quarterly, targeted @ 4.0% - 6.0% annualized
Incentive Allocation	Annual, 20% of net income above high water mark once 8.0% hurdle is met
Subscriptions	Quarterly
Redemptions	Quarterly; 30 days notice
Auditor	To be confirmed
Administrator	SS&C Technologies Canada Corporation
Legal Counsel	Stikeman Elliott LLP
Closing	On or about second week of January 2019



INVESTMENT OVERVIEW

TriVirtus Real Estate Fund I LP (“Fund” or “TriVirtus”) will leverage management’s network, expertise + proprietary commercial real estate deal flow to:

- Identify lucrative, high traffic commercial development areas & opportunities for single and multi-tenant retail locations across Canada
- Acquire properties at attractive valuations
- Develop and provide value-added initiatives to maximize investor total returns

FUND OBJECTIVES

- Generate a full cycle net return of 12%+
- Provide quarterly cash distributions of 4% - 6%+ (annualized)
- Assemble a portfolio of high quality, national brand, commercial real estate assets with minimal cyclical





COMBINING A POWERFUL & UNIQUE EXPERTISE

- TriVirtus was formed by the 3 Principals from Sovereign Asset Management (“SAM”) + Blue Deer Capital (“BDC”)
- Track record of success in real estate development, construction and investment management
- Significant expertise in acquisition, design, construction, leasing & property management
- Developed a \$75MM+ portfolio of high quality commercial real estate assets across eastern Canada
 - Acquired all assets ‘off market’
- To date, investments have collectively delivered:
 - 20% Internal Rate of Return (“IRR”) over 9 years
 - 40% growth in Net Operating Income (“NOI”) + 40% growth in rental sq.ft. since 2012
- 20 years of capital markets and fund management expertise
- Designed and launched 4 funds, including 2 Award Winning funds



+





THE MANAGEMENT TEAM



DANIEL D. MCCLURE
Executive Chairman

- President of Blue Deer Capital, a capital advisory & strategy consulting firm
- Financial industry veteran, 20 years in capital markets
- Former CEO & CIO, alternative asset management company
- Leadership roles in investment research, portfolio management
- Managed \$3B of AUM, multiple sectors & geographies
- Designed + launched 4 investment funds, incl. 2 Lipper Award winners
- Former investment banker



CHARLES DYER
CEO & Co-Founder

- Co-Founder, Sovereign Asset Management, a vertically integrated retail property development company
- Seasoned real estate professional with wide ranging development experience
- Former Director of Design & Construction for Rexall/Pharma Plus, Katz Group Canada, managing >400 new store & renovation projects
- Director of Store Planning for Shoppers Drug Mart, converted 135 Big V Pharmacies
- Former Project Engineer, large municipal infrastructure projects

