

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



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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	MNP LLP
Administrator	SS&C Technologies Canada Corporation
Legal Counsel	Stikeman Elliott LLP
Term	Open ended



INVESTMENT OVERVIEW

TriVirtus Real Estate Fund I LP (“Fund” or “TriVirtus”) leverages 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 totalling 4% - 6%+ (annualized)
- Distribute tax advantages of Limited Partnership structure
- Assemble a portfolio of high quality, national brand, commercial real estate assets with minimal cyclical





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 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
- Tax advantages distributed through the Limited Partnership structure



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

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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
- Recipient of the FPCBP Business Excellence Award



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.



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ATTRACTIVE PORTFOLIO OF QUALITY TENANTS

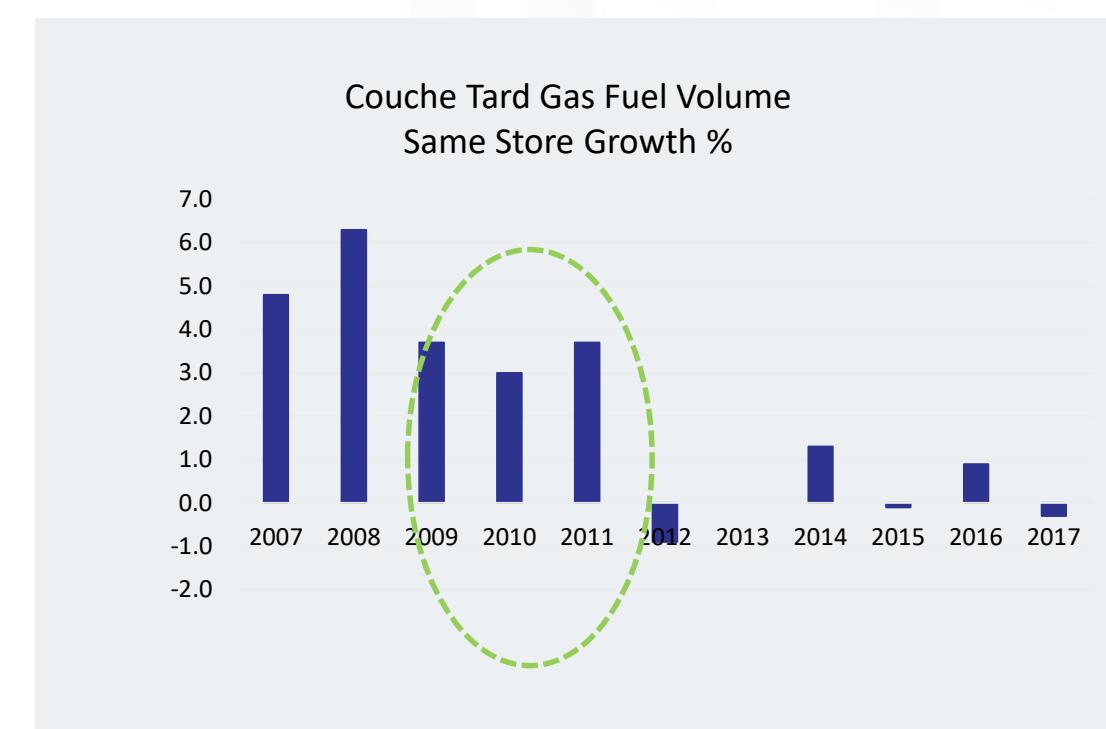
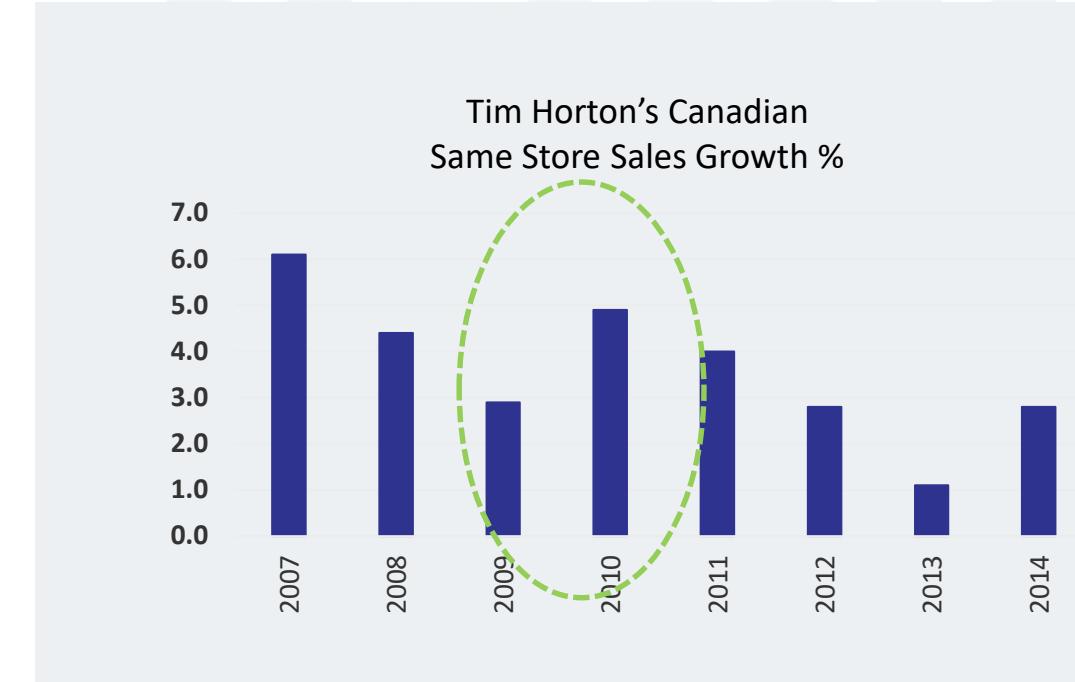
Extensive and preferred relationships with marquee national brands



