



PIER 4
Real Estate Investment Trust

INVESTOR PRESENTATION

JULY 2024



PIER 4

Real Estate Investment Trust

DISCLAIMER

This is not a formal offering document. Prospective purchasers of this investment opportunity will be provided with a formal Offering Memorandum and will need to be qualified for investment prior to making any investment. No person has been authorised to give any information or to make any representation not contained in the formal Offering Memorandum. No securities regulatory authority or regulator has assessed the merits of the proposed offering or reviewed the formal Offering Memorandum. This investment opportunity is speculative and involves a high degree of risk. There is a risk that any investment made will be lost entirely or in part. Only prospective investors who do not require immediate liquidity of their investment and who can afford the loss of their entire investment should consider this investment. Please refer to the below and the Offering Memorandum for our advisory on forward-looking statements.

Certain statements contained herein as they relate to Pier 4 Real Estate Investment Trust ("Pier 4", "Pier 4 REIT" or "the REIT") and related parties and their respective views or predictions about the possible future events or conditions and their business operations and strategy, are "forward-looking statements" within the meaning of that phrase under applicable Canadian securities law. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "targeting", "target", "intend", "could", "might", "continue", or the negative of these terms or other comparable terminology. These statements are only predictions. Undue reliance should not be placed on these forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur and may cause actual results or events to differ materially from those anticipated in such forward-looking statements.

The forward-looking statements contained in this document are expressly qualified by this cautionary statement and given as of the date hereof. Except as otherwise required by law, Pier 4 does not intend to and assumes no obligation to update or revise these or other forward-looking statements it may provide, whether as a result of new information, plans or events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements as there can be no assurance that the condition, events, plans and assumptions on which they were based will occur. ALL REFERENCE SHOULD BE MADE TO THE OFFERING MEMORANDUM DATED MAY 3, 2024.

PURCHASER RIGHTS

Securities legislation in certain provinces of Canada provides purchasers with rights of rescission or damages, or both, where an offering memorandum or any amendment to it contains a misrepresentation. A "misrepresentation" is an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading or false in the light of the circumstances in which it was made. These remedies must be commenced by the purchaser within the time limits prescribed and are subject to the defences contained in the applicable securities legislation. Each purchaser should refer to the provisions of the applicable securities laws in their province or territory along with the regulations, rules and policy statements thereunder for the particulars of these rights or consult with a legal advisor. Such rights apply to a purchaser of securities of Pier 4 pursuant to applicable securities legislation in certain provinces of Canada and are in addition to and without derogation from any other right or remedy which purchasers may have at law and are subject to the defences contained therein. Please also refer to Item 11 – Purchaser's Rights of Action in the Offering Memorandum.