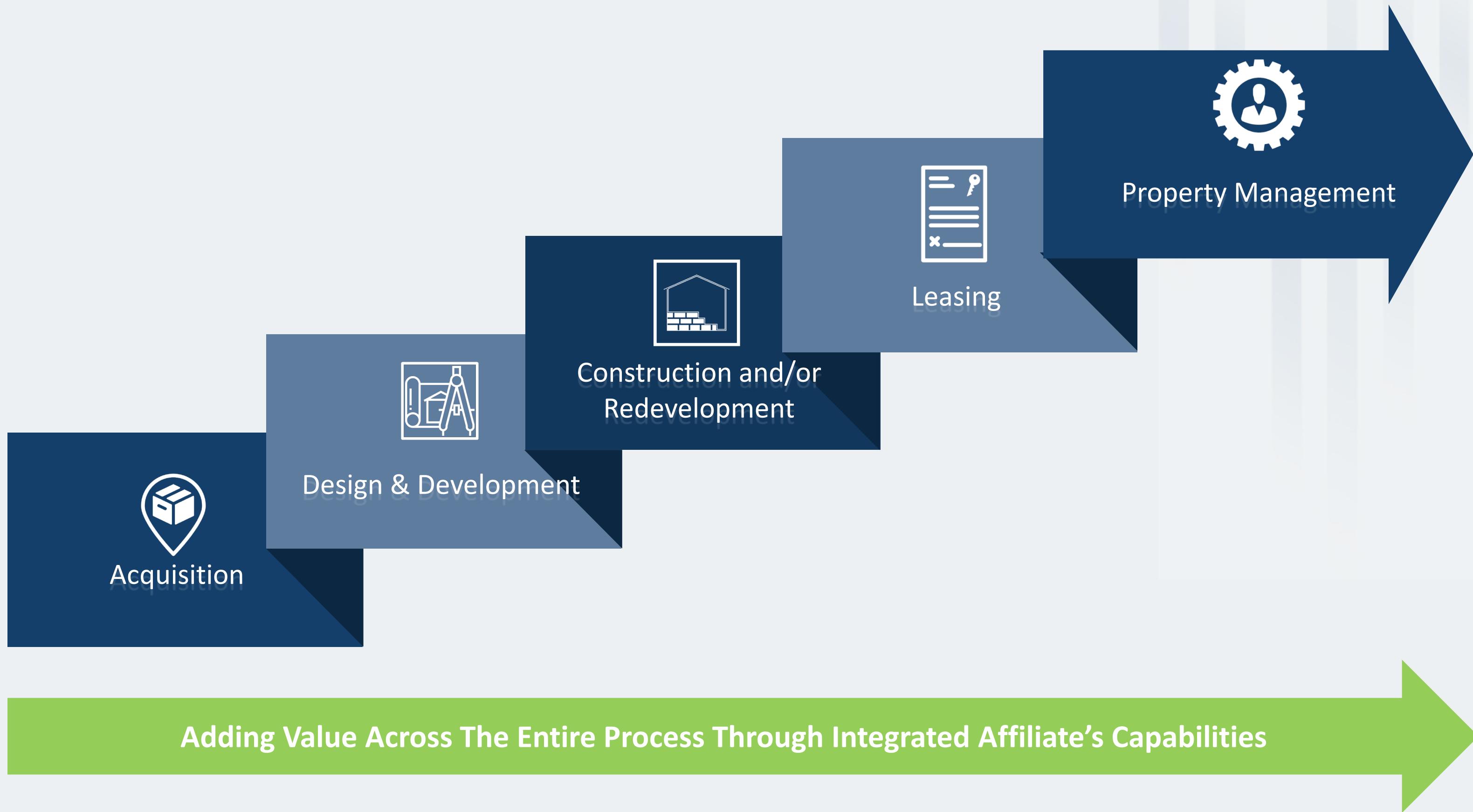


ROGER FERREIRA
CDO & Co-Founder

- Co-Founder, Sovereign Asset Management, a vertically integrated retail property development company
- CEO & Founder of NAGC, a leading full service general contractor in the Canadian retail real estate industry with > 500 successful projects since 1998
- Seasoned commercial real estate professional with expertise covering: Quick Service Restaurants, Pharmacy, Grocers, Medical Offices, Gas Stations and Municipal Projects



PROVIDE FULL CYCLE VALUE ADD





TRIVIRTUS FUND I – A COMPELLING OPPORTUNITY



Seasoned management team

- Proprietary deal flow from extensive network + preferred developer status with national brands
- Ability to bid and acquire assets 'off-market'
- Add value to investments from in-house design, construction, leasing and property management



Real Estate is an attractive asset class with low cyclical risk

- Competitive historical returns vs. stock market, with much lower volatility
- Asset class is a hedge against inflation with a low correlation to equities
- Portfolio will consist of nationally branded stores and creditworthy tenants
- Proven investment model with historical acquisitions having limited cyclical risk through last recession



Strong track record of growth & performance

- 20%+ IRR on management team's historical portfolio at SAM
- 40% growth in NOI and rental sq. ft. since 2012 at SAM



