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July 5, 2012

Sincerus Opportunities Fund – Open-Ended Private Real Estate Investment Trust – Focus on Diversified Portfolio of Real Property Assets in Western Canada

Sector/Industry: Real Estate

Summary of Proposed Offering	
Issuer	Sincerus Opportunities Fund
Offering	No minimum offering. Maximum Offering: $25,000,000
Securities Offered	250,000 Class A Units
Unit Price	$100 per Class A Unit
Minimum Subscription	Minimum subscription of $10,000
Expected Time Horizon	It is an open-ended real estate investment trust and will continue indefinitely subject to applicable laws.
Management Compensation and Fees	Performance Incentive Fee:
	a. 25% of the net operating income of a property held by Sincerus Opportunities LP as long as the Property's net operating income exceeds 8% of the Property's net capital cost
	b. On any disposition of a property an amount equal to 50% of the net gain on disposal of the property (determined by taking the net sale proceeds and subtracting the capital cost of the Property)
	Acquisition Fee:
	a. for a property that is fully developed, 2.5% of the Property purchase price
	b. for a Property that is partially developed, 5.0% of the Property purchase price
	c. for a Property that is undeveloped, 10.0% of the Property purchase price
	d. for each project an amount equal to 5.0% of the cost of construction, renovation, repair or upgrade, inclusive of the project related design and professional services costs
Selling Commissions	6.0% of the gross proceeds of the offering and up to a maximum of 1.0% as a trailer fee
Auditor	MNP LLP

FRC Rating	
Base-Case Return (IRR)	N/A
Rating	**3- (Good)**
Risk	4 (Speculative)

**see back of report for rating and risk definitions*

Investment Highlights

- Sincerus Opportunities Fund ("the Fund") is an open-ended private real estate investment trust. The Fund was formed by Sincerus Capital Ltd. (a real estate investment firm) - they have operated since 2009, and are currently working on three other land development projects.
- The Fund intends to invest in commercial, residential, industrial and development properties located in Western Canada (Manitoba, Alberta and Saskatchewan). Development properties will compose a maximum of 50% of the portfolio to ensure that at least 50% of the properties in the portfolio are cash-flowing (to enable to the fund to pay quarterly distributions).
- The Fund anticipates distributing returns on a quarterly basis.
- We have a positive outlook on the three focus provinces based on their expected GDP growth rate and low unemployment rates.
- The Fund has identified two real estate investments (industrial) within the Grande Prairie, Alberta area as potential acquisition targets.
- Management has offered to provide a loan to the Fund to acquire the first two projects; which will allow the Fund to get its operations up and running even before completing the proposed offering.
- Management's intention is to provide at least 6% p.a. cash distribution to investors. Our preliminary financial analysis on the first two projects shows that investors have the potential to receive approximately 13-17% annualized returns.

Risks

- Apart from the initial target properties, the properties to be acquired have not been identified and Management has considerable discretion regarding what to invest in.
- Investors are not guaranteed minimum distributions, or return of capital.
- Expected returns will drop, or rise, if any of the inputs used in our scenarios move unfavourably, or more favourably, respectively.
- Delays in acquisition, construction, sales, etc. may negatively affect returns to Unitholders.
- Real property investments tend to be relatively illiquid.
- Timely deployment of cash.
- Liquidity risks – invested capital is redeemable without fees only after five years (redemption fees apply in the first five years).
- Like most offerings, dilution risk exists as the number of units that the Fund is authorized to issue is unlimited.

Background and Terms of the Offering

Sincerus Opportunities Fund ("the Fund") is an open-ended real estate investment trust. It is the intention of the company to qualify as a mutual fund trust (in order to qualify as an investment vehicle for deferred investment plans). As the Fund is open-ended, it can continuously issue units of the Fund. Unitholders will be eligible to redeem their units on the monthly retraction date (redemption fees apply in the first five years). The Fund will consist of a diversified portfolio of real property assets and anticipates debt financing for each project to be at a maximum of 75% of the appraised value (which we believe is in line with industry standards). **The focus of the Fund is to provide income and/or capital appreciation through investments in commercial, residential, industrial and development properties located in Western Canada (Manitoba, Alberta and Saskatchewan).** Currently, the Fund has identified two real estate investments within the Grande Prairie, Alberta area as potential acquisition targets. The offers to purchase are in place for these targets; however, it is dependent on suitable bank financing and completion of due diligence. Below is a summary of the units offered:

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Selling Commissions	6.0% of the gross proceeds of the offering and up to a maximum of 1.0% as a trailer fee
Auditor	MNP LLP

Company History and Details

Sincerus Opportunities Fund was formed on April 30, 2012, under the laws of Manitoba. The Fund has no historical returns or past performance. However, **the**

management team and portfolio manager (discussed in subsequent sections) have extensive experience in all sectors of real estate development and asset management. The head office of the Fund is located at 1470B Willson Place, Winnipeg, Manitoba R3T 3N9.

Purpose

The purpose of this report is to analyze the potential risk/reward profile of the units offered by Sincerus Opportunities Fund.

Why Invest in Real Estate?

The following factors describe the benefits of adding real-estate investments to an investment portfolio:

Diversification: Real estate offers significant diversification benefits to an investment portfolio. As seen in the chart below, the level of correlation between private real estate and mid/small cap stocks and large cap stocks is 0.17 and 0.28, respectively. Also, there has been a negative correlation (-0.23) between private real estate and U.S. government bonds.

The low or negative correlation between private real estate and stocks/bonds indicates there is potential to lower portfolio risk, and improve the risk-return ratio, by adding real-estate investments to a portfolio.

Correlation of Annual Returns,
1983 to 2008

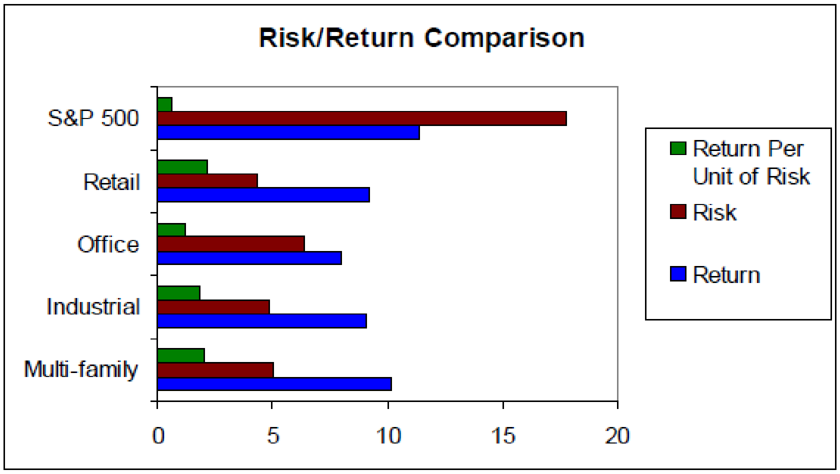
	Private Real Estate	U.S. Govt. Bonds	Mid/Small-Cap Stocks	Large-Cap Stocks
Private Real Estate	1.00			
U.S. Govt. Bonds	-0.23	1.00		
Mid/Small-Cap Stocks	0.17	0.00	1.00	
Large-Cap Stocks	0.28	0.12	0.91	1.00

Source: NCREIF; Merrill Lynch; Wilshire 4500; Standard & Poor's 500; CBRE Investors 2009

High risk-adjusted returns: Returns and standard deviations calculated are sensitive to the time period chosen, however, we have found retail developments offer one of the best risk adjusted returns (compared to other direct real estate investments).

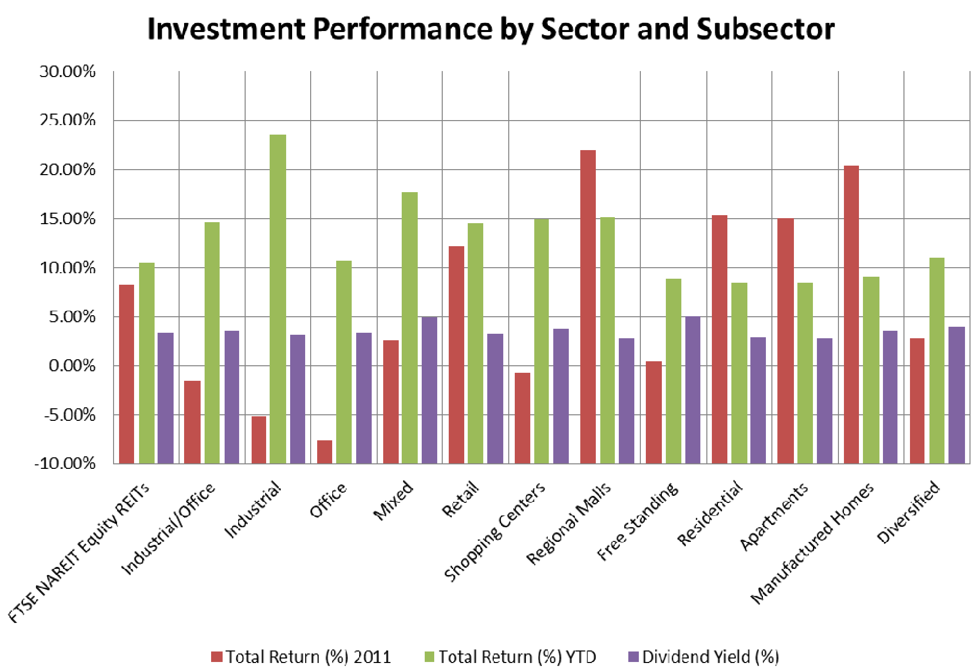
Below is a chart illustrating the risk adjusted returns on different real estate options over a large and, relatively, up to date interval. Over the same period, the S&P 500 had an average return of 11.4%, standard deviation of 17.8% and a return per unit of risk of 0.64; which is far below the risk adjusted return of real estate investments.