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**MARKET
ENVIRONMENT**

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**OFFERING
DETAILS**

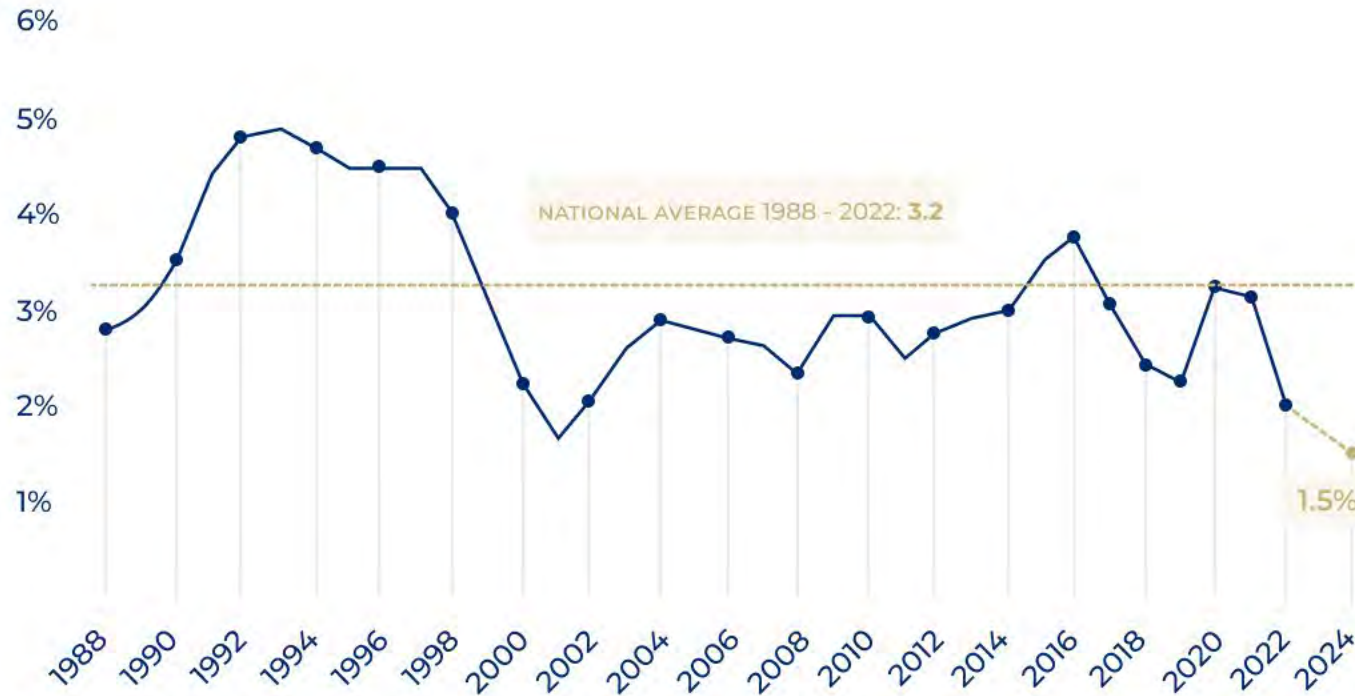
POPULATION GROWTH IS CONTRIBUTING TO INFLATION IN RENTAL PRICES

“Between Jan. 1 2023 and Jan. 1 2024, Canada added 1,271,872 inhabitants, a 3.2% growth rate — the highest since 1957.”¹ The growing population will create a strong demand for quality rental housing.

...IT'S ESTIMATED 41 MILLION PEOPLE NOW CALL CANADA HOME ¹



MONETARY POLICY REPORT JANUARY 2024, BANK OF CANADA ²

CMHC RENTAL MARKET REPORTS, EBC ECONOMICS⁴

LOW VACANCY RATES

A notable scarcity of rental properties, coupled with heightened demand, has pushed Canada's national vacancy rate to 1.5%, its lowest level in at least 35 years, as reported by the Canada Mortgage and Housing Corporation.³

RENT RATES INCREASE

AVERAGE ASKING RENT
ALL PROPERTY TYPES, CANADA



URBANATION INC. RENTALS.CA NETWORK ⁶

“Average multifamily rental rates in 2023 grew by 9.2%, greatly exceeding annual wage growth of 5.0%.” ⁵

AVERAGE ASKING RENT & ANNUAL CHANGE BY PROPERTY TYPE
CANADA: FEB 2024



URBANATION INC. RENTALS.CA NETWORK ⁶

Rents for 1-bedroom apartments in Toronto and Vancouver are flatlining, with year-over-year dips. This could signal a renter exodus from big cities. ⁷

BOOMING DEMAND LIMITED SUPPLY

The Prime Opportunity in Canadian Multifamily

CMHC warns of a slowdown in new rental construction due to financing difficulties. Unlike condo developers with pre-sales, rental developers struggle to secure traditional loans, potentially limiting the availability of new rental units.⁵

POPULATION GROWTH



CHMC & STATS CANADA⁸

HOUSING STARTS



CHMC & STATS CANADA⁸

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**OFFERING
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FUND OVERVIEW

[AS OF JUNE 2024]