Attractive quarterly cash distributions

- Targeted 4% to 6% per annum: 1.0% - 1.5% quarterly cash distribution plus year-end top up
- 12%+ per annum targeted returns, inclusive of capital gains



REAL ESTATE IS AN ATTRACTIVE ASSET CLASS

- Very competitive returns compared to the stock market with lower volatility
- Provides portfolio diversification (low correlation with the stock market) + effective hedge against inflation
- A substantive portion of return comes from income vs. capital appreciation
- Hard assets that can be leveraged

	1 Year	5 Years	10 Years	20 Years	Avg. Return	Volatility	Sharpe Ratio	Max. Drawdown
Real Estate (REALPAC/IPD Canada Property Index)	5.4%	8.8%	8.8%	11.1%	9.4%	7.2	0.54	13.0% (1990 to 1993)
Equities (SP/TSX Index)	21.1%	8.2%	4.7%	7.3%	9.4%	15.7	0.28	33.0% (2007 to 2008)
Bonds (FTSE TMX Canada Universe Bond Index)	1.7%	3.2%	4.8%	5.8%	7.9%	5.9	0.64	4.3% (1993 to 1994)

Notes:

- Compound annual returns for years 1 through 20, 1986 – 2016.
- All returns are total returns and in C\$.
- Average annual returns are arithmetic, 1986 – 2016 and in C\$.
- Sharpe ratio calculated as average excess return above one year Treasury yield, divided by volatility of excess return.
- Maximum drawdown is greatest peak-to-trough loss experienced over 1986-2018.



