



CENTURION
ASSET MANAGEMENT INC

Annual General Meeting of Unitholders

Centurion Apartment REIT and Centurion Real Estate Opportunities Trust

September 19, 2017

Presented by:
Greg Romundt, President and CEO

Economic and Market Landscape





The Economic and Market Landscape

- World economy to remain sluggish:
 - Low growth
 - Low inflation
 - Low interest rates (volatile. In US and Canada rates have limited room to rise as central banks try to recover “wiggle room” for the next recession and then will resume there decent lower)
 - Potential for negative shocks (e.g., China, North Korea, Canadian tax changes)
 - “Robotization” and “Softwarization” threaten to cause significant deflation, pressure wages and stunt broad growth. We are just at the start of this forth industrial revolution.
- Governments will continue to use “Financial Repression” to bail out an otherwise insolvent system (e.g., negative interest rates in Europe, Canada is next, then the US).



The Economic and Market Landscape

- US interest rates to remain range bound but firmly accommodative. The Federal Reserve is nearing the end of this cycle of rate increases
- Canadian growth has surprised to the upside recently which may give room for the Bank of Canada to increase interest rates in the short term.
- Canada's inability to get pipelines built is damaging growth prospects.
- The governments shift to demonizing entrepreneurship may result in significantly negative tax shocks and thus business disincentives which could permanently shift business, economic and employment growth lower
- Focus is on fiscal policy in Canada and abroad. This too will fail to lift growth but will just increase already high levels of debt.



Interest Rates will be Steady or Lower

- **The U.S. economic expansion is tired.** Federal Reserve wants to raise rates to build in more cushion for the next recession but can't by much. We are in year 8 of a 5 year business cycle so the current tepid expansion is on borrowed time.
- **Europe is on the verge of fracturing.** Refugee crisis continues to boil although a major crisis was deferred with France's election of Macron. Timing is uncertain for a reignition of the fracturing of Europe, but it is almost inevitable. Safe haven flows into US and Canada are likely.
- **Continuing pressure in China.** Massive outflows into safe assets like Canadian property is a risk to Toronto and Vancouver if these flows stop or reverse. China has recently clamped down on outbound investment. Ontario has also implemented an anti-foreigner tax which seems to have helped contribute to a quieting of the residential property market



Interest Rates will be Steady or Lower

- **Trump is a risk to trade.** Trump is a protectionist and while he has largely been ineffective in getting policies passed, there is the risk that he does derail trade with China (over Korea) or NAFTA that could significantly slow global growth and bring rates lower.
- **Canadian interest rate path in the short term is neutral to up slightly then back down in the medium term.** Interest rates likely to be range bound, volatile with a bias to the downside in the medium term. Negative interest rates in Canada are highly likely in the future, but not immediately, as growth seems to have picked up.



The Economic and Market Landscape

Key Conclusions:

- Interest Rates to remain low for a considerable amount of time, and the long term trend remains intact, although we could see small short-lived increases in the short term
- Canadian growth is to remain weak for foreseeable future and the prospects for growth are worsening due to government policy and robotization and softwarization
- Canadian assets will continue to benefit from safe haven flows, but could see significant headwinds from trade concerns, tax changes, and continued rise of the US in the oil fields and Canadian inability to get pipelines built
- Demand for low risk cash flow assets to remain strong



CENTURION APARTMENT REIT





Last 12 Months in Review

Acquisitions/Dispositions:

- Modest property acquisitions in 2016 (5) and 2017 YTD (1) – there is a continued shortage of good acquisition opportunities.
- There were no dispositions in 2016 and nothing currently being offered for sale
- Primarily focused on new product (apartments).

Through the Mortgage Portfolio:

- Have secured almost \$703.8 million of property purchase options from financing program, although the amount ultimately purchased may be materially less than this amount.
- 3 out of 6 of the acquisitions made came from the mortgage portfolio pipeline (62% of the dollars invested). It is now our most significant source of accretive acquisition opportunities.
- Have developments in progress now that may lead to acquisitions in British Columbia, Alberta, Saskatchewan and Manitoba.



Last 12 Months in Review

Operations:

- Continued to drive NOI margins. Anticipating a full year NOI margin of over 64% in 2017.
- Made significant progress in moving properties along the stabilization process with occupancies with 94.5% of the portfolio now stabilized and 98.9% leased.
- Significant rent growth is being achieved with this stabilization with market rent gap now 11.25% of revenues vs 3.44% last year at this time.
- Returns accelerated in 2017. TTM returns to Aug 1, 14.81%



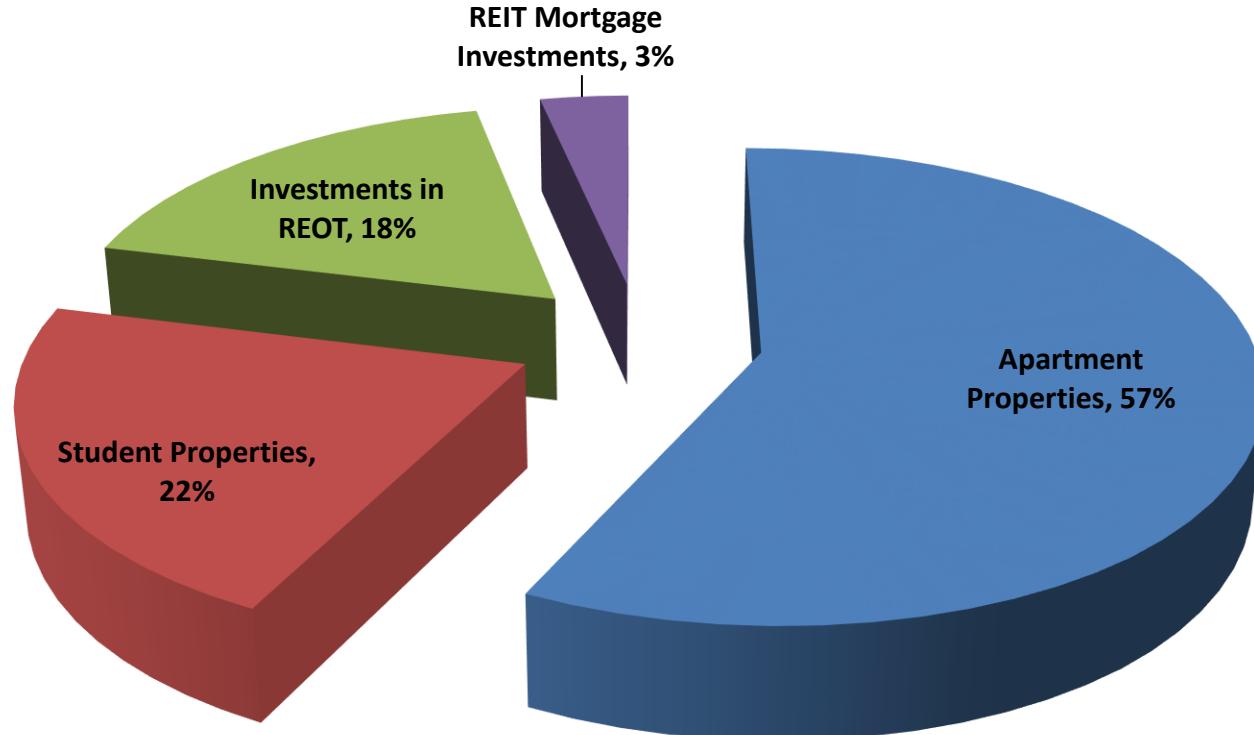
Last 12 Months in Review

Operations:

- Portfolio leverage is very conservative at 37.05% at June 30, 2017.
- Expanded our credit facilities to \$65.75 million in 2017. REOT has its own facility of \$30 million.
- Reversed course on the third party property management initiative. It was excessively dilutive to our resources and our view of the opportunity set changed (more student deals are going condo due to superior exit return potential)
- Continued to reduce net interest costs. With exceptionally low interest rates, refinancing properties has been a significant area of focus. The REIT completed \$61.01 million in re-financings on 3 properties between August and December 2016 at a weighted average rate of 2.50%. We continue to refinance properties in 2017. The REIT is now a significant interest earner, which we view as mitigating some of our risk to interest rates.



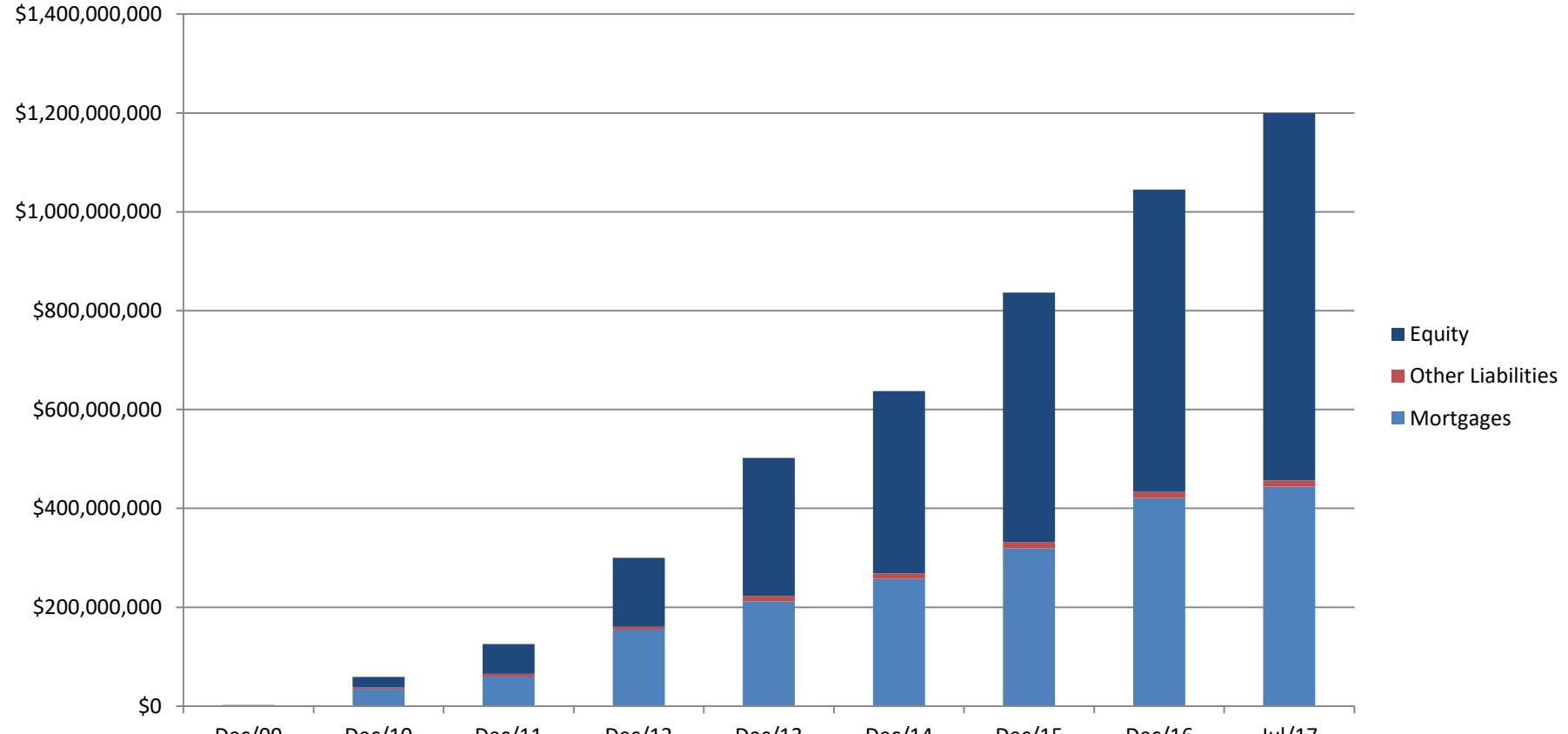
Asset Allocation as Percentage of Investment Portfolio



As at July 31, 2017



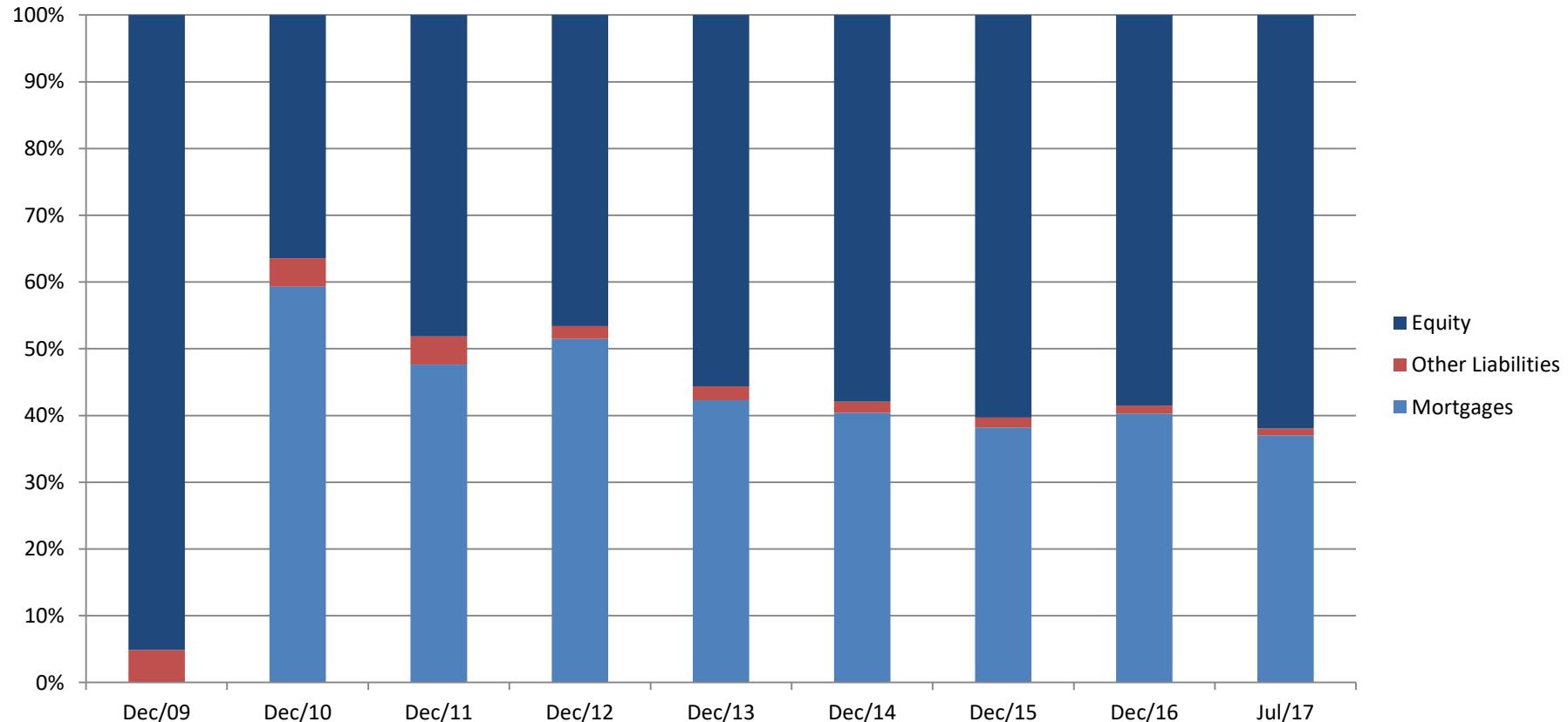
Asset & Debt to Equity Mix



As at July 31, 2017



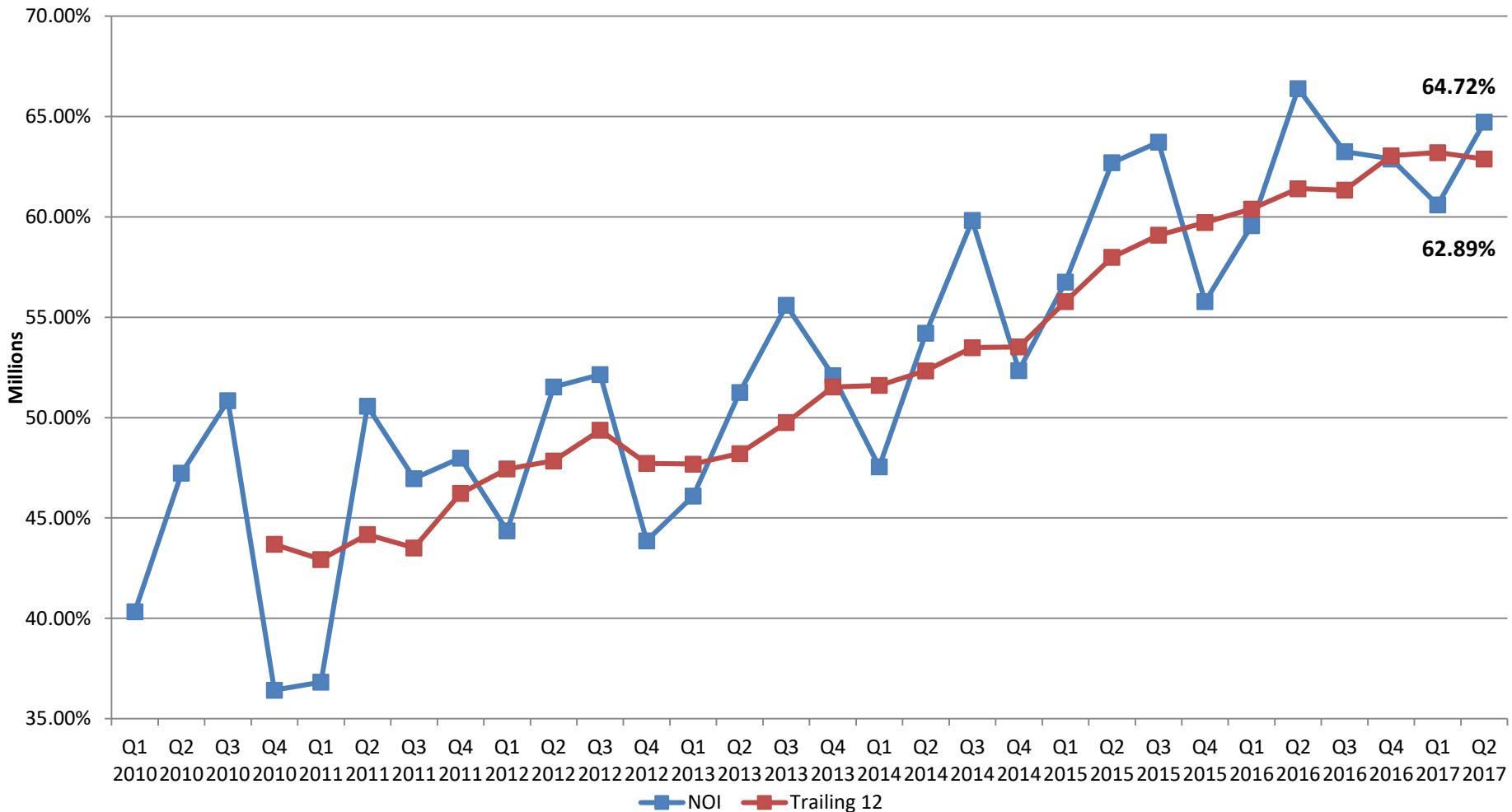
Debt / Equity Mix (%)



