



**hazelview**  
INVESTMENTS

# Q1 2023

**Four Quadrant Global Real Estate Partners  
Investor Update**

April 27, 2023

# Q1 2023 Highlights

Fund generated a + 0.5% net return primarily driven by public equity and private debt

Despite new headwinds, the Global REITs market were up, but significant price dislocation remains

Private real estate fundamentals remain resilient



# Fund Performance

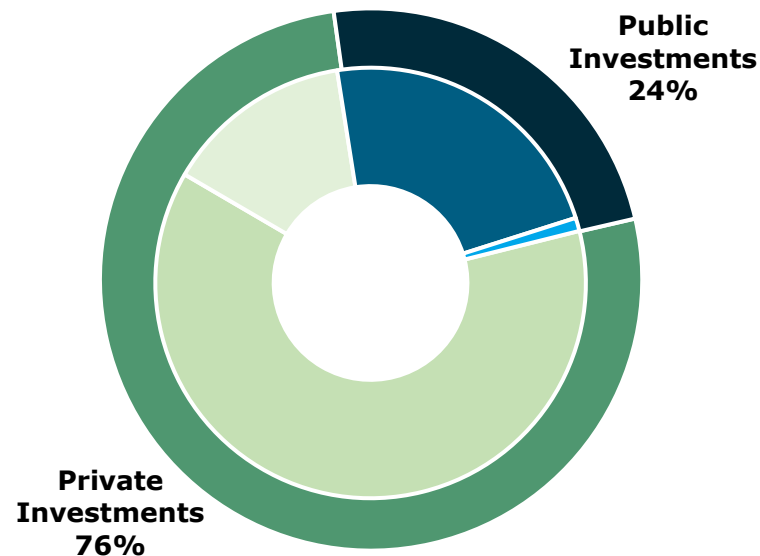
## Performance<sup>1</sup>

QTD	YTD	Since Inception <sup>2</sup> Annualized Net Return
0.5%	0.5%	8.6%

## Attributions by Quadrant

Quadrant	Q1 Gross Returns <sup>3</sup>	% Allocation
Private Equity	0.6%	62.3%
Public Equity	2.2%	22.6%
Private Debt	2.1%	14.1%
Public Debt	-7.8%	1.0%

## Quadrant Allocations



1. 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. As of March 31, 2023.

2. Inception date November 30, 2011.

3. Estimated gross return assuming each quadrant is a stand-alone entity with no surplus cash. Returns are presented in CAD, inclusive of FX impact for foreign assets and exclusive of any FX hedging, which is done at the fund level. As of March 31, 2023.

# Private Equity

54 Investments  
\$947M Quadrant AUM

## Markets

Canada	81.1%
United States	17.4%
Japan	0.8%
Italy	0.6%

## Top Sectors

Multifamily	33.6%
Low-Rise Office	15.8%
Life Science	12.1%
Residential	8.3%
Mixed-Use	7.3%



Saskatchewan Apartment Portfolio, Canada



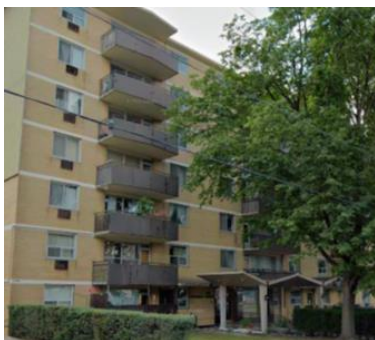
Kaslo Office Development, Canada



IQHQ, United States

# Investment Activity

## ACQUISITIONS



**Canadian Apartment Portfolio - MRV  
"Kauffman"**

---

### Transaction Details

---

**Purchase Price<sup>1</sup>** \$27.2M

**Purchase Date** January 2023

**Investment Timeframe** 60 Months

**Location** Toronto, ON

---



**Toronto Residential -  
Yonge & Woodlawn**

---

### Transaction Details

---

**Purchase Price<sup>1</sup>** \$30.0M

**Purchase Date** March 2023

**Investment Timeframe** 28 Months

**Location** Toronto, ON

---

## DISPOSITION



**The Cardiff  
Eglinton & Bayview**

---

### Transaction Details

---

**Purchase Date** Q1 2016

**Closing Date** Q1 2023

**Investment Timeframe** 72 Months

**Location** Toronto, ON

---

<sup>1</sup>Excludes land transfer tax and closing costs

# Market Fundamentals

Strong fundamentals underpin a lot of the Canadian landscape

Banking systems are healthy and stable

Debt market has strong liquidity



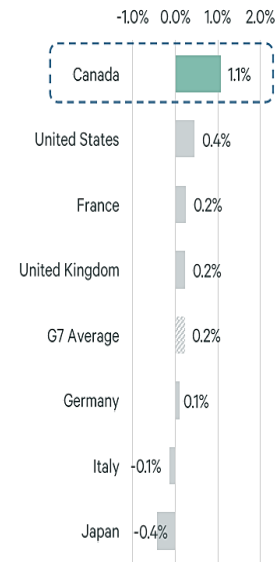
# Residential

- Canadian population growing by ~10MM people by 2043 (26.3%) - Highest of G7
- Household size down by 0.02 people (2016-2021) = 30,000 new homes needed / year
- 730,000 new households required by 2024; 90,000 due to smaller household size