Property Type Characteristics (Q1 – 1978: Q1 – 2010)



Source: NCREIF, LaSalle Investment Management, August 2009, Marquette Associates Oct 2010

Long Term Returns: As seen in the chart below, real estate investment performance by property type shows that the total return YTD for all sectors is positive ranging from 8.47% (Residential Apartment sector) to 23.61% (Industrial sector). This is positive as **the initial two projects of the Fund are in the industrial sector.**

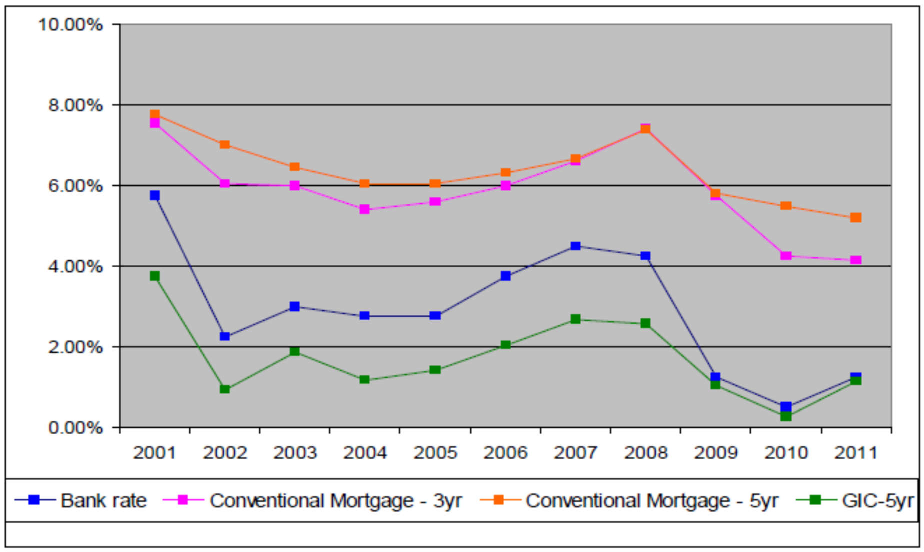


Source: FTSE, NAREIT

Tax benefits: Real estate investments may offer tax deductions, through property depreciation, potentially offsetting the tax implications of the income received.

Leverage: Real estate investments typically offer high leverage whereby a property can be purchased or built with a cash outlay much less than the value. The benefit of leverage to investors is the magnification of returns (including losses). Most investments do not offer the ability to leverage as much or as easily as real estate investments.

Interest rates: Interest rates are still at historically low levels. As a result of this, we believe that the Fund should be able to acquire relatively cheap rates in the near term, allowing for better leveraged returns. The graph below shows some key historical bank rates and illustrates the currently low levels.



Source: Bank of Canada

Investment Objective and Strategy

The long term objective of the Fund is to provide ongoing competitive investment returns to Unitholders while trying to mitigate the risks associated with investments in real estate.

The Fund, through Sincerus Opportunities LP (in which the Fund holds 100% of the LP units), intends to achieve this objective through investment in real property, located in Western Canada. This may include commercial, residential, or development property, and may include full, or partial ownership interests.

The Fund, through Sincerus Opportunities LP, will focus on the following:

- Rental properties that produce high levels of yield or that have the potential to produce high levels of yield through improved management, further development or some form of use conversion. Rental properties may include industrial, retail, office or residential properties.
- Properties that are offered for sale below their current intrinsic value or below their potential realizable value due to liquidity constraints or other circumstances facing the current owner.
- Undeveloped properties that have the potential for significant appreciation
- Properties may be located in or near communities with strong potential growth

or good prospects for stable demand. This may include properties located in or near smaller cities, which may not attract investment by large institutional investors or public real estate investment trusts.

- **Properties that will require an investment, inclusive of development costs, that is generally between $500,000 to $10,000,000.**

Asset Mix

Through our discussions with management, we have determined that there are no set percentages on how assets will be allocated geographically in Western Canada. This, we believe is a bit concerning, considering management has considerable discretion regarding what to invest in. Management stated that they will initially focus on diversification of property types. However, since the Fund is still in the early stages of development, management cannot specify how the assets will be allocated to each different property type. It is the intention of management, after the establishment of the Fund (in 1 to 2 years), to diversify both geographically and by property type and set defined limits.

In addition, management has allocated a defined limit of up to 50% of the portfolio to undeveloped properties to enable them to mitigate risk by diversifying the portfolio between undeveloped and developed properties.

Sincerus Opportunities Limited Partnership, The Manager and Trustees

The Fund will act through its 100% ownership of LP units in Sincerus Opportunities Limited Partnership. The Fund will be managed by Sincerus Asset Management Ltd (The Manager). Below, we outline the respective organizations. We have also outlined the Trustees of the Fund.

Sincerus Opportunities Limited Partnership

Sincerus Opportunities LP was formed on April 11, 2012, under the laws of the Province of Manitoba. The general partner of Sincerus Opportunities LP is Sincerus Opportunities GP, a Manitoba company, incorporated on April 11, 2012. The head office of each of Sincerus Opportunities LP and Sincerus Opportunities GP is 1470B Willson Place, Winnipeg, Manitoba, R3T 3N9. All of the issued and outstanding shares of Sincerus Opportunities GP are owned by the Fund.

The Manager

The Manager, Sincerus Asset Management Ltd., is a Manitoba company incorporated on April 11, 2012. The duties of the Manager primarily include, the identification, analysis and selection of investment opportunities, property related due diligence, negotiation, acquisition and disposition of properties, ongoing management and administration of portfolio assets, financing activities and investor services. According to the Trust, the Manager is entitled to one Special Voting Unit which enables it to appoint up to 3 trustees (the Special Voting Unit does not participate in the distributions from the Fund).

Trustees

The following people are the Trustees of the Fund: Albert Rempel, Stephen Alford and Jack Murray. They also serve as Management for the Fund and the related companies. In terms of the Fund, the Trustees have allocated many of their responsibilities to the Manager – this creates a conflict of interest as the Manager has total control over the Fund and is also engaged in other business activities that may conflict with the Fund. This is, however, common in exempt market offerings.

Management Team

The following lists the Management of the Fund and Trustees and their current and previous work experience and qualifications (as provided by the Fund):

Albert Rempel, CFP
2009-Present President & CEO of Sincerus Capital Ltd.
1997-Present President of A.I. Rempel & Associates Inc. operated as Winvest Financial
2008-Present President of O.M. Equity Partners Ltd.
2001-2008 President of 4573219 Manitoba Ltd. operated as Property Solutions
2004-2007 President of Homewise LLC
2006-2010 Director of Northwood Mills LLLP N.D.
2009-Present CEO & Director of Sincerus (Hawk Springs) GP Ltd.
2009-Present CEO & Director of Sincerus (Hawk Springs) Investments Ltd.
2009-Present CEO & Director of Sincerus (Hawk Springs) Finance Ltd.
2010-Present CEO & Director of Sincerus (Park Hill) GP Ltd.
2010-Present CEO & Director of Sincerus (Park Hill) Investments Ltd.
2011-Present CEO & Director of Sincerus (Clairmont) GP Ltd.
2011-Present CEO & Director of Sincerus (Clairmont) Investments Ltd.
2012-Present CEO & Director of Sincerus Asset Management Ltd.
2012-Present Trustee of Sincerus Opportunities Fund.
2012-Present CEO & Director of Sincerus Opportunities GP Ltd.

Albert (Al) is the founder, President and CEO of Sincerus Capital and serves in a leadership role for each of the Sincerus Capital related companies. These companies are actively involved in the development of real estate assets located in Alberta and Manitoba. Prior to founding Sincerus in 2009, Al was involved in a variety of successful real estate investment ventures both in Manitoba and Florida, beginning in 2001 and involving over $20 million worth of properties. Al also has 19 years' experience in the financial services industry advising high net worth individuals from Ontario to B.C. on investment, tax and risk management strategies.

Stephen Alford, MBA, Ph.D., CFA
2005-2011 Manager, Bond Investments (last title held), The Great-West Life Assurance Company
2011-Present Chief Investment Officer of Sincerus Capital Ltd.
2012-Present Chief Investment Officer of Sincerus Asset Management Ltd.
2012-Present Trustee of Sincerus Opportunities Fund

As Chief Investment Officer for Sincerus Capital, Stephen is responsible for the analysis of investment opportunities, syndication structuring and various legal, tax and administrative matters pertaining to the Sincerus group of companies. Prior to joining Sincerus Capital, Stephen was an investment manager at a large financial institution, part of a small team managing a $30 billion portfolio of assets. His responsibilities included trading bonds, derivatives and structured finance products, as well as various risk management functions. His responsibilities also included the analysis and trading of investments secured directly or indirectly by commercial real estate assets. Prior to pursuing a career in the investments field, Stephen worked as a civil engineer for the federal government, first, managing construction projects and later dealing with environmental issues. Stephen has an MBA from Clarkson University, a doctoral degree in finance from the University of Manitoba and is a CFA charterholder.

