



Centurion Financial Trust

Capitalizing on Opportunities in Private Debt





Centurion Asset Management Inc. – Asset Manager



17
2003
years
of experience



*As July 17, 2020



Centurion Asset Management Inc. – Asset Manager



Centurion Apartment Real Estate Investment Trust (REIT)

7% - 12%
Targeted Annual Total Returns

Investments in rental apartments, student housing properties, and multi-family residential and commercial mortgages across Canada and the United States



Centurion Real Estate Opportunities Trust (REOT)

7% - 12%
Targeted Annual Total Returns

Investments in mortgages and opportunistic real estate developments and investments



Centurion Financial Trust (CFIT)

7% - 12%
Targeted Annual Total Returns

Debt investments that include but are not limited to, mortgages, opportunistic real estate developments, and corporate debt



Centurion Financial Trust Key Investment Officers



Greg Romundt
President
Chief Investment Officer



Daryl Boyce
Executive Vice President
Head of Centurion Financial Trust



Stephen Stewart
Executive Vice President
Head of Centurion REOT

85  YEARS
COMBINED EXPERIENCE


6 TEAM MEMBERS

MARKETS



SERVED

**See Appendices for Biographies of Key Investment Officers*



Centurion Financial Trust Key Investment Officers



Michael LeClair
Chairman
Independent Trustee



Donna Parr
Independent Trustee



Graham McBride
Independent Trustee



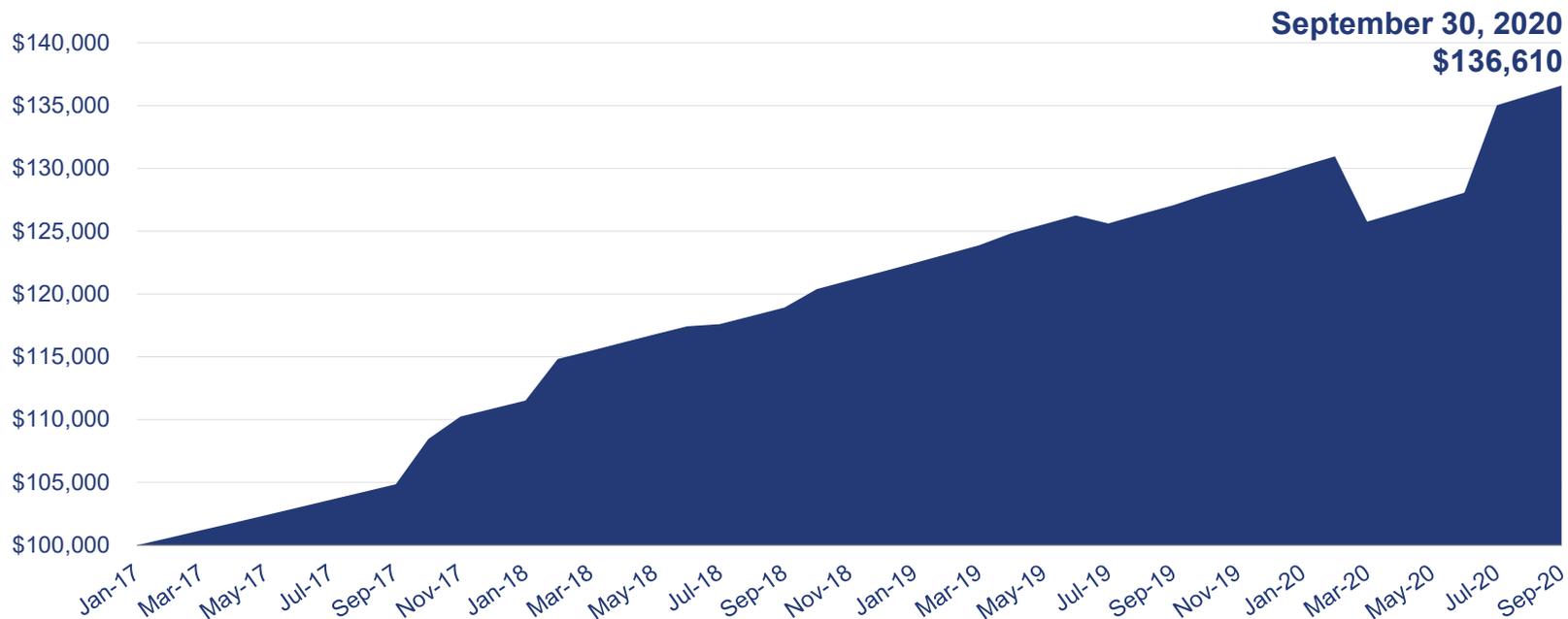
Ken Miller
Independent Trustee

**See Appendices for Biographies of Key Investment Officers*



Centurion Financial Trust

GROWTH OF \$100,000 INVESTED IN CENTURION FINANCIAL TRUST (Class A Units) (since inception, January 27, 2017)



Calendar Returns	2017	2018	2019	2020 YTD
Centurion Financial Trust	10.89% ⁽¹⁾	9.81%	6.27%	5.57% ⁽²⁾

Compound Trailing Returns	1-Year	2-Year	3-Year	Since Inception
Centurion Financial Trust	7.50%	7.17%	9.22%	8.67%

(1) For partial year January 27, 2017 to December 31, 2017

(2) As at September 30, 2020

Centurion Financial Trust returns are not guaranteed, their values can change frequently and past performance is no guarantee of future results.

PAST PERFORMANCE MAY NOT BE REPEATED.



