

# Forum Real Estate Income and Impact Fund ("REIIF" or the "Fund")

## DUE DILIGENCE QUESTIONNAIRE ("DDQ")

**Strictly Confidential**

**June 30, 2023**

*Forum is pleased to provide this confidential DDQ to qualified REIIF subscribers. The purpose of this DDQ is to provide prospective subscribers with information pertaining to REIIF. The DDQ should be read in conjunction with REIIF's confidential offering memorandum dated December 22, 2022, as it may be amended, supplemented, and/or restated from time to time (the "OM"), REIIF's amended and restated declaration of trust dated December 22, 2022, as it may be amended, supplemented and/or restated from time to time (the "DOT"), Forum Real Estate Income and Impact LP's (the "Partnership") amended and restated limited partnership agreement dated December 22, 2022, as it may be amended supplemented and/or restated from time to time (the "LPA") and other REIIF governing documents. In the event of any discrepancy between the terms described in this DDQ and the terms of the OM, the DOT and/or the LPA, the terms of the OM, the DOT and LPA will prevail. Prospective subscribers must review the OM, the DOT and LPA in detail before investing in REIIF. Capitalized terms used herein, but not otherwise defined, have the meanings ascribed to them in the OM. Refer to pages iii-viii for the key definitions and short forms used in this DDQ, and to page 69 for Important Information for DDQ Recipients.*

Table of Contents		
Section	Details	Page No.
	<b>Definitions and Short Forms Used in DDQ</b>	iii-viii
1.	Snapshot – The Firm and The Fund	1-4
2.	General Information – The Firm	5-11
3.	General Information – The Fund	12-14
4.	Investment Strategy	15-25
5.	Investment Process	26-30
6.	The Team	31-34
7.	Alignment of Interests	35
8.	Fund Terms	36-38
9.	Firm Governance, Risk and Compliance	39-41
10.	Environmental, Social and Governance (“ESG”)	42-49
11.	Track Record	50-51
12.	Accounting, Valuation and Reporting	52-53
13.	Legal and Administration	54-56
14.	Information Technology (“IT”), Cyber and Physical Security	57-60
15.	Disaster Recovery and Business Continuity Plans	61
16.	Important Information for DDQ Recipients	62-63
	<b>REIF’s Data Room Documents Referenced in DDQ</b>	
<i>Refer to the Table of Contents in REIF’s data room to reference the numbered documents (“Doc.”) contained in this DDQ.</i>		

## Definitions and Short Forms Used in DDQ

Table 1: Short Forms Used in DDQ	
Refer to <i>Doc 1.03 for REIF's Offering Memorandum</i> in REIF's data room for all OM definitions. Refer to <i>Doc. 1.06 for REIF's Detailed Operating Structure</i> in REIF's data room for entity details.	
Term	Details
<b>AFFO</b>	Adjusted funds from operations
<b>Aggregate Overall Appreciation</b>	With respect to each LP Unit and any Special Allocation Period, the positive difference, if any, between the NAV per LP Unit of such LP Unit at the end of such Special Allocation Period (prior to the deduction of any Special Allocation for such Special Allocation Period and positively adjusted as necessary to reflect any distributions made by the Partnership) and the Highwater Mark for such LP Unit at the start of such Special Allocation Period.
<b>AML</b>	Anti-money laundering
<b>Approval Limits</b>	Refers to approval limits for REIF transactions, where REIF's Board is required to approve: <ul style="list-style-type: none"> <li>▪ Third-party transactions that are \$10+ million (excluding debt); and</li> <li>▪ All related-party transactions (e.g., the ROFO Pipeline Assets).</li> </ul>
<b>Asset Management Fee</b>	Refers to the annual fee paid to the Manager for managing REIF.
<b>CAGR</b>	Compound annual growth rate
<b>CAPEX</b>	Capital expenditures
<b>Cap Rate</b>	Capitalization rate
<b>Closing Date</b>	Refers to Subscription Agreements and cleared funds received on or before the last business day of a calendar month (or other date as determined by the Manager), each a " <b>Closing Date</b> ". Subscription Agreements received after a Closing Date are accepted on the next Closing Date.
<b>CMHC</b>	Canada Mortgage and Housing Corporation
<b>Co-Living and Micro-unit</b>	Co-Living and Micro-unit Communities are small format, highly amenitised properties located in urban markets that address the unmet needs of a significant demographic (including young professionals) by providing community, convenience and cost-effective housing.
<b>Corresponding LP Unit</b>	With respect to a Trust Unit, the LP Unit that is acquired by REIF with the proceeds REIF receives from the issuance of a particular Trust Unit.
<b>DOT</b>	Amended and restated Declaration of Trust dated December 22, 2022, governing REIF, as it may be supplemented, restated and/or amended from time to time.
<b>DRIP</b>	REIF's Distribution Reinvestment Plan
<b>EMD</b>	Exempt Market Dealer
<b>ESG</b>	Environmental, Social and Governance
<b>FMV</b>	Fair market value of any asset; to be determined in accordance with the Partnership Agreement

**Table 1: Short Forms Used in DDQ**

<b>Forum or the Firm</b>	Forum Investment and Development Corporation and all of its related entities, unless otherwise stated
<b>Fund or REIF</b>	Forum Real Estate Income and Impact Fund is an unincorporated, open-ended investment trust established under the laws of Ontario pursuant to the DOT. Although REIF qualifies as a “mutual fund trust” pursuant to the Tax Act, REIF will not be a “mutual fund” or an “investment fund” under applicable Securities Laws. REIF will not undertake any activity, take any action, or make any investment, which would result in REIF not being considered a unit trust or a mutual fund trust for purposes of the Tax Act.
<b>FUIOF I</b>	Forum Urban Infrastructure Opportunities Fund I, LP
<b>General Partner / GP</b>	Forum Real Estate Income and Impact GP Inc., incorporated on September 29, 2021, pursuant to the Business Corporations Act (Ontario), is the general partner of the Partnership.
<b>Grant Thornton</b>	Grant Thornton LLP
<b>GRESB</b>	Global Real Estate Sustainability Benchmark
<b>Highwater Mark</b>	With respect to an LP Unit, initially, the NAV per LP Unit of such LP Unit immediately after the issuance of such LP Unit and, once a Special Allocation has been made with respect to such LP Unit, the highest NAV per LP Unit achieved by such LP Unit at the end of any Special Allocation Period (after payment of the Special Allocation as at the last day in any previous Special Allocation Period), in each case adjusted as necessary to reflect any distributions made by the Partnership.
<b>Hurdle</b>	With respect to an LP Unit, the NAV per LP Unit of such LP Unit on the first day of the applicable Special Allocation Period multiplied by 6.25% in respect of the Series A Units, 7% in respect of the Series F Units, 7% in respect of the Series I Units and 7% in respect of the Series H Units. For greater certainty, the Hurdle is non-cumulative (i.e., it re-sets at the start of each Special Allocation Period), will be pro rated where the applicable Special Allocation Period is <i>less than</i> 365 days, and will be adjusted as necessary to reflect any distributions made by the Partnership.
<b>IC</b>	Refers to Forum’s Investment Committee, which is chaired by Forum’s CEO, Richard Abboud, and includes its Managing Partners.
<b>IFRS</b>	International Financial Reporting Standards
<b>IIROC</b>	The Investment Industry Regulatory Organization of Canada
<b>IT</b>	Information technology
<b>Limited Partners / LPs / Special Limited Partner / Special LP</b>	Limited partners of the Partnership, including the Special Limited Partner, which will receive Performance Fees.
<b>Leadership Team</b>	Includes the following Forum leaders: Founder and CEO, Richard Abboud; Managing Partner & CFO, Rajeev Viswanathan; Senior Advisor, People and Culture, Colleen Teed; and Managing Partner, Real Estate, Aly Damji.
<b>LP Units</b>	Units of beneficial interest in the Partnership, issued from time to time in accordance with the LPA and having the rights, privileges, limitations, restrictions and conditions set out in the LPA, including the Series A LP Units, Series F LP Units, Series I LP Units, Series H LP Units and Series M LP Units.

**Table 1: Short Forms Used in DDQ**

<b>LTV</b>	Loan-to-value ratio is a measure of risk calculated as: (a) the total mortgage loan amount (i.e., the current principal balance <i>plus</i> accrued interest) in respect of the Properties; divided by (b) the Properties' estimated value (i.e., the NOI applied at the cap rate used in third-party appraisals).
<b>MOIC</b>	Multiple on invested capital
<b>MRV</b>	Manage, report and verify (as it relates to ESG targets)
<b>Management Agreement</b>	Management Agreement dated October 1, 2021, between the Manager, REIF and the Partnership, as it may be amended, supplemented and/or restated from time to time.
<b>Manager</b>	Forum Asset Management Inc., an Ontario corporation, retained by REIF's Board to act as the Manager of REIF and the Partnership to manage the affairs of REIF and the Partnership pursuant to the Management Agreement and an exempt market dealer, investment fund manager and portfolio manager in certain jurisdictions.
<b>MICs</b>	Mortgage investment corporations
<b>Multi-Family</b>	Multi-family apartments located in supply-constrained markets underpinned by stable rent growth and strong demand including, without limitation, assets serving specific communities such as seniors, workforce, indigenous and other communities.
<b>NAV</b>	The net asset value of the Fund or the Partnership, as applicable, or of a series or sub-series of Trust Units of the Fund or of LP Units of the Partnership, as applicable, calculated in accordance with the DOT and the LPA, respectively.
<b>NOI</b>	Net operating income means revenue from Properties <i>less</i> direct costs, such as operating costs, property taxes and utilities, but not including interest, amortization or income taxes.
<b>Norton Rose</b>	Norton Rose Fulbright Canada LLP
<b>Offered Units</b>	The Series A Units, Series F Units, Series I Units and Series H Units offered by REIF pursuant to the OM (collectively the " <b>Offered / Trust Units</b> ")
<b>OM</b>	Refers to REIF's confidential offering memorandum for the Offering dated December 22, 2022, as it may be amended, supplemented, and/or restated from time to time.
<b>Partners</b>	The General Partner, the Special Limited Partner, and each of the Limited Partners
<b>Partnership / REIF LP (and SPGPs and SPLPs)</b>	Forum Real Estate Income and Impact LP is a limited partnership formed on October 1, 2021. Note that REIF LP will generally purchase assets through limited partnerships (referred to as " <b>SPLPs</b> ") with corporate general partners (referred to as " <b>SPGPs</b> "), where each of the Properties will have its own GP and LP.
<b>Partnership Agreement / LPA</b>	The amended and restated limited partnership agreement dated December 22, 2022, governing the Partnership, as it may be amended, supplemented and/or restated from time to time.
<b>PM</b>	Portfolio manager to manage the non-real estate assets owned by the Partnership.
<b>PBSA</b>	Purpose-built student accommodation

**Table 1: Short Forms Used in DDQ**

<b>Properties</b>	Partnership will acquire cash-flowing, resilient residential real estate assets, including equity interests and direct ownership, with opportunities for capital appreciation, underpinned by strong market fundamentals, with a focus on Multi-Family, PBSA and Co-Living and Micro-unit communities (the " <b>Properties</b> ").
<b>RCF</b>	A revolving credit facility. The Partnership has arranged an RCF of approximately \$55 million (comprised of an initial \$25 million limit and three accordion facilities of up to \$10 million each) from a Canadian financial institution. A supplemental RCF has been arranged for Quad C1 and Quad C2 which has a \$21 million limit at the Partnership's 70% share. The Partnership may arrange for additional revolving credit facilities from one or more Canadian financial institutions or other lenders acceptable to REIF and the Manager, to manage working capital and to bridge finance acquisitions, and to manage Unitholder redemptions.
<b>Redemption Date</b>	Trust Units may be redeemed as at the last business day of each calendar month (each, a " <b>Redemption Date</b> "). The redemption notice must be delivered to REIF at least 30 days prior to the Redemption Date.
<b>Redemption Price</b>	On a redemption by a Unitholder, the " <b>Redemption Price</b> " per Trust Unit is equal to the redemption proceeds received by REIF from the Partnership regarding REIF's redemption of the Corresponding LP Unit, which will equate to the NAV of the Corresponding LP Unit as at the Redemption Date, multiplied by the Redemption Price Percentage (ranges from 95-100% depending on the period between the issuance date of the LP Unit being redeemed and the Redemption Date (e.g., <1 years: 95%, >3 years: 100%).
<b>Redemption Limit</b>	Refers to the total amount payable by REIF pursuant to the DOT and the Partnership pursuant to the LPA in respect of such series of Trust Units and all other series of Trust Units and/or LP Units to be redeemed on a Redemption Date ( <i>excluding</i> LP Units to be redeemed by REIF) exceed 1% of NAV of the Partnership (the " <b>Redemption Limit</b> "); provided that the Manager may, in its sole discretion, waive or increase such limitation in respect of all Trust Units and LP Units redeemed in any calendar month.
<b>REIF LP / Partnership / SPGPs / SPLPs</b>	Forum Real Estate Income and Impact LP (" <b>REIF LP</b> " or the " <b>Partnership</b> "). REIF LP may purchase assets through partnerships (referred to as " <b>SPLPs</b> ") with corporate general partners (referred to as " <b>SPGPs</b> "), where each SPLP will hold a Property.
<b>REIF</b>	Forum Real Estate Income and Impact Fund is an unincorporated, open-ended investment trust established under the laws of Ontario pursuant to the DOT. Although REIF qualifies as a "mutual fund trust" pursuant to the Tax Act, REIF will not be a "mutual fund" or an "investment fund" under applicable Securities Laws. REIF will not undertake any activity, take any action, or make any investment, which would result in REIF not being considered a unit trust or a mutual fund trust for purposes of the Tax Act.
<b>REITs</b>	Real estate investment trusts
<b>REOCs</b>	Real estate operating companies
<b>Retiring Limited Partner</b>	A limited partner of the Partnership that redeems all of the LP Units held by it during a fiscal year.
<b>ROFO / ROFO Agreement / ROFO Pipeline Assets</b>	Pursuant to the ROFO Agreement dated October 1, 2021, between Forum, the Partnership and the GP, Forum has granted the Partnership a right of first offer (the " <b>ROFO</b> ") on Forum's existing and future pipeline of residential rental real estate development assets that meet REIF's investment mandate (the " <b>ROFO Pipeline Assets</b> "). Forum intends to sell the ROFO Pipeline Assets to the Partnership for a price determined using the average of two appraisals, which is approved by the

**Table 1: Short Forms Used in DDQ**

	REIF Board. The Partnership and the Fund may issue Trust Units or LP Units to Forum (directly or indirectly), respectively, to pay all or part of the purchase price of a property to be purchased from Forum. The current ROFO Pipeline Assets that the Partnership may acquire are expected to be valued at over \$900 million over the next 5 years (refer to the OM, Schedule B: <i>Properties – ROFO Pipeline Assets</i> , for descriptions of Properties comprising the current ROFO Pipeline Assets).
<b>Securities Laws</b>	The securities laws, regulations, rules, rulings and orders in each of the provinces and territories of Canada, and the applicable policy statements issued by the securities regulators in each of the provinces and territories of Canada, having application over this Offering and including those laws in the jurisdiction in which the Subscriber is ordinarily resident.
<b>SGGG</b>	SGGG Fund Services Inc.
<b>Special Allocation / Performance Fee</b>	<p>Refers to the Performance Fees; In respect of each Series A, F and H LP Units, and each Special Allocation Period, the Special LP is entitled to an allocation equal to the lesser of (a.) and (b.) where:</p> <ul style="list-style-type: none"> <li>a. equals 15% of the Aggregate Overall Appreciation of each such LP Unit during such Special Allocation Period; and</li> <li>b. equals the Aggregate Overall Appreciation of each such LP Unit during such Special Allocation Period that is in excess of the Hurdle for such Special Allocation Period.</li> </ul> <p>In respect of each Series I LP Unit, the Special LP shall be entitled to a Special Allocation equal to 15% of the Aggregate Overall Appreciation of each such LP Unit during such Special Allocation Period that is in excess of the Hurdle for such Special Allocation Period.</p> <p>At the Manager’s sole discretion, the Special Allocation attributable to Series A LP Units and Series I LP Units may be paid and satisfied, in whole or in part, by the issuance of Series M LP Units to the Special LP, which do not have an Asset Management Fee or Special Allocation. The Partnership pays the Special Allocation attributable to a Series F LP Unit by the issuance to the Special LP of Series M LP Units for the first three years from the issuance date of such Series F LP Units.</p> <p><u>Note:</u> The Special LP is entitled to receive Special Allocations (i.e., Performance Fees)</p>
<b>Special Allocation Period</b>	<p>With respect to an LP Unit, the period:</p> <ul style="list-style-type: none"> <li>a. commencing (i) initially, on the date of issuance of such LP Unit and (ii) thereafter, immediately following the end of the preceding Special Allocation Period, and</li> <li>b. ending on the earlier of (i) the 31st day of December in each fiscal year, (ii) the date on which the LP Unit is redeemed, (iii) the effective date that the Manager ceases to be the manager of the Partnership, and (iv) the date on which the Partnership dissolves and/or terminates.</li> </ul>
<b>Sponsor Investment</b>	Being the issuance of Series M LP Units to Forum and/or an affiliate of Forum with a value of approximately \$50 million, which has been retained by Forum or such affiliate. Forum has committed to maintaining a minimum \$50 million investment in REIF (i.e., the “ <b>Sponsor Investment</b> ”), with Forum currently the single largest investor in REIF and anticipates continuing to be so for the foreseeable future.
<b>Subscriber</b>	Subscribers of Offered Units in REIF, and REIF will directly own Corresponding LP Units in the Partnership.

**Table 1: Short Forms Used in DDQ**

<b>Target Sectors</b>	<p>Refers to REIF's target residential rental real estate sectors:</p> <ul style="list-style-type: none"> <li>▪ <b>Multi-Family:</b> Assets located in supply-constrained markets underpinned by stable rent growth and strong demand including, without limitation, assets serving specific communities such as seniors, workforce, indigenous and other communities;</li> <li>▪ <b>PBSA:</b> Purpose-built student accommodation with strong growth tailwinds, supported by demographic and market fundamentals; and</li> <li>▪ <b>Co-Living and Micro-unit Communities:</b> small format, highly amenitised properties located in urban markets that address the unmet needs of a significant demographic by providing community, convenience and cost-effective housing.</li> </ul> <p><i>(Note: For additional information on REIF's Target Sectors, see the OM, Market Opportunity).</i></p>
<b>Target Regions</b>	<p>Refers to REIF's initial target real estate regions for its Target Sectors:</p> <ul style="list-style-type: none"> <li>▪ <b>Multi-Family:</b> Greater Metropolitan Areas of Toronto (and the Greater Golden Horseshoe), Vancouver (and Vancouver Island), Montreal (including the North and South Shores), and the National Capital Region (Ottawa-Gatineau metropolitan area) and other supply-constrained Canadian real estate markets;</li> <li>▪ <b>PBSA:</b> Top university and college markets with a growing base of international and out-of-province students; and</li> <li>▪ <b>Co-Living and Micro-unit Communities:</b> Major economic centres, such as Toronto, Vancouver, Montreal, and Ottawa.</li> </ul> <p>The Manager is initially focused on Properties located in Canada but may also acquire Properties in the United States.</p>
<b>Tax Act</b>	<i>Income Tax Act</i> (Canada) and the regulations thereunder, as amended from time to time.
<b>Third-Party Assets</b>	In addition to the ROFO Pipeline Assets, the Partnership intends to acquire other assets from third parties with an estimated FMV in the first 5 years of its term of ~\$1 billion (the " <b>Third-Party Assets</b> "). The Manager anticipates raising ~\$800 million of additional equity capital in the next 5 years to support its growth strategy.
<b>Trust Units</b>	The units of beneficial interest in the Fund created by the Trustees, issued from time to time in accordance with the DOT and having the rights, privileges, limitations, restrictions and conditions set out in the Declaration of Trust.
<b>Trustees / Directors (Collectively "REIF's Board")</b>	Refers to the Fund's board of trustees and the GP's board of directors (collectively " <b>REIF's Board</b> "), which comprises 6 members as of the date hereof, with 4 members being independent of Forum. One of the independent trustees will act as the <b>Lead Trustee</b> and provide leadership to enhance the REIF's Board's effectiveness and independence.
<b>Unitholder</b>	A holder of Trust Units
<b>Valuation Date</b>	Means (a) the last business day of each month and (b) such other day or days as the Manager may determine in its discretion.
<b>VLAN</b>	Virtual local area network
<b>VPN</b>	Virtual private network



## 1. Snapshot – The Firm and the Fund

Table 2: Firm Snapshot	
Item	Details
<b>Firm Name</b>	Forum Investment and Development Corporation and all of its related entities, unless otherwise stated.
<b>Key Related Company(ies) Pertaining to REIF</b> (see Doc. 1.06 on REIF's Detailed Operating Structure in REIF's data room for details)	<ul style="list-style-type: none"> <li>• <b>REIF:</b> An unincorporated, open-ended investment trust established under the laws of Ontario pursuant to the DOT, that directly owns Corresponding LP Units in the Partnership</li> <li>• <b>Partnership:</b> Holds a direct interest in the SPLPs and SPGPs, which each owns its respective underlying Property</li> <li>• <b>GP:</b> This entity is the Partnership's GP</li> <li>• <b>Manager:</b> This entity is retained by REIF's Board to act as the Manager of REIF and the Partnership, and will receive Asset Management Fees</li> <li>• <b>Special LP:</b> This entity is the Special Limited Partner of the Partnership, an affiliate of the Manager and will receive Performance Fees</li> </ul>
<b>Office Location(s)</b>	181 Bay Street Forum House at Brookfield Place East Podium, 2nd Floor Toronto Ontario, Canada M5J 2T3
<b>Telephone (Office)</b>	(416) 947-0389
<b>Website</b>	www.forumam.com
<b>Primary Contact</b> Name Title Telephone E-mail	Rajeev Viswanathan Managing Partner & CFO (416) 274-8172 Rajeev@forumam.com
<b>Secondary Contact</b> Name Title Telephone E-mail	Tony Leone Partner (416) 995-5346 TonyL@forumam.com
<b>Forum Employees</b>	<b>Full-Time Employees: 46 (As of July 2023)</b> <ul style="list-style-type: none"> <li>• Corporate Team: 15</li> <li>• Private Equity Team: 6</li> <li>• Real Estate Team: 19</li> <li>• Alternative Assets: 6</li> </ul>
<b>Regulatory Body(s) that Supervises Forum</b>	<ul style="list-style-type: none"> <li>• Historically, Forum only managed private alternative assets across real estate, infrastructure and private equity as a principal investor, and Forum was not required to be registered as a PM or as an EMD with any securities commission in Canada</li> <li>• Forum Asset Management Inc., an Ontario corporation, is an exempt market dealer, investment fund manager and portfolio manager in certain jurisdictions, and has been retained by the Fund and the Partnership to act as the manager of the Fund and the Partnership and to manage the affairs of the Fund and the Partnership pursuant to the Management Agreement.</li> <li>• The Manager is considered to be a connected issuer under applicable securities laws and may be considered a related issuer of the Fund in connection with the distribution of the Fund's securities, which may result in potential conflicts of interest. The Manager is a connected issuer of the Fund as a result of the fact that Richard Abboud and Aly Damji, two Trustees of the Fund, are each an officer director and/or ultimate shareholder of the Manager. In addition, the Manager will receive a monthly Asset Management Fee for management services provided to the Fund and the Partnership.</li> </ul>

**Table 3: Fund Snapshot<sup>1</sup>**

Fund Structure	
Fund Name	<ul style="list-style-type: none"> <li>REIF</li> </ul>
Fund Manager	<ul style="list-style-type: none"> <li>Forum Asset Management Inc.</li> </ul>
Fund Type	<ul style="list-style-type: none"> <li>Open-ended fund vehicle</li> </ul>
Fund Structure	<ul style="list-style-type: none"> <li>An investment trust</li> </ul>
Fund Domicile	<ul style="list-style-type: none"> <li>Ontario, Canada</li> </ul>
Sponsor Investment	<ul style="list-style-type: none"> <li>\$50 million</li> <li>A portion of the purchase price of the REIF assets was paid through the Sponsor Investment, being the issuance of Series M LP Units to Forum and/or an affiliate of Forum with a value of approximately \$50 million, which has been retained by Forum or such affiliate.</li> <li>Forum has committed to maintaining a minimum \$50 million investment in REIF, with Forum currently the single largest investor in REIF and anticipates continuing to be so for the foreseeable future.</li> </ul>
Date of Initial Close	<ul style="list-style-type: none"> <li>December 8, 2021</li> </ul>
Fund Strategy	
Investment Objective	<ul style="list-style-type: none"> <li>REIF's primary objective is to invest via the Partnership and the SPLPs in Properties that are cash-flowing, resilient residential real estate assets (including equity interests and direct ownership) with opportunities for capital appreciation, underpinned by strong market fundamentals, with a focus on Multi-Family, PBSA, and Co-Living and Micro-unit communities.</li> <li>Furthermore, the Manager will seek to create impact-driven, long-term value by achieving REIF's ESG targets.</li> <li>The Manager is initially focused on Properties located in Canada but may also acquire Properties in the United States.</li> </ul>
Investment Strategy	<ul style="list-style-type: none"> <li>REIF will invest in impact-driven, institutional-quality Properties, which provide long-term, inflation-hedged and stable cash flows, with the opportunity for capital appreciation.</li> <li>REIF may also invest up to 5% of its NAV in private alternative assets for impact and yield enhancement purposes to enable the Fund to achieve net zero operational greenhouse gas emissions and up to 10% of its NAV in publicly traded securities for liquidity purposes (e.g., Canadian REITs, REOCs and MICs), aligned with REIF's investment objectives.</li> </ul>
Real Estate Sectors	<ul style="list-style-type: none"> <li>REIF's Target Sectors are: <ul style="list-style-type: none"> <li><b>Multi-Family:</b> Residential assets located in supply-constrained markets underpinned by stable rent growth and strong demand including, without limitation, assets serving specific communities such as seniors, workforce, indigenous and other communities;</li> <li><b>PBSA:</b> Purpose-Built Student Accommodation with strong growth tailwinds, supported by demographic and market fundamentals; and</li> <li><b>Co-Living and Micro-unit Communities:</b> Small format, highly amenitised properties located in urban markets that address the unmet needs of a significant demographic (including young professionals) by providing community, convenience and cost-effective housing.</li> </ul> </li> </ul>
Target Total Net Returns (for Series F Units) <sup>2</sup>	<ul style="list-style-type: none"> <li>The Manager targets annual distributions to REIF Unitholders of ~4-5% and targets total net returns of 8-12%, inclusive of forecasted increases in the NAV of the Series F Units, assuming a minimum 5-year hold period.</li> </ul>
Target Vehicle Size	<ul style="list-style-type: none"> <li>REIF's AUM are forecast to grow to ~\$1 billion in the first 5 years.</li> </ul>

