

TRIVIRTUS REAL ESTATE FUND I LP

*A tenant driven approach
to superior investment
returns*



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TERMS OF OFFERING

Structure	Limited Partnership distributed to accredited investors
Min investment	\$250,000
Management Fee	2.0% base fee on NAV
Targeted Return	12+%
Hurdle	8%; annual, no reset
Cash distributions	Quarterly @ 1.0% - 1.5%
Performance Fee	20.0%
Subscriptions	Quarterly
Redemptions	Quarterly; 30 days notice
Auditor	To be confirmed
Administrator	SS&C
Legal counsel	Stikeman Elliott

INVESTMENT OVERVIEW

TriVirtus Real Estate Fund I LP (“Fund”) seeks to benefit from access to commercial real estate, including investment and development opportunities in growth markets, where it has both extensive real estate experience and existing platforms. Leveraging its relationships with developers, leading national retail brands, and financial institutions, the Sponsor will identify opportunities and focus on high-traffic, single-user and multi-tenant retail locations across Canada, and upon acquisition, provide value-added initiatives to maximize total returns. A tenant driven approach to superior investment returns.



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 limited cyclicity

TRIVIRTUS - WHO WE ARE

TriVirtus was formed by the three Principals from Sovereign Asset Management (“SAM”) and Blue Deer Capital (“BDC”), combining strong track records in real estate development, construction, and investment management



- Developed a \$75 MM+ portfolio of high quality commercial real estate assets across eastern Canada
- All acquired “off market”
- In-house expertise in acquisition, design, construction, leasing & property management
- Delivered a nine year IRR of 20.4%+ to date
- Growth in NOI and rental sq.ft of 40% plus since 2012
- 20 years of capital markets and fund management expertise including the design and launch of four funds, two of which were award winners



TRIVIRTUS – WHO WE ARE



Daniel McClure
Executive Chairman

Dan is a financial industry veteran, having spent 20 years in the capital markets. He has worked in a variety of positions starting with investment banking, then progressing into leadership roles in investment research, portfolio management, business development, and as the CEO & CIO of an alternative asset manager.

He has managed over \$3B of AUM across multiple sector and geographic mandates; designed and launched four separate investment funds, two of which were Lipper Award winners; and is an active Angel investor.

He currently serves as President of Blue Deer Capital, a capital advisory and business strategy consulting company.

Dan is a graduate of Electrical Engineering from Queen's University and a Master of Business Administration from the Ivey School of Business.



Charles Dyer
CEO & Founder

Charles is a lifelong real estate professional, and began his career as a project engineer, in the design and project management of large municipal infrastructure projects. In 1995, he became Director of Store Planning for Shoppers Drug Mart and managed the conversion of 135 Big V Pharmacy stores to the Shoppers Drug Mart format following the merger of the two companies. In 1998, he joined Katz Group Canada as Director of Design and Construction, for Rexall/Pharma Plus. From 1998 to 2009, he oversaw the construction of more than 400 new store and renovation projects.

In 2009, Charles co-founded Sovereign Asset Management Inc. ("SAM"), a vertically integrated property development company, focused on the construction and redevelopment of retail properties in high profile locations throughout Canada.

Charles holds a BSc in Civil Engineering from University of Waterloo and a Master of Business Administration from the DeGroote School of Business, McMaster University.



