MANNA
INDUSTRIAL FUND
www.mannafund.ca

MANNA FUND FACTS

MANNA ASSET MANAGEMENT CORP

February 2024

Manna Industrial Property (Value-Add) Limited Partner (the "Fund") is a real estate fund that specializes in the acquisition and management of income producing industrial properties in Canada.Investors in the Fund receive the yield from rental income and participate in the growth of the underlying properties.

“ HOW Manna Fund Benefits You?

Most Attractive Asset Class
Invest in the higest demand and most resilient Industrial Real Estate sector

Diversified Investment
Holding multiple properties reduced the single asset risk significantly

Capital Growth
Stable, Steady return effectively against inflation

Stable Income
Annualized cash return distributed quarterly

Consistent Return
Rational pricing with low volatility and low correlation to equity market

Tax-Advantage
Deferred lower tax rate compare to other investment products

Easy Exit
Redeem after one-year subject to quarterly limits and potential charges

Securities Offered	Class B LP Units*
Distribution Frequency	Quarterly
Total Target Return	15%
DRIP	Available with 2% discount
Eligibility	Eligible for Accredited Investment
Investment Style	Income & Growth
Redemption Rights	Subject to quarterly limits and potential charges

Fund Details

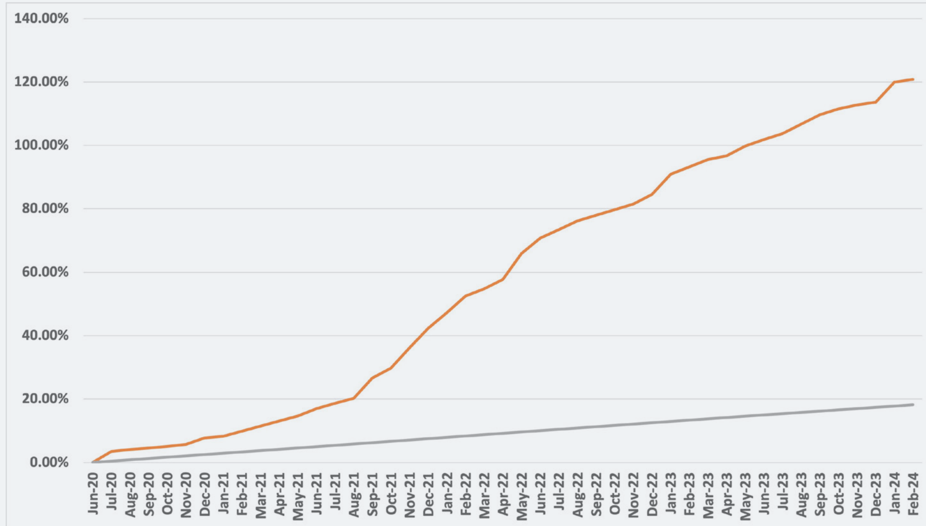
Investment Type:	Limited Partnership
Unit Price:	$1,750
Minimum Initial Investment:	$50,000
Tax efficient:	100% Return of Capital (for tax purposes)
Total Return Strategy:	Income & Growth

Comparison of Performance Since MANNA Inception

(7/1/2020-2/1/2024)

