

## Objective

To provide investors with stable cash distributions, payable monthly, low volatility and a focus on capital preservation.

## Return Profile

Average annualized return

# 6.41%

## Fund Overview

Real Estate Private Debt Firm with 45+ years experience and \$21.7B in AUA. We specialize in building commercial focused mortgage portfolios.

## Investment Terms

**Fund Type:** Mutual Fund Trust  
**Registered as:** IFM (Investment Fund Manager)  
**Fund Status:** Offering Memorandum  
**Inception Date:** April 20th, 2018  
**Fund AUM:** \$30 Million  
**Firm AUM:** \$230 Million  
**Firm AUA:** \$21.7 Billion  
**Asset Manager:** CMLS Asset Management  
**Valuations:** Monthly  
**Management Fee:** 1%  
**MER:** Capped at 1.40%  
**Performance Fee:** None

\*Refer to Offering Memorandum for full details

## Why Invest

- 10+ year track record of 5-7% returns
- Little to no exposure to Land Construction deals as they increase risk
- Strategic asset allocation between commercial and residential mortgages
- Real estate values could compress 41% on average before the Fund may incur a loss
- We own the debt – we do not take on any equity in the transaction
- Low correlation with traditional asset classes
- 260+ specialists supporting our infrastructure
- Transparency of fees
- CMLS has 7 major offices in Canada

## Performance Results - Growth of \$10,000 Investment (since inception)

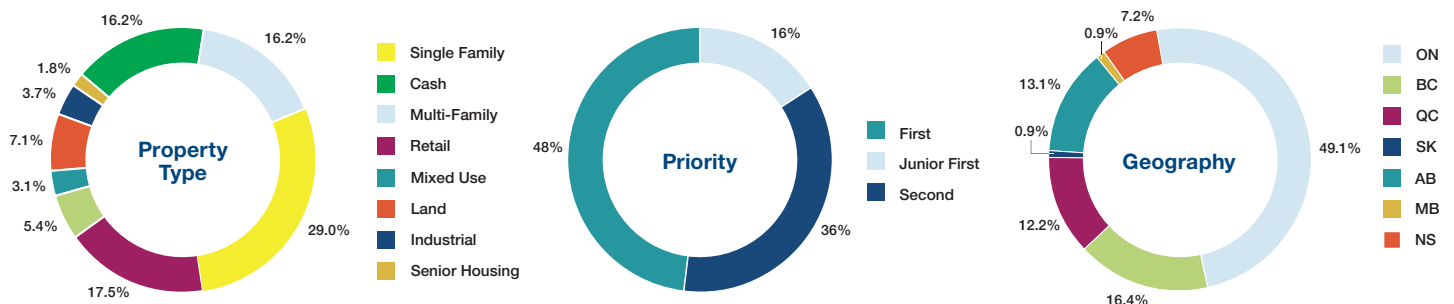


## Annual Returns

% RETURNS	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
MORTGAGE FUND	5.74%	8.24%	6.18%	6.53%	7.34%	6.42%	6.31%	5.60%	5.87%	6.05%	5.57%
S&P/TSX TR	-34.17%	37.46%	17.61%	-8.71%	7.19%	12.99%	10.55%	-8.32%	21.08%	9.10%	-8.89%

As of September 30, 2018

## Portfolio Details



## Opportunities in Real Estate Debt

The 2008 financial crisis was the catalyst for banks to implement stringent lending practices. Since then, there has been increased growth into real estate private debt as small to mid cap companies look to alternative lending solutions in order to grow their business.

CMLS clients benefit by the manager lending to high quality borrowers at a higher premium. We can enhance returns by investing in less competitive/inefficient markets. Protect Income by focusing on quality borrowers and stable underlying collateral. Reduce risk by investing in a broad selection of mortgages and reduce interest rate risk by investing in short duration mortgages.

### Investment Policy Snapshot

**Asset Sub-class:** Commercial and Residential Mortgages  
**Concentration Limits:** 10% to Any Entity  
**Max Loan Size:** 10% of Fund Assets  
**Target Duration:** 1-3 years  
**Target Loan to Value:** 65%  
**Target Fund Leverage:** 0%  
**Land Construction:** 0-10%

## How to Invest

<b>Fundserv Codes</b>	Series A : CLS 100 Series B : CLS 102 Series F : CLS 104 Series I : CLS 106
<b>Minimum Investment</b>	\$25,000
<b>Minimum Increments</b>	\$5,000 (excluding DRIP)
<b>Eligibility</b>	OM / Accredited Investors / Minimum Investment only
<b>Registered Status</b>	RRSP, TFSA, RRIF, RESP, RDSP eligible
<b>Redemption</b>	Redeem monthly with a minimum of 15 days notice before the last business day of the month. If redeemed in YR 1, there is a 1% penalty (50 bps of which goes back into the fund.) Redemption of \$1M plus require 30 days notice
<b>Distribution</b>	Monthly on 21st of each month
<b>Distribution Reinvestment</b>	Available through a Distribution Reinvestment Plan
<b>Management Fees</b>	1.00% (Class F); 1.25% (Class A) - 25 bps trail 1.45% (Class B) - 45 bps trail No Performance Fees 50% of the Origination fees go back to fund and unitholders

## Investment Guidelines

We have a flexible strategy with a bias towards cash-flowing commercial mortgages.

### Commercial Mortgages

# 50-100%

### Single Family Mortgages

# 0-50%

Weighted Average  
Loan-to-Value

# 59%

Weighted Average  
Term to Maturity (Years)

# 1.62

Number  
of Loans

# 31

### Commercial Portfolio

Average Borrower Net Worth

# \$123M

Tenants Across 19 Properties

# 1,492

Average Debt Service

# 1.1x

### Residential Portfolio

Average Borrower Credit Score

# 735

Weighted Years to Maturity

# 0.99

Focused on Major Markets in the GTA and GVA

# 100%

Performance herein is by the Manager, its principals, employees and affiliates. Past performances and portfolio mix of the Manager and its personnel are not indicative of future results or portfolio mix of the Fund. An investment in Offered Securities is considered high risk and appropriate for those who qualify as Accredited Investors only and who can absorb a significant loss. Unless otherwise indicated, all information herein is as of September 30, 2018. Historical performance shown is net of fees in class I units. Redeem monthly with a minimum of 15 days notice before the last business day of the month. Subject to available cash.