

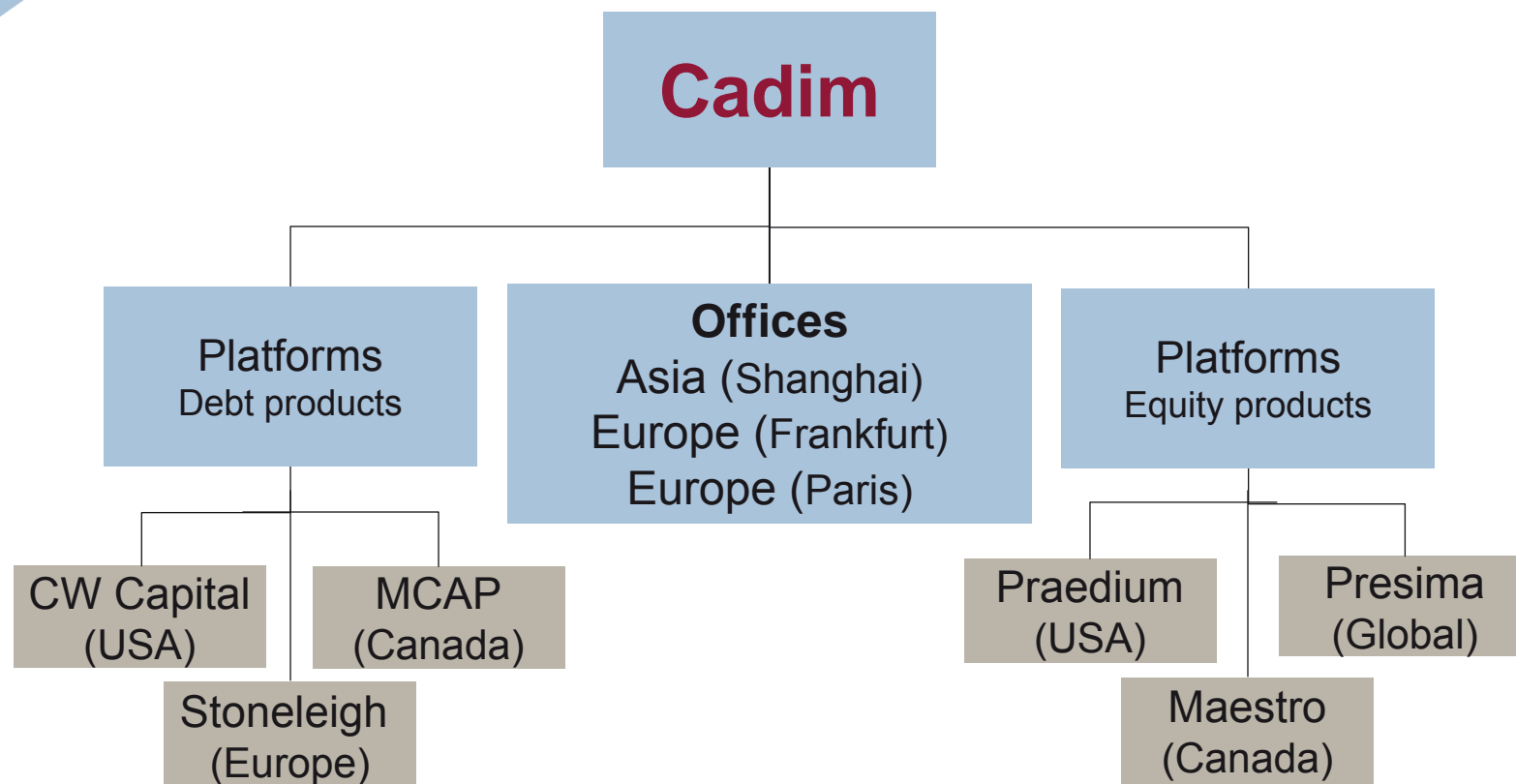
# The Counselors of Real Estate

North American Outlook

Presented by: Richard Dansereau

**April 23<sup>rd</sup> 2007**

- > Cadim seeks out prime investments opportunities;
- > Has the ability to bring complex, large-scale transactions to fruition;
- > Invests in a diversified range of real estate debt and equity products through a worldwide network of affiliated partners.



