

Memphis Apartment Fund

INVESTOR PRESENTATION



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Specific Investment Mandate

- Acquire existing apartments for as little as \$25,000 per unit.
- Targeted ROI of ~100%
 - Including distributions and capital appreciation.
- Continue generating/increasing cash flows and pay tax efficient quarterly distributions.
- Create an exit for investors within 3 years.
- No US tax filings for Canadian investors.



BUSINESS MODEL

Superior risk adjusted returns by acquiring existing older, cheap apartment buildings in the Memphis, TN area - significantly upgrading the units, thereby raising rents, NOI and distributable cash-flow over the next 1-2 years with an intended 2-3 year hold period.

The management team has an extensive network of apartment building related contacts (property managers, lawyers, realtors, financing experts, renovation firms, appraisers, building inspectors etc.) in Memphis, TN. The management team has deep cross-border expertise in acquiring, financing & operating both Canada, TX, AZ, NV or TN based apartment buildings with a combined operating and ownership expertise in excess of 45 years, with over \$250M in assets transacted, with over 3500 units.

Our business model is proven, and repeatable. Sensible leverage will be applied of approx. 70%. Resulting in a target 100% return of equity over 3 years, net of all fees to manager and/or third parties.

ACQUIRE-----ENHANCE-----SELL



Memphis Apartment Fund

Why Memphis

Memphis Development Surges in 2024 With Over \$16 Billion in Investments



Why Memphis, TN, USA?

Memphis surges in 2024 with over \$16 Billion in investments..

In 2023 alone, the Greater Memphis Chamber reported 11 projects announced with \$1 billion in estimated capital investment with another forty or more projects in the pipeline with a total investment estimated at over \$16 billion for 2024 including:

- \$1 Billion FedEx Superhub recently completed
- \$550 Million redevelopment/expansion of Memphis International Airport
- \$200 Million redevelopment of Memphis Convention Center
- St. Jude Children Hospital continues its largest development in its 60 year history with the construction of two fifteen storey towers dedicated to patient care and clinical research
- Ford Blue Oval City continues construction of its \$5.6 Billion campus
- FedEx Forum and Simons Bank Liberty Stadium: \$450M Redevelopment/Modernization
- 100 Mainstreet Building: Memphis's tallest Building undergoing a \$261M Renovation
- Fifteen Hotels are planned or under construction in downtown Memphis.
- \$393 Million construction of New Interstate Bridge over the Mississippi River

EDGE Economic Development Growth Engine Memphis and Shelby County

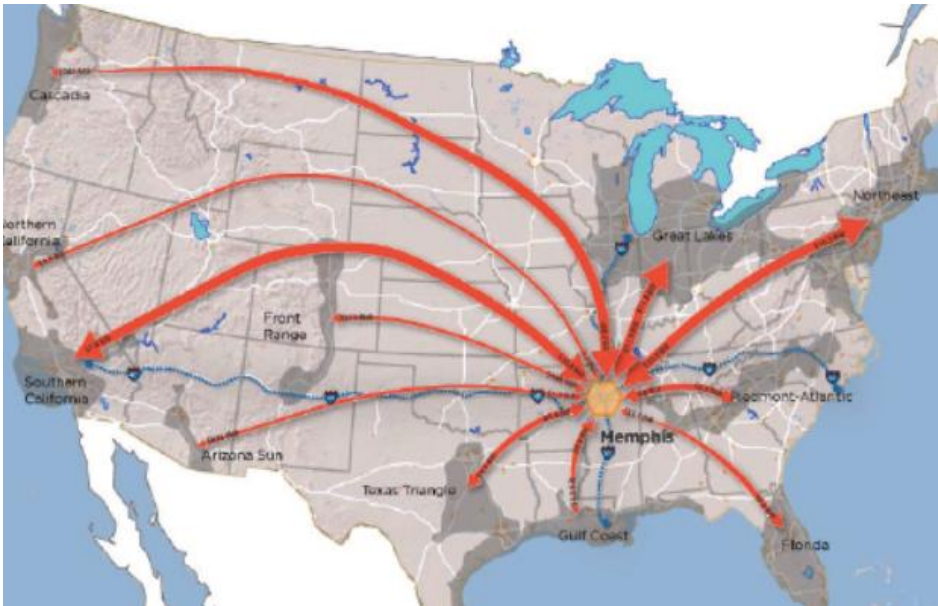


Memphis Apartment Fund

Distribution, Logistics and Intermodal

Memphis Strategic Location

Because of its central North American location; easy access to Canada and Mexico; Memphis is known worldwide for its multi-modal distribution and logistic capabilities. Its access to interstate highways, energy pipelines and strong workforce add to this strength. The Port of Memphis is the central element in that transportation infrastructure because of its location along the Mississippi River.