Roger Ferreira
CDO & Founder

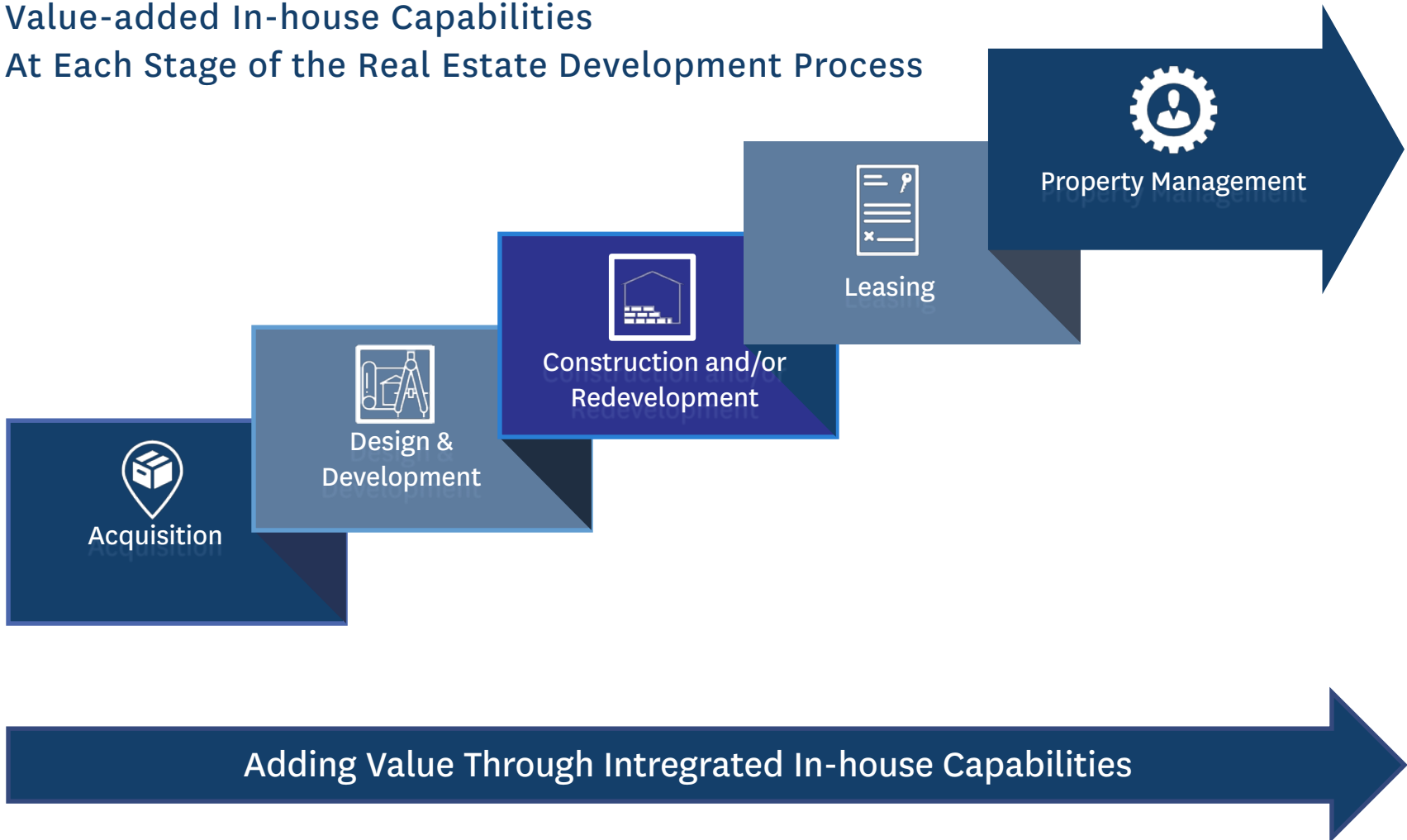
Roger Ferreira, is the CEO and founder of NAGC, one of the leading general contractors in the Canadian retail real estate industry. With over 500 successful projects since 1998, his expertise ranges from Quick Service Restaurants, Pharmacy Retailers, Grocers, Medical Offices, Gas Stations, and Municipal Projects. NAGC offers full service general contracting, ranging from Architects and Engineers to Site Supervisors, Project Managers and Certified Tradesmen.

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In 2016, Roger was the recipient of the Business Excellence Award from the Federation of Portuguese Canadian Business & Professionals.