**Table 3: Fund Snapshot<sup>1</sup>**

	<ul style="list-style-type: none"> <li>• The growth will be driven by: <ul style="list-style-type: none"> <li>○ Capital appreciation; and</li> <li>○ Acquisitions, which include ROFO Pipeline Assets and Third-Party Assets</li> </ul> </li> </ul>
<b>Fund's Target LTV</b>	<ul style="list-style-type: none"> <li>• The Manager will target an LTV of less than 55% at the portfolio level, including the drawn amounts of any RCF.</li> <li>• The Partnership has arranged for a RCF of up to \$55 million (comprised of an initial \$25 million limit and an accordion facility allowing the facility to be increased up to three times in an amount of \$10 million each time) from a Canadian financial institution.</li> <li>• A supplemental RCF has been arranged for Quad C1 and Quad C2 which has a \$21 million limit at the Partnership's 70% share.</li> <li>• The Partnership may arrange for additional revolving credit facilities from one or more Canadian financial institutions or other lenders reasonably acceptable to the Fund, including the Manager, in order to, among other things, manage working capital, bridge finance acquisitions, and manage investor redemptions.</li> <li>• Forum has provided an unsecured credit facility in the amount of \$10 million to the Partnership.</li> </ul>
<b>Initial Target Regions</b>	REIIF's initial target geographic regions for its real estate sectors: <ul style="list-style-type: none"> <li>• <b>Multi-Family:</b> Greater Metropolitan Areas of Toronto (and the Greater Golden Horseshoe), Vancouver (and Vancouver Island), Montreal (including the North and South Shores), and the National Capital Region (Ottawa-Gatineau metropolitan area) and other supply-constrained Canadian real estate markets;</li> <li>• <b>PBSA:</b> Top university and college markets with a growing base of international and out-of-province students; and</li> <li>• <b>Co-Living and Micro-unit Communities:</b> Major economic centres, such as Toronto, Vancouver, Montreal, and Ottawa.</li> </ul>
<b>Fund Terms (For Series F Units)</b>	
<b>Minimum Investment (for Accredited Investors)</b>	<ul style="list-style-type: none"> <li>• \$5,000 and this minimum may be waived by the Manager, in its sole discretion.</li> </ul>
<b>Subscriptions</b>	<ul style="list-style-type: none"> <li>• Closings will occur monthly on the last business day of each calendar month (or such other date determined by the Manager). The entitlement to distributions following acceptance of a subscription occurs the following month for unitholders of record on the last business day.</li> </ul>
<b>Redemption Date</b>	<ul style="list-style-type: none"> <li>• Trust Units may be redeemed as at the last business day of each calendar month (i.e., the Redemption Date). The redemption notice must be delivered to REIIF at least 30 days prior to the Redemption Date.</li> </ul>
<b>Redemption Price</b>	<ul style="list-style-type: none"> <li>• On a redemption by a Unitholder, the Redemption Price per Trust Unit shall be equal to the redemption proceeds received by REIIF from the Partnership with respect to REIIF's redemption of the Corresponding LP Unit.</li> <li>• Redemption value of 95% of Partnership's NAV of the Corresponding LP Unit within Year 1 of investment, 96% of NAV within Year 2, 97% of NAV within Year 3, and 100% of NAV thereafter.</li> <li>• At any Redemption Date, a Unitholder, acting reasonably, shall be entitled to request the Manager redeem up to the entire amount of the Unitholder's Trust Units, without any Redemption Charge: (i) in the event of the death or permanent disability of an individual Unitholder or the spouse of an individual Unitholder; (ii) in the event of the divorce of an individual Unitholder or (iii) upon any act, whether voluntary or involuntary, of bankruptcy by an individual Unitholder.</li> <li>• As noted, Forum has provided available liquidity of \$10 million to the Partnership, as a "backstop" loan that can be used for general liquidity purposes, including redemptions, if required.</li> </ul>
<b>Asset Management Fee (for Series F Units)</b>	<ul style="list-style-type: none"> <li>• 1.25% p.a. of the F Series NAV / Unit</li> </ul>
<b>Performance Fees (for Series F Units)</b>	<ul style="list-style-type: none"> <li>• 15% to the Manager over a 7% p.a. Hurdle (non-cumulative), with a full catch-up and an annual Highwater Mark.</li> </ul>

**Table 3: Fund Snapshot<sup>1</sup>**

<b>Tax Considerations</b>	<ul style="list-style-type: none"> <li>Refer to “Certain Canadian Tax Considerations” in the OM for a summary of the principal Canadian federal income tax considerations generally applicable to a taxpayer who acquires Trust Units pursuant to this Offering.<sup>3</sup></li> </ul>
<b>Eligible for Exempt Plans (e.g., RRSP, RRIFs, TFSAs)</b>	<ul style="list-style-type: none"> <li>The Trust Units are qualified investments under the Tax Act, for a trust governed by an Exempt Plan. Refer to “Certain Canadian Tax Considerations” in the OM.</li> </ul>
<b>Fund’s Independent Service Providers</b>	
<b>Fund’s EMD</b>	<ul style="list-style-type: none"> <li>Forum Asset Management Inc., an Ontario corporation, is an exempt market dealer, investment fund manager and portfolio manager in certain jurisdictions, and has been retained by the Fund and the Partnership to act as the manager of the Fund and the Partnership and to manage the affairs of the Fund and the Partnership pursuant to the Management Agreement.</li> </ul> <p>The Manager is considered to be a connected issuer under applicable Securities Laws, and may be considered a related issuer, of the Fund in connection with the distribution of the Fund’s securities, which may result in potential conflicts of interest. The Manager is a connected issuer of the Fund as a result of the fact that Richard Abboud and Aly Damji, two Trustees of the Fund, are each an officer director and/or ultimate shareholder of the Manager. In addition, the Manager will receive a monthly Asset Management Fee for management services provided to the Fund and Partnership.</p>
<b>Custodian for Exempt Plans (Direct Subscribers)</b>	<ul style="list-style-type: none"> <li>Olympia Trust Company</li> </ul>
<b>Fund’s Administrator</b>	<ul style="list-style-type: none"> <li>SGGG</li> </ul>
<b>Fund’s Legal Counsel</b>	<ul style="list-style-type: none"> <li>BLG</li> </ul>
<b>Fund’s Auditor</b>	<ul style="list-style-type: none"> <li>Grant Thornton</li> </ul>
<b>Notes on Table 3:</b> <ol style="list-style-type: none"> <li>This Fund Snapshot only provides a general summary of REIF’s strategy, key terms, etc. REIF’s detailed terms and conditions must be reviewed by prospective Subscribers in REIF’s OM, prior to investing.</li> <li>REIF’s expected distributions and REIF’s return targets are not guaranteed and assume a minimum 5-year hold period, the Unitholder does not elect to participate in REIF’s DRIP and the Trust Units are not subject to a reduction on the Asset Management Fee. The expectation, timing and payment of distributions and the return targets are based on various assumptions and subject to certain risks.</li> <li>Prospective Subscribers must obtain their own tax advice. Neither Forum nor the Manager provide legal or tax advice to any third party and recommends that Subscribers review the disclosure materials and other governing legal documents with their own legal and tax advisors prior to subscribing to REIF.</li> </ol>	

## 2. General Information – The Firm

### 1. Provide a brief overview of the Firm including any business activities unrelated to the Fund’s investment strategy.

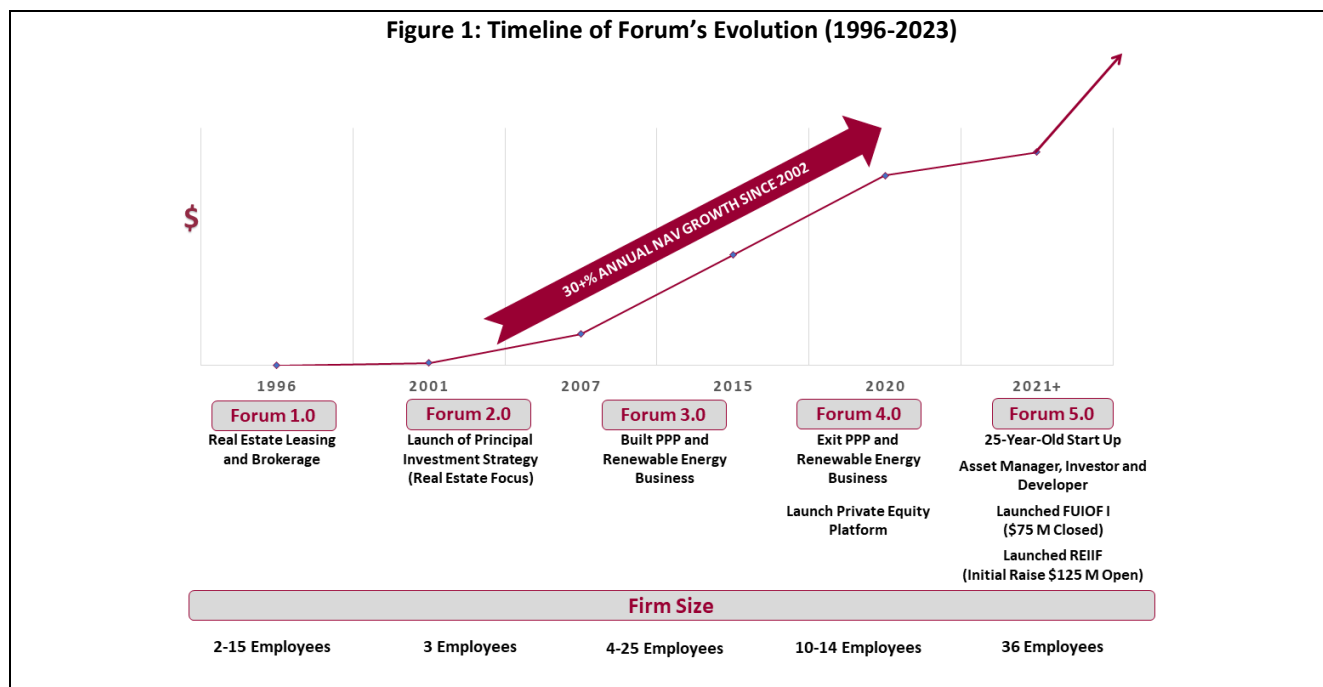
- Firm Overview:** Headquartered in Toronto, Forum is a privately-owned alternative asset manager, investor and developer operating across Canada and the U.S. Forum was founded in 1996 as a real estate brokerage company, and after numerous successful real estate transactions, Forum launched its principal investment business in 2002. Since then, Forum’s NAV has increased at a 30+% CAGR by acquiring and developing real estate, and by expanding into public private partnerships (PPPs), green energy, and urban infrastructure investments. Forum substantially exited its renewable energy and PPP businesses in 2018 and 2019, respectively. However, Forum continues to manage PPP assets, which it developed and sold (from 2016-2019) to Fiera Infrastructure. Today, Forum has a substantial balance sheet to invest alongside its unitholders to ensure strong alignment of interests. Forum has committed to maintaining a minimum \$50 million investment in REIF (i.e., the Sponsor Investment), with Forum currently the single largest investor in REIF and anticipates continuing to be so for the foreseeable future.

Over its 27-year history, Forum built extensive principal investment expertise in real estate and private equity. As of June 30, 2023, Forum had ~\$1.7 billion in AUM as follows:

- Infrastructure Assets (~\$865 million):** Includes PPPs valued at ~\$859 million, which Forum continues to manage, and renewable energy projects valued at ~\$6 million, which Forum will exit over the next few years.
- Real Estate Assets (~\$710 million):** Includes commercial and residential stabilized real estate rental assets and development projects; and
- Private Equity Assets (~\$76 million):** Includes investments in the urban infrastructure sector.

Figure 1 shows Forum’s evolution from its inception in 1996 to date. Forum initially focused on real estate and then expanded its principal investing strategy into infrastructure. Forum’s strategy has evolved from a principal investor to a multi-product asset manager, with a focus on impact-driven rental real estate and private equity investments. As part of its private equity strategy, Forum launched FUIOF I in December 2020 to invest in private companies providing impact-driven products and services in the built environment (i.e., urban infrastructure). Forum launched REIF in Q4, 2021, which focuses on the Multi-Family, PBSA and Co-Living and Micro-unit residential real estate sectors.

**Figure 1: Timeline of Forum’s Evolution (1996-2023)**



- **Firm's Principal Investing Activities (2002-2023):** Figure 2 below provides a snapshot of Forum's principal investing activities from 2002-2021, where it built real estate, renewable energy and PPP businesses.

**Figure 2: Overview of Forum's Principal Investing Activities (2002-2023)**



**Note 1 on Figure 2:** Based on the book value of equity on Forum's balance sheet.

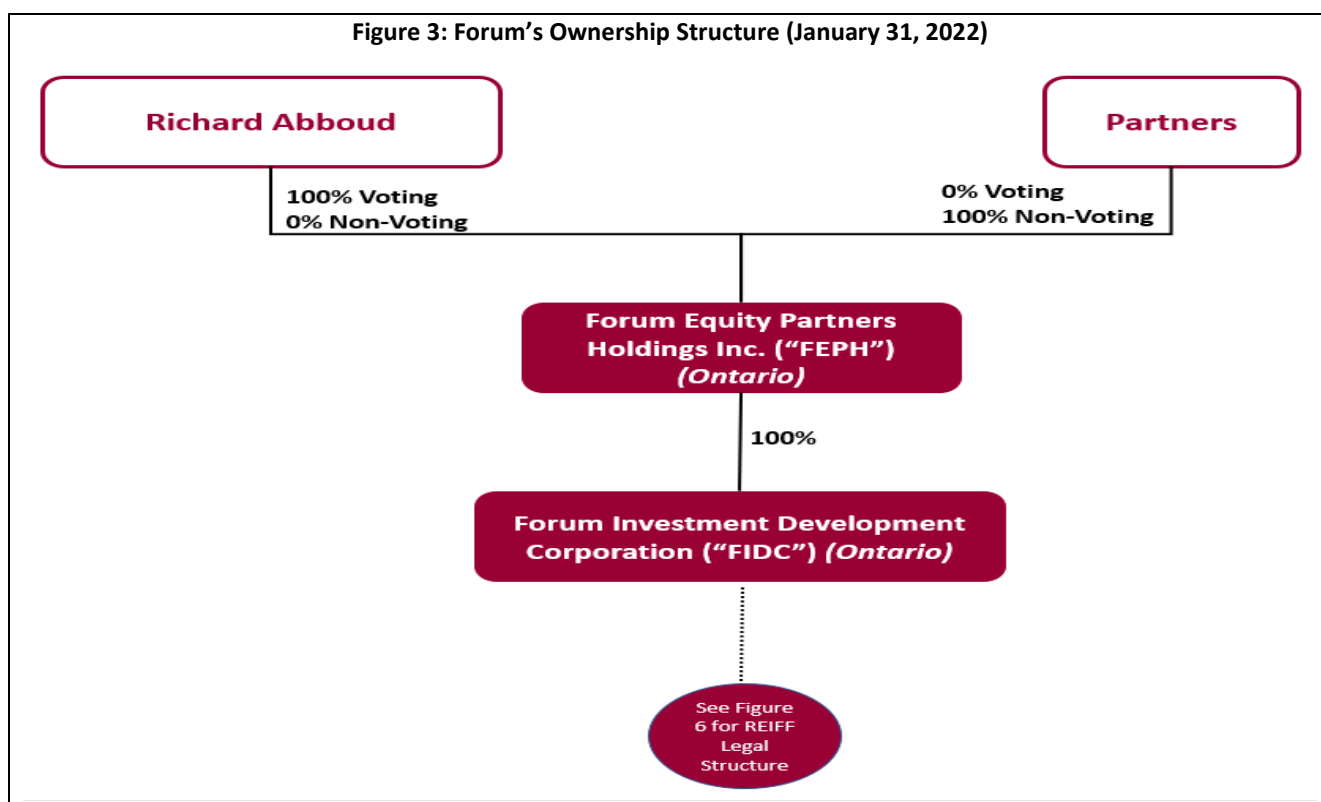
- **Firm's Current and Future Business Activities (2021-2023+):** After the sale of its infrastructure assets, Forum's CEO, Richard Abboud, shifted Forum to being an asset manager of impact-driven private equity and real estate assets. Forum also hired 3 partners between 2018-2020 (see *Question 2-2* below). In December 2020, Forum launched FUIOF I, which had a final closing of \$75 million in September 2021. FUIOF I targets growing private companies that earn recurring revenues from products and services for the built environment. FUIOF I's investments are impact-driven urban infrastructure businesses, which should enhance Forum's ability to achieve a positive ESG impact for REIIF. Forum is launching REIIF as its flagship real estate offering, building on its principal investing strategy in residential real estate sectors. Forum's Real Estate platform focuses on 3 business activities: 1) *development*, 2) *acquisitions*, and 3) *asset management*. Forum's Real Estate Team seeks to deliver over \$900 million of projects (see *Question 4-6* for details on *existing* ROFO Pipeline Assets) over the next 5 years, and then expects to add ~\$400 million of assets (completed value) p.a. as *future* ROFO Pipeline Assets.
- **Firm's Organization:** Forum's Leadership Team comprises:
  1. Founder and CEO, Richard Abboud;
  2. Managing Partner & CFO, Rajeev Viswanathan;
  3. Senior Advisor, People and Culture, Colleen Teed; and
  4. Managing Partner, Real Estate, Aly Damji.
  5. Managing Partner, Private Equity, Tate Abols.

The Leadership Team is supported by 41 investment, asset management, finance and administrative professionals. *Figure 2* in *Question 2-2* provides an overview of Forum's organizational structure. To meet its growth strategy, Forum plans to add professionals across its platforms. Refer to *Doc. 3.01* for *Forum's Organizational Chart* in REIIF's data room.

2. Provide an overview of the Firm's ownership structure and include details on any significant ownership changes since inception. Who is responsible for key decision making regarding the Firm?

- Firm's Current Ownership and Recent Changes:** Richard Abboud, Forum's Founder and CEO, controls 100% of the shares and owns the majority of the shares of Forum's parent organization. Other partners of Forum collectively hold a minority non-voting interest in Forum's parent organization. *Figure 3* shows Forum's ownership structure as of January 31, 2022. For Forum's key entities relating to REIFF, see *Figure 6* below and *Doc. 1.06* for *REIFF's Detailed Operating Structure* in REIFF's data room).

**Figure 3: Forum's Ownership Structure (January 31, 2022)**



- Firm's Key Decision Making:** *Table 4* highlights the Firm's key functions, areas of responsibility and decision making across the Leadership Team and its 3 platforms:

**Table 4: Forum's Key Functions and Decision Making**

**Corporate Platform (Richard Abboud and Rajeev Viswanathan)**

**Roles and Responsibilities:**

- Involved in business platform decisions:
  - Capital allocations
  - Strategy
  - Transaction review, oversight and approval
  - Hiring
- Fundraising activities
- Brand and values
- People and culture
- Governance
- Enterprise-level risk
- Shared services (e.g., legal, tax, treasury, IT)

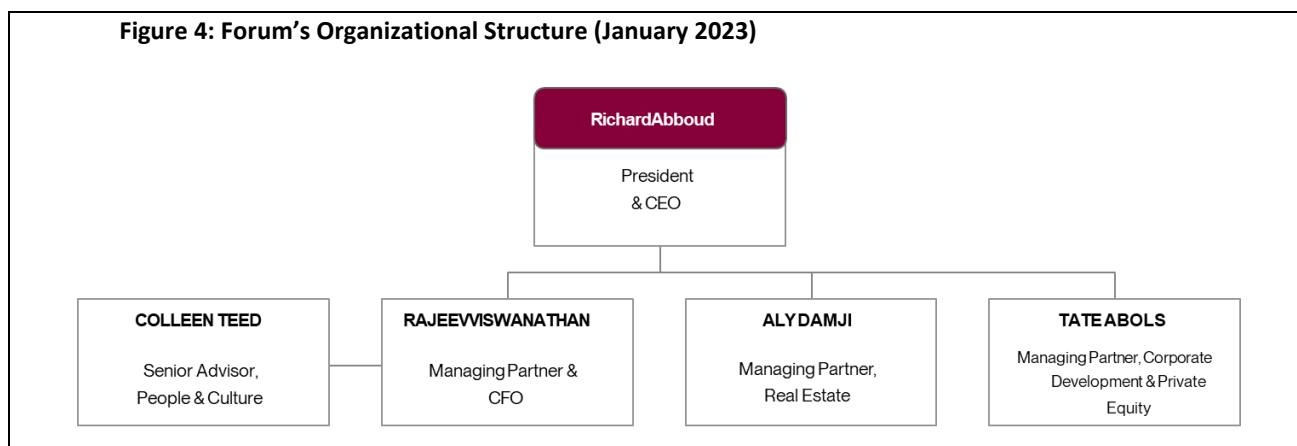


Table 4: Forum's Key Functions and Decision Making	
Private Equity Platform (Richard Abboud)	Real Estate Platform (Aly Damji)
<b>Roles and Responsibilities:</b> <ul style="list-style-type: none"> <li>• Deal sourcing, due diligence and structuring</li> <li>• Investment oversight (i.e., board oversight and risk management)</li> <li>• Asset management</li> <li>• Fundraising support</li> <li>• Product development</li> </ul>	<b>Roles and Responsibilities:</b> <ul style="list-style-type: none"> <li>• Deal sourcing, due diligence and structuring</li> <li>• Asset management and third-party operator oversight</li> <li>• Development and project management</li> <li>• Marketing</li> <li>• Asset and portfolio impact strategy and oversight</li> <li>• Fundraising support</li> <li>• Product development</li> </ul>

### 3. Provide an overview of the Firm's organizational structure.

Figure 4 below illustrates Forum's organizational structure as of January 31, 2022 across its 3 platforms:

1. **Corporate:** A team of professionals under Richard Abboud, supported by Rajeev Viswanathan (Managing Partner);
2. **Private Equity:** An investment team of private equity professionals under Tate Abols (Managing Partner); and
3. **Real Estate:** An investment team of real estate professionals under Aly Damji (Managing Partner).



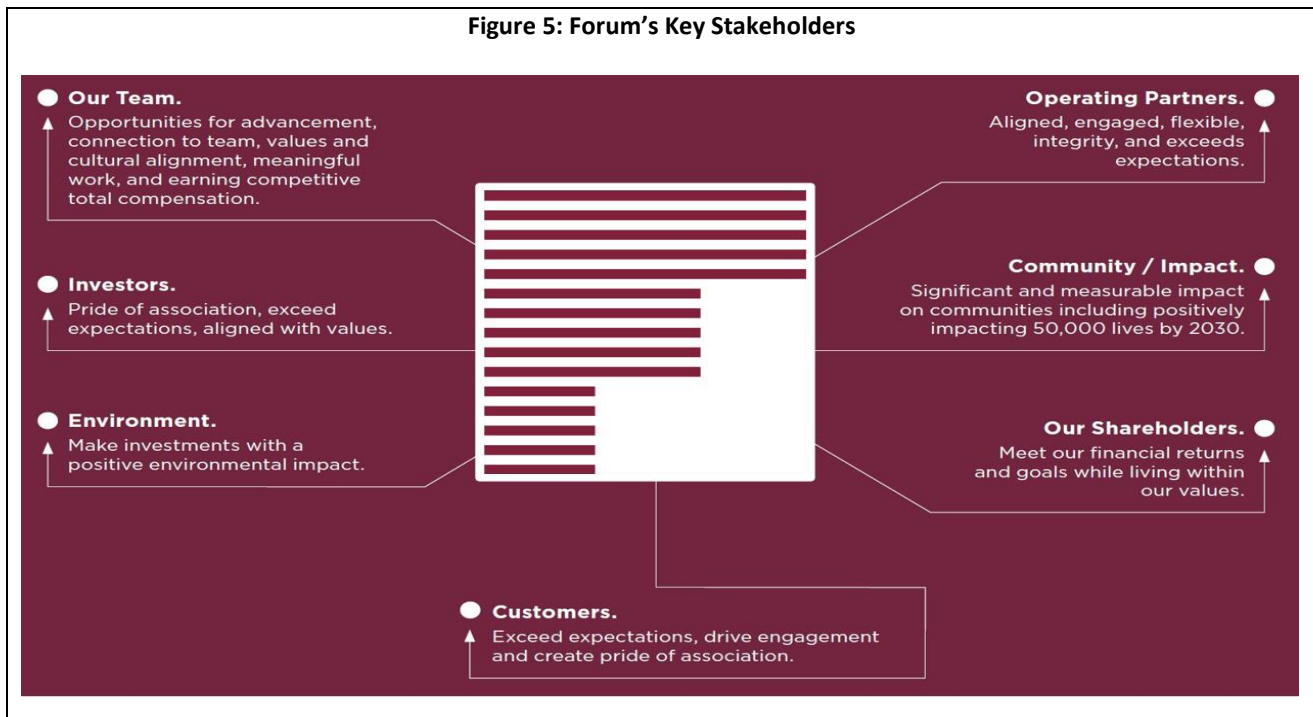
As noted, the People & Culture function is managed by Forum's Senior Advisor, Colleen Teed. Forum also uses a range of third-party service providers for select corporate and administrative services, such as IT, legal counsel, and tax advisory.

### 4. Describe any plans to change or expand the Firm over the next 5 years.

Forum plans to grow its AUM over the next 5 years by launching both REIF and a successor fund to FUIOF I (i.e., FUIOF II), and by developing and managing additional complementary fund offerings through different investor channels. As a significant equity sponsor in its funds, Forum will enhance its capabilities as necessary to continue to deliver *Extraordinary Outcomes™* to its stakeholders, as outlined in Figure 5.



