

Introducing
THE TURN8 OPPORTUNITY FUND

June 2022



TURN8

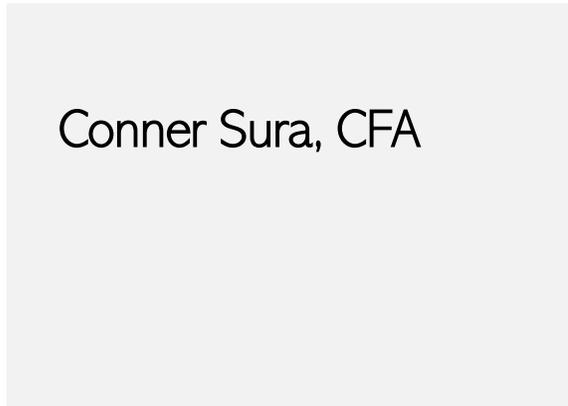
Private Wealth



Presenters



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CFA, MBA



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Agenda

In this webinar you will learn about:

- TURN8 Strategies
- The world of “Alternatives”
 - What they are
 - Their benefits
 - Performance over time
- The new “Opportunity Fund”
 - Structural Benefits
 - Portfolio Composition
 - Terms



Disclaimer

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You are cautioned that an investment in the LP Units of the TURN8 Opportunity Fund (the “Fund”) involves risks and there is no assurance of a return or benefit on your investment. All associated risks will be communicated to the investor prior to placing a trade and only in accordance with clients individual stated investment objectives. The Fund is an illiquid investment. Investors cannot access their capital until the underlying investments are disposed of, which could take up to fourteen (14) years from the initial closing date of the Fund.



TURN8 Opportunity Fund

Executive Summary – Transforming Your Wealth Trajectory



The new TURN8 Opportunity Fund is a new solution for TURN8 clients to access a diversified portfolio of private equity, private real estate and infrastructure and opportunistic hedge fund strategies that are difficult to access directly.



The Fund will focus on investments that are expected to produce higher returns than public equity and bond markets, but more importantly, whose returns will not be dependent on the returns of the public markets.



The primary objective of adding the TURN8 Opportunity Fund to TURN8 client portfolios will be to increase the overall expected return while spreading risk across different types of strategies and asset classes.



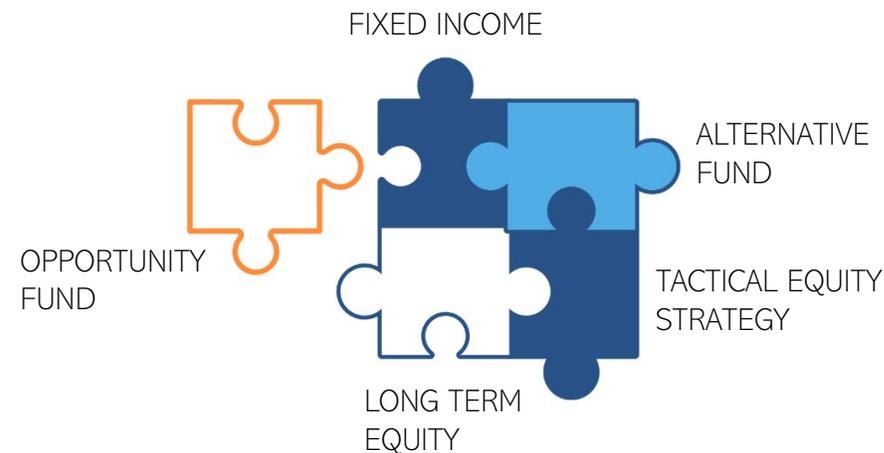
The TURN8 Service Offering

TURN8 Strategies – A Refresher

We offer our clients a broad selection of strategies that suit a diverse spectrum of investment goals, preferences, and objectives.