TRIVIRTUS – WHO WE ARE

Value-added In-house Capabilities
At Each Stage of the Real Estate Development Process

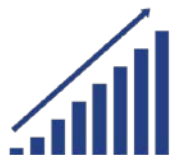


WHY TRIVIRTUS FUND I



Experienced team

- Access to proprietary deal flow from extensive network and preferred developer status with national brands
- Ability to bid and acquire assets “off-market”
- Value-added to investments from in-house design, construction, leasing, and property management



Strong track record of growth & performance

- IRR of 20.4%+ for management team’s historical portfolio
- Growth in NOI and rental sq.ft of 40% plus since 2012



Attractive asset class





- Real estate historically provided competitive returns vs. stock market with much lower volatility
- Real estate is a hedge against inflation and has low correlation with equities
- TriVirtus’ portfolio will consist of nationally branded stores and creditworthy tenants
- TriVirtus’ targets had limited cyclicalities thru last recession



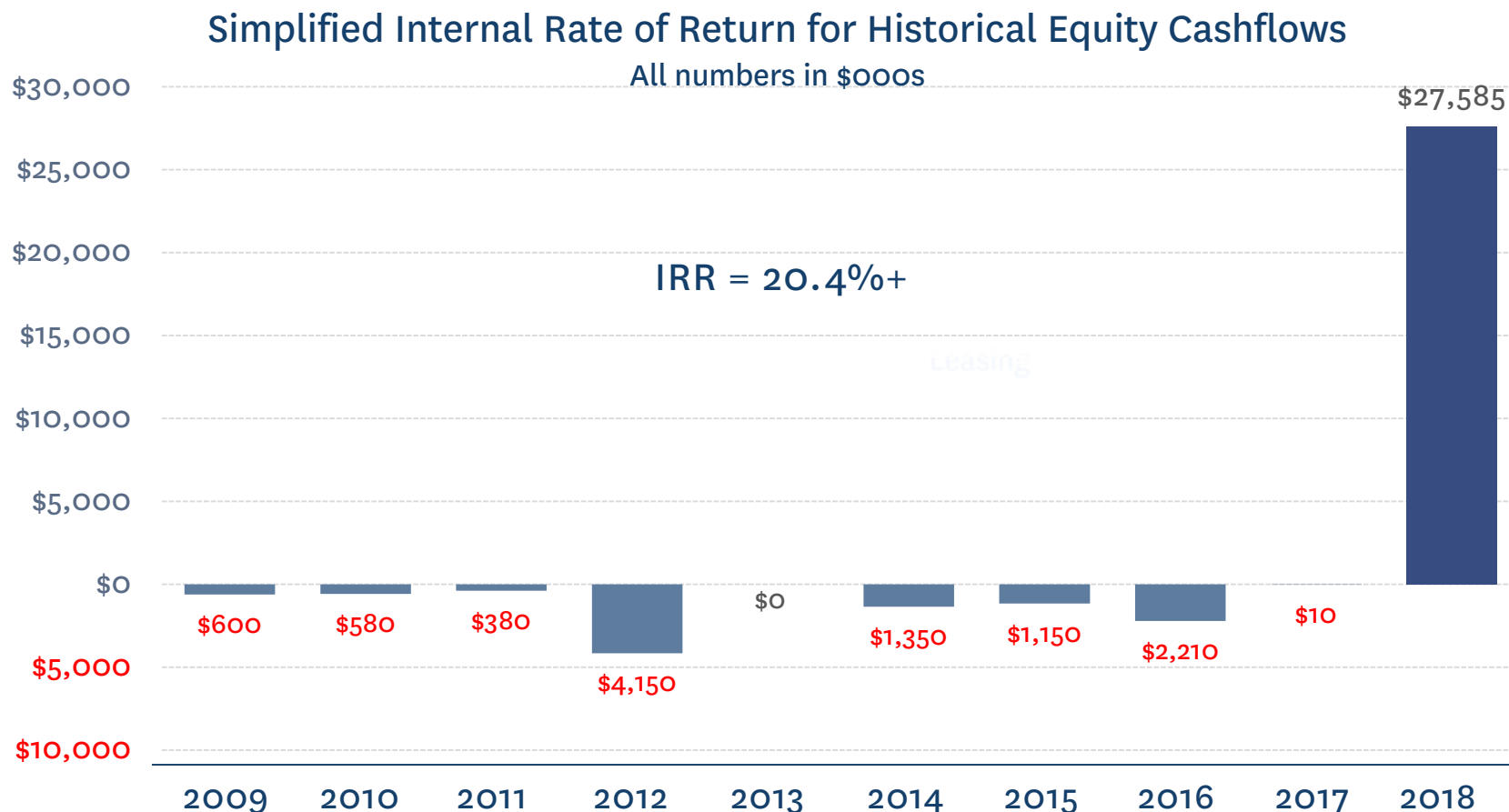
Quarterly cash distributions

- 1.0 to 1.5% quarterly plus year-end top up = 4% to 6% per annum
- Targeted returns of 12% plus inclusive of capital gains