Jack Murray, B.Comm. (Hons.), CA
2003-2012 CFO, Corporate Secretary and Director of MGI Financial Inc. (formerly Rice Financial Group Inc.)
2012-Present CFO of Sincerus Capital Ltd.
2012-Present CFO of Sincerus Asset Management Ltd.
2012-Present Trustee of Sincerus Opportunities Fund

As Chief Financial Officer for Sincerus Capital, Jack is directly responsible for the accounting and finance functions, which includes strategic planning and sourcing project financing, for the Sincerus group of companies. Prior to joining Sincerus Capital, Jack was the Chief Financial Officer of MGI Financial Inc., a financial services company with a network of branch and associate offices in six provinces serving approximately 80,000 clients and administering assets of nearly $4.0 billion. In addition to providing leadership on financial, accounting, compliance and administrative issues, Jack was involved in the financial analysis and due diligence associated with several business acquisitions. Prior to assuming his role as CFO of MGI Financial Inc., Jack spent over twenty years in a variety of accounting and finance positions with organizations in the financial, educational and real estate sectors. Jack has a commerce degree from the University of Manitoba and is a Chartered Accountant.

Jo-Anne Tysoski, CGA
1981-2011 Manager, Group Sales (last title held), The Great-West Life Assurance Company
2011-Present Chief Operating Officer of Sincerus Capital Ltd.
2012-Present Chief Operating Officer & Director of Sincerus Opportunities GP Ltd.

As Chief Operating Officer for Sincerus Capital, Jo-Anne is responsible for implementing human resource policies and processes, maintaining and monitoring staffing levels, managing various service contracts and driving performance measures for the operation. Prior to joining Sincerus Capital, Jo-Anne managed the operations for the sales organization at a large financial institution. Her responsibilities included providing leadership and support to the sales organization, with a focus on budgeting, compensation, business management and accessing company resources. This included recommending strategies and managing continuous improvement projects, as well as administering a national sales compensation program. Jo-Anne is a Certified General Accountant.

Greg Jasper, B.Eng, P.Eng.
1989-2008 Senior Development Manager, Genstar Development Company
2008-2011 Senior Project Manager, Associate, MMM Group Ltd.
2011-Present Chief Development Officer of Sincerus Capital Ltd.
2012-Present Chief Development Officer & Director of Sincerus Opportunities GP Ltd.

As Chief Development Officer for Sincerus Capital, Greg is responsible for identifying and assessing real estate investment opportunities and for managing the development process on projects undertaken by the Sincerus group of companies. Prior to joining Sincerus Capital, Greg was a senior project manager with an engineering firm. In this role, he managed a range of projects, from the planning of a 1,700 hectare industrial complex in Trinidad & Tobago to a number of due diligence studies for residential and mixed-use development projects in Winnipeg. Greg also spent 19 years with a national land development company, where he was involved in many aspects of the development process. This included planning and design, feasibility analysis, obtaining approvals and entitlements and sales and marketing. Greg has an engineering degree from Lakehead University and is a registered Professional Engineer. Greg is also a member of the Urban Development Institute of Manitoba and the Society of American Value Engineers (SAVE) International.

Other Projects

In order to get an idea of the track record of the Management team, we requested information regarding other projects that the team is currently working on. There are three other projects that Management is currently involved in: Hawk Springs, Park Hill and Clairmont. These three projects are the only real estate projects that Sincerus has been involved in since its inception in 2009.

All three projects are currently in development phases and we have reviewed documentation that attests that the Management team has progressed significantly with the projects. For instance, for the Hawk Springs project, we have reviewed documentation from the Government of Alberta that permits the company to divert water to supply the residences of Hawk Springs. Also, we have reviewed a phase 1 development agreement for the Park Hill project provided by the City of Steinbach. We believe that the information that was provided by Management gives an indication that the team is actively progressing with each project. **We would like to note that this is Sincerus's first foray in income property offerings, as the other projects were development offerings.** The table on the next page is a summary of the projects provided by Management.

	Investor Capital	Completion of Unit Offerings	Approximate Term	Scope	Current Status
Sincerus (Hawk Springs) LP	$16,000,550	2011	2-3 Years	Land Development: Residential Sub-Division of approximately 330 acres south of Calgary into 82 country residential lots.	Conditional approval of Outline Plan by Municipal Council (March 2012); Obtained Water license from Alberta Environment (Apr. 2012); Currently proceeding with construction planning/design for servicing.
Sincerus (Park Hill) LP	$7,684,000	2012	5 Years	Land development: Residential Sub-Division of approximately 145 acres in Steinbach, MB into 514 separate titled units	Phase 1 Development Agreement approved by City (july 2011); Phase 1 (85 lots) servicing site work in progress; Lot sales underway (17 lots sold - we have verified the purchasing agreements)
Sincerus (Clairmont) LP	$6,815,700	2012	3-5 Years	Land Development: Residential Sub-Division of approximately 233 acres in the County of Grande Prairie No.1, AB.	Area Structure Plan published in draft form by the County for public comment (June 20912); Proceeding with Outline Plan preparation

Source: Management

The chart above shows that the projects are actively advancing; however, we are slightly concerned whether Management will be able to manage four simultaneous projects.

Alberta, Saskatchewan and Manitoba

The Fund is primarily seeking out properties in the Western Canada region, specifically, Alberta, Saskatchewan and Manitoba. **There are many factors to consider when evaluating an investment in real estate including: GDP growth, unemployment rates, net migration, housing starts, rental rates and vacancy rates.** We will discuss these factors for Alberta, Saskatchewan and Manitoba.

GDP Growth

	% Change in Real GDP			
	2010	2011	2012F	2013F
Newfoundland and Labrador	6.10	4.00	2.33	2.65
Prince Edward Island	2.60	2.07	1.83	1.90
Nova Scotia	1.90	1.50	1.67	2.80
New Brunswick	3.10	1.23	1.50	2.05
Quebec	2.50	1.77	1.70	2.05
Ontario	3.00	1.90	2.03	2.30
Manitoba	**2.40**	**2.37**	**2.50**	**2.65**
Saskatchewan	**4.00**	**3.60**	**3.53**	**3.85**
Alberta	**3.30**	**3.63**	**3.50**	**3.55**
British Columbia	3.00	2.40	2.23	2.60
Canada	3.20	2.40	2.17	2.50

Source: RBC Provincial Outlook, Scotiabank Provincial Trends, TD Economics Provincial Update

The table above shows the real GDP of the provinces in Canada from 2010 to 2013 (forecast). As seen in the chart, in 2012, Alberta's real GDP is expected to increase by 3.5%, and by 3.55% in 2013. Saskatchewan's real GDP is predicted to increase from 3.53%, to 3.85%, from 2012 to 2013. Also, Manitoba's real GDP is predicted to increase from 2.50%, to 2.65%, from 2012, to 2013. As a whole, all three provinces outperform national real GDP growth for 2012 and 2013. **We believe that the real**

GDP growth in each of the three target provinces shows they are viable prospects for real estate investment.

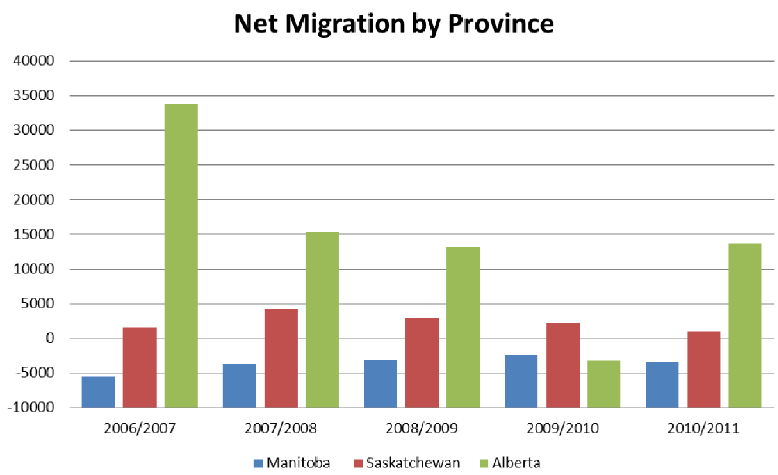
Unemployment Rate

	Unemployment Rate (%)			
	2010	2011	2012F	2013F
Newfoundland and Labrador	14.37	12.63	12.10	11.20
Prince Edward Island	11.20	11.40	11.10	10.45
Nova Scotia	9.30	8.97	8.67	8.05
New Brunswick	9.30	9.53	9.33	8.75
Quebec	7.97	7.70	7.87	7.70
Ontario	8.67	7.80	7.77	7.50
Manitoba	**5.40**	**5.40**	**5.27**	**5.10**
Saskatchewan	**5.20**	**5.00**	**3.40**	**4.65**
Alberta	**6.50**	**5.43**	**4.97**	**4.60**
British Columbia	7.60	7.53	7.20	6.90
Canada	8.00	7.47	7.33	7.05

Source: RBC Provincial Outlook, Scotiabank Provincial Trends, TD Economics Provincial Update, Statistics Canada

A good indicator of the overall economy of an area is the unemployment rate. As seen in the table above, the unemployment rate for Alberta has been decreasing from 2010 levels, and is predicted to decrease to 4.97% in 2012, and further decrease to 4.60% in 2013. Also, Manitoba is seeing a similar predicted decline in unemployment rates from 5.27% in 2012, to 5.10% in 2013. As for Saskatchewan, the employment rate is predicted to decrease in 2012 to 3.40%, and increase in 2013 to 4.65%. All three provinces have a lower unemployment rate than the Canadian average. **Based on GDP growth forecasts, we believe Alberta and Manitoba will see a continued decline in unemployment rates beyond 2013.**

Net Migration



Source: Statistics Canada

Net migration is an important indicator to consider when evaluating real estate as it shows whether or not the area is attractive. As seen in the chart above, in 2010/2011 Saskatchewan and Alberta had positive net migration, which means that people are finding these provinces attractive to live in. On the other hand, Manitoba has historically seen negative net migration, meaning that people are moving out of the province to seek opportunities elsewhere. This data indicates that, among the three provinces, Alberta is the most attractive for real estate investment.

