



**GLOBEVEST
CAPITAL**

Real Estate Fund



December 31, 2021

A long-lasting and inovative strategy

- The Globevest Capital Real Estate Fund offers monthly liquidity;
- The Fund is eligible in all types of registered accounts (RRSP, RIF, LIRA, LIF, RESP, TFSA) and non-registered accounts (cash, margin, trusts and corporations).
- The Fund offers a good diversification:
 - Rental Properties in the United States;
 - Rental Properties in the Province of Quebec;
 - Old Age Residences;
 - Private Investments;
 - Equities and Reits traded on the stock markets;
 - Real Estate Corporate Bonds.
- The objective of the fund is to obtain an annual return of 8% (we expect a return of 8%-11% in 2022).
- The Fund is very low correlated to the stock markets.

Globevest Real Estate Fund Details

Manager	Globevest Capital
Fiduciary, Book Keeper and Accountant	CIBC Mellon NBCN
Auditor	Raymond Chabot Grant Thornton
Eligible in Registered Accounts	RRSP, RIF, LIRA, LIF, TFSA, RESP
Lauching Date	November 1, 2019
Fund code	GVC605
Management Fees	1.35%

Returns:

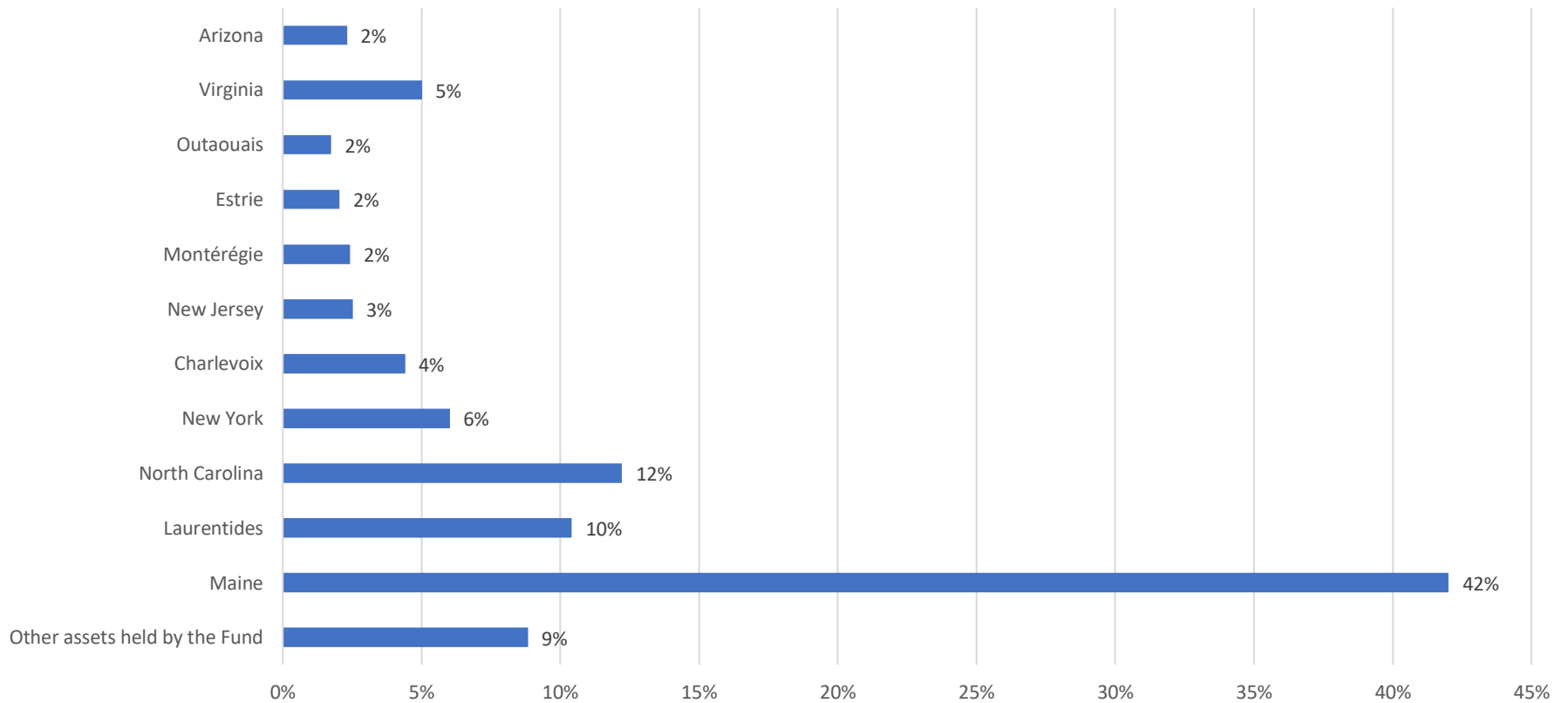
Fund code/ Period	2020	2021
GVC605	6.91%	10.01%