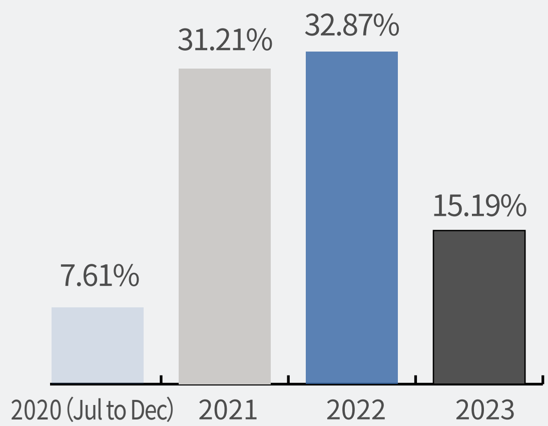
Manna

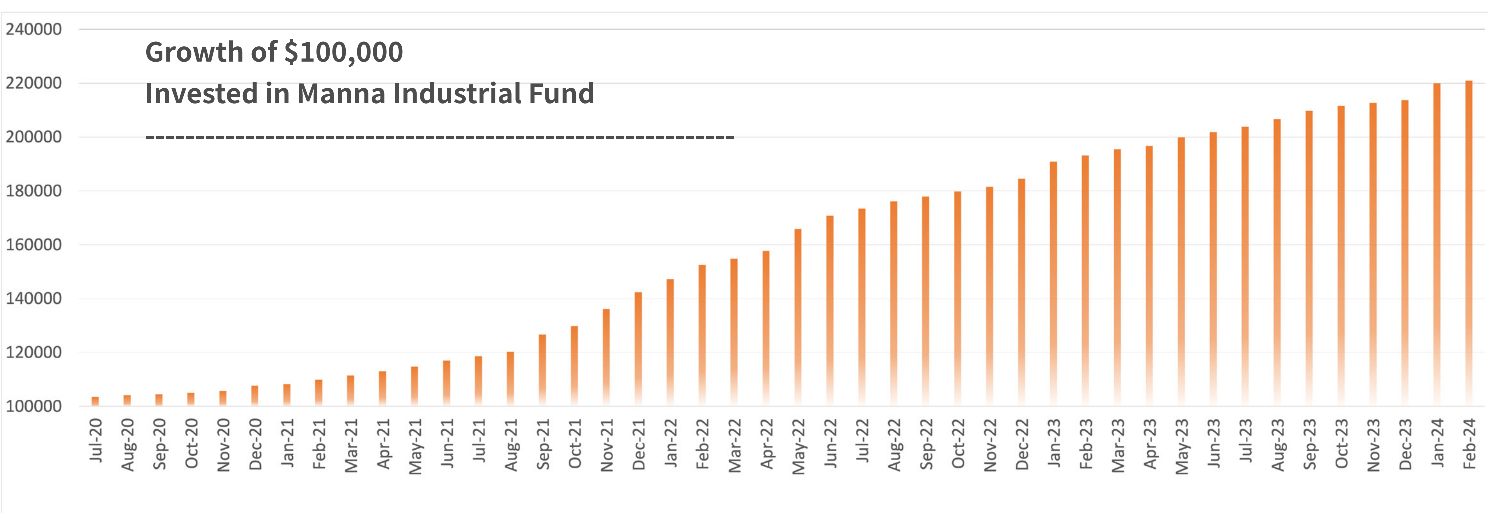
5% Fixed Annual Rate of Return



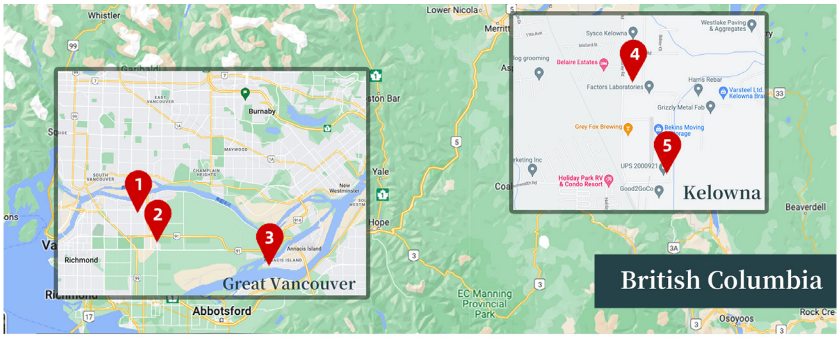
FUND	CASH	DRIP
1 Month	0.42%	0.43%
3 Months	3.78%	3.83%
6 Months	6.69%	6.86%
12 Months	13.70%	14.33%
Since Inception	101.12%	120.88%