"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, former President & CEO, Pro Oil Change



ATTRACTIVE PORTFOLIO WITH LOW CYCLICALITY



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

Denotes period of Great Recession of 2008 – 2010.





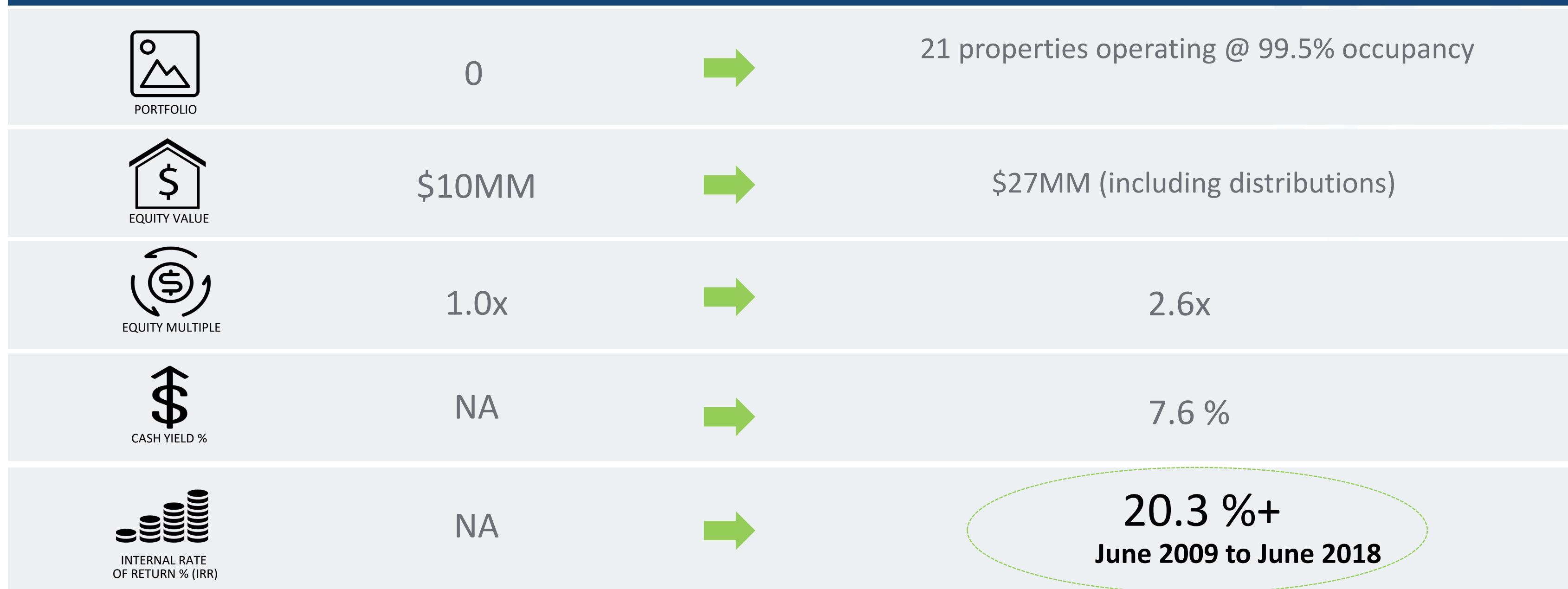
A TRACK RECORD OF SUCCESS IN REAL ESTATE

TriVirtus Real Estate Fund I - Class A LP Unit Performance

Period	Q1	Q2	Q3	Q4	YTD	2019
Returns	na	(0.5)%	23.7%*		23.0%*	
Distributions	-	-			<i>Commence in Q4.</i>	

* Performance in Q3 is as of August 31st, 2019 and is for initial Series of LP units issued as at March 30th, 2019.

Historical Performance Profile for Sovereign Asset Management Portfolio





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)



