

Close to 50 years of business activity

Over 20 years of global real estate investments

22
INVESTMENTS

- ▶ Total size more than \$ **890** million
- ▶ Diversified Sectors: Multifamily, Office, Retail, Logistics and Alternative Energy

100
MILLION DOLLAR

- ▶ Distributed from the realization of investments
 - ▶ 10 realizations yielding higher than expected returns
- *Not including distributions made to institutional investors



PRIORITY REAL ESTATE BONDS

- ▶ Investment in senior debt through an Israeli tax structure with a fixed interest payment
- ▶ The portfolio is diversified across an array of real estate development loans

PROFIMEX CircleOne IV®

The fourth fund that is a part of the **PROFIMEX Internal Funds, "Circle One"**



Geographic & sector diversification



High quality Managers



Investments with unanimous approval

11

NEW STAFF JOINED

4



OF WHICH **3** ARE NEW IMMIGRANTS

NEW BABIES WERE BORN

PROFIMEX InnerCircle®
PROFIMEX Investors' Group

That meet the definition of the Securities law regarding investments



- ▶ First to receive full financial disclosure regarding new investment opportunities
- ▶ Receive a 10% discount off **PROFIMEX's** promote-success fee
- ▶ Receive miles as part of the ELAL Frequent Flyer Club
- ▶ Significant discount for an annual medical review for cancer prevention at Ichilov Hospital

Created "Invest for a Change" with Epoch Times

- ▶ Raising awareness for investments with a positive social meaning for the community
- ▶ Social investments with companies that believe in corporate social responsibility



PROFIMEX® יכולים נותנים
היזמה לקידום הנתינה הפרטית בישראל
— משקיעים בחברה טובה —

↓
Partnership with COMMITTED TO GIVE (Yecholim Notnim) and the establishment of **PROFIMEX Investing in Good Company**

What to Expect in 2018?

- 2018**
- ▶ Relatively Low inflation
 - ▶ Continuing of Expansionary Monetary Policy of certain Central Banks
 - ▶ Changes in the global political climate



What Should You Do?

- ▶ Will need to be able to differentiate economic signals from political and market noises and understanding the changing dynamics in the two.

PROFIMEX®

As the new year commences, we at **PROFIMEX** would like to take this opportunity to thank our investors for their continued trust throughout 2017, the year that led **PROFIMEX** into its third decade of global real estate investments and marked almost half a century of business activity of **PROFIMEX**'s parent company, Bamberger-Rosenheim. During the past year we built on our strong rapport with the investment community in Israel and would like to take this moment to reflect on our achievements throughout the past year.

During 2017, **PROFIMEX** closed 22 real estate investment transactions (equity and debt) with a total size of over \$890 million. Geographically, we have continued to invest in the U.S.A and west Europe; and across in array of sectors, including: multifamily, office, retail, logistics and alternative energy. Additionally, this year, we launched a new product - Priority Real Estate Bonds, an investment in senior-debt. The investor enjoys a principal encumbrance on the property, a fixed interest payment over the life of the investment, broad risk diversification through a proprietary algorithm, and is subject to Israeli taxation only.

In April of 2017, we launched our fourth Fund, **CircleOne IV**, a new Fund that is a part of the **PROFIMEX** Internal Funds, "Circle One". The series of funds were established as a unique opportunity for investors seeking to create a diverse real estate portfolio by investing in specific investments that **PROFIMEX** takes part, after they were approved unanimously by **PROFIMEX** Investment Committee. This structure has maximized our competitive advantage in diversification at a significantly lower investment threshold. **CircleOne IV** offers investors the opportunity to take part in investment deals with the highest caliber of managers in a diversified manner. **PROFIMEX InnerCircle** investors still have the opportunity to take part in **CircleOne IV**, though the Fund's final closing date is approaching.

PROFIMEX, through 10 investment realizations, delivered exceptional returns for its investors; of which, most returns were higher than expected. In consequence, we successfully distributed close to \$100 million to our private investors (not including institutional investors). We expect to continue to experience high levels of strong investment performance across our investments in 2018. Due to the regulatory laws of Israel Securities Authority we are prohibited from publicly publishing past yields to investors who are not a part of **PROFIMEX**'s **InnerCircle**. We would be happy, though, to report any past yields to an investor who is part of the group upon request.

During the past several months we have begun to experience receding elements that have helped shape the global real estate investment market after the Financial Crisis of 2008. These include: low inflation, expansionary monetary policy, and weak economies of some Western countries. The reversal of these have added to the witnessing of the dynamic and changing political environment that we have recently seen. As a result, we believe that real estate investors should distinguish between economic signals and political noise and understand the changing dynamics between them. You can read more about it in the **PROFIMEX** forecast for the global real estate market for 2017-2018.

Over the past year, we launched the **PROFIMEX InnerCircle** for **PROFIMEX** investors that meet the definition of the Securities law regarding investments. Investors part of the **PROFIMEX InnerCircle** will receive the full financial details of every new investment that we offer, a 10% discount off **PROFIMEX**'s promote (The discount will increase their overall return), 100 points in El-Al for participating investors that choose to visit one of our assets and more.

Additionally, we hold our employees' health and well being above all else and would like to extend this focus for **PROFIMEX InnerCircle** members. Surveys show that most of the cancer patients can be recovered by early diagnostic. The Foundation of Diagnosis and Prevention of Cancer Center at the Ichilov Hospital does a yearly check-up for this important diagnostic and we are happy to be able to offer **PROFIMEX InnerCircle** members and their family a significant discount for the yearly checkup.

At **PROFIMEX**, in addition to our core business, we believe in building socially responsible future for our children. Therefore, in 2017, we have partnered with Epoch Times to create an impactful social initiative called, "Invest for a Change". This project was designed to create an awareness for investments with a positive social meaning for the community. Furthermore, **PROFIMEX** joined the "Committed to Give" (Yecholim Notnim) project this year. This initiative was founded by a group of Israeli social investors who chose to work together to increase the number of potential investors in the social sector in Israel. They have done so by encouraging private charitable contributions for social causes, each according to their own personal world outlook and goal. During the year, **PROFIMEX** had initiated meetings, workshops and discussions in order to plan how they can invest in the field of social philanthropy.

Concurrent with our activities throughout the past year, **PROFIMEX**'s family grew with the hiring of 11 new employees, of which 3 are Olim Chadashim (new immigrants to Israel), and had 4 new babies.

Finally, we wish to thank you once again for your trust in **PROFIMEX** and it is our everlasting mission to serve you with the highest integrity and loyalty.

We would be happy to arrange a meeting to discuss your investment portfolio and our new investment opportunities for 2018.



Warmest regards,
Elchanan Rosenheim