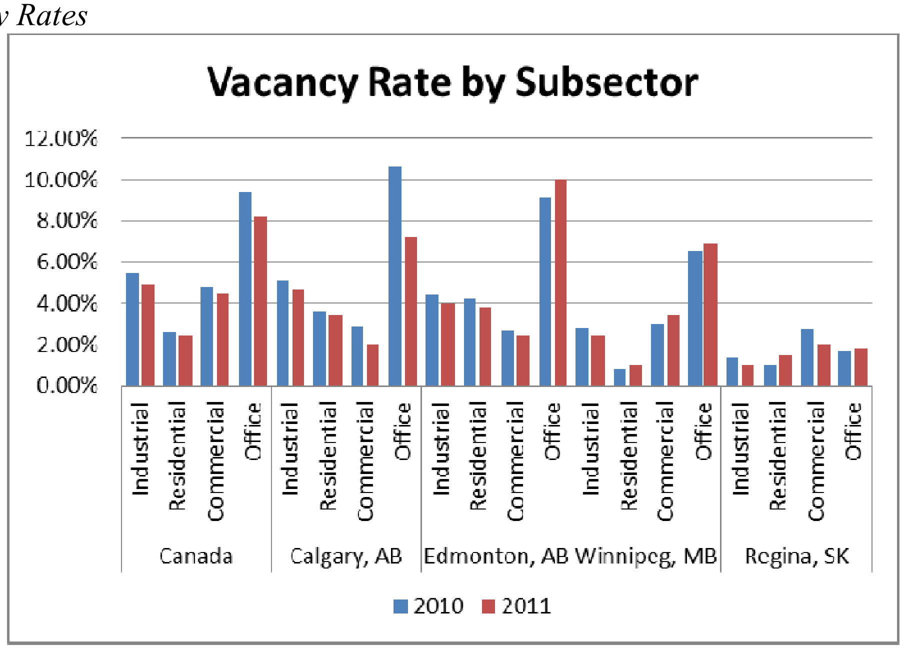
Housing Starts

	Housing Starts (000s)			
	2010	2011	2012F	2013F
Newfoundland and Labrador	3.85	3.50	3.25	3.30
Prince Edward Island	0.80	1.00	0.95	0.80
Nova Scotia	4.35	4.70	4.60	4.50
New Brunswick	4.30	3.20	3.05	3.00
Quebec	51.20	48.20	45.75	42.15
Ontario	60.60	67.70	65.80	60.35
Manitoba	**6.00**	**5.90**	**6.10**	**5.70**
Saskatchewan	**6.00**	**7.20**	**7.60**	**7.50**
Alberta	**27.00**	**25.50**	**28.50**	**28.75**
British Columbia	26.60	26.40	28.05	26.60
Canada	190.65	193.65	193.75	182.50

Source: RBC Provincial Outlook, Scotiabank Provincial Trends, TD Economics Provincial Update

As shown in the chart above, Alberta is predicted to experience a modest increase in housing starts in 2012 and 2013 – indicating the increasing demand for real estate in Alberta. Manitoba and Saskatchewan, however, are predicted to experience a decrease in housing starts in 2013. This data as well shows Alberta's attractiveness.

Vacancy Rates



Sources: CBRE, CHMC, Avison & Young, Colliers, NAI Commercial, Morguard Investments

An important factor to consider is the vacancy rate, which is basically an indicator of the demand for real estate in a particular area/property type. We used the cities of Calgary, AB, Edmonton, AB, Winnipeg, MB and Regina, SK to extrapolate the relative vacancy for the rest of the province. As seen in the chart above, for industrial/commercial properties, all four cities have a lower vacancy rate than the national average – indicating that the demand for those real estate categories is higher in these cities than an average Canadian city. In terms of residential housing, Calgary and Edmonton have a higher vacancy rate than the national average, indicating that there is less demand for residential housing in these cities. On the other hand, Winnipeg and Regina have a greater demand for residential housing than the average Canadian city. In terms of office real estate, out of the four cities, Edmonton is the only city which has a higher vacancy rate than the national average.

Overall we believe that investment in real estate in Alberta, Saskatchewan and Manitoba are viable; however, Manitoba and Saskatchewan are more risky investments as there are indications that the economy of these two provinces are not as strong as Alberta. Another thing to consider is that different property types may be more successful in some areas and less successful in others. We believe that the local area for each property must be investigated for market demand prior to investment, as each area has different characteristics even within the same province.

Details On Potential Investments in the Grande Prairie

Currently, the Fund has two subject properties in mind for acquisition based on the Manager's belief that the properties present an attractive investment opportunity. In this section, we will summarize the two projects and present details about the location in which they are located - Grande Prairie, Alberta area.

The next page shows a summary chart of the properties.

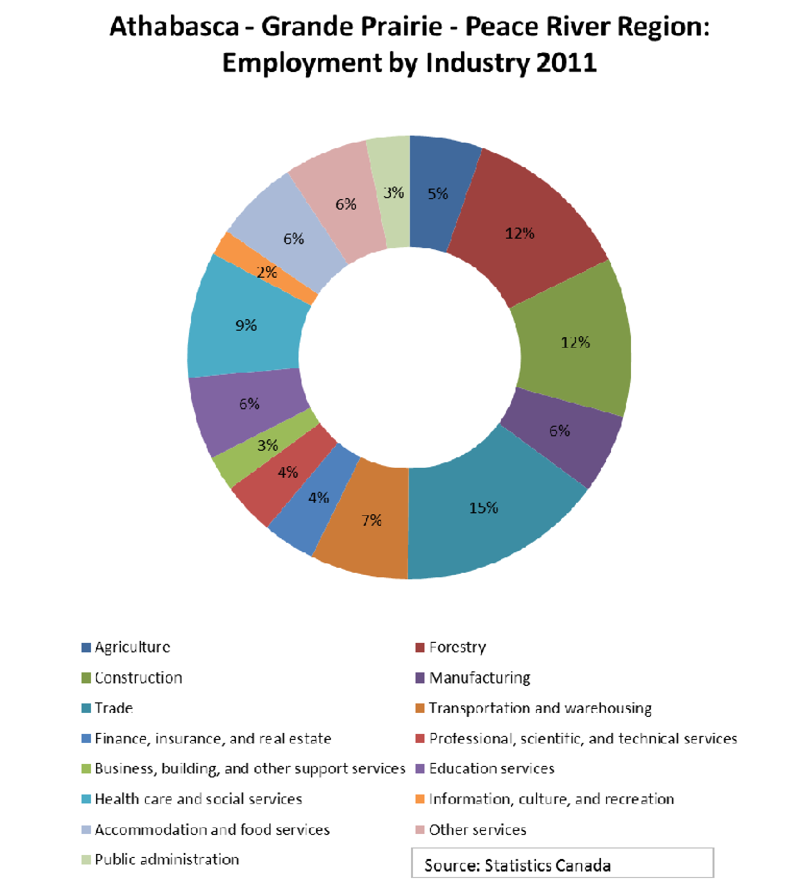
	Property 1	Property 2
Location	County of Grande Prairie No. 1, Alberta	County of Grande Prairie No. 1, Alberta
Property Type	Industrial (industrial shop with office space and land)	Industrial (industrial shop with office space and land)
Purchase Price	$2,750,000	$2,500,000
Ownership Interest	100% (subject to successful closing), to be held indirectly by the Fund and Sincerus Opportunities LP	100% (subject to successful closing), to be held indirectly by the Fund and Sincerus Opportunities
Status	Under contract with closing projected on or before August 1, 2012, subject to satisfactory due diligence and obtaining satisfactory financing.	Under contract with closing projected on or before September 1, 2012, subject to satisfactory due diligence and obtaining satisfactory financing.
Building Size (approximate)	16,742 sq. ft. (inclusive of mezzanine office space)	19,200 sq. ft. (inclusive of mezzanine space)
Property Size (approximate)	2.96 acres	13.66 acres
Building Constructed	December 2011 (substantial completion)	1999
Zoning	RM-2 (Rural Medium Industrial District)	RM-2 (Rural Medium Industrial District)
Appraisal	$3,000,000 - Plant & Associates Appraisal Services Ltd. dated November 25, 2011 subject to completion of the improvements under construction	$3,050,000 by Plant & Associates Appraisal Services Ltd. dated February 16, 2012.
Other Details	The property is currently occupied by an oilfield services company under a lease that expries in 2017. This lease will be assigned by the landlord/owner as a condition of closing. A Phase 1 Environmental Assessment was completed in June of 2011 which concluded that there was a low environmental risk associated with the property	This property is currently occupied by an oilfield transportation services company under a lease and sub-lease that expire in 2014 (tenant has option to renew for five additional years). This lease will b assigned by the landlord/owner as a condition of closing. A Phase 1 Environmental Assessment wa completed in April 2012, which identified some surficial ground staining and housekeeping items, l concluded that there was a low environmental risk
Additional Terms	The purchase agreement is subject to the availability of third party mortgage financing (Management is currently in discussions with major banks - we have seen term sheets provided by the banks)	The purchase agreement is subject to the provisior vendor take-back financing for a portion of the purchase price, up to $750,000 (we have seen the documentation). This vendor financing is to be available for up to 12 months from the closing dat scheduled for September, 2012. A fixed interest ra of 5% per year will apply to the vendor financing amount and the Vendor will have the right to regis a second mortgage against the titles. The purchase will be entitled to pay down the balance due in ful or in part at any time before the final due date witl penalty.
Financing Plans	Sincerus Capital has agreed to provide a portion of the required closing payment amount, up to $750,000 (inclusive of the deposit paid by Sincerus Capital), as required, pursuant to the terms of its Support Services Agreement. Any amount provided by Sincerus Capital will be advanced by way of an unsecured loan to Sincerus Opportunities LP and will be subject to a rate of interest of 6% per annum. The balance required to close must be secured from an unrelated third party lender (Management is currently in discussions with major banks - we have seen term sheets provided by the banks). Sincerus Opportunities LP may use a portion of the net proceeds from this Offering to repay Sincerus Capital and/or to pay down the balance of the third party mortgage financing associated with the acquisition of this property.	In addition to the vendor take-back mortgage financing, Sincerus Capital has agreed to provide portion of the required closing payment amount, up $250,000 (inclusive of the deposit paid by Sinceru Capital), as required, pursuant to the Support Services Agreement. Any amount provided by Sincerus Capital will be advanced by way of an unsecured loan to Sincerus Opportunities LP and v be subject to a rate of interest of 6% per annum. T balance required to close will be secured by a combination of unrelated third party financing (Management is currently in discussions with majo banks - we have seen term sheets provided by the banks). A portion of the net proceeds from this Offering may be used to repay Sincerus Capital and/or to pay down the balance of other financing associated with the acquisition of this property.