## Growing Population

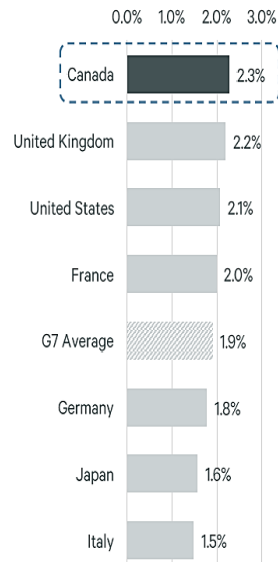
### Population Growth

CAGR, Next 5 Years



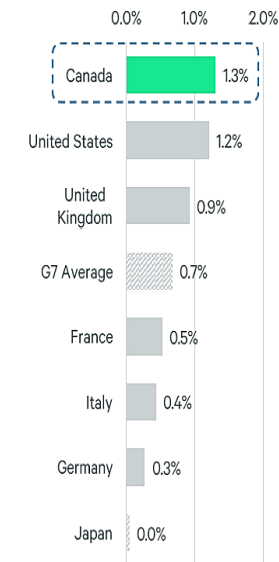
### Real GDP Growth

CAGR, Next 5 Years



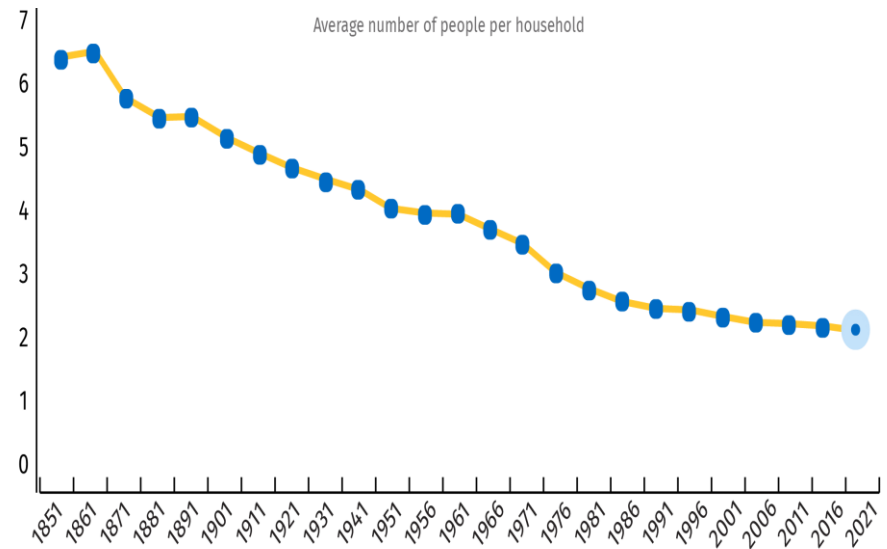
### Employment Growth

CAGR, Next 5 Years



Source: Oxford Economics, CBRE Research, 2022.

## Shrinking Household Size



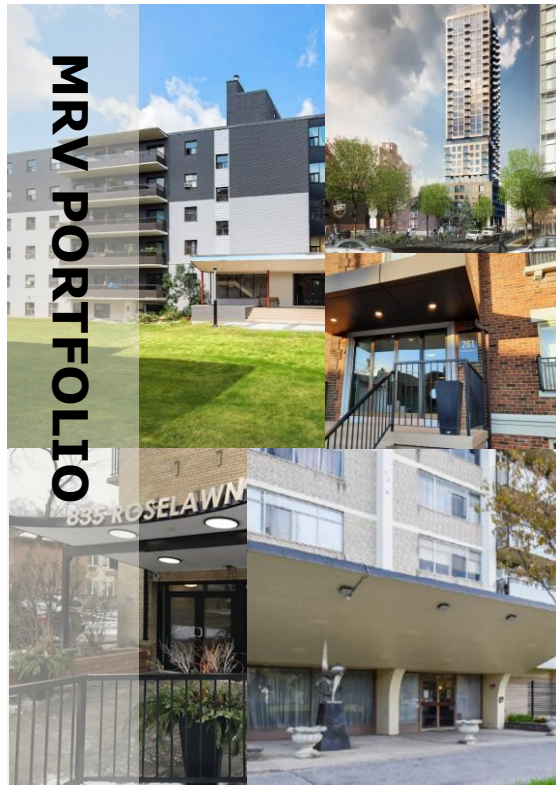
Sources: Statistics Canada, RBC Economics.