Strategic Asset Allocation of the Fund – December 31, 2021

Assets		(in thousands)
Liquidity	3.4%	\$ 3,223.8K
Real estate corporate bonds	0.3%	\$ 250.1K
Stocks and REITS	0.9%	\$ 865.2K
Canadian properties	20.8%	\$ 19,792.7K
American properties	68.7%	\$ 65,514.7K
Retirement homes	6.0%	\$ <u>5,680.8K</u>
Total Assets		\$ <u>95 327.3K</u>
Liabilities		
Long-term debt		\$ 3,832.2K
Total Liabilities		\$ <u>3,832.2K</u>
Total net worth of the Fund		\$ <u>91,495.0K</u>



Geographic distribution of rental properties by STATE according to total assets of the Fund



*As of December 31, 2021.

Fund's news and strategic development:**Quebec:**

We recently sold a house in Boucherville, as well as a condo in Magog. For an amount equivalent to these sales, we bought a condo in Tremblant, where we already have several others. We also acquired a luxurious property in Petite-Rivière Saint-François; we now have three on the same street.

We are also selling the property located at 2372 ch. du Tour du Lac au Lac des Plages, due to a change in municipal regulations with short-term rentals.

We continue to keep our eyes open for opportunities in Quebec, especially at Tremblant. This region is very popular throughout the year. We are patient and we make sure that each acquisition meets our strict selection criteria.

United States:

During the last quarter, we continued to grow south of the border, where the returns are the most attractive. We bought a fourth property in Nags Head, North Carolina and a first one on Sebago Lake, in Raymond, Maine.

Two other acquisitions will be notarized during the month of January: a first house on Lake Norman in North Carolina and another in Virginia Beach, where we will now have a great synergy with three houses on the same street. As an example, we paid \$ 2,160,000 USD for the Virginia Beach house and it came with a bookings of over \$ 260K USD in 2022!

We want to continue to favor the development of markets where we are already present, in order to create synergies. The Arizona region is attractive in terms of profitability, among other things, but also because its peak season is between November and April, which helps reduce the income gap between the different seasons.

Fund's news and strategic development:**Strong demand despite the Covid:**

Despite the pandemic, we have high demand for our properties on both sides of the border.

Vaccination globally is well underway and the positive effects are already appreciable. But, with the emergence of new variants, it is very likely that we will have to deal with this virus for quite some time to come.

Our enviable financial situation keeps us ahead of most other potential buyers who often make conditional offers or face longer delays than usual to obtain financing in the context of a pandemic.

Future performance expectations:

The 10.01% return in 2021 is solid and we believe we will be able to maintain this pace through the end of 2022.

Indeed, we had a lot of expenses following the acquisitions of recent properties (transfer taxes, change of roofs, purchases of furniture, spas, watercraft, etc.). Most of these expenses will not be recurring.

Properties are subject to periodic re-appraisals and are currently benefiting from the appreciation in the real estate market. In addition, we create value by renting out the houses ourselves. We are noticing that we are managing to pre-rent our homes to current tenants for their upcoming vacations at increasingly higher rates. This customer loyalty is very attractive in the event that we have to resell one of our properties.

Finally, we are starting to get positive responses for obtaining financing on some of our properties. The cost of financing is currently very low (fixed rates around 2.5%). While remaining very conservative, the use of financial leverage will allow us to acquire more properties, thus generating more returns. During the fourth quarter of 2021, we obtained our first financings: US \$ 1.7M and CAD \$ 1.6M.

It should be noted that we made the decision towards the end of 2020 to protect the fund against currency movements.

For these reasons, we forecast a return for 2022 of around 8% to 11%, above our target of 8%.

Fund's financial details:**Canadian and American Properties:**

The rental yield net of fees is, on average, 6-10% / year over 3 years depending on the properties.

We believe our properties should appreciate by around 2% / year over the next 5 years; the drop in international flights and cruises favoring the local rental market.