...and a vast range of business partners

## > Active management

Designed to create value through innovative asset repositioning and arbitrage strategies.

## > Partnership

With high-caliber local players to mitigate risk, share complementary expertise and tap into opportunities in specific markets

## > Integrated risk management

In portfolio management and in business practices

## An opportunistic approach

- > Short-term investments (three to five years)
- > Fast-growing markets generally overlooked by other investors
- > Well-defined exit strategies
- > Value-added, high return investments



**Cadim**

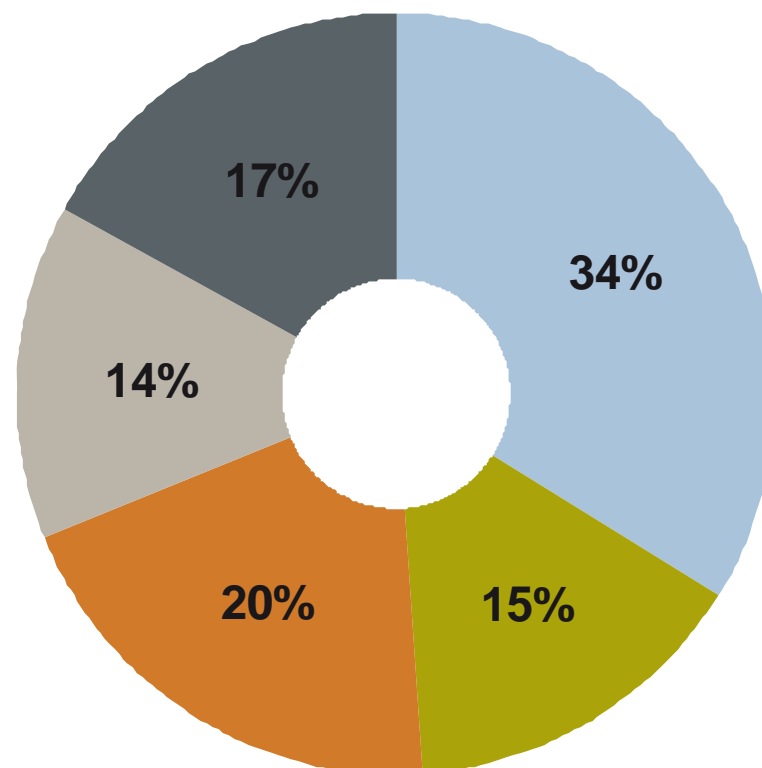
Caisse de dépôt et placement  
du Québec

«Ensuring the growth and  
performance of our portfolios.»

## GEOGRAPHICAL DISTRIBUTION

(December 31st 2006)

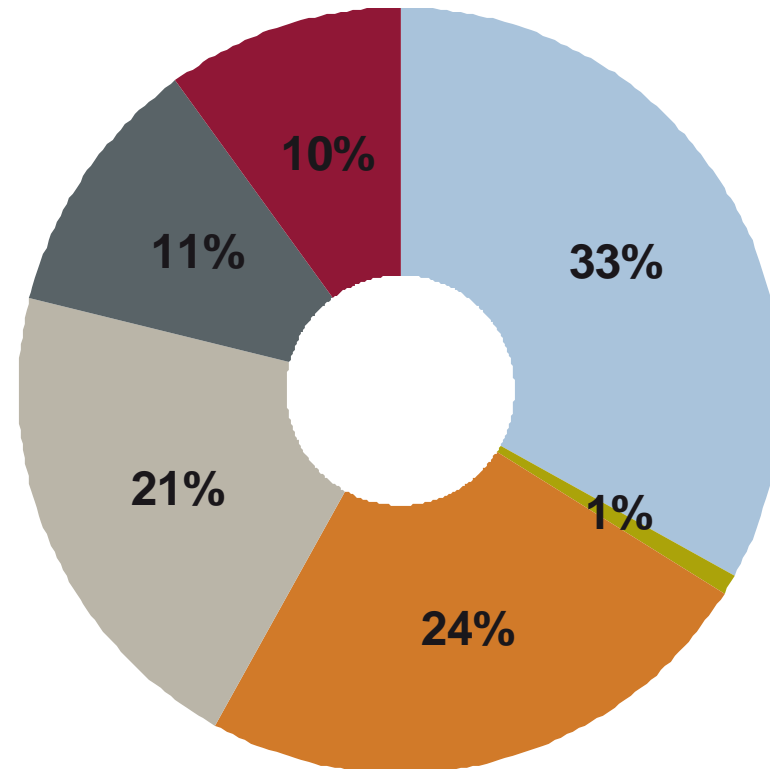
-  **United States**
-  **Canada**
-  **Europe**
-  **Asia**
-  **Emerging Countries  
(Brazil, Poland, China)**