Centurion Financial Trust



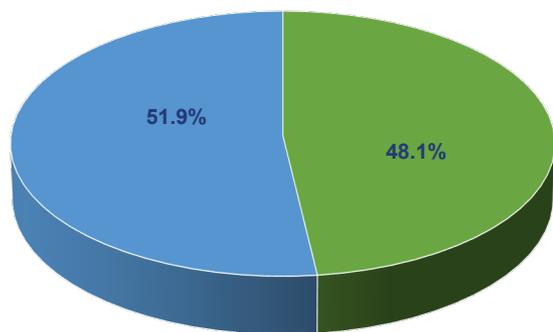
Target:
50-50 Mix



Targeted Annual Return:
7% - 12%

CFIT Investments

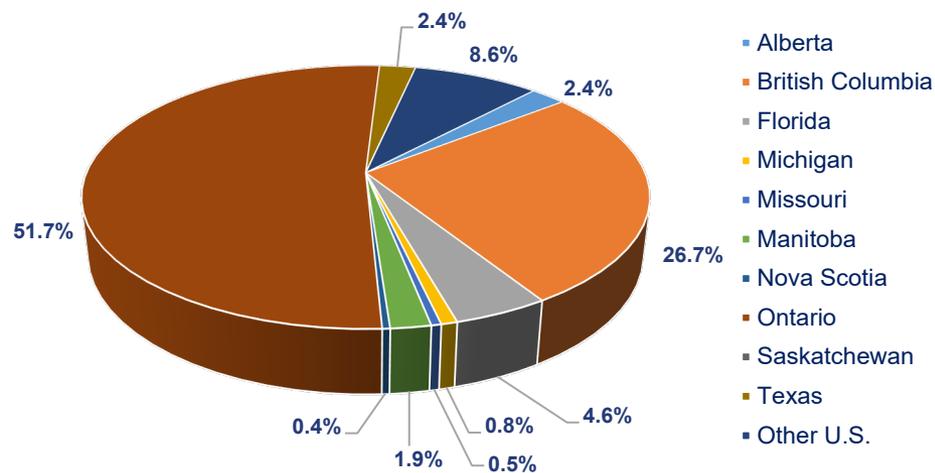
As at September 30, 2020



■ Corporate ■ Real Estate

CFIT by Geography

As at September 30, 2020





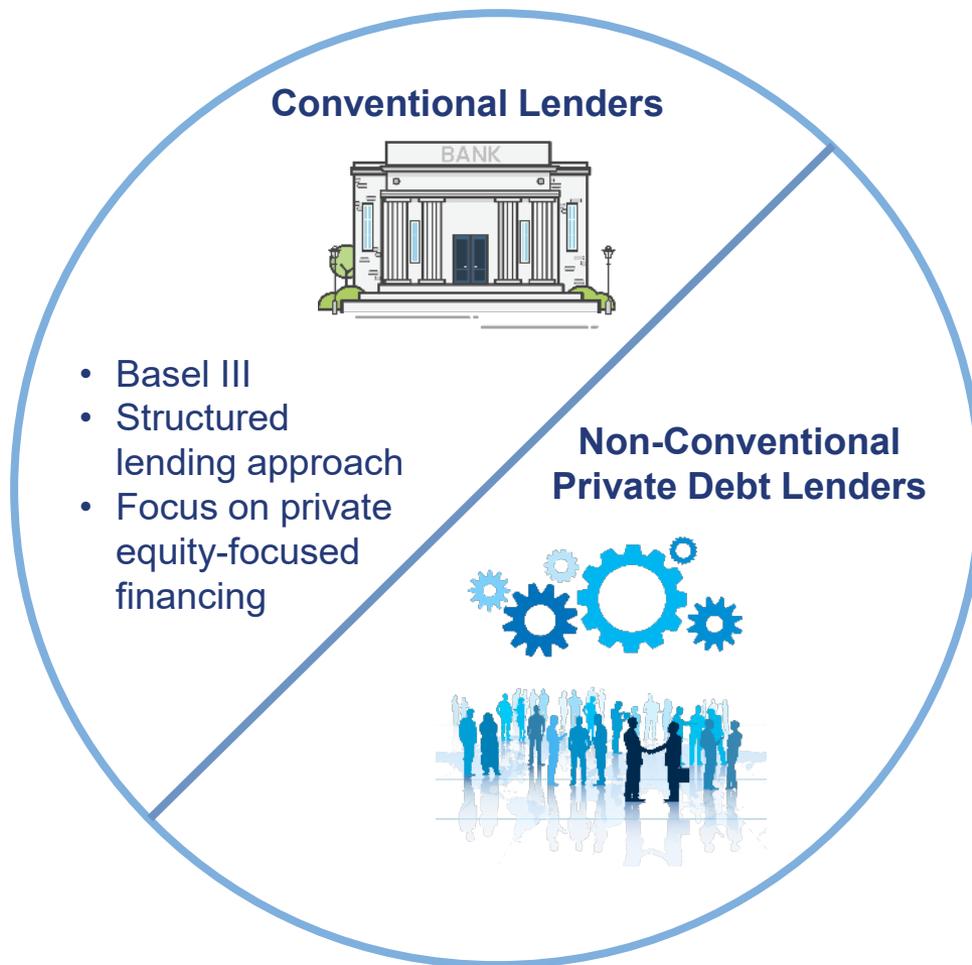
CORPORATE DEBT PROSPECTS REVIEWED

(as at September 30, 2020)

Total Prospects Reviewed	35
Declined/Passed on After Initial Review	(17)
Qualified Prospects Declined/Lost	(4)
Other Prospects Declined/Lost	<u>(0)</u>
Subtotal – All Qualified Prospects	14
Completed New Investments by the Trust	<u>(0)</u>
Remaining Qualified and Other Prospects	14