We plan to use leverage conservatively in order to optimize performance. In this regard, we have recruited a financial analyst specializing in the field to speed up the process of obtaining financing from financial institutions. In the last quarter of 2021, we started receiving our first fundings for a total of nearly \$ 4M. The fund allows a maximum leverage of 50% of its total value; we expect to reach a leverage level of 30% by the end of 2022.

Residences Château Bellevue (through Champlain Fund):

We receive a cash distribution of 1.5% per quarter, or 6% per year (as of June 30, 2020, due to the pandemic, the distribution has been lowered to 1.0% per quarter or 4.0% per year in order to maintain a safe working capital).

Our participation in the Champlain fund is reassessed twice a year. This is revised according to the surplus generated at the operational level and the increase in market value. The refinancing rate and the capitalization rate affect the value of properties.

We estimate the value of the Champlain fund to increase in the order of 5-9% / year. These forecasts are based on the fact that the fund uses leverage and refinances at lower rates than before, in addition to generating good surpluses. The total target return is therefore 11-15%. This investment is, however, less liquid than the others.

Real Estate Investment Trusts (Reits):

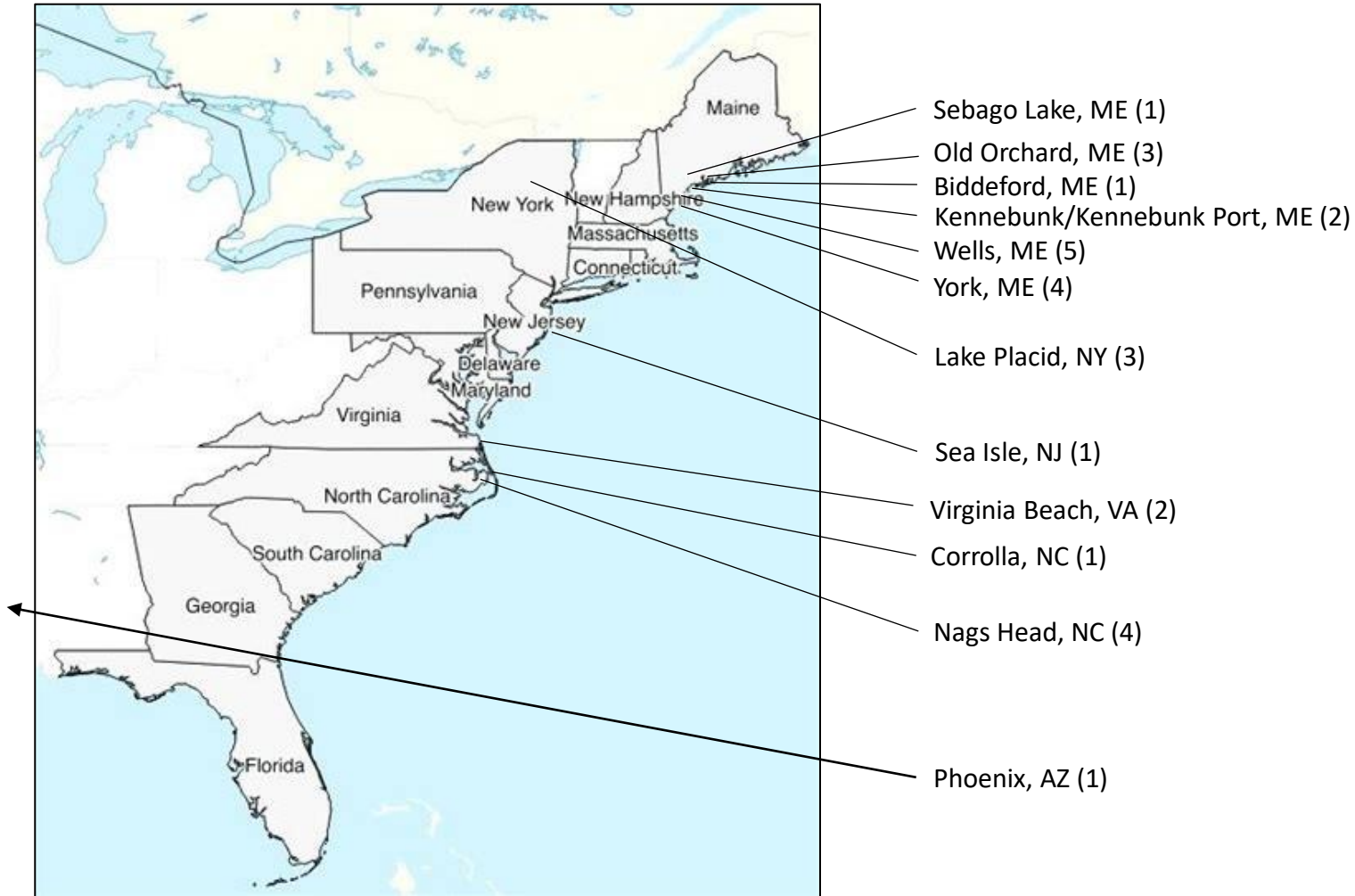
Reits distribute about 5.0% per year. However, it is difficult to predict the potential gain since these are traded on the stock exchange.