5.42%

IMPLIED CAP
RATE

***23**

PROPERTIES

***595**

UNITS

98.07%

OCCUPANCY
RATE

8%

YIELD

\$10.75

NET ASSET
VALUE

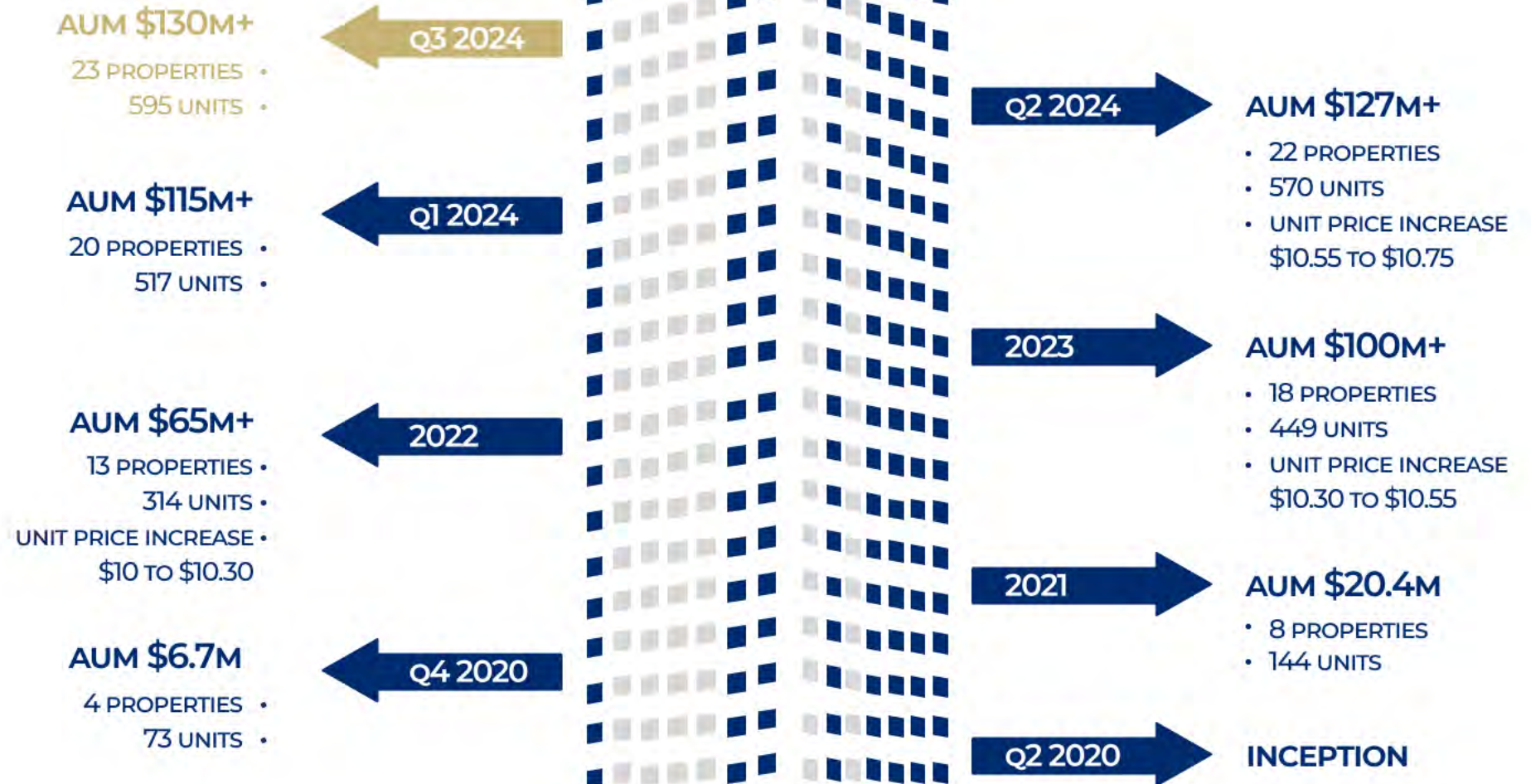
12-15%

TARGETED
ANNUAL
RETURN

INTERNAL

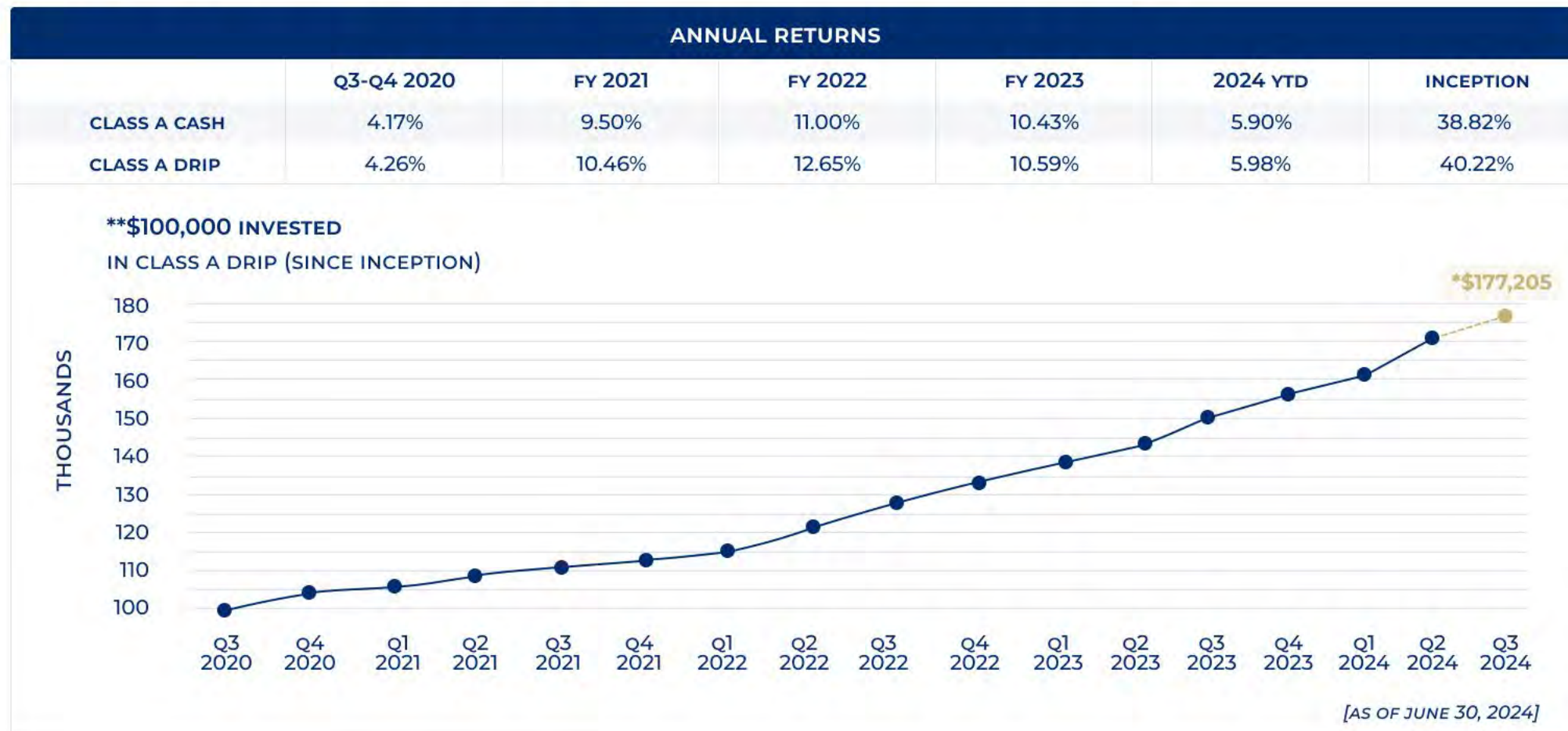
PROPERTY
MANAGEMENT
TEAM

FUND GROWTH SINCE INCEPTION



*As of the date of this presentation, the figures on this slide include all properties that are under management as well as properties under contract. Management believes that the one property under contract is expected to close in Q3 2024. Subject to unforeseen circumstances outside of Management's control, we cannot stipulate that the said properties will close, or close during that anticipated close date.

INVESTMENT GROWTH **SINCE INCEPTION**



*Rate of return may be affected by fees, please refer to the Offering Memorandum. DRIP is elected by the unit holder (item 5.6 of the OM and the subscription agreement generally).

**Pier 4 Real Estate Investment Trust internal data (unaudited); Returns are based on an initial \$10.00 NAV. Assuming Initial Investment is \$100,000.00.

‡ All information contained herein, while obtained from sources which are believed to be reliable, is not guaranteed as to its accuracy or completeness. It is important for an investor to consider the particular risk factors that may affect the industry in which it is investing and therefore the stability of the distributions that it receives. The risks involved in this type of investment may be greater than those normally associated with other types of investments. Please refer to the Offering Memorandum for a further discussion of the risks of investing in the Trust. Please note that the Inception date reflects from June 2020.

POWERING PIER 4'S SUCCESS



Darrell Ashby
Chairman & Co-founder



Adam Ashby
CEO & Co-founder



Michael Ashby
CFO & Co-founder



OFFICES IN
2
CITIES



TOTAL
EMPLOYEES
30+



FULL SERVICE
ASSET
MANAGEMENT
PROPERTY
MANAGEMENT



INDUSTRY
PROFESSIONALS
100+ YEARS
EXPERIENCE

INDEPENDENT TRUSTEES & DIRECTORS