Emergence of Private Debt

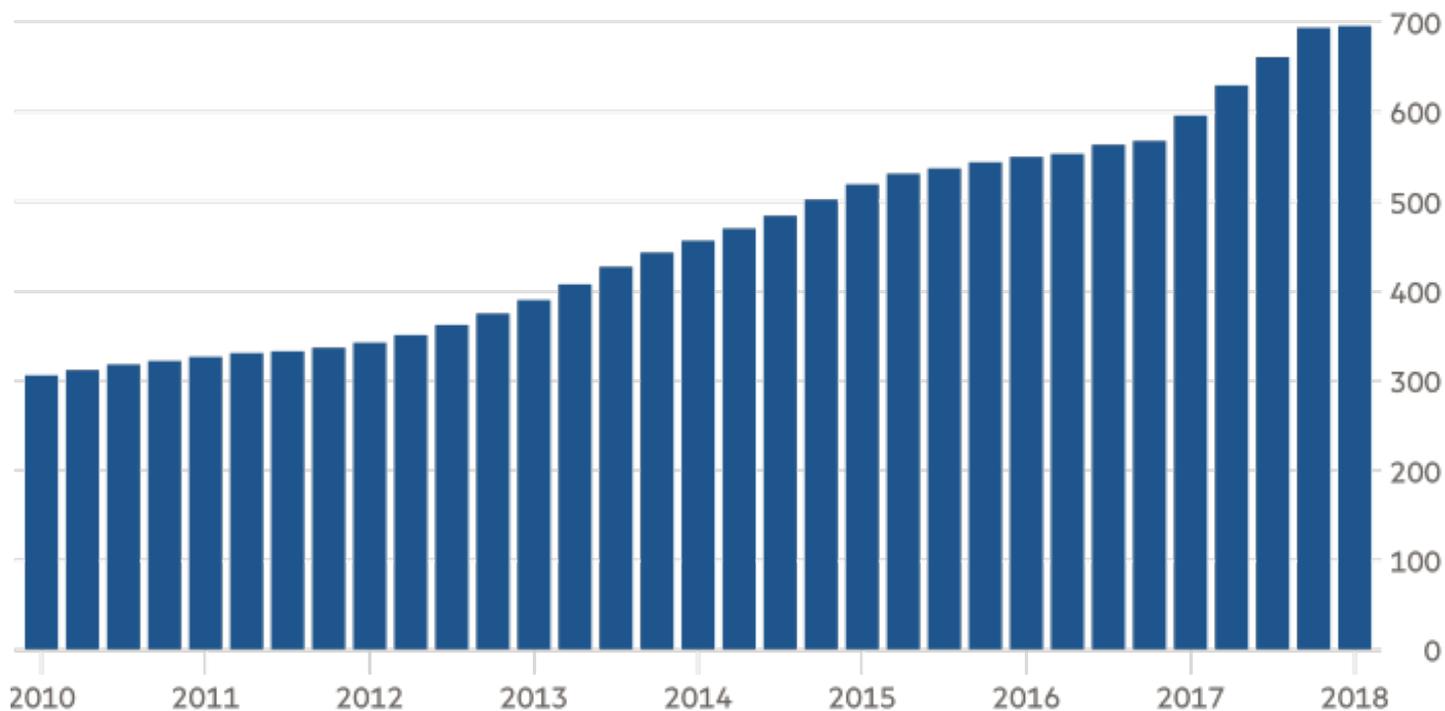




Emergence of Private Debt

Private debt market has more than doubled in under a decade

Value of private debt deals outstanding (\$bn)