STRONG TRACK RECORD OF GROWTH & PERFORMANCE

	COMMENCEMENT	CURRENT
 PORTFOLIO	0	21 operating @ 99.5% occupancy 7 in development
 PORTFOLIO VALUE	\$39.5 MM	\$75.0 MM (\$25.0 MM in development)
 EQUITY VALUE	\$10.4 MM	\$27.3 MM (including distributions)
 EQUITY MULTIPLE	1 X	2.6 X
 CASH YIELD %		7.6 %
 INTERNAL RATE OF RETURN % (IRR)		<div>20.4 %</div> + June 2009 to June 2018

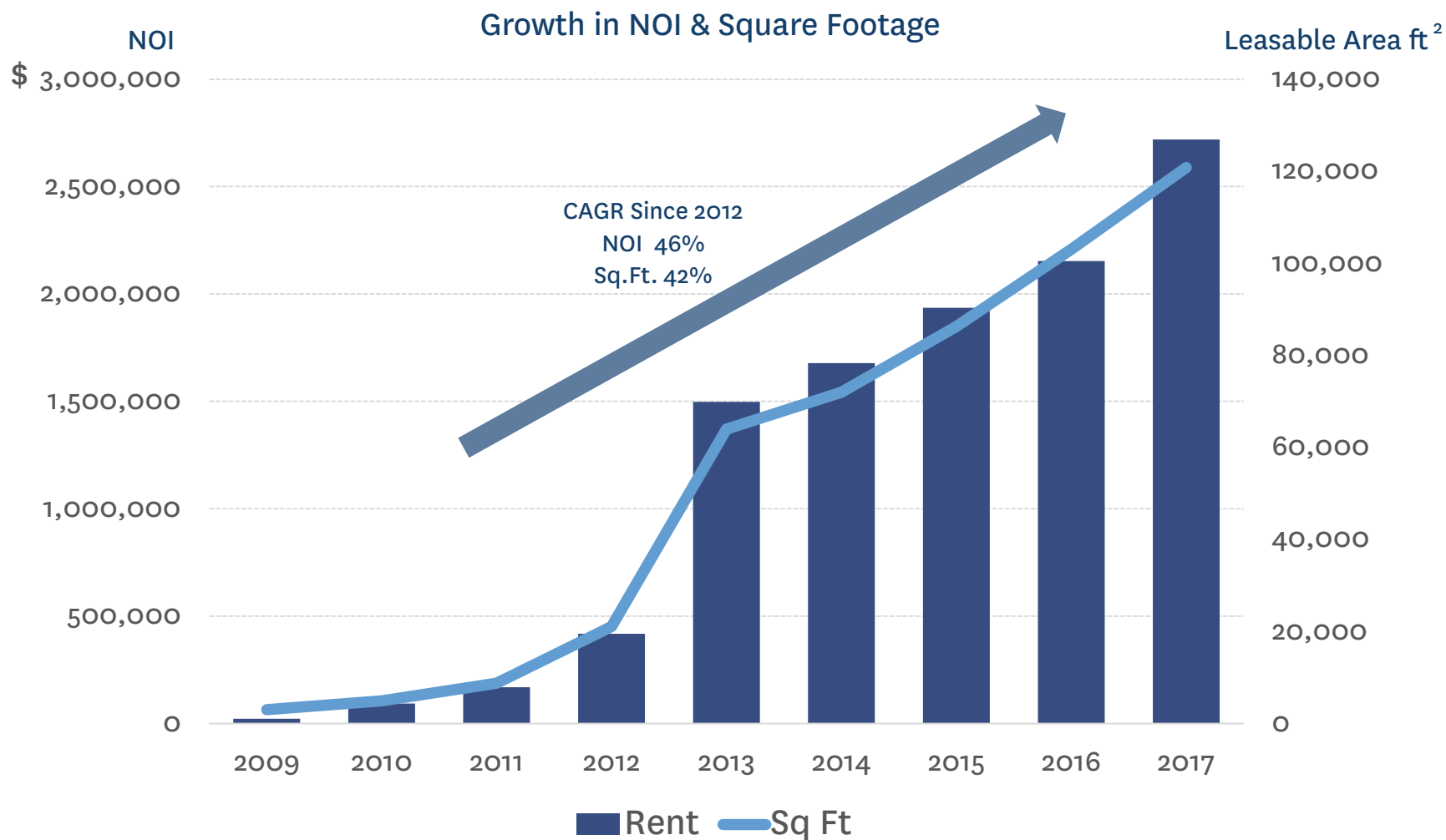
STRONG TRACK RECORD OF GROWTH & PERFORMANCE



NOTES:

- Historical monthly cashflows assumed to be aggregated into one annual payment;
- All previous distributions back to equity holders assumed to be aggregated and not distributed until June 2018;
- All properties valued as at June 2018 and added to aggregated historical distributions for \$27,585 Total

STRONG TRACK RECORD OF GROWTH & PERFORMANCE



REAL ESTATE: ATTRACTIVE ASSETS

Real estate is an attractive asset class:

- Very competitive returns compared to the stock market with lower volatility.
- Portfolio diversification due to low correlation with the stock market.
- Hedge against inflation.
- Substantive portion of return comes from income vs. capital appreciation.