## 8 ELM

### Transaction Details

<b>Purchase Price<sup>1</sup></b>	\$150.0M
<b>Purchase Date</b>	December 2021
<b>Investment Timeframe</b>	68 Months
<b>Location</b>	Toronto, ON



## MRV PORTFOLIO

### Transaction Details

<b>Current MV (\$M)</b>	\$800.0M
<b>Properties Acquired to Date</b>	27
<b>Units</b>	2,369
<b>Location</b>	Toronto, Windsor, Edmonton, Montreal, Halifax



## 399 YONGE STREET

### Transaction Details

<b>Purchase Price<sup>1</sup></b>	\$63.0M
<b>Purchase Date</b>	May 2022
<b>Investment Timeframe</b>	24 Months
<b>Location</b>	Toronto, ON

# Residential

<sup>1</sup>Excludes land transfer tax and closing costs



# Industrial

- National Availability Rate 1.9%<sup>1</sup>
- National average rent increased 28.1% on a year-over-year basis
- New supply fell to 5.7 million sq. ft. in Q1 2023 as construction delays pushed project completion dates into next quarter.

## National Industrial Supply & Demand



Source: CBRE

<sup>1</sup>CBRE



---

**Transaction Details**

---

**Purchase Price<sup>1</sup>** \$11.8M

**Purchase Date** August 2022

**Investment Timeframe** 24 Months

**Location** Halifax, NS

---



---

**Transaction Details**

---

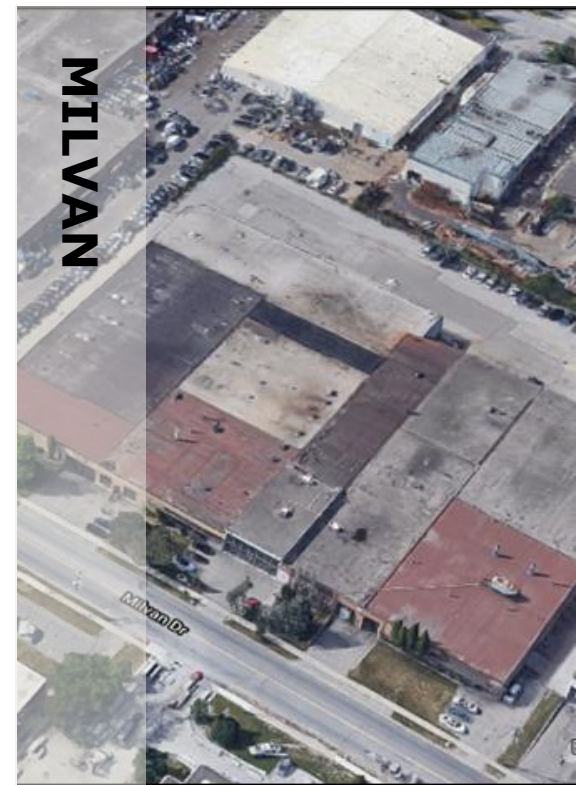
**Purchase Price<sup>1</sup>** \$30.3M

**Purchase Date** March 2021

**Investment Timeframe** 72 Months

**Location** Halton Hills, ON

---



---

**Transaction Details**

---

