


Exclusive Webinar – September 19th, 2023

Yorkville Asset Management presents: Navigating the Positive Momentum of Canadian Healthcare Investing



Hosted by Stenner Wealth Partners+ of CG Wealth Management

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Biographies



Thane Stenner - Stenner Wealth Partners +

Thane Stenner, CIM®, FCSI®, Senior Portfolio Manager & Senior Wealth Advisor at Stenner Wealth Partners+ of CG Wealth Management. Thane was previously the Managing Director, International Client Advisor, Institutional Consulting Director, and Alternative Investments Director at Morgan Stanley Wealth Management. He is an award-winning host of the BNN Bloomberg Brand Studio Podcast: SmartWealth™ with Thane Stenner and an international best-selling author of the book titled “True Wealth: An Expert Guide for High-Net-Worth Individuals (and Their Advisors)”. Stenner Wealth Partners+ is an award-winning in person/virtual team of wealth specialists with a boutique approach and global perspective servicing Canadian and US investors/households with generally a minimum of 10M+ in investable assets or 25M+ net worth, whose clients’ range of net worths are between \$25M To \$2.5B+. His team strategically takes on 6-8 clients per year. They may be reached at their website at www.StennerWealthPartners.com, North America Toll-Free Phone at 1 833 STENNER (783 6637), or email SWP@cgf.com.



Ralph Desando – Managing Director of Private Investments at Yorkville Asset Management

Ralph has been with the company since its inception in 2010. He is responsible for leading Yorkville’s strategic initiatives to provide clients access to investment opportunities in high quality Canadian healthcare companies. He has led the launch and growth of Yorkville’s Health Care Fund into one of Canada’s leading health care investment platforms. Since its launch, the Fund has grown to approximately \$700 mm of assets under administration, growing both CareRX and Southbridge to become leaders in the Canadian healthcare industry. Ralph’s career in tax at Deloitte, completing the in-depth tax program from the Canadian Institute of Chartered Accountants (CICA), as well as assisting the institute with its tax program as a facilitator, has provided him with the background to develop efficient tax strategies, investment vehicles as well as the experience to assess value for investors. Ralph was an instructor at the University of Toronto’s School of Continuing Studies in the area of credit and market risk management. He has also served as a member of the Board of Trustees of the Ontario Motor Vehicle Industry Council Compensation Fund, and as Chair of its Investment Committee. He is currently a member of the Southbridge Healthcare LP Investment committee, a member of the CareRX and Proactive Investors board and CEO & Trustee of the Yorkville Health Care Fund.

Managing Risk,
Nurturing Wealth

Navigating The Positive Momentum of Canadian Healthcare Investing

Targeting Long-Term Annualized Returns of 10%-12%

*Presented by: Ralph Desando, CEO of
the Yorkville Health
Care Fund*

September 2023

This slide contains forward looking information. Forward looking information is based on assumptions and subject to risks and limitations. Actual results may vary materially and there is no guarantee projections will be met. Please refer to the disclaimer slide for additional information on the forward-looking information in this slide.

Why Invest in Canadian Health Care?

Demographic Tailwinds



Seniors are projected to represent between **23%** and **25%** of the population by 2036.¹

Insatiable Demand



Wait list for Long Term Care beds in Ontario has nearly doubled in 10 years, reaching over **40,000** people.²

Limited Supply



Long Term Care operators must be approved by the Ministry, creating an economic moat around the industry.

Government Funding



Funding is backed by stable 30-year government contracts. Health care spending is forecasted to increase from **7.3%** GDP in 2016 to **9.3%** in 2031.³

Inflation Protection



Long Term Care Funding Envelopes and Work Safe BC Contracts are adjusted for CPI. Similarly, the Ontario government has more than doubled construction funding.⁴