- Hard assets which can be leveraged.

Commercial retail assets owned by TriVirtus:

- Have creditworthy tenants that are national and international brands.
- Have long-term leases.
- Have limited cyclicity.
- Are still under-represented in Canada vs. US.
- Are specialty focused retailers are better positioned to compete within an e-commerce environment.



REAL ESTATE: COMPETITIVE RETURNS WITH LOWER VOLATILITY

	1 year	5 years	10 years	20 years	Average 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)

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.

SOURCE: "Investment Performance of Canadian Commercial Real Estate", REALPAC, March 2018

REAL ESTATE: PORTFOLIO OF QUALITY TENANTS

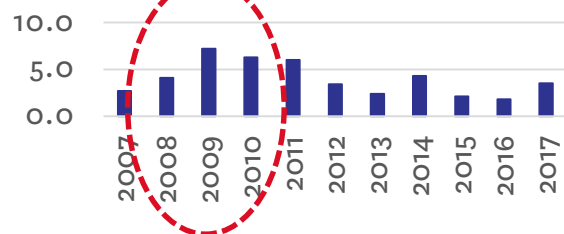
Extensive and preferred relationships with marquee national brands



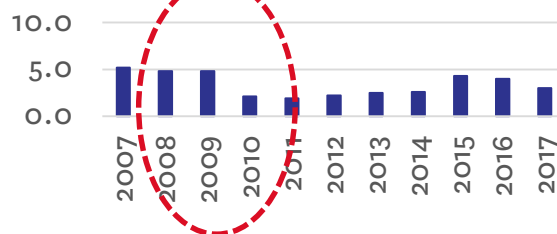
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REAL ESTATE: TENANTS HAVE LIMITED CYCLICALITY

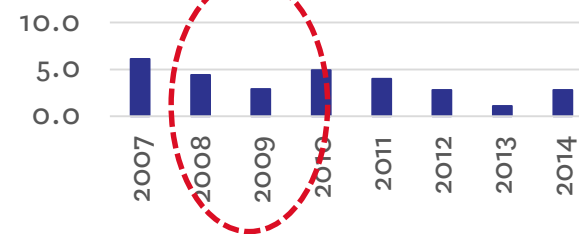
Dollar Tree
Same Store Sales Growth %



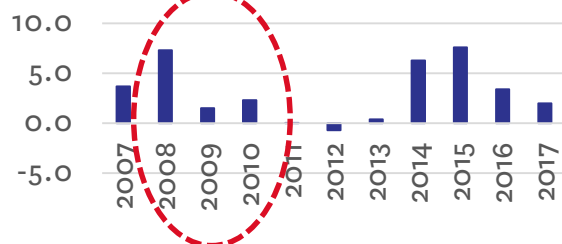
Shoppers Drug Mart
Same Store Sales Growth %