## PRODUCT DISTRIBUTION

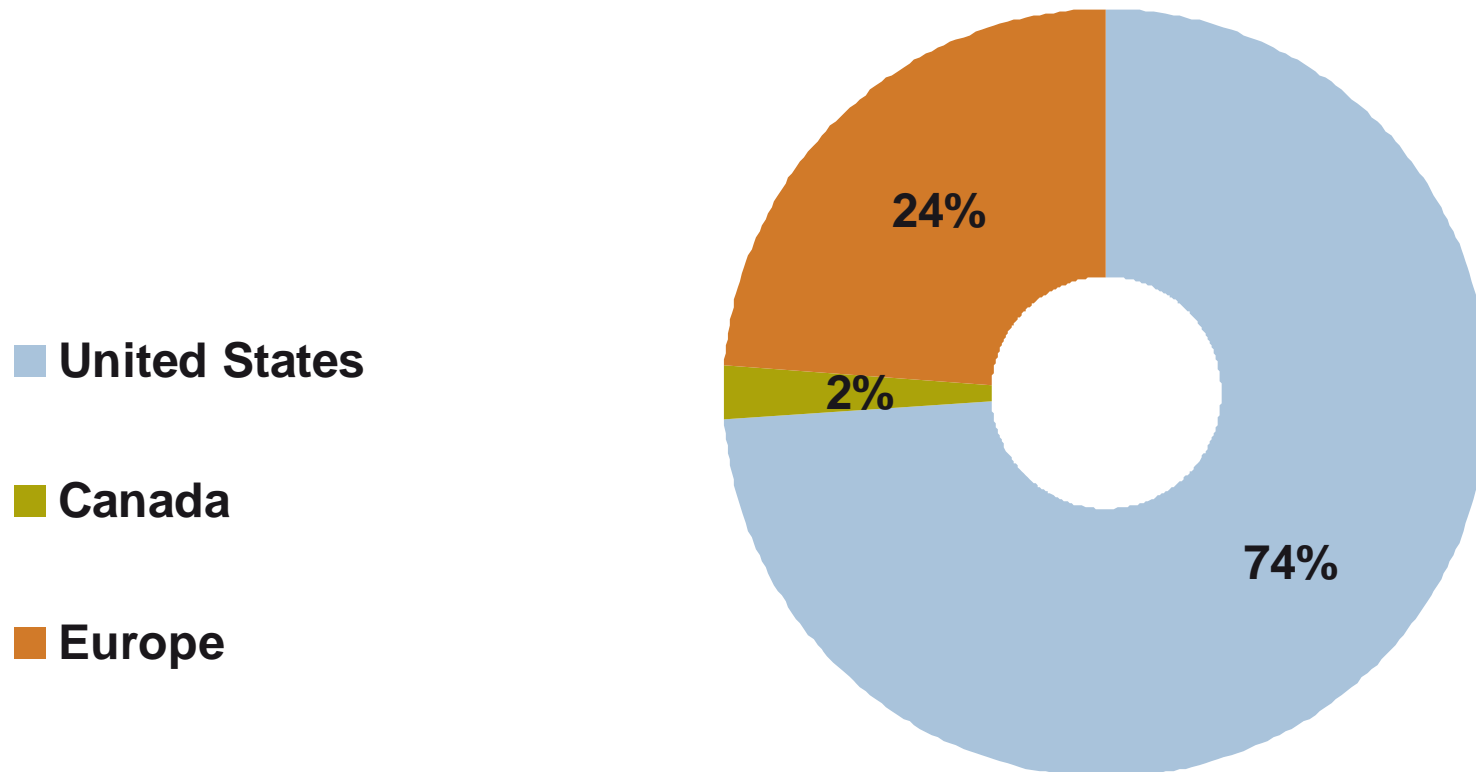
(December 31st 2006)

