



Bentall Kennedy announces successful first close of its High Yield Canadian Property Fund

- \$145 million in commitments, including \$115 million from 3 leading Canadian institutional investors and \$30 million from Sun Life
- Targets strong risk-adjusted returns, primarily through high yield debt instruments in markets across Canada

TORONTO, ON. – (July 27, 2017) – Bentall Kennedy (Canada) Limited Partnership announced today the successful first close of the Bentall Kennedy High Yield Canadian Property Fund I Limited Partnership (the “High Yield Canadian Property Fund”), totaling \$145 million in commitments. The first close raised \$115 million in commitments from three leading Canadian institutional investors. Sun Life Assurance Company of Canada had previously committed \$30 million to the Fund to enable it to begin making loan commitments.

“The early success in raising capital for our High Yield Canadian Property Fund is a clear recognition from the marketplace of the tremendous opportunity that our relationship with Sun Life Investment Management offers for our institutional clients,” said Malcolm Leitch, Chief Operating Officer, Investment Management, Bentall Kennedy.

Sun Life Financial acquired Bentall Kennedy in September 2015 with the goal of expanding and diversifying the real estate capabilities of its Sun Life Investment Management business, which provides investment services to third parties and manages Sun Life’s general account.

The Fund will utilize Bentall Kennedy’s expertise in real estate equity investments combined with Sun Life Investment Management’s leading capability in the commercial mortgage market. The Fund is targeting an internal rate of return to investors, after fees, of 7% to 9%, primarily through lending secured by well positioned real estate projects across Canada. The Fund will invest in high ratio first mortgages, mezzanine loans, land loans, second mortgages, participating debt and direct real estate equity.

To date, the Fund has made 3 loan commitments for an aggregate of \$25.4 million, with investments in Vancouver and Calgary.

“The strength and capabilities of the combined real estate equity and debt team at Bentall Kennedy and Sun Life Investment Management enables us to offer our clients a differentiated



investment vehicle that complements our other products and lets our clients choose the real estate strategy most suited to them,” said Phil Gillin, Executive Vice President & Portfolio Manager, Bentall Kennedy and Sun Life Investment Management.

About Bentall Kennedy

Bentall Kennedy, a Sun Life Investment Management company, is one of the largest global real estate investment advisors and one of North America's foremost providers of real estate services. Bentall Kennedy serves the interests of more than 550 institutional clients with expertise in office, retail, industrial and multi-residential assets throughout Canada and the U.S. Bentall Kennedy's Investment Management group has approximately \$47.5 billion (CAD)/\$35 billion (USD) of assets under management (as of March 31, 2017). Bentall Kennedy is one of the largest real estate services providers in Canada, managing 58 million square feet on behalf of third-party and investment management clients (as of March 31, 2017). Bentall Kennedy is a member of UN PRI and a recognized Responsible Property Investing leader ranked among the top firms around the globe in the Global Real Estate Sustainability Benchmark (GRESB) for the sixth consecutive year since GRESB was launched.

Bentall Kennedy includes Bentall Kennedy (Canada) Limited Partnership, Bentall Kennedy (U.S.) Limited Partnership and the real estate and commercial mortgage investment groups of certain of their affiliates, all of which comprise a team of real estate professionals spanning multiple legal entities. The assets under management shown above include real estate equity and mortgage investments of the companies within Bentall Kennedy.

For more information, visit www.bentallkennedy.com.

Investor Contacts:

Malcolm Leitch
Chief Investment Officer, Investment Management
Bentall Kennedy (Canada) Limited Partnership
mleitch@bentallkennedy.com

Phil Gillin
Executive Vice President & Portfolio Manager
Bentall Kennedy (Canada) Limited Partnership
pgillin@bentallkennedy.com

Media Contact:



Rahim Ladha
Vice President, Corporate Communications
Bentall Kennedy Group
(m) 416-986-9027
rladha@bentallkennedy.com

Securities of Bentall Kennedy High Yield Canadian Property Fund I Limited Partnership have not been qualified for distribution to the public in Canada and may only be distributed in Canada pursuant to an exemption from the prospectus requirements of applicable Canadian securities laws. Such units are offered through BKC Capital Inc., an affiliate of Bentall Kennedy, solely to institutional investors that are accredited investors under Canadian securities laws, pursuant to a confidential investment memorandum that describes such units. This press release is qualified in its entirety by the information contained in such confidential investment memorandum.

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