**Purchase Price<sup>1</sup>** \$18.3M

**Purchase Date** January 2022

**Investment Timeframe** 48 Months

**Location** Toronto, ON

---

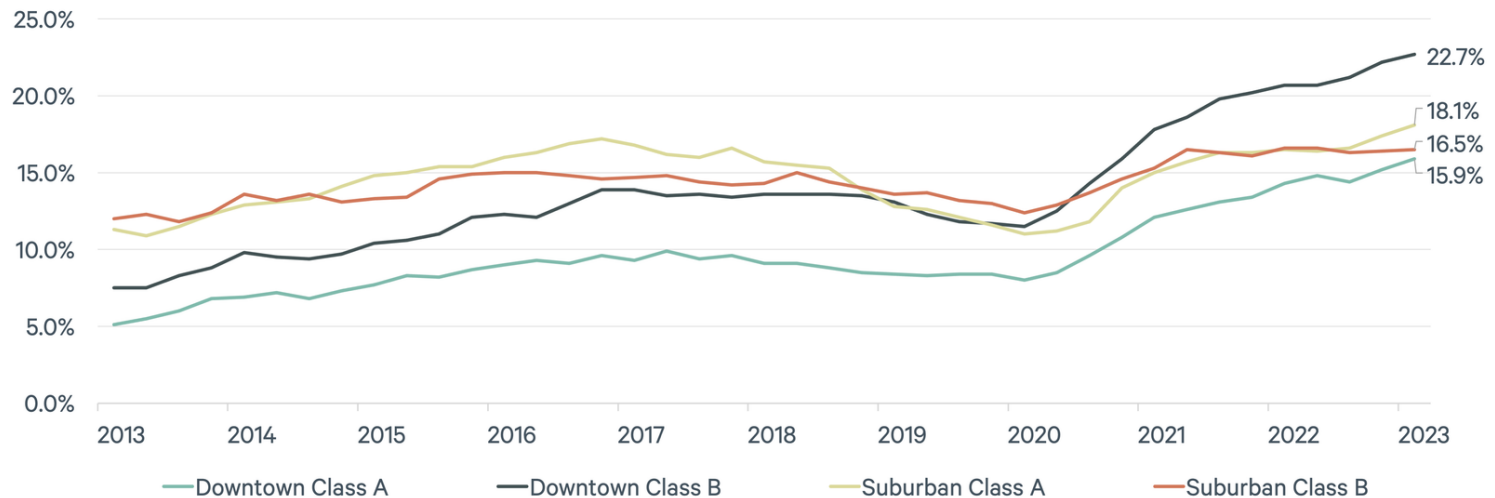
# Industrial

<sup>1</sup>Excludes land transfer tax and closing costs

# Office

- National Vacancy Rate @ 17.7%<sup>1</sup> with downtown Class B assets suffering the worst
- Vacancies decreased in certain cities: London (-60 bps), Montreal (-20 bps) and Calgary (-10 bps) - Calgary's downtown vacancy declined 3 consecutive quarters
- "Return to work" momentum increasing

## National Vacancy by Segment



# Office

**Forbes**

**Amazon Return To Office Mandate, And What's Happening With Amazon Stock?**

February 24, 2023



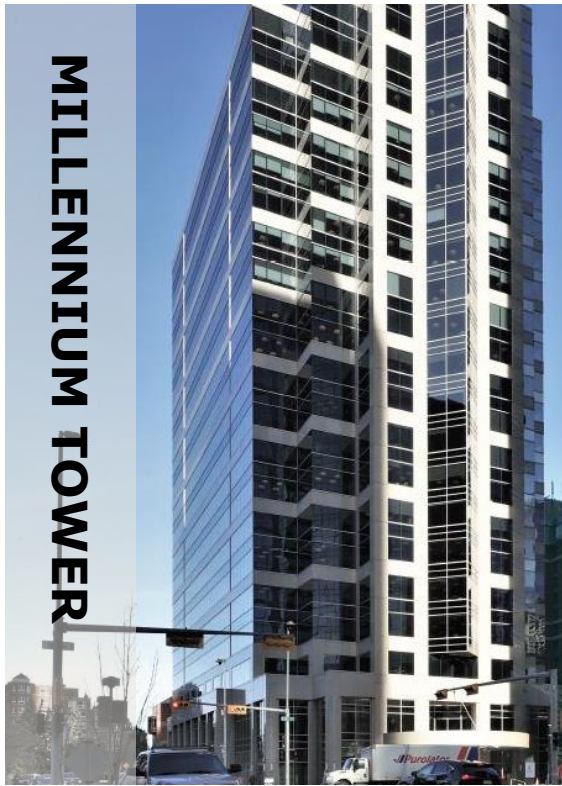
**JPMorgan asks senior bankers to return to office for five days a week - memo**

April 12, 2023



**RBC tells employees to return to the office three or four days a week**

March 21, 2023



MILLENNIUM TOWER

**Transaction Details**

<b>Purchase Price<sup>1</sup></b>	\$110.2M
<b>Purchase Date</b>	August 2022
<b>Investment Timeframe</b>	60 Months
<b>Location</b>	Calgary, AB



KASLO

**Transaction Details**

<b>Purchase Price<sup>1</sup></b>	\$73.5M
<b>Purchase Date</b>	March 2019
<b>Investment Timeframe</b>	62 Months
<b>Location</b>	Vancouver, BC



T3

**Transaction Details**

<b>Purchase Price<sup>1</sup></b>	\$27.0M
<b>Purchase Date</b>	February 2019
<b>Investment Timeframe</b>	60 Months
<b>Location</b>	Toronto, ON

