

NEW MARKET FUNDS LAUNCHES CANADA'S FIRST MARKET-BASED AFFORDABLE HOUSING INVESTMENT FUND

VANCOUVER, November 9, 2015 (revised November 24, 2015) - New Market Funds, an investment firm focused on delivering community benefit and market-based returns for its investors, today announced that it is investing \$11 million in four new housing developments in Vancouver, from an innovative new fund that is attracting private capital to help address Canada's affordable housing crisis.

The initial investments from the fund will help create 358 co-op and non-profit rental homes for families, the elderly and those with mental illness.

"This is the first investment fund in Canada to bring market-based investors to the table to partner with non-profit and cooperative housing operators to help create new affordable housing units," said New Market Funds Managing Director Garth Davis. "For this first fund, our goal is to attract a total of \$30 million to help create a total of 1,000 affordable rental housing units in Vancouver, Toronto and other major Canadian cities."

New Market Funds provides approximately 9 per cent of the \$120 million combined value of its first four initial projects in the form of post-construction equity. The equity will stay in each project for an estimated eight years, to allow time for the co-op and non-profit owners to build their equity stake, at which point the projects will buy out New Market Funds. For co-ops and non-profits, having access to sufficient equity is often the most significant barrier to building new affordable housing. The targeted annual return for fund investors is 6 per cent, net of fees, including a 4 per cent quarterly distribution. The Fund caps its upside returns to protect affordability of rents and in exchange receives significant downside protection.

"Our goal at New Market Funds is to deliver market-based returns for our investors while also creating significant social value," said New Market Funds Board Chair, Sarah Goodman. "When it comes to big challenges like affordable housing, governments and the non-profit sector can't do it all. We need new market-based approaches that can work at scale. Our fund is one of those new approaches."

The first close of the affordable housing fund was achieved in June with investments from leading institutions and individuals, including BC Housing, Bealight Foundation, Hamilton Community Foundation, The J.W. McConnell Foundation, the Lawson Foundation, The Michael Young Family Foundation, Tides Canada Foundation, Trico Charitable Foundation, and Vancity Community Foundation. The fund is seeking additional accredited investors and will have its final closing in June 2016.



About New Market Funds

New Market Funds is a for-profit investment firm owned by a registered Canadian Charity formed by five sector leading organizations: Tides Canada Foundation, Trico Foundation, Bealight Foundation, Vancity Community Foundation and Le Réseau d'investissement social du Québec (RISQ). As a specialized fund manager, New Market Funds takes an integrated approach to delivering market competitive financial performance with community benefit.

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