Our portfolio is made up of the following strategies:

- Fixed Income
- Alternative Fund
- Tactical Equity Strategy
- Long Term Equity
- **NEW Opportunity Fund**





TURN8 Hypothetical Client Portfolio & Where The New Fund Fits In

Asset Allocation – For a Typical TURN8 Investor

Opportunity (NEW) – 10%

- 12-15% expected return
- Illiquid - private market investments
- Differentiated risks compared to equity markets

Fixed Income – 10%

- 2-5% expected return
- High liquidity – publicly traded securities
- Minimal upside with strong downside protection

Long-Term Equity – 30%

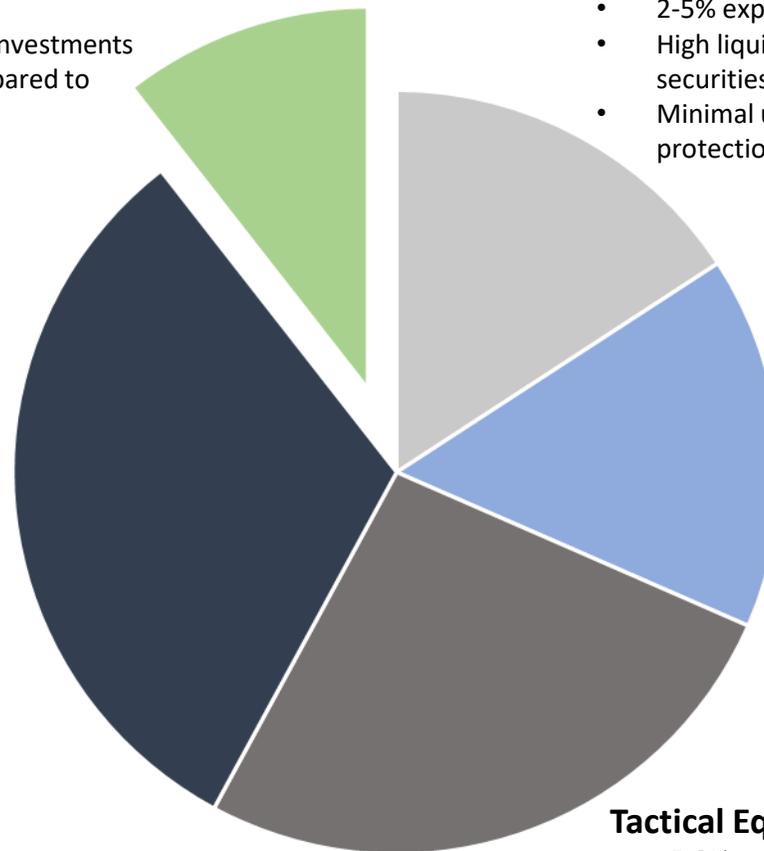
- 7-10% expected return
- High liquidity – publicly traded securities
- Higher growth focus can lead to increased volatility

Alternatives – 30%

- 5-8% expected return
- Medium liquidity – public market alternatives
- Low correlation to public markets

Tactical Equity – 20%

- 5-8% expected return
- High liquidity – publicly traded securities
- Tactical hedges in place to manage volatility





UNDERSTANDING ALTERNATIVES

What You Need To Know



What is an “Alternative Investment”?

Alternative Investments – Out Of The Box Thinking

- Alternative investments are an “alternative” to traditional public securities like stocks, bonds and cash.
- Can be broken down into two primary categories:
 - 1. Public Market Alternatives** – strategies designed to exploit inefficiencies in public markets
 - Long/short equity and long/short credit Arbitrage (merger arb, convertible arb, event driven arb etc)
 - Market Neutral
 - Multi-Strategy
 - 2. Private Market Alternatives** – less liquid strategies that buy and sell assets not traded on a public exchange
 - Private Equity & Venture Capital
 - Real Assets – Private Real Estate & Infrastructure
 - Private Credit
- Considered to be the ultimate form of active management.
- The size of the global private markets asset base is now ~USD 10 trillion and has almost doubled over the last five years.