As at July 31, 2017

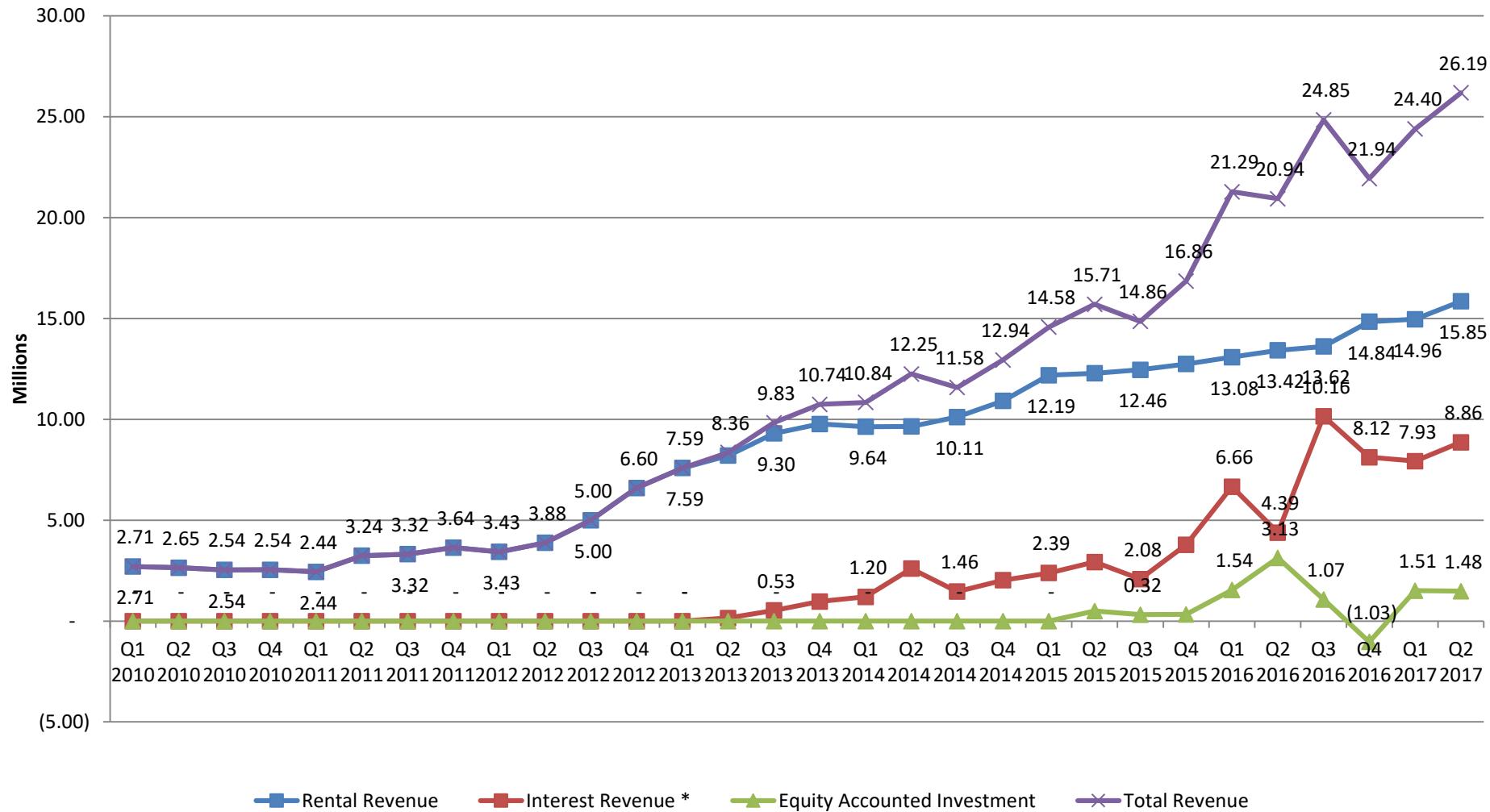


NOI Ratio Growth



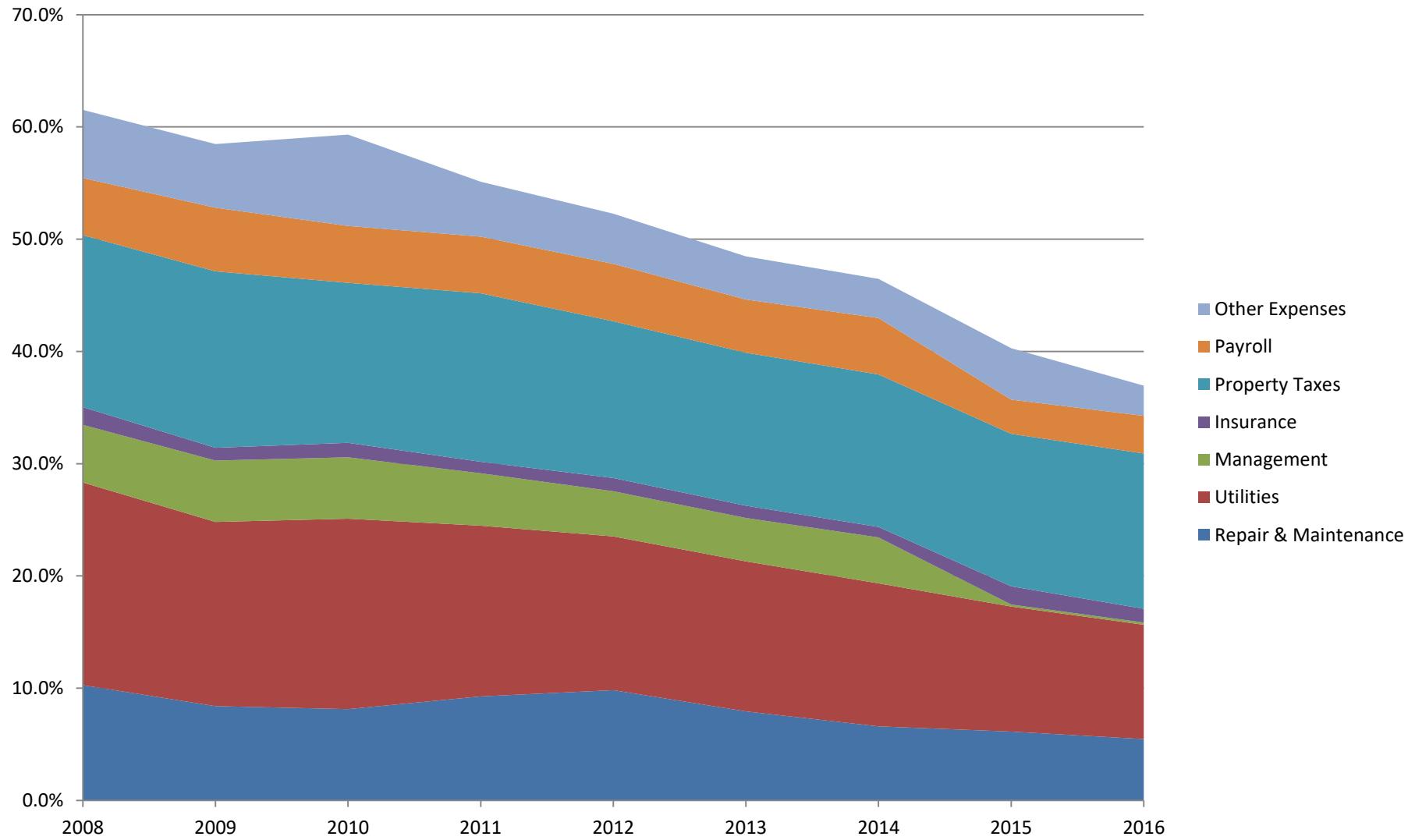


Quarterly Revenue Growth



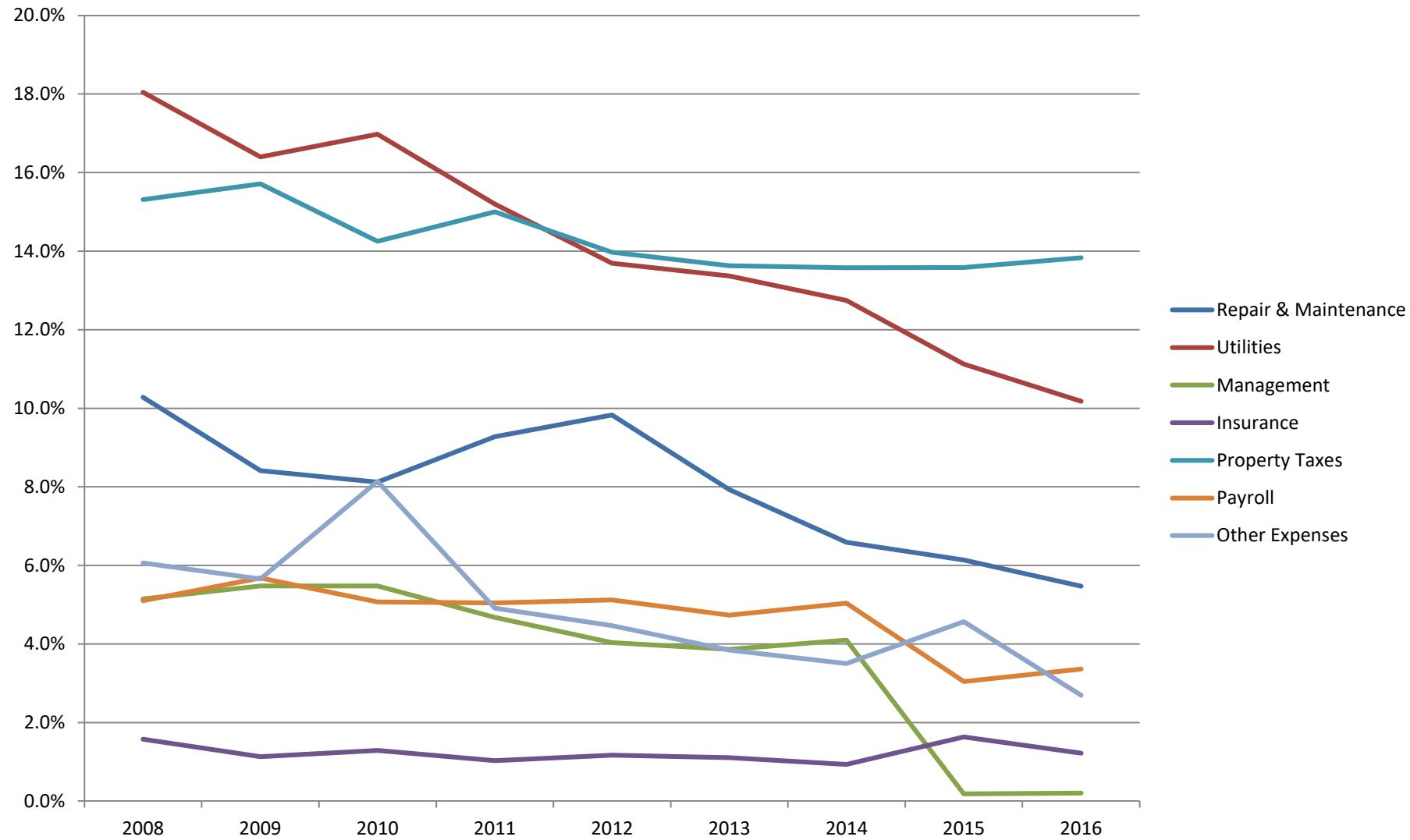


Operating Expense % of Total Operating Revenue



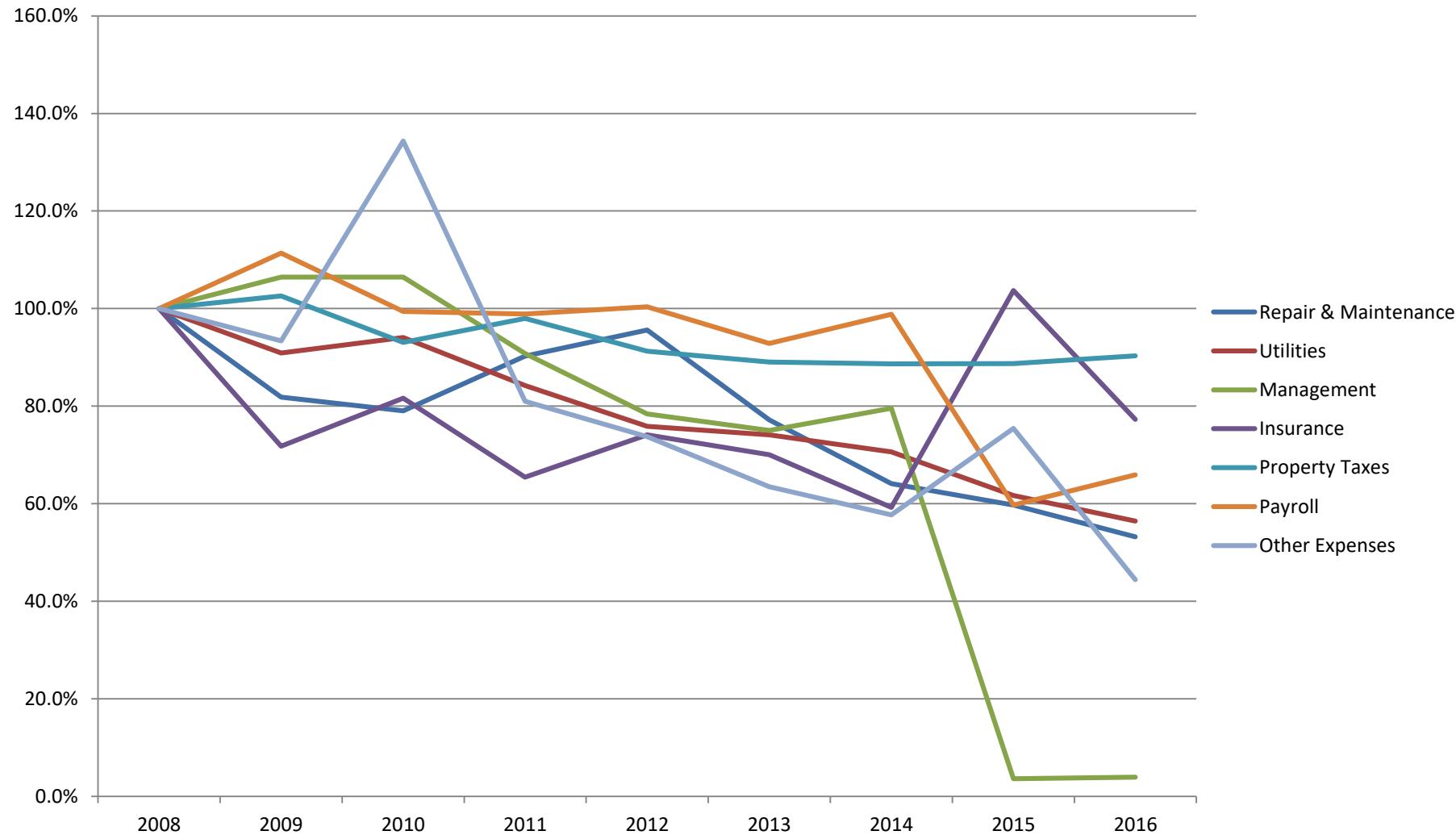


Operating Expense % of Total Operating Revenue



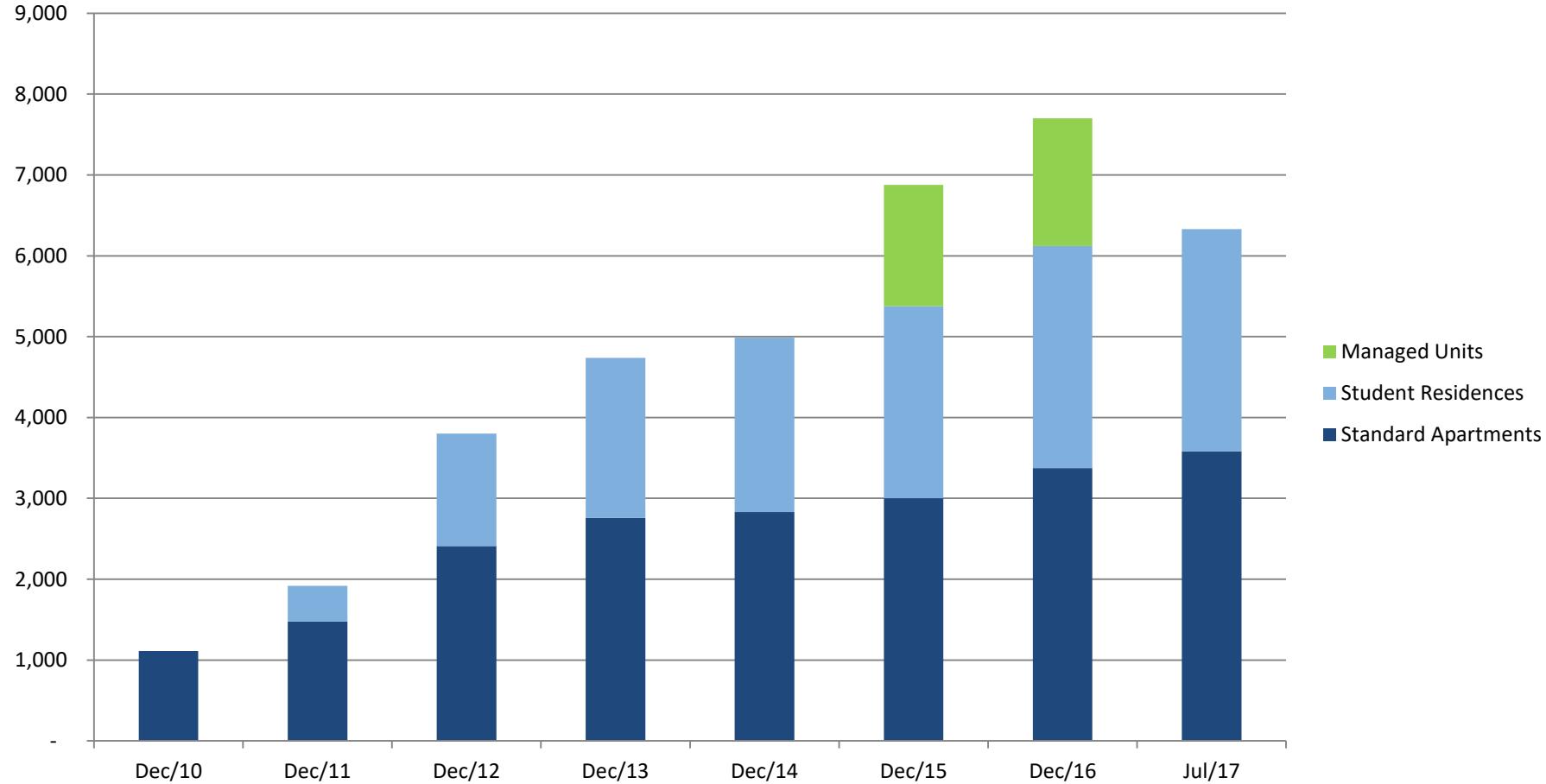


Operating Expense Ratios Index



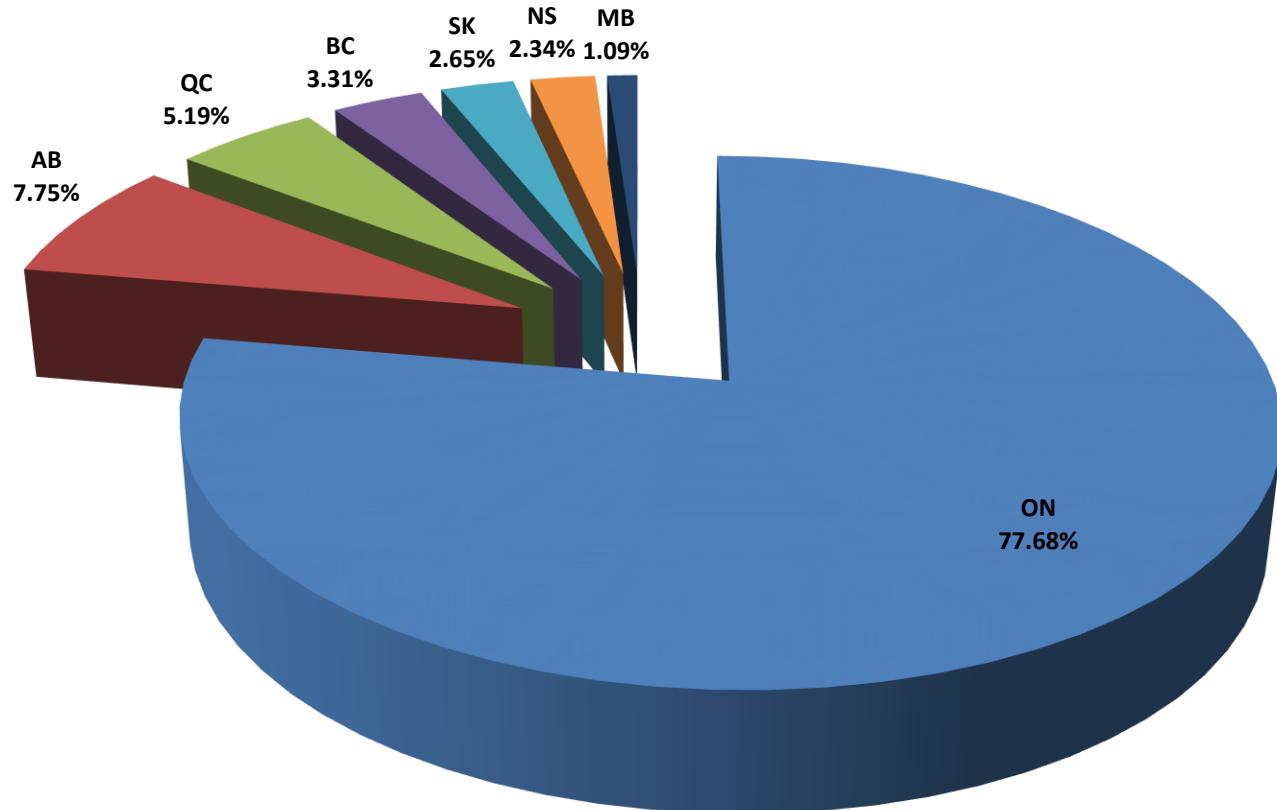


Number of Rental Units





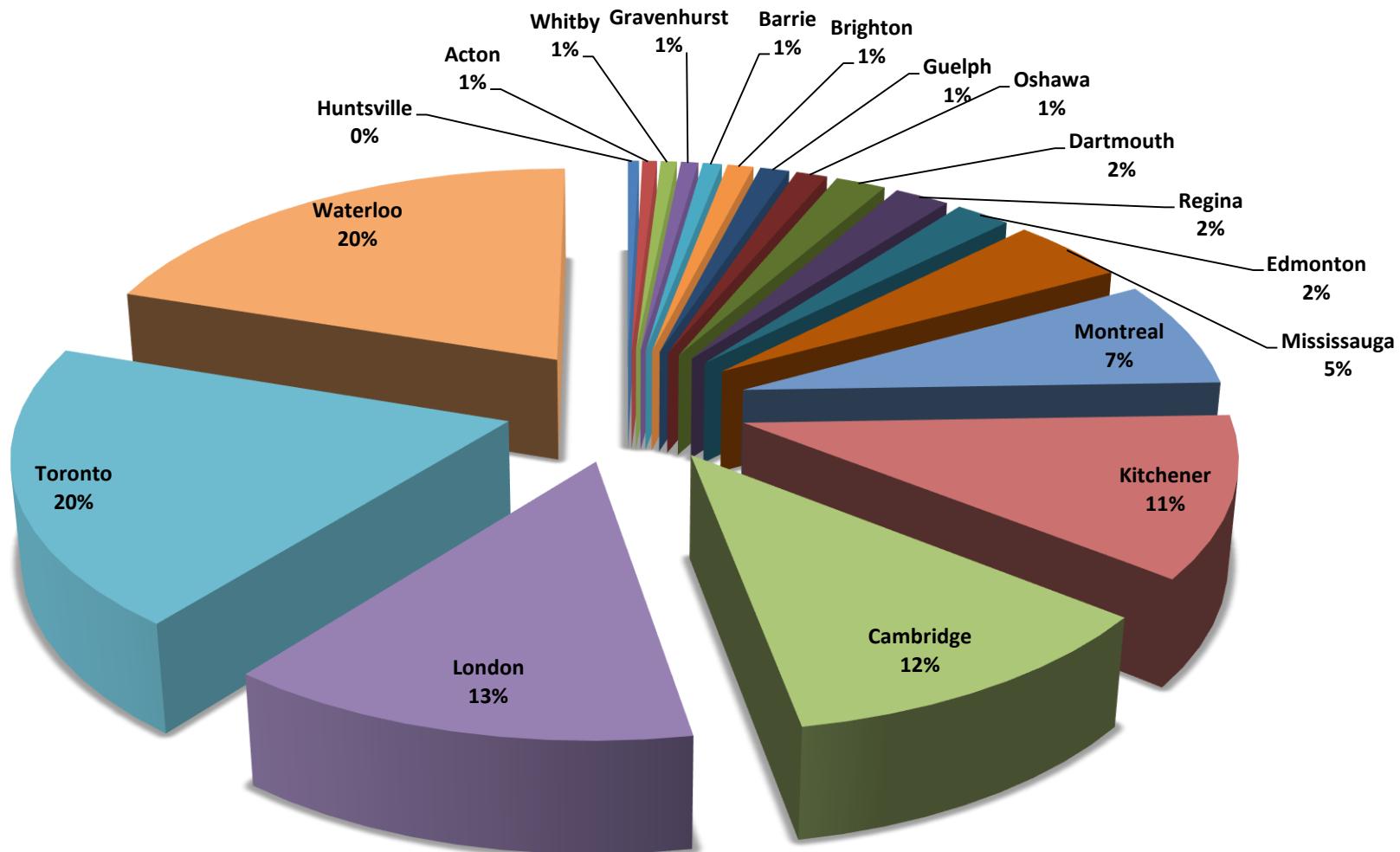