There are a number of factors that affect returns on real estate investments. Some of the key factors include: population growth, income levels, employment, gross domestic product growth and employment industries. We will examine these factors in more detail below for the Grande Prairie area.

Grande Prairie, Alberta Area

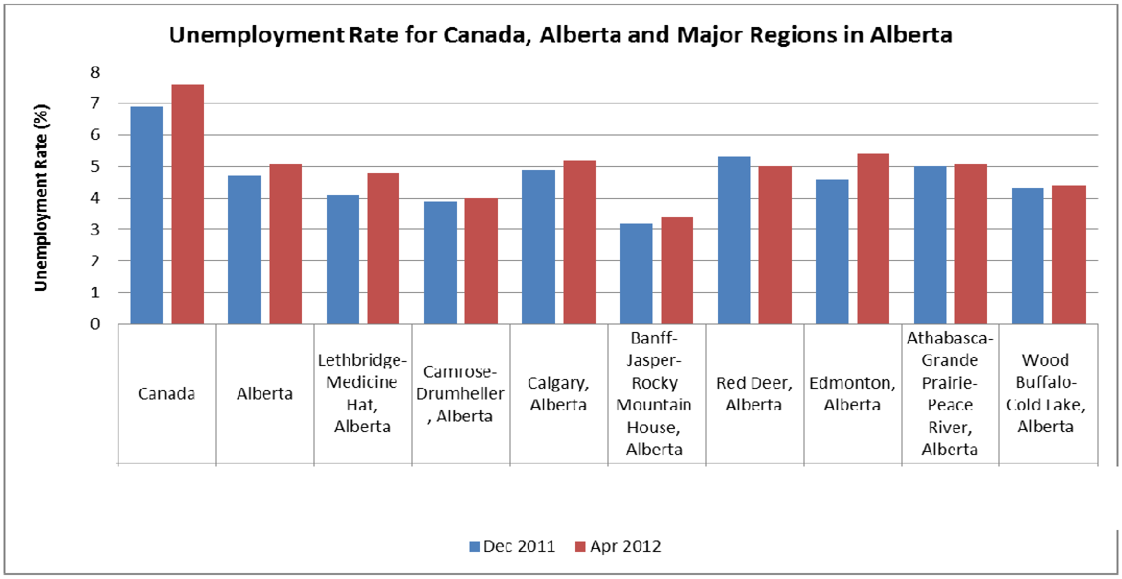
The city of Grande Prairie is located in northwest Alberta, approximately 465km northwest of the city of Edmonton. According to the 2011 Statistics Canada census, the population of Grande Prairie was 55,032, which represents a growth of 16.8% from the 2006 census. In comparison, the national growth rate from 2006 to 2011 was 5.9% (Statistics Canada 2011).

The chart below depicts the distribution of employment across industries for the Athabasca, Grande Prairie, and Peace River regions (as of 2011). The total labor force for these regions was 134,100 in 2011.



As seen in the chart above, the major sectors in the area are Trade, Construction and Forestry. **With the exposure to many industries, Grande Prairie's economy, we believe, is not reliant on the boom and bust cycles of a single industry.**

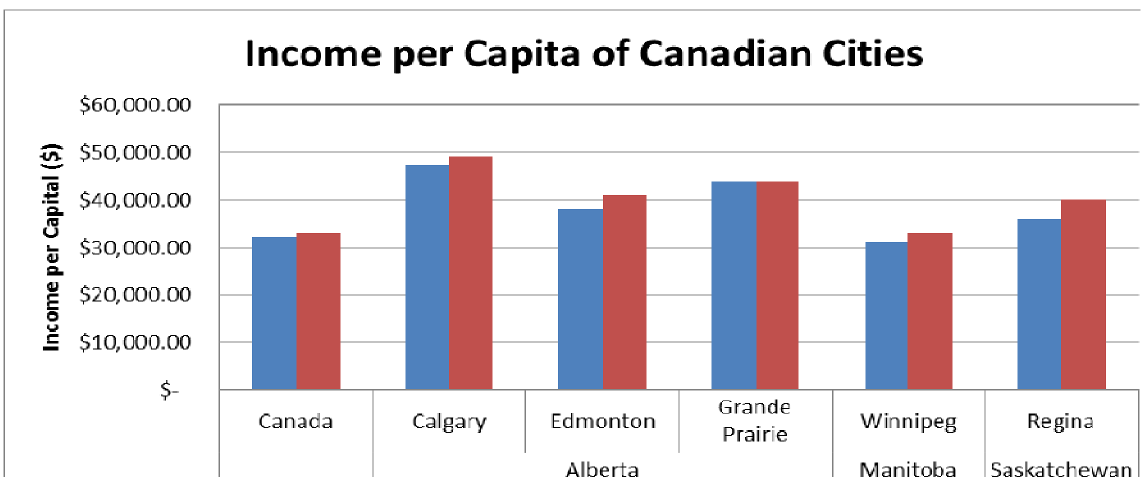
Another important factor to consider is the unemployment rate in Grande Prairie. The chart below depicts the unemployment rate for Canada, Alberta and regions in Alberta.



Source: Statistics Canada

In 2012, the unemployment rate for the Athabasca-Peace River-Grande Prairie Region was 5.1%, approximately 2 percentage points lower than the Canadian average (Grande Prairie City 2012). We believe that the low unemployment rate is an indication of the region's overall growth potential.

The chart below shows the different household incomes for different cities in Canada.

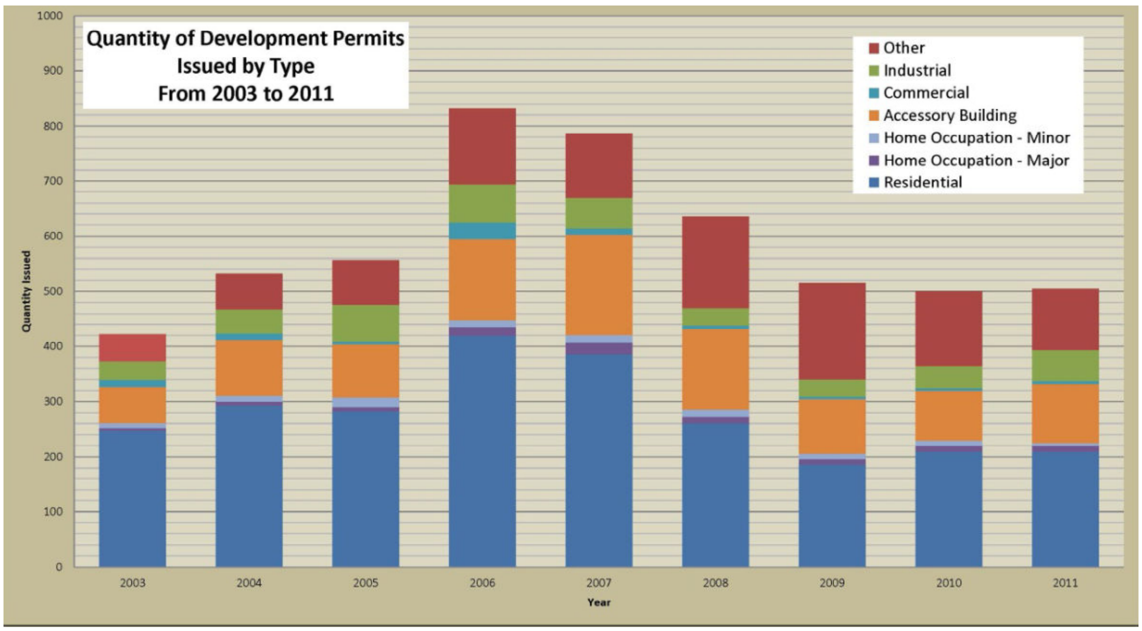


	Canada	Calgary	Edmonton	Grande Prairie	Winnipeg	Regina
		Alberta			Manitoba	Saskatchewan
2010	$32,213.00	$47,286.00	$38,075.00	$43,996.00	$31,274.00	$35,978.00
2011	$33,036.00	$49,163.00	$41,070.00	$44,026.00	$33,036.00	$40,162.00

Source: FP Market Demographics 2010, 2011

As seen in the chart above, Grande Prairie has a higher income per capita than the national average. A higher income per capita, typically, results in higher consumer spending – which positively affects that region's economy.