TRIVIRTUS CAPITAL

A PORTFOLIO OF QUALITY TENANTS

Extensive and preferred relationships with marquee national brands



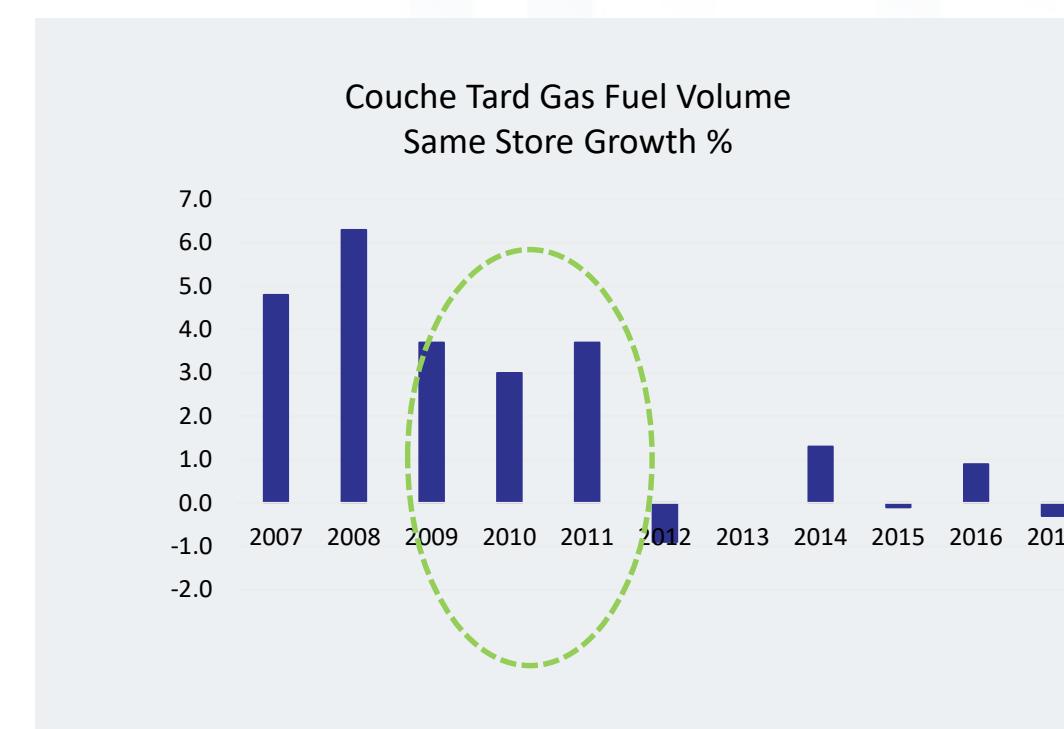
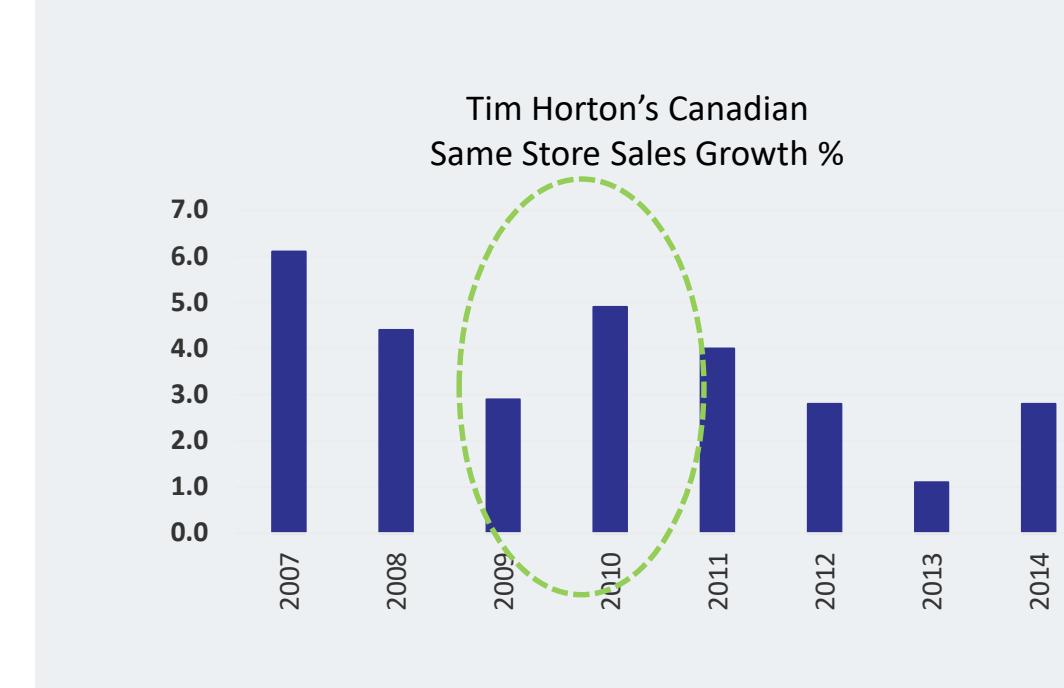
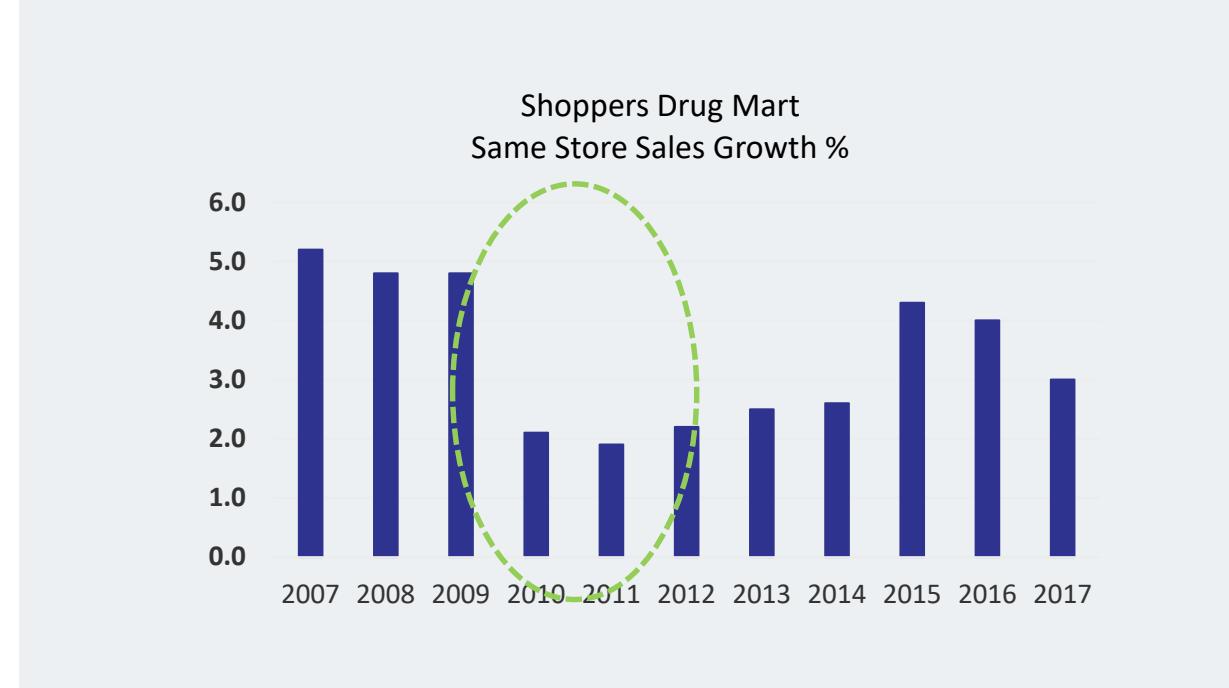
Tim Hortons.