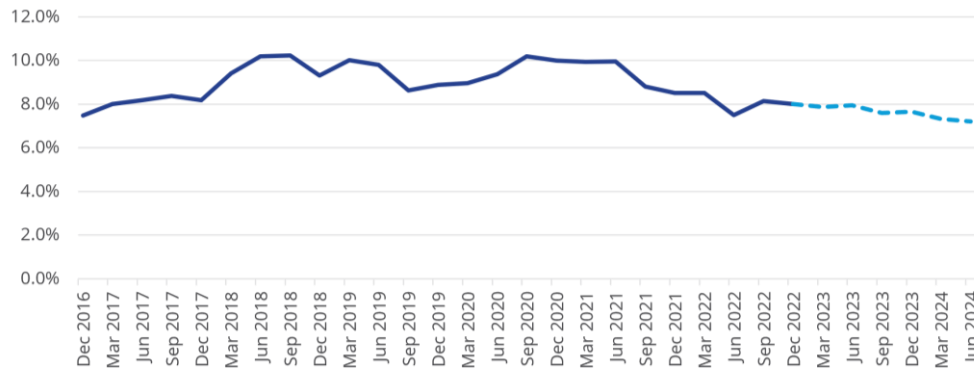
**OFFICE**

<sup>1</sup>Excludes land transfer tax and closing costs

# Retail

- Most Canadian cities recorded stable or growing retail rental rates in H2 2022
- Increases in 24 markets and only 3 markets with rental declines
- Grocery-anchored continues to perform well
- Canada continues to have less retail space per capita than the U.S.

### Canadian Retail Vacancy



Source: MSCI and Colliers

### Retail Space Per Capita<sup>1</sup>



1. CBRE – December 2022



---

### Transaction Details

---

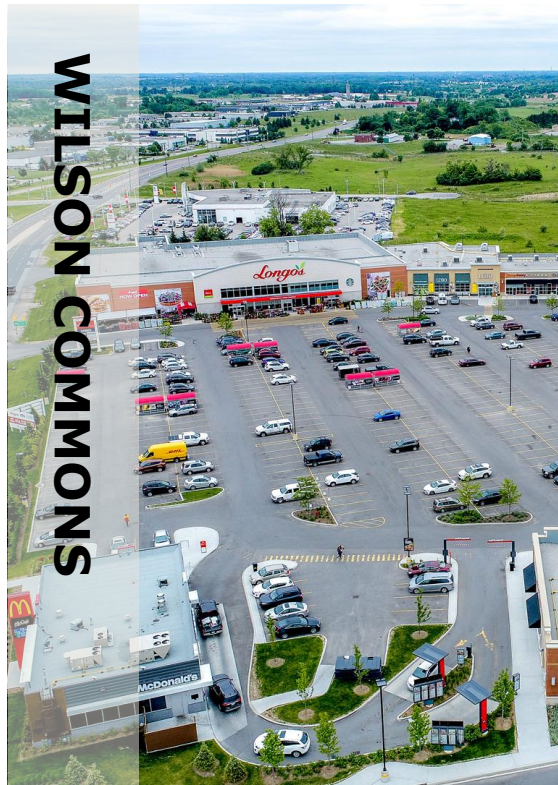
**Purchase Price<sup>1</sup>** \$85M

**Purchase Date** December 2021

**Investment Timeframe** 60 Months

**Location** Toronto, ON

---



---

### Transaction Details

---

**Purchase Price<sup>1</sup>** \$56.7M

**Purchase Date** June 2022

**Investment Timeframe** 60 Months

**Location** Ancaster, ON

---



---

### Transaction Details

---

**Purchase Price<sup>1</sup>** \$25.9M

**Purchase Date** November 2021

**Investment Timeframe** 60 Months

**Location** Ottawa, ON

---

# Retail

<sup>1</sup>Excludes land transfer tax and closing costs

# Private Debt

37 Investments  
\$210M Quadrant AUM

## Markets

Canada	65.6%
United States	24.8%
Ireland	9.7%

## Top Sectors

Multifamily	39.1%
Diversified	20.3%
Mixed-Use	10.4%
Healthcare	10.3%
Industrial	5.0%



Bloor & Beamish, Canada



Rivermeade, Ireland



Chicago Shopping Centre, United States



# Private Debt Portfolio Snapshot

## Portfolio Statistics

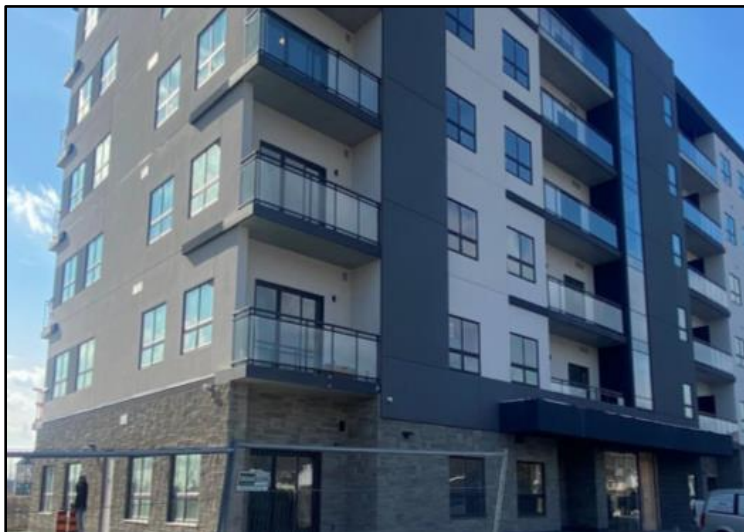
Weighted Avg Interest Rates	9.8%
Avg LTV	70.4%