Bonds of real estate companies:

The average yield is currently around 3.0%.



Location of the American Properties – December 31, 2021



List of US properties

381 Mirror Lake Drive, Lake Placid, NY, 12946 (vrbo.com, property # 9342963)
2199 Saranac Ave, Lake Placid, NY, 12946 (vrbo.com, property # 2103718)
171 Beach Hill, Lake Placid, NY, 12946 (vrbo.com, property #2252388)
30 Atlantic Avenue, Wells, ME, 04090 (vrbo.com, property # 9356601)
12 Webhannet Drive, Wells, ME, 04090 (vrbo.com, property # 9346622)
7 Ocean Avenue, Wells, ME, 04090 (vrbo.com, property # 9349429)
54 Atlantic Ave, Wells, ME, 04090 (vrbo.com, property # 2215211)
287 Beach Hill, Wells, ME, 04090 (vrbo.com, property #2140676)
13 Sandlake, Raymond , ME, 04071 (vrbo.com, property #)
4 Private Lane, Biddeford, ME, 04005 (vrbo.com, property #2266129)
29 Nubble A, York, ME, 03909 (vrbo.com, property # 9396945)
452 York, York, ME, 03909 (vrbo.com, property # 2380993)
9 Ocean Ave Ext, York, ME, 03909 (vrbo.com, property # 9396871)
19 Fort Hill, York, ME, 03909 (vrbo.com, property # 2244035)
241 Beach Avenue, Kennebunk, ME, 04043 (vrbo.com, property # 9390585)
209 Kings Hwy, Kennebunk, ME, 04046 (vrbo.com, property #2096508)
29-146 W Grand Avenue, Old Orchard, ME, 04043 (vrbo.com, property # 2012349)
2 Odessa, Old Orchard, ME, 04043 (vrbo.com, property #2266135)
1 Odena, Old Orchard, ME, 04064 (vrbo.com, property #2465458)
2501 Landis Ave. S., Sea Isle, NJ, 08243 (vrbo.com, property #2225493)
3304 Sandfiddler, Virginia Beach, VA, 23456 (<https://www.sandbridgevacationrentals.com/vacation-rentals/seas-the-day-beach-house/SF3304>)
3213 Sandfiddler, Virginia Beach, VA, 23456 (vrbo.com, property #9622441)
8103 S. Old Oregon Inlet Rd., Nags Head, NC, 27959 (vrbo.com, property #4697020)
6909 S. Virginia Dare, Nags Head, NC, 27959 (<https://www.beachrealtync.com/outer-banks-rentals/whitecaps>)
2517 S. Virginia Dare Trail, Nags Head, NC, 27959 (vrbo.com, property #4114601) (https://www.beachrealtync.com/outer-banks-rentals/splish-splash?gclid=EAlaIqobChMik7Khjo2c9QIV2siUCR3-OwcVEAAYASAAEgITIPD_BwE)
7117 S Virginia Dare, Nags Head, NC, 27959 (<https://www.carolinadesigns.com/nags-head-vacation-rental/828-summer-oasis/>)
709 Mainsail Arch, Corrolla, NC, 27927 (vrbo.com, property # 9611668)
4633 N 49e Place, Phoenix, AZ, 85018 (vrbo.com, property #2508146)