Asset Allocation by Provincial Exposure



As at July 31, 2017

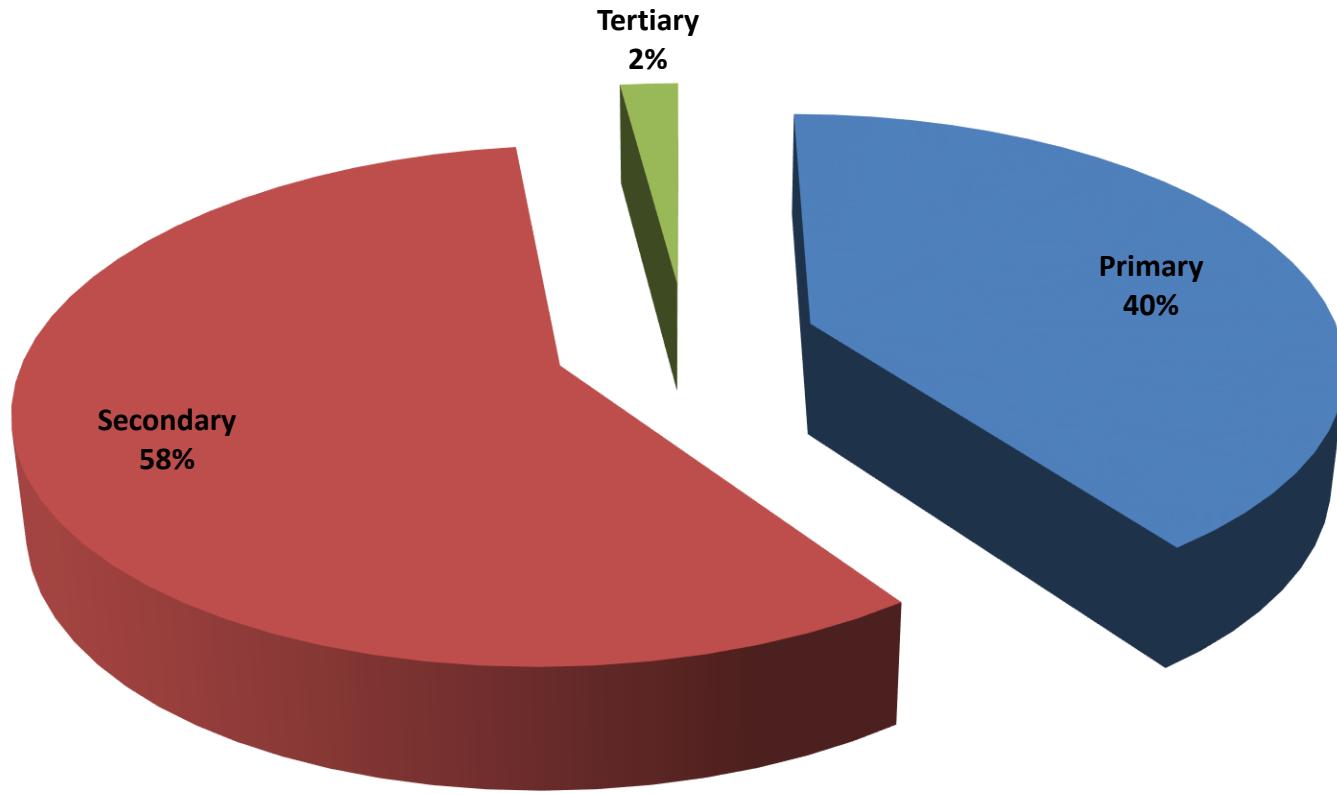


Percentage of Rental Units by City (Diluted)





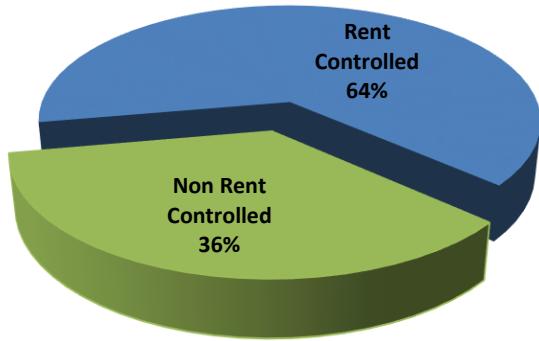
Property Summary by Market Size Type



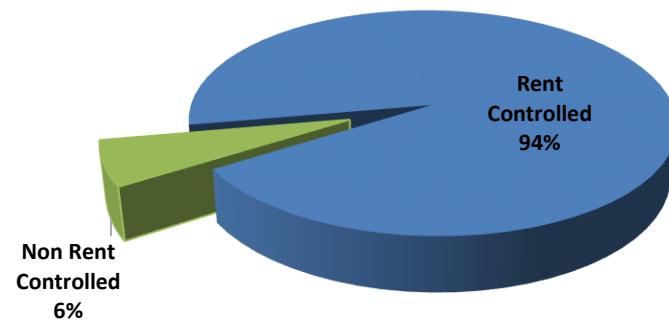


Property Summary by Rent Control Status

Effective Rent Control

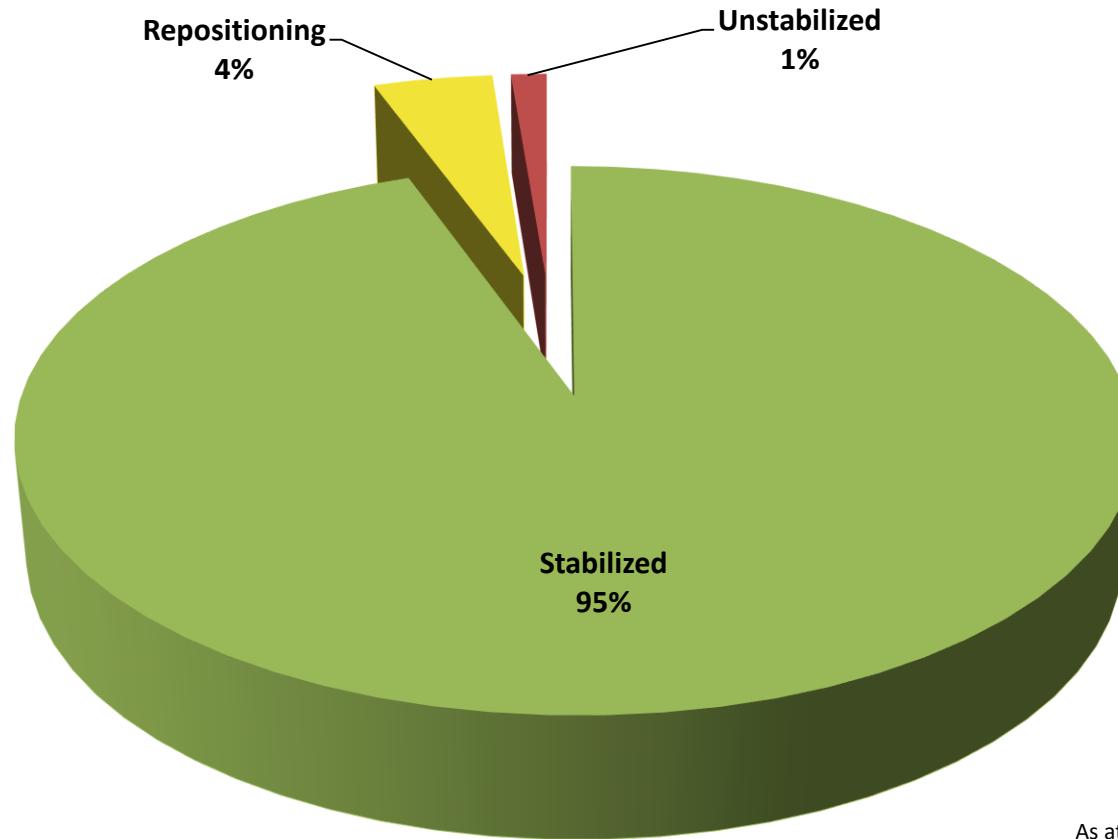


Legal Rent Control





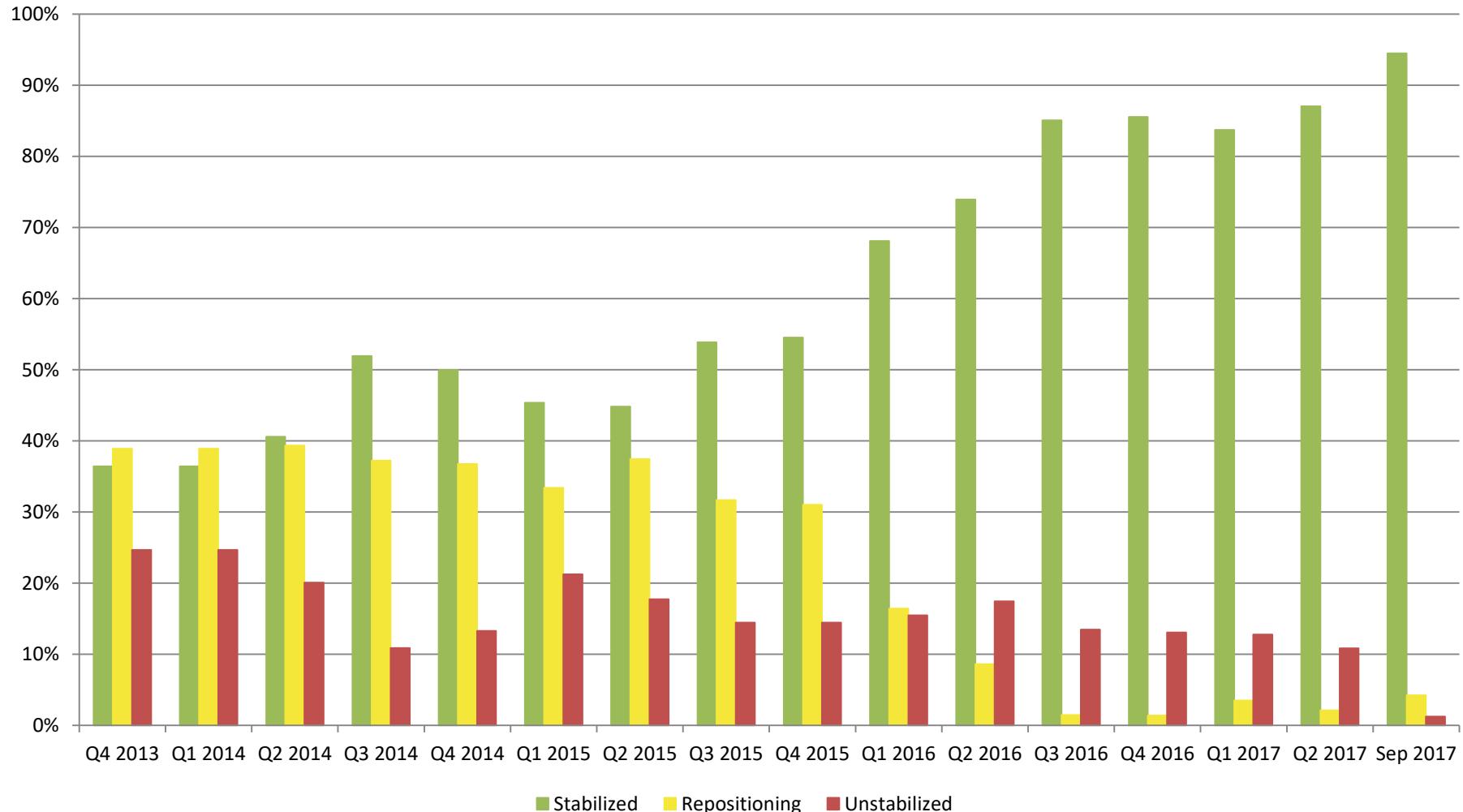
Property Summary by Stabilization Status