Source: Bank of America

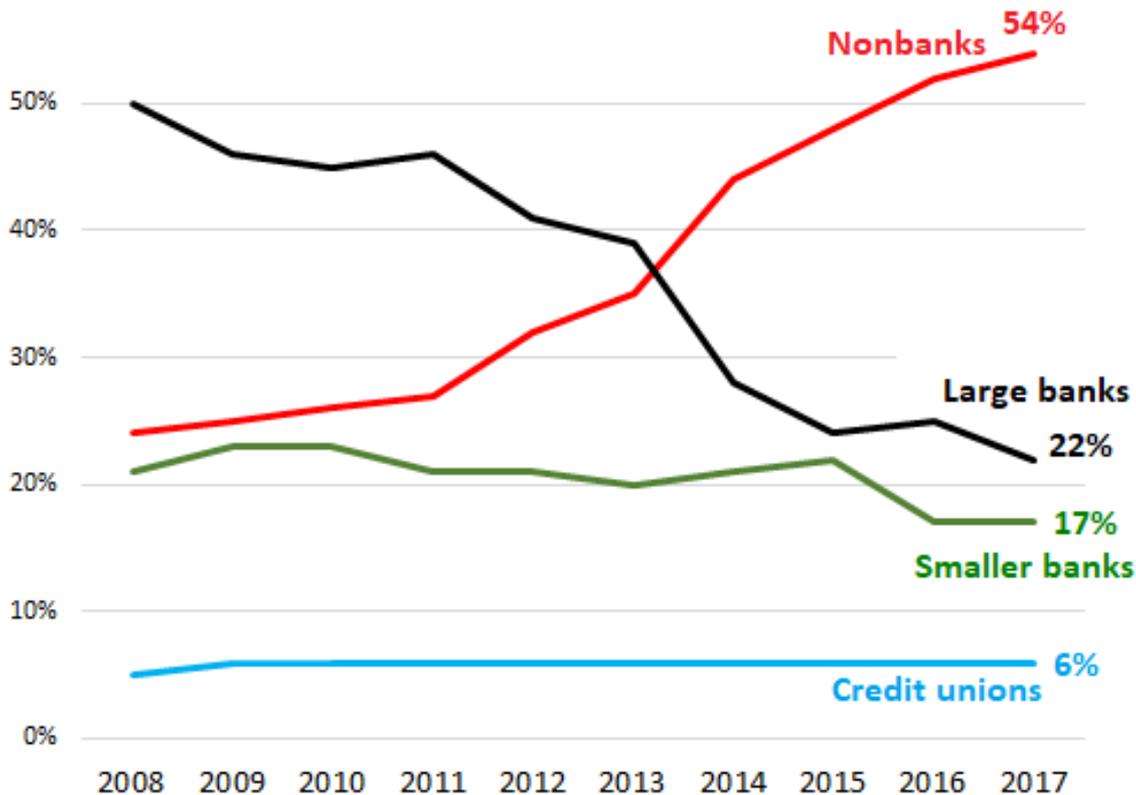
© FT



Emergence of Private Debt

Nonbanks Rule

Share of Mortgage Originations by Lender Type



Source of data: Mortgage Bankers Association

WOLFSTREET.com



General Investment Types and Terms



Financing Types *

Non-restrictive
financing solutions



Location

Canada and
United States



Priority

Senior or Junior



Loan Terms

Flexible terms,
up to 7 years



Loan Size

\$2M - \$15M



Sector

All sectors



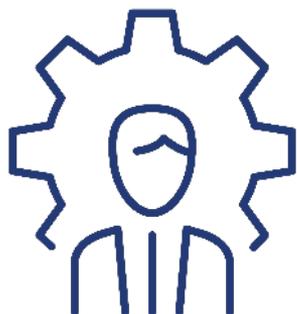
Types of Businesses

Small to medium-
sized companies

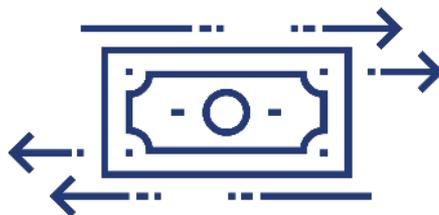
* Key Market Differentiation



Target Businesses and Markets



Well-developed
business models
with strong
management



Good cash flow to
repay financing
and/or poised to
achieve good
supporting cash flow



Operating in
sustainable markets



Sources of Opportunities





Risk Mitigation Strategies



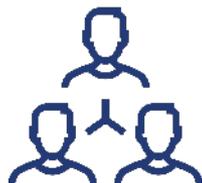
- Collateral coverage
- Appropriate financial covenants



- Rigorous credit analysis
- Stress testing of financial projections and collateral values



- Blend of short-, medium- and longer-term maturities
- Geographic diversification



- Maintain close investee relationships with regular interaction and update
- Focus on performance to forecast and KPI's



Risks Related to the Novel Coronavirus Disease (COVID-19): There has been and continues to be a global pandemic related to an outbreak of the novel coronavirus disease (COVID-19). This outbreak (and any future outbreaks) of COVID-19 has led (and may continue to lead) to disruptions in global economic activity, resulting in, among other things, a general decline in equity prices and lower interest rates. These circumstances are likely to have an adverse effect on levels of employment, which may adversely impact the ability of tenants, borrowers and other counterparties to make timely payments on their rents, mortgages and other loans. An increase in delinquent payments by tenants, borrowers and other counterparties may negatively affect the Trust's financial position. The full extent of the duration and impact that COVID-19, including any regulatory responses to the outbreak, will have on the Canadian, United States and global economies and the Trust's business is highly uncertain and difficult to predict at this time.