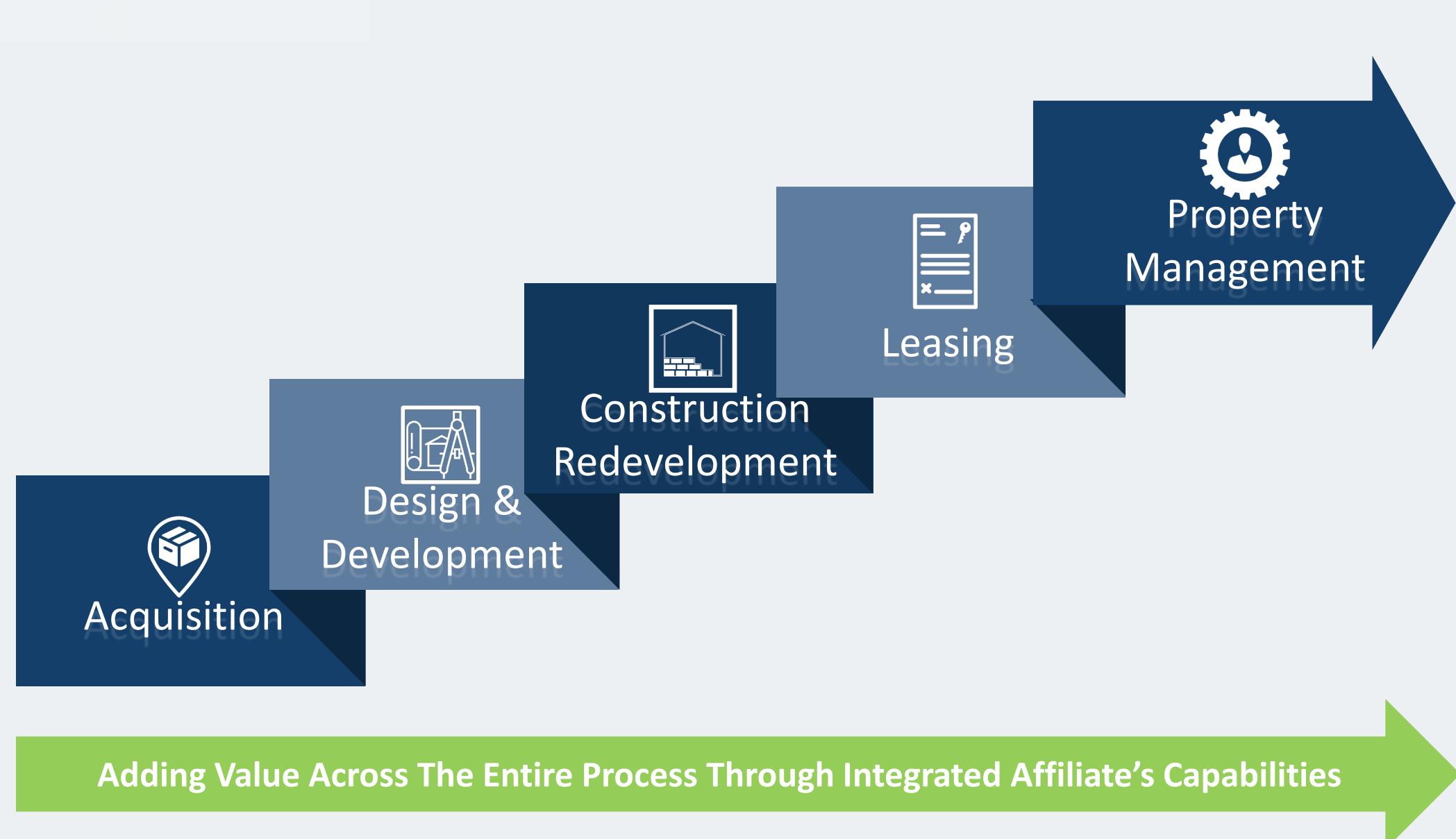


INVESTMENT METHODOLOGY

Leverage 25 years of proprietary relationships with developers,
leading national retail brands & financial institutions

+

Utilize TriVirtus' vertically-integrated property development
expertise



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RESTRICTIONS

What we will minimize or avoid

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

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USE OF PROCEEDS - INVESTMENT EXAMPLE

Pro Forma		Typical Retail Development	
Development Area		1.0	Acres
Restaurant		5,000	sq.ft
Retail		5,000	sq.ft
Office		0	sq.ft
		10,000	Total sq.ft.
Income	Rent per sq.ft.	Expenses	Net Cash Flow
Restaurant	\$14,583	\$35.00	Financing \$16,602
Retail	\$12,500	\$30.00	LOC \$0
Office	\$0	\$0.00	Taxes \$0
			Utilities \$0
			Maintenance \$0
			Insurance \$0
			Miscellaneous \$0
			Property Mgmt \$1,354
Totals	\$27,083		\$17,956 \$9,127
Yearly	\$325,000		\$215,470 \$109,530



USE OF PROCEEDS - INVESTMENT EXAMPLE

Capital Required	Build Cost per sq.ft					
	\$165					
Land Acquisition		\$1,000,000				8.05
Site Work		\$500,000				6.50
Building	\$165 x 10,000 sq.ft.	\$1,650,000				\$5,000,000
Commissions		\$143,000				\$ 962,840
Consultants and Soft Costs		\$100,000				\$1,522,160
Development Charges, Legal etc		\$150,000				4.50%
Carrying Costs		\$50,000				20
Tenant Allowance		\$200,000				65.00%
Contingency		\$165,000				7.20%
Development Fee (2%)		\$79,160				5.44%
Total Investment		\$4,037,160				12.64%

BEFORE FEES:

Increase in property value = \$5,000,00 - \$4,037,160 = **\$962,840**

Gain on property = \$962,840 / \$4,037,160 = **24%**

Gain on equity = \$962,840 / \$1,522,160 = **63%**

PROPERTIES

911 Fort William Rd, THUNDER BAY, ON



INVESTMENT THESIS

- Prime location in central retail corridor across the street from InterCity Mall with approximately 200 feet of frontage in Thunder Bay's primary regional shopping node
- Multi-tenant asset with existing cash flow presents value creation opportunity with downside protection due to the strength of the commercial location and surrounding area
- Traffic of approximately 22,500 vehicles/day on Fort William Road
- Development's existing tenants include The Beer Store, a dentist and one unit available for lease, with additional lands providing approximately 16,000 s.f. of future retail and restaurant space in a multi-unit building
- This area would typically be a priority locale for new retailers and QSR entering the Thunder Bay market and we have received positive tenant interest in the course of our due diligence.