-  Opportunity funds
-  Developement
-  Hotel
-  Multi Unit Residential
-  Publicly Traded Shares
-  Others











## GEOGRAPHICAL DISTRIBUTION

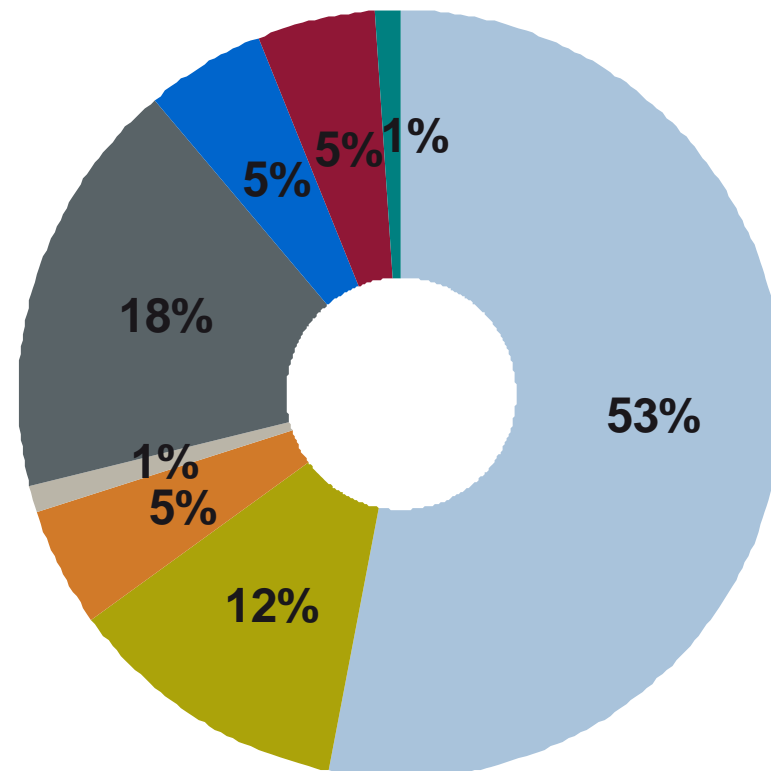
(December 31st 2006)



## PRODUCT DISTRIBUTION


(December 31st 2006)

-  CMBS
-  CDO
-  Senior Loans
-  A Notes
-  B & C Notes - IG
-  B & C Notes - NIG
-  Mezz. Loans
-  Others



# Investing In CANADA & USA

# What we are looking for...

- 
- > Diversification;
  - > Growth above the national average;
  - > Sufficient liquidity (In-depth market);
  - > Solid demographics.

«Since 2004, Cadim has invested **4,7 G\$** throughout North America.»

USA  
4,1 G\$

+

CANADA  
0,6 G\$

# Comparing the two...

<p><b>Canada</b></p>	<p><b>Principal Markets</b></p> <ul style="list-style-type: none"> <li>&gt; Five major cities: <i>Montreal</i> <i>Toronto</i> <i>Calgary</i> <i>Vancouver</i> <i>Ottawa</i></li> </ul>	<p><b>Population</b></p> <ul style="list-style-type: none"> <li>&gt; 30 000 000</li> </ul>	<p><b>Market Influence</b></p> <ul style="list-style-type: none"> <li>&gt; Exports (80% goes to USA)</li> <li>&gt; Greenback vs Loonie</li> <li>&gt; Interest Rate</li> </ul>
<p><b>USA</b></p>	<p><b>Principal Markets</b></p> <ul style="list-style-type: none"> <li>&gt; More than 65 cities with a population <math>\geq</math> to Ottawa.</li> </ul>	<p><b>Population</b></p> <ul style="list-style-type: none"> <li>&gt; 300 000 000</li> </ul>	<p><b>Market Influences</b></p> <ul style="list-style-type: none"> <li>&gt; Drives Canada</li> </ul>

