

# Timbercreek Four Quadrant Global Real Estate Partners



Quarterly Fact Sheet as of December 31, 2018

## Investment Overview

Timbercreek Four Quadrant Global Real Estate Partners (the "Partnership") has been formed for the purpose of constructing, on a discretionary basis, a globally diversified, actively managed portfolio of real estate investments in accordance with the investment objectives of the Partnership.

The Partnership's objectives are to:

1. Maximize total returns for Unitholders, consisting of income and capital appreciation; and
2. Provide Unitholders with regular distributions;

by selecting, purchasing and actively managing diversified real estate related assets and investments, including but not limited to, direct interests in real estate, mortgages and other real estate related debts and investments.

## Investment Highlights

The Partnership's investment highlights include:

- access to real estate private equity while also providing liquidity and income,
- similar targeted total returns as REITs, but with lower volatility,
- higher targeted yield than fixed income, but with similar volatility,
- ability to modify allocations to suit different market availability,
- leveraging Timbercreek's global, integrated real estate platform and extensive experience, supported by a proven track record.

### Annualized Returns<sup>1</sup>

	3 Months	1 Year	3 Year	5 Year	Since Inception <sup>2</sup>
Partnership	3.8%	8.5%	7.7%	9.4%	10.1%

### Calendar Returns<sup>1</sup>

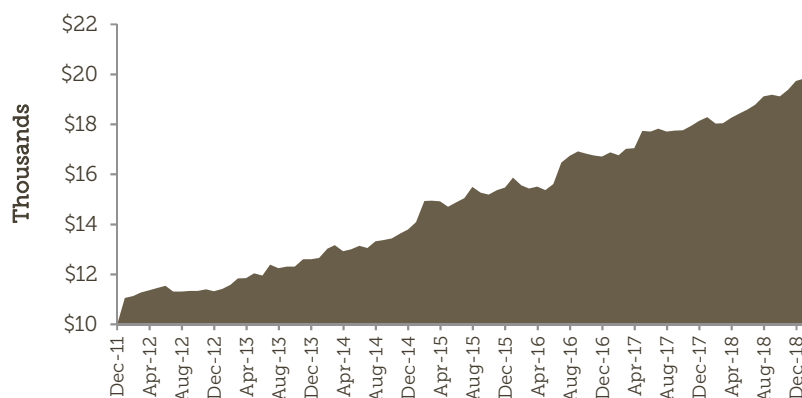
	2018	2017	2016	2015	2014
Partnership	8.5%	8.3%	6.4%	12.6%	11.3%

## Partnership Details

<b>Structure</b>	Private Limited Partnership / Private Trust* available
<b>Purchase Options</b>	Trust Class A: TBR600 Trust Class F: TBR601 Institutional classes available
<b>Target Return</b>	5% per unit distribution, paid monthly
<b>Liquidity</b>	Quarterly at NAV (30 days notice)
<b>Management Fee<sup>3</sup></b>	1.5%
<b>Performance Fee</b>	20% of total return in excess of 8% hurdle rate/subject to high-watermark
<b>Registered Tax Plans</b>	Trust Class A and B units RRSP, RRIF, DPSP, RDSP, RESP, TFSA eligible

Top 10 Investments	Asset Class	Country	% of Gross Assets <sup>4</sup>
GTA Mixed Use - Wynn	Private Equity	Canada	8.4
Toronto Mixed Use - Urban Redevelopment	Private Equity	Canada	4.8
Ottawa Apartment Mortgage - Rideau	Private Debt	Canada	4.1
Sacramento Office - L Street	Private Equity	United States	3.4
Seattle Apartment - Stewart	Private Equity	United States	3.0
US Apartment Loan - Sunbelt Portfolio	Private Debt	United States	2.4
Toronto Apartment Loan - Lawrence West	Private Debt	Canada	2.1
Tokyo Office - Aoyama	Private Equity	Japan	1.9
Boston Office - Center Plaza	Private Equity	United States	1.8
Sacramento Shopping Center - Blue Oaks	Private Equity	United States	1.8

### Growth of \$10,000<sup>1</sup>



\*Trust was established to provide access to the benefits of the Timbercreek Four Quadrant Global Real Estate LP (Partnership) strategy for registered and non-registered accounts. \*\*Limited Partners will have the right to redeem Units of the Partnership on the last business day of each calendar quarter. Payment of redemption proceeds will be made within 60 days following the applicable quarterly redemption date. <sup>1</sup>Net of accrued management and performance fees and all fund expenses. Returns greater than 1 year are annualized. Based on net fund level returns of the Partnership. <sup>2</sup>Inception date November 30, 2011. <sup>3</sup>Class A Private Trust units have a 1.0% trailer fee. <sup>4</sup>% of Gross Assets<sup>4</sup> is calculated based on the Partnership's portfolio value excluding cash and cash equivalents.