As at September 2017

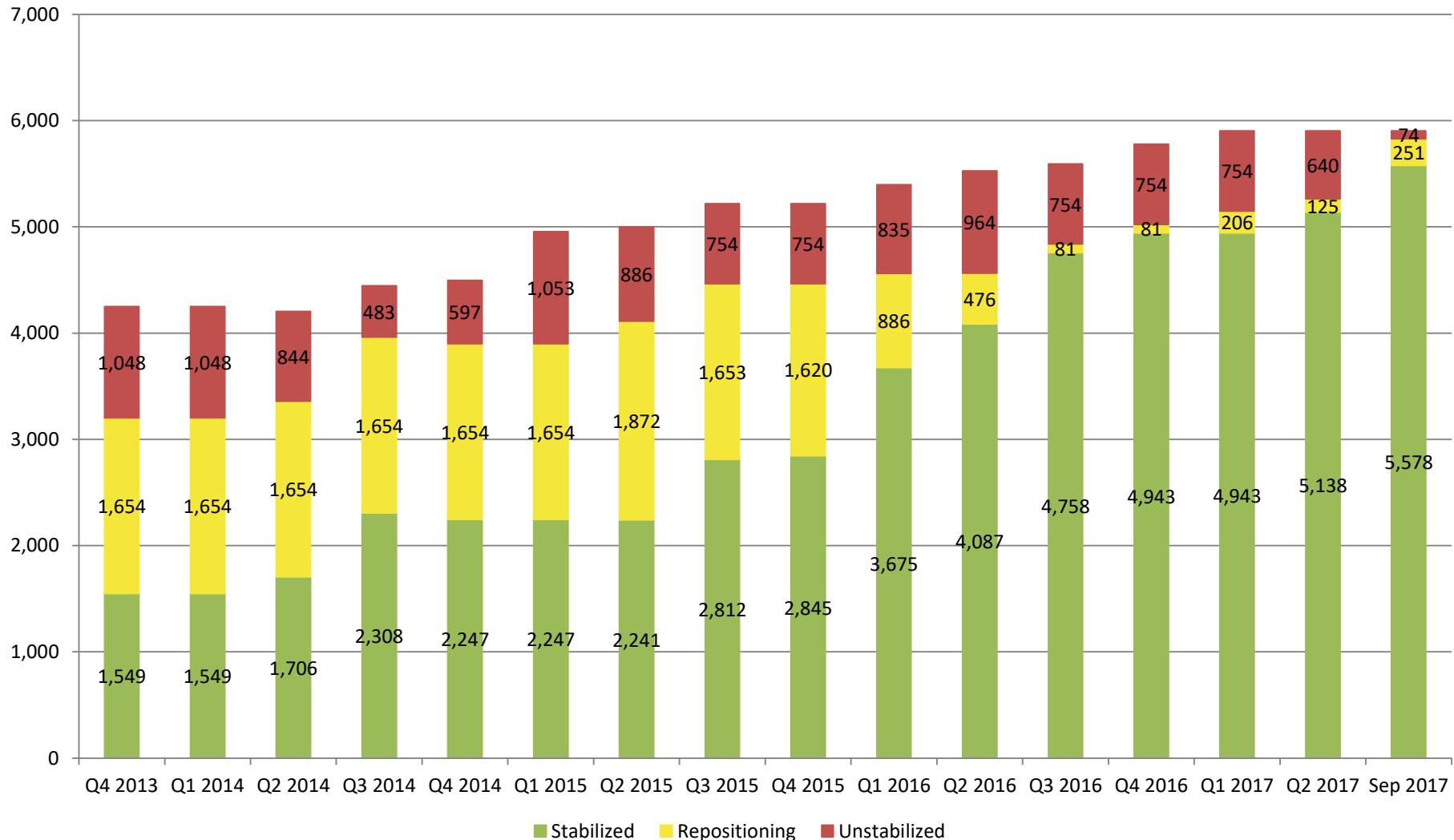


Portfolio Stabilization by Percentage



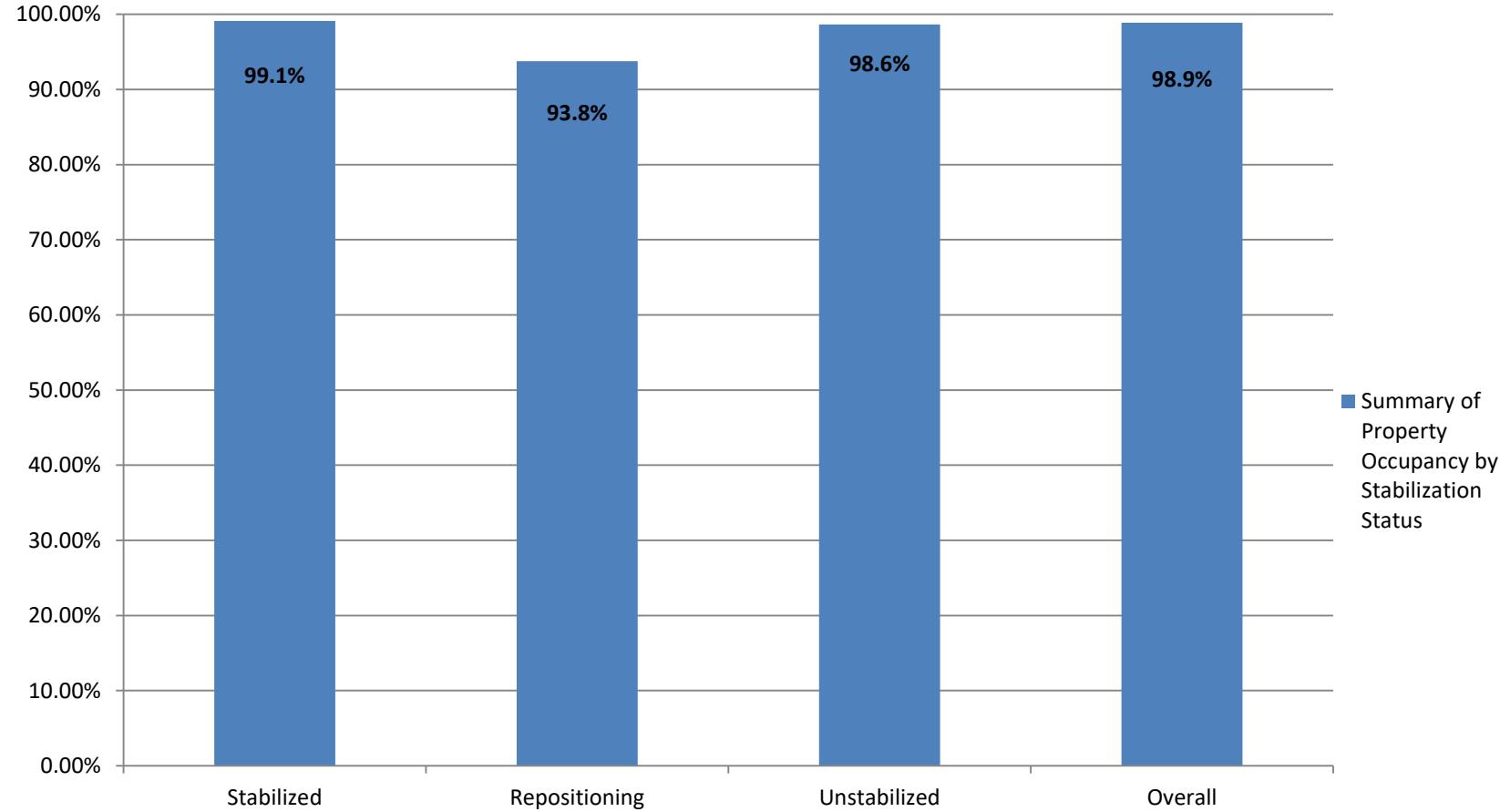


Portfolio Stabilization by Rental Units





Summary of Property Occupancy by Stabilization Status



Leased for September 30, 2017



Same Store Comparison (2015-2016, Q2 2016 – Q2 2017)

FY 2015 vs FY 2016

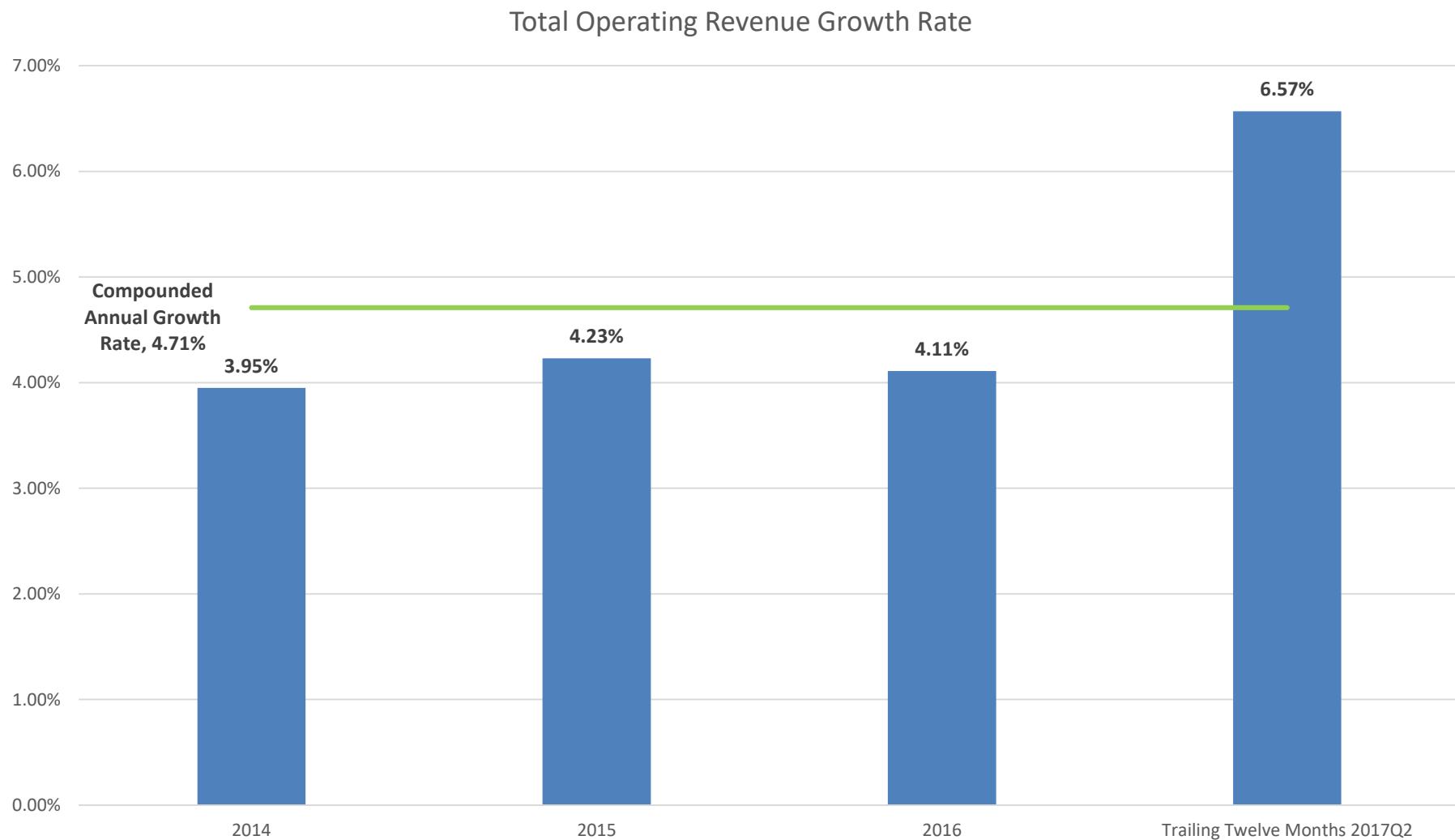
Item	Stabilized	Unstabilized	Total
Total Operating Revenue	▲ 4.45%	▲ 1.34%	▲ 4.11%
Total NOI	▲ 9.96%	▼ -2.41%	▲ 8.59%
NOI Ratio	▲ 3.23%	▼ -2.28%	▲ 2.64%

TTM Q2 2016 vs TTM Q2 2017

Item	Stabilized	Unstabilized	Total
Total Operating Revenue	▲ 3.97%	▲ 29.97%	▲ 6.57%
Total NOI	▲ 4.71%	▲ 46.09%	▲ 7.96%
NOI Ratio	▲ 0.45%	▲ 6.05%	▲ 0.81%