Paul Chisholm

Paul achieved significant recognition in the Canadian property management industry.

He currently holds a leadership position on the board of the Ontario rental housing association (FRPO) and holds a partnership at a major property management firm (Highmark Properties).

His career highlights include founding his own property management company (HiStar) and receiving a lifetime achievement award from the FRPO.



Ian Stewart

Ian co-leads Wyse Meter Solutions, a fast-growing company (ranked 16th by Profit 500) that specialises in utility metering and expense management.

His expertise extends back to co-founding Stratacon Inc., a company focused on energy management for multi-unit residential buildings.

Ian's involvement in the Association of Condominium Management of Ontario further highlights his commitment to the industry.



Dennis Kalish

A highly experienced property management consultant, with a career launched in South Africa in 1981 and spanning over 39 years, brings a global perspective to the table.

Dennis's skillset extends beyond property management, as his membership in the South African Institute of Certified Bookkeepers demonstrates.

Notably he managed a substantial portfolio of 4,800 suites at one of Toronto's largest owner-managed property companies.

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OUR PHILOSOPHY

Our mission has always been to deliver a consistent return for our investors, while providing our tenants with comfortable, secure, and affordable homes.

We strongly value our enduring relationships with each of our investors. We strive to revitalize buildings in a variety of provinces across Canada.

INVESTMENT STRATEGY

1 REALIZE

UNDervalUED PROPERTIES WITH STRONG RETURN POTENTIAL
ASSESS GROWTH POTENTIAL
AVOID MARKET COMPETITION WITH OFF MARKET ACQUISITIONS

2 REVITALIZE

INCREASE REVENUE STREAMS AND EXPENSE REDUCERS
COST CONSCIENTIOUS RENOVATIONS
REMOVE UTILITY COSTS

3 RETURN

SHORT TERM MONTHLY DISTRIBUTIONS
LONG TERM RETURNS THROUGH:

- NET ASSET VALUE GROWTH
- SPECIAL DISTRIBUTIONS

\$10,900

HISTORICAL AVERAGE
RENOVATION COST

***\$19M+**

FAIR MARKET VALUE
GAINED

64.57%

PORTFOLIO GAP TO MARKET

AS OF JUNE 30, 2024

VALUE ADD EXAMPLE

105-117 ONWARD AVENUE

PURCHASE DATE - MARCH 15, 2023

MARKET KITCHENER, ON

ROI (MONTH) 2.83

UNITS TURNED OVER 13

CAPEX SPENT (\$) \$339,887

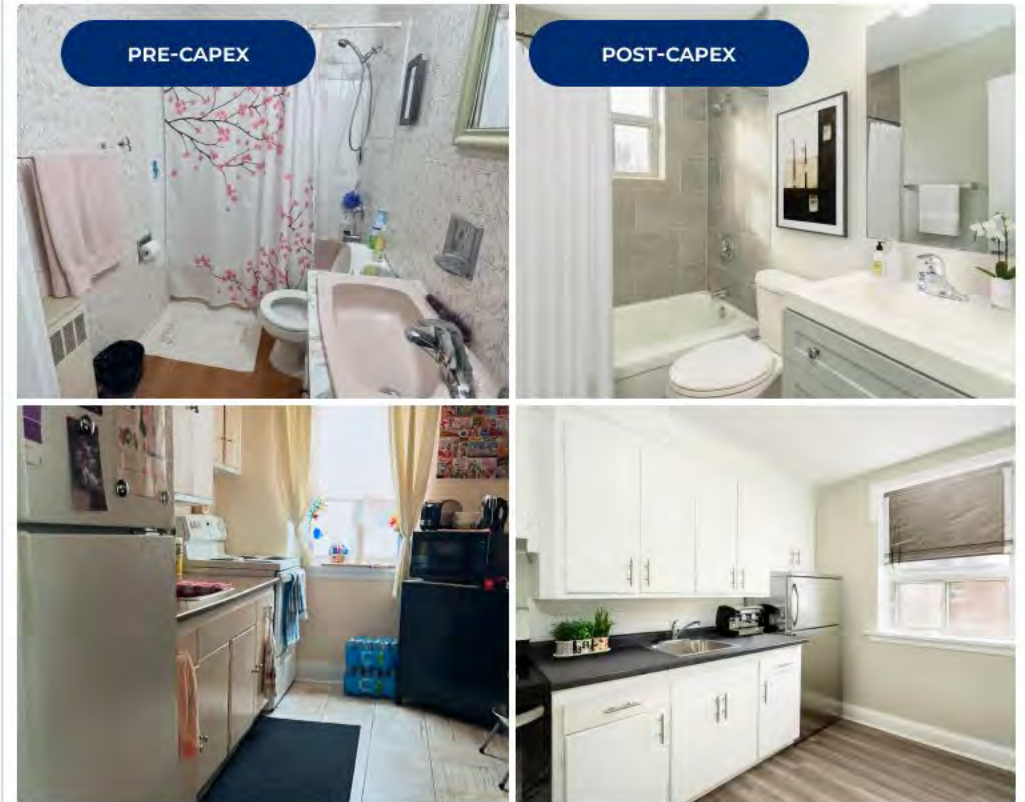
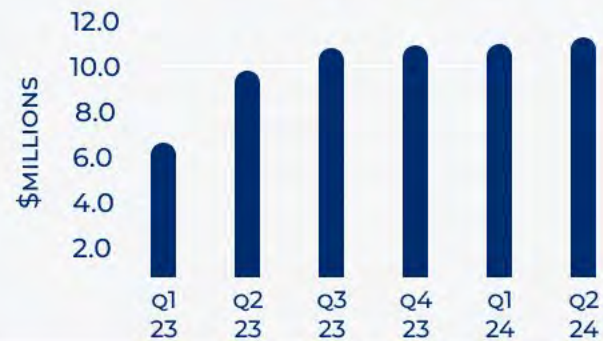
PRE-CAPEX FMV \$6,600,000

*POST-CAPEX FMV \$10,600,000

PRE-AVERAGE RENT \$920

POST-AVERAGE RENT \$1,214

*FAIR MARKET VALUE



VALUE ADD EXAMPLE

25 ELMWOOD DRIVE

PURCHASE DATE - AUGUST 15, 2022

MARKET MONCTON, NB

UNITS TURNED OVER 21

PRE-CAPEX FMV \$5,600,000

PRE-AVERAGE RENT \$761

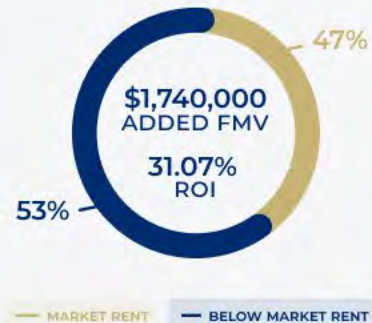
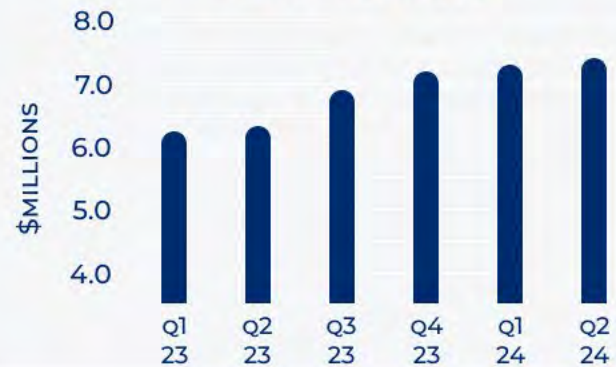
ROI (MONTH) 8.73