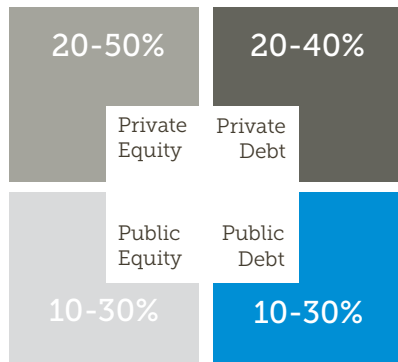
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## The Four Quadrants of Real Estate

Adding real estate to a portfolio of equities and fixed income provides diversification that can reduce risk and offers a balance of income and growth. Capital will be allocated across the four quadrants with an increased weighting given to those with the most attractive risk-adjusted return potential.

## Target Allocations



### Private Equity

- Focuses on value-add opportunities where returns are premised on asset repositioning rather than cap rate compression or multiple expansion
- High targeted returns with low volatility

### Private Debt

- Invests in debt secured by real estate or issued by companies that primarily own real estate
- High coupons due to inefficiencies in a marketplace as well as customization of the loan terms

### Public Equity

- Targets companies trading at deep discounts to book value with promising growth, not properly valued or with outstanding catalysts that could change their pricing paradigm
- High targeted returns while providing liquidity

### Public Debt

- Targets investments in publicly traded debt and debt-like instruments, including preferred shares, convertible debentures, corporate bonds, mortgage investment corporations and mortgage REITs
- High current yields in a very liquid form

Portfolio Allocation By Quadrant	% of Gross Assets <sup>5</sup>
Private Equity	39.2
Private Debt	31.4
Public Equity	19.2
Public Debt	10.1

Portfolio Allocation By Sector	% of Gross Assets <sup>5</sup>
Multifamily	27.4
Diversified	23.5
Office	15.1
Residential	7.2
Shopping Centre	7.0
Mortgage REITs	5.3
Data Centre	3.3
Industrial	2.4
Triple Net Lease	1.9
Regional Mall	1.8
Healthcare	1.6
Hotel	1.2
Self Storage	1.0
Single Family Rental	0.8
Student Housing	0.4

Portfolio Allocation By Region	% of Gross Assets <sup>5</sup>
United States	45.2
Canada	40.0
Japan	4.3
Ireland	2.6
Hong Kong	1.9
Belgium	1.0
Singapore	1.0
Germany	1.0
Norway	1.0
Australia	0.9
France	0.6
Italy	0.4

## The Manager

Timbercreek Investment Management Inc., together with its affiliates, is a global alternative investment manager with over \$8.5 billion<sup>6</sup> in assets under management. Timbercreek employs a value-oriented investment philosophy across its three business lines – private mortgages, direct real estate and public securities. Timbercreek's broad platform provides exposure to a high volume of deal flow and extensive contacts in the real estate industry, arming the Manager with a deep understanding of the marketplace and access to more essential information than a singularly focused market participant.

## Investment Team

Portfolio management for the Partnership is led by Corrado Russo, Senior Managing Director, Investments. Mr. Russo leverages the Manager's global, integrated real estate platform which includes over 90 portfolio managers, research analysts and investment professionals located in Canada, the U.S., Europe and Hong Kong to originate, underwrite and actively manage investments. All private investments are also reviewed and approved by the Manager's Investment Committee which is comprised of the head of each business line – private mortgages, direct real estate and public securities.



**Corrado Russo, MBA, CFA**  
Senior Managing Director, Investments  
& Global Head of Securities  
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<sup>5</sup>% of Gross Assets is calculated based on the Partnership's portfolio value excluding cash and cash equivalents. <sup>6</sup>As of September 30, 2018. Includes syndicated debt under administration. THIS DOCUMENT IS FOR PROFESSIONAL AND QUALIFIED INVESTORS ONLY AND IS NOT TO BE USED BY OR FOR RETAIL INVESTORS. Timbercreek Four Quadrant Global Real Estate Partners is offered for sale, and sold, only to persons who are accredited investors pursuant to an offering memorandum that describes the business and affairs of the Partnership and the Trust. This document is provided for informational purposes only, does not constitute an offer to sell, or a solicitation to buy, securities of the Partnership and the Trust and must be considered in conjunction with the offering memorandum. A person that qualifies as an accredited investor may obtain a copy of the offering memorandum from Timbercreek Investment Management Inc. on request. Neither this document, nor the offering memorandum, should be distributed, reproduced or communicated to a third party without the express written consent of Timbercreek Investment Management Inc. The past performance of the Partnership and the Trust is not indicative of its future performance, and there is no guarantee that targeted returns will be achieved. All amounts in Canadian dollars unless otherwise specified. ©2018 Timbercreek Asset Management Inc. All rights reserved.