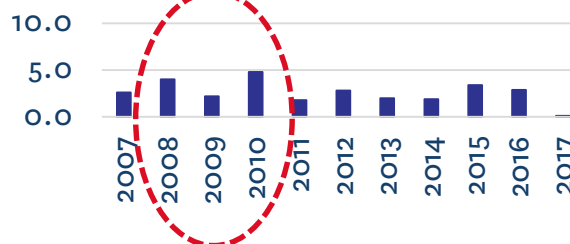
Tim Horton's Canadian
Same Store Sales Growth %



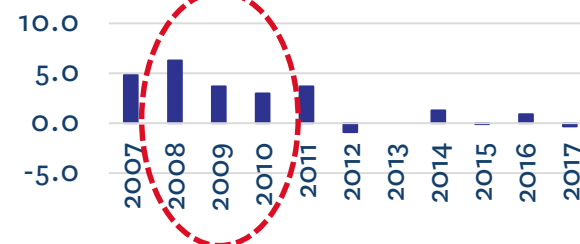
A & W
Same Store Sales Growth %



Couche Tard Store Merchandise
Same Store Sales Growth %



Couche Tard Gas Fuel Volume
Same Store Growth %



SOURCE: Annual Reports; Company websites; Regulatory documents filed on SEDAR

Denotes period of Great Recession of 2008 – 2010.

TRIVIRTUS' INVESTMENT GOALS

Objective

Construct a high quality, commercial real estate portfolio of national retail brands demonstrating limited cyclicalty and immune from the Amazon effect



Target 1

Deliver an internal rate of return of 12%+



Target 2

Deliver quarterly cash distributions totalling 4% to 6%+



Target 3

Maintain a strong balance sheet with optimal leverage



TRIVIRTUS' INVESTMENT FOCUS

Strategy

Purchase and reposition underperforming retail properties in mid size to large markets within Canada. Typical acquisition targets would have some or all of the following 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 that will minimize carrying costs and reduce development risk while being repositioned



TRIVIRTUS' INVESTMENT METHODOLOGY

Process

Leverage relationships with developers, leading national retail brands, and financial institutions utilizing TriVirtus' vertically-integrated property development capabilities



Acquire

Leverage TriVirtus' industry relationships and network of real estate professionals, developed over 25 years, to source and secure assets (generally "off market") that meet our financial criteria



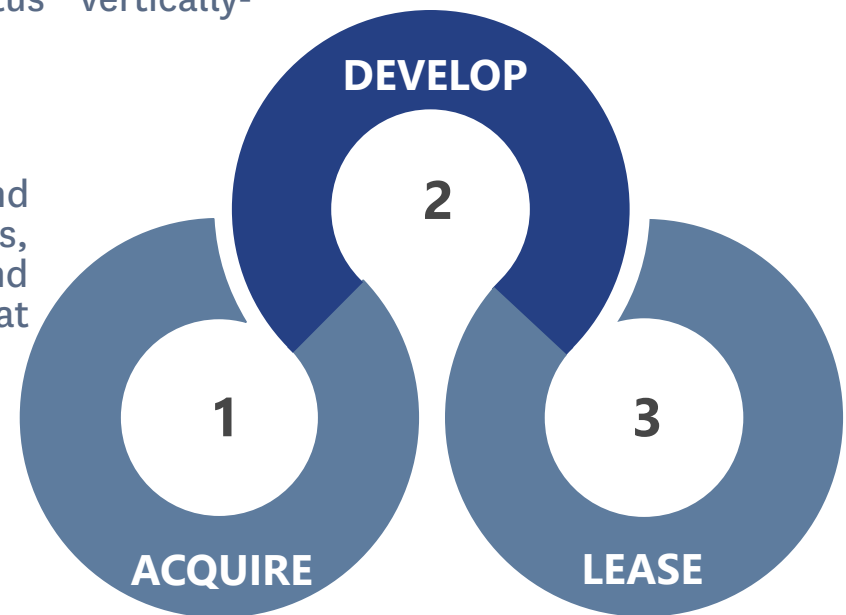
Develop & position

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



Lease

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



TRIVIRTUS' RESTRICTIONS



Limited “big box” investments



No land speculation



No minority ownership



No investments outside of Canada



Limited residential



USE OF PROCEEDS INVESTMENT EXAMPLE

ProForma			Typical Retail Development		
Development Area		1.0	Acres		
Permitted Lease Area			%		
Restaurant		5,000	ft2		
Retail		5,000	ft2		
Office		0	ft2		
		10,000	Total ft2		
Income		Rent psf	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	
			Misc	\$0	
			Property Mgmt	\$1,354	
Totals	\$27,083			\$17,956	\$9,127
Yearly	\$325,000			\$215,470	\$109,530