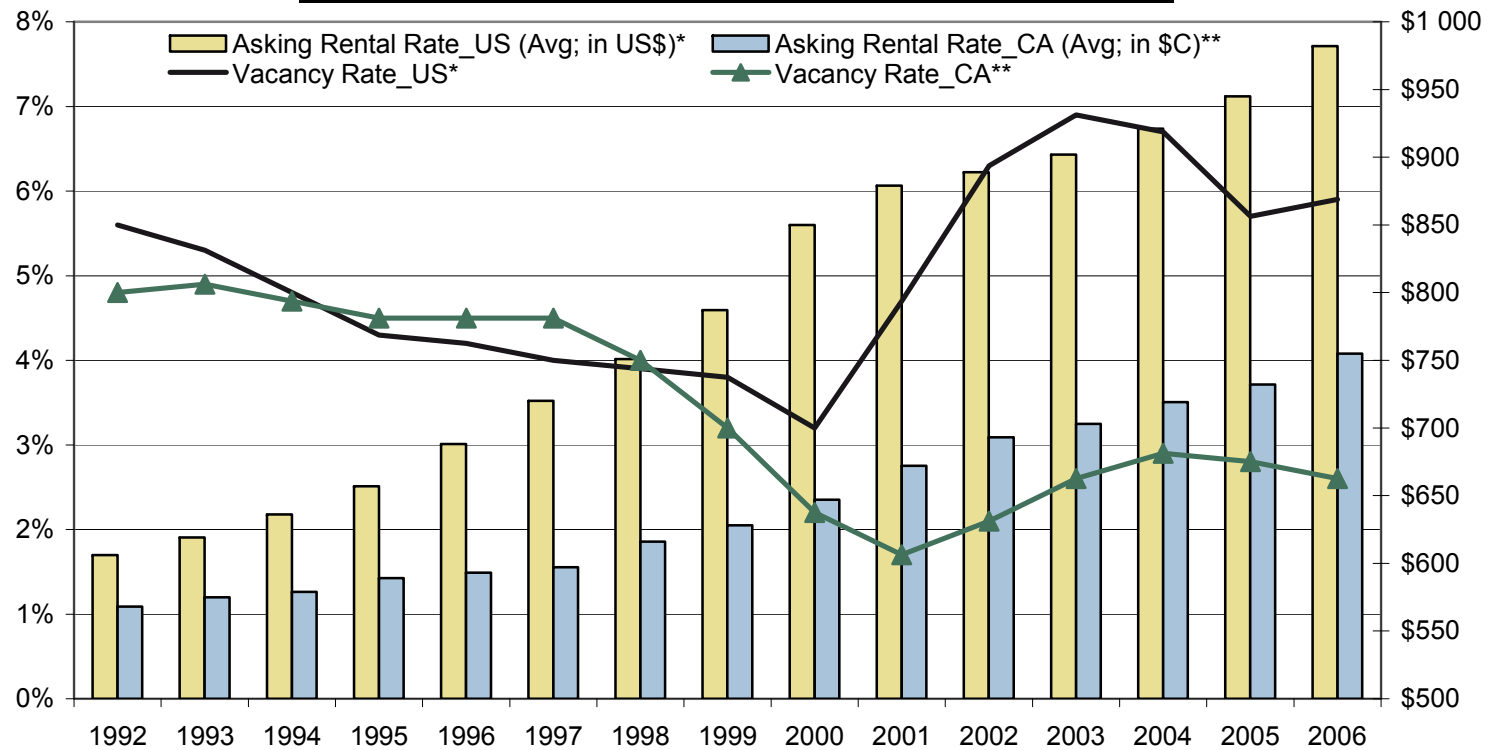
- > Cadim is not taxable in Canada;
- > Can own real estate assets directly;
- > For a JV with a partner, we need to own the assets via a partnership to have a flow through of the income and not be taxable in Canada.

- > If we invest through a private REIT structure in which we have less than 50%, we minimize tax leakage.
- > If non REIT, we are fully taxable in the US at around 40%. We put maximum leverage (internal and external) to reduce taxable income.