PROPERTIES

911 Fort William Rd, THUNDER BAY, ON

SITE PLAN



Date of Acquisition: July 2019

Initial Investment

\$4.7 MM with \$4.0 MM follow-on for construction of Phase II

Equity Required

\$1.8 MM with follow-on TBD

Financing

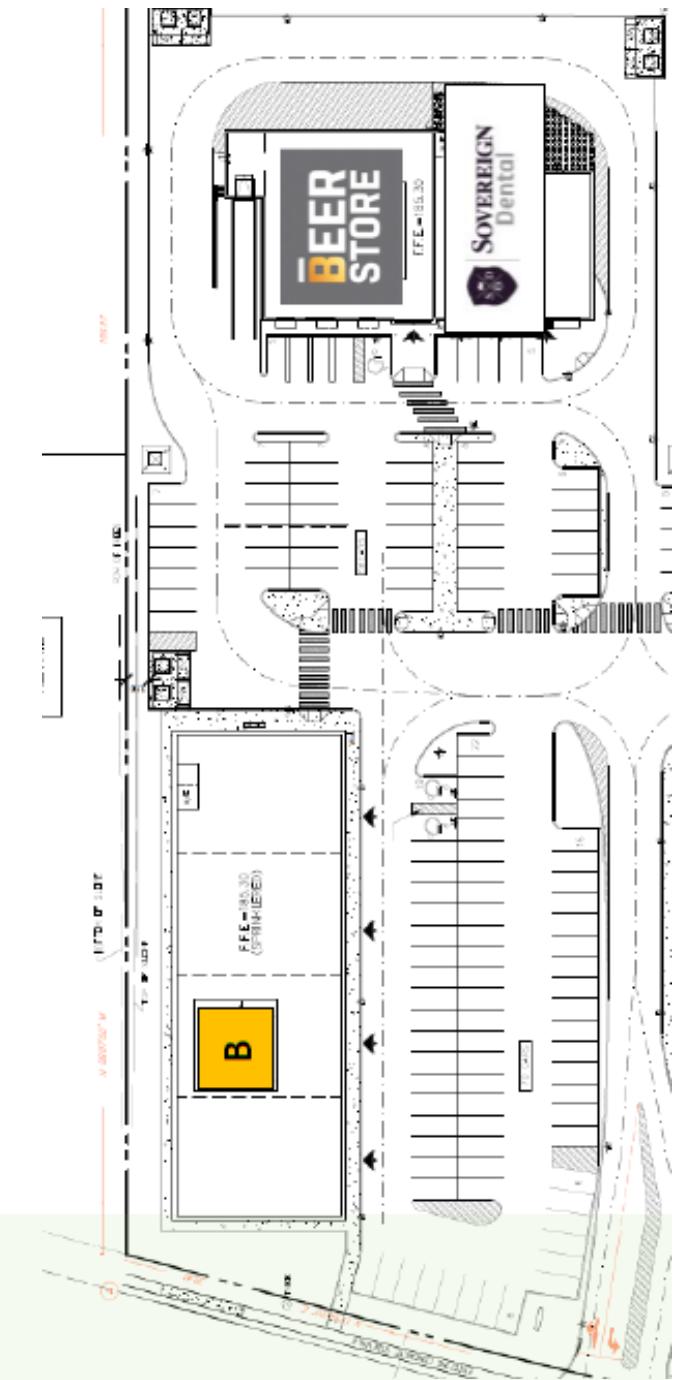
Term Sheet from Cdn Bank signed for \$6.0 MM