"Sovereign Asset Management has played a key role in the expansion of our company. Their level of experience, professionalism, and sense of urgency were critical to the successful roll-out of our retail program."
Travis Allan, President & CEO Pro Oil Change



A PORTFOLIO OF TENANTS WITH LIMITED CYCLICALITY



Source: Annual Reports; Company websites; Regulatory documents filed on SEDAR.

Denotes period of Great Recession of 2008 – 2010.





A TRACK RECORD OF SUCCESS IN REAL ESTATE DEVELOPMENT

SAM INITIAL VALUE	CURRENT SAM HOLDINGS
 PORTFOLIO 0	21 properties operating @ 99.5% occupancy 7 properties in development
 PORTFOLIO VALUE \$40MM	\$75 MM (\$25MM in development)
 EQUITY VALUE \$10MM	\$27MM (including distributions)
 EQUITY MULTIPLE 1.0x	2.6x
 CASH YIELD % NA	7.6 %
 INTERNAL RATE OF RETURN % (IRR) NA	20.3 %+ June 2009 to June 2018

CONSISTENT + STRONG GROWTH & PERFORMANCE

Profile of TriVirtus' target commercial retail assets (SAM current holdings)

- Creditworthy tenants that are national and international brands
- Long-term leases
- Limited cyclical
- Specialty retailer focused → better positioned to compete in e-commerce environment





INVESTMENT GOALS

Construct a high quality, commercial real estate portfolio of national retail brands with limited cyclical and immune from the “Amazon effect”



Target 1

Deliver an internal rate of return of 12%+ per annum



Target 2

Deliver quarterly cash distributions totalling 4% - 6%+ (annually)



Target 3

Maintain a strong balance sheet with optimal leverage





INVESTMENT STRATEGY

Purchase and reposition underperforming retail properties in mid to large Canadian markets with some or all of the below characteristics:

-  Rents below market value with opportunistic renewal terms
-  Additional land that can be developed
-  Vacancy that can be leased with a lift in rental rates
-  Well positioned real estate in major retail corridors
-  Convenience oriented centers that are immune to the “Amazon effect”
-  Income producing properties to minimize carrying costs and reduce development risk (while being repositioned)





INVESTMENT METHODOLOGY

Leverage proprietary relationships with developers, leading national retail brands & financial institutions