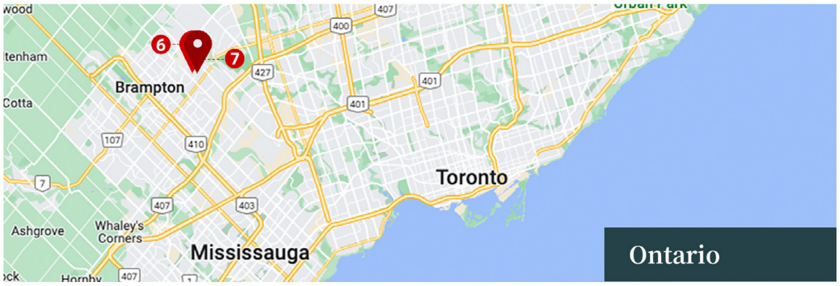
CALENDER RETURNS (%)





Returns are based on $100,000 initially invested on June, 2020 on Class A units, including 5% annual dividend, including extraordinary distribution in May 2022.





Portfolio Holding Summary

Total Land Size: 27.49Acres
Total Leaseable Area: 586,990 Sqft
Occupancy Rate: 97%
Total Asset Under Management(AUM):$200M

Signature Tenant

The CSA Group	UPS	CBSA	National Tire Distribution
Terra Early Learning	Plant Veda	BLANCO	AMPAK

Great Vancouver
British Columbia

(1) 12511 Vulcan Way, Richmond, BC
(2) 13799 Commerce Parkway, Richmond, BC
(3) 1668 Fosters Way, Delta, BC V3M 6S6

Brampton
Ontario

(6) 50 Precidio Ct, Brampton, ON
(7) 100 Corporation Dr, Brampton, ON

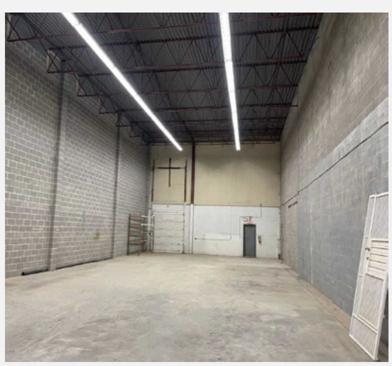
Kelowna
British Columbia

(4) 375 Potterton Road Kelowna, BC
(5) 8826 Jim Bailey Crescent, Kelowna, BC

7 Properties **5** Core Logistic Centers **21** Units

Fund Update

The property at 12511 Vulcan Way, Richmond is currently on the market and the management team is evaluating the offers received.



Vancouver Industrial Figures in Q4, 2023

Record new supply delivery adds to available inventory Summary

- Metro Vancouver's industrial availability rate rose by 30 basis points (bps) quarter-over-quarter to 3.2%, the highest availability rate on record since Q4 2016.

- Vacancy fell 20 bps to 2.2% but remains far above the Q3 2022 low of 0.5%.

- Annual net absorption remained muted at 2.7 million sq. ft. yet still near the 5-year average of 4.2 million sq. ft.

- The construction pipeline-maintained pace with the 5-year average of 6.9 million sq. ft. with 7.1 million sq. ft. currently under construction.

- New supply remained robust with 1.6 million sq. ft. delivered in Q4 2023. Sustained annual construction momentum delivered a record total of 7.2 million sq. ft. in 2023. Of this total, only 14.0% delivered vacant.

- Average asking rents declined 0.9% quarter-over-quarter for a market average of $21.61 per sq. ft. Four submarkets in Metro Vancouver saw lease rates grow in Q4 2023.

Availability rises yet remains below 15-year average

Rising availability showed early signs of an improving market as the pace of growth fell from 50 bps in Q3 2023, to just 20 bps of growth quarter-over-quarter in Q4 2023. Availability rates in Metro Vancouver have not been this elevated since Q4 2016, rising a considerable 200 bps year-over-year to 3.2%.