Anchor Tenant

Beer Store with 15 year lease

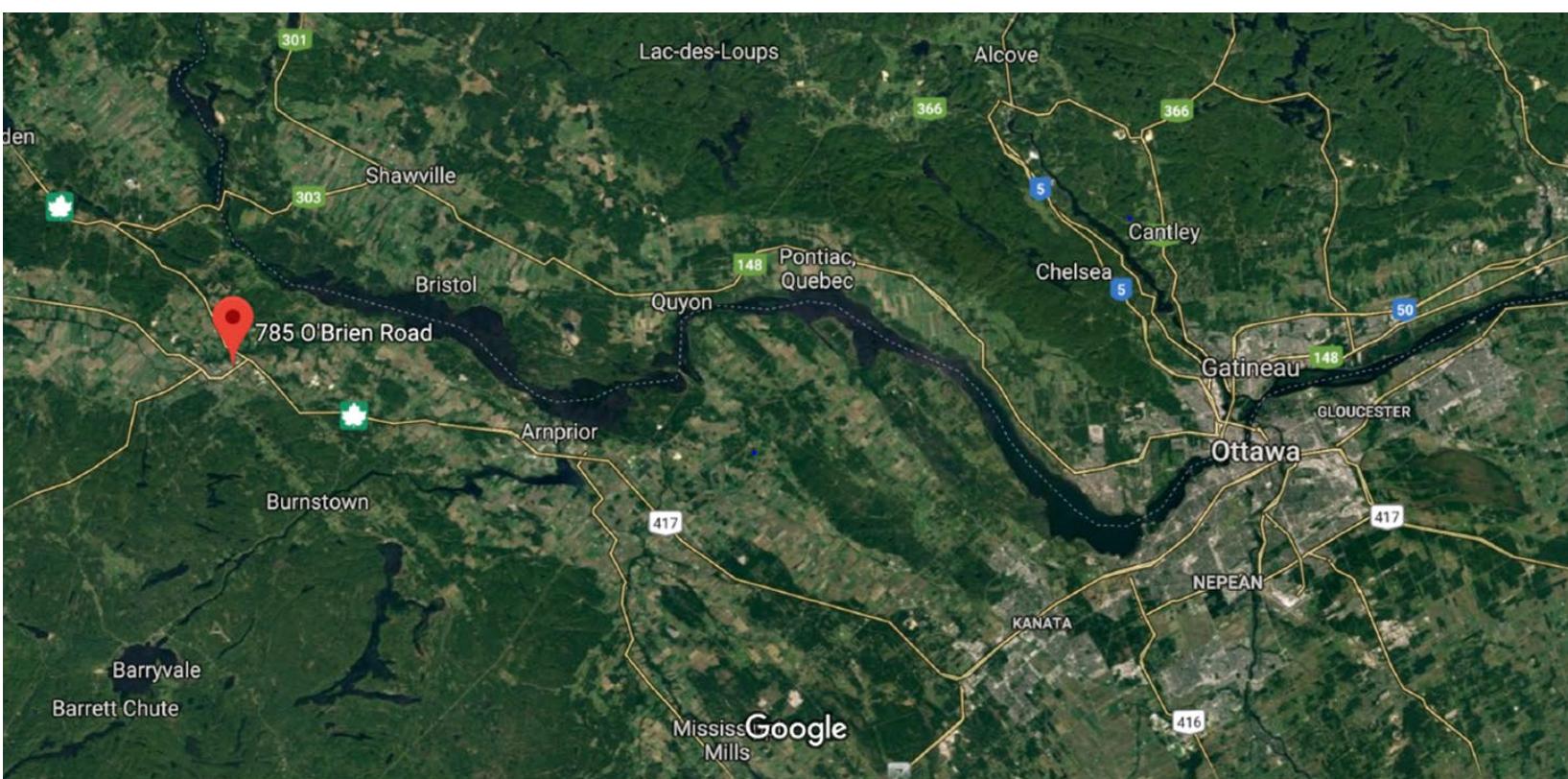
Cap Rate

Initial NOI plus additional tenants = 6.0%+ ; post follow-on investment and value-add build out = 8.0% +