**Figure 5: Forum's Key Stakeholders**



**5. List all investment vehicles previously and currently managed by the Firm. Include information on the fee structures for each vehicle.**

As noted in *Question 2-1*, Forum's strategy is evolving from being a principal investor to a multi-product asset manager, with a focus on impact-driven residential rental real estate and private equity investments. Prior to launching REIIF, Forum raised 2 investment vehicles where it invested capital alongside investors:

1. **124 Rue Lois Limited Partnership ("124 RL") (Launched in 2017):** 124 RL was formed to acquire a single-tenant office building adjacent to 104 Rue Lois, a Forum-owned office building in Gatineau, Quebec. Forum invested \$2.7 million (~62%) of the equity capital in 124 RL. The third-party investors in 124 RL include Forum's Advisory Board members and individuals with a long history of supporting Forum. The 124 RL vehicle had no management fee and a 20% performance fee over a preferred return hurdle.
2. **FUIOF I (Launched in 2020):** FUIOF I is a \$75 million fund investing in growing, impact-driven urban infrastructure businesses. Forum invested \$10 million (~13%) of the committed capital in FUIOF I, which has a 2% management fee and 20% performance fee over a preferred return hurdle.

**6. Provide information regarding the Firm's liquidity and capitalization. If applicable, provide details on the Firm's debt-service requirements, and if any personal guarantees are involved.**

Forum's liquidity includes a \$6 million operating line provided by TD Bank and \$35 million operating line provided by KingSett, to manage its working capital needs. Forum has various sources of liquidity, including cash-on-hand, liquid investments and an operating line. All substantive debt-service requirements are satisfied at project-level entities. As Forum's primary shareholder, Richard Abboud has provided personal guarantees securing margin accounts where Forum holds public securities.

**7. Describe the Firm's culture.**

Forum is an entrepreneurial firm with a diverse, purpose-driven and innovative culture, empowering its employees with challenging work and abundant opportunity. Forum has a reputation for challenging the traditional approach of building an asset management firm, and it fosters creativity by encouraging both an entrepreneurial approach and accountability among

its employees. As noted, Forum's purpose is to deliver *Extraordinary Outcomes™* to its stakeholders. The entire firm works collaboratively as a high-performance team engaged in its purpose. Forum is committed to life-long learning, seeks to deliver top-tier results, and provides competitive total compensation. Forum's core values are impact, integrity, diversity, innovation and high performance. Refer to [Forum's website](#) for more information.

**8. Describe any situation where the Firm, any of its affiliated entities or any of its current or former senior employees has filed for bankruptcy, or failed to make payments under any secured or unsecured indebtedness.**

Neither Forum, nor any of its affiliates, has filed for bankruptcy or failed to make payments under any secured or unsecured indebtedness. Furthermore, to the best of the Leadership Team's knowledge, no senior Forum employees have ever filed for bankruptcy or failed to make payments under any secured or unsecured indebtedness.

**9. Describe any outside activities (non-profit, academic, etc.) of the Firm or its principals that may take-up significant time (≥ 20%). Include the associated time commitments for each activity.**

There are no additional outside activities that are expected to take up significant time among the Leadership Team. Forum does not permit its professionals to engage in business activities outside of the Firm without the CEO's prior approval. The following individuals hold outside board positions, which require *less than* 20% of their time:

- **Aly Damji:** Current board member, 2023 Past-President, NAIOP Greater Toronto Chapter (NAIOP Toronto Commercial Real Estate Development Association); and
- **Rajeev Viswanathan:** Current board member, Greater Toronto Airports Authority.

**10. Describe any activity currently underway that could lead to negative publicity about the Firm and/or any of its employees. Explain any past negative publicity, and the steps taken as a result.**

There has been no negative publicity in the past regarding Forum, and to the best of the Leadership Team's knowledge, there is no current activity underway that could lead to negative publicity about Forum and/or any of its employees.

**11. Does the Firm have an investment committee ("IC")? If yes, who are the IC members and what is its role?**

Forum has an IC, which is chaired by Forum's CEO, Richard Abboud, and includes Forum's Managing Partners. The cross-functional IC brings insight, experience, creativity and additional rigor to the investment underwriting process, where REIF transactions are led by Forum's Real Estate Investment Team. If the IC recommends a transaction for REIF, the Manager will then recommend to REIF's Board to approve the transaction subject to the Approval Limits.

**12. Describe the Firm's competitive advantages.**

Forum's key competitive advantages are:

1. **Differentiated Strategy:** Forum is one of a few large-scale developers of PBSA and is currently one of the largest developers of Co-Living and Micro-unit Communities in Canada. REIF's strategy is clearly differentiated from both Canadian public REITs and private real estate funds, with a key focus on new, purpose-built residential rental housing in sub-sectors that have the opportunity to adjust rents to market more frequently than other real estate sectors.
2. **Business Platforms:** Forum's cross-functional business platforms across real estate and private equity are unique to real estate investment and asset management firms in Canada. This cross-functionality provides REIF with a unique ability to lever green technologies and service providers in its impact-driven real estate strategy.
3. **Development Expertise:** Forum's investment professionals have decades of experience developing complex real estate projects working both independently and with partners, including various levels of government (e.g. Quad Phase I and II on campus at York University, CFB Borden federal government data centre). This expertise allows Forum to underwrite complex acquisitions and to build a proprietary pipeline of development projects that REIF has exclusive access to on completion through the Fund's right of first offer ("ROFO").
4. **Agility:** Forum's agile and entrepreneurial team has substantial experience efficiently underwriting and structuring complicated transactions across a variety of sectors, with the ability to make decisions quickly – a distinct advantage in

the hyper-competitive, multi-family sector, where REIIF can capitalize on off-market real estate equity and debt opportunities.

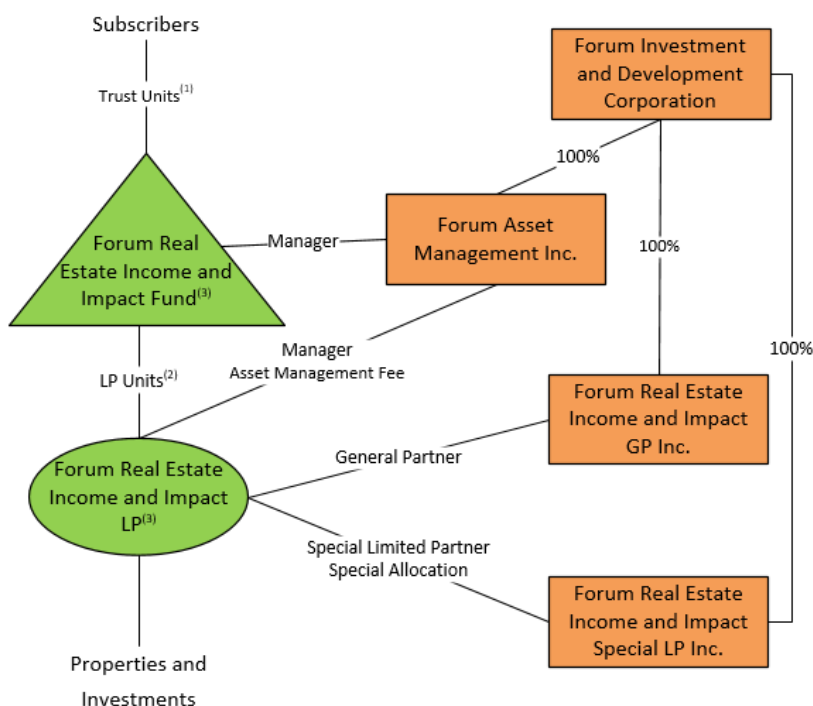
5. **Alignment:** Forum's historical success as a balance sheet investor allows it to invest meaningfully alongside REIIF's investors. Forum has committed to maintaining a minimum \$50 million investment in REIIF.
6. **Impact Focused:** As an active, engaged and responsible developer and investor, Forum seeks attractive, risk-adjusted returns while positively impacting communities, the environment and other stakeholders (see *Doc. 2.01 for Forum's ESG Policy* in REIIF's data room). REIIF strives to deliver a sector leading impact and ESG driven portfolio that will enhance yields and total returns while future proofing the portfolio to ensure diversity and resiliency of income.

### 3. General Information – The Fund

#### 1. Provide an overview of the Fund's operating structure. Describe any distinctive features of the structure.

- REIIF's Operating Structure:** REIIF is organized as an Ontario unincorporated, open-ended investment trust. *Figure 6* provides an overview of REIIF's operating structure. *Note:* For additional details see *Doc. 1.06* for *REIIF's Detailed Operating Structure* in REIIF's data room.
  - **REIIF:** Subscribers will hold Trust Units in REIIF, and REIIF will directly own Corresponding LP Units in the Partnership.
  - **Partnership:** REIIF will hold LP Units in the Partnership, and where applicable, the Partnership will own limited partnership interests in the respective SPLPs and SPGPs, which will each acquire a Property.
  - **Manager:** The Manager for REIIF and the Partnership is entitled to receive an annual Asset Management Fee.
  - **GP:** This is the entity formed by Forum as the Partnership's GP.
  - **Special LP:** This Forum affiliate will receive the Performance Fees (i.e., the Special Allocation) associated with REIIF.

**Figure 6: Overview of REIIF's Operating Structure**



**Notes on Figure 6:**

(1) Subscribers under this Offering will hold the Offered Units.

(2) REIIF will use the proceeds of the Offered Units to purchase Corresponding LP Units.

(3) Concurrent with or subsequent to this Offering, REIIF and the Partnership may also offer additional securities, which may not have the same terms as the units of REIIF and the Partnership offered and/or referred to in the OM. REIIF has issued Series M LP Units to Forum (or an affiliate of the Manager) in connection with the Sponsor Investment. The Partnership and the Fund may issue Trust Units or LP Units to Forum (directly or indirectly), respectively, to pay all or part of the purchase price of a property to be purchased from Forum. REIIF may, from time to time, negotiate with additional investors (such as institutional investors) the terms of purchase of a new series or sub-series of REIIF Trust Units, including sales commissions, the Asset Management Fee, Hurdle and the Special Allocation that will be paid by REIIF in respect of such investors' Trust Units.

For details of REIIF's operating structure, refer to *Doc. 1.06* for REIIF's Detailed Operating Structure in REIIF's data room, which summarizes the key related entities for the Fund and the Firm.

- Features of REIIF's Structure:** REIIF is organized as an Ontario-domiciled investment trust with an interest in the Partnership and will be managed, where commercially reasonable, to not incur any entity-level income tax. The

distributions to Unitholders are expected to be substantially a non-taxable return of capital. The Manager does not provide tax or legal advice and all prospective Subscribers must consult their own tax and legal advisors *before* subscribing to REIF. Prospective Subscribers should refer to REIF's OM and review the section on "Certain Canadian Tax Considerations" of the OM for details on taxation.<sup>1</sup>

**Detail the Fund's fundraising timeline, including the expected first closing date and subsequent closings.**

- **REIF's Fundraising Timeline:** REIF's Initial Close was on December 8, 2021, and subsequent closings occur on the last business day of the calendar month, or such other date determined by the Manager. Forum raised \$125 million (including the Sponsor Investment of \$50 million).

**2. When does the Fund expect to begin investing? When is the Fund expected to begin charging management fees?**

REIF admitted third-party capital on December 8, 2021 to acquire the REIF assets as described in *Question 4-6, Table 6*. REIF began charging an Asset Management Fee once the third-party capital was raised.

**3. Discuss if and how the Fund will use placement agents during the fundraising process. Will the Fund's placement agents also provide compliance services?**

- **Use of Placement Agents / Other Distributors:** Forum may use one or more placement agents with a focus on wealth management channels across Canada to assist REIF in its capital-raising efforts. The marketing and distribution of Units will occur through agents that are: (a) EMDs registered under applicable Securities Laws in Canada; or (b) investment dealers that are registered under applicable Securities Laws in Canada and that are members of IIROC.
- **EMD Services to REIF:** Forum Asset Management Inc., an Ontario corporation, is an exempt market dealer, investment fund manager and portfolio manager in certain jurisdictions, and has been retained by the Fund and the Partnership to act as the manager of the Fund and the Partnership and to manage the affairs of the Fund and the Partnership pursuant to the Management Agreement. The Manager will provide the REIF with such exempt market deal services as required by Canadian Securities Laws as follows:
  - Conduct "know-your-product" ("KYP") processes on both the Manager and on REIF supporting and responding to potential investor queries;
  - Perform initial and ongoing "know-your-client" ("KYC"), suitability and anti-money laundering ("AML") assessments of prospective investors; and
  - Market the REIF to prospectus investors in the jurisdictions in which it is registered.
- The exempt market activities described above are being performed by individuals who are registered as dealing representatives. The Manager is considered to be a connected issuer under applicable securities laws, and may be considered a related issuer, of the Fund in connection with the distribution of the Fund's securities, which may result in potential conflicts of interest. The Manager is a connected issuer of the Fund as a result of the fact that Richard Abboud and Aly Damji, two Trustees of the Fund, are each an officer director and/or ultimate shareholder of the Manager. In addition, the Manager will receive a monthly Asset Management Fee for management services provided to the Fund and the Partnership.
- The Fund will sell Trust Units under the Offering through agents that are: (a) exempt market dealers registered under applicable securities laws in Canada; or (b) investment dealers that are registered under applicable securities laws in Canada and that are members of the Investment Industry Regulatory Organization of Canada.

**4. Describe the provisions regarding the admission of new investors for future closings.**

- **Process for New REIF Subscribers:** REIF's Trust Units are being offered through *Fundserv* and REIF Subscribers must:
  - a. Complete and execute the Subscription Agreement and all applicable Schedules;

---

<sup>1</sup> Neither Forum nor the Manager provides legal or tax advice to any third party, and recommend that Subscribers review all of the disclosure materials and other governing legal documents with their own legal and tax advisors prior to subscribing to REIF.

- b. Pay the aggregate subscription price in the Subscription Agreement by: (i) certified cheque or bank draft made payable to “SGGG Fund Services Inc. - ITF Forum Asset”, or (ii) by wire transfer through *Fundserv*; and
- c. Complete and execute any other documents deemed necessary by the Manager to comply with applicable Securities Laws.

The minimum REIF investment for Series F Units is \$5,000, and this minimum may be waived by the Manager, in its sole discretion.

## 5. Discuss the role of the Fund’s Trustees.

REIF’s Board of Trustees and the GP’s Board of Directors each comprise the same 6 members, with 4 members being independent of Forum, and the 2 Forum members being Aly Damji (Managing Partner, Real Estate) and Richard Abboud (Founder and CEO). One of the independent Trustees acts as the *Lead Trustee* and provides leadership to enhance the effectiveness and independence of REIF’s Board. REIF’s 4 independent Trustees are paid cash compensation by REIF, with the 3 independent Trustees earning \$40,000 p.a., and the Lead Trustee earning \$60,000 p.a., starting in calendar 2022.

The Trustees’ responsibilities include:

1. Reviewing the strategic-planning process presented by the Manager discussing a strategic plan for the next year which considers, among other things, the opportunities and risks of REIF’s business and investments;
2. Approving the NAV of each series of Trust Units and LP Units on a monthly basis;
3. Reviewing the firm(s) appointed to perform an annual appraisal for each of REIF’s Properties (done by the *Lead Trustee*);
4. Approving acquisitions, dispositions and financing activities, subject to Approval Limits;
5. Providing preliminary review of any new Forum developments, categorized as ROFO Pipeline Assets, meet REIF’s investment mandate and criteria;
6. Approving all related-party transactions not covered by the Management Agreement or the ROFO Agreement, including any additional services to be provided by the Manager or its affiliates as may be required, including the terms and fees of such services;
7. Reviewing and approving any material amendments to the Management Agreement, as may be required;
8. Assessing and approving REIF’s monthly distributions and the amount of Special Allocation;
9. Receiving REIF’s external audit report; and
10. Ensuring sufficient and appropriate risk management strategies are in place, including liquidity, ESG and financial reporting risks.

## 6. Comment on the Fund’s expected ability to borrow capital, and any expected limits on its borrowing capacity.

The majority of REIF’s debt will be placed at the property level and will be CMHC fixed-rate debt with a well-staggered debt-maturity ladder, with terms ranging from 5-10 years. However, where assets being acquired do not currently have CMHC-insured debt, and/or if assets being acquired have short-term leasing risk, REIF may place short-term bridge financing upon acquisition until CMHC-insured debt can be secured and the Fund may consider forward starting interest rate swaps to hedge interest rate risk for the permanent, term financing that would repay the bridge. The Partnership will also hold unencumbered assets, generally for smaller properties, to provide financial flexibility.

Also, the Partnership has arranged for a secured RCF at a size of approximately \$55 million (comprised of an initial \$25 million limit and three accordion facilities of up to \$10 million each) from a leading Canadian financial institution. A supplemental RCF has been arranged for Quad C1 and C2 which have a \$21 million limit at the Partnership’s 70% share. The Partnership may arrange for additional revolving credit facilities for ~\$50 million from one or more Canadian financial institutions or other lenders acceptable to REIF and the Manager, to manage working capital and to bridge finance acquisitions, and to manage Unitholder redemptions. Finally, Forum has provided an unsecured credit facility of up to \$10 million to the Partnership, to act as a “backstop” for liquidity.

## 7. Provide the Fund’s annualized pro-forma budget.

Refer to *Doc. 1.10 for REIF’s Annual Operating Expenses (pro-forma budget)* in REIF’s data room.

## 4. Investment Strategy

### 1. Summarize the Fund's investment strategy and its key investment criteria.

- **REIF's Investment Strategy:** REIF will invest in impact-driven, institutional-quality Canadian properties, which provide long-term, inflation-hedged and stable cash flows, with the opportunity for capital appreciation. In addition, REIF may invest up to up to 5% of its NAV in private alternative assets and 10% of its NAV in publicly listed securities (e.g., Canadian REITs, REOCs and MICs), aligned with REIF's investment objectives. The Manager targets residential rental real estate, focused on:
  - **Multi-Family:** Assets located in supply-constrained markets underpinned by stable rent growth and strong demand;
  - **PBSA:** Purpose-built student accommodation with strong growth tailwinds, supported by demographic and market fundamentals; and
  - **Co-Living and Micro-unit Communities:** Properties located in urban markets that address the unmet needs of a significant demographic (including young professionals) by providing community, convenience and cost-effective housing.

In some instances, REIF may acquire assets that are not yet fully stabilized (e.g., due to leasing and minor CAPEX requirements), to capitalize on pricing dislocations due to impaired NOI. A key aspect of REIF's strategy is creating impact-driven, long-term value by achieving ESG targets. *Section 10* provides an overview of REIF's ESG principles, factors and targets and its ESG integration strategy in the context of the Manager's investment process. The Manager seeks to add value at each step in the process by integrating and achieving its long-term ESG targets.

- **REIF's Key Investment Criteria:** REIF's key investment criteria include:
  - **Target Return:** REIF targets annual distributions to Unitholders of ~4-5% and total net returns of 8-12% for a minimum 5-year period, and assuming the Unitholder does not elect to participate in REIF's DRIP and the Trust Units are not subject to a reduction on the Asset Management Fee (for Series F Units);
  - **Target Regions:**
    - **Multi-Family:** Multi-Family apartments in greater Metropolitan Areas of Toronto (and the Greater Golden Horseshoe), Vancouver (and Vancouver Island), Montreal (including the North and South Shores), and the National Capital Region (Ottawa-Gatineau metropolitan area) and other supply constrained Canadian primary and secondary markets;
    - **PBSA:** Purpose-built student accommodation in top university and college markets with a growing base of international and out-of-province students; and
    - **Co-Living and Micro-unit Communities:** Properties in major economic centres, such as Toronto, Vancouver, Montreal, and Ottawa.
  - **Ownership Stakes:** The Manager will target full ownership of each property but may consider interests *below* 100% if the investment is sufficiently attractive, and the Manager is involved in the strategic financing and operating decisions.
  - **Investment Pacing:** Current portfolio assets have an estimated FMV of ~\$406 million (at June 30, 2023) and ~\$433 million following the acquisition of ALMA Guelph on July 12, 2023 from the ROFO Pipeline. The Manager has access to *existing* ROFO Pipeline Assets valued at ~\$900 million over the next 5 years (2023-2027). In addition, the Manager's current pipeline of Third-Party Assets is valued at ~\$391 million, with an expected investment pace over the next 5 years of ~\$200 million p.a. for Third-Party Assets. Refer to *Tables 6-8* for information on REIF's Assets, ROFO Pipeline Assets and Third-Party Assets, respectively.
  - **Holding Period:** Since REIF is an open-ended vehicle, assets will be held indefinitely, subject to portfolio management strategies to optimize risk-adjusted returns. Considerations to selectively sell properties include:
    - a. Highest-and-best use (i.e., if the asset's value is less than the land value on a density / alternate-use basis);
    - b. Expected CAPEX requirements;
    - c. Existing and forecasted market fundamentals; and
    - d. Long-term asset resiliency based on REIF's ESG Plan.



- **Diversification:** The Manager will diversify REIF both by its Target Sectors and geographically by its Target Regions.

## 2. Why is the opportunity to invest in the Fund's targeted real estate sectors attractive? What are the expected trends in the selected sectors over the next 5+ years?

- **REIF's Target Sectors to Grow Over Next Decade:** REIF's Target Sectors are poised for solid growth over the next decade as:
  - **Canada's Population Growth Continues to Outpace Housing Supply and Should Accelerate<sup>2</sup>:** The backdrop of the growth in the share of the renting population is one of imbalance between housing supply and demand, with population growth forecasted to accelerate through increased immigration.<sup>3</sup> Immigration Canada reported that 405,000 new immigrants were welcomed in 2021 despite the impact of the global pandemic, with Canada further aiming to welcome 465,000 new permanent residents in 2023, 485,000 in 2024, and 500,000 in 2025. In contrast, housing completions across Canada were just under 140,000 in 2021.<sup>4</sup> Further, major cities are expected to continue experiencing the highest rates of population growth. By 2030, Toronto's population is expected to grow by 460,000, Montreal by 350,000 and Ottawa by 140,000 from 2020 levels. Finally, as reported by Scotiabank, Canada has the lowest housing per 1,000 people in the G7 and to meet the average of G7 countries, Canada needs to add 1.9 million homes.<sup>5</sup>
  - **Affordability Gap Continues to Widen Between Renting and Owning:** While Canadian home prices largely declined from their COVID-19 peaks, high inflation and rising interest rates due to tightening monetary policy caused a further deterioration in housing affordability. As reported by National Bank, mortgage payments as a percentage of homeowners' income are now at 67.3% throughout Canada (with markets such as Toronto representing a staggering 93% of median income).<sup>6</sup>
  - **Rental Housing as a Percentage of Total Housing Stock Will Increase:** In mature markets such as Germany and Switzerland, renters represent 55% and 58% of the total population, respectively. Renting a home is commonplace in many countries, and will likely become more commonplace across Canada, especially in major cities. In recent years, our census showed that the increase in renters outpaced that of homeowners over the past decade in each of the country's largest urban centers.<sup>7</sup> (*Note: Rental rate growth and rent collection in REIF's Target Sectors were resilient during COVID-19's darkest days*).<sup>8</sup>
- **Expected Trends in REIF's Target Sectors Over 5+ Years:** Table 5 summarizes REIF's key investment themes and drivers of current and future opportunities for the next 5+ years (*Note: Reference number details are on the next page*).

Table 5: REIF's Key Investment Themes and Drivers of Current and Future Opportunities			
Details	Multi-Family	PBSA	Co-Living and Micro-unit Communities
<b>Key Drivers of Target Assets</b>	<ul style="list-style-type: none"> <li>• Underpinned by stable rent growth and strong demand including, without limitation, assets serving specific communities such as seniors, workforce, indigenous and other communities:               <ul style="list-style-type: none"> <li>○ Average rents in major Canadian markets grew by 3.22% (10-year CAGR from 2011-2021)<sup>1</sup></li> <li>○ Average occupancy rates were 97.1% (2011-2021)<sup>1</sup></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Strong growth tailwinds are supported by market and demographic fundamentals</li> </ul>	<ul style="list-style-type: none"> <li>• Addresses unmet needs of a significant demographic by providing community, convenience, and cost-effective housing</li> </ul>

<sup>2</sup> Immigration, Refugees and Citizenship Canada, 2020 Annual Report to Parliament on Immigration.

<sup>3</sup> Statistics Canada, Population Projections for Canada (2021 to 2068), August 2022, National Bank.

<sup>4</sup> CMHC, Housing Starts, Completions and Units Under Construction, November 2022.

<sup>5</sup> Immigration, Refugees and Citizenship Canada, 2022 Annual Report to Parliament on Immigration.

<sup>6</sup> National Bank, *Housing Affordability Monitor*, November 2022.

<sup>7</sup> The Globe and Mail, *Canada's homeownership rate falls to 20-year low, census shows*, September 2022

<sup>8</sup> CBRE Canadian Multi-Family in the Post-Pandemic, 2021.