Availability rates for markets north of the Fraser River rose 150 bps year-over-year to 2.9%, the highest availability rate since year-end 2020. On average, these submarkets witnessed availability rates grow 140 bps year-over year, with Burnaby witnessing 280 bps of availability rate growth, the highest of these submarkets.

For markets south of the Fraser River, availability rates rose by 250 bps year-over-year to 3.4%. Abbotsford saw its largest quarterly increase over the last 10 years with a 260 bps increase in availability rates to 5.1%. Meanwhile, Surrey achieved a 60 bps quarterly decline in availability rates in part due to over 1.1 million sq. ft. of new supply which delivered 88.0% pre-committed in Q4 2023.

Growing pool of existing large bay opportunities continues to drive availability increases

Marketwise, there were just 28 availabilities larger than 50,000 sq. ft. in Q4 2023, up from just 3 options in Q4 2022. Continued growth in large format industrial availabilities may offer more landlord incentives and competitive occupancy costs.

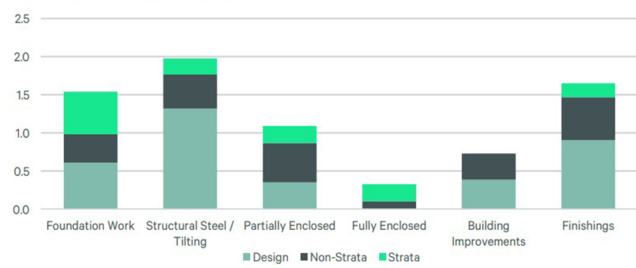
Total available space was comprised by 70.8% of lease opportunities, while just 23.8% were available for sale. Only 5.4% of all listings were offered for both sale & lease. Small bay listings (<10,000 sq. ft.) comprised 14.1% of all availabilities, whereas large bay listings (>50,000 sq. ft.) made up 19.1% of all listings in Metro Vancouver in Q4 2023.

Development pipeline falls amid record new supply deliveries

The construction pipeline increased to 7.1 million sq. ft. under development in Q4 2023. For the first time since 2014, completions have outpaced projects breaking ground leading to year-end new supply exceeding space under development, potentially signaling the end to the boom-cycle of development activity.

No submarket comprised more than 20.0% of total construction, indicating a geographically diverse distribution of supply and demand. Furthermore, development activity in Metro Vancouver remains equally split along the Fraser Valley and Urban Core. 47.9% of total construction activity was located near the core, while 52.1% was in the Fraser Valley. Although split nearly evenly, large format products remain highly concentrated within the Fraser Valley while smaller flex and densified industrial developments are more commonly found within the urban core.

Figure 5: : Construction Pipeline by Phase (MSF)



Metro Vancouver witnessed the largest annual quantity of new supply in 2023, delivering a total of 7.2 million sq. ft. exceeding the previous record in 2009 by 2.2 million sq. ft. The flood of new supply delivered this year was concluded with 1.6 million sq. ft. of new industrial product in Q4 2023. Strong precommitment levels were sustained over 2023 with 88.0% of all industrial new supply in Metro Vancouver delivering with pre-commitment agreements already in place.

Pre-leasing slows among current developments

As a result of inflated availability levels among existing inventory coupled with the increased cost of debt, pre-commitment activity has decreased. With a majority of development activity still in the early phases of construction, it will take some time for this inventory to be absorbed. That being said, it is expected that pre-commitment levels will eventually grow closer to the 5-year annual average of 85.0%. Of the 926,000 sq. ft. expected to be completed in the next 6 months, 40.8% has been pre-leased. As a percentage of total inventory, Q4 2023 is the ninth highest quantity on record.