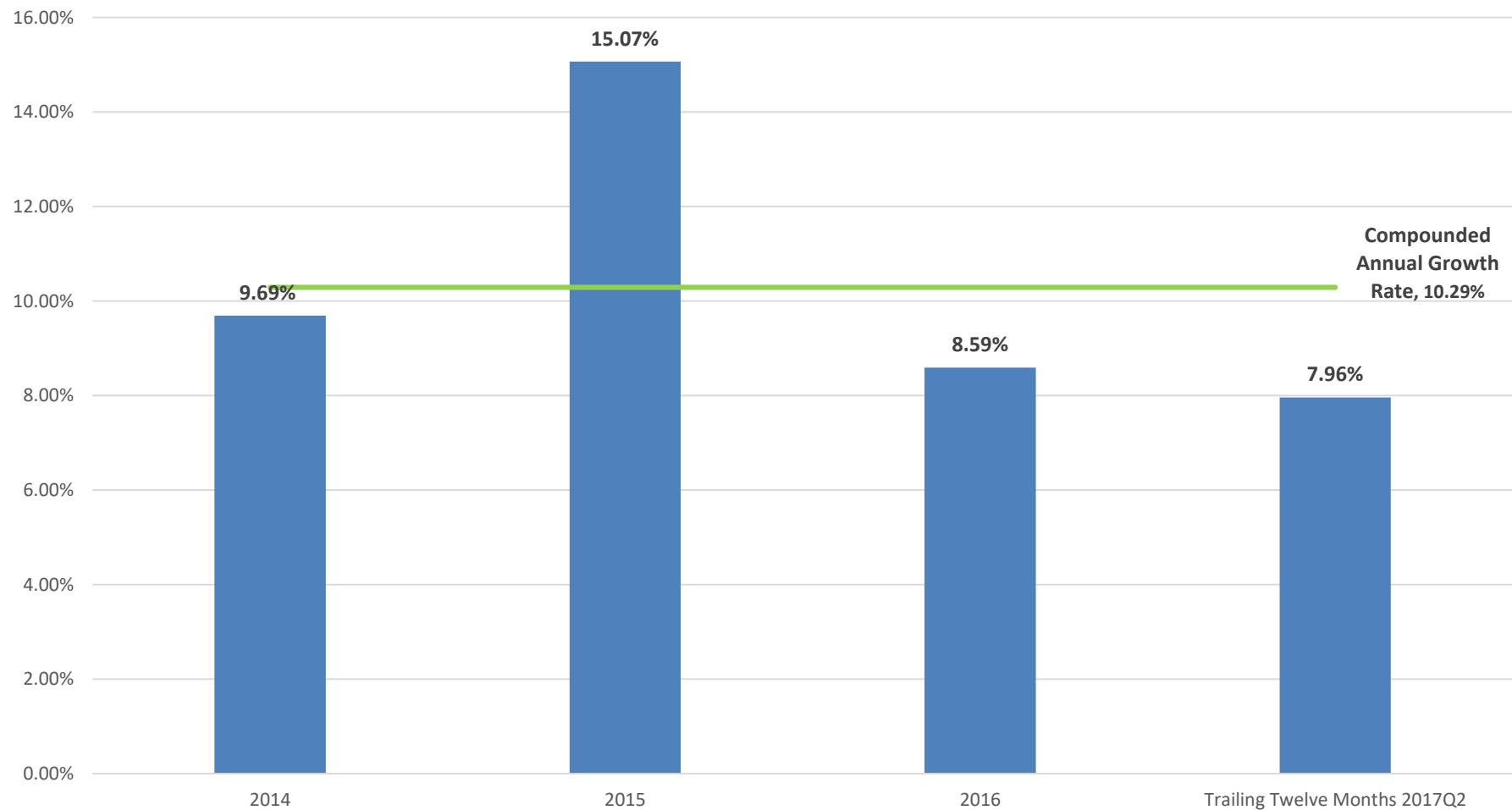
Same Store Trends





Same Store Trends

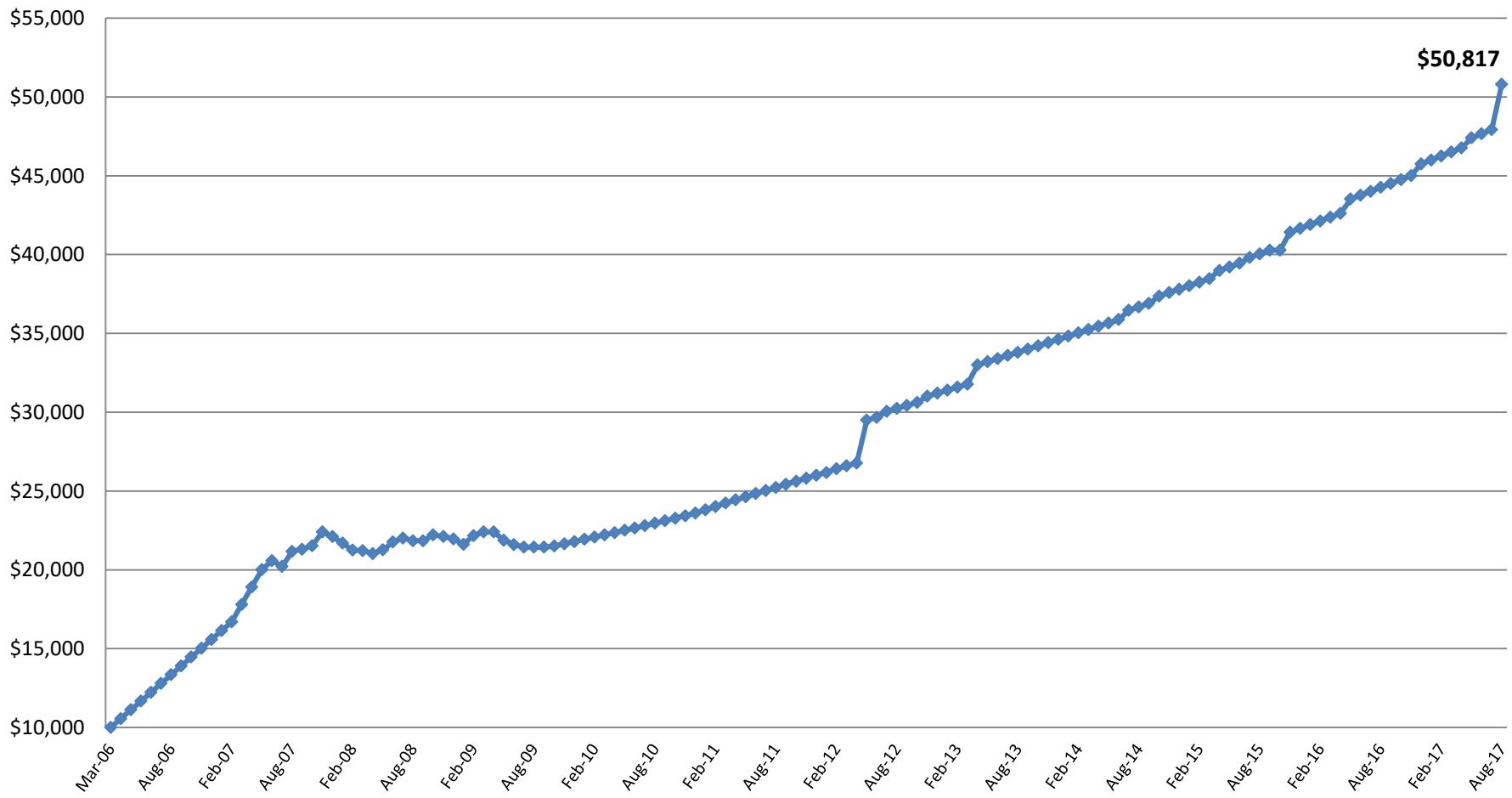
Net Operating Income Growth Rate





CAPLP / Centurion Apartment REIT

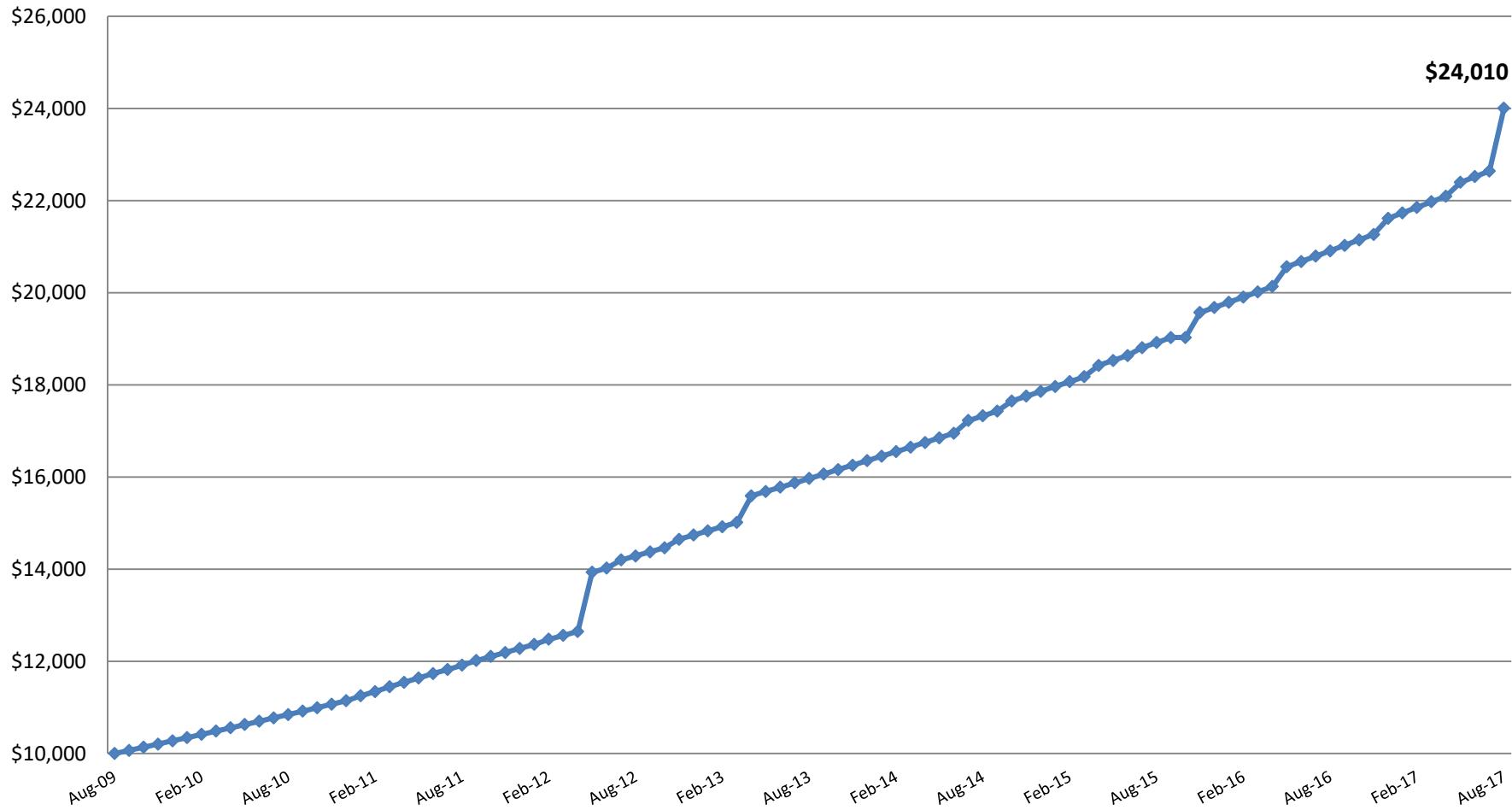
CAPLP: Growth of \$10,000 Invested as at Aug, 2017





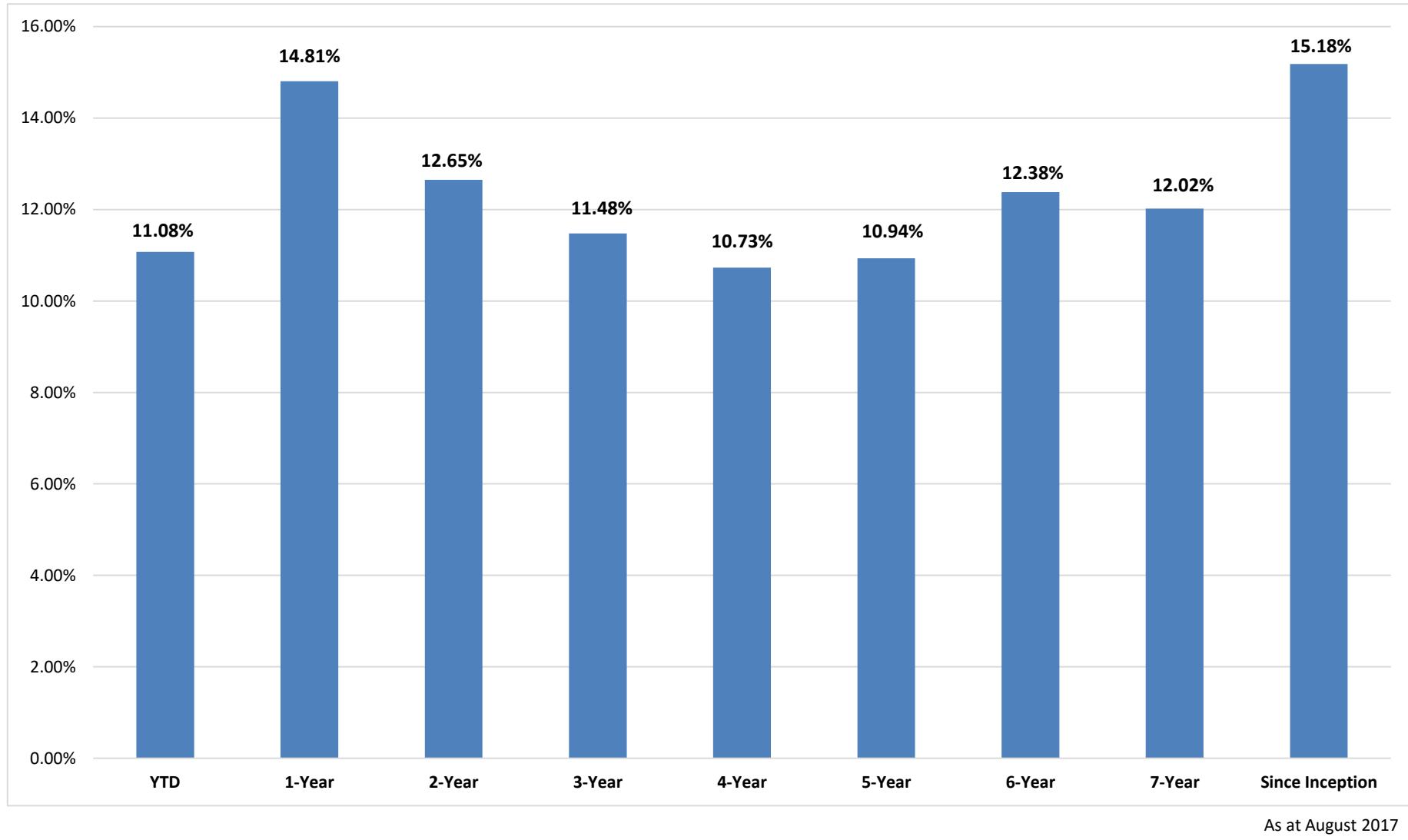
Centurion Apartment REIT

REIT: Growth of \$10,000 Invested as at Aug, 2017





Centurion CAPLP / REIT TR (%)



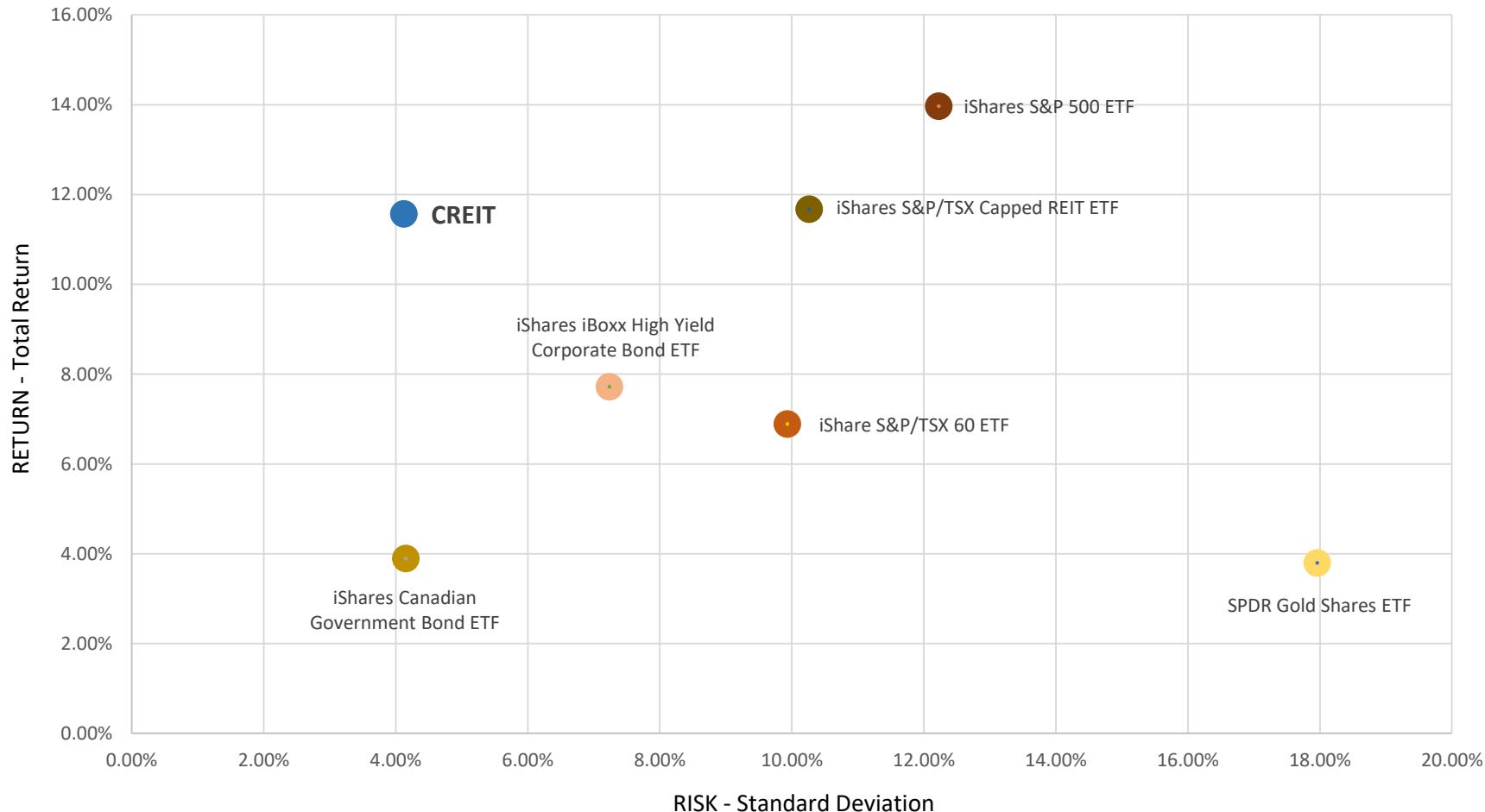
As at August 2017



REIT Returns vs other alternatives

CREIT Return & Volatility

Since Inception (Aug 2009 - Aug 2017)





New Properties

5 Schroder Crescent, Guelph, ON (8th September 2016)





New Properties

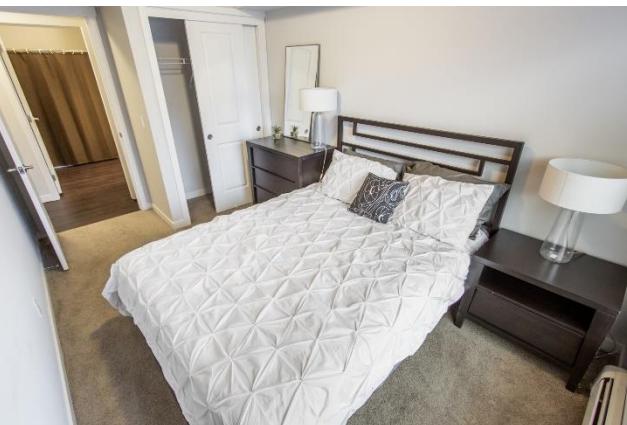
1 Columbia Street West, Waterloo, ON (19th December 2016)





New Properties

5501 Prefontaine Avenue, Regina, SK (27th April 2017)





Apartment Market Landscape – The Good

- Underlying rental dynamics are stronger than we have ever seen
 - Purchase affordability issues are continuing to drive demand for rental everywhere in Ontario. We've seen rents explode higher almost everywhere due to demand.
 - We now get hundreds of calls per available unit and book leases months in advance (used to be 1 to 2 weeks in advance)
 - We are now trialing rental auctions at some of our sites which we've never done before to give people a chance to get apartments
 - Low vacancy rates are allowing room for rent increases, sometimes large ones.



Apartment Market Landscape – The Good

- Rental demand is extremely strong in Ontario because:
 - Purchase affordability issues are continuing to drive buyers toward rental (i.e. they are priced out of ownership)
 - Recent government macro prudential moves and interest rate increases are reducing buyers ability to qualify for loans, meaning that residents that in previous years may have moved into ownership are stuck in place
 - Because vacancy rates are so low, residents have little choice to move because the rents would be higher in their next place if they leave.
 - Since resident turnover rates are declining and combining this with already low vacancy rates means that there are very few units available to rent and more renters than are apartments, so prices are responding
 - Ontario government moves to introduce rental controls and cool home building will only further restrict supply while demand is poised to continue to increase.



Apartment Market Landscape – The Good

- Capitalization rates are declining with a continued downward bias (higher prices) as there is strong demand for quality apartment investment opportunities
- Apartments values rising rapidly with a continued upside bias
- New apartment construction market in Ontario is at a crossroads. With new rental regulations, it seems that there may be less new construction of apartments which long term may mean fewer buying opportunities but also less supply which will drive rental rates higher over time
- Some of the products we are building seems positioned to outperform our original underwriting expectations. In some cases however, this may mean that we can't afford to keep them if the market will pay more than they are worth for us to keep.



Apartment Market Landscape – The Good

- Low interest rates to continue for extended period
- REITs are very well capitalized and most have long mortgage maturities.
- Capital value growth will be driven from NOI growth and potentially declining capitalization rates



Apartment Market Landscape – The Bad

- Competition for good assets continues to be intense. Transactions are happening at a brisk pace but the REIT has been priced out of many deals almost everywhere. Even markets where we historically had an advantage like secondary markets are seeing strong buying interest from investors that can't make the yields work in the GTA and will thus move to sub markets. This means cap rates in sub markets will likely move lower (which is good for our asset values, but bad for our ability to buy more and grow)
- Ontario government has moved on rent controls on new apartments and brought in other real estate market cooling mechanisms. While new regulations are generally bad, the true economic impact on us may not be as bad as they could have been. In disincentivizing future development, future supply is restricting meaning that ultimately rents will likely rise faster than otherwise and vacancies will be lower than otherwise, which seems to be playing out.
- Seems many student opportunities are being sold condo, meaning our acquisitions path may be different than anticipated.



