

## ABBEY AT VISTA RIDGE

2013 Annual General Meeting

The England Group is a real estate investment company specializing in multi-family residential complexes in Canada and the United States

# Property Performance

#### Abbey at Vista Ridge

Original Syndication Price: US\$28,235,000

Estimated Current Value: US\$26,800,000

#### Return on Original Investment

As at January 1, 2013 a unit holder in *Abbey Vista Ridge Limited Partnership* has received cash distributions, refinancing distributions and tax savings equal to 45.3% of the initial cash amount invested.



# Performance Results Average Unit (CDN\$)

Original Equity Investment	\$22,908
Cash Flow to Date	4,824
Tax Savings – Note 1	5,555

Total Received By Investors \$10,379

% of Original Capital Returned: 45.3%



Note 1: Tax Savings calculated using top combined Federal and BC marginal tax rates.

# Property Performance

#### Residual Equity Analysis

We are often asked by investors what the remaining equity in their investment is worth.

Assuming the property was disposed of on January 1, 2013, a partnership unit in *Abbey Vista Ridge Limited Partnership* would have a Residual Equity of \$14,011. This amount represents the estimated proceeds that an investor in the 43.7% tax bracket would receive after paying all applicable taxes.



# Residual Equity Analysis as at January 1, 2013 Average Unit Estimate (CAD\$)

Cash Distribution Upon Sale

18,297

Tax Payable (1)

(4,286)

#### **Net After-tax Proceeds**

\$14,011

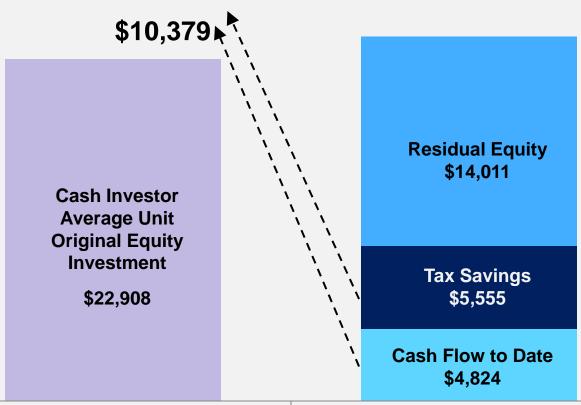
Note: Exchange rate of 0.9966 as at January 1, 2013



(1) Canadian taxes calculated at top marginal tax rates assuming Limited Partner is a BC resident and able to make full use of foreign tax credits created on disposition.

# Per Unit (CDN\$)

45.3% of Original Capital Returned





Note 1: Tax Savings calculated using top combined Federal and BC marginal tax rates.

## Property Performance

#### Internal Rate of Return (IRR)

The Abbey is generating an after-tax Internal Rate of Return of 1.1%. The IRR represents the after-tax annual yield of the investment if the project was disposed of on January 1, 2013. The calculation uses the initial investment, the series of year-to-year after-tax cash flows, and the after-tax proceeds from the sale of the property to establish a return on investment. Taxes are calculated at 43.7%, using the top combined marginal tax rates.

The Abbey is generating a grossed-up Internal Rate of Return of 2.0%. This represents the annual return an investor in the 43.7% tax bracket would have had to earn from an interest-bearing security, before taxes, in order to match the performance of this investment.