**Table 5: REIF's Key Investment Themes and Drivers of Current and Future Opportunities**

Facts Underlying Key Drivers to Support the Opportunity	<ul style="list-style-type: none"> <li>• <b>Unattainable Home Ownership:</b> Average cost of home ownership as share of gross income currently at 52.0%, compared to the average of 42.2% over the past 35 years <sup>2</sup></li> <li>• <b>Continued Population Growth:</b> Expect annual population growth of more than 400,000 until 2068<sup>3</sup></li> <li>• <b>Supply Shortage:</b> Canada has the lowest number of housing units per 1,000 residents of any G7 country. The number of housing units per 1,000 Canadians has been falling since 2016 owing to the sharp rise in population growth<sup>4</sup></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Undersupplied:</b> Estimated shortfall of more than 455,000 student housing beds in Canada<sup>2</sup></li> <li>• <b>Underserved:</b> Shift in student preferences to safety, quality, location and service</li> <li>• <b>High-Growth Opportunity:</b> Increasing foreign student enrolment, with frequent mark-to-market through natural turnover, and a market of fragmented ownership</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Attainable:</b> Offers 20-30% discount to traditional renting</li> <li>• <b>Convenient:</b> All inclusive, turn-key, and tech-enabled solution</li> <li>• <b>High Growth Opportunity:</b> Unserved demographic with opportunity for strong income growth and frequent mark-to-market through natural turnover</li> </ul>
<p><b>Notes on Table 5:</b></p> <p>1. CMHC Housing Information Portal</p> <p>2. Statistics Canada, SVN Rock Advisors, and estimates made by the Manager</p> <p>3. Statistics Canada, Population Projections for Canada (2018 to 2068), September 2019, National Bank.</p> <p>4. Scotiabank, Estimating the Structural Housing Shortage in Canada: Are We 100 Thousand or Nearly 2 Million Units Short?, May 2021.</p>			

### 3. Describe the Fund's leverage strategy.

- **REIF's Portfolio-Level Debt Strategy:** The Manager will target an overall LTV of less than 55% at the portfolio level for REIF. The Partnership also arranged a secured RCF of up to \$55 million (comprised of an initial \$25 million limit and an accordion facility allowing the facility to be increased up to three times in an amount of \$10 million each time) from a Canadian financial institution. A supplemental RCF has been arranged for Quad C1 and C2 which have a \$21 million limit at the Partnership's 70% share. The Partnership may arrange for additional revolving credit facilities from one or more Canadian financial institutions or other lenders reasonably acceptable to the Fund, including the Manager, in order to, among other things, manage working capital, bridge finance acquisitions, and manage investor redemptions. As noted, Forum has provided an unsecured loan (i.e., a backstop) of \$10 million for liquidity purposes to the Partnership. The terms of the loan extended by Forum to the Partnership were approved by REIF's Board. In summary, REIF's portfolio-level leverage strategy will:
  - Target an LTV of 55% for REIF's portfolio;
  - Include a secured RCF of up to \$55 million to manage short-term capital needs, including redemptions and bridge financing for acquisitions, until long-term debt can be placed;
  - Optimize debt using CMHC-insured fixed-rate debt to minimize interest-rate volatility and reduce interest costs;
  - Use a diversified base of Canadian mortgage providers; and
  - Bundle assets when appropriate to generate better lending terms for the Partnership.
- **REIF's Property-Level Debt Strategy:** The Partnership primarily secures asset-level debt, which in aggregate across the portfolio is targeted not to exceed 55% of the Partnership's gross book value, inclusive of Partnership-level indebtedness. In certain instances, where beneficial due to pricing and strong debt-service coverage, the Partnership may target specific property leverage above this 55% threshold. In other situations, the Partnership may employ an unlevered / unencumbered debt strategy. The Manager will employ an active and institutionalized approach to debt management and will vary debt terms, depending on REIF's weighted-average interest rate and debt maturity. However, where assets being acquired do not currently have CMHC-insured debt in place and/or if assets being acquired have short-term leasing risk, REIF may place short-term bridge facilities on acquisitions until CMHC-insured debt can be secured and the Fund may consider forward starting interest rate swaps to hedge interest rate risk for the permanent, term financing that would repay the bridge.

#### 4. Discuss the effectiveness of the Fund's expected strategy if leverage is applied.

The residential rental real estate sector has exhibited resilience and stability in cash flows throughout economic cycles and lends itself to prudent leverage. Accordingly, REIF will employ leverage to enhance returns. Refer to *Figure 7* below to assess the different components of REIF's expected total returns, including leverage.

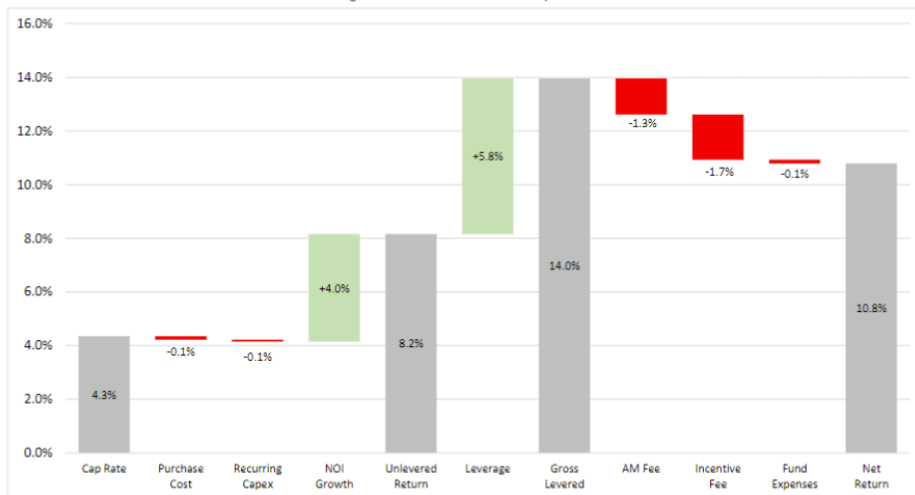
#### 5. Describe the components of the Fund's targeted return. How does the Manager expect to create value for Fund investments?

As noted, REIF targets annual distributions to Unitholders of ~4-5% and total net returns of 8-12% for a minimum 5-year period (for Series F Units). *Figure 7* shows that REIF's *gross* return should be driven by ongoing distributions, income growth and valuation growth that does not assume cap-rate compression or using prudent portfolio leverage.

**Figure 7: Components of REIF's Expected Total Return (Net) (Series F Unit)**

**Illustrative Return Components (Series F)**

Targeted investments across traditional multi-family, purpose-built student accommodation and co-living provide an attractive initial yield and income growth with the opportunity for value appreciation. Careful portfolio construction coupled with prudent leverage and reasonable fees provide REIF investors with strong total returns and downside protection.



Illustrative return for Series F Unitholders who invested in December 2021

All returns and figures are based on estimations and are subject to change.

**Notes on Figure 7 (Assumptions for Series F Units):** Duration: Returns are based on a minimum 5-year hold period. Purchase Cost: Includes land transfer tax, legal fees and due diligence costs. NOI Growth: Expected increase in returns from NOI growth, largely from growing rents. Value Growth: Based on NOI growth divided by the cap rate and assumes no cap-rate compression. Unlevered Return: Excludes all financing costs and fees, such as the RCF and CMHC fees. Leverage: Includes property-level debt and the RCF. Asset Management Fee: Based on a fee of 1.25% plus HST. Performance Fee: 15% of total annual returns over a 7% Hurdle and a full catch up, calculated and paid annually. Assumptions: The projections assumes that the Unitholder does not elect to participate in the Fund's DRIP. No Guarantees: The target annual distributions and the target total net return are not guaranteed. The expectation, timing and payment of annual distributions and the total net return targets are based on the noted assumptions and subject to certain risks.

- **Value Creation for REIF's Investments:** Given its expertise in real estate transactions and real estate asset management, the Manager expects to create significant opportunities to add value including:
  - Conversion and/or intensification of under-used space to additional leasable area, or amenity areas, both of which ultimately drive higher rents;
  - Energy-reduction strategies (see *Section 10* on ESG), which will ultimately drive lower consumption and/or rates, thereby increase operating margins;

- Social-engagement strategies (see *Question 10-3*), that improve affordability, diversity and inclusion leading to higher tenant demand; and
- Renovation / updating of suites and common areas that will allow REIF to maximize rents and reduce operating costs.

Refer to *Doc. 4.04* for the *Case Study: The Quad (Phase 1)* in the REIF data room, which illustrates how Forum can help to create value for REIF.

- **ESG Impact to Help Enhance REIF's Long-Term Returns:** REIF's focus on ESG impact will bolster returns and enhance long-term asset values. For example, in 2020, *First Insights'* U.S. study showed that consumers across broad age groups "were willing to pay more for impact-driven products". While only 50% of respondents in the *Silent Generation* and 58% of *Baby Boomers* said they would pay more for impact-driven products, *Millennials* and *Generation Z* responded with 68% and 73%, respectively. Given REIF's focus on PBSA and Co-Living and Micro-unit communities, which appeal to *Millennials* and *Generation Z*, REIF should generate solid returns over the long term. Additional ESG considerations:
  - **Enhance REIF's Assets Energy Efficiency:** REIF will invest in energy upgrades, such as LED lighting fixtures, sensors, occupancy controls, high-efficiency HVAC equipment, including building-automation systems, triple-glazed windows, etc. These upgrades can generate 20-30% energy savings<sup>9</sup>. Since most Multi-Family apartment buildings built in Canada post the 1980s are separately metered for electricity<sup>10</sup>, energy reductions translate to lower tenant utility costs, thereby increasing their ability to pay rent.
  - **Proactively Lower REIF's Carbon Footprint:** As most major Canadian jurisdictions move toward net-zero carbon targets<sup>11</sup>, many real estate investors view environmental sustainability upgrades as a necessity to preserve asset values. Since REIF's mandate includes a pro-active ESG impact strategy, the growth in value of REIF's assets should outpace general market values over time.

## 6. Discuss the Fund's deal sourcing including its assets and other pipeline assets.

The Partnership will rely on the Manager to identify potential Properties in which the Partnership will invest. The Manager plans to source potential acquisitions for the Partnership by considering *ROFO Pipeline Assets* and *Third-Party Assets*.

- **REIF's Assets:** REIF acquired the assets as summarized in *Table 6*, which includes geographically diverse and curated properties that represent REIF's residential investment and impact themes, with a total estimated FMV of ~\$433 million as at July 12<sup>th</sup> following the ROFO Pipeline acquisition of ALMA Guelph. At June 30<sup>th</sup>, the portfolio had \$406 million FMV.

Table 6: REIF's Assets (As of July 12 <sup>th</sup> , 2023)						
Asset	Sector	Units	Beds	Completed	Asset Value in \$ Millions	Unique Characteristics
<b>Quad C1 &amp; C2 (70% Interest)</b>	PBSA	487	812	2017	\$149.0 (@70%)	<ul style="list-style-type: none"> <li>• Irreplaceable location</li> <li>• Exceptional, resilient cash-flow growth potential, with NOI growth of ~5% p.a.</li> <li>• Energy efficiency program driving NOI growth and reducing carbon footprint</li> </ul>
<b>Quad C3 &amp; C4 (50% Interest)</b>	PBSA	423	708	2022	\$97.4 (@50%)	<ul style="list-style-type: none"> <li>• Irreplaceable location</li> <li>• Able to mark rents to market as it was delivered after November 2018 and thus is not subject to rent control</li> <li>• Complementary retail component</li> </ul>
<b>87 Mann</b>	Co-Living	62	62	Renovated 2014	\$17.5	<ul style="list-style-type: none"> <li>• Attainable rents given micro-bachelor layouts</li> </ul>

<sup>9</sup> [Cushman & Wakefield's Energy Conservation & Cost-Saving Measures for Commercial Properties in Response to COVID-19](#)

<sup>10</sup> [REMI Network - Canadian Apartment: Sub-Meters for Rental Units](#)

<sup>11</sup> [Toronto Green Standard](#) and [Vancouver Zero Emission Buildings](#) and [Vancouver, Toronto, Montreal Net Zero Carbon Buildings](#)

Table 6: REIIF's Assets (As of July 12 <sup>th</sup> , 2023)						
Asset	Sector	Units	Beds	Completed	Asset Value in \$ Millions	Unique Characteristics
						<ul style="list-style-type: none"> <li>• Community oriented</li> <li>• Exception cash-flow growth potential</li> <li>• Adaptive re-use of a historic church</li> <li>• First CaGBC Net Zero Performance MURB in Ottawa</li> </ul>
1602-1604 Queen E	Multi-Family	10	10	2021	\$9.0	<ul style="list-style-type: none"> <li>• Public-transit oriented</li> <li>• Toronto's first heavy timber apartment building (lower carbon footprint than steel or concrete)</li> <li>• Highly sustainable, built to <a href="#">Passive House</a> standards (i.e., 20-30% lower energy costs)</li> <li>• Net zero</li> </ul>
2011 Joly	Multi-Family	26	26	2017	\$11.7	<ul style="list-style-type: none"> <li>• Irreplaceable location, within steps of Montreal's busiest metro station</li> <li>• Unique, complementary commercial tenant Espace Maude, a plant and coffee shop, opening in Q3 2023</li> </ul>
455 Abbott	Multi-Family	109	109	Renovated 2014	\$53.7	<ul style="list-style-type: none"> <li>• Irreplaceable location</li> <li>• Adaptive re-use of a heritage building previously operated as a hotel</li> <li>• Attainable rents given micro-bachelor layouts</li> <li>• Exceptional cash-flow growth potential</li> <li>• Net Zero status expected before 2030</li> </ul>
1738 & 1744 Wilson Ave.	Multi-Family	26	26	Renovated 2020	\$11.1	<ul style="list-style-type: none"> <li>• Attainable rents</li> <li>• Positioned in close proximity to two major Toronto highways</li> <li>• Stable, resilient NOI and cash flow</li> </ul>
399 Stan Baillie	Multi-Family	126	126	2021	\$42.5	<ul style="list-style-type: none"> <li>• Affluent and undersupplied location</li> <li>• Growth supported by strong demographic demand fundamentals including immigration, population growth, and employment growth</li> <li>• Attractive in-place financing</li> <li>• New construction</li> </ul>
ALMA Guelph	PBSA	164	177	Renovated 2023	\$40.9	<ul style="list-style-type: none"> <li>• Modern and fully furnished student apartments located near the University of Guelph, achieving top of the market rents</li> <li>• ALMA offers hotel-like amenities, including a game room, fitness center, communal kitchen, study spaces, and more, fostering a balanced and meaningful living experience for its residents</li> <li>• Adaptive re-use of existing hotel</li> </ul>
Total Asset Value of Assets					~\$432.8 Million	

- **ROFO Pipeline Assets:** The Manager will source potential property acquisitions developed by Forum under a ROFO granted by Forum to the Partnership. *Table 7* details the ROFO Pipeline Assets. Forum plans to continue to develop

properties consistent with REIF's investment mandate. Starting in 2023, the Manager expects additional deal flow from ROFO Pipeline Assets of ~\$900 million.

Table 7: REIF's ROFO Pipeline Assets (2023-2027) (As of June 2023)							
Project	City	Sector	Current Status	REIFs Expected Purchase Date	Gross Square Footage	Unit Count	Estimated FMV in \$ Millions
Woodroffe Village	Ottawa	Co-Living	Construction	Q4 2023	179,757	111	\$71
15-17 Des Oblats	Ottawa	Micro-unit	Zoning Approved	Q1 2027	105,168	284	\$132
307 Sherbourne	Toronto	Micro-unit	Development	Q2 2027	86,850	191	\$151
ALMA Guelph Phase 2	Guelph	PBSA	Entitlement Phase	Q3 2027	226,729	490	\$200
Quad C6	Toronto	PBSA	Development	Q3 2027	172,734	282	\$173
Quad C7	Toronto	PBSA	Development	Q3 2027	172,734	281	\$173
Total Estimated FMV of ROFO Pipeline Assets							\$900

- **Third-Party Assets:** The Manager will also actively source cash-flowing, income-oriented properties through both listed and off-market channels (the "Third-Party Assets"). Table 8 summarizes the Third-Party Assets that currently meet REIF's key investment criteria that are part of the Manager's acquisition pipeline (valued at ~\$391 million).

Table 8: REIF's Third-Party Assets (Listed and Off-Market) (As of June 2023)					
Neighbourhood	City	Sector	Gross Square Footage	Unit Count	Estimated FMV in \$ Millions
1. Collingwood	Vancouver	Multi-Family	40,500	40	\$20
2. Shaughnessy Village	Montreal	Multi-Family	22,500	89	\$20
3. Phillips Square	Montreal	Multi-Family	150,000	245	\$100
4. Barrie	GTA	Multi-Family	72,000	95	\$42
5. Downtown	Langford	Multi-Family	106,757	155	\$54
6. Downtown	Kitchener	PBSA	37,000	92	\$24
7. Marda Loop	Calgary	Multi-Family	101,000	124	\$53
8. Sandy Hill	Ottawa	PBSA	197,000	214	\$78
Total Estimated FMV of Third-Party Assets					\$391
Notes on Table 8: Forum currently expects to acquire 100% ownership of each of the above Third-Party Assets.					

#### a) How will the Firm manage the Fund's private alternative investments and public securities allocation?

The Fund may invest up to 5% of its NAV in private alternative assets for impact and yield enhancement purposes to enable the Fund to achieve net zero operational greenhouse gas emissions, while providing accretive total returns aligned with the

Fund and the Partnership's investment objectives. The Manager intends to underwrite the following private alternative investments, targeting strong project sponsors with local-market expertise and operating history, in particular:

- Direct investments in companies or projects providing financial and climate benefits. For example, renewable power generation (e.g., solar, wind, hydroelectric, etc.), reforestation, sustainable waste management, etc.; and
- Indirect investments such as the purchase of units in an alternative fund providing financial returns and access to climate benefits. For example, a Fund with an objective of preserving and managing forests.

The Fund may also invest up to 10% of its NAV in publicly traded securities for liquidity purposes (e.g., Canadian real estate investment trusts, real estate operating companies, mortgage investment corporations, etc.), aligned with the Fund and the Partnership's investment objectives, that can be immediately resold to the general public by the Partnership free of any statutory, regulatory, contractual or other hold period, volume limitation, manner of sale or resale restriction or required approvals or filings in entities that are primarily in real estate holding or development in Canada and the United States.

Given the Manager's expertise and experience in underwriting real estate transactions, together with the team's experience, and its access to real-time real estate data, it is well positioned to assess which REITs, REOCs and MICs are best suited for investment to maintain the Partnership's liquidity.

**b) Discuss the Firm's ability to invest at the target Fund size.**

The Manager is confident that it has the ability, expertise and network to invest at REIF's target size. Since Forum has a 25+ year track record of investing in Canadian real estate and is a well-known entity with deep real estate networks across Canada, the Manager can capitalize on Forum's reputation, experience and expertise.

**c) What types of fundamental research does the Firm use to determine the Fund strategy?**

The Manager will lever the extensive network of its investment professionals to collect market intelligence, often on a proprietary or direct basis. Forum's Real Estate Team has 100+ years of relevant experience and expertise, and together with Forum's reputation and network, the Team has built an ongoing source of inbound deal flow and market information. These Team members have long-standing relationships with investment and commercial banks and other financial institutions, real estate owners, brokers, consultants, attorneys, lenders, leasing agents and property managers, which the Manager will lever to source attractive investments and garner important market information.

The Manager will undertake extensive research in markets where it has less operating expertise. Prior to making a new investment or entering a new market or sector, the Manager may also lever Forum's operating businesses for market intelligence in addition to its own network of contacts. The Manager also uses a wide variety of research tools and sources, including *Altus Data Studio Commercial Search*, *Altus Data Studio New Homes Reports*, *Altus Cost Guides*, *Urbanation Rental Market Reports*, *Urban Analytics Rental Market Reports*, Bonard (PBSA specialist), *Geowarehouse / Teranet*, *Bloomberg*, and government data sources, among others. The Manager also has access to investment bank research reports and information provided by national leasing and marketing brokers that track the dynamics impacting real estate performance in local and regional markets across Canada.

**d) Describe the Fund's expected investment structure(s).**

REIF will acquire private real estate in single purpose limited partnerships owned by the Partnership, where the Manager will also be the GP of each of the limited partnerships. Listed securities will be held in the Partnership.

**e) Describe any real estate investments that will not be considered.**

The Manager will employ a rigorous process to determine the suitability of an asset for REIF, consistent with its strategy and key investment criteria. REIF will not invest in the following:

- Development assets, given such projects do not meet REIF's risk-return profile;
- Environmentally contaminated properties; and

- “Renoviction” projects, which are contrary to Forum’s ESG Policy.

**f) Discuss the key risk factors of the Fund’s investment strategy and the proposed steps to mitigate these risks.**

REIF’s key *Risk Factors* are outlined in detail in the OM. REIF’s portfolio performance and composition, and its financial, investment and ESG risk assessment will be reported to REIF’s Board each quarter. *Table 9* summarizes REIF’s key risk factors and mitigants regarding its investment strategy:

<b>Table 9: REIF’s Key Investment Risks and Risk Mitigants</b>	
<b>Investment Risk</b>	<b>Risk Mitigant</b>
<b>Marketability and Transferability of Interests, and Large Redemptions Risk</b>	<ul style="list-style-type: none"> <li>• REIF’s NAV for each Unit will be determined monthly, and the Manager has designed a liquidity strategy to provide superior redemption provisions relative to other private real estate funds</li> <li>• REIF will have a diversity of capital sources with multiple investor channels, to facilitate ongoing subscriptions and redemptions</li> <li>• REIF has redemption penalties for Unitholders who redeem early</li> </ul>
<b>Liquidity Risk</b> <i>(Speed and ease an asset can be bought and sold)</i>	<ul style="list-style-type: none"> <li>• REIF will use an RCF, smaller unencumbered assets, liquid securities and a liquidity backstop (provided by Forum), and conservative leverage ratio, coupled with a diversity of capital sources</li> </ul>
<b>Real Estate Sector Risk</b>	<ul style="list-style-type: none"> <li>• REIF will diversify both by its Target Sectors and geographically in its Target Regions</li> </ul>
<b>Market Risk</b>	<ul style="list-style-type: none"> <li>• REIF represents an investment in an alternate asset class, private real estate, with an opportunity for total returns that have a lower correlation to the broader equity markets</li> <li>• A key risk to REIF’s total returns and the NAV for each Unit relates to cap-rate expansion (e.g., due to rising interest rates). Given REIF’s investment strategy to invest in inflation-hedged residential sectors (with high turnover in PBSA and Co-Living and Micro-unit communities), higher expected future rental rates should mitigate the risk of unfavorable cap-rate movements</li> </ul>
<b>Interest Rate Risk</b>	<ul style="list-style-type: none"> <li>• REIF primarily uses a fixed interest rate strategy, with staggered debt maturities to minimize interest rate risk and the resultant impact on REIF’s cash flow in a given year</li> <li>• The Partnership may also place short-term bridge facilities on acquisition of Properties until CMHC-insured debt can be secured and may consider forward starting interest rate swaps to mitigate short-term interest rate volatility where Properties acquired do not currently have CMHC-insured debt in place and/or if assets being acquired have a short-term leasing risk</li> <li>• Where short-term, variable-rate debt is required (e.g., to bridge acquisitions until CMHC financing is secured), REIF may consider “forward-starting” interest rate swaps to mitigate short-term interest rate volatility to hedge interest rates on long-term financing</li> </ul>
<b>Reliance on Key Person(s)</b>	<ul style="list-style-type: none"> <li>• Forum is building institutional-grade capabilities and processes to mitigate key-person risk</li> </ul>
<b>Conflicts of Interest</b>	<ul style="list-style-type: none"> <li>• REIF’s Board is majority independent, and will approve all related-party transactions between REIF and Forum and/or any affiliated entities</li> </ul>
<b>Not Achieving Target Fund Growth</b>	<ul style="list-style-type: none"> <li>• REIF has a multi-faceted acquisition strategy: <ul style="list-style-type: none"> <li>◦ ROFO Pipeline Assets</li> <li>◦ Third-Party Assets (both listed and off-market transactions)</li> </ul> </li> </ul>
<b>Enhanced Environmental Standards</b>	<ul style="list-style-type: none"> <li>• REIF will: <ul style="list-style-type: none"> <li>◦ seek assets that are newer (constructed or adapted), which future-proofs against rising energy costs and costly retrofits to meet increasingly strict energy efficiency guidelines</li> <li>◦ Lever best-in-class data and technologies</li> </ul> </li> </ul>
<b>Leasing</b>	<ul style="list-style-type: none"> <li>• REIF will focus on: <ul style="list-style-type: none"> <li>◦ Newer properties</li> <li>◦ Properties located in supply-constrained markets</li> <li>◦ Impact-driven opportunities</li> </ul> </li> </ul>
<b>Degree of Leverage</b>	<ul style="list-style-type: none"> <li>• REIF will employ a conservative leverage strategy with significant liquidity options, when executing its investment strategy, and seek to protect capital during periods of market dislocation</li> </ul>



**g) Describe how the Fund's strategy is additive to an investor's portfolio.**

REIF will provide access to private real estate as an alternative asset class, which is less frequently traded than REITs or stocks and bonds, giving investors access to additional sources of return and portfolio diversification, in the context of an overall portfolio. Also, private real estate, particularly REIF's Target Sectors, should provide a hedge in a higher inflation environment, given the relatively high tenant turnover and frequent mark-to-market of rents in PBSA and co-living and micro-unit communities.

**h) Describe the background and evolution of the Firm's real estate investment strategy. Provide details of all real estate strategies. Is the Firm's / Fund's real estate strategy expected to change in the future?**

Forum's real estate strategy has evolved since its inception in 1996. When Forum began its principal investing strategy in 2002, it focused almost exclusively on commercial office properties with strong covenant tenants. Forum initiated its PPP business in 2012 with a key focus on real estate (e.g., affordable housing), which it exited in 2019. In 2020, Forum hired 2 Partners, Aly Damji and Rajeev Viswanathan who cumulatively have decades of real estate experience across different sub-sectors and jurisdictions. As Forum enhanced its overall acquisition, development and asset management capabilities, it grew its balance sheet to the point where today it can invest alongside investors into REIF.

Currently, Forum's real estate activities are substantially focused on acquiring, developing and asset managing residential rental real estate, which are either REIF assets and/or intended to be acquired by REIF upon completion and stabilization (i.e., ROFO Pipeline Assets). While Forum has no current plans for new real estate strategies, Forum's ability to be highly adaptive and creative in response to changing market conditions remains a key asset for both the Firm and for REIF. Refer to *Section 4* in REIF's data room for *Forum's Real Estate Track Record* and a case study which highlight specific examples of Forum's real estate strategy.

**i) Describe the Fund's competitive advantages.**

Table 10 summarizes REIF's key competitive advantages relative to other private REITs and real estate funds in Canada.