Figure 6: Annual New Supply & Preleasing

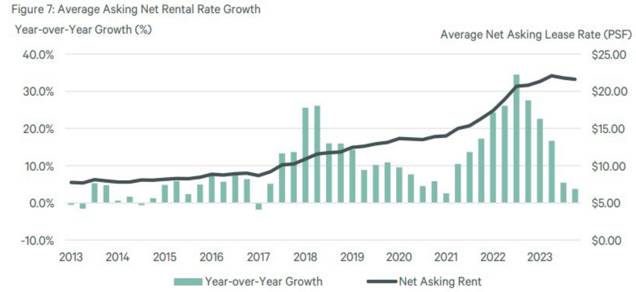
Asking lease rates fall for second straight quarter

Average asking lease rate growth in Metro Vancouver has slowed, as rates fell 0.9% quarter-over-quarter to $21.61 per sq. ft. in Q4 2023. Throughout 2023, Metro Vancouver average asking lease rates rose 3.7% year-over-year despite quarterly declines over the second half of the year.

Large transactions across Metro Vancouver maintained above-market rents while smaller transactions saw small decreases in face rates, increased inducements, or free rent. Declined momentum in asking lease rate growth, driven by increasing availability, may provide tenants more leverage in lease renewal negotiations.

Annually, all submarkets in Metro Vancouver saw average asking lease rates either stay in place or marginally increase. On a quarterly basis, four submarkets saw declines in average asking lease rates, namely Richmond, Delta, Surrey, and Langley, while core submarkets saw average asking lease rates grow.

Figure 7: Average Asking Net Rental Rate Growth

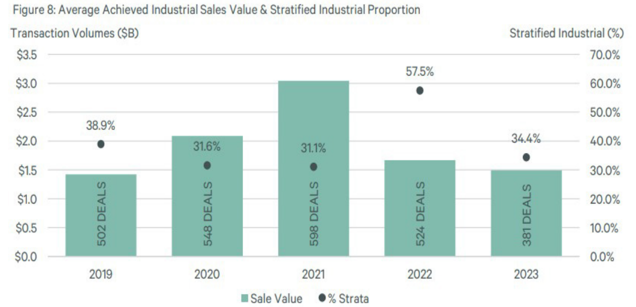


Total sales volume proves resilient despite slowed market

A costlier debt market reduced total sales activity from the previous high in 2021. Total deal quantity fell from 504 total transactions in 2022 to just 272 in 2023, a 58.6% decline year-over-year. Despite the decline in deal activity, 2023 industrial volumes finished the year at $1.5 billion transacted, down just 10.5% year-over-year.

Presales have seen the greatest impact from a borrowing perspective. Long gone are the days of fully pre-sold stratified developments upon delivery. Although pricing has not fallen off, total volume has significantly decreased leaving projects to deliver partially vacant.

Figure 8: Average Achieved Industrial Sales Value & Stratified Industrial Proportion



Source: Vancouver Industrial Figures Q4 2023 by CBRE

Toronto Industrial Figures in Q4, 2023

Availability rate surges amidst record new supply

Summary

- Despite record levels of new supply driving the availability rate to 2.7%, the highest level since 2017, leasing velocity and demand remained strong with more tenants opting to renew in 2023.

- The average net rental rate continued to hold steady for a second consecutive quarter amid rising availability.

- The Greater Toronto Area (GTA) concluded 2023 with a record breaking 17.0 million sq. ft. of new supply, after an additional 6.6 million sq. ft. completed construction in Q4.

