

Corporate **Overview**



LEAGUE
ASSETS CORP.





COMPANY OVERVIEW

League Assets Corp. manages the IGW REIT, one of North America's fastest-growing private Real Estate Investment Trusts, comprising a portfolio of Canadian commercial and retail properties with combined assets approaching \$400 million. The trust exists to find, acquire, improve, and manage profitable real estate properties across the country, and to offer shared ownership in these assets to other like-minded investors — referred to by League as its Member-Partners. Combined with its other investment pools, League is currently managing and developing assets with approximate build-out values totaling \$2 billion.

The League Objective: Intergenerational Wealth

The Company's main goal is to help create and foster the Intergenerational Wealth (IGW) of its more than 1,050 Member-Partners' families through the acquisition and management of high-yield real estate properties with significant upside potential.

Intergenerational Wealth is a trademarked term used by League. It represents the Company's focus on creating lasting wealth for all its investors between generations, achieved through the integrated asset management and tax-optimization services League provides.

“League's investments are designed to create long-term and sustainable returns for our Member-Partners and our company through syndicated acquisition, development and management activities,” says Adam Gant, League's CEO. “Through our proven system of total asset management, we work continually to improve both the cash flow and the assessed values of these properties.”

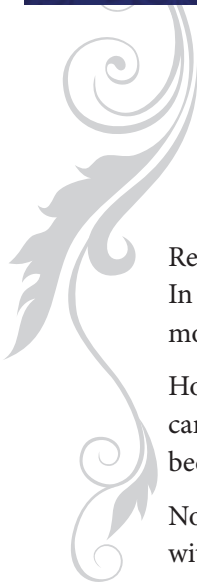
In the case of the IGW REIT, League's aim is to generate and continually increase tax-efficient income distributed back to our investors monthly, as well as continually increasing the value of their REIT units. When properties are re-financed or sold, the extracted equity is used to acquire additional income-producing properties for the portfolio in order to further increase distributable income and unit values for investors.

The League Strategy

League pursues a twofold strategy in the sphere of real estate syndication. Our first priority is to manage our current property portfolio in an optimal manner. Secondly, we concentrate on improving the portfolio by undertaking selective property acquisitions and disposals, and by developing new opportunities — including construction of new buildings as well as the renovation of older ones, and improving financing structures and lease agreements.

Why Syndication

It is no secret that the greatest wealth-builder throughout history has always been investment in real estate. Real estate is more than just a fallback investment during a bear market and, unlike the on-paper investments like publicly traded shares and unsecured debt, carefully selected income properties have real long-term value secured by physical assets. Additionally, real estate is not subject to the wide fluctuations common to stock markets and, when properly managed, it can continue providing a steady return on investment even when markets are flat. With mortgage rates near historic lows and vacancy rates in prime areas hovering at 1.5%, investing in high-income properties has never made more sense.



Real estate has always been what the wealthy invested in, but for ordinary people it has not been so easy. In the past, real estate investing required highly specialized expertise, a lot of time and, of course, lots of money to start with — thus, leaving most Canadians out in the cold.

However, with League's business model and the IGW Real Estate Investment Trust, ordinary Canadians can come to the table without specialized expertise or the need to be involved in day-to-day management, because the company provides these key ingredients.

Nor do they require huge amounts of capital. Real estate syndications allow investors to pool their capital with that of other qualified investors for the purpose of investing in larger and more lucrative real estate projects than they might be able to invest in on their own. Each individual Member-Partner can own as large or small a piece of the investment pool as they'd like, acquiring a proportionate share of the profit and monthly income from League's diverse pool of shopping centres, residential apartment and office buildings.

League's investments are targeted to create a Return on Investment of 15%, compounded annually. This return is made up of two components: unit value appreciation — tied to the value of the properties, and monthly income — collected from net tenant rents and distributed tax-efficiently to investors each month.

The income from REIT units is treated as a "distribution" by the Canada Revenue Agency and consequently it is taxed more favourably than interest or dividend income. Meanwhile, as the value of the properties in the REIT increases, the value of the investment increases. But, since it's real estate, no tax is paid until the REIT units are sold, and even then this increase is treated as capital gains, so only 50% is taxed at the investor's marginal rate.

And, unlike traditional real estate ownership, there are no tenant complaints in the middle of the night, no vacancy worries, and no need to know the complexities of building renovation and municipal regulations, because League's property management and development arms take care of those aspects.