- > Mixed-use developments
- > Office-use industries drive the commercial market
- > Type of investors:
  - > USA:
    - Local
    - International
  - > Canada:
    - Local
    - International: *Investors already present in The US*
- > Business culture

# Apartment Markets

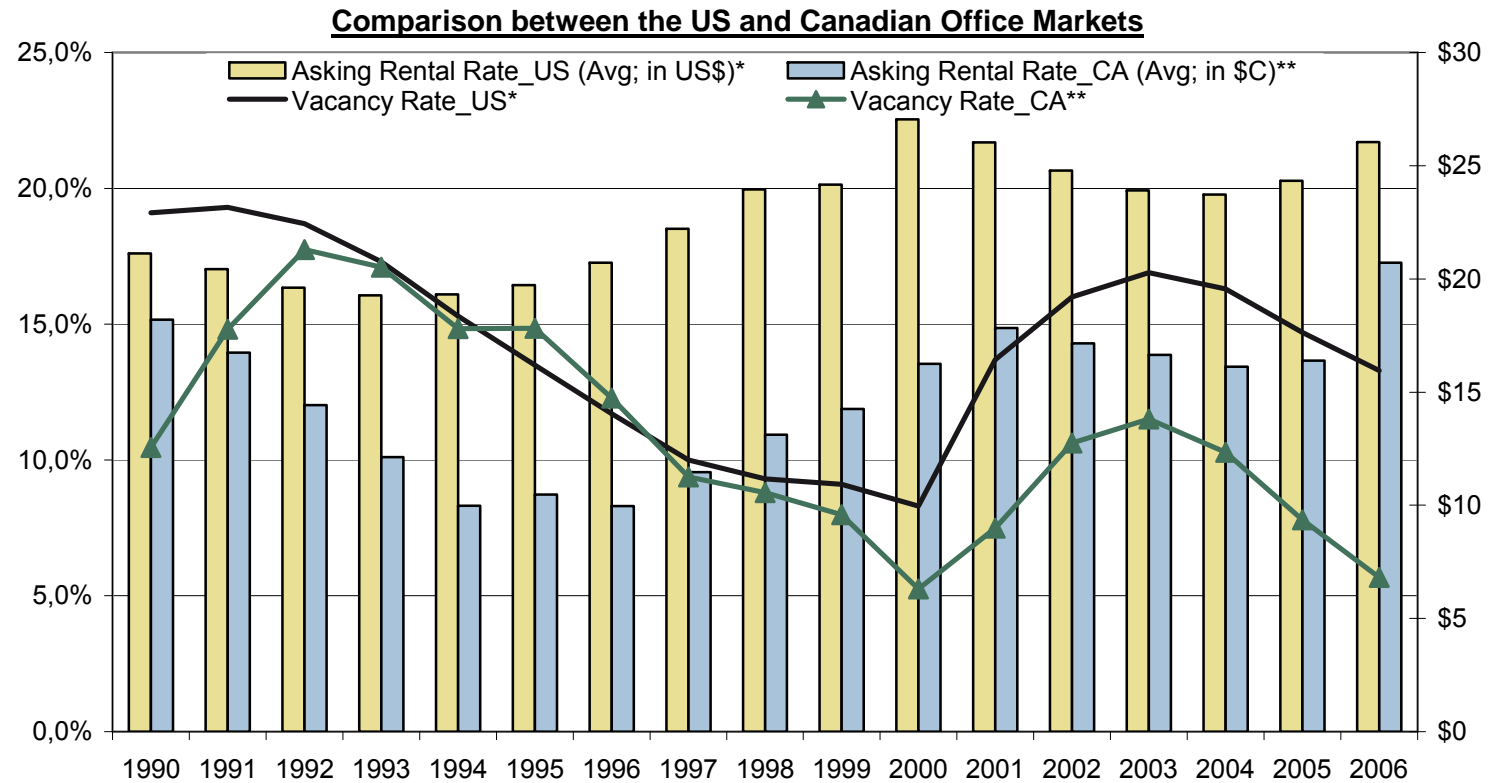
**Comparison between the US and Canadian Apartment Markets**



Source: Cadim, REIS, Canadian Mortgage Housing Corporation

\* Top 50 US Markets

\*\* Weighted average of cities with a population of 10,000 +; Apartment structure of six units and over