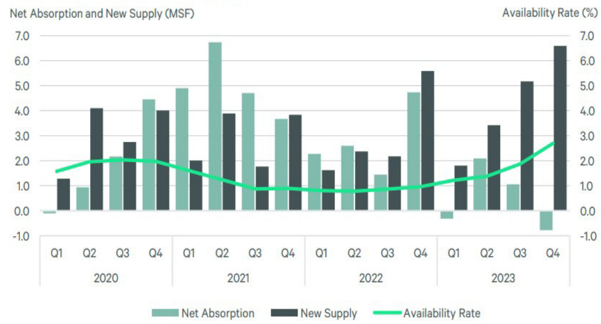


FIGURE 1: GTA Fundamentals – Historical Analysis

- Space currently under development totaled 12.7 million sq. ft. in Q4 2023, with an anticipated 3.0 million sq. ft. of additional developments to kick off in early spring resulting in 15.6 million sq. ft. of forecasted new supply for 2024.

- Available subleases continued to increase in offerings, while the percentage of available space that is comprised of subleases shifted upwards from 9.8% to 13.7% quarter-over-quarter.

Availability and Demand

The overall quarterly availability rate surged 80 basis points (bps) to 2.7%, the highest level since Q1 2017 and marked the first time since Q2 2018 that the availability rate exceeded 2.0%. One of the factors that contributed to this spike is the rise in sublease availability. Over the quarter, available sublease space has more than doubled, increasing from 1.6 million sq. ft. to 3.1 million sq. ft. Notably, Amazon has 746,000 sq. ft. of available sublease space across four buildings, the most of any sublessor. Additionally, pre-leasing of new supply continued to remain relatively weak at 43.0% and with a historic high of 6.6 million sq. ft. in quarterly completions, this combination aided in further increasing the availability rate.

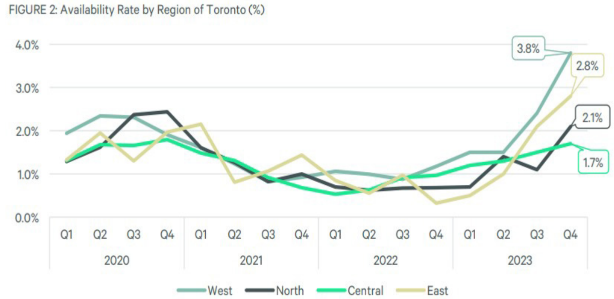


FIGURE 2: Availability Rate by Region of Toronto (%)

Quarterly net absorption was negative for the second time in 2023, as the significant rise in availability was not offset by new supply due to relatively weak pre-leasing, resulting in negative 782,000 sq. ft. of net absorption. However, despite the rise in availability throughout the year, the cumulative net absorption for 2023 was still positive, ending the year at 2.0 million sq. ft. For large bay lease deals, renewals/extensions continue to rise in importance. In Q4 2023, renewals/extensions accounted for 66.9% of the space leased from large bay deals, compared to 18.2% in the year prior.

All Toronto regions saw increases in availability, in particular Toronto West's availability rate rose significantly by 140 bps quarter-over-quarter to 3.8%, the highest of all regions. With Toronto West holding the most sublease availabilities and the most new deliveries of any region, it has been disproportionally impacted.

Rent Trends

In wake of rising vacancy, the net rental rate remained virtually unchanged for a second consecutive quarter, further reaffirming stability in rental rates. However, due to a slight depreciation of $0.10 per sq. ft. quarter-over-quarter, nearly seven years of consecutive quarterly rental rate growth comes to an end. Rental rates in Toronto West and Toronto North have settled at relatively similar prices, averaging to $18.79 and $18.66 per sq. ft., respectively.

The net rental rate is not expected to decline to a considerable degree in 2024, in part due to newly completed product representing a significant share of the available space on the market. Furthermore, there has yet to be a noticeable decline in average rental escalations. For typical product over 100,000 sq. ft., escalations continue to hold at its relatively newly established highs of around 4.0%. Lastly, achieved rents and escalations on many renewals remain at their peak.