Apartment Market Landscape – Summary

- Many positive tailwinds for apartments including economic, interest rate stability, and internals to the industry. Rents growing strongly in Ontario.
- Apartments are positioned defensively in this environment.
- Buying existing older apartments will be difficult due to competition and aggressive pricing.
- New apartment construction opportunities may be harder to come by, but our opportunity set seems just to be shifting rather than going away.



Our Focus for the Next Year

- Primary focus on operational efficiencies and the continued development of our platform. Heavy focus on employee recruitment, training, development, engagement and retention strategies.
- Primary focus is on our mortgage and development pipeline inside CREOT, which is building us a potential source of future acquisitions and is the best source of opportunity right now other than our repositioning program. Currently \$703.8 million in purchase options held by the REIT.
- Continue to seek accretive acquisitions, particularly student Public Private Partnerships (PPP's) and new construction properties, where available.
- Continue the repositioning and stabilization of assets in progress. Significant progress has been made and we're now in the "harvesting" stage of much of this hard work and we could see significant rent growth as a result over the next few years.
- Maintain conservative leverage ratios keeping "dry powder" for opportunities.
- Looking towards the US as a potential source of growth we begin a cautious execution on this new mandate addition



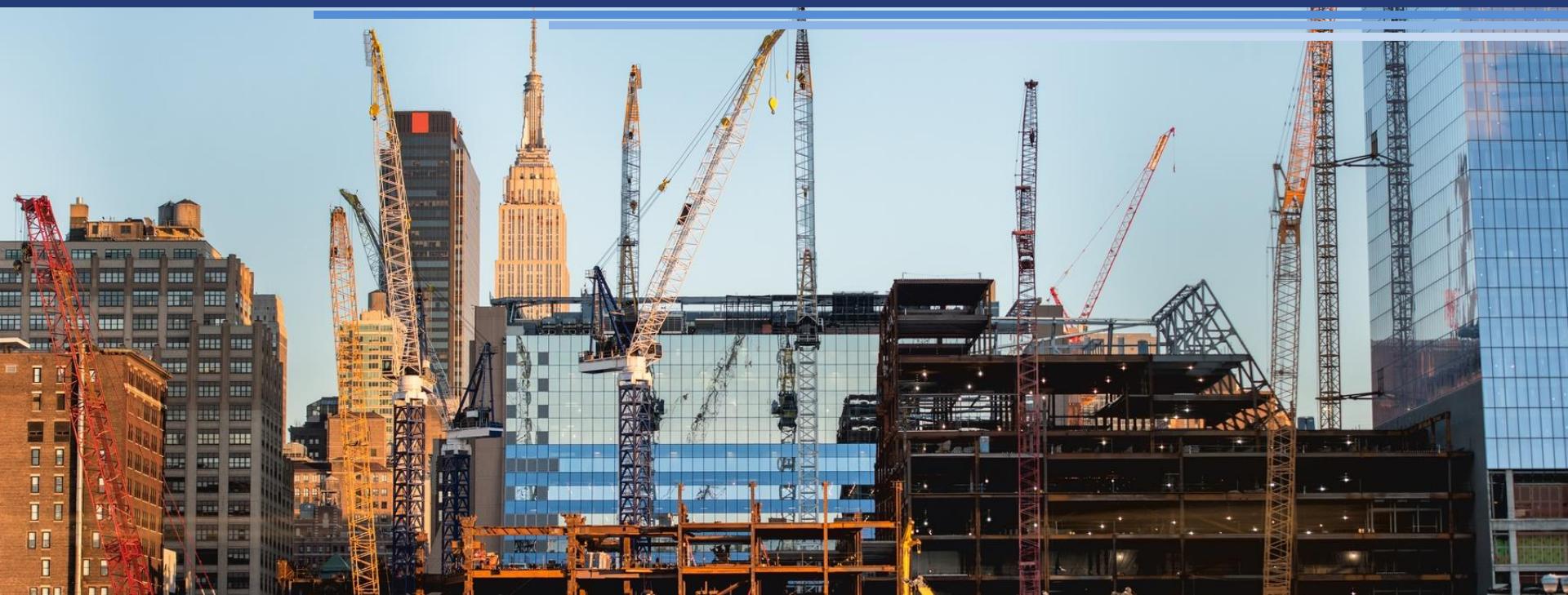
Our Focus for the Next Year

- REIT is currently capped to new investment but we anticipate offering capacity in the next few months



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Last 12 Months in Review

Investment Portfolio:

- Exceptionally strong returns in 2016 at 14.14%
- Portfolio performing well with no credit losses YTD in 2016
- Saw second equity investment exit with a 24.5% IRR
- Seeing good deal flow with a robust deal pipeline
- There seems to be a shortage of capital in our space which we are capitalizing upon





Last 12 Months in Review

Operations:

- Management increased its credit facility to \$30 million with a Canadian Chartered bank. This facility combined with the Warehouse Agreement will provide the Trust with additional financial flexibility. Given \$30 million represents only about 10% of assets, there is considerable room in time to increase this leverage to drive opportunities
- Expanded the team to 4 originators, 3 analysts, and 2 in funding and risk management. In process of recruiting to add to the team.



Last 12 Months in Review

- CREOT has approximately \$305.52 million of assets and 1528 Unitholders.
- REOT is not expecting to offer external capacity to investors directly as it will go to REIT and CFIT to meet their mortgage investment requirements.



Centurion REOT Portfolio

Summary of Portfolio¹

	Committed	# of Investments	Funded	# of Investments
Loans	\$342,672,924	64	\$269,386,293	60
Joint Arrangements	\$31,775,165	5	\$33,915,291	5
Total	\$374,448,089	69	\$303,301,583	65

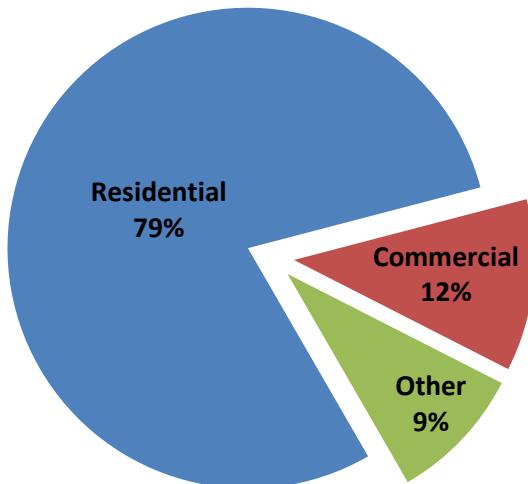
Participating and Non-Participating Investments¹

	# of Investments	Funded
Non-Participating Debt	49	\$232,824,256
Participating - Debt	11	\$36,562,037
Participating – JA	5	\$33,915,291
Total	65	\$303,301,583

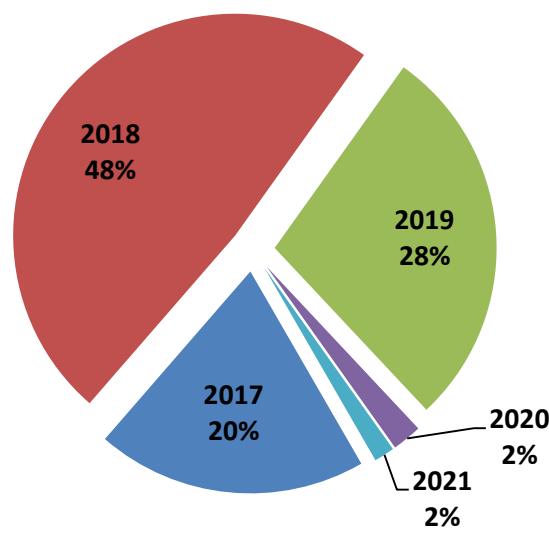


Centurion REOT Portfolio

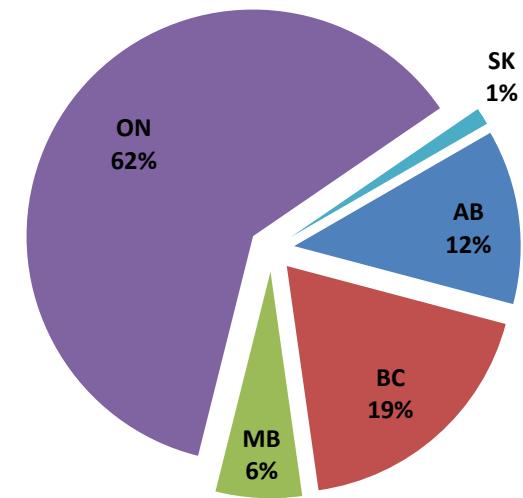
Loans by Mortgage Type¹



Loan Maturity by Year¹



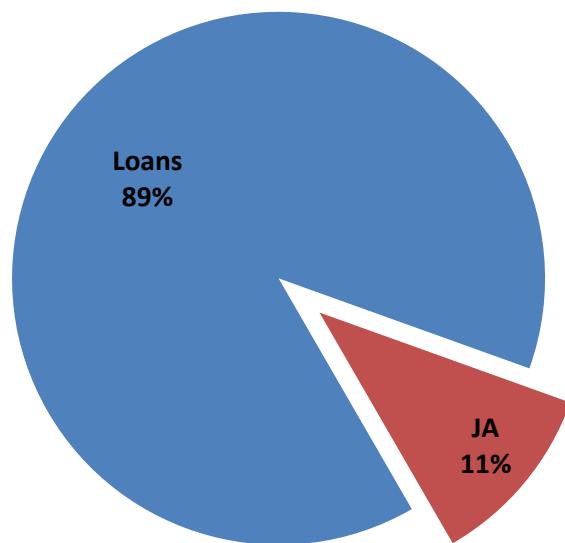
Loans by Geographical Allocation¹



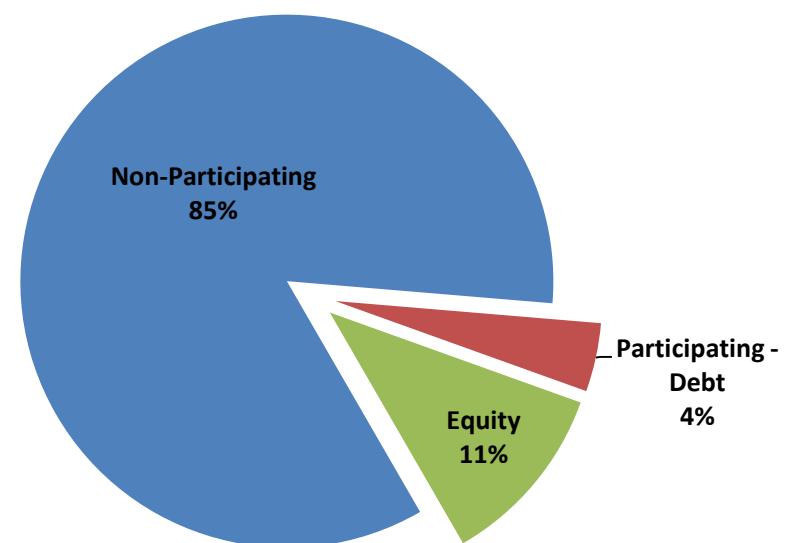


Investment Portfolio Highlights¹

Portfolio Summary



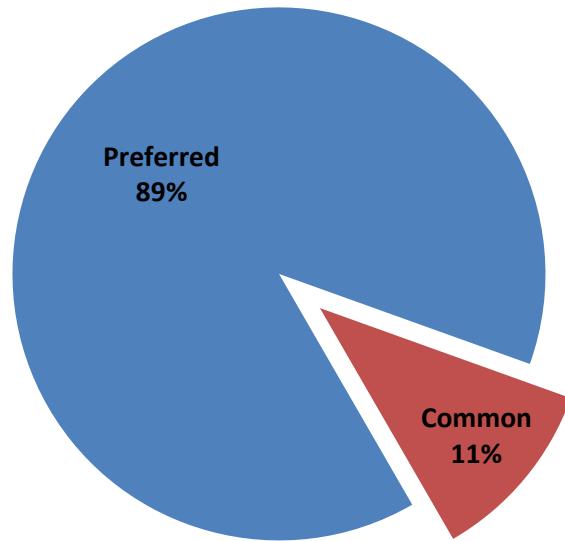
Participating vs. Non-Participating Investments



