

INVESTOR WORLD.®

© 2007

“THE LEADER IN INFORMATION ON PROMISING EMERGING INVESTMENT OPPORTUNITIES.”

INTERVIEW WITH THE CEO:

SHARIFF CHANDRAN
ACCOLADE EQUITIES INC.



SHARIFF CHANDRAN: ON THE VALUE OF STABLE COMMERCIAL REAL ESTATE AS AN INVESTMENT



Mr. Shariff Chandran
Chief Executive Officer
Accolade Equities Inc.

Shariff Chandran is the head of Accolade Equities Inc. a real estate investment firm specializing in commercial properties in two of Canada's most vibrant real estate markets – Calgary, Alberta and Vancouver, British Columbia. In just 3 short years, Accolade has raised more than \$60-million and syndicated all or part of more than 12 commercial properties while delivering solid above-market returns on a regular basis to its investors.

Accolade has raised more than \$60-million and accomplished a lot in 3 years. To what do you attribute this level of success?

It's a combination of things. We have a lot of experience in the field. We are very selective about the properties and markets we focus on. We know those markets extremely well. We only go into markets that have a buoyant long term outlook. Then we make sure we choose properties that will prosper whether the market goes up or goes down.

Can you tell us about the structure of Accolade Equities?

Accolade is a subsidiary of Platinum Equities which was originally structured for the purposes of lending out private funds for real estate developments and as a result we have extensive experience in financing large commercial real estate projects. We are also experienced in the development and management of commercial properties. Platinum was eventually structured to focus the different disciplines under wholly owned subsidiary companies. When we identified a demand in the market for commercial property syndication that is accessible to the retail investor, we created Accolade Equities.

So what can an investor expect if they choose to invest with Accolade?

They can own part of a viable long-term commercial property for as little as \$50,000. This will give them quarterly cash flow at above-market rates. We conservatively project their current 3-year return-on-investment rate at 19.5% - which is well-above similarly secure market investments. Their equity is highly tangible – it is actual “bricks and mortar” that has a low risk of depreciation and a significant probability of appreciation.

Can you tell us more about Accolade's commercial syndications for individual investors.

What we do is finance commercial properties by combining the investing power of a group of individual investors. By combining their financial power we put them on a level playing field with the large institutional type investors. In a way – we simply remove a number of links in the investment chain. If a person deposits their surplus funds in a bank, the bank then pays them a modest interest return and uses the funds to buy commercial properties like the ones we buy but the bank keeps most of the returns for their own shareholders. If the investor

places their money with us, we purchase the property and pay a more direct share of the returns to the investor. One of the best things is we make this accessible to the individual investor. A commercial property like an office building or a strip mall is often offered for commercial syndication typically to a group of 5 to 20 investors at an average cost of \$500,000 to \$1,000,000 per unit of project equity. The current Accolade project is offered at \$50,000 per unit. This makes it far more accessible for the average investor who wants to enter the real estate market and who wants a fairly conservative investment to balance out their portfolio.

What is the current project that Accolade offering?

Currently, Accolade Equities is offering a very viable office/retail property in Calgary, Alberta, which is an extremely robust property market. The building is excellently located and is fully tenanted so it has solid existing cash flow. We take great care to secure longer-term leases with credit-worthy tenants upon acquisition of the building. The expected ROI over three years is approximately 19.5 %. This is a stable, sound investment in a city that will continue to benefit from worldwide oil and gas demand and in a province that has no governmental debt.

How do your investors make money from this type of investment product?

Investors purchase a minimum of one unit of equity in the building for \$50,000 and enter into a limited partnership agreement with Accolade Equities. Investors may realize building improvements during the life of the syndication but also reap the benefit of an improved, and therefore more valuable,

property. The investor then benefits in three ways. First, they receive quarterly cash distributions from the net cash flow from the property. Second, as mortgage on the building is paid down, the equity in the building increases. Finally, investors also benefit from the building's appreciation over time – which in the last year was increasing at an incredible 10% per month.

Is this type of investment equally accessible to investors whether they are local or international?

Yes. From a tax structure standpoint, international investors may have little in the way of tax burdens. For example, investors from the United States benefit from a reciprocity agreement between Canada and the US that grants US investors a dollar-for-dollar tax credit on their US tax return. Accolade also seeks to mitigate risk in the type of buildings we acquire and feel this is a fairly conservative investment, perfect for the moderately risk-averse investor who is looking for an income generation product.

Why Calgary and Vancouver?

The Canadian economy has remained strong in recent years, interest rates have remained relatively low, and Alberta's oil and gas sector is very strong. National inflation rates sit comfortably between two and three per cent. Much of the business activity in Alberta is conducted from Calgary and has resulted in very strong demand for office buildings. In addition, urban sprawl has come to dominate Calgary's outer communities creating a demand for downtown living. This has increased pressure on commercial properties as downtown residential

development competes for real estate resources. So it is a very stable, resilient and promising investment environment.

In general, Canada's two most western provinces, Alberta and British Columbia, are thriving and have been very successful in attracting domestic and foreign investment.

Why commercial real estate? Why should an investor choose this product over other types of real estate products or other types of investment products?

Many investors have been attracted to Canada's residential or vacation/resort property market. However, the resources that must be poured into the management of tenants and building maintenance of a residential property may be considerable. Accolade's commercial syndications do not require the investor to cover maintenance, taxes, insurance or to manage tenants.

Accolade acquires "B" class office buildings. In good economic times, tenants will upgrade from "C" class to "B" class office buildings and in more challenging economic environments, tenants will move from an "A" to a "B" building. This conservative acquisition strategy stands up well over time against other investment vehicles. We have averaged five per cent appreciation rates on our commercial acquisitions and total cash-on-cash return for the current project is estimated at 6.5% annually over three years.

Thank you.

Further information visit www.accoladeequities.com or contact Accolade Investor Relations at 1-877-700-0477.