+

Utilize TriVirtus' vertically-integrated property development expertise

AQUIRE

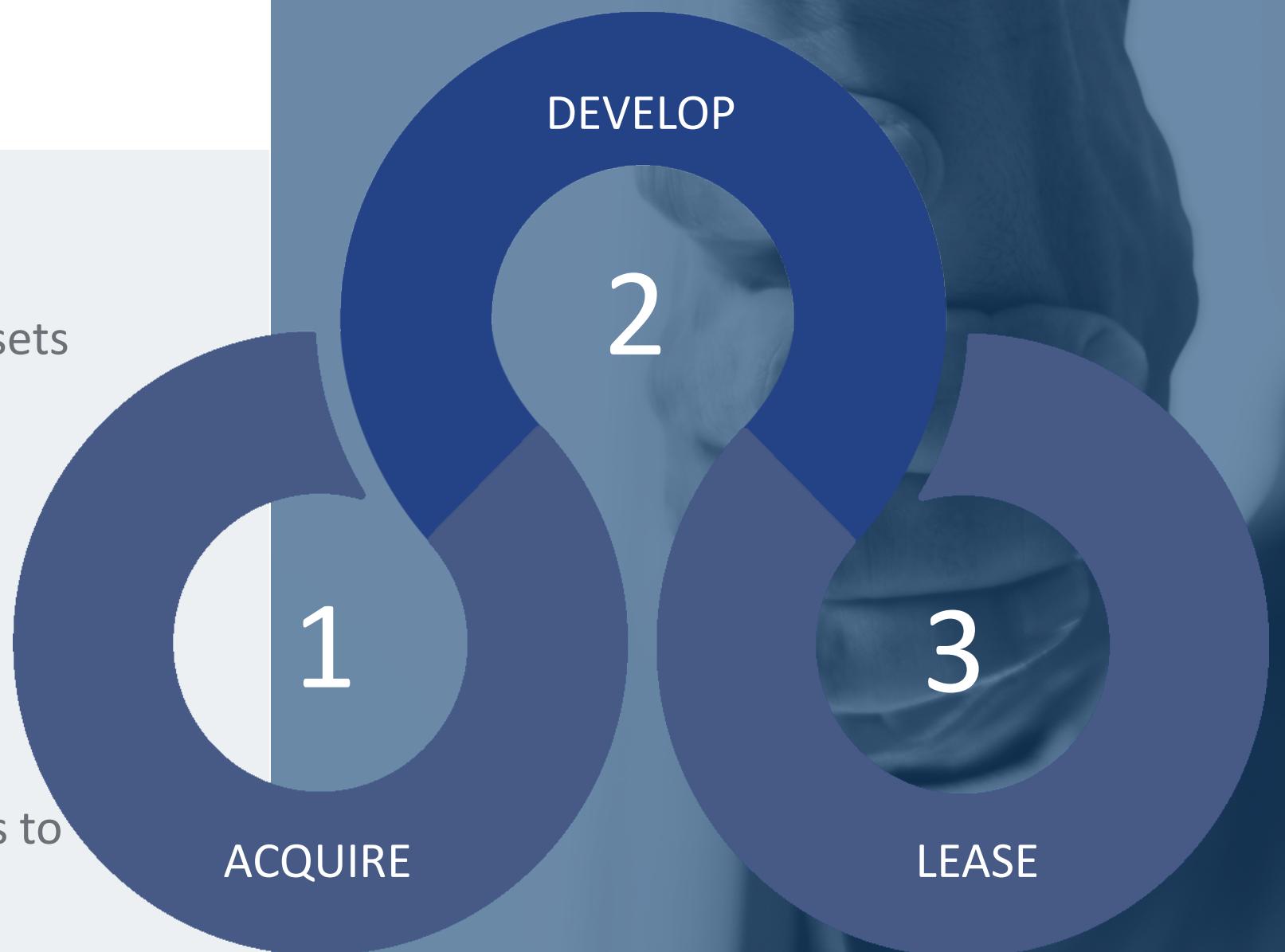
Leverage 25-year industry relationships & network to source and secure assets that meet our financial criteria (generally 'off market')