The League REIT Advantage

As of the August 2008 re-valuation, League's IGW REIT's total annualized return for the previous quarter is 17.68%. The annualized return since inception is 16.62%, which includes cash distributions plus an 10.4% increase in the unit value to date.

These results outstripped the year-to-date results of all publicly traded Canadian REITs as of July 22, 2008. Publicly traded REITs tend to be directly influenced by general market trends, which League, as a private REIT, is not.

Distinctively League

League's extraordinary results have been achieved without the use of brokers or salespeople. League employs no salespeople. Instead it provides prospective Member-Investors with free copies of *The Blue Book of Real Estate Syndication* and invites them to call and discuss any questions with League's Member Services Managers. The 70-page Blue Book is written in a straightforward manner that leaves the reader with the ability to make a truly informed decision without the aid of commissioned or for-fee investment advisors.



“Once the Blue Book has been absorbed, potential investors can also review the Investment Overview, which describes the IGW REIT and its acquisitions in detail. Only then can a decision be made by both parties as to whether League is a good fit,” says Emanuel Arruda, League’s Chairman. “It is an educational process, one that League’s Member Services Managers are trained to facilitate by answering any and all questions, so that prospective Member-Partners can then make their own fully informed decision.”

Ethical Corporate Behaviour

Another unique thing about League is its extraordinary commitment to ethical corporate behaviour, to both socially and environmentally responsible business goals and practices, and to the financial future of its Member-Partners and their families.

The tenets of League’s Credo are explicit: “In all our intentions and activities we will do for others, as we would have them do for us . . . we must be right-thinking women and men of inviolable integrity and sound precepts . . . our word is our bond; it must always be worthy of trust . . . it is our ethical obligation as well as our lawful duty to protect our interests and the investments we administer.”

Socially and Environmentally Responsible Goals and Practices

League’s commitment to socially and environmentally responsible business goals and practices has been central to its operations since the beginning, however it is in one of League’s latest and most innovative projects that this commitment is finding its most evolved expression.

League Assets is the financing partner, working with master developer Les Bjola (well-known for his award-winning Bear Mountain Resort) to develop a 13.89-acre site for the creation of vital new downtown hub for the Westshore area of Greater Victoria.

Plans for the new downtown, which will become a reality over the next 15 years, include not only hotels, office complexes, family and luxury condominiums, retail and restaurant spaces, but also, significantly: assisted living units, a community arts and cultural centre, and green spaces throughout to complement the busy urban character of the area.

Consistent with League’s values and operating principles, all design will meet the highest standards for social and environmental sustainability, and everything will be built to the latest earthquake-proof standards — vital to the British Columbian setting.

This commitment is written into League’s Credo:


“It is our aim to affect long-term, compounding enhancements on the properties we develop and transform; in the lives and businesses of our clients who occupy our properties; in the surrounding communities; and, on the environment in which these communities coexist.”



The League Example

The League approach to corporate responsibility goes well beyond its business practices. League has also committed itself to a leadership role in bringing about social change.

League has partnered with Absolute Leadership (www.absolute.org), a nonprofit organization with a sustainable operational model. Through its activities, Absolute matches Canadian teenagers needing a life’s



purpose with impoverished individuals in Third-World countries. Through its Hero Holidays program, Canadian teens are given the opportunity to travel to developing nations where they build homes, schools and clinics, where they play with and comfort physically deformed orphans, and where they become involved in an array of other life-changing experiences.

League Assets Corp. is currently Absolute's principal supporter — along with Home Depot and the WestJet airline company. The long-term intention is that teenagers whose lives have been enriched through their family's investments with League will have the opportunity to go through the Hero Holiday program themselves, so that they may further develop their commitment to values of work, money, friendship and service to others.

League's Commitment to Member-Partners

Placing investors at the centre of the business model is mandated by League's Investment Guarantee: *“Rather than taking value before adding any, League earns its share by increasing the value of your investment. We earn just 20% of the increase we create in net rents and property value (relative to the levels established at the time of purchase). And since our compensation is contingent on our performance, you can be certain that we choose each property very carefully, and that your investment and your returns have our attention at all times.”*

A distinctive example of this pioneering value proposition is reflected in the CityZen project, where both partners have signed on to an innovative compensation structure linked to performance, with performance defined and measured by the ROI that investors receive — before management receives a cent.

