Q3 2021
QUARTERLY REPORT

VALOUR
PARTNERS

Valour Partners Enterprise Fund LP

Dear Partners,

Over the past two years, Valour Partners has been creating diversified investment solutions to capitalize on the real estate development projects undertaken by Valour Capital Management Inc., and to help these projects realize their full potential. As a result, Valour Partners Enterprise Fund LP was created to help realize this mission and to provide a high-quality investment vehicle for a group of hand-selected investors.

Valour Partners is pleased to formally welcome you as a Limited Partner in its latest Partnership offering, Valour Partners Enterprise Fund LP (the "Partnership"). The Partnership was officially launched on July 29th, 2021, and we are pleased to provide you with an update on its activities and performance as of September 30, 2021.

The Partnership has raised a total of $2.45M upon the end of the third quarter, of which $1.60M has been contributed as of September 30, 2021, and the remaining $850.0K is expected to be contributed within the next month.

The Partnership made $1.6M of loan investments during Q3, 2021. These loan investments comprised of investments in 8 projects and 2 income producing properties as well as investments in Valour Group Inc. (referred to below further in this report) which further made investments in Valour controlled and operated development and construction projects and income producing properties. With these new investments made in Q3 2021, the value of the portfolio as of September 30, 2021, was $1.6M.

To date, the Partnership has been able to distribute returns that are aligned with the General Partner's expectations. During Q3 2021, $24.7K of cash distributions were made to the Limited Partners and $3.4K in the form of units were made to the Limited Partners, equating to an average return of 16.0% which is in line with the Partnership's target returns.

Portfolio Performance

The key performance metrics outlined below highlight the investment portfolio as of September 30, 2021:

Weighted Average Coupon Rate (WAC)	18.0%
Weighted Average Lender Fee Coupon Rate (WALFCR)	2.5%
Lender Fee Spread	2.0%
Weighted Average Loan Age (months)	1.1
Portfolio Delinquency Rate (DR)	0%

The General Partner believes that the Partnership is well positioned to satisfy its target investor returns going forward as indicated by a 4.5% differential between the combined WAC, WALFCR and the 16.0% average investor returns.

As the underlying loan investments mature and the loans are repaid, the Partnership is able to re-invest available funds in order to satisfy the target 16.0% investor returns.

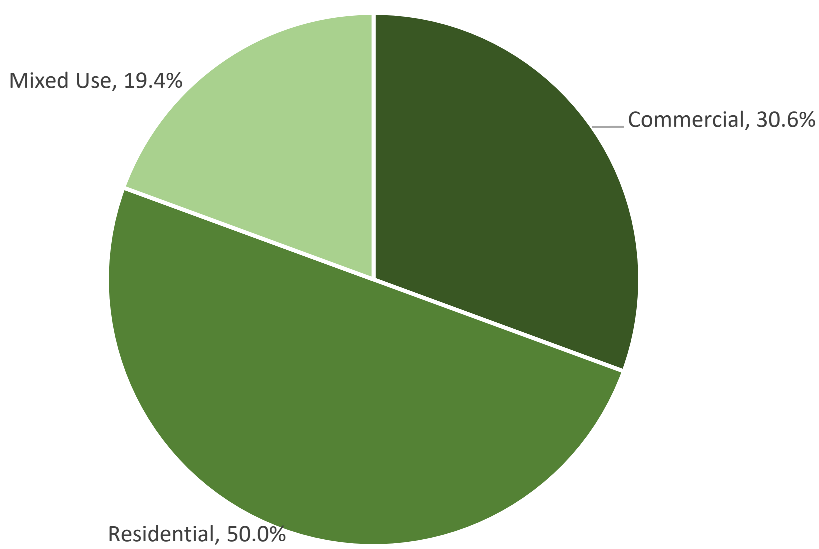
As of September 30, 2021, the Partnership had $59.9K of outstanding receivables, $52.4K of which have been collected subsequent to quarter end. One of the reasons for the outstanding receivable balance at quarter end is due to the timing of the collection of interest on the loan investments which occurs by the middle of the month following the month in which the interest is earned. The small absolute value of total outstanding receivables as of September 30, 2021 coupled with their collection subsequent to quarter end indicates that the portfolio investments are performing as expected and the Partnership is collecting interest on time.

Furthermore, the revenue generated from the loan investments made by the Partnership to date, which includes interest revenue and lender fees, has been sufficient to allow the Partnership to make the targeted distributions to date to the Limited Partners, after deducting the Partnership's operating costs.