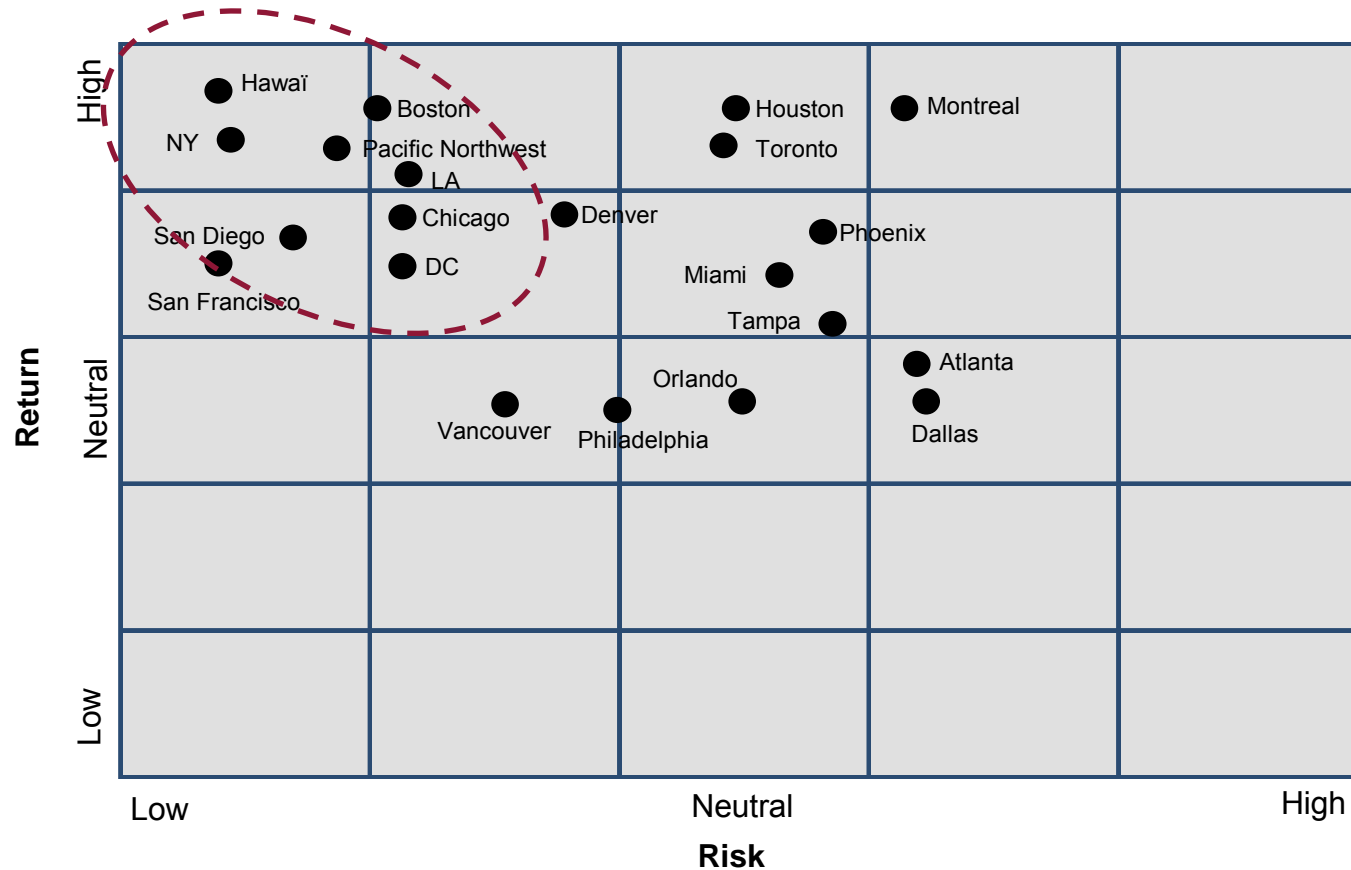


Source: Cadim, REIS, Canadian Mortgage Housing Corporation

\* Top 50 US Markets

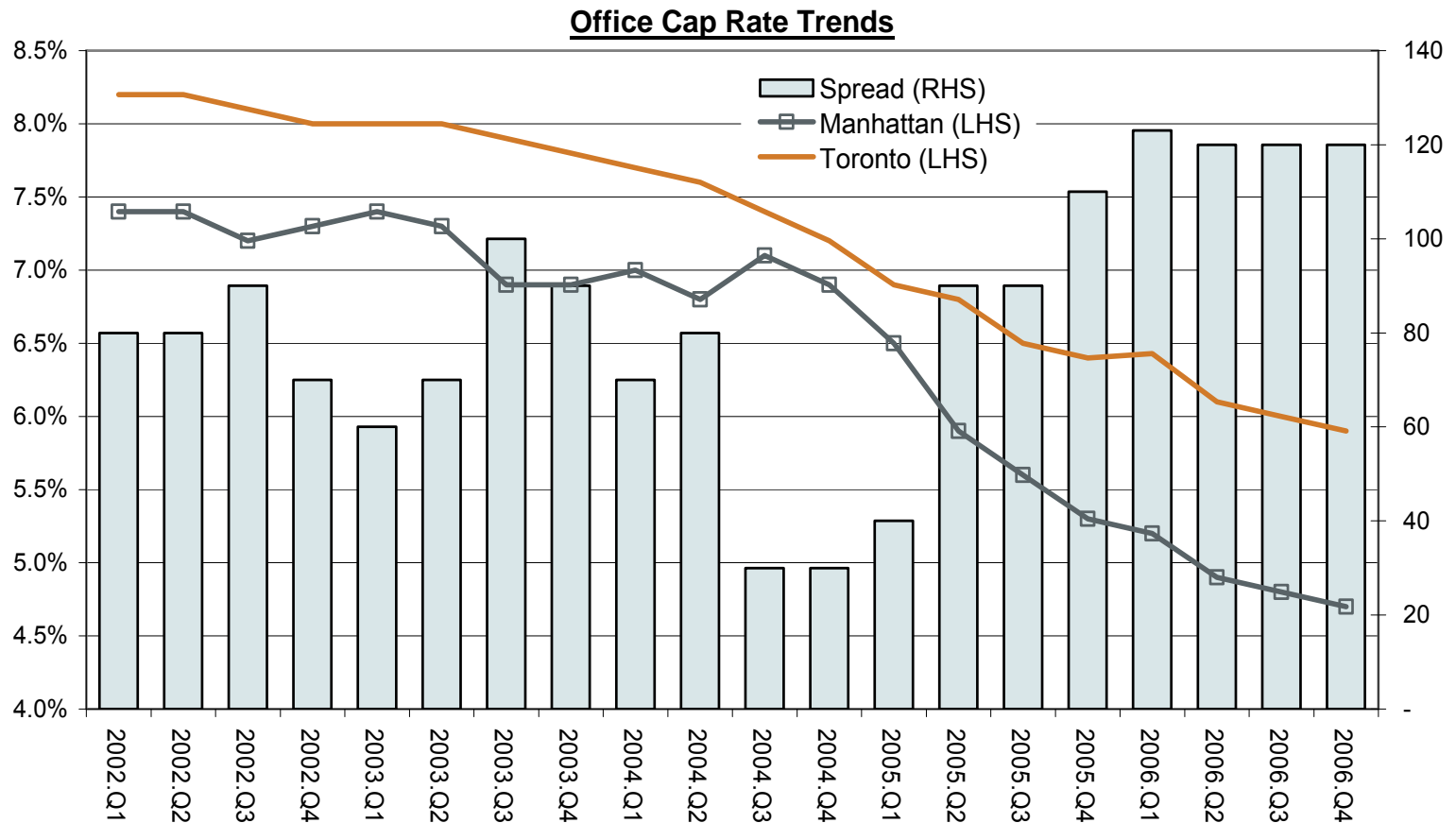
\*\* Weighted average of cities with a population of 10,000 +

**Investment Opportunity Matrix - North America**



Source: Jones Lang Lasalle Hotels, 2007

# Capitalization Rates



Source: Cadim, AltusInsite Research, Real Capital Analytics

\* CBD; Class A Buildings for Canada; CBD; All Class for US