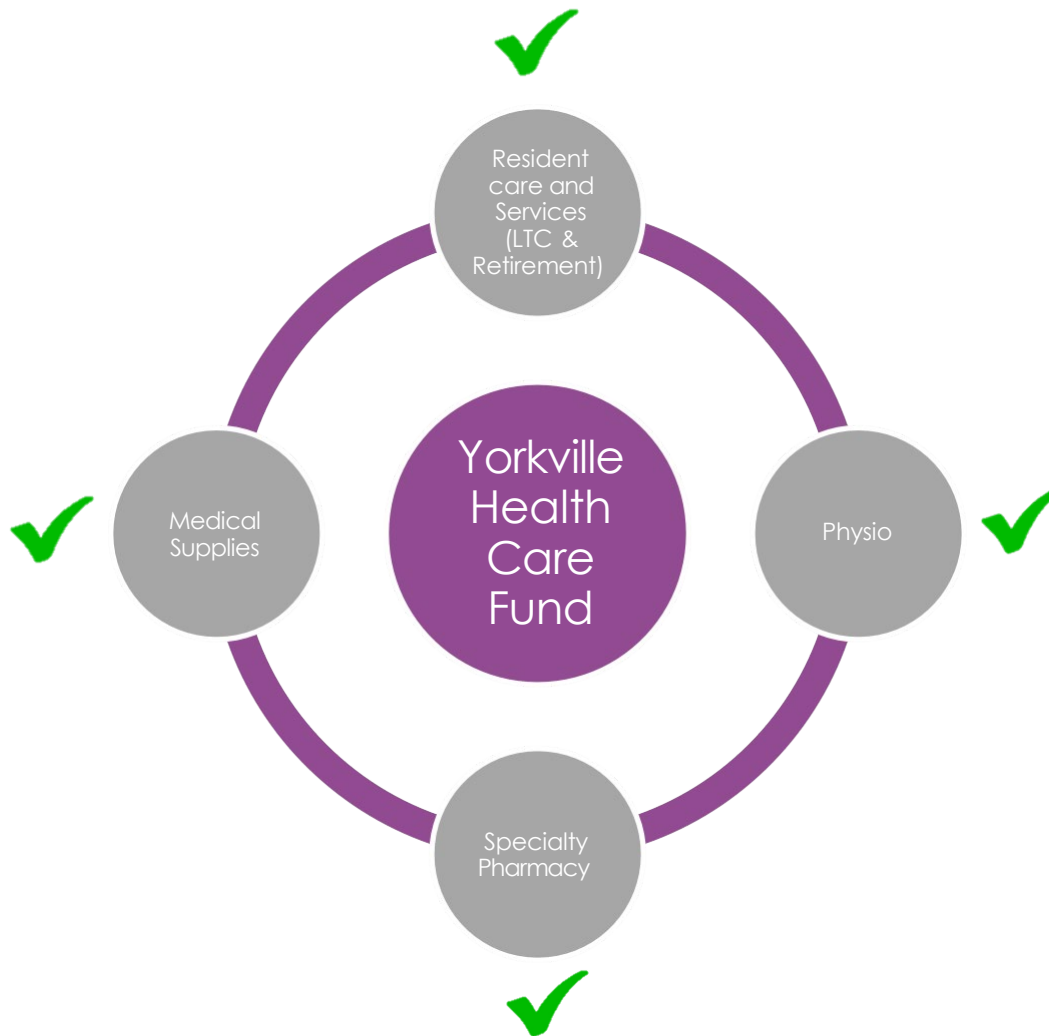
Source: Statistics Canada ¹, CTV News 13/01/2023 ², Ministry of Long Term Care ³, and Globe and Mail 29/01/2023.⁴

About the Yorkville Health Care Fund (the Fund)

- Launched in November of 2012.
- An investment vehicle that provides both yield and capital appreciation.
- Grants investors access to health care markets with significant barriers to entry and limited supply.
- Since its launch, the Fund has:
 - Raised ~\$370 million of investor equity
 - Built the 5th largest elderly care provider in Ontario with resident capacity of ~ 3,400 and continuing to grow
 - Led the growth of the largest institutional pharmacy provider in Canada serving over 95,000 residents
 - Purchased a 10 clinic Physio business out of BC, already expanding to Ontario in 2023 and beyond

Source: Yorkville Asset Management, CareRx Q2 2023 Report, Southbridge Management, Back in Motion Management

Yorkville Health Care Fund – Health Care Ecosystem

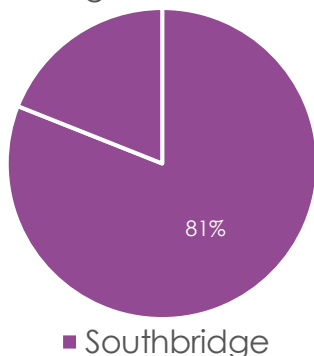


Yorkville Health Care Fund – Health Care Ecosystem



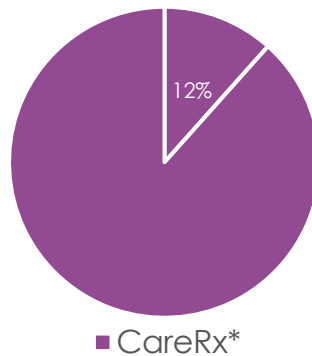
- 5th Largest Long Term Care Operator in Canada
- Portfolio size of 3364 beds
- First Long Term Care Operator to open 4 homes in a quarter