Memphis Intermodal

Memphis's central location and well-earned reputation as America's Distribution Center have led to unmatched logistics infrastructure. Memphis has:

- The busiest air-cargo airport in North America
- Five Class 1 railways.
- The #3 busiest trucking corridor in USA
- The #5 largest in-land port in the USA.



MEMPHIS BY THE NUMBERS

- 1.3 M population
- 19 colleges
- 3 Fortune 500 companies: FedEx, International Paper and Auto-Zone
- Nike's largest Distribution Centre
- Cost of living 18% below national average
- 2nd most populated area in Tennessee
- 12th top city where millennials are moving
- Over last 8 years, 250 revitalization projects for \$13B
- St Jude's 7 year \$9B expansion



Memphis Housing Affordability Crisis



1. No state in the USA has an adequate supply of Affordable Rental Housing.
 - USA has a shortage of 7.3M affordable rental units.
 - 46% of American renters spent at least 30% of their income on housing including 23% who spent at least 50% of their income.
2. Average US rent has risen 28% over the last five years.
3. Homeownership costs skyrocketed in 2022 pricing out 2.4 million renters.
 - Estimated annual income needed to afford median homeownership costs rose 20%.
 - US housing affordability has continually worsened over the past two decades.
 - Home Price-to-Income reaches record high in Memphis
 - Rental Stock in Memphis is older than it has ever been. Median age was 44 years in 2021, up from 34 years two decades ago
 - Number of low-rent units in the USA has fallen by 2.1 million units in the last decade.
 - Nearly one third of renters had household income under \$30,000/year in 2022;

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- A growing share of the rental stock is more expensive units in larger buildings.
 - New construction is furthering this trend by increasingly targeting the high end of the market. In contrast, the supply of units in small multifamily buildings—which tend to have lower median rents—remains largely unchanged.
 - The rental stock is older than at any other recorded time. In 2021, the median age of renter-occupied homes reached 44 years, up from 39 years a decade earlier and 34 years in 2001.
 - The already limited supply of low-rent and federally subsidized units is also at risk. Indeed, 3.2 million units with rents below \$600 (38 percent) are in at-risk areas. An additional 1.2 million Low-Income Housing Tax Credit units (40 percent) are at risk from environmental hazards, along with 34 percent of project-based HUD units.