Table 10: REIF's Key Competitive Advantages	
Characteristic	Advantage
Residential Properties	<ul style="list-style-type: none"><li>Exposure to resilient residential rental properties; no exposure to retail or office properties</li></ul>
Development	<ul style="list-style-type: none"><li>No exposure to development risk</li></ul>
Core Markets	<ul style="list-style-type: none"><li>Assets exclusively located in supply-constrained or core Canadian markets</li></ul>
Asset Quality	<ul style="list-style-type: none"><li>Weighted-average age of REIF's assets is &lt; 5 years, with high-quality construction and a focus on energy efficiency.</li><li>ROFO Pipeline Assets represent proprietary, stabilized developments by Forum, ensuring REIF remains at the cutting edge of design and sustainability standards.</li></ul>
Portfolio Diversification	<ul style="list-style-type: none"><li>REIF's strategy to acquire Multi-Family, PBSA and Co-Living and Micro-unit communities ensures diversification and resiliency of income streams.</li></ul>
ROFO Pipeline Assets	<ul style="list-style-type: none"><li>The ROFO allows the Partnership to acquire high-quality stabilized, newly-constructed Properties from Forum, which meet REIF's investment mandate.</li><li>The ROFO will enable REIF to continue to grow without the need to compete in open-market auction processes, and may reduce required post-acquisition capital expenditures, as Properties may be purpose-built for REIF.</li><li>The ROFO Pipeline Assets that the Partnership may acquire are expected to be valued at over \$800 million over the next 5 years.</li></ul>



**Table 10: REIF's Key Competitive Advantages**

<b>Characteristic</b>	<b>Advantage</b>
<b>Inflation Opportunity</b>	<ul style="list-style-type: none"><li>• Increased opportunity to raise rents in PBSA and Co-Living and Micro-unit communities, due to naturally occurring turnover, provides REIF with a solid hedge against inflation to generate higher returns.</li></ul>
<b>Fees</b>	<ul style="list-style-type: none"><li>• REIF only charges an Asset Management Fee of 1.25% of NAV (with respect to Series F Units), while other private funds may charge acquisition, disposition, financing, administrative, and/or other additional fees.</li></ul>
<b>Sponsor Investment</b>	<ul style="list-style-type: none"><li>• Forum invested over \$50 million out of \$125 million of the initial REIF capital raise. Forum has committed to maintaining a minimum \$50 million investment in REIF (i.e. the Sponsor Investment), with Forum currently the single largest investor in REIF and anticipates continuing to be so for the foreseeable future.</li><li>• Also, Forum has provided an unsecured credit facility of \$10 million (i.e., a liquidity backstop) to the Partnership.</li></ul>
<b>Liquidity</b>	<ul style="list-style-type: none"><li>• REIF will facilitate liquidity through various methods, including investing up to 10% of NAV in liquid public securities, and through a \$10 million backstop provided by Forum for redemptions and other capital requirements.</li><li>• The Partnership has arranged for a RCF of up to \$55 million from one or more Canadian financial institutions.</li></ul>
<b>Impact and ESG</b>	<ul style="list-style-type: none"><li>• Given its experience investing in green-technology businesses, Forum is well-suited to create a sector-leading ESG-driven portfolio that should enhance yields and future-proof REIF.</li></ul>

## 5. Investment Process

### 1. Describe the Firm's investment process for the Fund.

Forum's investment process for REIF covers the following 5 key steps, which is described in detail below:

- Step 1 – Source Property Investments and Conduct Initial Assessment;
  - Step 2 – Conduct Due Diligence on Property and Develop Property's Business Plan;
  - Step 3 – Present Property to Forum's IC, REIF's Board and Close Transaction;
  - Step 4 – Onboard the Approved Investment, Manage the Property and REIF's Total Portfolio; and
  - Step 5 – Sell the Property if Appropriate and Redeploy Capital.
- **Step 1 – Source Property Investments and Conduct Initial Assessment:** The Manager employs a well-defined and robust investment process for all real estate transactions. All potential property transactions are vetted by Aly Damji during weekly Real Estate Team "pipeline review" meetings. These meetings address new business and cover updates on investment opportunities, including pricing expectations, potential transaction terms and timelines. Prior to submitting a non-binding letter of intent, all potential transactions must be approved by Forum's Investment Committee (IC), through an initial screening memo. Before a transaction progresses beyond the non-binding letter of intent stage (i.e., once high-level transaction terms have been negotiated, but before a purchase-and-sale agreement is executed or significant resources are committed to the transaction), the opportunity is formally presented to Forum's IC for approval.

Once opportunities are approved for due diligence by Forum's IC, a "Deal Team" is formed comprising various Real Estate Team members, where the Team seeks to achieve the optimal outcome for each transaction based on REIF's investment thesis, its ESG targets and its risk management policies. The Manager takes a multi-faceted approach to due diligence by leveraging the Team's diverse skillsets, including expertise across investments, asset management, planning and development, project management, finance, and tax.

- **Step 2 – Conduct Due Diligence on Property and Develop Property Business Plan:** In evaluating a potential transaction for its adherence to REIF's investment thesis, its ESG targets and risk management policies, the Manager conducts thorough due diligence to analyze and evaluate each investment opportunity. *Table 11* summarizes the due diligence items assessed to confirm the investment thesis, and these items also inform each property business plan.

**Table 11: Overview of REIF's Due Diligence Items for Each Property**

<ul style="list-style-type: none"><li>▪ Physical asset quality</li><li>▪ Capital investment required to enhance asset useful life and to drive ESG opportunities</li><li>▪ Revenue-enhancement opportunities including intensification and greater tenant / community engagement</li><li>▪ Cost-reduction opportunities include greater:<ul style="list-style-type: none"><li>a. Operational efficiencies</li><li>b. Environmental sustainability</li></ul></li></ul>	<ul style="list-style-type: none"><li>▪ Key risks and opportunities related to REIF's ESG targets (see <i>Section 10</i>)</li><li>▪ Market supply and demand analysis for both the short and long term</li><li>▪ In-place financing and/or financing options</li><li>▪ Suitable third-party property managers that can execute on the asset's business plan</li><li>▪ Risk analysis, including potential fraud, environmental, insurance, and tax issues, etc.</li></ul>
---	--

During Step 2, the Manager employs third-party real estate service and data providers to ensure it has the most current and relevant information available to make its investment decision.

- **Step 3 – Present Property to Forum's IC, REIF's Board and Close Transaction:** As transactions progress through the due diligence process, the Manager prepares a preliminary IC Memo to summarize its work, and to facilitate vetting of the opportunity internally. The IC Memo is reviewed with Aly Damji and distributed to the Manager's finance team for input. Once due diligence is completed, and the results are integrated into the property's final IC Memo, the Deal Team formally presents the opportunity to Forum's IC for recommendation to be approved by REIF's Board.

Once a transaction is approved by REIF's Board, the property is prepared for onboarding. The onboarding process includes securing financing and preparing to implement the property's business plan (e.g., obtaining quotes or permits for CAPEX, engaging a third-party property manager and associated service contracts, engaging leasing agents, setting up bank accounts, etc.).

- **Step 4 – Onboard the Approved Investment, Manage the Property and REIF's Total Portfolio:** Post the property's closing, the Manager's Real Estate Asset Management Team is responsible for:
  - Proactively managing the property and creating value through various initiatives identified during the due diligence process (and typically detailed in the property's business plan);
  - Executing REIF's asset management strategy, including oversight of third-party property managers that conduct the day-to-day execution of each property's business plan;
  - Closely monitoring each property and total portfolio quarterly performance through a rigorous asset management review and reporting process. See Section 6 in REIF's data room for examples of the quarterly *Investor Report* including financial results and operational results (e.g., occupancy, leasing updates, development initiatives), and risk management;
  - Updating each property business plan annually (or more frequently if necessary), by collaborating with third-party property managers; and
  - Proactively assessing all potential risks in REIF's portfolio and ensuring that REIF remains well diversified across its Target Sectors and its Target Regions.
- **Step 5 – Sell the Property if Appropriate and Redeploy Capital:** As part of REIF's annual strategic business plan, the Manager reviews opportunities and threats on a portfolio basis, evaluating Target Sector and Target Region allocations and related market factors. As noted, each property's business plan is developed and reassessed annually to ensure alignment with REIF's overall investment strategy, including meeting future return expectations. Also, a multi-year capital allocation plan in the context of REIF's overall strategy is created, and assets may be divested if they do not fit with REIF's long-term strategy and/or if capital cannot be recycled effectively to meet REIF's return expectations. If the Manager recommends an asset for disposition, it is brought forward to REIF's Board for approval, subject to Approval Limits.

## 2. Describe the Firm's deal-sourcing capabilities and process to identify attractive investment opportunities.

Forum's Real Estate Team is led by Aly Damji, who has significant experience sourcing both listed and off-market residential real estate opportunities in major markets across Canada. Forum's dedicated Real Estate Investment Team performs daily outreach to brokers, lenders and other intermediaries in REIF's Target Sectors and Target Regions. Forum frequently interacts with the largest brokerage houses in Canada and has extensive relationships with many of these organizations from the CEO to Head of Capital Markets to Head of Investment Sales, down to regional junior sales associates. In addition to the Real Estate Team, Forum's Corporate Team has operated in the real estate space for over 35 years, and both Richard Abboud and Rajeev Viswanathan have strong reputations and extensive networks in the industry.

Forum continues to generate a strong pipeline of accretive acquisition opportunities for REIF across Canada. In addition to the third-party investment pipeline, REIF has proprietary access through a right-of-first-offer ("ROFO") on all of Forum's completed development assets, a multi-year pipeline currently in excess of +\$1.5 billion. Forum has remained disciplined in the current volatile environment, adding more structure to potential acquisitions to improve REIF's going-in yield, preserve cash and limit downside. To date, Forum has targeted third-party acquisitions between \$10-\$50 million for REIF, with an average size of \$40 million, a range that is too large for most private groups and below target acquisition sizes for well-capitalized institutions. In 2022, Forum evaluated more than \$2 billion in potential opportunities beyond the initial investment screening stage and is currently tracking to underwriting +\$3 billion in 2023.

## 3. What models, metrics and guidelines does the Firm use during underwriting to analyze potential investments?

The Manager's ranking analysis of potential REIF acquisitions includes evaluating the following:

- **Geographic Location:** The Manager assesses whether the target asset fits the geographic parameters defined for

each Target Sector (i.e., Multi-Family, PBSA, and Co-Living and Micro-unit) and whether there is ongoing and expected long-term rental growth;

- **Cap Rate, AFFO Yield, and Levered IRR:** The Manager assesses if the target asset will meet REIF's objective of delivering ~4-5% stabilized annual distributions, the AFFO yield and if the target asset will meet a total net return of 8-12% over a minimum 5-year period (for Series F Units and assuming the Unitholder does not elect to participate in the Fund's DRIP);
- **Opportunity for Impact Based on ESG Targets:** Finally, the Manager assesses if the target asset currently (or in future) provides opportunities for significant ESG impact (based on REIF's ESG targets). The Manager also assesses if one or more of the asset's characteristics may detract from REIF's impact-driven strategy (e.g., does the asset require significant tenant displacement to generate its target returns?) (see *Question 10-4* for a detailed review of ESG integration into REIF's investment process.)

All underwriting metrics are tied to REIF's target returns, both at the asset level and at the portfolio level. All underwriting assumptions are validated by market comparables (e.g., based on rents, cap rates, occupancy levels) and/or through a ground-up / zero-based budget process (e.g., based on operating expenses, renovation costs, etc.), with assistance from third-party specialists (e.g., property managers, property tax consultants, etc.).

The Forum Team's significant experience and expertise as a real estate owner and operator, enables it as the Manager to perform a comprehensive assessment of physical asset quality, capital-investment requirements and opportunities, revenue-enhancement and cost-reduction opportunities. Also, the Manager assesses the property's business, market, operating and contingent risks and opportunities, to develop an investment thesis that will serve as the basis for the property's business and financing plan. In its underwriting, the Manager determines the property's exit cap rates by assessing interest-rate projections, projected capital flows in the relevant markets and sectors, and the property's projected quality and fundamentals. In addition, a sensitivity analysis is performed on the property to test the potential cash flow and return impacts based on specific scenarios. The factors considered when preparing best-case and worst-case scenarios vary on a deal-by-deal basis, but generally include market-leasing assumptions, property occupancy, rental rates, leasing incentives, financing, leverage assumptions, exit timing, exit valuations and tax structuring. As noted, the Manager also assesses REIF ESG targets throughout its underwriting process (see *Question 10-4*).

#### 4. Discuss the Firm's process to protect against fraud, corruption and/or other potential risks.

Fraud and corruption risks are limited when acquiring real estate, given the asset's acquisition involves physical property and not a company. In certain instances where acquisition of companies occur, thorough due diligence is undertaken on the underlying entity (including lawsuits, unpaid taxes, etc.), and vendors in these instances provide representations and warranties related to fraud, misconduct, etc. More typically, the key risks when purchasing a property include expropriation risk, environmental risk, and insurance claim risks among others. These factors are all checked and validated during the Manager's due diligence process *prior* to acquiring any property. Post-acquisition, the Asset Management Team routinely undertakes spot checks on property-level bank account activity and invoice processing to prevent fraud and corruption. Also, REIF's third-party property manager agreements enforce multiple quotes being required for all budgeted costs above a specific materiality threshold, which depends on asset size, revenues, expenses, etc.

#### 5. Describe the Firm's process to monitor underlying assets:

- a. Include risk management and the criteria for buy / hold / sell decisions.
  - b. Is an asset-level and portfolio-level return forecasting model used as part of its process?
- **Risk Management and Criteria to Buy / Hold and Sell Properties:** As part of REIF's annual strategic business plan, the Manager reviews opportunities and threats on a portfolio basis, evaluating Target Sector and Target Region allocations and related market factors. As noted, a bottom-up individual property business plan is developed initially *and* reassessed annually to ensure alignment with REIF's overall investment strategy, including meeting future return expectations. A multi-year capital allocation plan in the context of REIF's overall strategy is created, and assets may be divested if they do not fit with REIF's long-term strategy and/or to recycle capital effectively to meet return expectations. As noted, if the Manager recommends an asset for disposition, it is brought forward to REIF's Board for approval, subject to Approval Limits.

- **Forecasts for Asset-Level Returns and Portfolio-Level Return:** Property-level rolling 10-year models are updated by the Real Estate Team at least quarterly, with specific assumptions for the first 2 years, and market assumptions for the remaining periods. Ad-hoc updates are completed as appraisals are received, and updated operating budgets are finalized. REIF's portfolio-level returns for a given period are calculated by SGGG and audited annually by Grant Thornton.

**6. Describe how asset and property management operations are managed in the Fund. Are these processes outsourced? If so to whom?**

- **REIF's Asset Management:** The Manager employs an active asset management approach for REIF's assets, which includes:
  - Strategic management of stabilized assets (including business planning) with oversight of third-party service providers (e.g., leasing agents, property managers, etc.)
  - A strong portfolio manager role including debt management, portfolio balancing, reporting, etc.
  - Meeting ESG targets by implementing value-add ESG initiatives, and measuring, verifying and reporting on these initiatives via third-party service providers (*Note:* While some of REIF's ESG initiatives will begin immediately, others will be phased in over time).
- **REIF's Property Management:** REIF will retain third-party property managers given its broad geographic focus. Also, PBSA and Co-Living and Micro-unit communities require specialist management capabilities, given their unique operational requirements. By outsourcing property management, the Manager can focus on establishing and implementing marketing, technology and ESG initiatives to improve the tenant experience and drive higher NOI. The Manager intends to align its third-party property managers by developing incentivized management structures tied to asset-level NOI performance and ESG targets.

**7. How often does the Firm visit underlying property investments?**

The Manager visits each property at least twice annually, and at least once prior to developing the property's annual business plan. Additional visits are undertaken by the Real Estate Team, as required.

**8. How does the Firm deal with under-performing investments?**

As noted in *Question 5-1*, the investment performance of all properties is continually monitored through monthly third-party property management reporting, and REIF's quarterly reporting. As a hands-on asset manager, the Manager addresses any variance against the established annual budget as quickly as possible. If a property is performing below pro-forma / budget in the property's business plan, the Asset Management Team takes a proactive, hands-on approach to mitigate risks and increase performance. For example, Forum completed construction on a large PBSA residence in Winnipeg, during COVID-19. While the property is trending slightly below its pro-forma leasing projections, Forum provided an "out-of-the-box" solution to increase leasing velocity by:

- Introducing its third-party property manager to a new digital roommate matching service, that opens the property to Co-Living and Micro-units in addition to student housing; and
- Creating a partnership with the University of Manitoba to have their shuttle service available at the property. While the property is on the edge of campus, it is a 20-minute walk to the campus centre. The introduction of a shuttle service increases the property's accessibility.

After taking corrective actions, the asset's performance is evaluated in the context of REIF's strategy and may be sold.

**9. Discuss the Firm's approach to the valuation of its real estate investment opportunities and pricing discipline.**

The Manager applies rigorous discipline when evaluating its real estate investment opportunities, leveraging its access to information platforms (e.g., *Altus Data Studio*), in addition to real-time market intelligence provided by real estate brokers and other service providers. This information supports valuations and pricing provided by third-party real estate brokerages. In instances where market comparables are not available to support valuations, the Manager undertakes the following analysis to determine valuations:

- Benchmarking regional Class A, B, C Multi-Family cap rates to extrapolate valuation of a specific asset; and
- Building ground-up residual valuations based on target IRRs and AFFO yields using key assumptions (such as rent, operating expenses, renovation costs) validated through market data, arms-length specialists and by the Manager's Real Estate Team.

The Manager's pricing discipline is tied to REIF's investment criteria with a focus on per unit AFFO accretion and total return. The Manager will decline opportunities that do not meet REIF's investment criteria.

**10. Describe any functions performed by third parties in the investment process, and how the Firm's selects the said third party(ies).**

- **REIF's Real Estate Functions Outsourced to Third Parties:** REIF outsources various specialized functions when undertaking screening, due diligence and monitoring processes. *Table 12* summarizes the type of real estate functions that the Manager may outsource:

<b>Table 12: REIF's Real Estate Functions that May be Outsourced</b>	
<ul style="list-style-type: none"> <li>▪ Appraisals</li> <li>▪ Building Condition Assessments</li> <li>▪ Environmental Reports</li> <li>▪ Planning Opinions</li> <li>▪ Property Management</li> <li>▪ Managing Renovations</li> <li>▪ Tax Consulting</li> <li>▪ Interior Design and Architecture</li> <li>▪ ESG Performance Benchmarking</li> </ul>	<ul style="list-style-type: none"> <li>▪ LEED / GRESB / BOMA BEST Certification Consultants</li> <li>▪ Financing Brokers (As Needed)</li> <li>▪ Building Measurement Technicians</li> <li>▪ Lawyers for Title / Off-Title Searches in Addition to Transaction Management</li> <li>▪ Leasing Agents (if Leasing is not Undertaken by Property Management)</li> <li>▪ Leasing Market Data Providers</li> </ul>

- **Decision-Making Regarding Outsourcing:** The Manager prides itself on its network of third-party professionals, and it applies the following considerations when selecting consultants to engage with:
  - Suitability with the subject property;
  - Relevance of experience;
  - Prior experience with the professional group;
  - At least 2 competitive quotes; and
  - Consultant's workload and ability to meet deadlines.

The Manager oversees all third-party property managers to capitalize on regional scale and sub-sector expertise.

## 6. The Team

### 1. Provide an overview of the Firm's Real Estate Team.

Forum has a dedicated team of seasoned professionals with broad real estate industry experience to execute REIF's investment strategy. Forum is led by Richard Abboud (Founder and CEO) and Aly Damji (Managing Partner, Real Estate), with support from additional members of Forum's Real Estate Team (see *Table 13* for details). Senior Real Estate Team members have, on average, 10+ years of investing, finance and operating experience. In addition, the Real Estate Team draws on Forum's extensive resources for transactional and operational support in areas such as legal, tax, finance, accounting and operations (led by Rajeev Viswanathan). The Real Estate Team covers 4 key functional areas: investment, asset management and impact, and finance as well as construction / development and project management. For more information on the Real Estate Team, refer to *Doc. 3.02 for Forum's Real Estate Team's Biographies* in REIF's data room.

### 2. Complete the table below for all Firm personnel involved in the Fund.

*Table 13* details the role and title of the members of Forum's Real Estate Team and Forum's IC, and the percentage of time each member will spend on REIF.

Table 13: Forum's Professionals Involved in REIF (As of January 2023)						
Name	Role / Title	Employment Start Date	Relevant Experience (Years)	Experience at Forum (Years)	% of Time to Spend on REIF	Functional Areas
1. Richard Abboud	President & CEO	1996	35+	27	25%	REIF Board Trustee; Forum IC Chair
2. Aly Damji	Managing Partner, Real Estate	2020	17+	3	50%	REIF Board Trustee; Forum IC Member
3. Rajeev Viswanathan	Managing Partner & CFO	2020	23+	3	50%	Corporate Finance and Administration; Forum IC Member
4. Tony Leone	Partner, Corporate	2021	20+	2	25%	Corporate Finance and Administration, Tax and Legal
5. Greg Spafford	Managing Director, Real Estate Asset Management & Portfolio Manager (REIF)	2022	25+	2	95%	Real Estate Investments
6. Ali Khoja	Managing Director, Real Estate Operations	2023	25+	1	95%	Real Estate Operations
7. Derek Yeung	VP Finance, Real Estate	2023	10+	1	90%	Real Estate Finance and Accounting
8. Mike Chong	Associate Director	2023	11+	1	90%	Real Estate Finance and Accounting

9. Dayna Gilbert	Managing Director, Real Estate Development	2021	16+	3	25%	Real Estate Investments
10. Kathleen Beaumont	Director, Impact & ESG	2022	15+	1	80%	Real Estate Investments
11. Steven Pink	Director, Real Estate Project Management	2021	9+	3	25%	Real Estate Construction Project Management
12. Jane Ashby	Assistant Project Manager	2023	7+	1	25%	Real Estate Construction Project Management
13. Kimberly Horvath	Manager, Real Estate Management	2022	16+	1	95%	Real Estate Investments
14. Long Trinh	Associate Director, Real Estate Investments	2022	13+	2	50%	Real Estate Investments
15. Sebastian Colville-Reeves	Associate, Real Estate Investments	2022	6+	1	50%	Real Estate Investments
16. Collin Drosdoski	Director, Real Estate Investments	2021	7+	2	50%	Real Estate Investments
17. Sydney Zhang	Development, Coordinator	2022	2+	1	25%	Real Estate Construction Project Management
18. Milica Popovic	Senior Analyst, Real Estate Asset Management	2022	5+	1	80%	Real Estate Investments
19. Nick Stephen	Analyst, Real Estate Investments	2022	4+	2	80%	Real Estate Investments

**3. How many active real estate properties is each investment professional responsible for? What is the Firm's process for handling bandwidth during periods of peak activity?**

The Manager expects to acquire 5-12 properties per year, where the number of assets will depend on optimal portfolio construction. Forum plans to continue expanding its Real Estate Team to appropriately manage the expected growth in REIF's assets.

- Active Real Estate Properties Per Investment Professional:** To efficiently integrate acquisitions into REIF's portfolio, the Manager will ensure that multiple Real Estate Team members with specific specialties are involved in the underwriting process. For example, the acquisition of new properties includes members of the Real Estate Investment Team (e.g., for underwriting, leading due diligence, securing financing), the Real Estate Asset Management Team (e.g., for business planning, operating assumptions, capital programs), and the Impact Investing Team (e.g., for delivery of asset-level ESG targets and adherence to Forum's ESG Policy). Where required, the Real Estate Development Team and Project Management Team may assist in the real estate due diligence (e.g., for planning overview, assessment of additional density / conversion of space to leasable area, validation of capital expenditure costs).
- Bandwidth During Periods of Peak Real Estate Activity:** Once a property is acquired, a senior member of the Asset Management Team (i.e., a manager level and above) is responsible for 10-15 properties, in line with industry best practices. As noted, REIF will employ third-party property managers and will ensure that each third-party manager effectively resources each asset. In instances where there are large-scale, portfolio acquisition opportunities, Forum will also lever its other business platforms to underwrite, diligence and to close transactions.



**4. How does the Firm communicate internally? How often does the real estate team meet in person vs. virtually or connect by phone?**

Headquartered in Toronto, Forum is a single office-based team that allows its professionals to work from home during special circumstances, such as the COVID-19 pandemic. Forum's employees communicate and collaborate extensively via in-person meetings, telephone and/or email and via video conference, including Microsoft Teams, Zoom, etc. This communication approach includes both scheduled meetings and conference calls and informal, ad-hoc catch-up meetings. In addition to regular weekly 1:1 meetings between managers and staff, Forum has monthly and quarterly all-staff meetings that include a learning and professional development component. Forum's employees have all returned to the office full time. The Real Estate Team meets weekly to discuss priorities, time-sensitive matters and functional coordination needed. Functional and cross-functional teams (e.g., investment, asset management or development) also meet weekly to review projects currently underway, acquisitions under due diligence and/or in the deal pipeline (i.e., the pipeline review meetings). At a property-level, the Real Estate Asset Management Team meets with the respective third-party property manager teams at least monthly, with weekly meetings occurring as needed during major renovations or major lease-up periods.

**5. Describe the Firm's recruitment plans and procedures for hiring staff. To what extent are background checks involved and how are objective references obtained?**

Forum assesses its staffing needs on an ongoing basis, and recruits and hires personnel based on its current and projected requirements, including REIF's staffing needs. Forum hires exceptional professionals and has a stringent and thorough process for interviewing and testing potential candidates, including obtaining sign-off by the Leadership Team, using top-grading interview techniques with Forum team members at all levels, and also using third-party aptitude, behavioural, skills and personality testing, case studies and reference checks with at least 2 sources based on a pre-determined list of objective questions.

Depending on the role and the timeline needed to fill the role, Forum uses multiple channels, including but not limited to Forum's website, networks of current employees, *LinkedIn* and recruitment agencies to source referrals. As noted in *Question 6-2*, Forum plans to scale its Real Estate Team over the next 24 months as REIF's assets grow. Additional details on Forum's robust recruitment and hiring process, including details on background checks and references, are available upon request.

**6. Discuss the Firm's approach to staff retention and training. Discuss any promotions that occurred over the last 4 years.**

- **Forum's Approach to Staff Retention / Training:** Forum has developed a purpose-driven, entrepreneurial team that seeks to empower all its employees with challenging work and abundant opportunity. Forum develops and advances its employees through weekly 1:1s, daily team calls, clear progression plans, active mentoring, objective setting and annual assessments. Employees are regularly given the opportunity to act as a mentor and teach other employees certain skillsets or topics of interest through lunch-and-learns, and other informal meetings. Forum reimburses employees for costs related to upgrading their job-required skills through the pursuit of a professional designation. Furthermore, Forum has an internal competency model/guide for the skills required to progress from analyst to partner. Finally, Forum also has a competitive compensation policy, including an above-market long-term incentive plan, to attract and retain highly qualified and motivated employees, aligned with Forum's overall business strategy.
- **Forum Promotions in Past 4 Years:** Over the past 4 years, Forum promoted the following individuals:
  - Rob Kaplan (Private Equity Investment Team), who has been with Forum since 2019, was promoted from Principal to Partner in 2023;
  - Teenu Thomas (Accounting and Finance Team), who has been with Forum since 2018, was promoted from Senior Accountant to Manager Accountant in 2023;
  - Nazo Chopurian (Corporate Team), who has been with Forum since 2018, was promoted from Senior Accountant to Manager Tax in 2023;
  - Tony Leone (Corporate Team), who has been with Forum since 2021, was promoted from Vice President to

Partner, Corporate in 2023;

- Dayna Gilbert (Real Estate Team) who has been with Forum since 2021, was promoted from Associate Director to Managing Director, Real Estate Development in 2023;
- Greg Spafford (Real Estate Team), who has been with Forum since 2022, was promoted from VP, Asset Management and Fund Head – REIF to Managing Director, Real Estate Asset Management & Fund Head (REIF) in 2023;
- Steven Pink (Real Estate Team), who has been with Forum since 2021 was promoted from Project Manager Development to Director, Real Estate Project Management in 2023;
- Reza Farahdel (Corporate Team), who has been with Forum since 2021, was promoted from Manager Accounting to Controller in 2023;
- Christopher Haddad (Corporate Team), who has been with Forum since 2022 was promoted from Junior Accountant to Intermediate Accountant in 2023;
- Collin Drosdoski (Real Estate Team), who has been with Forum since 2021 was promoted from Analyst, Investments to Associate, Investments in 2022 and to Director, Investments in 2023;
- Long Trinh (Real Estate Team), who has been with Forum since 2022 was promoted from Associate Director, Investments to Director, Real Estate Investments in 2023

**7. Describe any known conditions (health, financial, litigation, personal, etc.) of any of the Firm's Principals that might influence their ability to execute their duties to the Fund or Firm.**

There are no known conditions of Forum's senior professionals that might influence their ability to execute their duties regarding REIF or Forum.