Percentage of Position in HCF



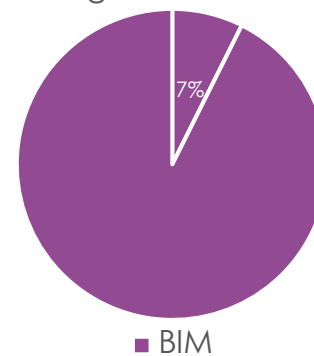
- Largest Institutional Pharmacy in Canada
- Services over 95,000 beds
- 36 Fulfillment centres across the country

Percentage of Position in HCF



- 10 Clinics in British Columbia
- 30 years of experience in the Physiotherapy Industry
- Essential service to Long Term Care

Percentage of Position in HCF



Source: Yorkville Asset Management (June 30, 2023), *~35% of CareRx's proportion in the HCF represents secured debt, therefore not subject to market volatility

Recent Trends in the Canadian Marketplace

MEDIA RELEASE



REVERA AND AXIUM INFRASTRUCTURE FORM A JOINT VENTURE TO SHARE OWNERSHIP OF 32 LONG TERM CARE HOMES

Toronto (April 30, 2018)

Key Takeaway

- US Institutional Investors are gaining access to Canadian health care investments
- Teachers Retirement System of the City of New York has invested in Axium

AXIUM

INFRASTRUCTURE

AgeCare and Axium Infrastructure to acquire and manage Chartwell Ontario Long Term Care homes

CPE News / March 31, 2022 / Alberta, Private Equity Deals, HealthCare, Ontario, Infrastructure Deals

Sources: CPE News and Axium Infrastructure

Recent Trends in the Canadian Marketplace

APRIL 6, 2021 – OPTIMA LIVING AND AXIUM INFRASTRUCTURE ACQUIRE 305 LONG-TERM CARE BEDS FOR SENIORS IN ALBERTA

Lifemark Health Group joins Shoppers Drug Mart

Tue, 05/10/2022 - 16:19

MARKHAM, Ontario, March 01, 2022 (GLOBE NEWSWIRE) – Extendicare Inc. (“Extendicare”) (TSX: EXE.TO) announced today that it has entered into agreements with Revera Inc. and its affiliates (“Revera”) and Axiom Infrastructure Inc. and its affiliates (“Axiom”), a Canadian investment firm with a strong and enduring commitment to long-term care, in respect of the ownership, operation and redevelopment of long-term care homes in Ontario and Manitoba.

Sources: *GlobeNewswire, Optima Living, and Axiom Infrastructure*

Key Takeaway

M&A activity continues to be strong in the Canadian healthcare space as well as real estate, a trend our team has been anticipating for some time

Yorkville Health Care Fund – YTD Commentary

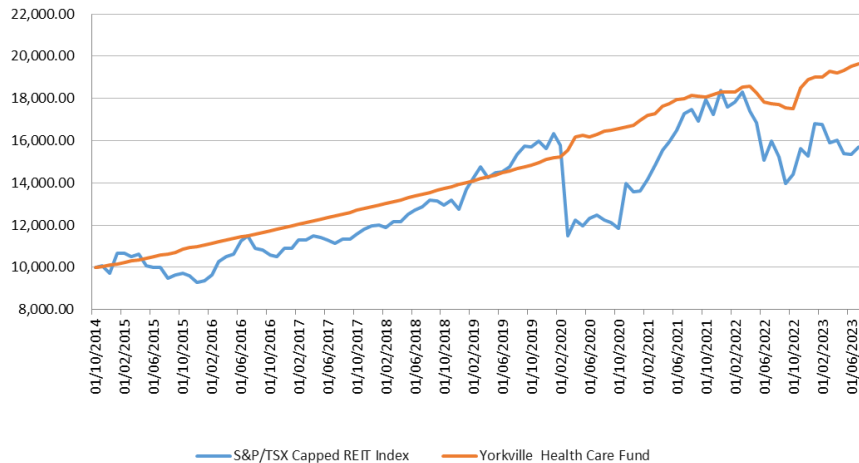
- 2023 YTD Class A return of ~4.5% net of fees (as at July 31, 2023).
- Since inception Class A returns of 8.60%, outperforming the CAPREIT index by 3.84% per annum (as at July 31, 2023).
- \$~34.5 mm of new investor equity in 2023 (as at July 31, 2023).
- Back In Motion Ontario expansion:
 - Integrated services into 13 Southbridge homes in Q2 , with the remainder commencing in Q3 & Q4 2023
 - Owen Sound multi-disciplinary health clinic set to open in Q3 2023
- June 2023 – Received three Ministerial Zoning Orders for LTC facilities in Port Hope, Ottawa, and Pickering:
 - Expedite construction process
 - Capitalize on Construction Funding Subsidy
 - Revalue land

Source: Yorkville Asset Management; SGGG Fund Services Inc.

