

REAL ESTATE

Inception date
July 1, 2013

Currency
CAD

STRATEGY DESCRIPTION

This strategy produces growing income and stable total returns through investment in real property across Canada comprising institutional grade, industrial, office, retail and multi-residential properties. Fiera Real Estate is the investment manager of the underlying real estate strategy. Core real estate is an attractive element of a multi-asset portfolio based on its investment characteristics, and its ability to stabilize portfolio performance and protect against inflation. This strategy is risk-managed within an Investment Policy that establishes exposure limits by asset size, debt, property type, region, tenant exposure and development.

HIGHLIGHTS

Manager	Fiera Capital
Performance Objective	6.5% over 5-year horizon
Target Yield	4-6%
Valuation	Monthly
Structure	Pooled Fund investing in limited partnerships managed by Fiera Real Estate
Distribution	All income distributed

REAL ESTATE ASSET BENEFITS

Inflation Hedge	
High Inflation	Low inflation
Rents increase with inflation	Rents increase faster than inflation creating capital growth
Portfolio Protection	
Downside protection during equity market downturns	
Overall portfolio diversification benefits	
Income Return	
Stable and growing income with quarterly cash distributions	

PERFORMANCE (%)

As at June 30, 2021

PERFORMANCE PER PERIOD AND ANNUALIZED PERFORMANCE

1 Month	3 Months	6 Months	QTD	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years	SI
2.01	4.25	7.49	4.25	7.49	12.23	7.29	7.44	7.00	7.39	6.72	-	6.36

MONTHLY PERFORMANCE AND ANNUAL/YTD PERFORMANCE

	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.	Year/YTD
2013	-	-	-	-	-	-	0.00	-0.10	0.22	0.20	0.08	0.18	0.58
2014	0.72	0.15	1.24	0.00	0.05	1.07	-0.05	0.23	1.30	-0.12	0.12	0.96	5.83
2015	0.01	-0.02	1.20	-0.15	0.04	1.74	-0.26	-0.21	1.16	-0.16	0.00	1.57	5.00
2016	-0.18	0.01	1.46	-0.11	0.02	1.36	-0.12	0.01	2.51	-0.16	0.02	2.39	7.42
2017	-0.15	0.02	2.61	-0.17	0.00	1.72	0.45	0.27	0.73	0.19	0.25	0.53	6.61
2018	0.39	0.29	-0.13	1.18	-0.26	1.67	0.46	0.07	2.01	0.45	0.19	0.68	7.20
2019	0.87	0.97	0.22	0.18	-0.01	1.41	0.07	0.07	1.23	0.29	0.41	1.99	7.95
2020	-0.21	0.27	-2.07	2.16	-2.96	1.41	0.68	1.18	-0.32	0.57	0.41	1.82	2.85
2021	0.67	1.82	0.59	1.21	0.97	2.01							7.49

Past performance is not a guarantee or indicator of future results. Inherent in any investment is the risk of loss.

Returns are net of fees payable to underlying strategies.

QTD = Quarter to Date; YTD = Year to Date; SI = Since Inception

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RISK DIVERSIFICATION

Index	5 Years	CORRELATION
		SI
FTSE Canada Universe	-0.02	-0.04
S&P/TSX	0.38	0.26
S&P 500	0.13	0.05
MSCI World	0.18	0.07
S&P/TSX Capped REIT	0.35	0.28

SI = Since inception

RISK/RETURN ANALYSIS

Net annualized return since inception (%)	6.36
Annualized standard deviation (%)	2.98
Annualized Sharpe ratio (0.89% ¹)	1.84
Best monthly return (%)	2.61
Worst monthly return (%)	-2.96
Percentage of months with positive performance	75.00
Average return when market is up (%) ²	0.49
Average return when market is down (%) ²	1.32
Worst drawdown (%)	-2.96

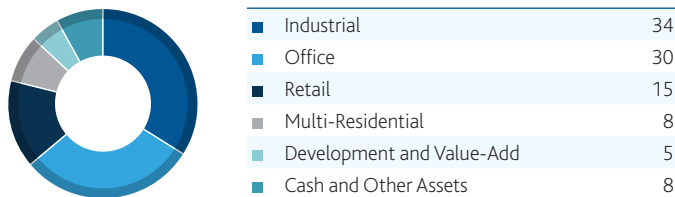
Since inception

1. Risk-free rate of return
2. Market based on FTSE Canada 91 Day T-Bill Index

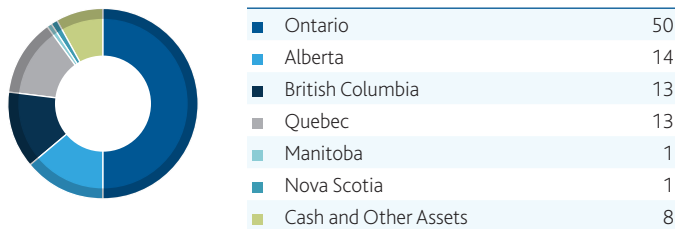
PORTFOLIO SUMMARY (%)

As at March 31, 2021

Investments by Property Type



Investments by Property Location



The above allocation does not include cash at the pooled fund level.

QUARTERLY COMMENTARY

As at June 30, 2021

The reflationary trade fizzled somewhat in the second quarter, with growing fears about the Delta variant raising questions about the trajectory for growth. Still, global equity markets managed to grind higher. Bond markets also posted positive results. Yield curves bull-flattened, with long-term yields tumbling lower as traders remained at ease about the inflation backdrop, while short-term yields rose as investors brought forward their expectations for Fed funds liftoff.

The Fiera Diversified Real Estate strategy rose by 4.25%, with robust results driven by property value appreciation in both the Core and Industrial Real Estate strategies. Core Real Estate results were attributed to strong capital appreciation in both its industrial assets and its industrial and multi-residential development assets, while the Industrial Real Estate returns were driven by higher market rent assumptions for assets in Quebec and Ontario. As we broaden out the strategy's geographic exposure, we committed new capital towards two new UK Real Estate strategies: the Fiera Real Estate Long Income Fund and the Fiera Real Estate Opportunity Fund V.

We remain confident that the strategy will continue to play an integral role in a well-balanced portfolio. This well-diversified real estate strategy provides a strong and stable income stream, helping to supplement lacklustre income generation and unattractive return prospects in the fixed income space. Moreover, real assets provide a good hedge against inflation, which is expected to accelerate over the next five years. Given these attractive characteristics, the Fiera Diversified Real Estate strategy can prove instrumental in enhancing the overall risk-reward proposition in the portfolio setting.

PORTFOLIO MANAGEMENT TEAM

Team member	Role	Experience
Jean-Guy Desjardins, C.M., LSc Com, CFA	Chairman of the Board and CEO, Portfolio Manager	1966
Candice Bangsund, CFA	Portfolio Manager, Global Asset Allocation	2003
Majlinda Kamberi, CAIA	Senior Investment Officer, Fiera Private Alternative Investments	2006

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