As Sincerus' two initial target properties are industrial in nature, it is important to consider the number of industrial building permits that were issued; this is to get an idea whether or not the industrial sector in the region is growing. The chart below depicts the building permits issued for the County of Grande Prairie.



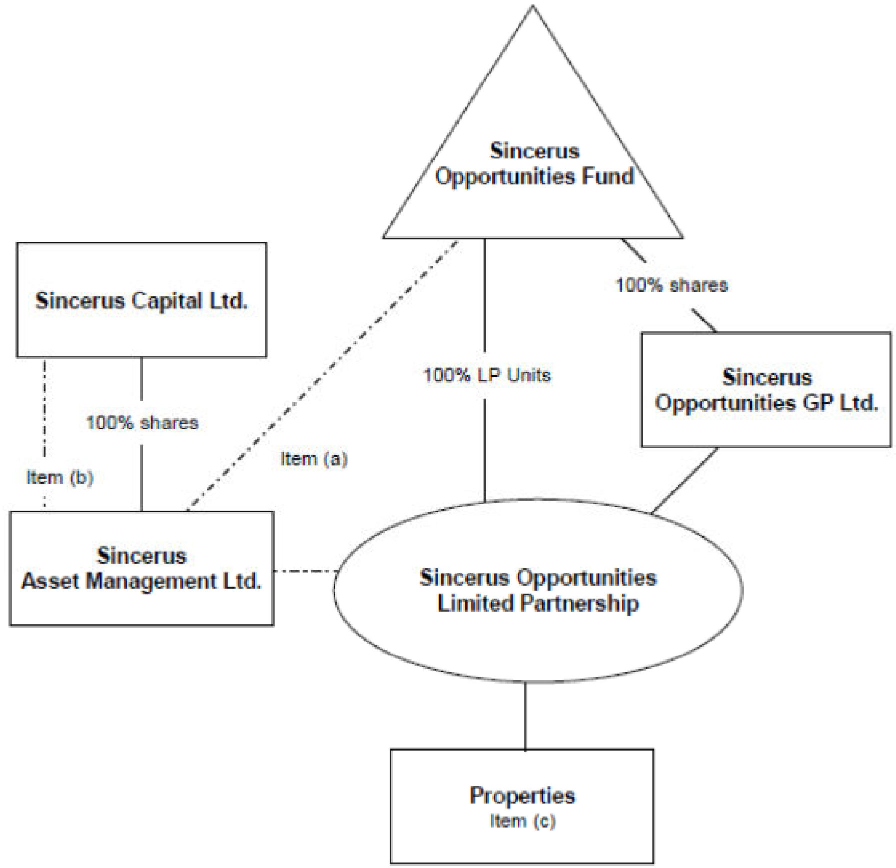
Source: Grande Prairie County 2012

As seen in the chart above, we can see that industrial building permits have been increasing from 2008-2011. We believe that this is an indication that the market is strong for the industrial building sector in this area and therefore, industrial buildings may present a sound investment.

To summarize, all the above factors that we covered above indicate that the Grande Prairie Area economy is growing and that investment in the area is viable.

Fund Structure and Fees

The chart on the next page shows the connection between the different companies that are related to the Fund.



The assets will be held in a limited partnership (Sincerus Opportunities Limited Partnership) which will be managed by the general partner (Sincerus Opportunities GP). The general partner has unlimited liability and will assume the day-to-day operations of the Fund. The limited partners will be entitled to share 99.999% of the assets of the Fund and the general partner shall receive 0.001% of the assets (capped at $100 per year). Instead of directly issuing units to the limited partners (investors), the Fund will issue the units to the Sincerus Opportunities Fund; which in turn will issue units to investors. This is a common structure used in exempt market deals because of the following benefits to investors:

- Qualified Investments – The trust structure allows the Fund units to be qualified investments relatively easily (provided that the Fund qualifies at all relevant times as a mutual fund trust). This allows investors to place the investment within registered accounts such as Registered Retirement Savings Plans (RRSP), Registered Education Savings Plans (RESP), etc.
- Limited Liability – Similar to equity investments in a public corporation, investors are only liable for their capital contributions.

As seen in the chart above, Sincerus Opportunities Fund is connected to many companies including Sincerus Assets Management Ltd., Sincerus Opportunities GP Ltd., Sincerus Capital Ltd. and Sincerus Opportunities Limited Partnership. The Fund is connected to these companies through two agreements: The Fund Management

Agreement and the Support Services Agreement.

Fund Management Agreement

Sincerus Opportunities Fund has engaged Sincerus Asset Management Ltd. to be the Manager of the Fund. The agreement outlines that Sincerus Asset Management Ltd. will be responsible for the day-to-day affairs relating to the operation and management of the Fund. In return, Sincerus Asset Management Ltd. will receive fees according to the following schedule:

Performance Incentive fee:

- 25% of the net operating income of a property held by Sincerus Opportunities LP as long as the Property's net operating income exceeds 8% of the Property's net capital cost (defined as: acquisition cost + legal fees + acquisition fees – mortgage balance)
- On disposition of a property, an amount equal to 50% of the net gain on disposal of the property (determined by taking the net sale proceeds and subtracting the capital cost of the Property).

Acquisition Fee:

- for a property that is fully developed, 2.5% of the Property purchase price
- for a Property that is partially developed, 5.0% of the Property purchase price
- for undeveloped real property, 10.0%, of the Property purchase price
- for each project, an amount equal to 5.0% of the cost of construction, renovation, repair or upgrade, inclusive of the project related design and professional services costs

Below, we have provided a simplified example of the fee structure for an undeveloped parcel of land acquired by the Fund for $1.0M.

1. The Fund acquires a parcel of undeveloped land for $1.0M

a 10% acquisition fee is imposed

2. The Fund sells the parcel of land for $2.0M

a 50% performance fee is imposed on the gain on sale

Total Fees = $0.55M

1. $0.10M	2. $0.45M

Support Services Agreement

Sincerus Asset Management Ltd. has engaged Sincerus Capital Ltd. to provide certain services. These services, in relation to the management of the Sincerus Opportunities Fund, will be paid for by the Fund and include:

- support services with respect to the sales, marketing and distributions of Units of the Fund;
- communications with Unitholders of the Fund and other persons, including investment dealers, lenders and professional advisors;
- administration of the payment of distributions, the processing of subscriptions and retractions and the maintenance of Unitholder records; and
- human resources, office space and equipment for the administration of the day-to-day activities of the Fund and the Partnership;

In addition to the expenses being paid for by the Fund to Sincerus Capital Ltd., 3% of the gross proceeds will go to Sincerus Capital Ltd. for the services rendered (this is a one-time fee).

Also, under the Fund Management Agreement, Sincerus Opportunities LP is responsible for the payment of all reasonable expenses incurred by the Manager (including all legal, accounting, travel costs, and certain eligible employee expenses). From our discussions with Management, the actual amount of the expenses cannot be quantified at this time as the Fund is in its early stages. From our discussions with Management, they estimate that the overhead expenses will amount to approximately 0.50% of investors' capital (if the full amount of $25M is raised this amounts to $125,000). This amount, we believe, will not have a significant impact on investors' returns. However, there is still a risk that these expenses may be higher than expected and can potentially affect investors' returns.

Selling Commissions - 6.0% of the gross proceeds of the offering and up to a maximum of 1.0% as a trailer fee. We believe these are in line with industry standards.

Management Salary - Management will not receive salary from the Fund and they do not own any Fund units. The motivation for Management to perform will be the performance fee.

Overall, we believe there is incentive for management to acquire projects with high potential (as management's returns are tied to annual profits/capital gains). However, the following questions can arise on whether management's interests are aligned with investors:

1. Does the upfront acquisition fee give an incentive to management to acquire viable projects?
2. Will the acquisition fee cause management to overpay for projects?
3. Does management have more incentive to acquire development projects due to their higher acquisition fee of 10%?

From our analysis, although this offering has a good management team, the fee structure is not ideal for investors. For instance, in the case of development projects, management receives a 10% acquisition fee upfront, while investors have to wait until the project is sold (or fully developed and leased) to see any return on investments. The higher the percentage of development projects in the portfolio, the higher the required annual yields on the cash flowing projects in the portfolio – which will add risk to investors' potential returns.

Another concern was whether or not management will overpay for projects in order to capitalize on the acquisition fee. This, we believe, is not a major concern as management's performance fee is tied to the profits from sale of assets (higher the acquisition price, lower the profits).

Units Offered

The Fund will be offering just one type of unit: Class A units (250,000 units offered at $100 per unit with a minimum investment of $10,000)

A Special Voting Unit has been given to the Manager which entitles it to appoint 3 trustees and does not participate in distributions of the Fund.

The number of Units that the Fund is authorized to issue is unlimited. The Trustees of the Fund have the discretion to issue additional Units which may have a dilutive effect on Unitholders.