**8. Describe any significant staff departures over the last 4 years, and any significant staff departures that are expected to occur over the next 4-5 years.**

Table 14 summarizes the staff departures from Forum over the past 4 years:

Table 14: Employee Departures from Forum (2018-2023)			
Title / Role	Hire Year	Departure Year	Reasons for Departure
Partner – PPP & Infrastructure Development	2011	2019	Firm exited business line
Partner – Power & Renewables	2014	2018	Firm exited business line
Chief Financial Officer	2016	2020	To pursue another opportunity
Managing Partner – Private Equity	2019	2023	Restructure

To the best of the Leadership Team's knowledge, there are no planned departures from Forum.

**9. Describe the current succession plan for key real estate team members.**

Forum's Real Estate Team is led by Aly Damji who is 40 years old. While the Real Estate Team has deep experience across many disciplines in real estate (function, asset class, geographical location), the average age of the team is in the mid-30s. Based on this, Forum does not have a defined succession plan, given the runway for each team member in terms of career growth. Furthermore, since there are multiple levels of professionals under each function, along with deep resources across Forum, the Firm is comfortable in the event of a sudden departure of any Real Estate Team member.

## 7. Alignment of Interests

### 1. Describe the Firm's compensation structure for all Fund team members. Include details on the allocation of the performance fees among principals and others inside / outside the Firm.

- **Forum's Compensation Structure:** Forum's compensation structure for its professionals comprises an annual base salary, annual and intermittent cash bonuses, and deferred equity-type compensation. For Forum professionals working on REIF, the compensation structure is as follows:
  - **Managing Director, Asset Management and Fund Head:** A market salary and variable compensation in the form of an annual cash bonus and annual equity grants in REIF equal to a multiple of salary.
    - Individuals in Forum's Real Estate Asset Management Team will also receive equity grants in REIF to align interests.
  - **VP Finance, Real Estate:** A market salary and variable compensation in the form of an annual cash bonus and annual equity grants in REIF equal to a multiple of salary.
  - Individuals in Forum's Real Estate Investment Team will also receive equity grants (generally as a percentage of base salary for Manager-level and above).

In all cases, equity grants in REIF made to Forum employees will be paid for by Forum. Additionally, beginning in 2023, all Forum employees are eligible to invest in REIF and benefit from Forum's employee investment matching program.

As noted, REIF's Independent Trustees receive annual cash compensation paid for by REIF, with Independent Trustees earning \$40,000 p.a. each, and the Lead independent Trustee earning \$60,000 p.a.

- **Allocation of Performance Fees Among REIF's Team / Outsiders:** REIF's Performance Fees will accrue solely to the Manager. As noted, employees in Forum's Real Estate Team will receive annual equity grants in REIF as part of their total compensation, and Forum invested \$50 million in REIF (via the Sponsor Investment), resulting in a strong alignment between Forum's Real Estate Team and REIF's Unitholders. The cost of any equity grants in REIF made to Forum employees will be borne by Forum.

### 2. Are the Fund's performance fees vested for those parties that participate?

The entitlement to REIF's Performance Fees will be made and approved annually as part of the year-end audit by REIF's Independent Trustees. The Partnership pays the Special Allocation attributable to a Series F LP Unit by the issuance to the Special LP of Series M LP Units for the first three years from the issuance date of such Series F LP Units.

### 3. Describe the Firm's commitment to the Fund. How will this contribution be financed?

Forum raised an initial amount of \$125 million, of which over \$50 million was subscribed for by Forum or a Forum affiliate (i.e., the Sponsor Investment). Forum's Sponsor Investment was funded by its interest in *Quad 1*, REIF's largest and most significant asset. If REIF acquires ROFO Pipeline Assets over time, Forum intends to take additional equity in REIF to maintain significant sponsor alignment as REIF grows over time.

### 4. Describe how any of the Firm's principals or an affiliate of the GP will invest in the Fund (outside of the GP's commitment).

Forum's CEO (Richard Abboud) and partners all have ownership interests in Forum and indirectly in REIF, as REIF will represent Forum's single largest investment on its balance sheet. It is expected for various legal and tax reasons, that Forum's investment in REIF is made via the Partnership (i.e., REIF LP), while external Subscribers invest through REIF that in turn holds Corresponding LP Units. REIF LP will own each underlying Property through a series of SPLPs (see *Doc. 1.06 for REIF's Detailed Operating Structure* in REIF's data room.). Forum's interest in the REIF LP is exchangeable into Series M LP Units.

## 8. Fund Terms

### 1. Detail the Fund's management fees and any other amounts payable to the Manager in carrying out its services to the Fund and the Partnership.

- Asset Management Fee Payable to Manager:** The Partnership pays the Manager a monthly Asset Management Fee for management services provided to REIF and the Partnership. This Fee will be calculated and paid monthly in arrears and is equal to 1/12 of the applicable percentage of the NAV attributed to each sub-series of LP Units, as at the most recent Valuation Date (prior to deduction of any Performance Fees (see OM for details on *Fees and Expenses*), plus applicable taxes, if any. *Table 15* shows the Asset Management Fee percentage applicable to each sub-series of LP Units, based on the aggregate subscription price of the Trust Units invested by Unitholders as follows:

Table 15: REIF's Asset Management Fee for Different Units by Investment Size				
Unit Series	Minimum Investment	Asset Management Fee	Hurdle Rate (with Full Catch Up) for Performance Fee	Redeemable
A	\$5,000	2.00% p.a. of NAV	6.25%	Yes
F	\$5,000	1.25% p.a. of NAV	7.00%	Yes
H	\$500,000	1.15% p.a. of NAV	7.00%	Yes
I	\$10 million	0.90% p.a. of NAV	7.00%	Yes
<b>Notes on Table 15 on Unit Series:</b> <ol style="list-style-type: none"> <li><b>Series A Units:</b> Available to all Accredited Investors. Up-front sales commissions of up to 5% are payable by Subscribers and may be negotiated between dealers and Subscribers. Trailing commission of up to 0.75% p.a. are payable on Series A Units by the Manager.</li> <li><b>Series F &amp; H Units:</b> Offered to Accredited Investors that purchase such Units through a dealer sponsored fee-for-service or wrap program, and who pay an asset-based fee to their dealers or otherwise, at the Manager's sole discretion (including Subscribers that purchase such units directly from REIF). No commission is payable on Series F or H Units.</li> <li><b>Series I Units:</b> Offered to institutional investors at the discretion of the Manager and are not subject to a "Catch Up". Note that the Manager may negotiate the terms of purchase of the Series I Units with each Subscriber, including the Asset Management Fee and the Performance Fee that will be paid regarding such Subscriber's Series I Units.</li> </ol>				

REIF may, from time-to-time, negotiate with new Subscribers (such as institutional investors) the terms of purchase of a new series of REIF Units, including the Asset Management Fee, the Hurdle and the distributions to the Special LP that will be paid by REIF in respect of such new Offered Units.

- Example of Asset Management Fee:** If a Unitholder invests \$8 million in REIF in Series F Units, then the Asset Management Fee is 1.25% for Series F Units, effective as at the most recent Valuation Date following the date that the applicable Trust Units were purchased.
- ### 2. Describe the Fund's performance fees charged by the GP and its basis. Include details on calculating the performance fees. Provide a working example of the Fund's distribution waterfall.
- REIF's Performance Fees:** The REIF Special LP will be entitled to Performance Fees equal to 15% of the aggregate overall appreciation of REIF's NAV during each fiscal year that is in excess of the Hurdle rate, in respect of Series A LP Units, Series F LP Units and Series H LP Units only. At the Manager's sole discretion, the Performance Fees may be paid and satisfied, in whole or in part, by the issuance of Series M LP Units, which do not have Asset Management Fees or Performance Fees.
  - REIF's Performance Fees Calculation:** Each fiscal year, the GP will allocate the Partnership's net income or net losses (including capital gains or capital losses) in the following priority:

- a). First, the Partnership's net income for the period shall be allocated to the Special LP in an amount equal to the aggregate of (i) the Performance Fee, if any, the Special LP is entitled to receive for such period, and (ii) the Performance Fee, if any, the Special LP was entitled to receive for prior periods (but only to the extent that net income equal to such Performance Fee that the Special LP was entitled to receive for such prior periods, has not been previously allocated to the Special LP pursuant to this paragraph (a.));
  - b). Second, the net income or net losses of the Partnership shall be allocated to Limited Partners (including the Fund) who redeem some or all of their LP Units before the end of the fiscal year, in accordance with the Partnership Agreement in the case of Retiring Limited Partners and otherwise as determined by the General Partner in its sole discretion, reasonably exercised; and
  - c). Third, the Partnership's remaining unallocated net income or net losses will be allocated among the Partners (including REIF), in accordance with the relative aggregate NAV per LP Unit attributable to the LP Units held by each Partner, as determined by the GP in its sole discretion, acting reasonably.
- **Working Example of REIF's Waterfall:** Refer to REIF's *Illustrative Waterfall Distribution Calculation (Excel Spreadsheet Tab QCF (Quarterly Cash Flows))* in *Doc. 1.08 for REIF's Fund Model* in REIF's data room.

### **3. Provide details regarding all of the Fund's expenses (other than management fees and performance fees).**

REIF and the Partnership are responsible for, and the Manager is entitled to reimbursement from REIF and the Partnership for fees and expenses relating to REIF's and the Partnership's administration, management and operations including, without limitation, registrar and transfer agent fees, trustees fees (for trustees independent of the Manager), audit, accounting, administration, record keeping and legal or other professional fees, taxes (including land transfer tax), assessments or other charges levied by a governmental body against or in respect of REIF or the Partnership or their respective properties, insurance costs, property management costs, expenses related to the diligence, acquisition and disposition of investments (including travel costs and expenses), interest charges, commissions, bank charges, costs incurred in connection with any governmental or regulatory filing requirements (including all legal costs and all costs of compliance with the Tax Act or any applicable taxation laws or regulations), and other fees related to the business and administration of REIF and the Partnership (including the administration of any unitholder rights plans, distribution reinvestment plans, unit purchase plans, incentive options and other compensation plans), fees and expenses relating to providing financial and other reports to Unitholders and LPs (including REIF), and cost related to the implementing and licensing of financial reporting systems (i.e. Yardi). Aside from the Asset Management Fee, Performance Fee and the expenses noted above, there are no additional REIF expenses.

#### **a. Provide a forward-looking estimate of the Fund's expense ratio, and how it is calculated. Provide the expense ratio based on NAV and GAV.**

REIF's 5-year average MER is estimated to be 120 bps of NAV. The Manager expects the MER to be on the low end of comparable funds. Refer to *Doc. 1.12 for the MER Comparison* in REIF's data room.

#### **b. Provide details of the expected Fund formation costs. Elaborate on whether those costs are being written off or capitalized and amortized over time. If the latter, provide details on the timeframe.**

REIF and the Partnership are responsible for their respective formation costs and, in REIF's case, the offering of Trust Units, including without limitation, fees and expenses of legal counsel and other service providers. REIF's fund formation costs were \$500,000, and these costs will be amortized respectively over REIF's and the Partnership's first 5 years of existence. The Manager is responsible for any marketing and promotional expenses incurred in connection with REIF, including the distribution of the Offered Units. Refer to *Doc. 1.10 for the Annual Operating Expenses* in REIF's data room.

### **4. State the Fund's provisions regarding the transferability of Trust Units.**

No Unitholders shall transfer or dispose of their Trust Units to any other person except with the Manager's prior written consent, and in compliance with applicable Securities Laws and REIF's DOT. Refer to the DOT and see "*Material Agreements, Declaration of Trust, Transfer of Trust Units*" in the OM.

## 5. State the standards of indemnification that apply to the GP and related parties.

The Partnership will indemnify and hold harmless each of the GP and any of its affiliates, including their respective employees, officers, and directors from all claims or liabilities of any nature that arise in connection with the Partnership's affairs. For details refer to *Doc. 5.01 for the LPA, Section 6.6. Indemnification*.

## 6. Describe the Fund's redemption- and subscription-pricing mechanism.

- **REIFF's Redemption-Pricing Mechanism:** A Trust Unit is redeemable on demand at the Unitholder's option subject to the DOT's terms and conditions. Trust Units may be redeemed as at the Redemption Date. A redemption notice must be delivered to REIFF at least 30 days prior to the Redemption Date. The Redemption Price payable by REIFF in respect of Trust Units redeemed on a Redemption Date, is to be satisfied by way of a cash payment on the last day of the calendar month following the Redemption Date, subject to the following limitations:
  - a). If the Redemption Limit is exceeded on a Redemption Date and at the Manager's sole discretion, the cash amount payable by REIFF and the Partnership will be split among them on a pro-rata basis, based on the total amount payable by REIFF pursuant to the DOT and by the Partnership pursuant to the LPA in respect of redemptions on a Redemption Date. In respect to the Redemption Price per Trust Unit in excess of such cash amount (the "Outstanding Amount"), a Unitholder will have the option to (i) have a notice of redemption for the Outstanding Amount automatically delivered to the Fund in respect of a redemption for the Outstanding Amount on the following Redemption Date, (ii) have the Outstanding Amount paid and satisfied by the issuance of a redemption note or (iii) rescind its notice of redemption, subject to any applicable regulatory approvals;
  - b). In the Manager's opinion (in its sole discretion), REIFF is or, after payment of the Redemption Price in cash, would be unable to pay its liabilities as they become due; or
  - c). In the Manager's opinion (in its sole discretion), REIFF has insufficient liquid assets to fund such redemptions in cash, or that the liquidation of assets at such time would generally be to the detriment of Unitholders or REIFF generally.
- **REIFF's Redemption Price:** On a redemption by a Unitholder, the Redemption Price per Trust Unit shall be equal to the redemption proceeds received by REIFF from the Partnership for REIFF's redemption of the Corresponding LP Unit, which shall be the NAV of the Corresponding LP Unit determined as at the Redemption Date, multiplied by the Redemption Price Percentage as set out in *Table 16* below.

Table 16: Summary of REIFF's Redemption Price Percentages	
Period between Issuance Date of LP Unit being Redeemed and Redemption Date	Redemption Price Percentage for Series A, F, H and I Units
< 1 year	95%
1 years to < 2 years	96%
2 years to < 3 years	97%
3 years and greater	100%

At any Redemption Date, a Unitholder, acting reasonably, shall be entitled to request the Manager redeem up to the entire amount of the Unitholder's Trust Units, without any Redemption Charge: (i) in the event of the death or permanent disability of an individual Unitholder or the spouse of an individual Unitholder; (ii) in the event of the divorce of an individual Unitholder or (iii) upon any act, whether voluntary or involuntary, of bankruptcy by an individual Unitholder.

- **REIFF's Suspension of Redemptions:** As an extraordinary measure, the Manager may suspend the redemption of Trust Units, when the Manager reasonably determines that such suspension is in the best interests of the Unitholders. Any such suspension must be unanimously approved by REIFF's Board.
- **REIFF's Subscription-Pricing Mechanism:** Trust Units are issued at a price equal to the current applicable NAV per Trust Unit as determined at the calendar month-end in which the Subscription Document was received.

## 9. Firm Governance, Risk and Compliance

### 1. Describe the role and composition of the Firm's internal advisory board.

- **Firm's Advisory Board:** Forum's Advisory Board includes several prominent Canadian business leaders, and provides advice, insight and counsel to Forum's partners on various matters regarding financial, governance and investment-related issues. Forum's Advisory Board also provides counsel to the CEO and CFO regarding risk management issues. Refer to Forum's [website](#) for Forum's Advisory Board members.
- **REIF's Board:** The Fund's Board refers to REIF's Board of Trustees *and* the GP's Board of Directors (collectively "REIF's Board"), which comprises 6 members, with 4 members being independent of Forum. Forum's representatives are Richard Abboud and Aly Damji. The independent Trustees are prominent Canadian business professionals, and their responsibilities include approving REIF's NAV for each series of Units, ensuring appropriate risk management measures are in place, overseeing the Manager and assessing all related-party transactions between REIF and Forum, including any REIF acquisitions under the ROFO Agreement. For additional details on the role of REIF's Board see *Question 3-5*.

### 2. Describe any additional governing / advisory bodies that impact the Firm's management or investment activities.

Forum has 2 committees for its non-real estate investment activities:

- **FUIOF I's Limited Partner Advisory Committee ("LPAC"):** Forum established an LPAC for approval of any actual or perceived conflicts of interest regarding Forum's role as the Manager for FUIOF I.
- **Private Equity Advisory Committee:** Forum also established a private equity advisory committee consisting of several of Canada's leading private equity professionals, to provide counsel regarding key investment-related business matters, including initial underwriting through to ongoing investment oversight.

### 3. Detail how the Firm's policies (Compliance Manual, Code of Ethics, etc.) are monitored and enforced.

Forum ensures that all employees follow its policies and procedures by providing each employee with a copy of *Forum's Compliance Manual* when they are hired. Forum also requires each employee to certify annually their awareness and compliance of the said policies and procedures, as a condition of employment. Forum monitors deviations from policy on an exception basis, and enforcement options include verbal and/or written warnings and dismissal. Refer to *Doc. 7.01 for Forum's Compliance Manual*.

### 4. Detail any conflicts of interest within the Firm, and explain how they have been / are identified, managed, disclosed and resolved. Identify any committees in place to help identify and resolve conflicts.

Any potential conflicts of interest are discussed as part of Forum's employee-hiring process and if any are identified, an agreed-upon process or limits are included in the said employee's employment agreement. The process of identifying any subsequent potential conflicts of interest is described in *Forum's Compliance Manual*. Also, the Leadership Team considers and resolves any conflict matters within Forum, and as noted in *Questions 9-2 and 3-5*, Forum has various independent committees to resolve matters between Forum and its various fund vehicles. Refer to *Doc. 7.01 for Forum's Compliance Manual* and refer to *Conflicts of Interest* in the OM.

Regarding REIF, given the potential for conflicts of interest between REIF and the Manager, the majority of REIF's Board are independent Trustees (i.e., there are 4 independent Trustees). As noted, REIF's Trustees will be responsible for approving acquisitions by the Manager of ROFO Pipeline Assets and approving all related-party transactions not covered by the Management Agreement or the ROFO Agreement. Other REIF matters may include certain additional services (and the terms and fees thereof) to be provided by the Manager or its affiliates as may be required.



**5. How will investment opportunities be allocated between the Firm's funds or other business / investment activities? Discuss any funds and/or separate accounts with potential allocation considerations.**

As REIF will be Forum's only vehicle for investing in Canadian real estate assets focused on stabilized multi-family, PBSA and co-living and micro-unit communities, Forum does not anticipate deal allocation conflicts or other related conflicts. However, it is possible that certain investment opportunities may arise where it is clearly beneficial for multiple vehicles to jointly make the investment. Any such investment allocation or other conflicts of interest would require the approval of REIF's Board, where the majority of the Trustees are independent. Assets that fit REIF's investment mandate, and are approved by the Trustees, will be purchased directly by the Partnership.

**6. What is the Firm's policy of personal investments by any employees or affiliates in transactions reviewed (both accepted and rejected)?**

To ensure an alignment of interests, Forum's Managing Partner for Real Estate (Aly Damji) is required to co-invest 3% of invested capital alongside Forum in all real estate development projects. There have been no examples that the Leadership Team is aware of regarding employees' personally (or any affiliated entities) investing in transactions reviewed by Forum and rejected. Also, it is standard practice in all Forum employment contracts to include an exclusivity provision for individuals to "not engage in any business activity or direct investment activity while employed by Forum."

**7. Describe the Firm's policies on the handling and safeguarding of any material, non-public information? How are these policies communicated to employees?**

*Forum's Compliance Manual* outlines the requirements for the protection of confidential and/or material, non-public information, which indicate the need to preserve the confidentiality of such information. *Forum's Compliance Manual* also prohibits purchasing and selling securities of a publicly traded issuer while in possession of material, non-public information and disclosing any material non-public information about any publicly traded entity to another person. *Forum's Compliance Manual*, which is part of its on-boarding package for employees, is also available to all staff on Forum's internal network. Refer to *Doc. 7.01 for Forum's Compliance Manual* for further details regarding Forum's handling and safeguarding of material, non-public information.

**8. Discuss the Firm's risk management. What types of risks are monitored and how are they measured? Are there dedicated employees at the Firm assigned to the risk-monitoring function?**

- **Forum's Risk Management Approach:** Managing risk is an integral part of Forum's business, and Forum has a well-established and disciplined risk-management approach. Forum seeks to ensure that risk is managed as close to its source as possible, and by the teams with the most knowledge and expertise in a particular business or risk area. Forum uses a thorough and integrated risk-assessment process to identify and evaluate risk areas across the Firm, such as human capital and other strategic, financial, regulatory, and operational risks. Risk management and mitigation approaches and practices are tailored to the particular risk areas and executed by the business and functional groups, with appropriate coordination and oversight through risk monitoring and reporting processes.

Investment risks are managed and monitored by Forum's CFO with the respective investment teams. Forum's IC, chaired by Richard Abboud, also provides oversight and guidance to Forum's investment teams when evaluating opportunities, including assessing projected returns, the investment thesis and the viability of the investment case, the market environment, and alignment with a fund's objectives, as well as providing final approval for all transactions. Business-specific risks (such as operations, health and safety) are generally managed at the portfolio company level (for private equity), as risks differ in each asset class. Forum provides strategic direction and monitors many of these risks on a firm-wide basis to ensure effective risk management and best practices.

For risks that are more pervasive and correlated in their impact across Forum, such as those relating to liquidity, foreign exchange and interest rates, or where Forum brings specialized knowledge, Forum uses a centralized approach to risk management at the corporate level. Managing strategic, reputational and regulatory risks is coordinated by Forum's CFO to ensure a consistent focus and implementation across the Firm.



- **Monitoring Investment Risks Across Forum's Platforms:** As stated, Forum's IC oversees the investment risk-management process, which Forum believes is vital to the successful execution of a given investment strategy. In providing Forum's investment teams with oversight and guidance, the IC is responsible for:
  - Working with the respective investment teams informally as they assess opportunities;
  - Evaluating opportunities and reviewing the associated risks and mitigation strategies;
  - Identifying and resolving conflicts early in the investment process;
  - Providing the ultimate approval to pursue a transaction; and
  - Monitoring the ongoing performance of all investments.

**9. Describe any regulatory bodies that have oversight of the Firm, and its affiliated entities, including any portfolio manager and/or dealer registrations. Identify the Firm's policies for remaining compliant with these bodies.**

From 2002 to Q2 2022, Forum was not governed by any securities-related regulatory body, such as the Ontario Securities Commission, as it managed private assets as a principal corporate investor.

As noted in *Question 1-1*, Forum Asset Management Inc., an Ontario corporation, is an exempt market dealer, investment fund manager and portfolio manager in certain jurisdictions, to assist in the distribution of REIF securities, and to ensure that Forum complies with all KYC, suitability, AML and related investor-compliance regulations. Forum Asset Management Inc., is considered to be a connected issuer under applicable securities laws, and may be considered a related issuer, of the Fund in connection with the distribution of the Fund's securities, which may result in potential conflicts of interest. The Manager is a connected issuer of the Fund as a result of the fact that Richard Abboud and Aly Damji, two Trustees of the Fund, are each an officer, director and/or ultimate shareholder of the Manager. In addition, the Manager will receive a monthly Asset Management Fee for management services provided to the Fund and the Partnership.

**10. Discuss the Firm's compliance policies. Include information on the procedures and internal controls in place to prevent the Fund from being used to launder money, finance terrorist activities, and/or used for personal gain.**

As EMD, under Securities Laws, the Manager has ongoing requirements to obtain satisfactory evidence of the identities of its investors and to determine whether investor transactions are related to the commission or the attempted commission of a money laundering offence and/or a terrorist activity financing offence.

## 10. Environmental, Social and Governance (“ESG”)

### 1. What are the Firm’s ESG principles and key ESG themes?

Forum recognizes that:

1. There is a link between financial and social returns; *and*
2. Its impact on communities, the environment and society is at the core of how it invests.

Forum’s ESG Policy outlines its *ESG Principles* as follows:

1. **Sustainability:** Integrate sustainability into Forum’s investment selection, asset management strategies, performance measurements and stakeholder model.
2. **Scalability:** Evolve Forum’s thinking around ESG to identify further areas to improve on and grow, and to drive change throughout the communities it touches.
3. **Creativity:** Innovate how Forum invests its time, energy and capital within its governance structure, and lever these qualities to positively impact the communities it touches.
4. **Materiality:** Focus on ESG factors that have the potential to impact the value of Forum’s and its funds’ investments and assets, both in the short term and the long term.
5. **Accountability:** Develop strong governance, performance tracking and processes to increase transparency, verification and accountability with all of Forum’s stakeholders.

On February 26, 2021, Forum became a signatory of the Principles of Responsible Investment (“PRI”) which informs how asset managers can integrate ESG factors into the investment process. PRI’s 6 principles support the Manager’s goal of earning strong risk-adjusted returns while being responsible investors for REIF’s Unitholders and partners:

1. We will incorporate ESG issues into our investment analysis and decision-making process;
2. We will be active owners and incorporate ESG factors into our ownership policies and practices;
3. We will seek appropriate disclosure on ESG factors by the entities in which we invest;
4. We will promote acceptance and implementation of the ESG principles within the investment industry;
5. We will work together to enhance our effectiveness in implementing the ESG principles; and
6. We will each report on our activities and progress toward implementing the ESG principles.