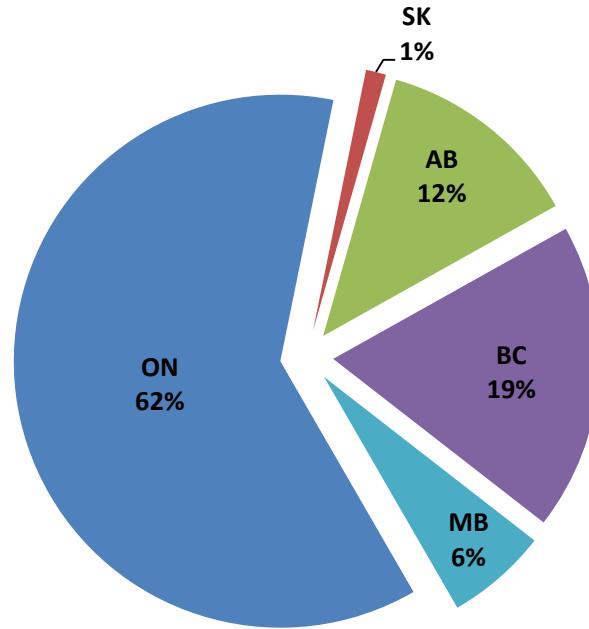


Investment Portfolio Highlights¹

Security Position in Assets



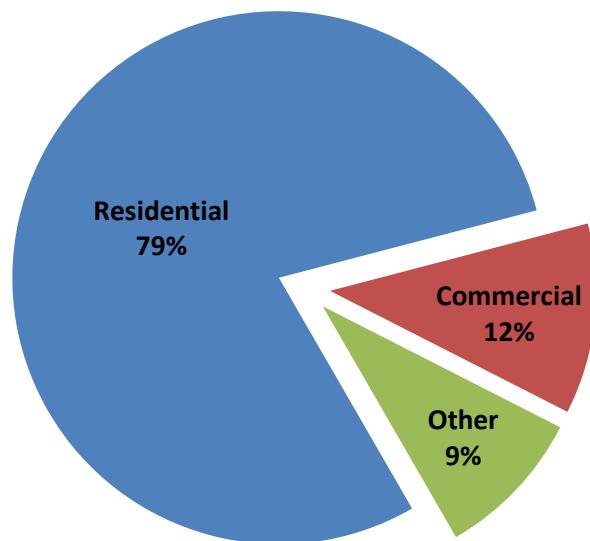
By Province



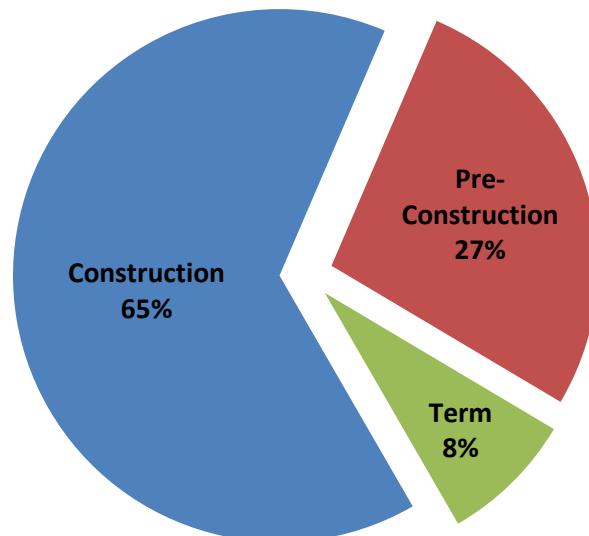


Investment Portfolio Highlights¹

By Investment Type



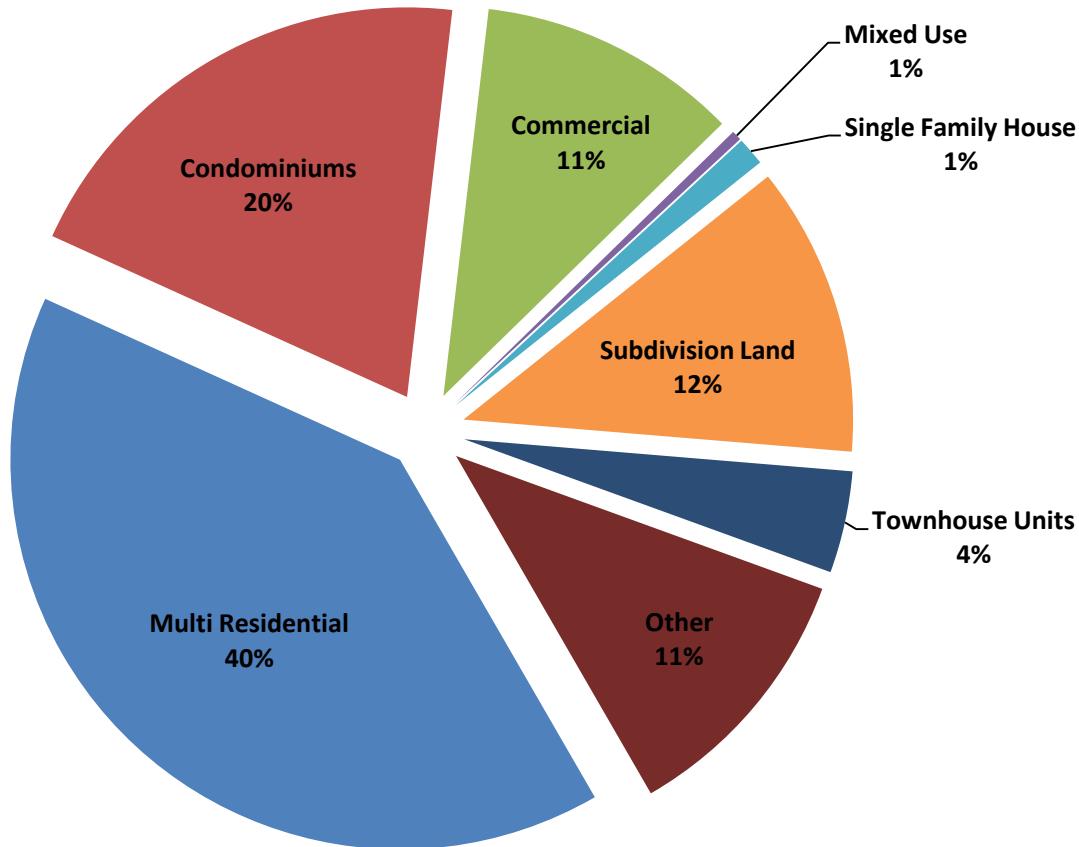
By Development Stage





Investment Portfolio Highlights¹

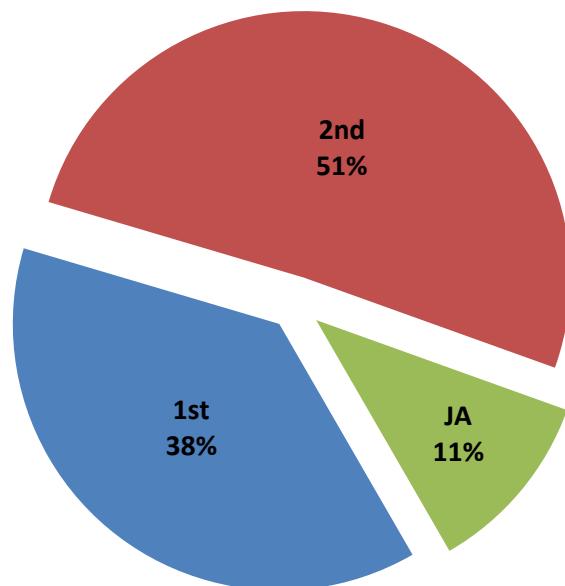
By Underlying Security



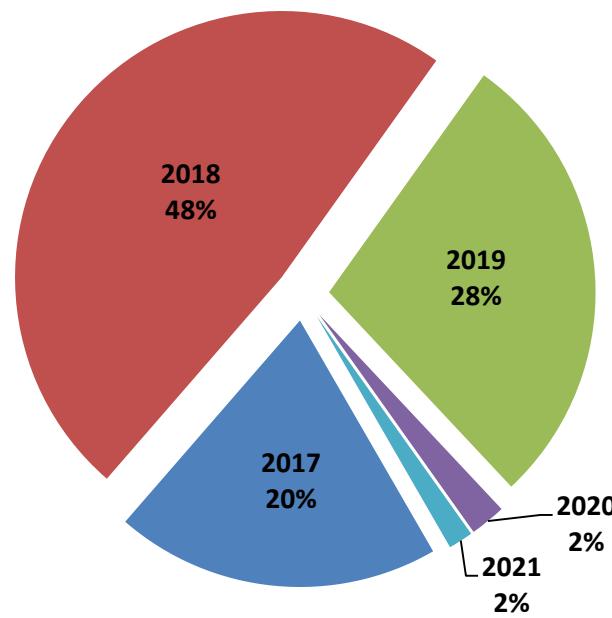


Investment Portfolio Highlights¹

By Rank



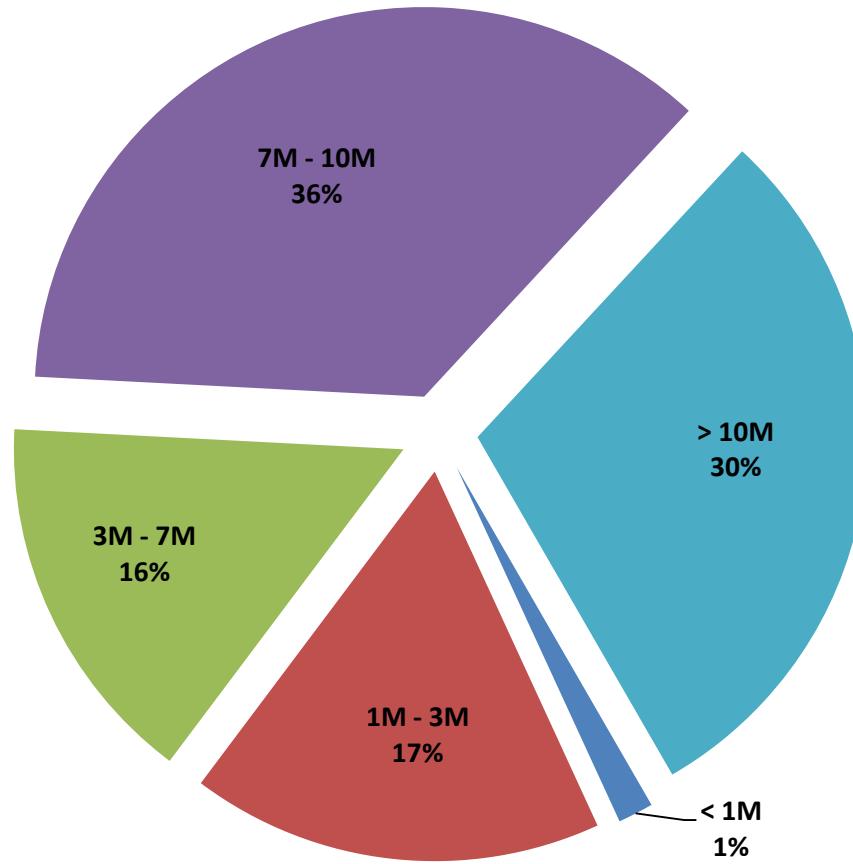
By Maturity





Investment Portfolio Highlights¹

By Investments Size

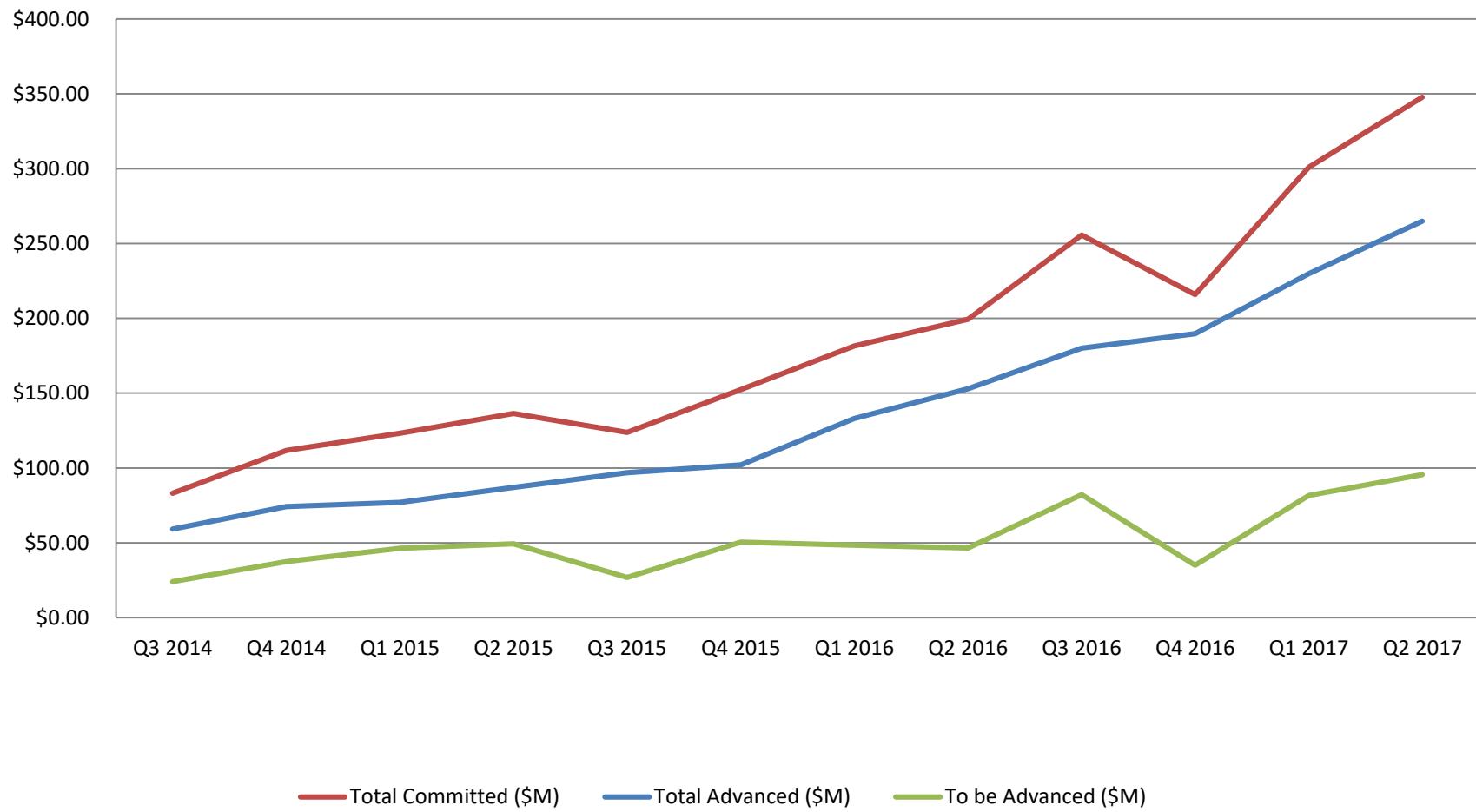




Centurion REOT Portfolio

Historical Loan Information

Total Commitment vs Funded (\$M)

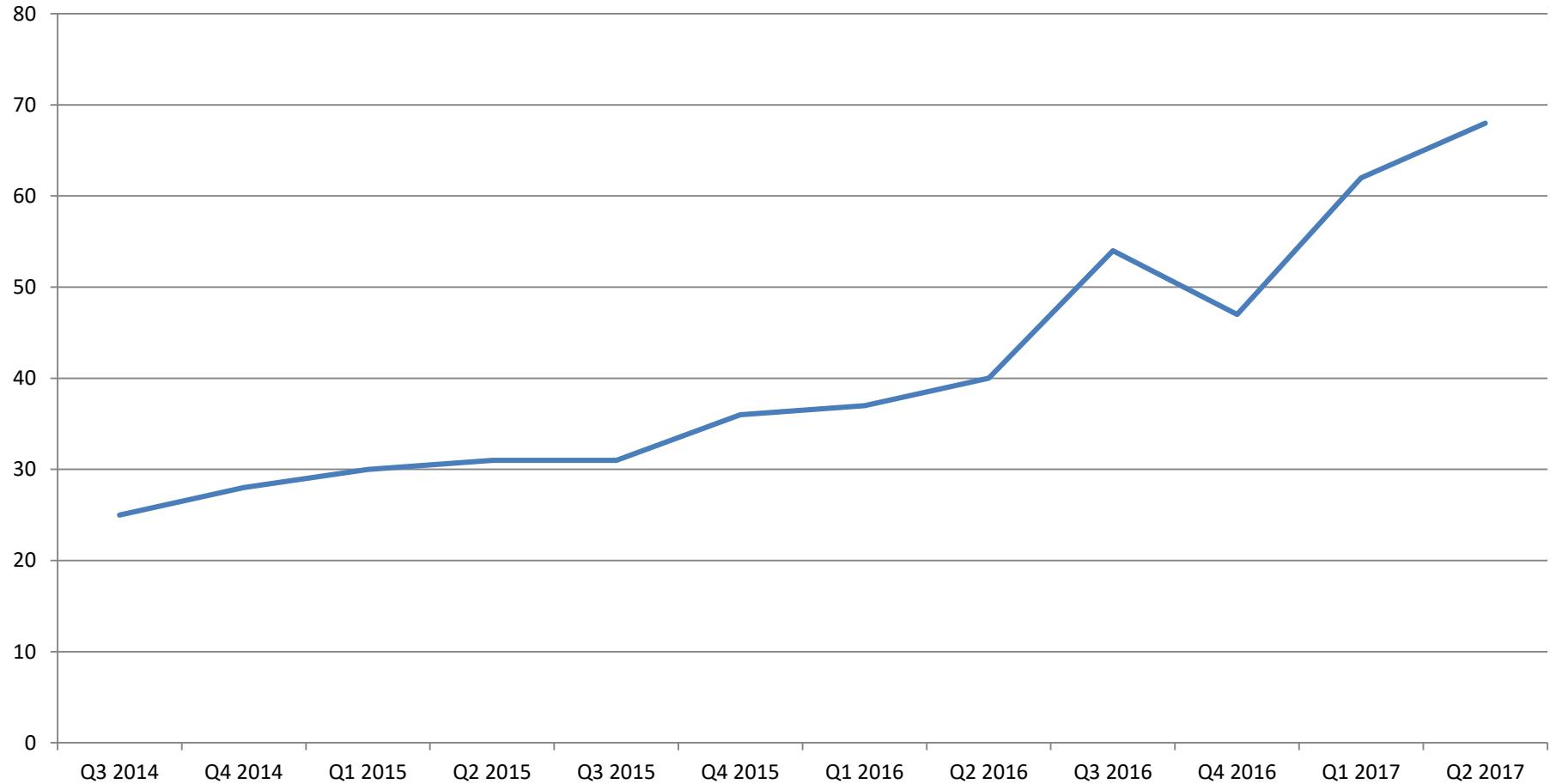




Centurion REOT Portfolio

Historical Loan Information

Number of Active Investments

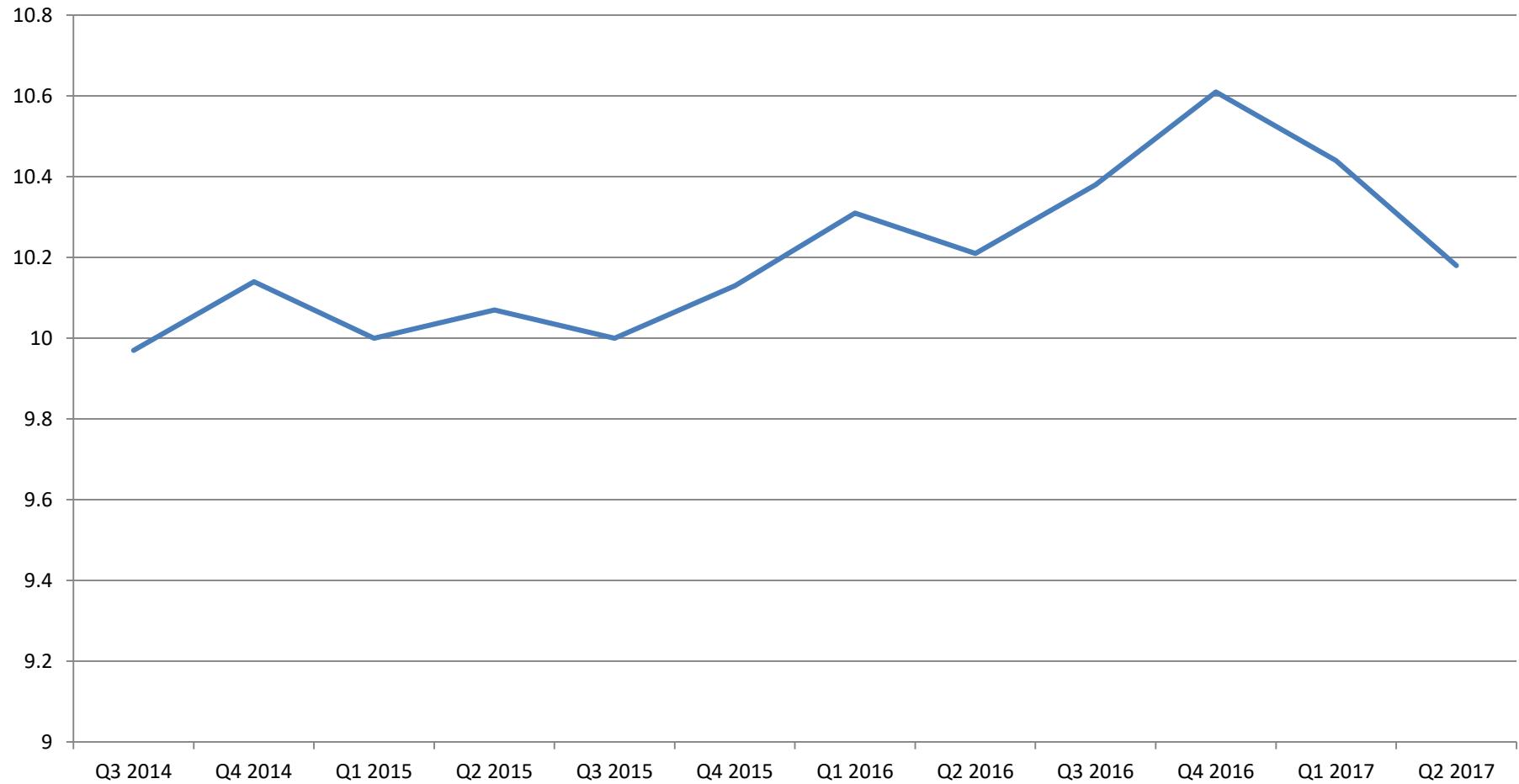




Centurion REOT Portfolio

Historical Loan Information

Weighted Average Interest Rate (%)

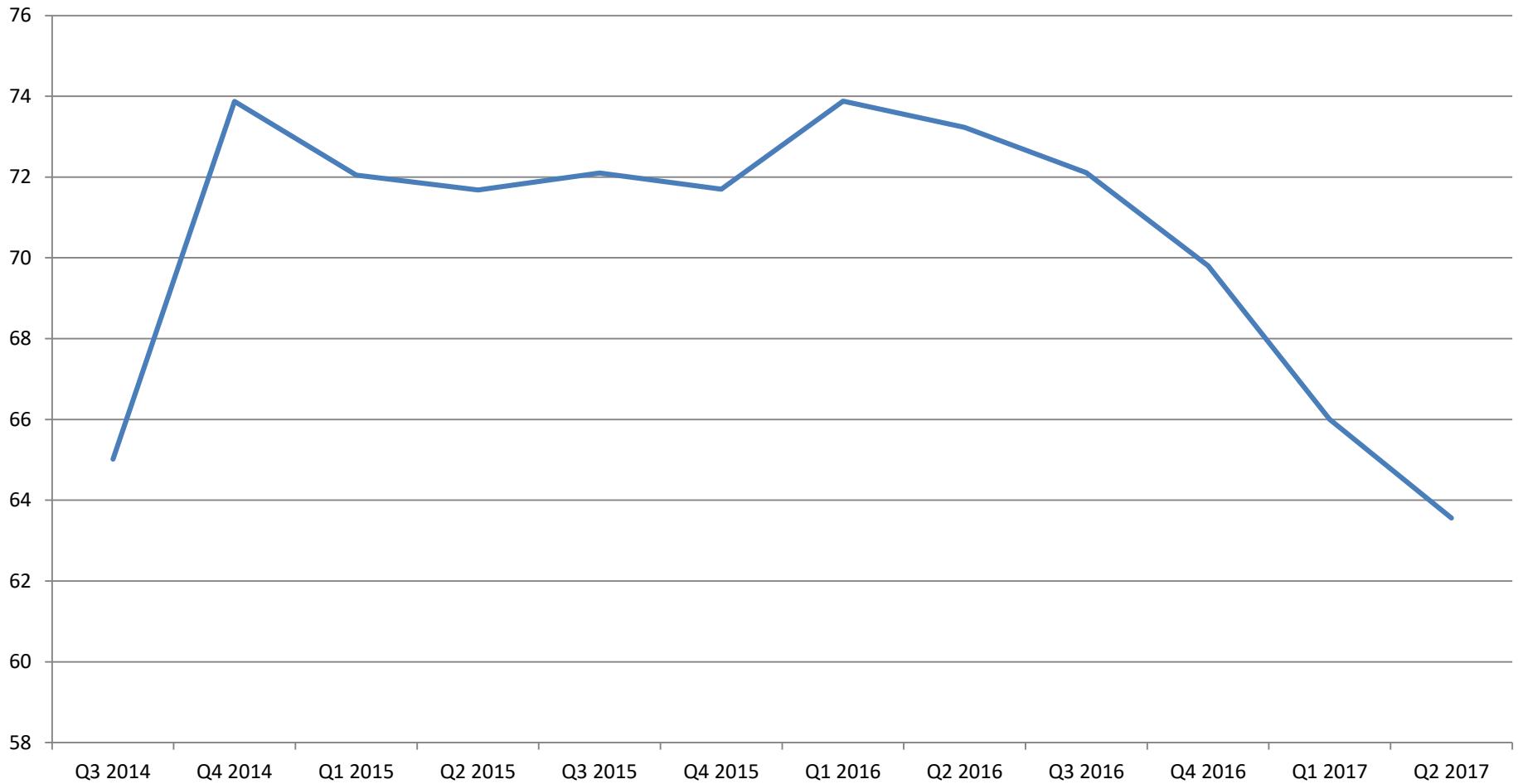




Centurion REOT Portfolio

Historical Loan Information

Weighted Average LTV (%)