Distribution for Unitholders

The Fund endeavors to make cash distributions on a quarterly basis at a rate of $0.50 per unit per month. Annualized, this represents a 6% return. This return is dependent on cash available for the Fund and may be subject to increases, decreases or elimination by the Trustees. The Fund intends to distribute proceeds every fiscal year such that the net income of the Fund will not be subject to taxes.

Property Management

Property management will be performed by either Sincerus Opportunities GP or outsourced to licensed property management companies.

Redemption Rights

Unitholders have the right to retract their units but will be subject to a retraction price equal to the Unit price minus the retraction fee. The fee schedule is outlined below:

	Unit Price	Retraction Fee (%)	Retraction Price Per Unit
Retracted in 1st Year	$100	9.00%	$91.00
Retracted in 2nd Year	$100	7.20%	$92.80
Retracted in 3rd Year	$100	5.40%	$94.60
Retracted in 4th Year	$100	3.60%	$96.40
Retracted in 5th Year	$100	1.80%	$98.20
Retracted after the 5th Year	$100	0.00%	$100.00

As seen in the table above, it is in the best interest of investors not to retract their units until after the 5th year.

Financial Analysis

As mentioned previously, Management has considerable discretion to select future projects that they believe are worthwhile. As we only have information on the two prospects that the Fund is considering, we will evaluate the projects separately to verify management's capability to identify good projects.

<u>Project #1 – County of Grande Prairie</u>

In order to get an idea of the fair value of the project, we conducted an NOI valuation. There are two main assumptions used when valuing an asset with NOI, namely; Capitalization rates (Cap rates) and NOI (net income generated by the asset). Here are the assumptions we used in our model:

- We used an annual lease amount of $292,500 - which was taken from the lease documents of the current tenant provided by management.
- We used a vacancy & collection loss of 4.00% - a range between 3.54% - 5.32% are the vacancy rates for the overall industrial sector in the City of Grande Prairie (Plant & Associates Appraisal Services Inc.).
- We used a property management fee of 5% (to be conservative) - the Grande Prairie market has management fees ranging from 5% - 8% of income (Plant & Associates Appraisal Services Inc.). It should be noted that this property is a single tenant building and is a relatively new building, an appraisal report suggested that a 2% property management fee should be applied – in order to be conservative we used a 5% property management fee.
- We used a capitalization rate of 9.25% - this was the average capitalization rate of 11 industrial properties sold in the Grande Prairie Area with a capitalization rate range of 7.30% - 11.77% (Plant & Associates Appraisal

FRC Fundamental Research Corp.

Services Inc.)

Base-Case NOI Valuation		Annual Lease	Vacancy & Collection loss	Property Management Fee	Structural Maintenance Fee	Annual NOI ($)
		$292,500	4.00%	5%	2%	$261,144.00
Capitalization Rate		9.25%				
Valuation (NOI/Cap Rate)	$	2,823,178.38				
Total NOI Valuation	$	2,823,178				

As seen in the table above, using the above assumptions, we came up with a value of $2,823,178 as the fair value for the property. As mentioned in the previous section, Sincerus Opportunities Fund will be purchasing the property for $2.75 million dollars, which represents a gain according to the appraised value.

The following section shows our cash flow projections for this project using the following assumptions:

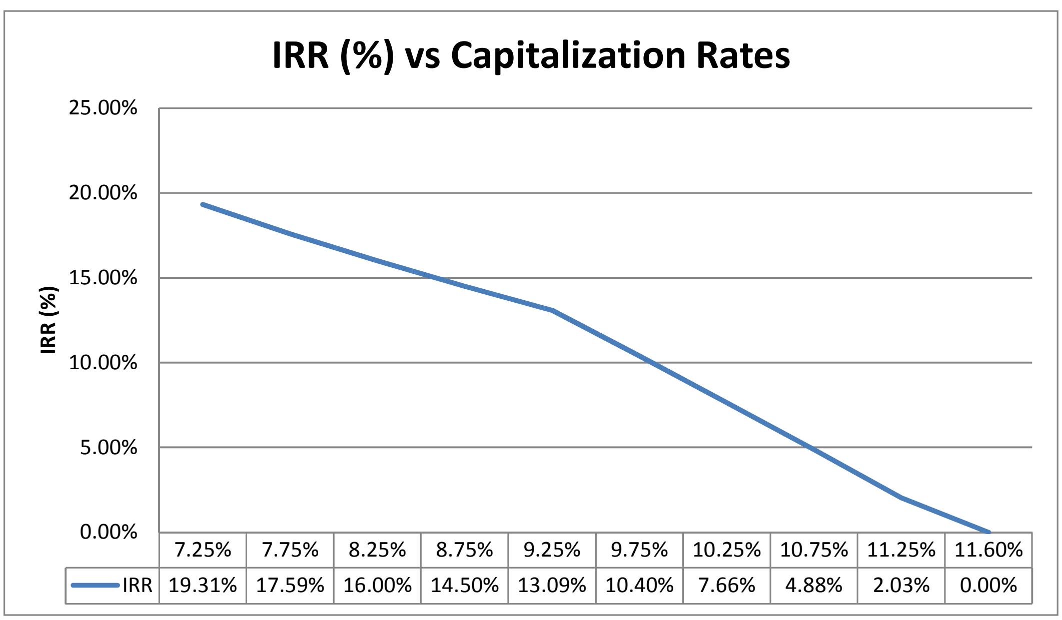
- The Fund will purchase the project for $2.75 million
- The project will be sold in Year 5 for the appraised NOI value
- The Fund will take on a mortgage of $2.065 million dollars at an interest rate of 4.62% per annum amortized over 25 years (this was determined using a term sheet provided from a major Canadian bank to offer mortgage financing to the Fund)
- The property is considered a fully developed property and Management will receive a 2.5% acquisition fee
- Management will receive 50% of the profits from the sale
- We used an annual trailer fee of 0.25% - this was verified using a dealer agreement document provided by management
- The sales value of the property was determined using current appraisal rates – property appreciation may occur during this timeframe, in which case the IRR will increase
- As specified previously, Sincerus Capital offered to provide a loan of up to $750,000 at 6% interest – for valuation purposes, we will assume that this amount will be from the proposed equity financing (therefore no interest payments) in order to calculate the IRR for investors – for this scenario we have used $690,000 funds from equity (net sales commission and related fees; gross amount of $761,111), and $2.065 million from mortgage for a total amount of $2.75 million (the cost of the project)

    - In the Offering Memorandum, Sincerus Capital offers to issue a loan, this lowers the risk of the Fund as a whole as most exempt market companies start their project after the equity raise; whereas, Sincerus Opportunities Fund has the ability to provide cash (as loan) to start the project.
    - The ability to incorporate related party debt will increase IRR for investors.

Below is our cash flow analysis of the project and expected Internal Rate of Return (*this will not be the actual return realized by investors as this analysis is based on a single project)* assuming that no debt is taken from Sincerus Capital. Note: Our analysis does not include additional overhead costs, which may reduce the actual returns for investors. Based on our discussions with management, as mentioned earlier, these overhead costs amount to 0.50% of investor capital – or $3,774 p.a. in this case, which will not significantly affect investor returns. However, as the expenses cannot be accurately estimated, this poses a risk for investors.

Cash Flows	Year 1	Year 2	Year 3	Year 4	Year 5
Project Cost	$ (2,750,000)				
Sale of Project					$ 2,823,178
Net Lease Income	$ 261,144	$ 261,144	$ 261,144	$ 261,144	$ 261,144
Mortgage Funding (at 4.62%)	$ 2,065,000				
Funds from Equity	$ 761,111				
Mortgage Interest Payments	$ (93,556)	$ (91,441)	$ (89,228)	$ (86,911)	$ (84,485)
Mortgage - Principal Payments	$ (45,252)	$ (47,367)	$ (49,581)	$ (51,898)	$ (1,870,902)
Sincerus Capital Ltd. Service Fee	$ (22,833)				
Selling Commissions	$ (47,569)	$ (1,903)	$ (1,903)	$ (1,903)	$ (1,903)
Management Acquisition Fee	$ (68,750)				
Management Performance Fee	$ (41,897)	$ (42,426)	$ (42,979)	$ (43,558)	$ (46,379)
Net Cash Flows (includes Acquisition Fee)	$ 59,294	$ 120,433	$ 120,433	$ 120,433	$ 1,127,033
Net Distribution to Investors	$ 17,397	$ 78,007	$ 77,454	$ 76,874	$ 1,080,654
		IRR	13.09%		

As the project has a current lessee under contract, the only variable that we are able to change is the capitalization rate, which will have an effect on the sale price of the project. We conducted a sensitivity analysis changing the capitalization rates below:



As seen in the chart above, if the capitalization rate decreases to 7.25%, the IRR increases to 19.31%. The project will have a 0% IRR if the capitalization rate is 11.60% - which we believe is unlikely for this project.

Project #2: County of Grande Prairie

We used the following assumptions for our NOI valuation of Project #2:

- We used an annual lease amount of $288,000 – which was taken from the lease documents of the current tenant provided by management.
- We used a vacancy & collection loss of 4.00% - a range between 3.54% - 5.32% were the vacancy rates for the overall industrial sector in the City of Grande Prairie (Plant & Associates Appraisal Services Inc.)
- We used a property management fee of 5% (to be conservative) - the Grande Prairie market has management fees ranging from 5% - 8% of income (Plant & Associates Appraisal Services Inc.). It should be noted that this property is a single tenant building and is a relatively new building, an appraisal report suggested that a 2% property management fee should be applied – in order to be conservative we used a 5% property management fee.
- We used a capitalization rate of 9.25% - this was the average capitalization rate of 11 industrial properties sold in the Grande Prairie Area with a capitalization rate range of 7.30% - 11.77% (Plant & Associates Appraisal Services Inc.)