USE OF PROCEEDS INVESTMENT EXAMPLE (CONT)

Capital Required	Build Cost psf	
	\$165	
Land Acquisition		\$1,000,000
Site Work		\$500,000
Building	\$165 x 5,000 sq.ft.	\$1,650,000
Commissions		\$143,000
Consultants and Soft Costs		\$100,000
Development Charges, Legal etc		\$150,000
Carrying Costs		\$50,000
Tenant Allowance		\$200,000
Contingency		\$165,000
Development Fee (2%)		\$79,160
Total Investment		\$4,037,160
Cap Rate	<i>Yearly income / Total Investment</i>	8.05
Potential Sale Cap Rate		6.00
Potential Sale Value	<i>Yearly income / Sale Cap Rate</i>	\$5,416,667
Potential Profit	<i>Sale value less Total Investment</i>	\$1,379,507
Required Equity For Project	<i>LP Investor contribution</i>	\$1,522,160
Bank Interest Rate		4.50%
Amortization in Years		20
Mortgage Loan To Value		65.00%
Cash on Cash Return		7.20%
Paydown of Principal		5.44%
Total ROI		12.64%

EXISTING PROPERTIES IN PORTFOLIO – PLACE HOLDER



Wallaceburg



INVESTMENT EXAMPLES – 685 QUEENSTON ROAD, HAMILTON



Investment Thesis

- 685 Queenston Road is a new 38,000 ft² specialty grocery store located in the Stoney Creek area of Hamilton.
- 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: Raw Land

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

INVESTMENT EXAMPLES – 4 HIGH STREET, COLLINGWOOD



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, and Sport Clips
- Utilized our vertically integrated management team to design and construct the 12,000 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

INVESTMENT EXAMPLES – 480 BAYFIELD STREET, BARRIE



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%

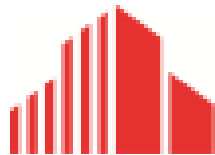
Lease term: 5 years

APPENDIX

OUR PARTNERS



Stikeman Elliott



**CUSHMAN &
WAKEFIELD**



**BLUE DEER
CAPITAL**

EXPERIENCED TEAM



Charles Dyer, MBA
CEO & Founder

A lifelong real estate professional, Charles began his career as a project engineer, gaining valuable experience in the design and project management of large municipal infrastructure projects. In 1995, he became Director of Store Planning for Shoppers Drug Mart and managed the conversion of 135 Big V Pharmacy stores to the Shoppers Drug Mart format following the merger of the two companies. In 1998, he joined Katz Group Canada as Director of Design and Construction, for Rexall/Pharma Plus. From 1998 to 2009, he oversaw the construction of more than 400 new store and renovation projects.

In 2009, Charles co-founded Sovereign Asset Management Inc. (“SAM”), a vertically integrated property development company, focused on the construction and redevelopment of retail properties in high profile locations throughout Canada. To date, SAM has developed 28 properties, with a combined value of over \$75 million. Charles holds a BSc in Civil Engineering from University of Waterloo and a Master of Business Administration from the DeGroote School of Business, McMaster University.