CAPEX SPENT (\$) \$185,350

*POST-CAPEX FMV \$7,340,000

POST-AVERAGE RENT \$1,220

*FAIR MARKET VALUE



PRE-CAPEX



POST-CAPEX



PIER 4

ESG

BY REDUCING COST WE ARE INCREASING THE POTENTIAL RETURNS TO OUR INVESTORS



ENERGY STAR APPLIANCES

Use far less electricity than generic appliances



LED LIGHTING

Consumes less electricity than standard incandescent bulbs



HIGH EFFICIENCY BOILERS

The fuel consumption is 85% less than regular boilers, which generates savings of electricity



WATERSENSE TOILETS

By replacing the toilets with the WaterSense labeled brands you can save up to 59,000L of water every year (-\$140)



GEO THERMAL ENERGY

Reduction of heating, cooling and hydro costs up to 70%, which provides cleaner and healthier air

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**OFFERING
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RECENT ACQUISITIONS



Kitchener, Ontario

PURCHASE PRICE	\$4,646,000
AVG RENT	\$1,134
GAP TO MARKET	84.7%
CLOSING DATE	June 2023
STATUS	Closed



London, Ontario

PURCHASE PRICE	\$8,400,000
AVG RENT	\$960
GAP TO MARKET	95.9%
CLOSING DATE	January 2024
STATUS	Closed



Kitchener, Ontario

PURCHASE PRICE	\$5,180,000
AVG RENT	\$1,323
GAP TO MARKET	60.0%
CLOSING DATE	April 2024
STATUS	Closed

RECENT ACQUISITIONS



PURCHASE PRICE	\$4,559,000
AVG RENT	\$1,066
GAP TO MARKET	113%
CLOSING DATE	June 2024
STATUS	Closed



PURCHASE PRICE	\$3,957,000
AVG RENT	\$1,132
GAP TO MARKET	107%
CLOSING DATE	June 2024
STATUS	Closed



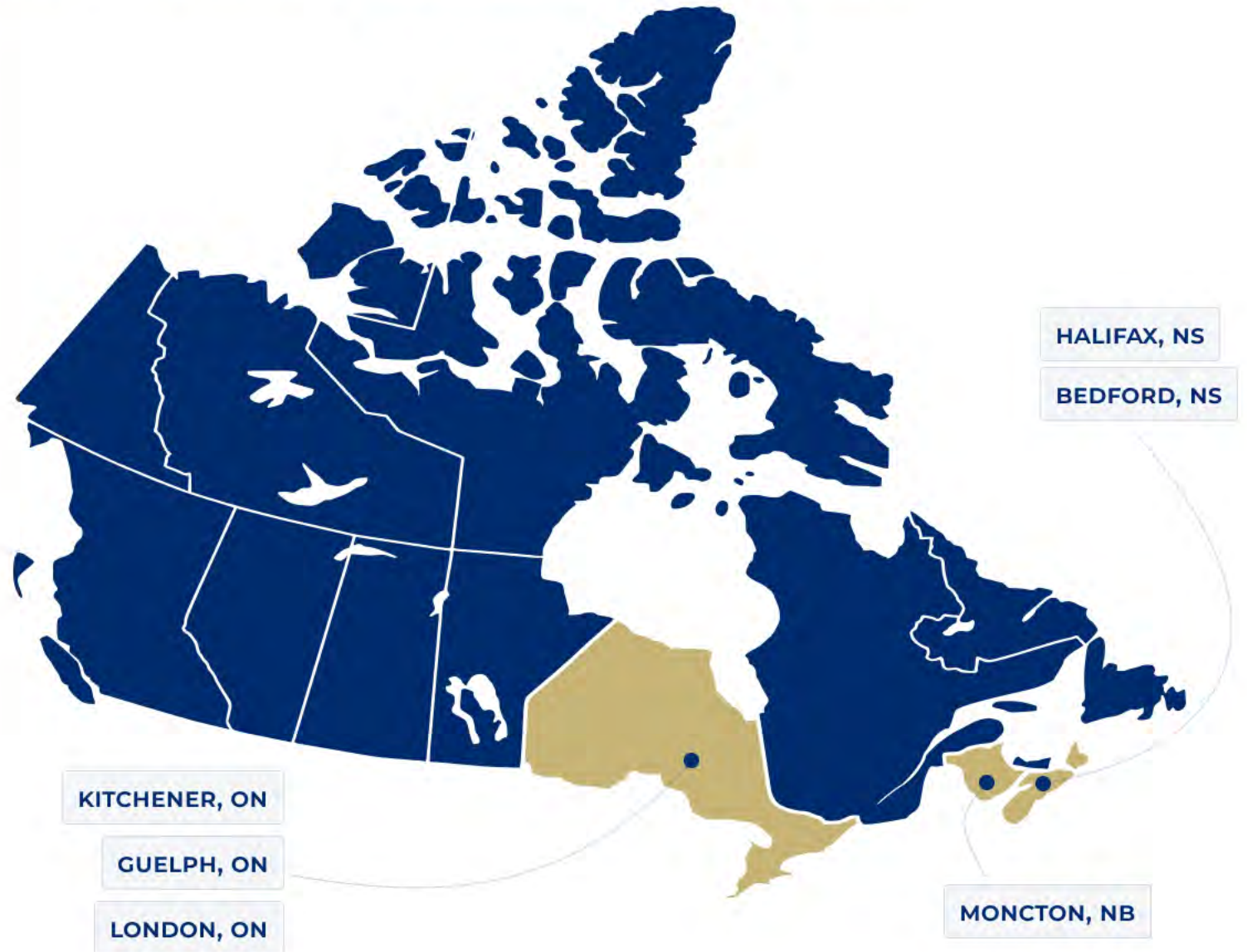
PURCHASE PRICE	\$3,600,000
AVG RENT	\$1,007
GAP TO MARKET	118%
CLOSING DATE	September 2024
STATUS	Under Contract