A few pictures of properties in Maine, USA





A few pictures of properties in the state of NY, USA



A few pictures of properties in Virginia, USA



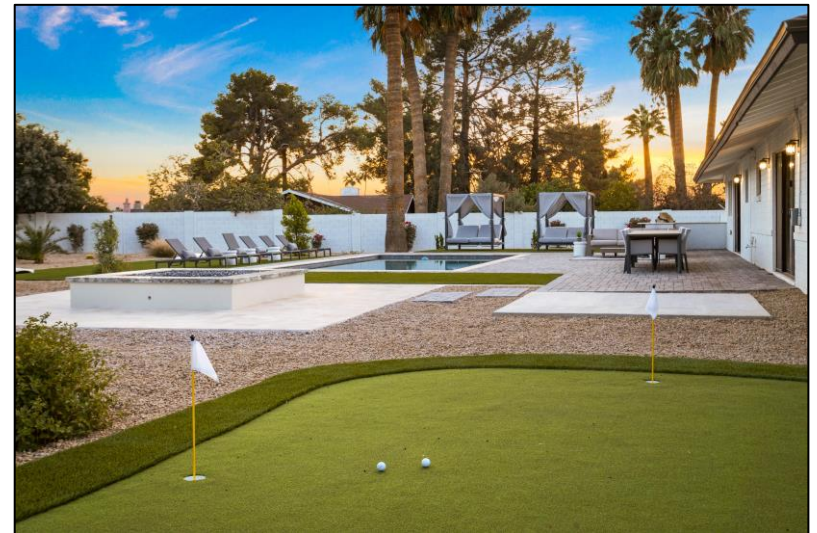


A few pictures of properties in North Carolina, USA



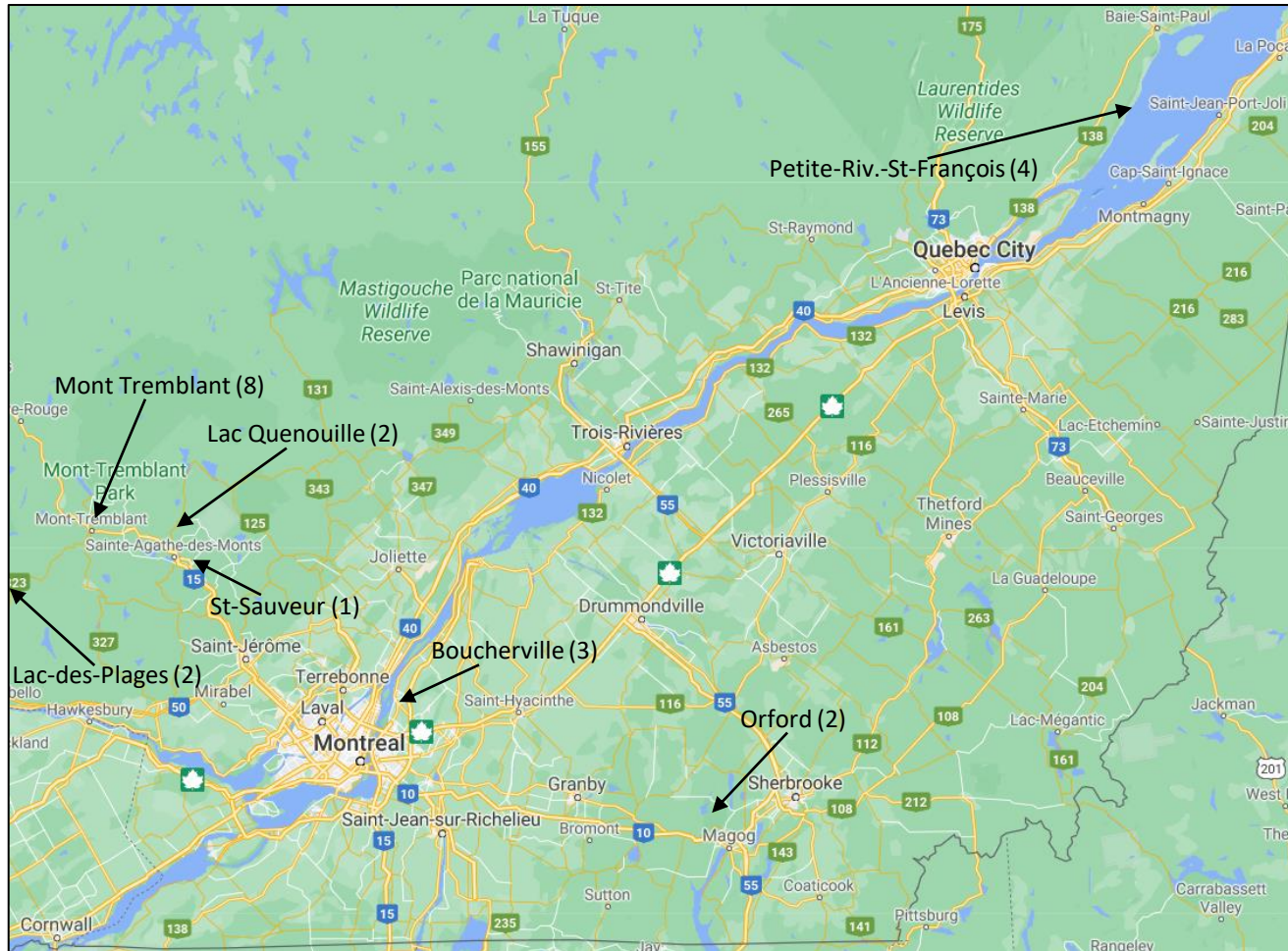


A few pictures of the property in Arizona, USA





Location of the Canadian Properties – December 31, 2021





List of Canadian properties

9-102, ch. Des Quatre-Sommets, Mont-Tremblant
10-102, ch. Des Quatre-Sommets, Mont-Tremblant
7-160, ch. De la Fôret, Mont-Tremblant
203-168, ch. De la Fôret, Mont-Tremblant
6-154, ch. De la Fôret, Mont-Tremblant
2-205, ch. Des Quatre-Sommets, Mont-Tremblant
4-205, ch. Des Quatre-Sommets, Mont-Tremblant
1-110, ch. Des Quatre-Sommets, Mont-Tremblant
8-118, ch. Des Quatre-Sommets, Mont-Tremblant
131, ch. Claude-Lefebvre, Mont-Tremblant
507, rte 323, St-Émilie-de-Suffolk (Lac-des-Plages)
* Sold - 2372, ch. Du Tour-du-Lac (Lac des Plages)
226, ch. Des Alouettes, Lac Supérieur (Lac Quenouille)
2035, ch. du Lac-Quenouille, Val-des-Lacs (Lac Quenouille)
418, ch. Birchwood, Saint-Sauveur (Lac Breton)
2, ch. Du Plateau, Petite-Rivière-St-François
6, ch. Du Plateau, Petite-Rivière-St-François
18, ch. Du Plateau, Petite-Rivière-St-François
116, ch. Josaphat, Petite-Rivière-St-François
145, ch. Josaphat, Petite-Rivière-St-François
8, ch. De la Marie-Renée, Petite-Rivière-St-François
6-6A, ch. De la Vieille Rivière, Petite-Rivière-St-François
12, ch. Des Quatre-Temps, Orford
42, ch. Des Quatre-Temps, Orford
373, Joseph-Huet, Boucherville
431, de Jumonville, Boucherville
20-1280, Montarville, Boucherville

Pictures of some properties in Quebec



Founder and Head Portfolio Manager

Patrick started his career as a junior actuary at Sobeco Ernst Young, where he appraised pension funds.

