

FIERA REAL ESTATE OPPORTUNITY FUND V UK “FREOF V”

EXECUTIVE SUMMARY

FREOF V will seek to deliver its returns through a combination of focused asset management, change of use and Grade A asset development.

The vehicle may benefit from the long term thematic trends of:

- Technological change affecting real estate use and service
- Long term demographic growth driving demand
- Urbanisation focusing demand

This will help exploit Fiera Real Estate’s vertically integrated business model, combining investment management with an operating platform of 10 specialist property companies across the UK.

It will focus on:

- Income with asset management angles
- City office and mixed-use development
- Urban logistics / industrial development
- Land with potential for residential (including BTR)
- Corporate owned facilities

An immediate opportunity exists to exploit the market disruption from a changing UK and EU relationship. Corporate owners and users of real estate will need to exit or re-purpose older assets, and build new facilities in the UK to meet new trading arrangements.

KEY TERMS

Structure	UK LP with on and offshore feeder vehicles
Target size	£250m
Target returns¹	12-15% net IRR
Target leverage	c.30% at portfolio level
Investment window	2 year investment window from November 2019
Fund life	Maximum 6 years
Sector	All commercial sectors, plus residential for sale or rental
Location	Pan UK with a focus on the major UK cities
Style	Value add & opportunistic
Equity per deal	£3m-£25m
Minimum investment	£5m per investor group
Subscriptions	Quarterly (within investment window)
Redemptions²	Closed ended

1. Target returns are not guaranteed

2. Redemptions are subject to restrictions

ABOUT FIERA REAL ESTATE

Fiera Real Estate’s UK division is an investment management firm, which focuses on both creating and actively managing core assets for investors. The UK business was founded in 1992 (as Palmer Capital) and directly manages over £815million Assets Under Management (AUM).

Its vertically integrated business model has been achieved by backing ten regional property companies in the UK. This has created a pan UK platform of partnerships that allows investors to access some of the best deal flow and entrepreneurial managers within the centralised framework provided by Fiera Real Estate. It is the UK division of Fiera Real Estate, which globally manages over \$5billion of commercial real estate through its investment funds and accounts.

The fund benefits from Fiera Real Estate’s regional UK platform, which provides an established deal sourcing and execution channel which uses local management skills to ensure close monitoring and skilled oversight during the delivery of each real estate asset’s business plan.

REGIONAL PROPERTY COMPANIES³



3. Fiera Real Estate has a 33.3% share in ten UK regional property companies.



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INVESTMENT RATIONALE

Technological Impact on the use of Real Estate

Technology is changing the way corporate occupiers use real estate and reducing the demand for conventional office space. Retailers are also changing their routes to market – driving the need for more logistics to be delivered in urban areas. In addition, customers increasingly want real estate delivered as a service.

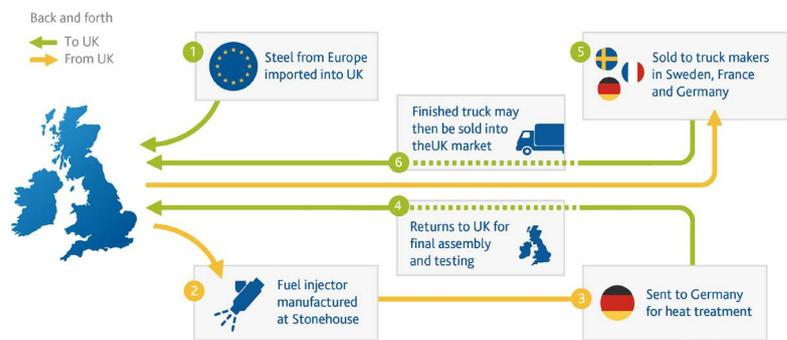
Technology and Real Estate

- 50%** Reduction in office space per employee in last 10 years
- 89%** Growth in UK online sales in last 6 years
- 20%** Logistics units in UK being leased direct to retailers in 2018
- 95%** Amount of corporates looking to increase flexible workspace

Brexit

The UK may see significant changes in the location of corporate real estate assets (driven by the EU relationship and changing business models) which in turn will mean facilities relocate into or out of the UK. This creates an opportunity to buy from corporate owners/occupiers (who want to exit their liability) and/or deliver assets to meet their future needs.

Supply chain dynamics are changing¹



1. Case study: UK car manufacturer, Financial Times

Demographic Growth and Urbanisation

The UK's population continues to grow and housing stock remains under-supplied. There is an on-going trend towards urban living, which is likely to continue to result in the under-supply of residential property, both for sale and rent, across the main UK cities.

Forecast Population Growth - Strong Demand²

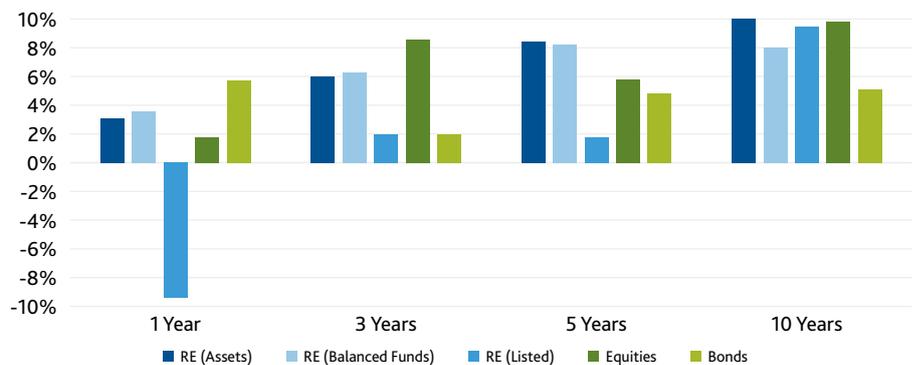
	2020	2030	2050	% GROWTH
Germany	82.3m	83.8m	82.7m	-0.12%
UK	67.1m	71.5m	78.3m	18.1%
France	67.2m	69.1m	71.6m	7.0%
Italy	60.2m	58.9m	55.9m	-7.6%
Spain	47.1m	48.1m	49.9m	6.8%