Base-Case NOI Valuation	Annual Lease	Vacancy & Collection loss	Property Management Fee	Structural Maintenance Fee	Annual NOI ($)
	$288,000	4.00%	5%	2%	$257,126.40
Capitalization Rate	9.25%				
Valuation (NOI/Cap Rate)	**$ 2,779,744.86**				
Total NOI Valuation	**$ 2,779,745**				

The following section shows our cash flow projections for this project using the following assumptions:

- We assumed that the tenant will renew their lease at the same lease rate (as the lease expires in 2014).
- The Fund will purchase the project for $2.50 million.
- The project will be sold in Year 5 for the appraised NOI value.
- The Fund will take on a mortgage of $1.875 million dollars at an interest rate of 4.87% per annum amortized over 25 years (this was determined using a term sheet provided from a major Canadian bank to offer mortgage financing to the Fund).
- The property is considered a fully developed property and management will receive a 2.5% acquisition fee.
- We used an annual trailer fee of 0.25% - this was verified using a dealer agreement document provided by management
- Management will receive 50% of the profits from the sale.

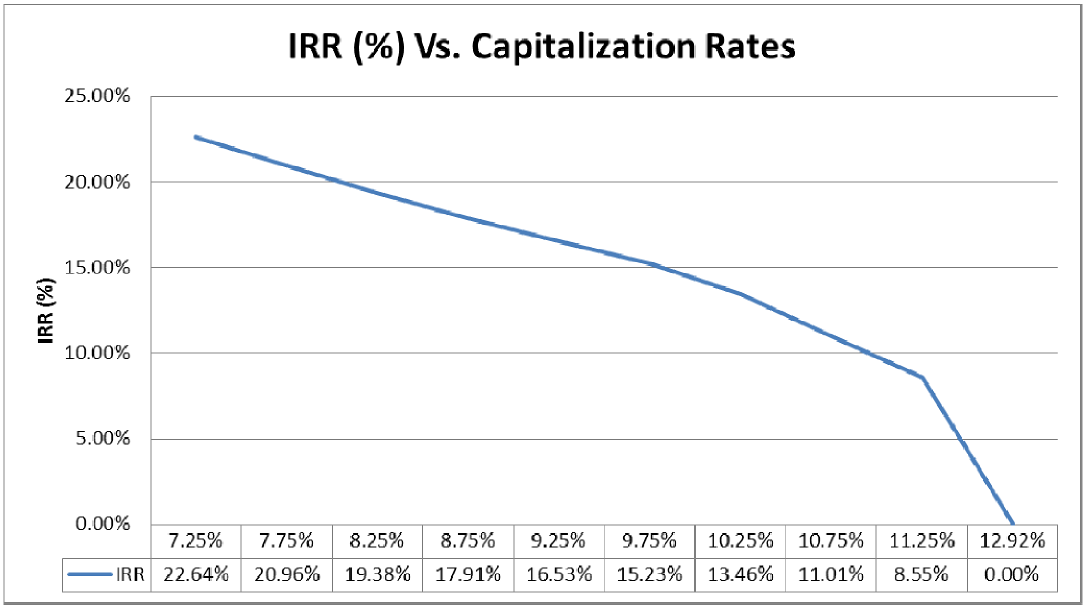
- The sales value of the property was determined using current appraisal rates – property appreciation may occur during this timeframe, in which case the IRR will increase.
- As specified previously, vendor take back financing is available for up to $750,000 at a 5% interest rate, and Sincerus Capital has offered to provide a loan of up to $250,000 at a 6% interest rate – for valuation purposes, we will assume that this amount will be from the equity financing (therefore no interest payments) in order to calculate the IRR for investor returns. For this scenario, we have used $630,000 funds from equity (net of sales commission and other fees; gross amount $694,444) and $1.875 million from the mortgage for a total amount of $2.5 million (the cost of the project).

    - In the Offering Memorandum, Sincerus Capital offers to issue a loan, this lowers the risk of the Fund as a whole as most exempt market companies start their project after the equity raise; whereas, Sincerus Opportunities Fund has the ability to provide cash to start the project.
    - The ability to incorporate related party debt will increase the IRR for investors

Below is our cash flow analysis of the project and expected Internal Rate of Return (*this will not be the actual return realized by investors as this analysis is based on a single project)* assuming no debt is taken from Sincerus Capital and the Vendor Take Back Financing is not executed. Note: Our analysis does not include additional overhead costs, which may reduce the actual returns for investors. Based on our discussions with management, these overhead costs amount to 0.50% of investor capital or $3,443 p.a. in this case, which will not significantly affect investor returns. However, as the expenses cannot be accurately estimated, this poses a risk for investors.

Cash Flows	Year 1	Year 2	Year 3	Year 4	Year 5
Project Cost	$ (2,500,000)				
Sale of Project					$ 2,779,745
Net Lease Income	$ 257,126	$ 257,126	$ 257,126	$ 257,126	$ 257,126
Mortgage Funding (at 4.87%)	$ 1,875,000				
Funds from Equity	$ 694,444				
Mortgage Interest Payments	$ (89,531)	$ (87,575)	$ (85,523)	$ (83,370)	$ (81,111)
Mortgage - Principal Payments	$ (39,670)	$ (41,626)	$ (43,678)	$ (45,831)	$ (1,704,195)
Sincerus Capital Ltd. Service Fee	$ (20,833)				
Selling Commissions	$ (43,403)	$ (1,736)	$ (1,736)	$ (1,736)	$ (1,736)
Management Acquisition Fee	$ (62,500)				
Management Performance Fee	$ (41,899)	$ (42,388)	$ (42,901)	$ (43,439)	$ (152,626)
Net Cash Flows (includes Acquisition Fee)	$ 70,634	$ 126,189	$ 126,189	$ 126,189	$ 1,249,829
Net Distribution to Investors	$ 28,735	$ 83,801	$ 83,289	$ 82,750	$ 1,097,202
		IRR	16.53%		

As the project has a current lessee under contract, the only variable that we are able to change is the capitalization rate, which will have an effect on the sale price of the project. We conducted a sensitivity analysis changing the capitalization rates below.



As seen in the chart above, if the capitalization rate decreases to 7.25%, the IRR increases to 22.64%. The project will have a 0% IRR if the capitalization rate is 12.92% - which we believe is unlikely for this project/area.

Summary of Findings

As we can see in the sections above, both of the projects seem viable with investor's base-case IRR (assuming the amounts stated above were raised from equity) for project #1 being 13.09% and project #2 being 16.53%. These findings show us that management has the potential to identify potentially profitable projects for the Fund. We believe that if management can continue to identify projects such as the two mentioned above, investors should expect to see good returns on their investment. That being said, although the Fund has a good management team, there is no guarantee that management will be able to do so.

Primary Risks

The following risks, though not exhaustive, may cause our estimates to differ from actual results:

- Apart from the initial target properties, the rest of the properties to be acquired have not been identified and Management has considerable discretion regarding what to invest in.
- Investors are not guaranteed minimum distributions, or return of capital.
- Expected returns will drop, or rise, if any of the inputs used in our scenarios move unfavourably, or more favourably, respectively
- Delays in acquisition, construction, sales, etc. may negatively affect returns to Unitholders
- The higher the percentage of development projects in the portfolio, the higher the required annual yields on the cash flowing projects in the portfolio – which

will add risk to investors' potential returns.

- The success of the Fund will be heavily dependent on the Manager.
- Real property investments tend to be relatively illiquid, with the degree of liquidity generally fluctuating in relation to the demand for real estate.
- Timely deployment of cash.
- Liquidity risks – invested capital is redeemable without fees only after five years (redemption fees apply in the first five years).
- Like most offerings, dilution risk exists as the number of units that the Fund is authorized to issue is unlimited.

Rating

Therefore, based on our review of the offering and our projections, we assign an overall rating of 3- (on a scale of 1 to 7) on the units issued by the Sincerus Opportunities Fund.

FRC Rating	
Base-Case Return (IRR)	N/A
Rating	**3- (Good)**
Risk	4 (Speculative)

We have assigned a risk rating of 4 (Speculative) on the Sincerus Opportunities Fund as it is a blind-pool fund. Our risk ratings on blind-pool Funds can vary depending on management's focus, discretion and track record of running similar Funds.

Fundamental Research Corp.

Fundamental Research Corp. Rating Scale:

Rating – 1: Excellent Return to Risk Ratio
Rating – 2: Very Good Return to Risk Ratio
Rating – 3: Good Return to Risk Ratio
Rating – 4: Average Return to Risk Ratio
Rating – 5: Weak Return to Risk Ratio
Rating – 6: Very Weak Return to Risk Ratio
Rating – 7: Poor Return to Risk Ratio

A "+" indicates the rating is in the top third of the category, A "-" indicates the lower third and no "+" or "-" indicates the middle third of the category.

Fundamental Research Corp. Risk Rating Scale:
1 (Low Risk)
2 (Below Average Risk)
3 (Average Risk)
4 (Speculative)
5 (Highly Speculative)

FRC Distribution of Ratings			
Rating - 1	-	Risk - 1	-
Rating - 2	32%	Risk - 2	-
Rating - 3	53%	Risk - 3	40%
Rating - 4	5%	Risk - 4	60%
Rating - 5	11%	Risk - 5	-
Rating - 6	-		
Rating - 7	-		

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