DEVELOP & POSITION

Develop & add value to the properties through experienced team of design professionals and vertically integrated organizational structure

LEASE

Utilize extensive relationships with major Canadian & International retailers to lease vacant space, upgrade tenants and develop excess land with national brands





RESTRICTIONS

What we will minimize or avoid

- ⊗ Limited “big box” investments
- ⊗ No land speculation
- ⊗ No minority ownership
- ⊗ No investments outside of Canada
- ⊗ Limited residential



SAM INVESTMENT EXAMPLES - 685 QUEENSTON RD, HAMILTON, ON



Investment Thesis

- 685 Queenston Road is a new 38,000 ft² specialty grocery store located in the Stoney Creek (near Hamilton, ON)
- Originally operating as a car dealership, the 2.5 acre site was purchased and redeveloped as a specialty grocery store



Outcome

- Lease secured with anchor tenant, high end grocery chain Starsky's

Date of Acquisition: June 2012

Purchase Price	\$7.5 MM
Occupancy:	Car Dealership
NOI:	Nil
Lease Term:	Nil

Operating Performance

IRR	27.2%
NOI:	\$550,000
Cash Yield:	7.3%

Today

Value:	\$10.5 MM
Cap. Rate:	5.7%
Occupancy:	100%
Lease Term:	5 years



SAM INVESTMENT EXAMPLES - 4 HIGH STREET, COLLINGWOOD, ON



Investment Thesis

- 1 acre site purchased as surplus retail land from adjacent hotel
- Shadow anchored by a Metro grocery store and adjacent Home Depot
- Located in the major retail node of Collingwood, Ontario

Outcome

- Lease secured with Dollar Tree, Tim Horton's, Little Caesars, Sport Clips
- Utilized our vertically integrated management team to design and construct the 12,000 sq. ft. development
- Produces a stabilized NOI of approximately \$240,000 per annum

Date of Acquisition: October 2012

Purchase Price:	\$3,200,000
Occupancy:	Vacant Land
Yield:	Nil
Lease Term:	Nil

Operating Performance

IRR:	18.0%
NOI:	\$240,000
Cash Yield:	7.5%

Today

Value:	\$4,300,000
Cap. Rate:	5.6%
Occupancy:	100%
Lease Term:	5.3 Years

SAM INVESTMENT EXAMPLES - 480 BAYFIELD STREET, BARRIE, ON



Investment Thesis

- Remediated 0.7 acre site purchased from Suncor
- Shadow anchored by Walmart and a regional shopping centre
- Property was redeveloped as a multi tenant shopping centre anchored by Starbucks, Sally Beauty and Pro Oil Change



Outcome

- Leveraged our R/E network relationships to secure national tenancies
- Utilized our vertically integrated management team to design and construct the 7,000 ft development
- Produces a stabilized NOI of approximately \$240,000 per annum

Date of Acquisition: June 2012

Purchase Price:	\$3,100,000
Occupancy:	Suncor
NOI:	Nil
Lease Term:	Nil

Operating Performance

IRR:	16.9%
NOI:	\$240,000
Cash Yield:	7.8%

Today

Value:	\$4,200,000
Cap. Rate:	5.7%
Occupancy:	100%
Lease Term:	5 years



OUR SERVICE PROVIDERS

TRIVIRTUS CAPITAL



Stikeman Elliott





CONTACT

TRIVIRTUS CAPITAL



DANIEL D. MCCLURE
Executive Chairman

e: dmclure@bluedeercapital.com

t: +416.509.4387



R E A L E S T A T E F U N D I L P

1018 EGLINTON AVE E,
MISSISSAUGA, ON L4W 1K3

(905) 602 0909

INFO@TRIVIRTUS.COM
WWW.TRIVIRTUS.COM

C O N F I D E N T I A L