Top 10 Loan Name	Amount (in millions)	Interest Rate	LTV	% of Private Debt Portfolio	% of 4Q AUM
U.S. Diversified Mortgage Portfolio	\$24.6	8.8%	69.80%	13.3%	1.9%
Montreal Healthcare Mortgage – Rosemont	\$21.6	10.7%	95.5%	11.7%	1.7%
Vancouver Mixed-Use Mortgage – Granville	\$15.6	14.4%	54.2%	8.5%	1.2%
Irish Debt Junior Debentures (diversified)	\$14.0	8.0%	69.20%	7.6%	1.1%
U.S. Multifamily Loan - SL2022A	\$12.2	9.0%	69.1%	6.6%	1.0%
Vancouver Apartment Loan – Renfrew	\$10.3	8.0%	79.5%	5.6%	0.8%
Toronto Office Mortgage – Junction	\$8.8	8.8%	60.9%	4.2%	0.7%
Langford Multifamily Loan - McCallum & Spencer	\$8.3	9.0%	77.5%	4.0%	0.7%
Vancouver Apartment – Renfrew	\$7.8	8.0%	90.5%	4.2%	0.6%
Edmonton Multifamily Mortgage – Maclaren	\$7.5	14.4%	72.8%	4.1%	0.6%
<b>Total</b>	<b>\$127.3</b>			<b>68.9%</b>	<b>10.0%</b>

Category	Amount	# of Loans	% of Private Debt Portfolio	% of 4Q AUM
Impairments	\$0	0	0.0%	0.0%
Default	\$21.6	1	11.7%	1.7%

# Recent Transaction

Multi-Residential Mortgage  
Windsor, ON



---

## Investment Details

---

Loan Type First mortgage

Loan Amount \$5.6M

Security Multi-Residential

Original Term 24 months

Actual Term 8 months

---

# Public Equity

45 Investments  
\$341M Quadrant AUM

<b>Market</b>	United States	63.8%
	Asia-Pacific	17.4%
	Europe	16.2%
	Canada	2.6%
<b>Top Sectors</b>	Industrial	17.7%
	Multifamily	17.3%
	Technology	16.3%
	Self-storage	8.0%
	Single family rental /MHC	5.9%