Yorkville Health Care Fund - Performance

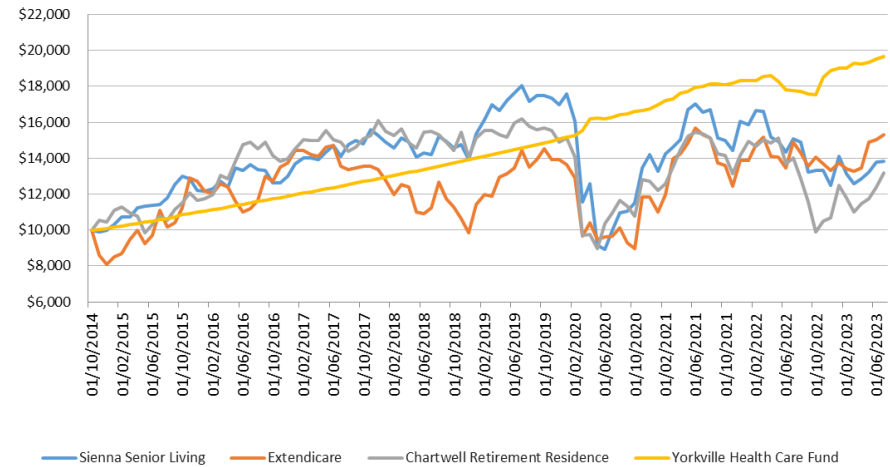
Funds vs. Index

Growth of \$10,000 from Nov 2014 to July 2023



Fund vs. Public Market Comparables

Growth of \$10,000 from Nov 2014 to July 2023



July 31, 2023	1M	3M	6M	YTD	1 YR	2 YR	3 YR	5 YR	Since Inception (Nov 2014)
Yorkville Health Care Fund (Class F Units)	0.61%	2.20%	3.34%	4.05%	10.74%	4.52%	6.47%	7.85%	7.94%
S&P/TSX Capped REIT Index	2.16%	-1.92%	-6.93%	2.62%	-2.38%	-5.22%	7.33%	3.41%	4.76%

Source: Bloomberg and Yorkville Asset Management. All returns are net of fees and in Canadian dollars. Figures as of July 31, 2023.

Disclosure

Commissions, trading commissions, and management fees all may be associated with mutual fund investments. Please read the offering memorandum before investing. The indicated rates of return are the historical annual compounded total returns including change in share value and reinvestment of all dividends and does not take into account sale, redemption, distributions or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated. All performance figures are for Class A Units, unless otherwise specified. The since inception return is annualized.

Southbridge LP – Successful New Builds

Cornwall



October, 2022



Kemptville



October, 2022



Owen Sound



October, 2022



London



August, 2022



The Next 10 Years ...

- The Fund will capitalize on the position built over the last 10 years:
 - Portfolio growth, expanding through new license grants (~5,000 beds)
 - 5 new projects commenced in 2023
 - Maximize Land values due to 10 years of land banking and repurpose existing properties
 - Internalize additional management functions to accelerate earnings without further investment
 - The increase in Construction Funding Subsidy (CFS) has provided the Southbridge portfolio with inflation protection and is a risk mitigant for increasing interest rates
 - Funding from Long Term Care Envelopes and Work Safe BC Contracts are adjusted for CPI, mitigating exposure to spikes in inflation
- Continue expansion of Pharma across Canada and realize efficiency in operations.
- Expand multidisciplinary clinics from BC to across Canada.
- Internalize food – generate ~10,500 meals per day.