Additional Risk Factors are disclosed in the Offering Memorandum.



Case Study: Property Development Firm – U.S. Expansion



Nature of Financing: Growth capital to fund the U.S. expansion of an established property manager for acquisitions in the veterinary clinic sector

Investment Solution:

- \$7 USD million term financing – 3-year term, 10.75% interest coupon
- Loan secured by a first charge on specific property acquisitions as they are undertaken, plus a second charge on the company's existing, well-established Canadian business
- Loan is supported by a strong base of established cash flows and equity value across a growing and diversified real estate portfolio with national tenants
- Centurion's financing program is fully scalable – ability to increase our commitment over time as the company's U.S. growth plans expand further and as its track record becomes further established



Case Study: Global Manufacturing Firm – Growth Capital



Nature of Financing: Recapitalized the Company's balance sheet to refinance an existing credit facility and provided additional working capital to enable the company to execute on a committed and growing order backlog

Investment Solution:

- \$6.2 million term financing – 2-year term, 10.50% interest coupon
- Loan secured by a first charge on the assets of the business and personal guarantee of the owner and supported strong financial results and business pipeline
- Centurion was able to secure this investment opportunity through its quick response to fulfill a time sensitive financing need. This required an innovative approach to structuring the deal and completing due diligence.



Case Study: Biomass Energy Plant Financing



Nature of Financing: Restructuring

Investment Solution:

- \$10 million senior debt financing at Prime +7.8%, syndication of \$5 million of the financing
- Loan secured by first charge on real estate, equipment, and corporate guarantee by the diversified, international private equity owner/operator
- Restructuring financing related to P/E sponsor injecting additional capital to enhance equipment and operating efficiencies
- Company expects to complete replacement financing with Schedule 1 bank in 2020 upon the plant achieving strong operating earnings



Case Study: Life Sciences



Nature of Financing: Support the build-out and expansion of production facilities

Investment Solution:

- \$25 million senior debt financing at Prime +9%, syndication of \$17 million of the financing
- Loan security comprises:
 - 1st mortgage charges over 3 facilities (2 with cultivation licenses in BC and NB, 3rd in build-out stage in NS), with LTV <65%
 - Pledge of shares, assignment of licenses
 - GSA over entire company
- Convertible option on portion of loan at discount to public share price in addition to warrants



Case Study: Apartment/Condo Development



Investment Solution:

- Rental apartment building: \$6 million 3-year mezzanine loan at a coupon of between 9% -12%
- First right of refusal for purchase of completed project
- Condominium building: \$11 million senior ranking equity stake
- Fully pre-sold condominium units
- Option to participate in financing of future phases of the development

Appendices



Biographies of Key Investment Officers



Greg Romundt | President | Chief Investment Officer

Mr. Gregory G. Romundt is the founder and President of the Asset Manager, the Property Manager, the Mortgage Manager, the Mortgage Servicer, Centurion Apartment REIT, Centurion Real Estate Opportunities Trust, and Centurion Financial Trust. He has been engaged in investment in residential real estate since 1997 and investments and financial markets since 1991. He has real estate investment experience in Singapore, Britain, Australia, China and Canada. From 1991 to 1997, he worked for Citibank in Toronto, New York and Singapore as a financial derivatives trader in interest rate derivatives, major and emerging currencies and exotic derivatives. From 1997 to 2001, he worked for AIG International Group in Hong Kong, Britain and Singapore as head of emerging market derivatives and then as Senior Vice President and Partner (Emerging Markets). He was the group risk manager, overseeing all of the firm's positions in emerging markets. He graduated from the Richard Ivey School of Business at the University of Western Ontario with an HBA in 1991. Mr. Romundt was nominated for and was a finalist in the Ernst & Young 2014 Entrepreneur of the Year award. He was named CEO of the Year in 2015 by Canadian Apartment Magazine. He has previously served on the board of NEMA (National Exempt Market Association) and PCMA (Private Capital Markets Association).