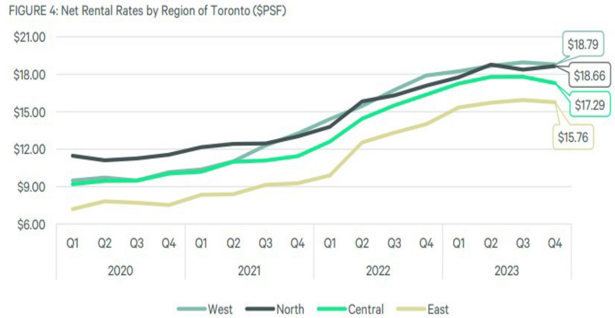


FIGURE 4: Net Rental Rates by Region of Toronto ($PSF)

Construction Activity

A record breaking 17.0 million sq. ft. of new supply was delivered during 2023, after an additional 6.6 million sq. ft. completed construction over the last quarter. Pre-leasing rates remained similar to the previous quarter, with 43.0% of new supply pre-leased/pre-sold in Q4 2023. Throughout 2023, only 50.5% of completions were pre-leased/pre-sold, a notable decline from the 2022 total where 94.8% of delivered product was committed to before substantial completion.

22 buildings broke ground this quarter for 3.6 million sq. ft., resulting in a total under construction count of 12.7 million sq. ft., the lowest amount under construction since year-end 2021. However, 28.7% of the product under construction is already pre-leased, largely attributed to build-to-suit designs. Currently 47.5% of the total construction pipeline is in Toronto West, while Toronto North and Toronto East settle at 20.5% and 25.3%, respectively.

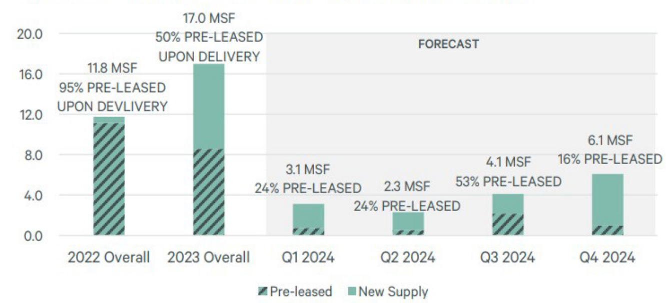
FIGURE 5: Construction Activity by Region of Toronto

Region	Total Under Construction	Pre-Leased	Pre-Leased (%)	Q4 2023 New Supply
West	6,031,508	2,012,485	33.4%	4,256,944
North	2,603,889	914,762	35.1%	1,055,405
Central	846,511	0	0.0%	231,556
East	3,208,018	715,456	22.3%	1,049,216
Total	**12,689,926**	**3,642,703**	**28.7%**	**6,593,121**

Forecasted New Supply

New supply levels peaked in 2023 with a record breaking 17.0 million sq. ft. delivered, however, new supply is expected to remain elevated for the next four years. Space currently under development totaled 12.7 million sq. ft. in Q4 2023, with an anticipated 3.0 million sq. ft. of additional developments to kick off in early spring resulting in 15.6 million sq. ft. of forecasted new supply for 2024. In 2025, new supply levels are anticipated to drop to 12.0 million sq. ft., before picking back up to roughly 15.0 million sq. ft. for 2026 and 2027. Product forecasted to deliver in 2026 and 2027 could decrease substantially, including more phasing over a longer duration for multi-building developments, depending on how market fundamentals progress.

FIGURE 6: Greater Toronto Area Historical and Forecasted Pre-leased New Supply (MSF)



As of now, near term projects remain as scheduled, while longer term projects are fluid and more dependent on the evolving market fundamentals. Helping prop up the 28.7% pre-lease rate for under construction projects are recent design builds or large speculatively planned projects that were pre-leased before commencement of construction. This has resulted in renewed, strong construction numbers, with a slight increase towards design builds or pre-committed speculative builds, nonetheless remaining a speculative build dominated market.

Source: Toronto Industrial Figures Q4 2023 by CBRE

Insight

Higher Interest Rates Cause Industrial Sale-Leasebacks To Jump, Sale-Leasebacks Increasing Faster Than Overall Sales Volume

Industrial property sales have spiked over the past several years as investors have sought to take advantage of the growing importance of warehouses in the supply chain.

