



Class F Unit and Class I Unit FAQs

Why is Skyline introducing new classes of units?

The Skyline Funds (Skyline Apartment REIT, Skyline Industrial REIT, Skyline Retail REIT, and Skyline Clean Energy Fund) are currently funded with investor equity by direct investment of retail investors through Skyline Wealth Management Inc. and bank debt. These new classes of units are specifically designed for investors who have fee-based accounts with advisors at other firms (Class F) or are large institutional investors (Class I).

What is a Class F unit?

Class F units are lower-fee versions of traditional direct retail investment units. They are distributed through investment advisors and financial planners who charge their clients on an assets-under-management basis rather than by individual transaction.

What is a Class I unit?

Class I units are lower-fee versions of traditional direct retail investment units. They are typically distributed in large blocks to large institutional investors.

Is it normal for funds such as the Skyline Funds to have multiple classes of units?

Many of the competitors to the Skyline Funds are already in market with multiple classes of units, including Class A, Class F, and Class I.

How does the introduction of the new classes of funds impact me as an investor and my units?

Units that are owned by existing unitholders will be unchanged, although going forward, they will be referred to as Class A units to distinguish them from the new Class F and Class I units. There is also no impact on your future investment purchases with Skyline Wealth Management Inc.

How do I, as an individual investor, benefit from Class F units and Class I units?

By introducing additional distribution channels for Skyline's Funds, the Funds' Asset Managers will have access to more opportunities to source equity to continue to fuel their growth plans for the benefit of all investors.

What happens to Skyline Wealth Management Inc?

Skyline Wealth Management Inc. currently manages over 5,600 investor relationships and will continue to work with direct retail investors across Canada. As is the case today, Skyline Wealth Management Inc. will notify all investors through our regular channels when equity requirements and investment opportunities are available.

Will voting rights change?

No. Voting rights attached to Class A, Class F, and Class I are the same. Each unit receives one vote.

Is the price or value of the Class F or Class I units different?

No. Class A, Class F, and Class I will be sold for the same subscription prices and have the same values.

What are the differences between Class A, Class F, and Class I units?

Class A units are intended for distribution through Skyline Wealth Management Inc. and are designed for direct retail investors. They are expected to attract certain expenses to the Skyline Funds, including a competitive equity raise and trail fee that are different from Class F and Class I units.

Class F units are intended for distribution through advisors at other firms, such as Fee-Based Advisory firms, Portfolio Managers, and Family Offices that manage fee-based accounts for investors. They are expected to attract certain expenses to the Skyline Funds, including transfer agent and administration fees that are different from Class A and Class I units. In addition, investors who invest through Class F units will likely also be directly charged specific management fees by their advisors. Investors who invest directly in Class A units through Skyline Wealth Management Inc. are not directly charged any fees for their investments.

Class I units are intended for distribution in larger blocks to large institutional investors. They are expected to attract certain expenses to the Skyline Funds, including transfer agent and administration fees that are different from Class A and Class F units.

Distributions paid to investors who hold Class A units, Class F units, and Class I units may be different as they may be adjusted to account for the differences in expenses attracted to the Skyline Funds in relation to each class of units. A class of units that attracts lower expenses to a Skyline Fund could be expected to receive a higher distribution from the Skyline Fund.

Will Skyline impose limits on how much an individual broker or institutional investor could subscribe or invest? Or would Skyline place a limit on all brokers and/or institutional investors in aggregate through Fundserv?

Skyline is contemplating limiting any individual broker or institutional investor to owning a maximum of 9.99% of the total outstanding units.

Skyline is further contemplating imposing a limit on the total number of units that can be subscribed in aggregate by brokers or institutional investors on Fundserv to 25% of the total units outstanding.

Will there be a fixed allocation between Class A, Class F, and Class I units going forward?

No. Units will be filled on a first-come, first-served, best-efforts basis while maintaining the established maximums noted above.

How will special distributions get allocated?

Any changes to approved distribution rates (including one-time special distributions) would have to be approved by the Board of Trustees. If the Board of Trustees sees fit to issue a special distribution, they could, at that time, determine how that special distribution is to be allocated between Class A, Class F, and Class I units.