2. EuroStat, Population Projections, November 2019

Maturing of Pension Schemes

The western economies have a maturing pension market that is increasingly de-risking portfolios by owning cash flow based assets. This is driving the yield gap from secondary (risk) assets to income producing core assets – increasing the potential reward for effective asset management.

UK multi asset class performance³



Past performance is no guarantee of future results



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INVESTMENT STRATEGIES

PARTNERSHIP WITH CORPORATES

- Seek to rationalise and improve corporate real estate portfolios.
- Target turning liabilities into assets.
- Aim to create bespoke assets to meet changing requirements.

MIXED-USE ASSET CREATION

- Developing office buildings which harness technology to meet today's occupiers' requirements.
- Developing multi-family residential in key demographic areas.
- Creating urban mixed-use communities in city centres.

ACTIVE MANAGEMENT OF ASSETS WITH INTRINSIC VALUE

- Acquiring under managed assets with cash flow and potential to add value.
- Seek to drive return through creative and localised asset management.
- Aim to create long term income streams in a low yielding environment, selling income to investors.

SUMMARY

Strong Track Record

Fiera Real Estate has a strong track record delivering consistently high returns since the firm's first fund launch in 2004.

Vertically Integrated Platform

Investors' returns will be enhanced by a single fee structure provided by Fiera Real Estate's vertically integrated business model, combining an FCA regulated investment management with a fully aligned and dedicated local asset management teams.

Broad Access to Deal Flow

The vehicle will access assets from both the Fiera Real Estate investment team in London and the property companies based in all of the main UK cities. This brings skilled local knowledge, strong local relationships with key contacts in each region and extensive access to deal flow.

Established Partner

This vehicle provides investors with the opportunity to capitalise on the compelling UK market opportunity with an established and trusted partner.



TEAM



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DISCLAIMER

Past performance is not a guarantee of future results; inherent in any investment is the potential for loss.

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Performance

Actual performance of portfolio investments in Funds managed by the Manager may differ materially from the targeted performance of such portfolio investments. Such targets are being utilized in the calculation of the unrealized investment performance and are inherently subject to uncertainty and factors beyond the control of the Manager or the portfolio entity. The inaccuracy of certain assumptions, the failure to satisfy certain requirements and the occurrence of other unforeseen events could impair the ability of a portfolio investment to realize the unrealized returns outlined herein.

Risks of alternative investments

Alternative investments are speculative and involve a great deal of risk and are not suitable for all investors. There can be no assurance that the Fiera Real Estate (the “Manager”) strategy or target objective will be successful. The overall performance of the Fund is dependent not only on investment performance but also on the Manager’s ability to source assets. Investment return and principal value will fluctuate so that an investor’s units, may be worth more or less than original cost. The fees and expenses charged within the Fund may offset its total return. Exposure to currency fluctuations may have an impact on such strategy’s cash flow and asset values denominated in the currency of domicile. The use of leverage could increase the risks of an investment. Portfolio Investments may be subject to high levels of regulation which could result in risks related to delays in obtaining relevant permits or approvals. Investors should be aware that there will be instances where the company or its clients will experience actual conflicts of interest with the Fund. There is a liquidity risk with the Fund as it will be closed-ended and with no ability for investors to redeem units.

Risks:

The Funds are not registered under the Securities Act of 1933, as amended, or the Investment Company Act of 1940, as amended.

Any investment in the Interests is speculative, is not suitable for all investors and is intended for experienced and sophisticated investors who are willing to bear the high economic risk of the investment, which may include, among other risks:

- loss of all or a substantial portion of the investment in the Interests due to leveraging and other speculative investment practices;
 - lack of liquidity in that there is no secondary market for the Interests and none is expected to develop;
 - volatility of returns;
 - restrictions on redemption and transferring interests;
 - potential lack of diversification and resulting higher risk due to concentration of the Portfolio Investments by industry;
 - absence of information regarding valuations and pricing on the Interests and the Portfolio Investments; and
 - less regulation and higher fees than mutual funds.
- consider consulting your tax adviser and counsel regarding an investment in the Fund.
- please refer to the Fund’s offering documents for a more complete description of potential risks and conflicts of interest.

Past performance of the General Partner or the Manager is not indicative of future performance.

Potential conflicts of interest may arise from the relationship between Fiera Real Estate and its affiliates.

Calculation of returns

There can be no assurance that the target returns will be achieved. The actual projects acquired by the fund may not replicate the performance of the illustrative portfolio on which the target returns are based. Project business plans can be influenced by a large number of variables such as construction costs, planning, changes in the occupational and investment markets and wider economic factors.

The target returns are based on an illustrative portfolio comprising actual projects managed by Fiera Real Estate in other UK vehicles which have a similar risk and return profile as the proposed Fund – some are realised and some are unrealised with returns being forecasted. This indicative portfolio has been constructed to reflect the types and mix of projects that may be acquired by the Fund and to model the forecast returns from that portfolio as a basis of informing a target return for the Fund.