Alternative Investments Features

Alternative Investments – A Game Changer

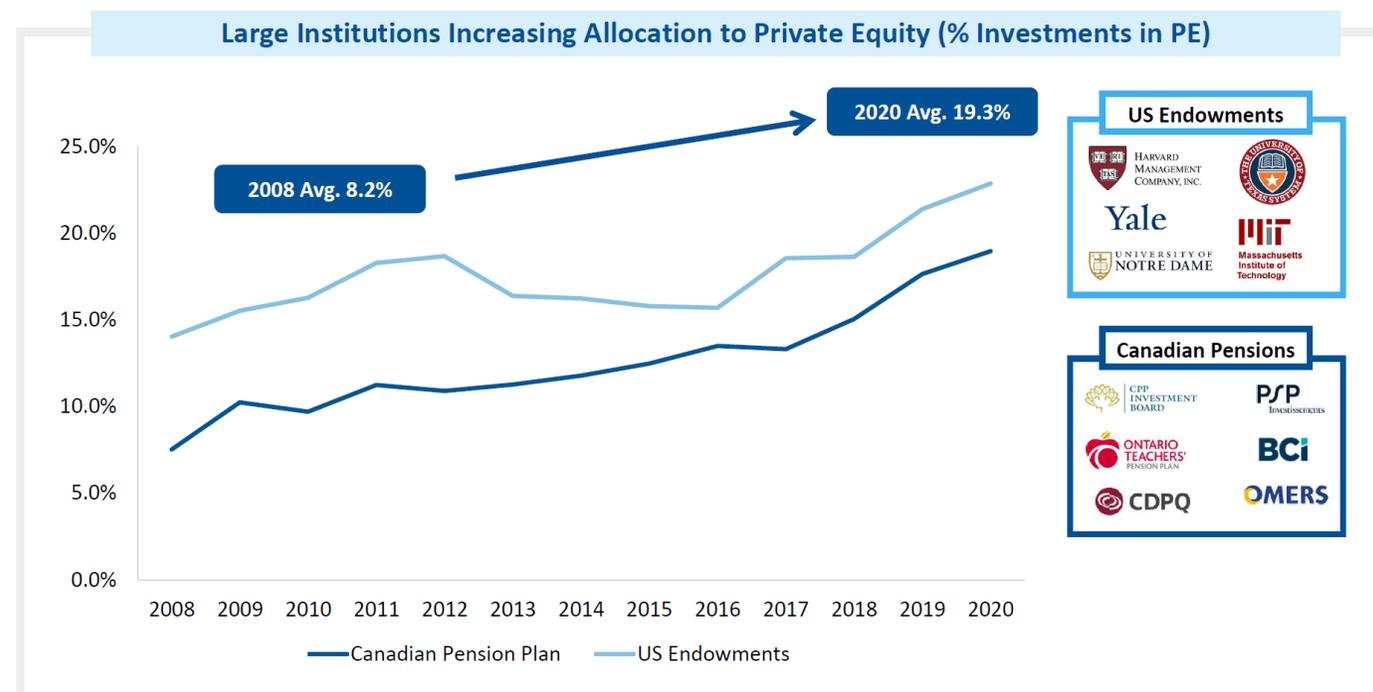
- Low market correlation
- Better diversification benefits
- Less liquidity than stocks and bonds
- Low volatility
- Strong downside protection
- Consistent returns
- Diverse source of returns and risks
- Potentially higher fees pay for manager skill and expertise



Alternatives Over Time

Institutional Allocations – Evolution Over Time

- Historically, these types of investments have only been available to large institutions and ultra high net worth individuals due to the high minimum investment requirements.



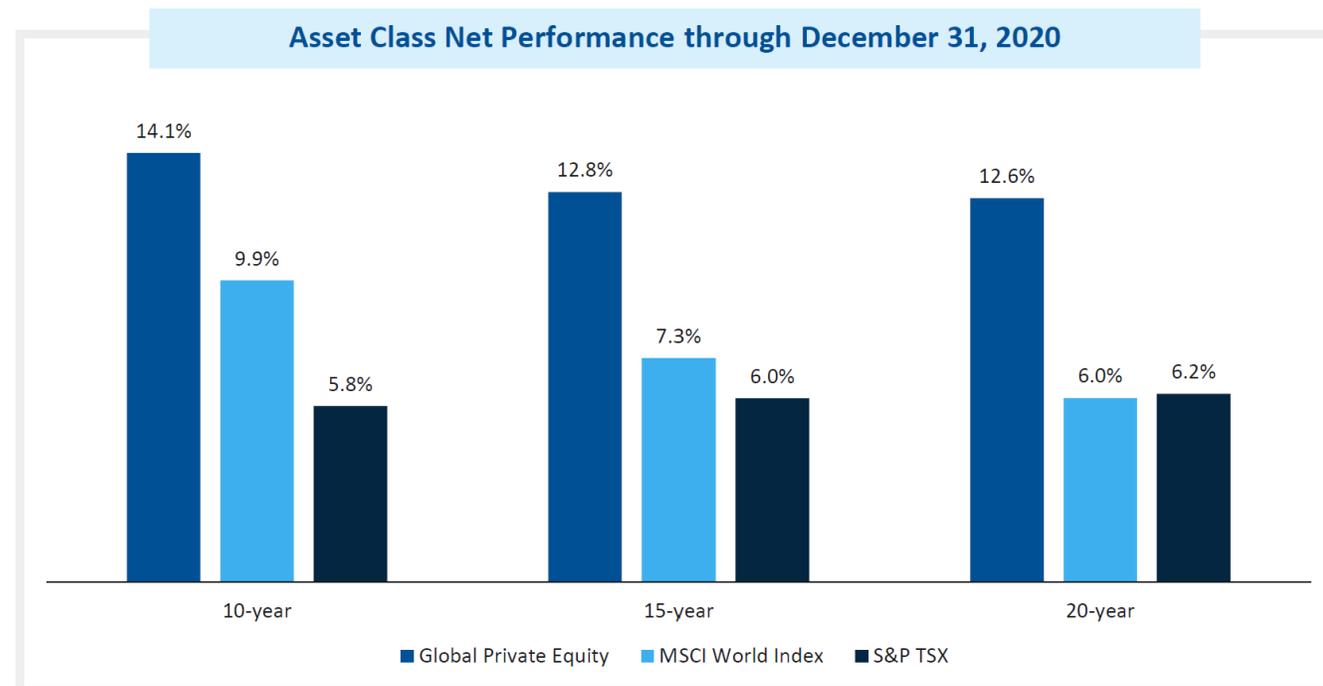
Source: Fiera Capital; individual pension plans and endowments annual reports. CDPQ & OTPP moved forward one year due to different financial year end dates.