Rexford Industrial Realty, United States

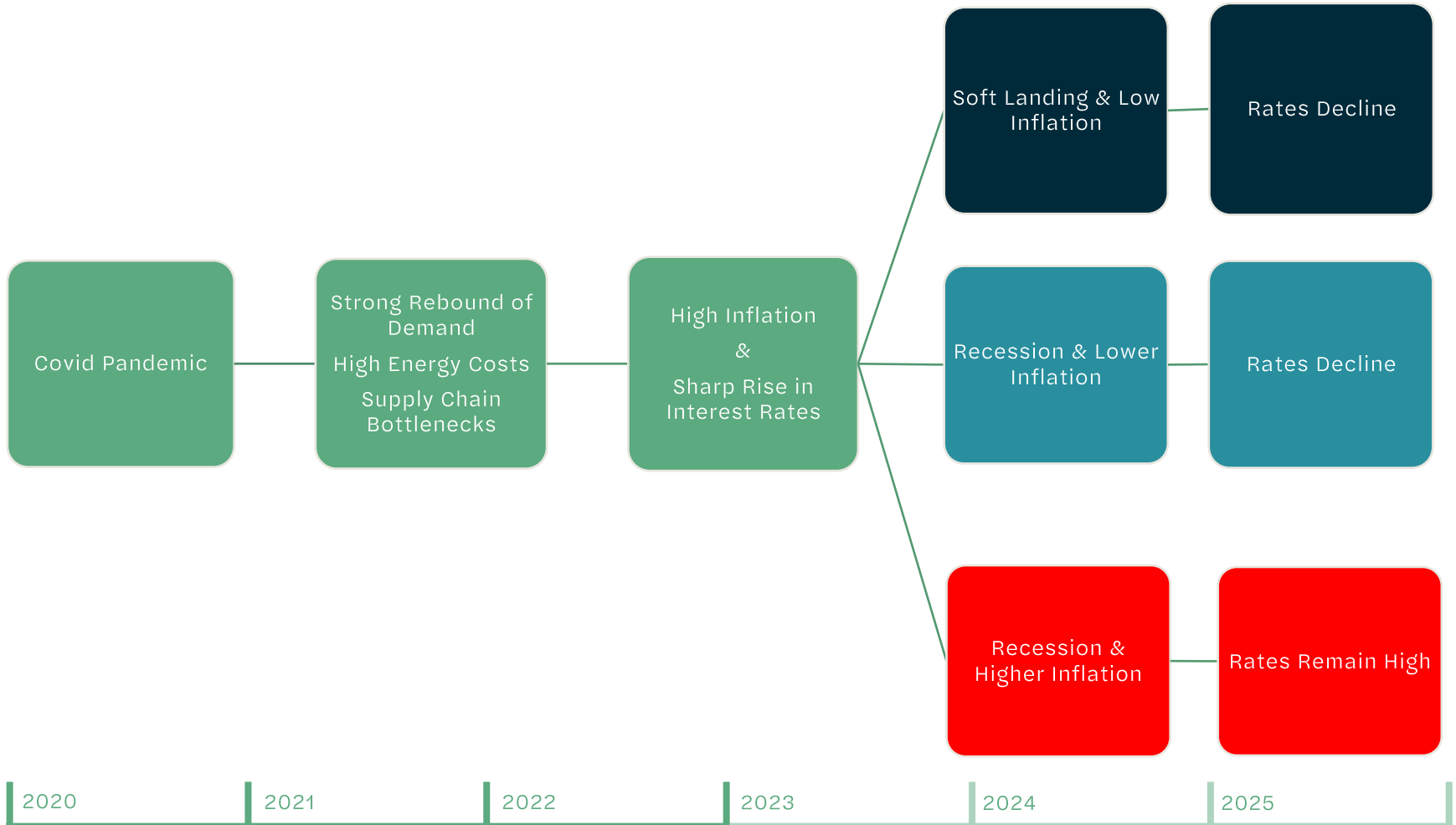


Mirvac, Australia



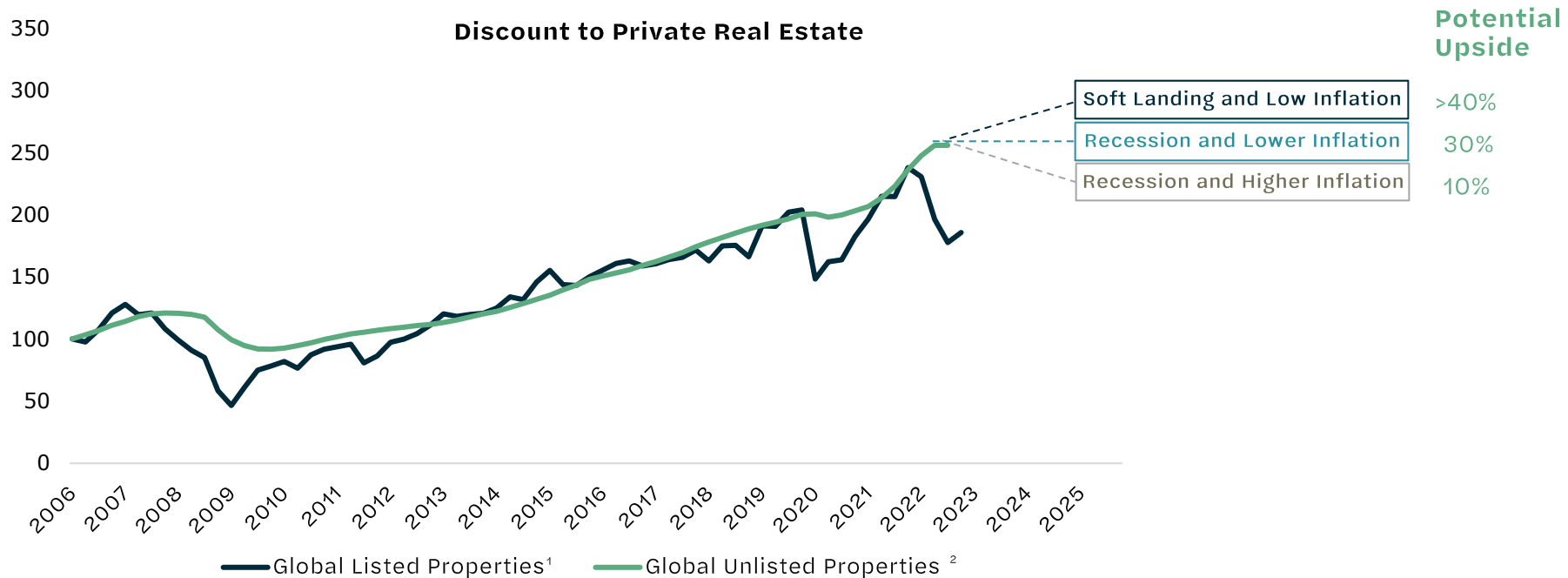
Vonovia, Germany

# Where Are We Now?



# What Are We Underwriting?

- Returns of listed real estate companies generally track the returns of private real estate assets over the long term
- The current gap between public and private RE is the widest since the GFC and wider than COVID-19
- Even in our worst-case scenario of an economic recession with remaining high inflation listed real estate offers an attractive investment return
- Investors forget to consider how much is already priced in and focus on the negative sentiment



1. FTSE EPRA/NAREIT Global Local Return Index as of Q2 2006 to Mar 23, 2023. 2. GREFI All Funds Local Return Index, data as of Q2 2006 to Dec 31, 2022.