PORTFOLIO SUMMARY

* **23** PROPERTIES

6 COMMUNITIES

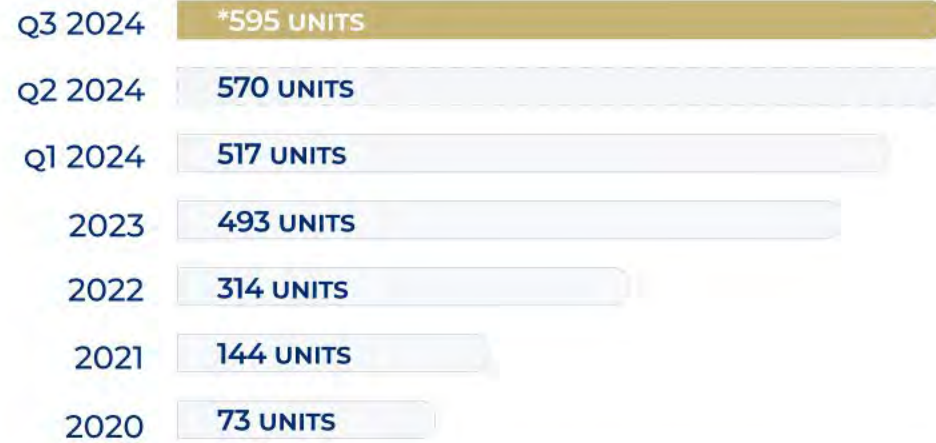
3 PROVINCES



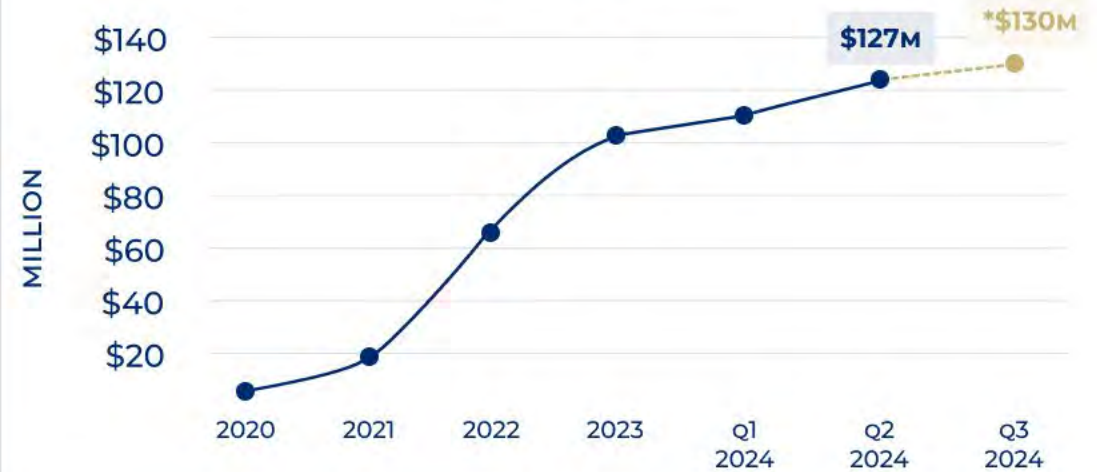
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PORTFOLIO SUMMARY