PROPERTIES

780 O'Brien Rd, RENFREW, ON

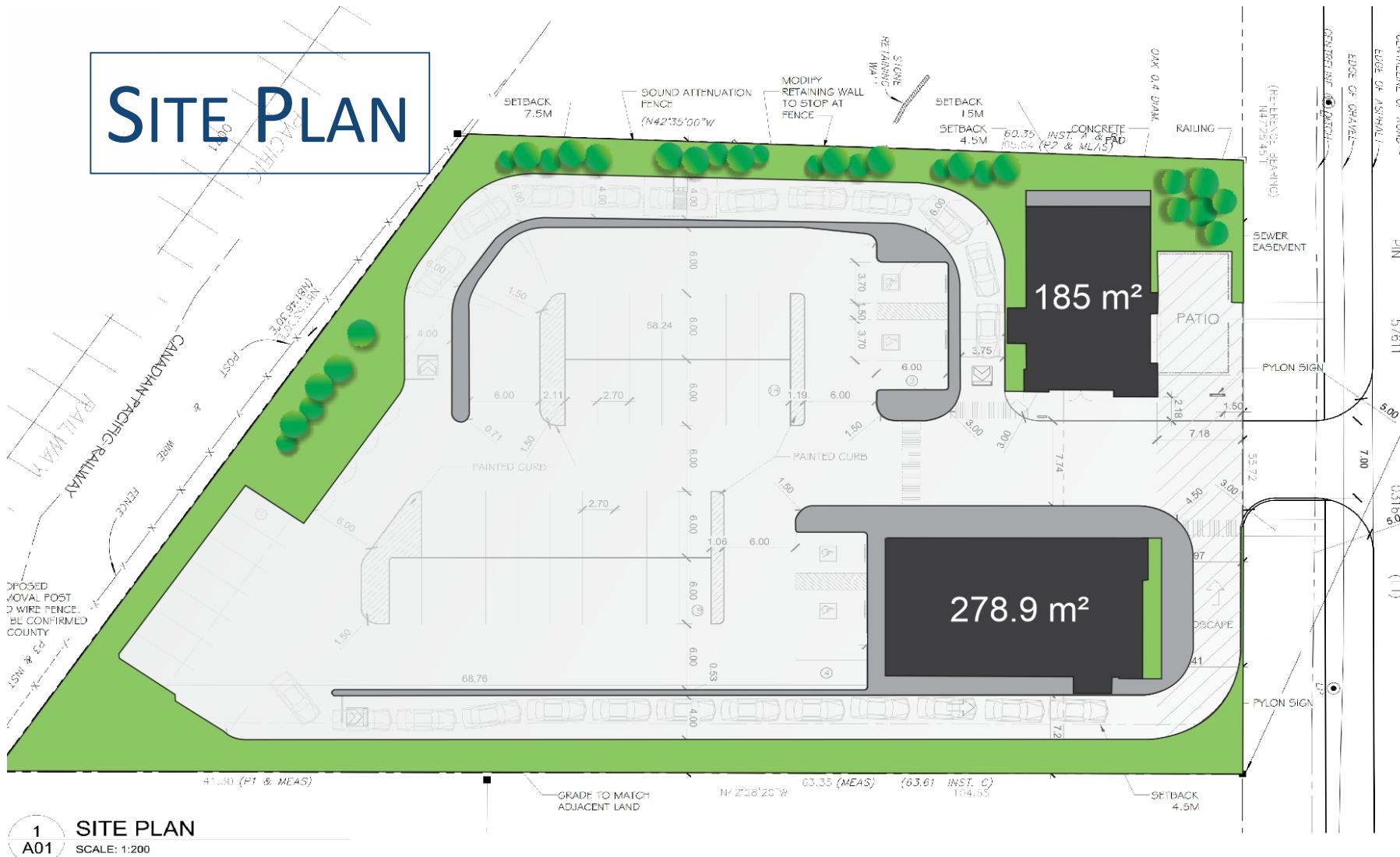


INVESTMENT THESIS

- Prime location in central retail corridor across the street from Walmart, LCBO, No Frills, etc.
- Multi-tenant QSR asset with Starbucks as the anchor tenant
- Major arterial access between the town of Renfrew and the Trans Canada Highway
- Additional drive-thru pads available for development

PROPERTIES

780 O'Brien Rd, RENFREW, ON



Date of Acquisition: July 2019

Initial Investment	\$2.6 MM
Equity Required	\$935K
Financing	Term Sheets currently being solicited
Anchor Tenant	Advanced discussions with Starbucks
Cap Rate	6.2% with anticipated lift in value upon completion

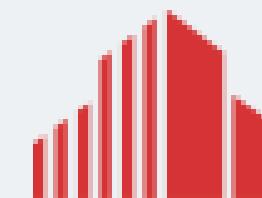


OUR SERVICE PROVIDERS

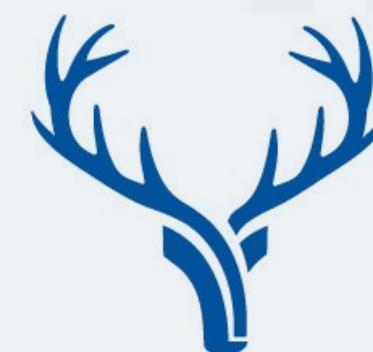
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Stikeman Elliott



CUSHMAN &
WAKEFIELD



BLUE DEER
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