What Member-Partners are Saying About League

Brigitte, semi-retired, Calgary

“My husband and I have quite a breadth of investment experiences. We are, or have been, in energy technology, oil wells, mortgages, payroll loans, foreclosures, stocks, internet advertising, gold mining, as well property development and rental. Many of these have had very high returns, but a high degree of risk as well.

“With League, by comparison, we finally have a sense of safety and freedom from worry. We know that our income is going to show up every month in our bank account. There are no hassles, and at this point in our lives, we do not need hassle . . . the amount invested in League has changed our lives in that now we only work when we choose and we can live the kind of lifestyle that we want.”

Andrew Portwood, teacher at a school for high-needs teens, Calgary

“These regular cheques [from our League investment] are like having another income, which allows us to save; but particularly important right now — Jacquie is able to comfortably stay home and be a full-time mom to our new twins, without having to have a job on the side anytime soon. Having twins changes your life in a major way, needless to say, but we feel fortunate that this change has been made a little easier by our League investment. League is responsible for another major change in our lives. We now believe real-estate investment (and variations thereof) are the way to go for investing. The old way (giving funds to a fund manager, weathering losses, hoping the money you make long term will be enough) is no longer good enough for us.



“The best things about investing with League are the transparent processes, consistent returns and lots of communication! It is different from other investments we have in that it seems much more personal and even accountable.”

Jason, stock and commodities trader, Edmonton

“Our whole family has a substantial portion of our total investment portfolios with League and we are continually adding to our holdings. We did a great deal of research and we have been in many kinds of investments, including stocks and commodities, first and second mortgages, income trusts and other real estate limited partnerships. We have done very well in these, but we are now moving increasingly out of those investments and into League. It is simply the best investment vehicle we have come across.

“As a trader I often get asked for investment advice and for the first time I have a great answer. No matter what a person’s circumstances might be, I can recommend League.”

Jonathan, PhD student in English literature at Dalhousie University, Halifax

“We were referred to League by friends who helped us realize that the security of real estate and high rate of return offered by League was appropriate to our needs, which include paying off student loans when my studies are complete, funding the higher education of four children, and Cindy’s dream for our family — to purchase a small rural acreage where we can be partly self-sustaining.

“Being involved with League has already made a difference in our lives. We’ve become focused on planning for the future. And we have a level of confidence in our investments because real estate is what League knows and what they do, unlike the mutual fund advisors we have dealt with in the past, who seem to know enough to sell you something, but don’t really seem to know much beyond that about what they’re offering. We like what we’ve heard about League’s social conscience and long-term plans to bring real-estate development expertise to developing countries. When you are in for the long haul, as we are, it helps to know you’re aligned with corporate values and plans that reflect your own.”

Lori, elementary school teacher, Elora Ontario

“My home had been paid off with an insurance policy when my husband died accidentally three years ago, so after a great deal of discussion and worry on my part, I decided to try the re-mortgage route (investing the proceeds with League). It was a huge step for me. I was very nervous about the possibility of wiping out the main legacy my husband had been able to leave to me and my young son . . . now that I’m over the initial nervousness of doing something so totally foreign to anything I had ever known about, my whole attitude towards my financial situation has changed. Sure I have a mortgage, but the payments are more than taken care of every month (by my distribution) with money left over for a savings account that I am watching grow.

A big factor in my growing degree of confidence is the ongoing communication from League. Not only being updated about the properties in the REIT, but being informed about details of the business operation and how business processes are constantly being streamlined and expanded to serve business goals and Member-Partner needs – this is something that means a great deal to me.”

More Member comments are available at: <http://www.league.ca/investments/intergenerational-wealth.php>



FOR MORE INFORMATION



Independent Analyst's Report for the IGW REIT

www.league.ca/pdf/reit_rating_full_report_september_2010.pdf



Why Trust in League

www.league.ca/pdf/trust_in_league.pdf



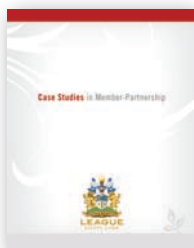
Corporate Philanthropy/Social Responsibility

www.league.ca/pdf/league-corporate-philanthropy.pdf



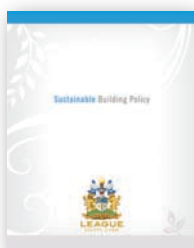
League Assets Corporate Overview

www.league.ca/pdf/league_backgrounder.pdf



Case Studies in Member-Partnership

www.league.ca/pdf/league-case-studies.pdf



Sustainable Building Policy

www.league.ca/pdf/sustainable_building_policy.pdf





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