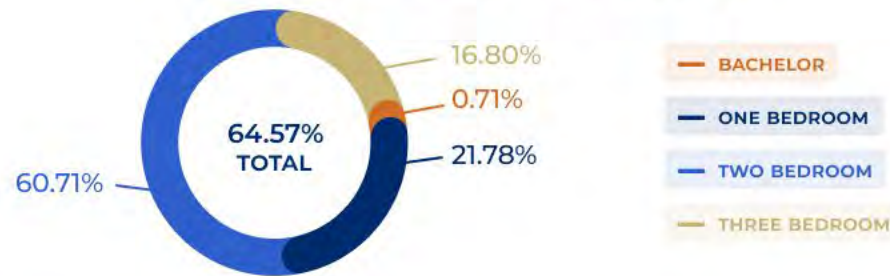
UNIT GROWTH



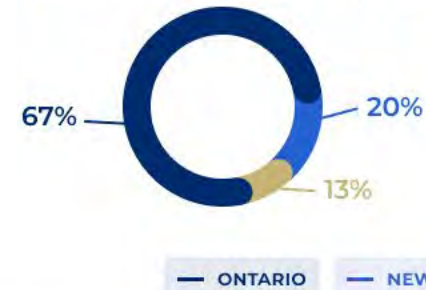
AUM GROWTH



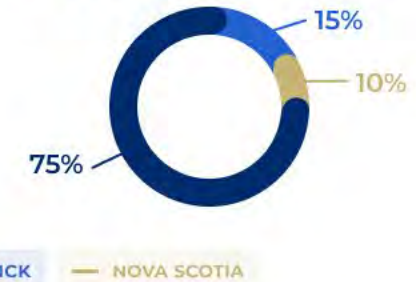
**PORTFOLIO GAP TO MARKET



*UNITS BY PROVINCE



*AUM BY PROVINCE



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**OFFERING
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OFFERING SUMMARY

	Class A				Class C			
FUNDSERV CODES	BEL3201				BEL3203			
*TARGETED RETURN	8.0% targeted net distribution per annum 12.0% - 15.0% targeted total net annual return				8% targeted net distribution at invested unit price per annum 12.0% - 15.0% targeted total net annual return			
DISTRIBUTION FREQUENCY	Monthly				Monthly			
PRICE PER UNIT	\$10.75 per unit				\$10.75 per unit			
MINIMUM INVESTMENT	\$10,000 (RRSP, RIF, LIRA, TFSA, RESP - eligible)				\$25,000 (RRSP, RIF, LIRA, TFSA, RESP - eligible)			
DRIP	Yes (2% discount per each unit at the current market price)				Yes (2% discount per each unit at the current market price)			
REGISTERED PLANS	Eligible				Eligible			
CARRIED INTEREST	70% (Investors) / 30% (Management) (Hurdle Rate of 8.0%)				80% (Investors) / 20% (Management) (Hurdle Rate of 8.0%)			
SELLING COMMISSIONS	Up to 6.5% 10.0% carried interest				Up to 4.5% 0.75% trailer fee			
REDEMPTION SCHEDULE	Year 1	92%	Year 3	96%	Year 1	92%	Year 3	96%
	Year 2	94%	Thereafter	100%	Year 2	94%	Thereafter	100%
REDEMPTION RIGHTS	Cash redemption limit: the greater of \$25,000 per quarter OR 0.75% of AUM per quarter Redemption Notes: issued in lieu of cash if redemption requests exceed the cash redemption limit Redemption Notes are NOT eligible for registered plans							

INVESTORS ARE ENCOURAGED TO REFER TO ITEM 9 - RISK FACTORS OF THE OFFERING MEMORANDUM

RISK FACTORS

BUSINESS RISKS

- No Guaranteed Return
- Tax Considerations
- Blind Pool Investment
- Debt Securities & Debt Instruments
- Achievement of Business Objectives
- Illiquidity of Units
- Highly Speculative Offering
- Reliance on Property Management
- No Independent Council for Unitholders
- Redemption of Units
- Potential for Partnership Promissory Notes
- Potential Dilution

INDUSTRY RISKS

- General Risks Associated with Real Estate Business
- Real Estate Market Competition
- Potential for Significant Capex or Other Fixed Costs
- Financing and Leveraging Risks
- Interest Rate Fluctuations
- Reliance of Trades & Suppliers
- Potential Environmental Issues
- Uninsured Loss of Properties

TRUST RISKS

- Dependence on Key Personnel (management team)
- Independence of Officers, Directors, and Trustees
- Less than the Maximum Offering
- Ability to Pay Cash Distributions
- Statutes of the Trust/ Mutual Fund
- Trust Status/ SIFT Rules
- Possible Loss of Limited Liability
- General Partner has Limited Assets
- Substantial Losses and Withdrawals



PIER 4

Real Estate Investment Trust

CONTACT INFORMATION



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REFERENCE LIST

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- 6 [RENTALS.CA \(2024\). MAY 2024 UPDATE RENTALS.CA RENT REPORT. RENTALS.CA/NATIONAL-RENT-REPORT](https://rentals.ca/national-rent-report)
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- 8 [ALTUSGROUP \(2024\). CANADA STATE OF THE MARKET: A YEAR IN REVIEW AND MARKET EXPECTATIONS FOR 2024. WWW.ALTUSGROUP.COM/INSIGHTS/CANADA-STATE-OF-THE-MARKET-A-YEAR-IN-REVIEW-AND-MARKET-EXPECTATIONS-FOR-2024/](https://www.altusgroup.com/insights/canada-state-of-the-market-a-year-in-review-and-market-expectations-for-2024/)
- 9 [PHOTO IS LICENSED, PHOTO ID: 251068444, WWW.SHUTTERSTOCK.COM/IMAGE-PHOTO/OFFICE-BUILDINGS-STRETCH-BLUE-SKY-FINANCIAL-251068444](https://www.shutterstock.com/image-photo/office-buildings-stretch-blue-sky-financial-251068444)