Daryl Boyce | Executive Vice President | Head of Centurion Financial Trust

Mr. Boyce's investment and financing experience spans over 35 years and encompasses the management of equity and debt financing portfolios. Most recently, Mr. Boyce was the President of Evergreen Capital Group, a consulting firm involved in providing corporate finance, business transition, as well as expansion- and succession-related advisory services to mid-market clientele. Prior to forming Evergreen, he managed the private equity portfolio of Trimel Investments Inc., with the portfolio comprising investee companies in a number of diverse sectors throughout North America. Before Trimel, Mr. Boyce held a variety of lending roles in The Bank of Nova Scotia (Scotiabank), where he managed a senior lending portfolio, which included leading and arranging a variety of specialized and syndicated financing. Over the years, Mr. Boyce has acquired expertise in a variety of sectors, including consumer products, specialty pharmaceuticals, manufacturing and distribution, transportation and logistics, and professional sports. He received his Honours Bachelor of Arts in Commerce and Economics from the University of Toronto, Ontario, Canada in 1981.



Biographies of Key Investment Officers



Stephen Stewart | Executive Vice President | Head of Centurion REOT

Mr. Stewart has over 25 years of experience in various roles in the financial services and investment industries. Most recently Mr. Stewart spent 5 years as the Chief Financial Officer of ING Bank of Canada (ING Direct), where he oversaw all aspects of finance, accounting and risk management as well as chairing the bank's credit committee, several management committees and serving as a director of two regulated mutual fund subsidiaries. Prior to his appointment as CFO, he served as Chief Lending Officer where he oversaw the company's commercial and retail lending departments and a mortgage book of over \$20 billion. Before joining ING, Mr. Stewart was with Hudson Advisors, a private equity firm specializing in real estate debt investments and structured finance, and previously held a variety of progressive lending roles including real estate and construction financing roles with National Bank and North American Trust. He began his career with PWC. Mr. Stewart was a Director and Chair of the Audit Committee of Plan International. Mr. Stewart is a Chartered Accountant with a double major in management and economics from the University of Guelph.



Biographies of Independent Trustees



Michael LeClair | Chairman | Independent Trustee

Mr. LeClair is an experienced director and strategic advisor with an extensive background in corporate finance, mergers and acquisitions and private equity. Prior to joining the Board of Trustees of Centurion Financial Trust, Mr. LeClair acted as Managing Director of Integrated Asset Management – Private Debt Group (2002-2015), an institutional debt fund specializing in providing financing solutions for mid- market Canadian companies including small to medium-sized energy projects in North America. He is currently Chair of the Board for a privately held group of health care centers in the United States and is a strategic advisor to a fast growing, specialty engineering company based in Toronto. Throughout his career, he has served in various executive capacities including President of Westpark Healthcare Foundation, a Toronto based hospital foundation, Vice President, Corporate Development at Chubb Security (1998-2001), a global security company and as a strategic advisor and Director for a number of Canadian and U.S. private companies. Mr. LeClair is a Certified Corporate Director with a degree from the Rotman School of Management at the University of Toronto and holds a Bachelor of Science degree from the University of Western Ontario.