In 1999 Patrick was hired as a financial analyst by Hydro Québec. While working on numerous large scale projects pertaining to the brokerage of energy products, he formulated strategies and developed tools with derivatives that are still in use.

Patrick joined the Desjardins Risk Management Division in 2001, where he served as an advisor and analyst. He was responsible for using advanced financial methods to model market and operational risks.

Patrick cofounded Globevest Capital in 2002 in an effort to provide investors with sound, effective and accessible management, focused on balancing risk and return.

As the senior manager, Patrick is the strategist behind fund management of the firm. He also manages the portfolios of his own clientele and supervises those of management representatives.



Patrick Proulx

President and
Portfolio Manager

M.Sc. Finance, CFA

Strengths:

- Portfolio management
- Stock selection
- Sector allocation
- Derivative products
- Risk analysis
- Financial modelling
- Real Estate



Disclaimer

This document is confidential and is intended only for the use of the person(s) to whom it is presented. It may not be reproduced, in whole or in part, nor may its contents be divulged to any other person without the prior written consent of Globevest Capital Ltd. The information contained in this document is from sources believed to be reliable, but no warranty is made to their accuracy or completeness. This document does not constitute and should not be interpreted as either an investment recommendation or advice, including legal, tax or accounting advice. This document does not constitute an offer to sell or a solicitation of an offer to buy any security. Any such offer may only be made with the confidential offering memorandum and in accordance with applicable laws. Past performance of a fund is no guarantee as to its performance in the future.