Source: Yorkville Asset Management; Southbridge Management

Expanding Physio

- Physio Expansion to Ontario:
 - Utilize existing infrastructure to built out and operate new medical clinics including physio, chiro, and diagnostic services
 - First half of the Southbridge portfolio's services transferred to Back in Motion effective April 1st, with second half moving over in Q3/Q4

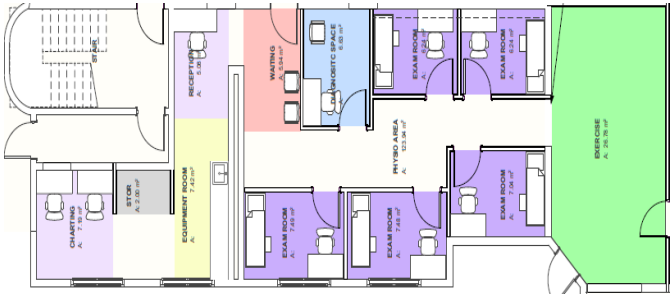
Pickering



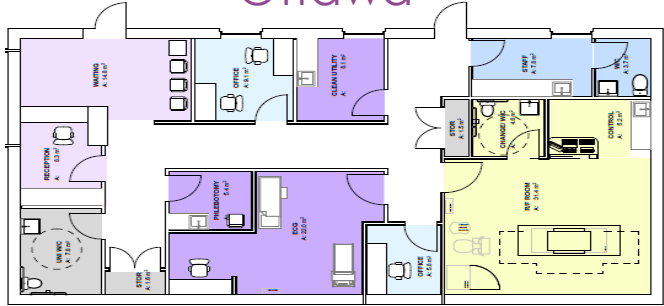
Owen Sound



London

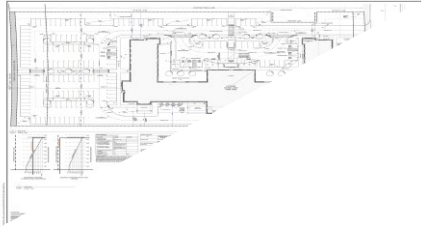


Ottawa

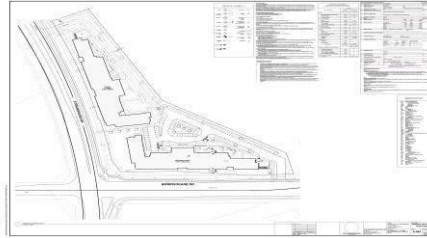


Current Projects Underway

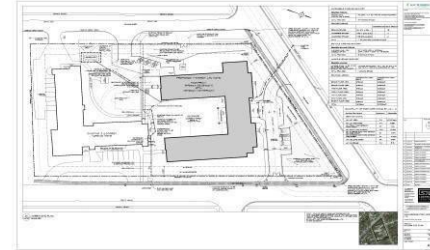
East London



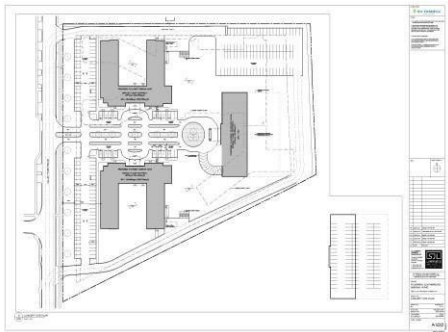
Ottawa



Port Hope



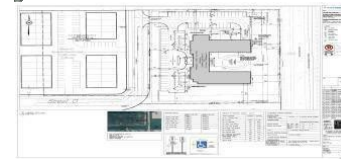
Pickering



Bayfield Renovation

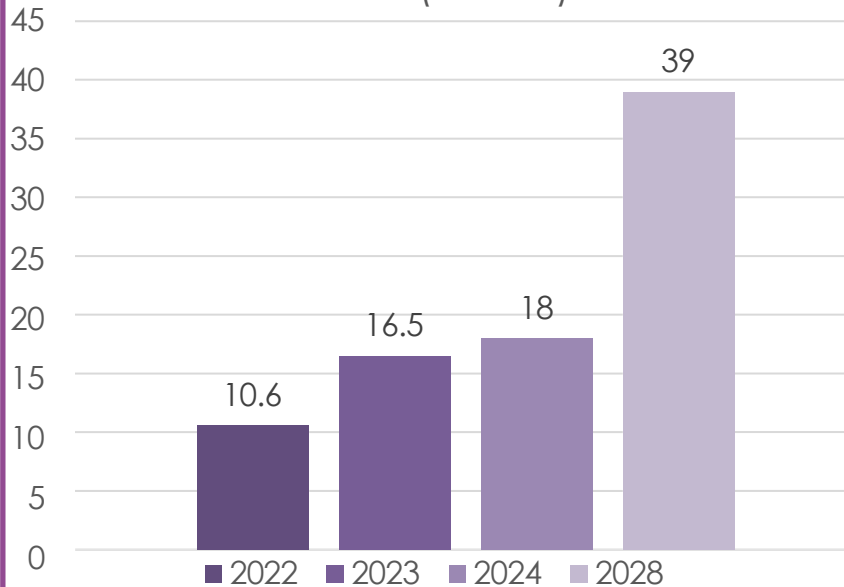


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Future AFFO Growth

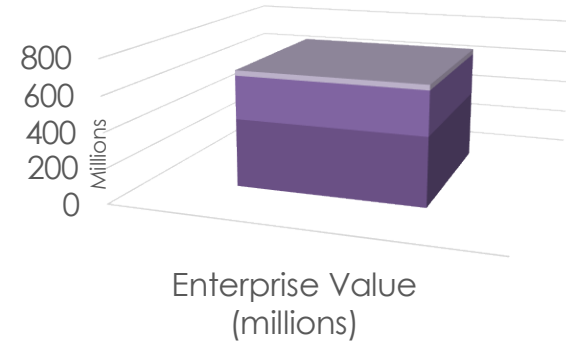
Projected Southbridge AFFO Growth (millions)



The above are projections from Southbridge Management and Yorkville Asset Management as of January 1, 2023

- **Projected ~60% increase in AFFO**
- **Equity requirements of \$160-170mm over the next 36 months**
- **2023 payout ratio projected to drop to 87% and further reduced to 79% in 2024**

The Health Care Fund



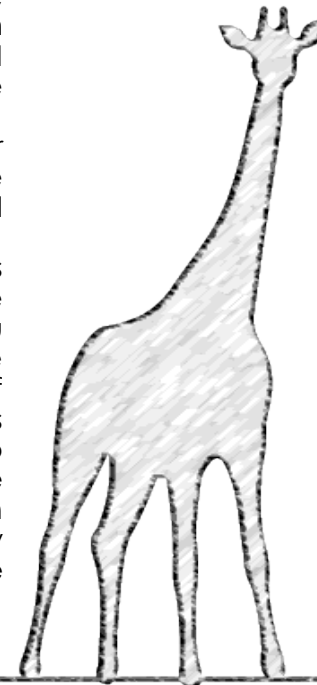
	Enterprise Value (millions)
BIM	30
CareRx	208.1
Southbridge	394.5

The Health Care Fund oversees ~\$650mm of Canadian Healthcare assets over a 10-year period

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Disclaimer

The analysis contained herein is based on numerous assumptions. Different assumptions could result in materially different results. This presentation contains forward looking information in the form of projected AFFO growth. This information is not historical and is thus subject to assumptions and risks, including regarding its reliability. Forward looking information can be impacted by future events and financial and performance, which are not known at this time. Projected AFFO growth can be impacted by a number of material risks and uncertainties, which may impact future performance. Readers are cautioned that actual AFFO growth may deviate from the