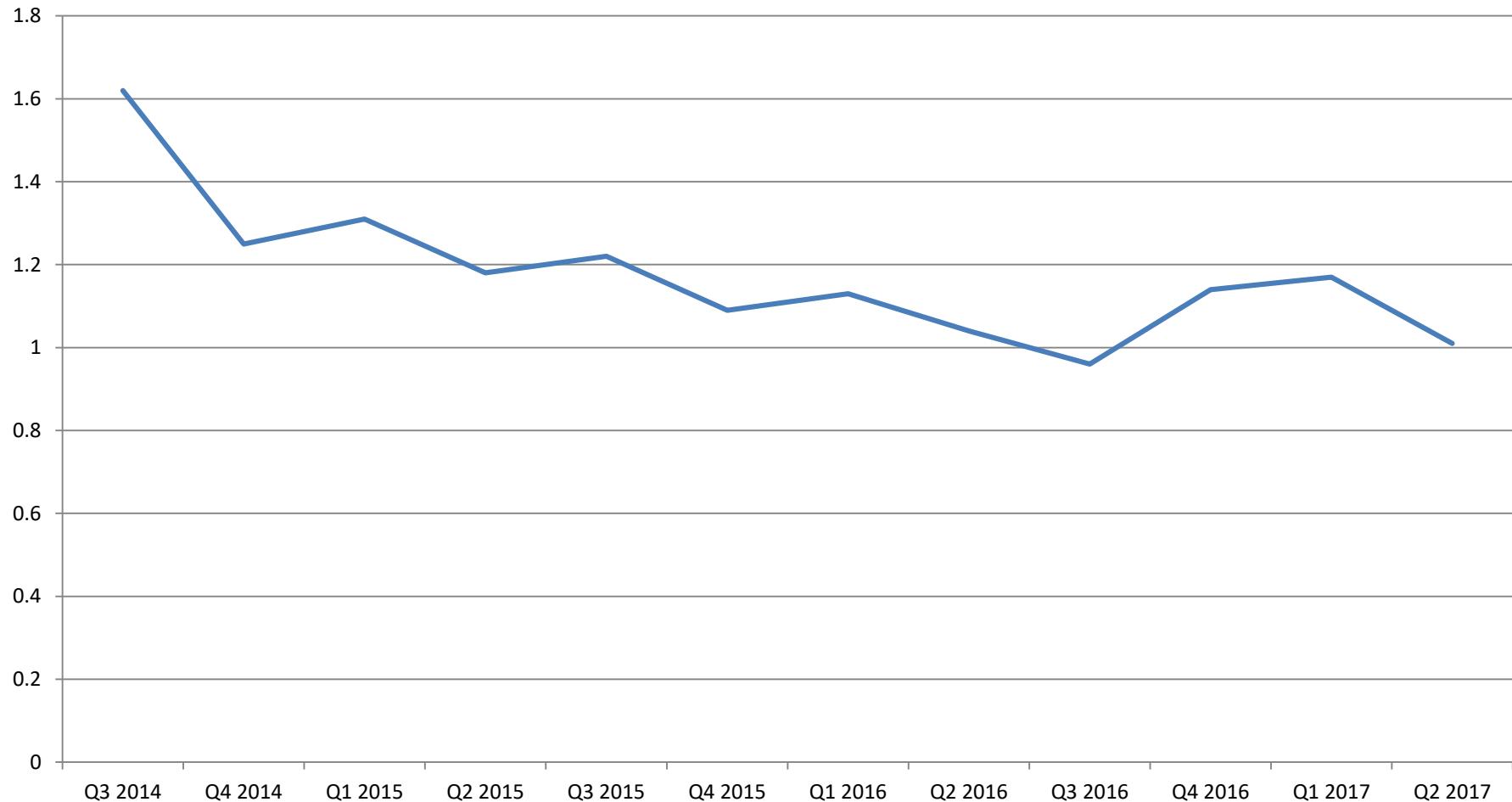




Centurion REOT Portfolio

Historical Loan Information

Weighted Average Term to Maturity (Years)

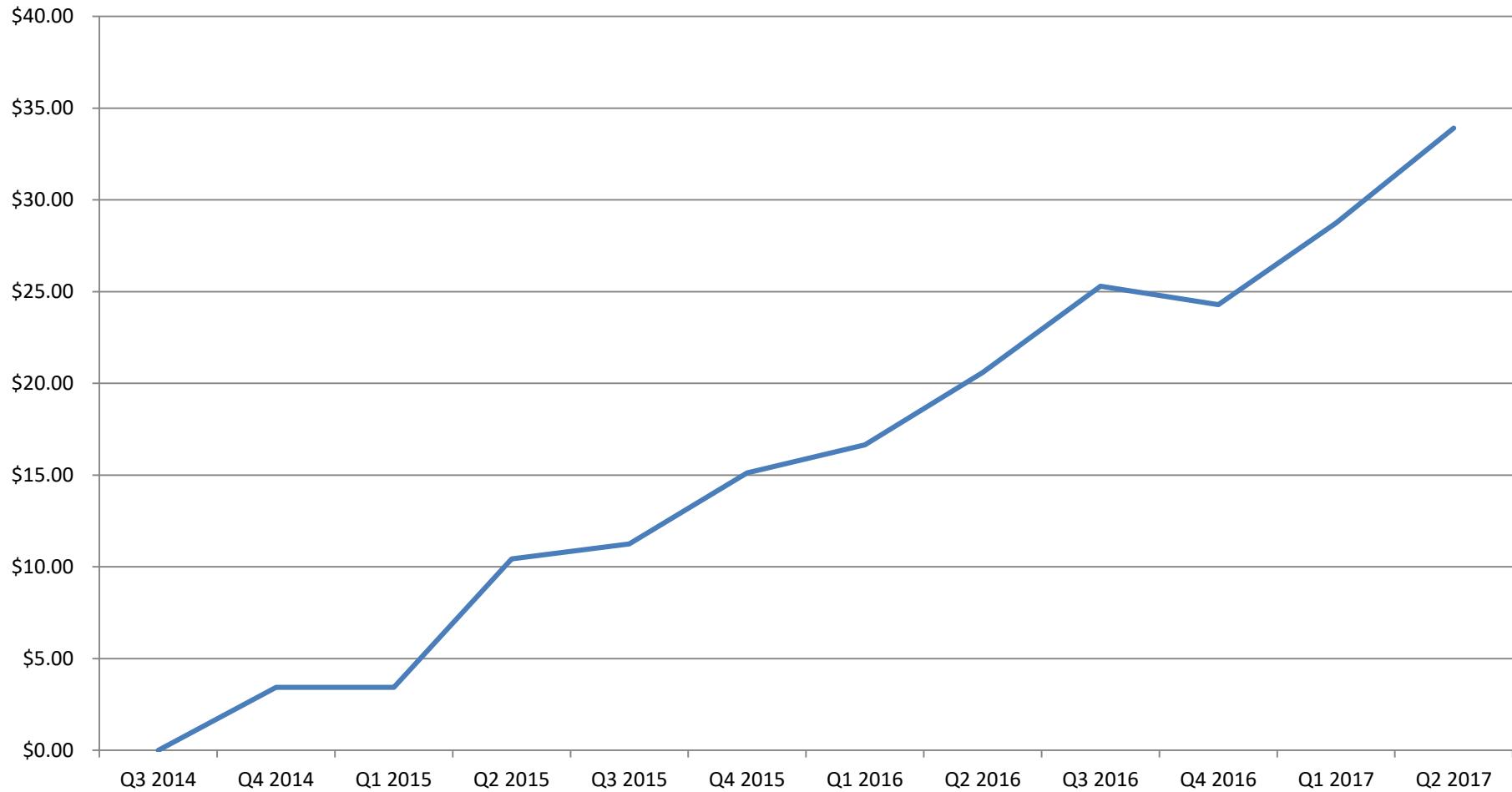




Centurion REOT Portfolio

Historical Loan Information

Total Joint Arrangements Balance (\$M)

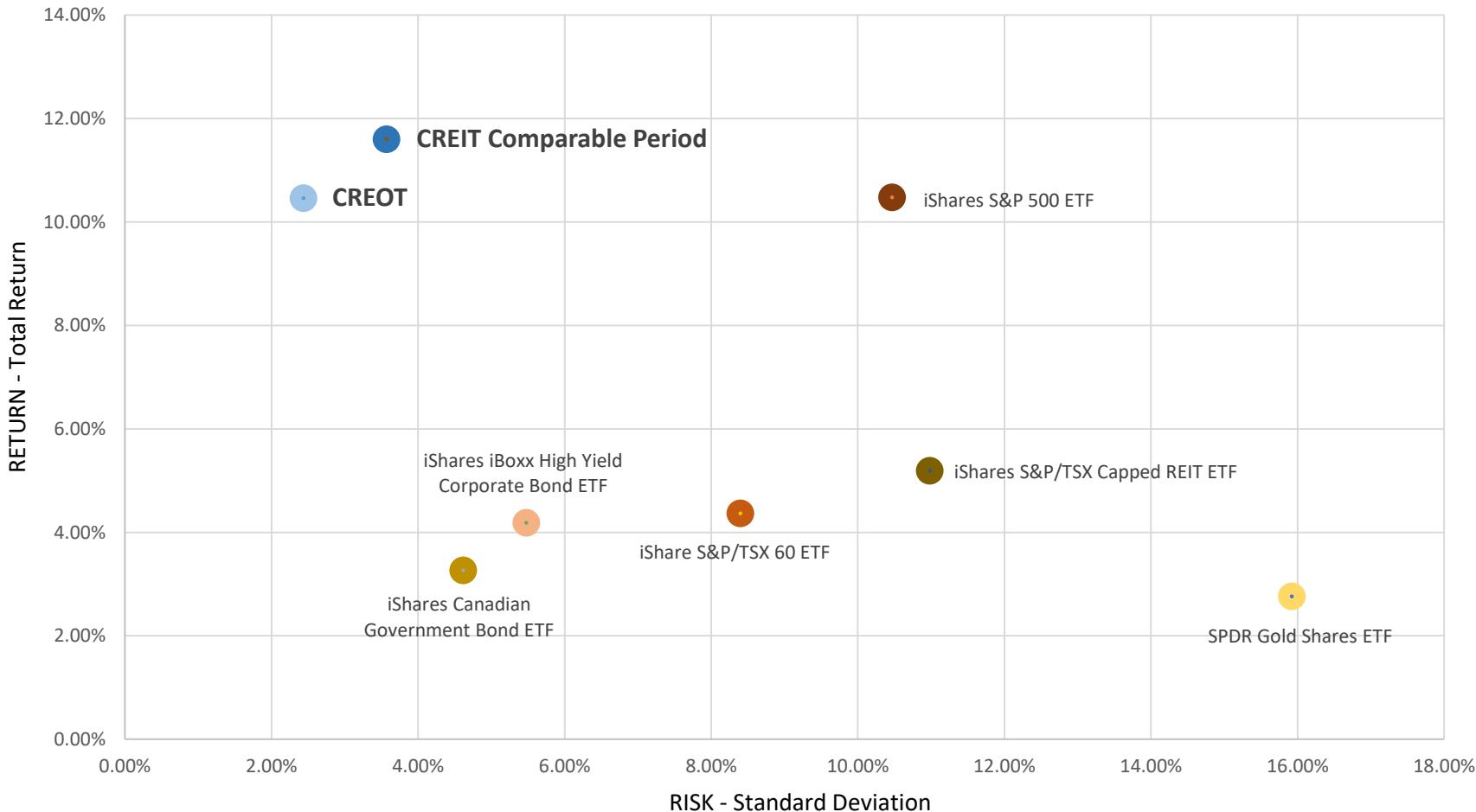




REOT Returns vs other alternatives

CREOT Return & Volatility

Since Inception (Sep 2014 - Aug 2017)





The Canadian Lending and Investment Landscape

- Lending environment remains favorable with strong demand for loans. There is a vacuum of capacity in certain spaces and we're doing some deals now at our rates that would have been bank deals at lower rates previously. Banks have pulled back, leading interest rates higher and demand higher for alternative providers
- Generally, there is competition from alternative lenders but as CREOT's "end-to-end" solution is unique in the marketplace it is not seeing rate compression pressure on most of its deals flow.
- Alberta seems to be stabilizing. It doesn't seem ready to turn higher, but may have stopped deteriorating.
- Headwinds in Ontario as the market is still settling after the April 20th market cooling initiatives by the provincial government. We are being cautious on the types of loans we'll do and the leverage we will provide. Portfolio LTV is the lowest it has ever been to reflect that active positioning
- Overheating concerns in BC



Our Focus for the Next Year

- Primary focus is to continue to raise and deploy additional capital and manage the existing portfolio.
- Targeting yields of 7-12% on our non-participating investments and 20+% on our participating investments
- Are increasing our allocation to lower rate, lower risk investments to be conservative
- Continue to build our mortgage and development investment pipeline
- Continue to build management infrastructure to scale with the portfolio
- Should see some more realizations on our participating investment portfolio in 2018



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FINANCIAL TRUST





CFIT Was Launched

- Launched our private debt fund in February of 2017.
- Since we haven't completed a full year, the first AGM will be in Fall 2018
- Growing steadily. Have originated investments totalling \$130 million so far, retaining a portion and bringing other investors on to participate in the opportunities that have been originated
- Seeing excellent deal flow and getting good interest from investors in the fund and also co-investors in deals
- Continued focus on getting CFIT approved with a broad selection of investment dealers
- \$20 million has funded and a total of \$45 million has been committed (\$25 million left to fund)
- Have built a strong team which we're set to expand in the next few months
- Is the only Centurion fund currently open for investment



Executives and Board of Trustees

Depth of experience and expertise

A Board of Trustees is responsible for the general control and direction of Centurion Financial Trust:



Greg Romundt
President, CIO, CEO
and Trustee



Robert Orr
Chief Financial Officer and
Chief Compliance Officer



Stephen Stewart
VP of Mortgage Investments
and Joint Ventures and Trustee



Daryl Boyce
VP of Corporate Finance
and Trustee



Michael LeClair
Chairman of the Board
Independent Trustee



Donna Par
Independent Trustee



Ken Miller
Chairman of the Investment
Committee and Independent Trustee



Graham McBride
Independent Trustee



Biographies of Trustees



Greg Romundt HBA

President and CEO

Trustee of Centurion Apartment REIT, Centurion REOT, and Centurion Financial Trust

Mr. Romundt is the founder and President of Centurion Asset Management Inc., Centurion Apartment REIT and Centurion Real Estate Opportunities Trust which collectively manage over \$1.0 billion of assets. 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 and was a member of the risk management committee. Mr. Romundt is a member of the Board of Directors for NEMA (National Exempt Market Association). 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 & Yong 2014 Entrepreneur of the Year award. He was named CEO of the Year in 2015 by Canadian Apartment Magazine.



Stephen Stewart

VP of Mortgage Investments and Joint Ventures

Trustee of Centurion REOT and Centurion Financial Trust

Mr. Stewart has over 20 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 is a Chartered Accountant with a double major in management and economics from the University of Guelph. Mr. Stewart is a Trustee of Centurion REOT.



Biographies of Trustees



Daryl Boyce

VP of Corporate Finance

Trustee 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, Daryl 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, Daryl 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, Daryl 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.



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.



Biographies of Trustees



Ken Miller BA

Chairman of the Investment Committee and 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 includes 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.



Donna Parr

Independent Trustee

Ms. Parr has over 25 years of 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 23 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 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. From 1992 to 1996, Mr. McBride was a Vice President of Penfund Management Ltd., initially managing their troubled senior debt portfolio and subsequently joining Penfund's equity investment team. From 1989 to 1992, he worked with the Central Capital Group of Companies, structuring investments of senior debt, subordinated debt and equity on their behalf, after beginning his career in the Commercial Lending Division of the TD Bank. 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. He also works closely with several charities and non-profits, including sitting on the Investment Committee of the Toronto Atmospheric Fund. Mr. McBride has a Bachelor of Commerce (Honours) degree from Queen's University.



Notes

1. The Portfolio information presented is as at July 31, 2017 is unaudited and has been prepared by the Asset Manager.



Disclaimer Statement

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 in Centurion. Investing in Centurion Units involves risks. There is currently no secondary market through which Centurion Units may be sold and there can be no assurance that any such market will develop. A return on an investment in Centurion Units 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 Centurion intends 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 Centurion's financial performance, debt covenants and obligations, interest rates, working capital requirements and future capital requirements. In addition, the market value of Centurion Units may decline if Centurion is unable to meet its cash distribution targets in the future, 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 Centurion.

PAST PERFORMANCE MAY NOT BE REPEATED. Investing in Centurion Units can involve significant risks and the value of an investment may go down as well as up. There is no guarantee of performance. An investment in Centurion is not intended as a complete investment program and should only be made after consultation with independent investment and tax advisors. Only investors who do not require immediate liquidity of their investment should consider a potential purchase of Units. The risks involved in this type of investment may be greater than those normally associated with other types of investments. Please refer to the Centurion Offering Memorandums for a further discussion of the risks of investing in Centurion.

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