# How Do the Lines Converge?

<b>REITs by Region</b>	<b>Discount to Intrinsic Value</b>	<b>Potential Upside to Intrinsic Value</b>	<b>Current Dividend Yield</b>	<b>Potential Total Return</b>
United States	-19.7%	24.5%	3.0%	27.4%
Canada	-24.5%	32.4%	4.2%	36.6%
Continental Europe	-24.8%	32.9%	3.9%	36.8%
United Kingdom	-23.5%	30.8%	4.5%	35.3%
Australia	-27.0%	36.9%	5.3%	42.2%
Hong Kong	-16.2%	19.3%	4.4%	23.7%
Japan	-25.1%	33.6%	4.1%	37.6%
Singapore	-11.0%	12.3%	4.3%	16.6%
Global	-21.9%	28.1%	3.9%	32.0%

Source: Hazelview's underwriting, as of March 23, 2023. For illustrative purposes only. The above hypothetical data is based on Hazelview Securities Inc. assessment and is not guaranteed. Potential return may be negative.



# Strong Balance Sheets

The debt positioning of real estate shares gives them the ability to move through the storm

- The refinancing of debt of the real estate companies in the portfolio is very limited over the next 12 months
- We believe debt cost are likely to stay higher in the long run, but lower than where rates are suggesting today and can be absorbed in most cases by rental or efficiency growth in the portfolios

	Debt ratio	Average cost of debt	Years to maturity	% fixed cost of debt	Assumed cost of debt after 10 years
USA	27.2%	3.6%	6.08	87.0%	4.7%
Canada	39.6%	3.3%	4.47	89.8%	5.0%
UK	29.7%	2.8%	5.96	88.8%	3.9%
Continent	46.9%	2.0%	4.91	87.3%	3.0%
Japan	52.1%	0.7%	4.71	91.5%	1.0%
Hong Kong	26.5%	2.9%	3.57	53.8%	3.7%
Pacific	30.5%	3.3%	4.66	70.1%	5.3%
<b>Total</b>	<b>31.3%</b>	<b>2.6%</b>	<b>5.01</b>	<b>84.0%</b>	<b>4.2%</b>



# Public Debt

## 4 Investments \$15M Quadrant AUM

<b>Markets</b>	Germany	57.5%
	Norway	23.0%
	United States	19.6%

<b>Top Sectors</b>	Diversified	57.5%
	Specialty/Triple Net Lease	23.0%
	Homebuilder	19.6%



Pioneer Property Group, Norway



ERWE Immobilien, Germany



Obotritia Capital, Germany



NEW DEAL

# United Homes Group

Residential

Invested in publicly traded converted bond in United Homes Group

One of the largest private homebuilders in the Southeast United States

15% coupon (min. 10% in cash)

Convertibility retains upside on the common shares



# Looking Ahead

## Public Investments

Portfolio positioned to capitalize on significant discount to intrinsic value

## Private Investments

Strong fundamentals, banking system and debt market in Canada will underpin success



Q&A



Thank you

# Disclaimer

Certain statements in this presentation about Four Quadrant Global Real Estate Partners (the “Partnership”) and its business operations and strategy, and financial performance and condition may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, “Forward Looking Information”). The Forward Looking Information is stated as of the date of this presentation and is based on estimates and assumptions made by the management of the Partnership in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that management of the Partnership believes are appropriate and reasonable in the circumstances. There can be no assurance that such Forward Looking Information will prove to be accurate, as actual results, yields, levels of activity, performance or achievements or future events or developments could differ materially from those expressed or implied by the Forward Looking Information.

The Partnership 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. 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 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 Hazelview Securities Inc. (the “Hazelview”) 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 Hazelview. The past performance of the Partnership is not indicative of its future performance, and there is no guarantee that targeted returns will be achieved.

Hazelview is currently registered with the Ontario Securities Commission as a portfolio manager, investment fund manager, and exempt market dealer. Hazelview is wholly-owned subsidiary of Hazelview Investments Inc.

**THIS DOCUMENT IS FOR PROFESSIONAL AND QUALIFIED INVESTOR USE ONLY-** No portion of this document may be reproduced or redistributed.

The gross returns figures contained herein do not reflect the deduction of investment advisory fees or other fees (such as trading commission, custody expense, and other charges to operate the account) that a client would have to pay. Actual returns will be reduced by the investment advisory fees and other expenses incurred in the management of the account. The investment advisory fees are available in the Partnership's offering documents and/or by contacting Hazelview Securities Inc.