projections either favorably or unfavorably. Please refer to the Fund's Offering Memorandum for additional details. This communication does not constitute an offer or solicitation to anyone in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such a solicitation. Certain services and products are subject to legal restrictions and cannot be offered worldwide on an unrestricted basis and/or may not be eligible for sale to all investors. All information and opinions expressed in this document were obtained from sources believed to be reliable and in good faith, but no representation or warranty, express or implied, is made as to its accuracy or completeness (other than disclosures relating to Yorkville Asset Management Inc. ("Yorkville")). All information and opinions as well as any prices indicated are current as of the date of this report, and are subject to change without notice. Opinions expressed herein may differ or be contrary to those expressed by other business areas or divisions of Yorkville as a result of using different assumptions and/or criteria. Some investments may not be readily realizable since the market in the securities is illiquid and therefore valuing the investment and identifying the risk to which you are exposed may be difficult to quantify. Past performance of an investment is no guarantee for its future performance and past performance may not be repeated. Some investments maybe subject to sudden and large falls in value and on realization you may receive back less than you invested or may be required to pay more. We would recommend that you take financial and/or tax advice as to the implications of investing in any of the products mentioned herein. The benchmark used within this presentation is the most appropriate index as more than 75% of the Fund's assets relate to the Southbridge entity, which is a long-term care operator. Other long term care operators are included within this index. Further, blending other indices into the chosen benchmark would not be appropriate as the Health Care Index in Canada is mostly Cannabis companies whereas the other two portfolio companies within the Fund are institutional pharmacy and physiotherapy respectively.



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