Donna Parr | Independent Trustee

Ms. Parr has significant experience in venture and private equity investing and fund raising and corporate finance working for Canadian Medical Discoveries Fund, Canada Pension Plan (CPP), TD Capital, Ontario Municipal Employees Retirement System (OMERS), Canadian Corporate Funding Ltd, Trivest Insurance Network (a Trilon company) and Continental Illinois Bank. Of her twelve years making direct private equity, venture capital, and private debt investments at OMERS, she headed the private equity and venture group for four years. She has served on 30 boards of private companies on behalf of institutional investors. As President of Crimson Capital, she has worked with a number of technology and growth companies to build their businesses and has been involved in numerous equity capital raises and secured over \$8M in government grants/loans. She has prior operational experience as part of the early team, and as an active current Director, of CellAegis Devices which has developed a patented medical device for reducing the impact of heart attacks and stroke using technology licensed from the Hospital for Sick Children. Donna was an Entrepreneur in Residence at the HalTech Regional Innovation Centre. She holds an MBA from York University and Masters and Honours degrees from the University of Toronto in International Relations. Donna was a Board Director of the Heart and Stroke Foundation of Ontario from 2006-2012 and a founder of Canadian Women in Private Equity and AceTech Ontario.



Biographies of Independent Trustees



Graham McBride | Independent Trustee

Mr. McBride has been active in the North American investing community for 30 years. He is President of LarchHill Capital Inc., a private investing and consulting firm, and a Co-Founder of FundThrough Inc., a provider of working capital to small and mid-sized companies. Until 2010, he was a Managing Partner of VG Partners, joining to lead the growth and management of the VG MezzGrowth Group (mezzanine fund), with capital under management of \$300 million. His entire career has been spent in the Canadian mid-market, investing in, and advising entrepreneurs and their businesses. Prior to VG, Mr. McBride was a Managing Director of Royal Bank Capital Partners' Mezzanine Fund, establishing the firm as a presence in the mezzanine market. From 1996 to 2000, Mr. McBride was a Principal in the start-up of McKenna Gale Capital, focusing on mezzanine investments of \$7 to \$15 million in a diverse mix of mid-market companies. Graham was a primary transaction generator McKenna Gale, with responsibility for ongoing deal management and execution. Mr. McBride has been a director of numerous companies and continues to be an active director of several businesses, including Donaldson & James Ltd. and AME Learning Inc., and is on the Board of Advisors of triOS Colleges Inc. Mr. McBride has a Bachelor of Commerce (Honours) degree from Queen's University.



Ken Miller | Independent Trustee

Mr. Miller is the CEO of Raven Consulting. He brings a wealth of experience to the Board of Trustees after spending 33 years in the banking industry. Mr. Miller's experience includes 15 years as the General Manager in the Special Loans division at CIBC where his focus was on difficult to recover loans in excess of \$5M. Assuming the responsibility in 1993, he managed the Real Estate portfolio within the special loans division with financing in the single family, industrial, condos, and commercial markets in Canada, USA and Europe. After leaving CIBC Mr. Miller joined Longroad Asset Management, LLC, a private equity firm in New York City and then First Caribbean Bank. His experiences also include guiding operational and financial restructuring plans, the negotiation of the sale of debt, chairing lender syndicate steering committees and acting as a representative for lending files on numerous credit and steering committees. He has 25 years of experience in financial analysis with 10 years of experience lending to the Ontario Construction industry. Mr. Miller received numerous awards during his tenure at CIBC and was an honoured guest speaker at several insolvency symposiums with his subject focus being on real estate construction, financing analysis and recovery techniques. He received his Bachelor of Arts from York University and received his Fellowship of the Institute of Canadian Bankers from the University of Toronto.



Disclaimer

IMPORTANT INFORMATION: This communication is for information purposes only and is not, and under no circumstances is to be construed as, an invitation to make an investment. Investing involves risks. There is currently no secondary market through which the units may be sold and there can be no assurance that any such market will develop. A return on an investment is not comparable to the return on an investment in a fixed-income security. The recovery of an initial investment is at risk, and the anticipated return on such an investment is based on many performance assumptions. Although the intent is to make regular distributions of its available cash to Unitholders, such distributions may be reduced or suspended. The actual amount distributed will depend on numerous factors, including financial performance, debt covenants and obligations, interest rates, working capital requirements and future capital requirements. In addition, the market value of the units may decline, and that decline may be material. 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. There can be no assurance that income tax laws and the treatment of mutual fund trusts will not be changed in a manner which adversely affects investors.

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