Performance of Alternative Investments

Outperforming Public Equities – Since 2000

- Private equity and other less liquid alternative investments have outperformed public equities since 2000.
- Investors demand a return premium in exchange for lower liquidity terms



Source: Cambridge Associates, Private Investment Benchmarks – Q4 2020



TURN8 OPPORTUNITY FUND

A Deep Dive



The TURN8 Opportunity Fund

Structural Benefits – Why It's A Game Changer

Access

- Provides access to a portfolio of institutional quality investment managers in private market asset classes that would otherwise be difficult to access on one's own or through traditional retail channels.
- Low minimum investment: None for TURN8 clients
- Leverages TURN8's research and relationships with managers to determine the optimal mix of strategies

Simpler Implementation

- Alleviates administrative burden associated with the subscription process
- All underlying Fund investments will be made on a discretionary basis
- Solves for many of the challenges involved with implementing a diversified private market program (i.e., cash drag, large capital calls volume, balancing vintage risk).

Reduced Complexity

- Designed to be an efficient and convenient one-stop solution to access Private Equity, Real Estate and Infrastructure
- Structured as a Canadian LP, to simplify tax reporting for non-Canadian investment offerings.
- Despite making various allocations within the LP, investors will only receive one tax receipt at the end of the year



Opportunity Fund – Portfolio Composition

	Private Equity	Real Estate and Infrastructure	Opportunistic Investments
Strategy	Investing directly in private companies with the objective of adding some form of value before selling their stake in the company for a profit	Investing directly in real estate development projects (multi-family residential, industrial, office, retail) and/or infrastructure development projects (renewable energy, transportation, power).	Esoteric strategies that seek to capitalize on market dislocations, targeting high absolute returns with structures in place to limit downside risk. Examples of these strategies include litigation finance, art, and CLO equity.
Target Allocation	50-70%	20-40%	10-30%
Target Return	Net 15-20%	Net 10-15%	Net 10-15%
Portfolio Role	<ul style="list-style-type: none">• High absolute returns• Significant upside potential	<ul style="list-style-type: none">• Inflation protection• Low correlation to equities and bonds	<ul style="list-style-type: none">• High absolute returns• Low correlation to equities and bonds
Liquidity	Illiquid. 7-10 year Fund term	Illiquid. 3-10 year Fund term	Illiquid. 2-10 year Fund term



TURN8 Opportunity Fund

Terms and Structure

Minimum Investment	None for TURN8 clients
Structure	Canadian LP
Liquidity	10-year term subject to four one year extensions
Target Return	Net 12-15% annualized over the term of the Fund
Management Fees	None for TURN8 clients
Performance Fees	10% carried interest over an 8% hurdle (for commitments > \$250,000) 20% carried interest over an 8% hurdle (for commitments < \$250,000)
Fund Manager	Majestic Asset Management LLC
Asset Manager	TURN8 Private Wealth Inc
Administrator	SGGG Fund Services
Legal	Fasken Martineau
Audit	KPMG



THANK YOU

Please contact us with questions

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