EXPERIENCED TEAM



Roger Ferreira
CDO & Founder

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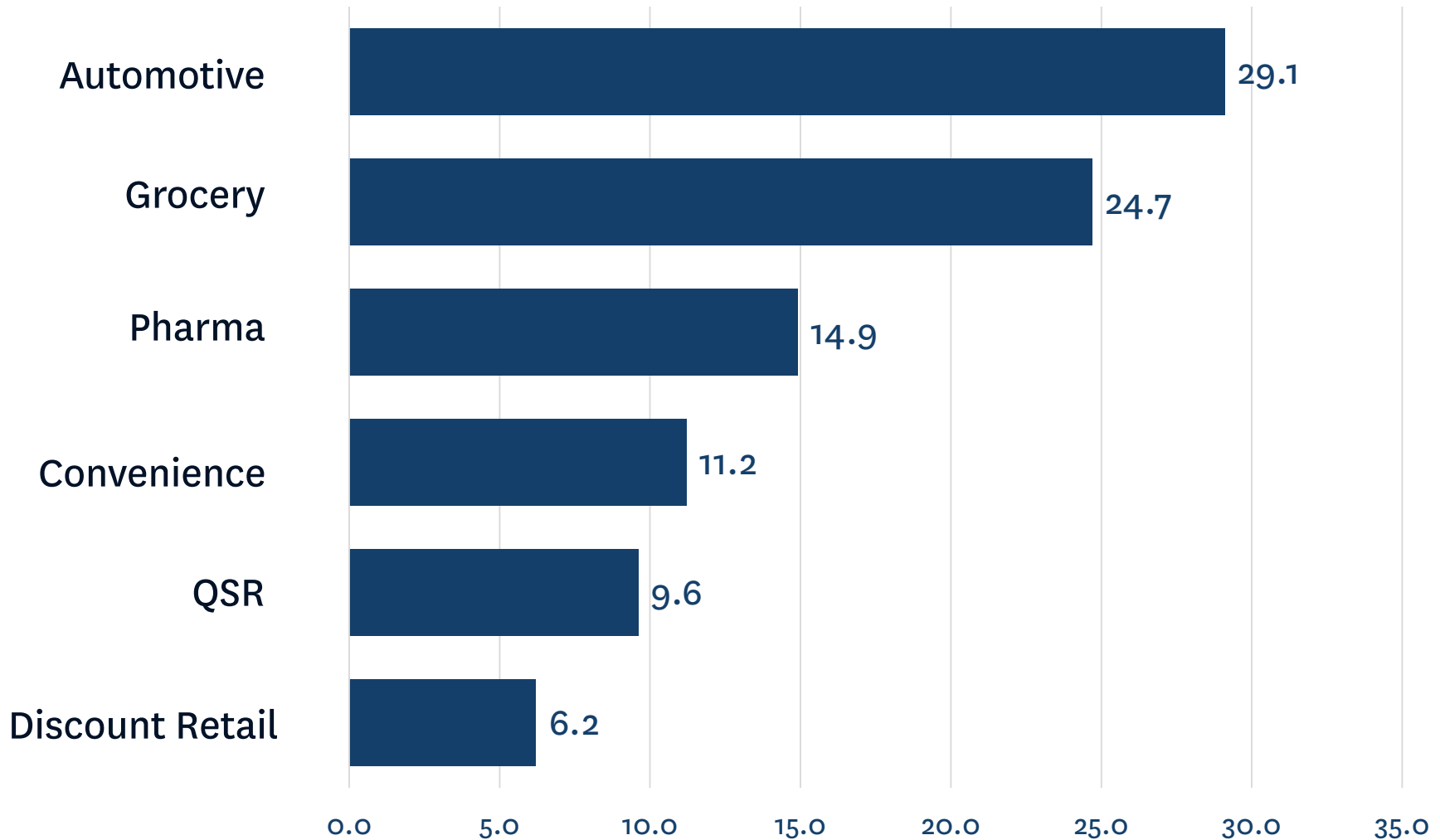


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Dan is a graduate of Electrical Engineering from Queen's University and a Master of Business Administration from the Ivey School of Business.

Daniel McClure, MBA
Executive Chairman

ATTRACTIVE ASSETS: TOP TENANTS BY RENT %



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REAL ESTATE – DIVERSIFICATION

Correlations	Real Estate (REALPAC/IPD Canada Property Index)	Equities (SP/TSX Index)
Equities (SP/TSX Index)	0.06	-
Bonds (FTSE TMX Canada Universe Bond Index)	-0.21	0.08

Based upon annual total returns, 1986 – 2016 and in C\$.

SOURCE: "Investment Performance of Canadian Commercial Real Estate", REALPAC, March 2018