REIF’s Key ESG Themes:

REIF’s Impact Management Framework is inspired by established third-party methodologies and frameworks, including the Impact Management Project, and the Sustainability Accounting Standards Board (SASB) Materiality Map. Additionally, Forum aligned its three impact verticals with United Nations Sustainability Development Goals, which as a collective are a universal call to action to end poverty, protect the planet, and to ensure that by 2030 all people will enjoy peace and prosperity.

REIF’s investments will address one or more of our three sustainability development goals aligned impact pillars, which are focused on improving existing buildings to reduce environmental footprint while creating long term value for the local community.

1. **Efficient & Climate Resilient Buildings:** Own and operate sustainable real estate that considers energy consumption, limits carbon emissions, reduces waste and water and sources materials responsibly.
2. **Community Empowerment & Prosperity:** Develop and implement solutions that address housing attainability issues, improve community safety, positively impact resident’s health and wellness, and build social equity within the neighbourhoods we invest.
3. **Good Governance:** Ensure adherence to Forum’s core values, ESG policies and focus on impact objectives. Accountability and transparent impact measurement are key tenets of Forum’s commitment to its stakeholders.

Fund level targets are set at least annually. These are illustrated in *Question 10-11*.

## 2. Does the Firm have an ESG policy? Describe the policy.

Yes, refer to *Doc. 2.01* for *Forum's ESG Policy* in REIF's data room or on Forum's [website](#).

- **Description of Forum's ESG Policy:** Forum's ESG Policy guides its roles, responsibilities and the management oversight required to implement ESG initiatives across its business activities. The ESG Policy outlines Forum's commitment to ESG targets and related MRV initiatives, and governs the overall ESG approach for its investments. More specifically, Forum's ESG Policy focuses on integrating ESG factors into its investment activities:
  - **Identify and Select Assets:** Forum considers ESG factors when identifying and selecting assets;
  - **Manage Assets:** Forum seeks to enhance and monitor the societal impacts and ESG performance of its assets;
  - **Manage Operations:** Forum will set ESG targets, with reference to its Impact Management Framework; and
  - **MRV ESG Targets:** Forum annually reports on its progress towards meeting the Fund's ESG targets.

*Forum's ESG Policy* identifies how *ESG factors* are integrated into its investment process across 3 key themes (see *Questions 10-2 and 10-3* for details):

1. **Acquisition and Investment Activities (Step 1):** The Manager integrates key ESG factors into its investment due diligence process when acquiring and investing in properties across all activities, from deal screening to due diligence to approval by Forum's IC.
2. **Asset Management Activities (Step 2 and Step 3):** The Manager incorporates ESG factors and targets into its ownership policies and procedures across all its activities, including investment oversight, annual business planning for all properties, and its annual ESG MRV cycle.
3. **Fund Governance:** The Manager enhances its ESG governance by focusing on how best to operationalize its ESG Policy, including enhancing roles and responsibilities, standardizing ESG approaches and ongoing ESG MRV activities.

Finally, Forum seeks to enhance its ESG Policy and impact-driven plans over time, along with its staff training. For example, Forum:

1. Implemented an annual training program for its staff on its ESG Policy and impact plans, to ensure that all staff understand the ESG factors and targets relevant to their roles.  
Is committed to hiring additional impact-focused personnel to drive its ESG commitments.

## 3. Describe how the Firm integrates ESG targets in the Fund's investment strategy and investment process?

Forum developed a comprehensive three-step Impact Management Framework, which is critical to developing, executing, delivering on, and measuring REIF's impact objectives:

- Step 1 considers ESG insights in the asset acquisition due diligence process, which identifies material risks and opportunities that are embedded in all investment decisions. Demonstrable alignment to REIF's impact objectives is required for investment.
- Step 2 considers ESG in the asset management process. It is at this stage where Forum identifies impact objectives that align with environmental and social issues, determine how we are going to operationalize our objectives, and how we are going to measure our success in achieving objectives.
- Step 3 considers ESG in the reporting and performance measurement process. We are committed to sharing detailed progress reports annually. REIF will be GRESB assessed and benchmarked to its Canadian peers, having made its first submission in 2022.

More details and case studies can be found in Forum's *Impact Brochure* in *Doc. 2.04* in REIF's data room.

## 4. Describe how the Firm integrates ESG factors into the Fund's investment process?

The Manager has a robust due diligence process to assess new investment opportunities and to develop annual business plans by property to address ESG factors and progress toward achieving ESG targets. As noted in *Question 5-1*, REIF's investment process covers 5 steps, and the Manager addresses ESG factors in each step:

- **Step 1 – Source Property Investments and Conduct Initial Assessment:** During the initial screening of a property, the Manager identifies material ESG factors (risks and opportunities) relevant to the potential investment, by reviewing publicly available data. *Table 18* is completed for every prospective investment:

Table 18: Example of ESG Factors Assessed When Screening a Property				
Ref.	Example of ESG Factors Assessed	Diligence Completed	Pass / Fail	Comments
1	Subject to fines or unpaid taxes			
2	Contaminated or at risk of contamination issues, relating to soil or groundwater			
3	Vulnerable to potential expropriation due to government infrastructure plans			
4	Research vendor for any publicly available information regarding ESG track record (including breaches) and possible motivations for sale			

Any material ESG breaches will result in a “Fail.” The Manager assesses the risks and may elect not to proceed with the investment if there is a significant ESG breach, including but not limited to:

- Human rights’ violations;
- Corruption / bribery related to the seller; and/or
- Significant environmental impact.

The results of the initial ESG screening in Step 1 are reported to Forum’s IC. If the prospective investment receives “Pass” ratings, or an adequate mitigation strategy is developed to address “Fail” ratings, the investment will proceed to due diligence.

- **Step 2 – Conduct Due Diligence on Property and Develop Property’s Business Plan:** Once a transaction progresses to due diligence, the Manager analyzes ESG factors more thoroughly to assess ESG risks and opportunities, and to develop an action plan to address ESG deficiencies and risks. Areas of due diligence focus on REIIF’s ESG factors and targets. Refer to *Doc. 2.03* for *REIIF’s ESG Due Diligence Checklist* in REIIF’s data room.
- **ESG Factor Risk Rating:** As *Table 19-A* shows, the Manager assigns each ESG factor a risk rating. While the total aggregated risk rating provides an investment’s overall ESG risk, it is essential to assess the details to determine where the high and severe risks might make the property ill-suited for acquisition.

Table 19-A: Risk Rating Relating to ESG Factors			
Severe Risk	High Risk	Medium Risk	Low Risk
-1	0	1	2
<ul style="list-style-type: none"> <li>• Potential for significant cost or delay in achieving asset repositioning plans</li> <li>• Cost to address the issue may be difficult to determine, but is likely to be high or prohibitive</li> </ul>	<ul style="list-style-type: none"> <li>• ESG risk factor is of high materiality, must be addressed and is a significant expense in terms of time and/or cost</li> <li>• Mitigating or eliminating the risk is possible if remaining terms of the deal are favorable</li> </ul>	<ul style="list-style-type: none"> <li>• ESG risk factor is of lower materiality and may or may not make financial sense to address during repositioning</li> </ul>	<ul style="list-style-type: none"> <li>• Material ESG risk factor (whether of lower or high materiality), can be addressed with a viable investment and time horizon</li> <li>• ESG risk factor has been addressed by the previous owner</li> </ul>

- **ESG Target Score:** Potential acquisitions are also evaluated for their impact on REIIF’s ESG targets. Any potential acquisition that receives a score of -1 is considered a red flag *against* proceeding with the acquisition. *Table 19-B* shows the ESG targets’ scoring criteria:

Table 19-B: Risk Rating Relating to ESG Targets			
Negative Potential	Low Potential	Medium Potential	High Potential
-1	0	1	2
<ul style="list-style-type: none"> <li>The site is expected to detract / diverge from the ESG target, it is not feasible to rectify the issue</li> </ul>	<ul style="list-style-type: none"> <li>The site will not adequately contribute to achieving the ESG target</li> </ul>	<ul style="list-style-type: none"> <li>The site will meet or sufficiently contribute to achieving the ESG target</li> </ul>	<ul style="list-style-type: none"> <li>The site is expected to exceed the ESG target</li> </ul>

- **ESG Action Plan:** The Manager completes an *ESG Action Plan* to address any low scores and to identify impact opportunities. Plans to meet REIF's ESG targets (both near- and long-term) are developed for each property, together with the related performance measures to assess progress toward the ESG target. The *ESG Action Plan* contains a specific work scope together with the timeline to start and complete the work.

The Real Estate Team reviews the *ESG Action Plan* to determine the pricing and scheduling required to rectify any low scores and/or to implement opportunities through:

- Contacting vendors / service contractors directly to obtain quotes and determine timing;
- Working with the property's third-party property manager to confirm pricing and scheduling; and
- Benchmarking costs against other fund or Firm real estate assets.

Once the costs and schedule are determined and validated, they are included in the property's IC Memo, which is reviewed by Forum's IC and subject to approval by REIF's Board.

- **Step 3 – Present Property to Forum's IC, REIF's Board, and Close Transaction:** As transactions progress through REIF's due diligence process, the Real Estate Team prepares an IC Memo to summarize its work and to facilitate vetting of the opportunity by Forum's IC. The IC Memo is circulated to Forum's IC and outlines the following:
  - A summary of each *Risk Rating* and *Target Score* for each ESG due diligence category;
  - Disclosure of material ESG issues identified during diligence and an assessment of their potential impact on valuation;
  - A summary of the post-acquisition ESG Action Plan including scope, cost and timing; and
  - The completed *REIF ESG Due Diligence Checklist* (see *Doc. 2.03* in REIF's data room) is included as an appendix to the IC Memo.

Thereafter, the Manager formally presents the opportunity to Forum's IC and REIF's Board.

- **Step 4 – Onboard the Approved Investment, Manage the Property and REIF's Total Portfolio:** The Manager follows its Impact Management Framework to ensure that ESG factors and targets (risks and opportunities) are actively managed, monitored and reported at the asset level through:
  - **Annual Business Planning:** Annual business plans are developed for all REIF's properties and aligned with the IC Memo approved by REIF's Board. Each property's annual business plan includes capital allocations and schedules for impact-driven initiatives, describing emerging ESG risks and opportunities, and annual reporting on ESG targets.
  - **Third-Party Property Manager Sourcing:** Property managers are selected based on their ESG track record (including no significant ESG breaches and policies related to sustainability, inclusion, human rights, etc.).
  - **Third-Party Management Contracts:** Contracts include a requirement to adhere to Forum's ESG Policy.
  - **Monthly Reporting:** Reports prepared by third-party property managers must update ESG initiatives planned or completed at the site level and relating to ESG capital projects.

The Manager ensures that REIF's overall ESG targets and ESG factors (risks and opportunities) are actively managed, monitored and reported at the portfolio level through:

- **REIIF's Quarterly Reports:** Quarterly REIIF reports will include an update on impact initiatives, risks, and progress toward meeting the said ESG targets, and updates on any certifications achieved (such as [LEED](#) or [BOMA](#)), and asset-level reports provided by third-party property managers.
  - **REIIF's Annual ESG Impact Report:** The annual *REIIF ESG Impact Report* will be provided to Unitholders by May 31<sup>st</sup> each year and will include a:
    - Summary of REIIF's ESG strategy;
    - Summary of ESG capital projects;
    - Operating-cost reductions due to ESG initiatives;
    - Annual scorecard based on REIIF's ESG targets;
    - Summary of progress toward meeting REIIF's ESG targets; and
    - Future ESG actions.
  - **PRI / GRESB Reports:** The Manager submitted REIIF's first GRESB report in 2022 for FY 2021, and the results of the GRESB assessment will be shared with REIIF's Unitholders and included in *REIIF's Annual ESG Impact Report*. Similarly, the Manager will complete the annual PRI Report for FY 2022.
  - **Certifications:** The Manager will consider building certification like LEED and BOMA for REIIF's assets, where possible.
- **Step 5 – Sell the Property if Appropriate and Redeploy Capital:** By implementing REIIF's ESG process, the Manager will have the required ESG information available to facilitate a property's sale from an ESG perspective. Potential buyers can access all the key ESG initiatives and ESG targets achieved by the Manager relating to the said property. Also, REIIF can transfer key contracts, relationships, and processes to the new property buyer, so that ESG efforts can be continued and enhanced in the future. If similar competing offers are received, the Manager will consider the buyer's ESG credentials when selecting which offer to accept.

## 5. How does the Firm identify and manage material ESG-related risks and use ESG factors to create value?

As noted in *Question 10-3*, the Manager identifies and manages material ESG-related risks and assesses key ESG factors throughout its investment process to create value. ESG risks are identified and managed through a rigorous ESG due diligence approach and proactive asset management, with a continuous focus on ESG factors and targets (risks and opportunities).

## 6. Is the Firm a signatory to PRI, GRESB or other ESG-related organizations? If yes, provide proof of membership.

Yes. As noted in *Question 10-1*, on February 26, 2021, Forum became a PRI signatory, underscoring Forum's commitment to measurable impact, responsible investment and ESG best practices ([Forum's PRI Membership](#)). Forum also became a member of the Responsible Investment Association in February 2021, which is Canada's association for responsible investment. ([Forum's RIA Canada Membership](#)). As noted in *Question 10-1*, Forum completed a GRESB application for the infrastructure assets it manages on behalf of Fiera Infrastructure (Woodford LP), with GRESB submissions made since 2019. Refer to *Question 10-8* for Forum's GRESB ratings for these infrastructure assets. Forum completed a GRESB application for REIIF in 2022, earning a score of 71 for the 2021 performance period.

## 7. Does the Fund have an enterprise-wide environmental management system ("EMS")? What aspects are covered by the EMS?

While Forum is not expected to adopt a specific EMS for REIIF, individual properties within REIIF may have their own EMS, and certain third-party property managers may adopt and implement an EMS.

## 8. Regarding Sustainability Data and Analysis:

- a. **Does the Firm work with an external software company to track its real estate sustainability data? If yes, provide details.**

No, Forum does not currently use an external software company to measure and track real estate related sustainability data. However, as REIIF grows its AUM, the Manager will consider engaging an external service provider who specializes

in measuring and verifying sustainable real estate data to track REIIF's ESG targets.

**b. Does the Firm submit data to sustainability performance evaluation organizations (e.g., GRESB)**

As noted in *Question 10-6*, Forum completed GRESB submissions since 2019 for the infrastructure assets it manages on behalf of Fiera Infrastructure (Woodford LP). Forum submitted a GRESB application for REIIF in 2022, earning a score of 71 for the 2021 performance period.

**c. If so, what are the Firm's scores / results for this evaluation?**

Forum received an 81/100 score in its 2020 GRESB infrastructure assessment and the GRESB average for that period was 71/100. Forum submitted a GRESB application for REIIF in 2022, earning a score of 71 for the 2021 performance period.

**d. If the Fund does not participate in sustainability performance evaluation reports, detail the key ESG indicators and related performance metrics.**

As noted in *Question 10-3*, ESG targets have been developed for REIIF's assets, and it REIIF submitted a GRESB application in 2022 for the FY 2021.

**9. Are any reporting standards used when reporting on ESG practices? If yes, provide details of these standards.**

Currently REIIF does not use a single set of reporting standards for its ESG impact reporting, as it is currently a signatory with multiple ESG organizations, such as PRI and GRESB, and these organizations have different reporting standards. Forum developed a proprietary scorecard, as illustrated in *Question 10-11* to ensure ESG targets are monitored, measured and reported to investors in a timely manner.

**10. Who at the Firm is responsible for coordinating the monitoring of ESG issues and performance against ESG targets at both the Fund and the Firm level?**

Kathleen Beaumont, Director of Impact and ESG, is responsible for coordinating and monitoring ESG issues for both REIIF and Forum. With support from the asset management team, Kathleen is responsible for ensuring that ESG targets are communicated at the property level, monitored and appropriately reported on at the Fund level.

**11. How can investors monitor and, where necessary, ensure that the Fund is operating consistently with agreed-upon ESG-related policies and practices, including disclosure of ESG-related incidents?**

As noted in *Question 10-3*, the Manager will ensure that REIIF's overall ESG targets, risks and opportunities are actively managed, monitored and reported at the portfolio level to investors in a timely manner, with quarterly updates and by preparing an annual *REIIF Scorecard*. See example below.



	SDG Alignment	Target Year	Portfolio Target Objective
<b>Efficient &amp; Climate Resilient Building</b>			
- Establish decarbonization plan (scope 1 and scope 2)	  	2022	100%
- Reduce energy consumption*	  	2022	-10%
- Reduce carbon emissions (scope 1 and scope 2)*	  	2022	-10%
- Conduct waste assessment	 	2022	100%
- Reduce operating waste output*	 	2022	-5%
- Conduct water assessment	 	2022	100%
- Reduce water consumption*	 	2022	-5%
<b>Community Empowerment &amp; Prosperity</b>			
+ % increase in housing stock		2022	5%
+ Establish & implement inclusive leasing standards policy	  	2022	100%
+ Establish community engagement plan	  	2022	75%
+ Tenant Survey (1 to 10) on sense of health and wellness	 	2022	100%
+ Tenant Survey (1 to 10) on sense of safety		2022	100%
+ Provide safe and secure bike storage	 	2022	>5% of tenants
<b>Good Governance</b>			
+/- ESG Oversight		Annual	Y
+/- Inaugural GRESB submission		2022	Y
+/- UN PRI Reporting		Annual	Y
+/- Provide ESG training to employees		Annual	Y

In addition, the Manager can discuss specific ESG questions or concerns with REIF's Unitholders as required.

## 12. Describe any significant changes to the Firm's Diversity and Inclusion policy, Code of Conduct, and Family Leave policy that are expected in the next year.

Refer to *Doc. 7.01 for Forum's Compliance Manual* in REIF's data room.

- Firm's Diversity and Inclusion Policy:** Forum is an equal opportunity employer that is committed to ensuring it maintains a safe and respectful work environment, free of discrimination and harassment. In addition, Forum signed the *BlackNorth Initiative* pledge and is committed to ending anti-black systemic racism and creating opportunities for all of those in the under-represented black, indigenous, and people of colour communities.
- Firm's Code of Conduct Policy:** Forum does not expect to make any material changes to these policies in 2023. Forum's Code of Conduct is included in its Compliance Manual, a comprehensive reference of the policies, procedures and general information concerning Forum's overall governance. The Code is designated to meet best-practice standards for corporate governance, and is continually updated to meet the evolution of the business and its compliance and governance environment. In addition to the Compliance Manual, Forum also has an Employee Handbook, which includes policies on vacation time, dress code and expenses.
- Firm's Family Leave Policy:** Forum implemented a Family Leave Policy in 2017.



**13. Have any claims of sexual or general harassment, misconduct, or discrimination been made against any of the current and/or former Firm employees (while employed by the Firm) within the last 5 years?**

There was one complaint of harassment that led to an investigation in accordance with Forum's Workplace Bullying, Anti-Violence, and Sexual Harassment Policy. The matter was resolved and closed without further issue by any party involved in complaint.

Forum's on-going management practices are guided by the Team Member Guidelines and Policies handbook which emphasizes respect and integrity in work place by all team members.

Refer to *Doc. 7.01 for Forum's Compliance Manual* in REIF's data room.

## 11. Track Record

### 1. Provide examples of the Firm's active / exited investments with an investment multiple ("MOIC") below 1.0x.

Forum's extensive track record, reputation and experience across numerous alternative asset classes was built over 25 years, with lessons learned informing how Forum structures investments to achieve superior risk-adjusted returns. To date, across all the alternative assets that Forum previously or currently invests in, only *United Wind* (a green energy company where Forum invested as a principal), had a gross investment multiple *below* 1.0x, where Forum wrote off almost USD \$3 million of invested capital. United Wind was an investment in a U.S.-based start-up that sought to build wind turbines on farms and sell electricity under long-term contracts. To date, Forum has not made any *real estate investments* with a MOIC below 1.0x.

### 2. Describe all situations where there has been a bankruptcy filing or failure to make payments under any secured or unsecured indebtedness during the Firm's period of ownership of an asset.

None of Forum's portfolio companies or real estate holdings has filed for bankruptcy or failed to make payments under any secured or unsecured indebtedness during Forum's investment.

### 3. Describe any qualified audit opinions received by the Firm's portfolio investments during the Firm's period of ownership.

None of Forum's portfolio companies or real estate holdings has received a qualified audit opinion during Forum's investment.

### 4. Provide a table detailing the Firm's real estate track record by current and historical funds, separate account mandates, etc.

While Forum's extensive track record, reputation and experience across numerous alternative asset classes was built over 25 years, other than the 2 vehicles noted in Question 2-5, Forum has not managed any funds or separate accounts for third-party capital (Note: Forum has an asset management agreement with Fiera Infrastructure, where Forum asset manages the infrastructure investments on Fiera's behalf, where Fiera owns 100% of the assets). Rather, Forum invested as a principal investor, and since 2002, Forum's real estate investments, executed primarily as a principal investor using its own capital, spanned residential to commercial properties. Forum's real estate acumen has generated a 100+% IRR and more than a 6x MOIC on its real estate investments from 2002-June 30, 2022 ("**Real Estate Performance**"). REIF is Forum's first open-ended real estate fund offering, where investors can invest alongside one of Canada's top-tier real estate investors.

Since the strategies that generated Forum's Real Estate Performance are not directly comparable to REIF's investment strategy, the Manager has provided illustrative returns for REIF's largest and most significant property, The Quad (Phase 1). Since the completion and opening of The Quad (Phase 1) for the 2017 school year to the end of the 2021 school year (i.e., Sep 2017-Aug 2022), The Quad (Phase 1) generated an NOI CAGR of ~5%. Furthermore, with an LTV of 55% (being REIF's target leverage) and assuming a 0.68% spread to the 10-year Canada Mortgage Bond, The Quad (Phase 1) would have earned an annualized cash yield of 5.3-7.8%, and gross total annual returns after the first year of ownership ranging from 8.7-15.2%.

Forum engaged Grant Thornton in 2021 to assess Forum's overall investment track record, from Forum's inception as a principal investor in 2002 to June 30, 2022, to assist prospective Subscribers with due diligence on Forum's track record. Refer to Grant Thornton's review in *Doc. 4.01 for Forum's Real Estate Track Record, and Docs. 4.02 and 4.03 for Forum's Overall Track Record* in REIF's data room. In summary, given Richard Abboud, Aly Damji and Rajeev Viswanathan's deep expertise across the real estate sector in Canada, coupled with Forum's track record over the last 2 decades, the Manager is confident that REIF will deliver strong total returns to Unitholders. Refer to *Doc. 3.02 for Forum's Real Estate Team's Biographies* in REIF's data room.

**5. Discuss if investments in the Firm's track record are not included, and the rationale for excluding them.**

REIF has excluded investments from its track record that include those made in third-party managed real estate, technology and private equity funds, since they are managed by other parties; hence, performance is not attributable to Forum.

## 12. Accounting, Valuation and Reporting

### 1. Describe the Fund's internal accounting systems and key controls. What accounting principles does the Fund operate under?

- **REIF's Internal Accounting Systems and Key Controls:** Property management and the related-property accounting for REIF's properties will be outsourced to reputable third-party service providers with expertise in REIF's relevant assets and geographic regions (the "**Property Manager(s)**"). Accordingly, REIF's internal accounting systems, processes and related controls are focused on:
  - a. **Consolidating Accounts:** Given the limited number of properties at REIF's inception, the Manager will use Forum's general ledger system and *MS Excel*-based tools to consolidate all property investments to determine REIF's monthly NAV per unit for each series (in conjunction with SGGG). The Manager has also implemented specialized real estate software (e.g., *Yardi*), for general ledger accounting and to automate the monthly consolidation process.
  - b. **Monitoring and Managing Cash:** Every property has a multi-year business plan with a monthly budget developed by the Manager *and* the Property Manager for the next calendar year. Actual monthly results are compared to budget and prior year results, to understand variances and expected property cash flows. Budgeted expenditures of \$5,000+ require at least 2 quotes. Expenditures outside the annual budget of \$2,000+ require the Manager's approval. Whenever possible, expenditures must conform to Forum's ESG Policy and promote progress toward meeting ESG targets.

Since rents are recurring, a monthly rent-roll-to-revenue reconciliation and outstanding accounts receivable review is performed to ensure completeness and accuracy of rental revenues. For operating costs (and since expenses are generally also recurring), a dedicated 'zero-balance' disbursements account ("**AP Account**") is set up for each property. Invoices are received directly by the Property Manager, who will periodically request payments on a property-level account, which the Manager transfers to the AP Account to satisfy payments.
  - c. **Valuations:** Each property's FMV is determined by an annual appraisal, prepared by an independent firm, with quarterly reviews of FMV performed by the Manager for intervening periods. All changes are documented, with audit procedures performed on valuations as part of REIF's annual audit.
  - d. **Investor Record-Keeping:** REIF will use SGGG for fund administration, including maintaining the Unitholder register, and reconciling Unitholder subscription and redemption amounts monthly with the Manager. Also, SGGG will administer the monthly distributions.
- **REIF's Accounting Principles:** The Manager will perform the accounting for REIF, according to IFRS and will apply the guidance under IAS 40 Investment Property. Under this standard, an Investment Property is initially measured at cost upon acquisition, with FMV changes being recognized in profit or loss.

REIF can also invest up to 5% of its NAV in private alternative assets and up to 10% of its NAV in listed public securities (mainly Canadian REITs, REOCs, MICs and/or money market securities).

- **Listed Securities:** These securities will generally have prices determined in an active public market and will be valued monthly at the security's closing bid price on the last trading date of the month.

### 2. Describe the Fund's valuation policy.

- a. **Explain the frequency of the valuations for both real estate assets and any loans secured over them.**

Refer to *Doc. 7.02 for Forum's Valuation Policy*, (see Section V-b) in REIF's data room for real estate valuation details. Each property's FMV is determined by an annual appraisal, prepared by an independent firm, with quarterly reviews of FMV by the Manager for intervening periods. All changes are documented, with audit procedures performed on

valuations as part of REIF's annual audit. Where intra-quarter valuations are required at the Manager's discretion, the process for quarterly valuations applies.

The FMV of a property is calculated exclusive of asset-level debt, if any. At the time of a property's annual appraisal the debt is also valued, with a premium or discount adjustment made for the assumed indebtedness, to account for interest rates above or below market rate for purposes of adjusting IFRS when calculating NAV.