Portfolio Diversification

To provide investors with target returns, careful consideration was given to the selection and allocation of the investment portfolio. As noted below, the portfolio investments are diversified by asset-type and geographic location with a total of 10 portfolio investments as of September 30, 2021. By diversifying the portfolio investments across type and geography, the Partnership believes it has reduced concentration risk associated with any investment in an individual Income-Producing Property or Property Under Development to an acceptable level.

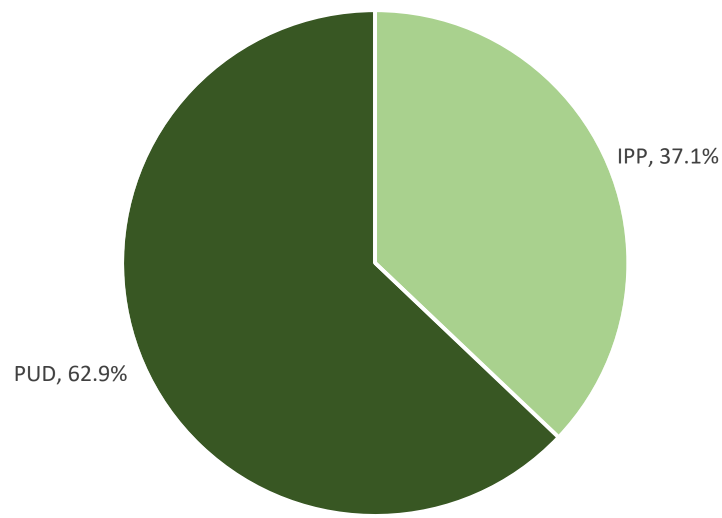
Portfolio Diversification by Asset-type



**Mixed use is heavily weighted towards multi-residential use with ancillary commercial use such as ground floor commercial tenants.*

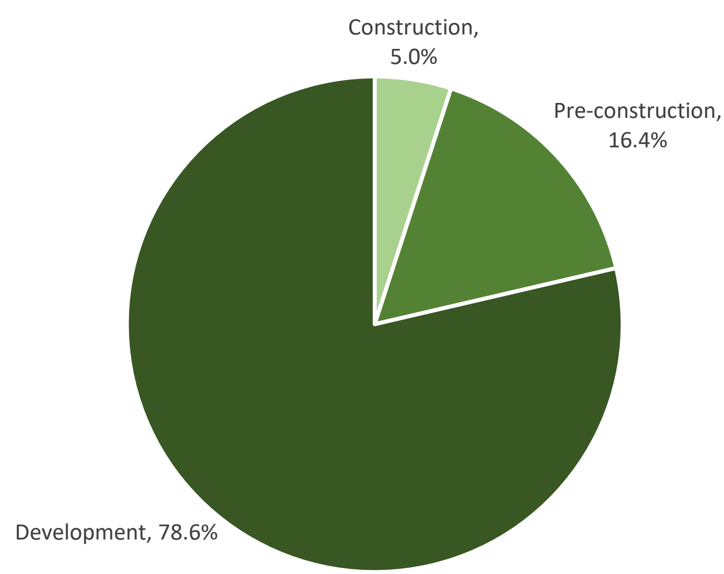
In order to lower the risks associated with investor returns, the Partnership has further diversified its investments into properties that are both Income-Producing Properties (IPP) and Properties Under Development (PUD). This diversification breakdown is noted below:

Portfolio Diversification by Property-type



Most of the projects remain classified as PUD, which is in line with the long-term nature of the investment portfolio. These investments are further broken down into Projects in Development, Projects in Pre-construction, and Projects in Construction. By further diversifying the development portfolio in this manner, the Partnership ensures that the development projects have staggered timelines in terms of project start dates and completion dates. This reduces the cash-flow risk associated with any individual project.