Between 2018 and 2023, Canadian industrial transaction volumes increased at an 18% compound annual growth rate from $8.8 billion to $20 billion. Over the same time, industrial sale-leasebacks grew from $366 million to $1.7 billion, or a 36% growth rate.

The increase in sale-leasebacks occurred in 2022 and 2023 when about 10% of all Canadian industrial transactions were sale-leasebacks, roughly double the level observed before the rate-hiking cycle began. The growth of sale-leasebacks largely reflects the higher costs of carrying a property for owner-occupiers given the rise of interest rates since 2022.

From a business management and cash-flow standpoint, owner-occupiers tend to benefit from selling their property to an investor and leasing it back. If interest rates stay higher for longer, sale-leasebacks may continue to be popular in 2024 as user-owners tap their real estate for liquidity in the context of tighter monetary policy and a slowing economy. Conversely, a material, sustained decline in interest rates could also make owning and occupying property more appealing and cause sale-leasebacks to decline from recent peaks.

Over the past three years, industrial transactions across the seven major Canadian markets have come in at around $18 billion to $20 billion per year. These levels are double what was witnessed before 2021, underscoring how the pandemic pulled forward e-commerce-fueled space needs in the country.

Before the most recent tightening cycle which began in early 2022, sale-leasebacks accounted for roughly 5% of total industrial sales volumes. However, with the increase in interest rates, sale-leasebacks have also increased, accounting for 10% of all transactions in 2022 and 9% of all transactions in 2023.

The growth in sale-leasebacks shows how tighter monetary policy and a slowing economy is starting to affect Canadian businesses, including owner-occupiers of industrial space. In fact, the prevalence of sale-leasebacks may be understated in the chart above. In 2022 and 2023, several large portfolio deals helped drive the overall level of sales volumes higher.

For example, in 2023 the Dream Industrial REIT and GIC acquisition of Summit Income Industrial REIT alone accounted for $5.9 billion of the total industrial transaction levels recorded for the year. Excluding this one deal from the $20 billion total would imply that the proportion of sale-leasebacks is closer to 12% as opposed to 9%.

Whether the largest deals or not are excluded, more owner-occupiers of industrial real estate are using their real estate to tap liquidity. Such deals are likely to remain popular in the context of more expensive money and a slowing economy.

Source: Costar Canada

Competitive Advantage

The Manna team has a combined experience of over 50 years in development and has overseen the acquisition and management of assets worth over $500 million.
There has zero investor loss.

Fund Strategies

By using our deep-seated relationships with the largest brokerages in Canada, we will always have the first opportunity to see new listed properties, especially those that are off-market. Properties that are undervalued and distressed during the current economic situation are beginning to appear off-market and these types of acquisitions will minimize the risk for the fund and investors and will offer great value.

The property must either meet our criteria for income generation (existing tenants must provide above average market cap rate) or potential to generate future value-add income (we will modernize property into a smart distribution hub or to offer logistical solutions to future tenants if the current lease below market rate) .

Properties must meet location requirements such as having quick access to major arterial roads or highways allowing tenants to efficiently ship out their products to their consumers. We also place great emphasis on finding areas that are undervalued but are set to be revitalized by City projects or upcoming developments, allowing for value to be dded by outside means.

FEE AND REDEMPTION	
Dealer Commission	3%
Dealer Trailer	0.5% annually
Management Fee	1% of Total Asset
Fee and Redemption Schedule	No Redemption Within First Year 3.5% redemption charge between 13-24 months 0% redemption charge 25 months+
Redemption Policy	A request to redeem Unit(s) shall be made by a Class A Unitholder or a Class B Unitholder in wri)ng to the General Partner at least thirty (30) days prior to the end of the applicable Quarter