**b. Are the valuations conducted internally and/or by a third-party appraiser?**

REIF's Board has ultimate accountability for REIF's asset and debt valuations, which will also be used to prepare the IFRS financial statements and to calculate performance, with valuations done as noted in Question 12-1c. REIF's Board is responsible for approving the NAV of each series of Units monthly, with REIF's Lead Trustee (i.e., the lead independent trustee) approving the firm(s) selected appraiser for each property. Appraisers will be members of the Appraisal Institute of Canada and will be selected based on their experience in the type of asset being appraised, along with reputation and cost. The appraisal firm will direct its appraisal report to REIF's Lead Trustee.

**c. If valuations are done internally, which Firm employees prepare valuations and what is their experience?**

The Manager's Real Estate Investment Team is responsible for performing interim quarterly valuations during periods between annual appraisals of each property, as these Forum professionals are the most knowledgeable on the primary inputs used to determine each asset's FMV (e.g., cap rates, discount / terminal cap rates, market rental rates, recent appraisals of similar properties, etc.). The Manager's Real Estate Investment Team uses third-party tools, such as *Altus Data Studio*, brokerage market reports, etc. to assess market inputs.

These internal valuations are reviewed and approved by the Manager represented by Forum's *Managing Partner, Real Estate* (Aly Damji) and Forum's *Managing Partner & CFO* (Rajeev Viswanathan). Both professionals have several decades of real estate experience and are skilled in real estate valuation methods. More specifically, over the past decade, Rajeev was involved in real estate valuation processes and had ultimate accountability for valuations used in financial reporting for several public real estate companies.

**3. Describe any significant changes in the Firm's Valuation Policy in the last 5 years.**

Forum's *Valuation Policy* (Doc. 7.02) was revised to adopt practices for private funds in conjunction with the launch of FUIOF I in December 2020. To prepare for REIF's launch, Forum's *Valuation Policy* was again updated in September 2021. Forum reviews its *Valuation Policy* at a minimum annually, to ensure that its policies and procedures are in line with current industry standards and best practices, and to ensure sufficient coverage of various asset classes and/or sectors.

**4. Describe any significant deviations between the Fund's standard reporting package and industry best practices.**

REIF's standard reporting package will be in line with best practices and consistent with public REIT reporting standards. Refer to Doc. 6.01 for the *REIF Q2 2022 Financial Reporting* in REIF's data room.

**5. Have any of the funds managed by the Firm ever received a qualified audit opinion?**

No funds managed by Forum have ever received a qualified audit opinion.

**6. Have performance fee allocations and payments in prior funds been audited to ensure they reflect the terms and conditions in the LPA? Will the performance fees associated with the Fund be audited annually?**

Yes, the Manager's Performance Fees (i.e., the Special Allocation) will be audited annually as part of REIF's year-end audit. Since Forum only recently launched funds, there has been no prior audit of performance fees.

## 13. Legal and Administration

### 1. List the Firm's and any related entities' current business relationships with any banks and other financial firms including, but not limited to, trading, lending, investment banking and capital markets.

- **Firm's Lender:** TD Bank is Forum's current lender and provides a \$6 million operating line to Forum. KingSett has also provided a \$35 million operating line to Forum.
- **REIF's RCF:** The Manager has secured a credit facility for REIF. As noted in *Question 3-6*, REIF has secured an RCF of up to \$55 million from a leading Canadian financial institution to manage REIF's short-term liquidity needs, including acquisitions, working capital and redemptions. A supplemental RCF has been arranged for Quad C1 and C2 which have a \$21 million limit at the Partnership's 70% share.
- **Custodian for Public Securities:** The Manager will engage Scotiabank to be REIF's custodian for REIF's allocation of up to 10% of its NAV in listed securities, which may be invested in Canadian REITs, REOCs, MICs and Canadian money market funds, to provide REIF immediate liquidity. The Fund does not hold any public securities at this time.
- **Underlying Properties' Mortgage Lenders:** In addition, Forum currently has a range of relationships with various financial firms that hold mortgages on each of the underlying properties that will become REIF's assets.

Table 20 summarizes REIF's current relationships with different banking institutions and other financial firms.

Table 20: REIF's Banking / Financial Firm Relationships	
Financial Service	Firm Name
RCF	Canadian Financial Institutions
Trading / Custodian (for Public Traded Securities)	Scotiabank
Mortgage Lenders	Forum has relationships with the majority of CMHC-approved lenders <a href="#">CMHC National Housing Act Approved Lenders</a>

### 2. Describe any past criminal or administrative proceedings or investigations against the Firm, any affiliate entities and/or its current and/or former employees.

To the best of the Leadership Team's knowledge, neither Forum nor any of its affiliated entities and/or its current and/or former employees have been involved in any criminal or administrative proceedings or investigations against Forum. Forum performs extensive background and criminal checks as part of the hiring process, including on the leadership of its portfolio companies (for private equity investments).

### 3. Describe any past investigations by an industry regulatory body of the Firm, its affiliated entities and/or its current or former employees.

There have not been any previous investigations of Forum by an industry regulatory body.

### 4. Describe any pending or ongoing litigation / investigation against the Firm, its affiliated entities and/or its current or former employees.

To the best of the Leadership Team's knowledge, there is no material pending or ongoing litigation / investigation against Forum, its affiliated entities and/or its current or former employees.

**5. Describe any accusation and/or conviction of fraud or misrepresentation against any of the Firm's current or former employees.**

To the best of the Leadership Team's knowledge, there has not been any accusation and/or conviction of fraud or misrepresentation against any of Forum's current and/or former employees.

**6. Describe the activities of the Firm's support functions (Finance and Fund Administration, Human Resources, etc.).**

- **Firm's Finance and Fund Administration – Real Estate Platform:** Forum's *VP Finance, Real Estate*, reports directly to the *Managing Partner, Real Estate*, and will have dotted-line accountability to Forum's *Managing Partner & CFO*. The *VP Finance, Real Estate* is responsible for the review and approval of all financial aspects relating to REIF, and ensures appropriate controls are in place and work effectively (i.e., oversee all day-to-day REIF operations and administration). The *VP Finance, Real Estate* established a team including a *Senior Accountant* and is supported by Forum's Corporate Team.
- **Firm's Human Resources Function:** Colleen Teed, Senior Advisor – People & Culture, is responsible for all human resource matters across Forum. The People & Culture capability is a shared service under Forum's Corporate Platform for the benefit of the entire Firm. Colleen, together with the rest of the Leadership Team, is responsible for hiring and on-boarding new recruits who align with Forum's culture and values. Colleen also administers Forum's performance management processes and advises the Leadership Team on compensation matters.

**7. Detail the processes and procedures for all investor-related capital movements (i.e., subscriptions, distributions and redemptions).**

- **Subscriptions:** Forum Asset Management Inc.'s dealing representatives manage the investor onboarding process for REIF and ensure that 1) the prospective Subscriber is eligible to invest, 2) the necessary documentation is completed, and 3) the investment is suitable for a potential investor. Once a dealing representative determines whether the transaction is suitable for a potential investor, Forum will then forward the subscription agreement to the issuer for approval or acceptance. Subscribers must remit funds to an in-trust account managed by SGGG, as the fund administrator. Forum may, at its discretion, accept or reject investors into REIF.
- **Distributions:** REIF's distributions will be set annually for each Series of Units, generally in the first quarter of the calendar year, with distributions paid monthly to Unitholders of record as at a set date each month.
  - **REIF's Distribution Reinvestment Plan ("DRIP"):** REIF will permit Unitholders to receive distributions in the form of additional Trust Units or cash. Unitholders may enroll in the DRIP (when completing the subscription agreement), which allows eligible Unitholders to have their cash distributions (if any) reinvested in additional Trust Units of the same series. However, the Manager may, at its discretion, terminate the DRIP.
- **Redemptions:** Unitholders can redeem monthly from REIF by delivering a completed redemption notice to SGGG on or before the beginning of the month. SGGG accumulates the redemption requests for a period and notifies the Manager before the end of the applicable month, where funds will be paid up to 30 days after month-end by SGGG.

**8. Provide an overview of the third parties providing services to the Fund. How does the Firm manage counterparty risk related to these third-party arrangements?**

- **Overview of REIF's Third-Party Service Providers:** *Table 21* summarizes the third parties providing services to REIF.

Table 21: REIF's Third-Party Service Providers	
Service	Outsourced Firm Name
Legal Counsel	BLG (Borden Ladner Gervais)
Tax Advisors	KPMG LLP
Auditor	Grant Thornton
Real Estate Appraiser(s)	Selected by REIF's Lead Trustee
Fund Administrator	SGGG
Custodian for Exempt Plans ( <i>Direct Subscribers</i> )	Olympia Trust Company

- **Firm's Third-Party Selection and Monitoring of Service Providers:** Forum selects its third-party service providers based on various criteria, including reputation, past track record, skill set and operational capabilities. Forum's process of selecting a service provider includes soliciting quotes and evaluating the above criteria. Once a service provider is selected, Forum negotiates a contract and sets up periodic reviews to discuss performance and ensure service levels continue to be met.
- **Counterparty Risk:** Forum uses the services of alternative third-party service providers across its various businesses, so it can quickly pivot if a change is required to reduce the reliance on any single service provider.

#### 9. What types of insurance coverage does the Firm maintain?

- **Firm's Professional Liability Insurance:** Forum maintains a professional liability policy with Berkshire Hathaway Specialty Insurance, which includes Errors & Omissions and Directors' and Officers' coverage, with a limit of \$10 million. REIF has been added as a Named Insured under the policy. Refer to *Doc. 7.03* for *Forum's D&O Insurance Policy* in REIF's data room.
- **Firm's Property-Level Insurance:** The Firm places property-level insurance (including commercial general liability, property and business interruption), based on recommendations from its broker, Arthur J. Gallagher, and market precedents.



## 14. Information Technology (“IT”), Cyber and Physical Security

### 1. Describe the Firm’s overall IT set up and major software programs used for key business functions, such as portfolio management, trade order management, administration and risk?

Rajeev Viswanathan (Forum’s Managing Partner & CFO) is responsible for Forum’s IT management, with execution outsourced to *TOMDOTCOM* (as of October 2021). *TOMDOTCOM*, a British Columbia-based company, has been in business for 16+ years and has considerable experience servicing firms such as Forum. More specifically, Forum outsources its IT network, hardware, application and help-desk support to *TOMDOTCOM*, with the implementation of new business applications and related integrations managed internally.

The Manager has established a trading account with Scotiabank in its role as custodian for any listed securities. If required, the Manager will use Scotiabank’s trade order / portfolio management system.

Table 22 provides a summary of the key applications used by the Manager when managing REIF:

Table 22: Forum’s Software and Systems Used for Business / Investment Functions	
Type of Software	Description
Productivity Applications	<ul style="list-style-type: none"><li>• Microsoft Office 365</li><li>• Zoom</li></ul>
General Accounting and Consolidation	<ul style="list-style-type: none"><li>• Yardi for general accounting</li><li>• Fund accounting applications</li><li>• Excel (consolidation)</li></ul>
Order Management for Listed Securities	<ul style="list-style-type: none"><li>• Scotiabank’s trade order / portfolio management system</li></ul>
Investor Portal	<ul style="list-style-type: none"><li>• SGGG manages an investor portal (for Direct Subscribers)</li></ul>
Property Valuation	<ul style="list-style-type: none"><li>• Argus Enterprise</li></ul>
Cash Management	<ul style="list-style-type: none"><li>• Internal systems and Scotiabank’s and TD Bank’s cash management platforms</li></ul>

### 2. Describe the positions, responsibilities, and members of the IT function in the Firm. Provide an overview of outsourced IT activities and how outsourced vendors are monitored.

As per *Question 14-1*, Forum’s IT vendor’s (*TOMDOTCOM*) performance is monitored via formal monthly meetings to review the current state of the IT and the various IT projects, with an annual technology review, which serves as input into Forum’s annual budget process.

### 3. Is the Firm compliant with any cyber security or information-security certifications?

Forum’s outsourced IT service provider (*TOMDOTCOM*) has implemented high standards for managing cyber and other information security risks. All Forum employees that receive a company computer upon hiring, must sign a company computer, internet and usage policy, with network activity monitored by third-party applications. All employees are required to complete Cyber Security Awareness training during the onboarding process and annually thereafter.

- **IT Security for Users, User Devices and Accounts:** Forum ensures that all users, user devices and accounts comply with the following standards:
  - Encrypted User Devices: All user devices that store company data or use company data services (e.g., email, file access, databases), desktop computers, laptops, mobile devices are encrypted at the hardware level (e.g., BitLocker for Windows computers).

- **Password-Protected User Devices:** All user devices are password protected, and strong password complexity requirements and forced changes are required multiple times a year. Where available, multi-factor authentication is enforced across *MS Office 365*, web services, and via a remote VPN network.
- **Cisco End-Point Security:** User devices are secured with *Cisco* end-point security software, which works in conjunction with the *Cisco active NexGen* firewalls at Forum's office, and reports to the *Cisco Firepower* system.
- **Other Device Security:** Mobile device management is enforced on users' mobile devices that access company data or use company IT resources. User devices are patched with manufacturer recommended updates weekly.
- **IT Security for Office Networks and Servers:** In addition, Forum ensures that all office networks and servers comply with the following standards:
  - A *Cisco active NexGen* firewall is implemented at Forum's office. The firewall has a subscription to monitor traffic for potential security threats. Alerts are sent to IT for action and data is collected in *Cisco Firepower* systems.
  - The latest up-to-date secure protocols are used for the internal WiFi network. Security-certificate authentication is implemented.
  - VLANs are implemented as a security layer to isolate the different types of data. Computers, servers, WiFi, Guest WiFi, VOIP, and internet access.
  - Network port access (hard wired) is controlled and secured with 8021.x authentication.
  - Physically unused network ports are disabled at the hardware level in all network devices.
  - Mobile phones are isolated on a separate WiFi and VLAN.
  - Servers and network equipment are patched with critical updates, as needed. Non-critical patches and updates are applied at least monthly, as needed.
  - Servers are physically secured.
  - Server data and backups adhere to the industry standard 3-2-1 rule: 3 copies of the data (1 production, 2 backups). Forum requires that disk images are taken throughout the day so that team members can generally restore lost data. Full backups are taken
    - hourly in the cloud office data centre in Vancouver and nightly backups are copied to the data centre in Toronto.
  - Server backups are encrypted during transit and rest.

#### 4. Is IT, cyber and physical security a standing item on the Firm's board (or equivalent) agenda?

Given the nature of activities performed by Forum, IT, cyber and physical security risks are matters addressed as part of Forum's annual review with its outsourced IT service provider.

#### 5. Does the Firm have a formal, documented Cyber Incident Response Plan that describes workflow in the event of a cyber incident?

Refer to *Doc. 7.01 for Forum's Compliance Manual. Cyber Security Policy* in REIF's data room. Forum has assessed its cyber risk as low given the corporate-related matters performed and lack of real-time information needed to manage the business (i.e., generally systems are related to accounting and finance matters that are not time sensitive). Also, sensitive data (e.g., employee and tenants) are retained in cloud-based applications (e.g., Ceridian for payroll and third-party accounting systems used by third-party property managers).

The Firm's cyber-incident response plan is based on the following:

- **Security Incident Response Relating to Ransomware:** The following steps are taken in the event of an incident:
  - Do not pay the ransom;
  - Disconnect suspected compromised devices from the network;
  - Run an anti-virus scan on the device and remove malware if possible (if situations where no backups exist);
  - Certain ransomware variants have recovery programs or keys available from reputable sources (if no backups exist);
  - Reset the device to factory settings;
  - Restore the device to a previously backed-up good state;
  - Run automatic updates for the operating system and software;

- Change all passwords that were used on the compromised device(s); and
- Using the service's online portal, sign all untrusted devices out of services (e.g., social media accounts).
- **Security Incident Response Relating to Malware (Spyware, Adware, Rootkits):** The following steps are taken in the event of an incident:
  - Disconnect suspected compromised devices from the network;
  - Sign into accounts on a separate, trusted device and change all passwords used on the compromised device;
  - Sign into accounts on a separate, trusted device and sign all unknown or untrusted devices out of online services;
  - Run an anti-virus scan on the device and remove malware;
  - Restore the device to a previously backed-up good state; and
  - Run automatic updates for the operating system and software.

**6. Has the Firm experienced any material internal or external information / cyber security incident in the past 3 years?**

No, Forum has not experienced any material internal or external information / cyber security incident in the past 3 years.

**7. Are all of the Firm's servers, work-stations and remote devices connecting to corporate networks required to have approved anti-virus / anti-malware software installed?**

Yes, as noted in *Question 14-3*, anti-virus and anti-malware software is installed on Forum servers, work-stations and remote devices connected to corporate networks to detect any malware or malicious code, and the robustness and regularity of scanning is set to investment industry standards.

**8. How frequently does the Firm carry out IT security training for staff?**

IT and cyber security training for staff is formally completed during Forum's onboarding of new staff, and on an as needed basis thereafter. As noted, all employees and contractors must sign a company computer, internet and use policy, and Forum continually seeks to improve its IT security and cyber security and the related training. Cyber Security Awareness training is mandatory for all new hires during the onboarding process and annually thereafter.

**9. Does the Firm carry out phishing or similar social engineering tests on its staff?**

Forum uses automated systems to detect spam, phishing messages and other malicious emails from entering and leaving its servers. In addition, Forum regularly conducts phishing tests across all team members.

**10. How frequently are full (physical and system) vulnerability assessments carried out across the Firm's entire IT infrastructure?**

At a minimum, a full (physical and system) vulnerability assessment is carried out annually across Forum's entire IT infrastructure. As noted, Forum continually seeks to ensure that it enhances its IT system and overall IT and cyber security.

**11. How frequently are internal and external IT penetration tests carried out?**

*TOMDOTCOM* conducts internal and external IT penetration tests as follows:

- Random email phishing, malware, spyware fake campaigns are run multiple times during the year against Forum's users constantly to educate its staff on an ongoing basis.
- External penetration testing is conducted on the firewalls multiple times a year using industry standard systems and tools.

**12. Are there any critical or high-risk points from any IT penetration tests or vulnerability assessments that are currently outstanding and have been so for over 6 months?**

No.

**13. Has the Firm engaged with an external cyber security specialist as a first point of contact in the event of an incident?**

Forum's outsourced IT service provider (*TOMDOTCOM*) has implemented high standards for managing cyber and other information security risks.

**14. How is physical access to the server / communication room controlled?**

Forum's network and server equipment is behind a locked door in a room only used for this equipment, with Forum's office manager having a key. A room access log is maintained.

## 15. Disaster Recovery and Business Continuity Plans

### 1. Is the Firm compliant with international standards on business continuity management systems?

Forum closed its offices at the start of COVID-19 in March of 2020, and fully reopened them in August 2021. During this period, all employees had mobile phones and company laptops with access to Forum's network and applications via a dual-authenticated cloud environment. Hence, there was virtually no interruption in business and Forum continued to operate successfully. As noted in *Question 14-1*, Forum has outsourced its service provider covering its IT network, hardware, application, and help-desk support to *TOMDOTCOM* (in October 2021).

If there is a network outage in the office, employees can connect to the network using home and/or cellular networks both inside and outside of the office.

### 2. Are the Firm's disaster recovery and business continuity plans and their related policies regularly reviewed for appropriateness and approved by management?

Forum reviews its Disaster Recovery and Business Continuity Plans at least annually to modify them for any changes in operations, structure, business, or location. Forum's Managing Partner & CFO is responsible for maintaining and updating the Disaster Recovery and Business Continuity Plans. Refer to *Doc. 7.01 for Forum's Compliance Manual. Business Continuity Plan* in REIF's data room.

### 3. How frequently are the Firm's disaster recovery and business continuity plans tested?

Both the Disaster Recovery and Business Continuity Plans for Forum are tested annually.

### 4. Can all business-critical staff work from home, and do they use organization-supplied hardware or their own?

As per *Question 15-1*, employees can access Forum's network and applications via a cloud environment when outside of work premises and ensure that day-to-day tasks and responsibilities can be completed. This was tested during the office closure resulting from COVID-19.

### 5. Do all servers and network devices receive power from an uninterruptable power supply?

Yes.

### 6. Does the Firm have a specific back-up location for staff? In this location, is the seating dedicated or syndicated? If it is syndicated, what proximity restrictions are in place?

In May 2022, Forum added another office location in Brookfield Place to accommodate both growth and back-up support.

## 16. Important Information for DDQ Recipients

The information contained in this due diligence questionnaire (“**DDQ**”) is for informational purposes only, is not investment, financial or other advice, and is not intended to be used as the basis for making an investment decision. This DDQ does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities, nor shall any part of this DDQ form the basis of, or be relied on in connection with, any contract or investment decision in relation to any securities of Forum Real Estate Income and Impact Fund (“**REIIF**” or the “**Fund**”). This DDQ does not constitute any form of commitment, recommendation, representation, or warranty on the part of any person. No reliance should be placed on the completeness of the information in this document. This DDQ is not intended to be a comprehensive review of all matters concerning the Fund.

This DDQ contains a summary of the principal terms of the Fund and Forum Real Estate Income and Impact LP (the “**Partnership**”) and is not intended to be a complete description of the terms of the Fund and the Partnership and is qualified in its entirety by reference to the Declaration of Trust of the Fund, as amended and/or restated from time to time (the “**DoT**”) and the Limited Partnership Agreement of the Partnership, as amended and/or restated from time to time (the “**LPA**”).

No securities regulatory authority or regulator has assessed the merits of the securities offered herein or reviewed this DDQ. Any sale or an offer to sell REIIF’s securities will only be made where they may be lawfully offered for sale and, in such jurisdictions, only by persons permitted to sell such securities. The securities referred to herein may only be sold to prospective subscribers who reside in certain provinces and territories of Canada and who meet certain eligibility criteria on a basis which is exempt from the prospectus requirements of applicable Canadian securities laws. The securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to or for the account or benefit of U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act).

This DDQ was prepared by Forum Asset Management Inc., the manager of the Fund and the Partnership (the “**Manager**”) for the benefit and internal use of the person to whom it is directly addressed and delivered to assist the recipient in conducting due diligence on the Fund. This DDQ was developed on a confidential basis solely and exclusively for the recipient’s use and not with a view to public disclosure (whether under any securities laws or otherwise). The information, including any analysis and/or case studies noted in the DDQ, is for discussion purposes only. This DDQ may not be used for any purpose other than as may be specifically contemplated herein. This DDQ must not be disclosed, copied or reproduced, distributed or passed to others at any time without the Manager’s prior written consent.

This DDQ may contain statistical data, market research and industry forecasts that were obtained from government or other industry publications and reports or are based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. While the Manager believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Manager has not independently verified any of the data from independent third-party sources referred to in this document or ascertained the underlying assumptions relied upon by such sources. The Manager does not make any representation as to the accuracy of such information. Neither the Fund, the Partnership, the Manager nor any of its respective employees, affiliates, advisors or representatives makes any representations (express or implied) as to the accuracy or completeness of such information contained herein and nothing contained herein is or shall be construed or relied upon as, a representation, whether as to the past, present or future.

Certain statements in this DDQ may constitute “forward-looking statements.” Words such as “expects”, “anticipates”, “plans”, “targets”, “believes”, “estimates”, “will”, “may”, “can”, “could”, “would” and variations of these words and similar expressions are intended to identify forward-looking statements, which include but are not limited to projections of earnings, performance and cash flows as well as REIIF’s investment criteria, objectives, restrictions, strategies and process (including asset management approach), matters related to the payment of fees and expenses (including Asset Management Fees and Special Allocation), expectations with respect to market opportunities of the real estate sectors that the Fund and the Partnership intend to invest and operate in, statements with respect to the types of properties that will be acquired by the Partnership, REIIF’s intention to obtain debt financing and its general use, Forum Investment and Development Corporation’s (“**Forum**”) method to fund its commitment in REIIF, REIIF’s ESG objectives and targets, including its ability to create net positive ESG impact, and REIIF’s potential investment pipeline, that the Partnership intends to purpose and the right of first offer granted by Forum to the Partnership. This DDQ also contains information or disclosure that may constitute future-oriented financial information and financial outlook information under applicable Canadian securities laws (collectively, “**FOFI**”) about REIIF’s prospective results and target return, which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth for forward-looking statements herein.

Forward-looking statements and FOFI involve subjective judgment and analysis and reflect the Fund and the Manager’s expectations and are subject to significant uncertainties, risks and contingencies outside the control of the Fund and the Manager, which may cause actual results to vary materially from those expressed or implied by these forward-looking statements and FOFI. All forward-looking statements and FOFI speak only as of the date of this DDQ. Numerous factors could cause actual results, performance or achievements to differ materially from the results discussed in the forward-looking statements and FOFI, including, but not limited to: general business, economic, competitive, political and social uncertainties; the lack of available capital; the Manager’s ability to execute REIIF’s investment strategies; Forum’s ability to source, develop and/or sell properties to the Partnership; the ability of the Manager to obtain qualified staff, equipment and services in a timely and cost-efficient manner; the completion of the real estate developments by Forum; the Fund’s qualification as a “mutual fund trust” under the *Income Tax Act* (Canada); the impact of Canadian federal income taxes; and the Fund and the Partnership’s treatment under governmental regulatory regimes, securities laws and tax laws. Although the Fund and the Manager believe that the expectations reflected in the forward-looking statements and FOFI are reasonable, it cannot guarantee future results. Because of the risks, uncertainties and assumptions inherent in forward-looking statements and FOFI, prospective subscribers should not place undue reliance on forward-looking statements or FOFI. The information in this DDQ reflects prevailing conditions and the Fund and the

Manager's views as of this date, all of which are accordingly subject to change. The Fund and the Manager's opinions and estimates constitute the Fund and the Manager's judgment and should be regarded as indicative, preliminary and for illustrative purposes only.

The Fund and the Manager expressly disclaim any liability resulting from the use of the information contained herein or otherwise supplied or resulting from the failure to supply additional information. The Fund and the Manager further disclaim any intent or obligation to update any information, including forward-looking statements and FOPI in this DDQ, whether as a result of new information, future events or otherwise, unless otherwise required by law. The Fund and the Manager believe that the materials in this DDQ must be reviewed as a whole and that selecting portions of the analyses and the factors considered by the Fund and the Manager without considering all the factors and analyses together could create a misleading view of the information included in this DDQ. The preparation of this DDQ is complex and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lend to undue emphasis on any particular factor or analysis.

***There is no guarantee of performance and past or projected performance is not indicative of future results. Unless otherwise noted, all references to "\$" or "Dollars" are to Canadian Dollars. All representations are made as of the date hereof, unless otherwise expressly indicated, and no duty to update said representations is assumed.***