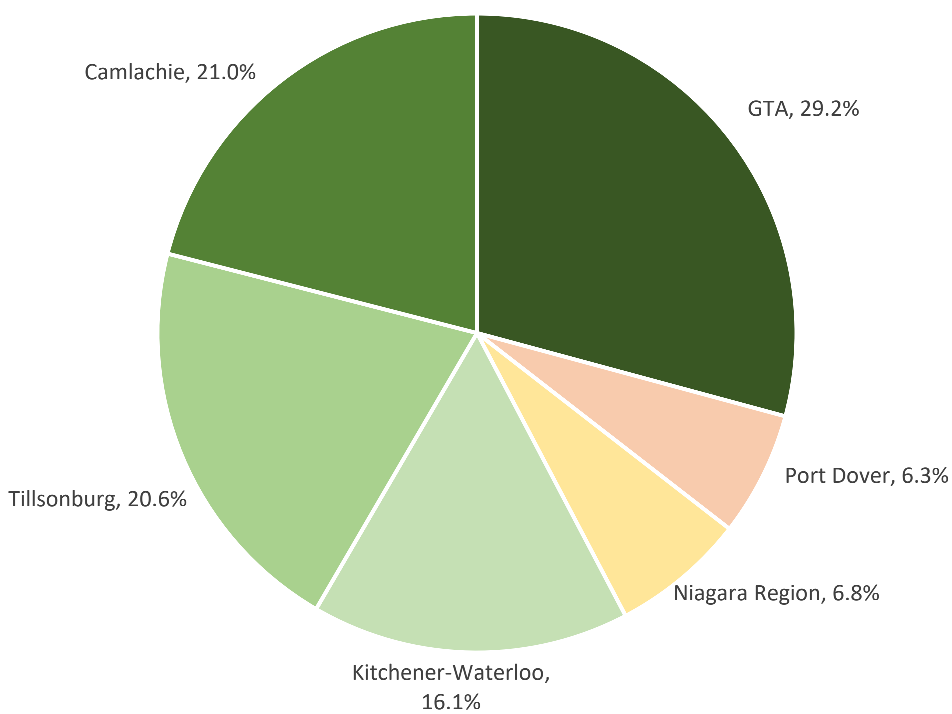
Breakdown of Development Portfolio



The projects listed above that are under Development, Pre-construction or Construction phases are strongly weighted towards purpose-built rental units. The General Partner believes that there is strong demand for these types of assets both in their current condition and upon completion, as there are multiple opportunities for the assets to be sold in open market.

Portfolio Diversification by Geography

The Partnership's investments are spread across Southwestern Ontario including Ontario's Golden Horseshoe as well as the Greater Toronto Area. These are secondary and tertiary markets where there is continued divergence in relative pricing compared to primary markets (such as Downtown Toronto). These regions are key transportation hubs, with strategic proximity to highways, railways, and airports, making them desirable for commuters working in and around Canada's largest business center, Toronto.



The Valour Group is an integrated team of companies established to provide the seamless execution and completion of real estate development. The Partnership has made loans directly to Valour Group Inc., the proceeds of which are used to acquire or develop real estate projects and improve and operate income producing properties identified and selected by the Valour Group, which in turn become part of the investment portfolio or the Partnership.

Economic Discussion

Housing prices have continued to rise during Q3. As RBC states, the composite Home Price Index in Q3 2021 was up an average of 21.7% when compared to Q3 in 2020. However, this pace is still only a third of what was seen in the first quarter, and it is expected that this pace will continue to slow as year-end approaches and affordability becomes of importance for buyers. Despite this, the current exceptionally tight demand-supply conditions will continue to protect the market against any major corrections in price.

In Canada existing home sales fell slightly by 0.5% in August 2021. However, Scotiabank notes that although the overall market continues to slow, the decline in sales in some markets is largely offset by increases in other markets. Although home sales saw a slight decline, current levels remain strong at 26.0% higher than the 2000-2019 August-average.

As for the economy as a whole, the Consumer Price Index (CPI) rose and average of 4.1% on a year-over-year basis in Q3 2021, the fastest pace in two decades. This is largely due to the lower CPI levels in 2020 because of the pandemic. In Q3, 2021, Labour force participation also increased as the unemployment rate declined steadily during Q3 from 7.5% in July to 7.1% in August. It ultimately closed at 6.9% in September 2021.

Amidst the continued ongoing economic situation, the Partnership continues to closely monitor its underlying investment portfolio and maintains its current lending strategy comprising of bridge loan investments and high yields from these investments (18%). This provides flexibility within the portfolio for the Partnership to remain liquid (and distribute target returns), exit out of any loan investments that pose a risk of default, and deploy excess capital to take advantage of market driven opportunities.

In accordance with the Limited Partnership Agreement, the Partnership is authorized to borrow money, provided that the aggregate indebtedness does not exceed 25.0% of the funded commitments. As of September 30, 2021, the indebtedness of the Partnership is 2.3% of the Partnership's funded commitments.

Subsequent to quarter end, the General Partner signed a new credit facility agreement in order to efficiently obtain access to capital to make opportunistic investments in the short and long term. The credit facility was obtained on October 1, 2021 and charges the Partnership a 15.0% interest rate on funds advanced and outstanding under the facility. Since the rate of interest charged to the Partnership on the credit facility (15.0%) is lower than the WAC of 18.0% earned by the Partnership on its loan investments; the General Partner believes that the existence of this credit facility is economically beneficial to the Partnership and will therefore continue to use the facility to make additional investments in the short and long term. As of November 12, 2021 the total principal advanced and outstanding under of the credit facility is $642K.

On behalf of the entire Valour Partners team,

Richard Hall

Richard Hall
Managing Partner