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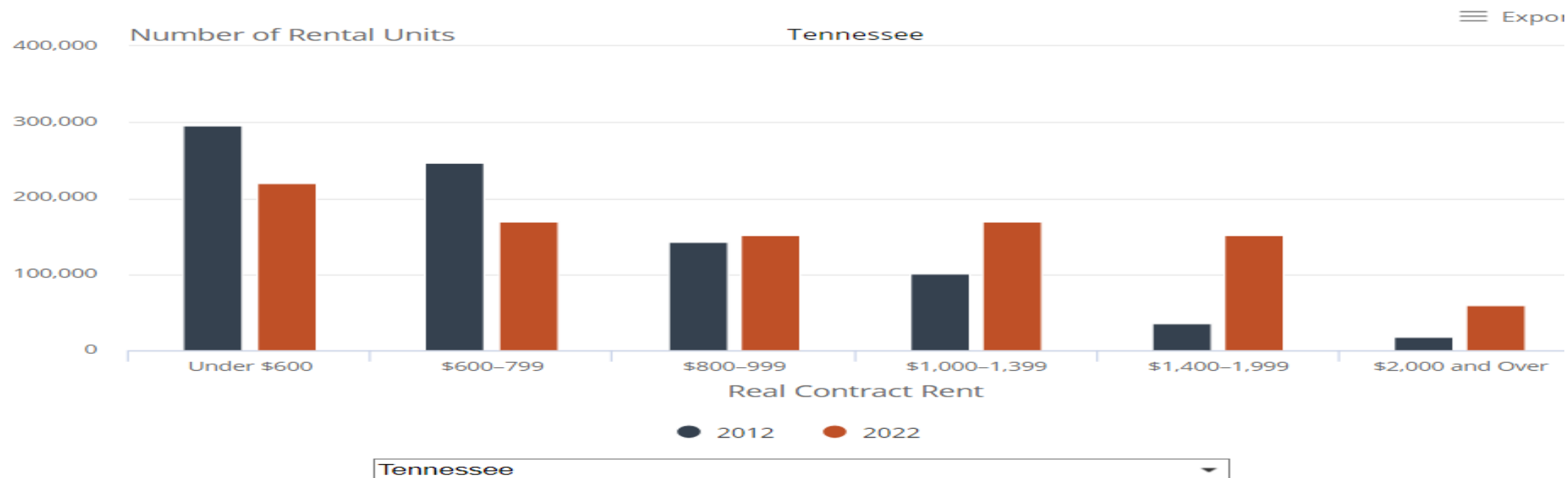
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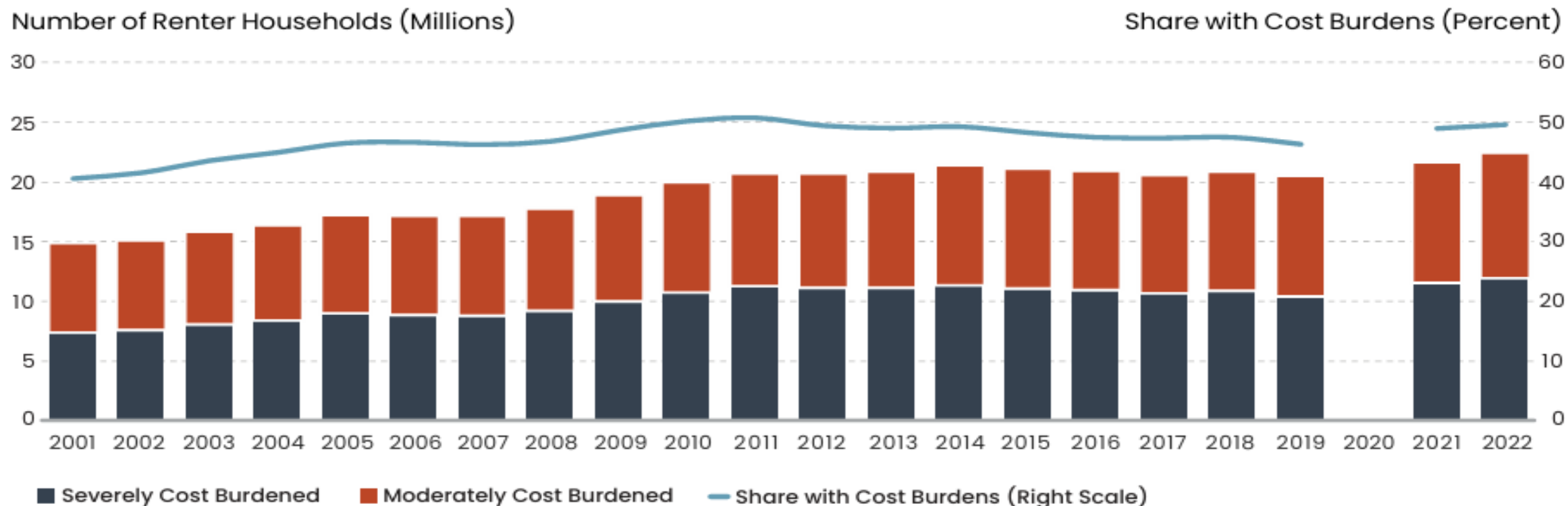
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LOW-RENT SUPPLY IS SHRINKING



USA RENTERS

The Number of Cost-Burdened Renters Hit an All-Time High



Notes: Moderately (severely) cost-burdened households spend 30–50% (more than 50%) of income on rent and utilities. Households with zero or negative income are assumed to have burdens, and households that are not required to pay rent are assumed to be unburdened. Estimates for 2020 are omitted because of data collection issues experienced during the pandemic.

Source: JCHS tabulations of US Census Bureau, American Community Survey 1-Year Estimates.

Memphis Apartment Fund

Characteristics:

- Typical renters are “renters by necessity” and do not have financial capacity for home ownership.
- Limited alternatives mean strong and sustained demand.
- Composed of mostly older (pre-2000 built) garden style, suburban located properties.
- Traditionally performs better (*by measure of rent growth and vacancy*) than higher class properties.
- Single-family/multifamily workforce renters totalled 13.5 million in 2022 (*US Census Bureau*).
- Supply: Limited due to high costs.
- Demand: High due to immigration and wage growth.
- Performance: Consistently outperforms other real estate classes.
- Renters typically do not move often.
- Low Average Cost per unit (\$25,000-\$45,000/unit)
- Renters typically cannot afford to buy houses
- Development size returns without the Development Risks.

The Opportunity



Investing in Essential Housing as an Asset Class

We have identified key USA midsouth markets to **provide clean, safe, and affordable housing** that can prove to be profitable, while filling an endless need where:

- There's ongoing high rental demand and;
- Acquisition costs per rental unit are low.

Memphis Apartment Fund Formula

Purchase Price (Equity): \$25,000/unit
Renovation Cost (Finance): \$30,000/unit
Total Cost: \$55,000/unit

Sale Price: \$85,000/unit

PROFIT: \$30,000/unit
ROE: 50%-100%

Renovation Period: 12-24 months

Proven Track Record

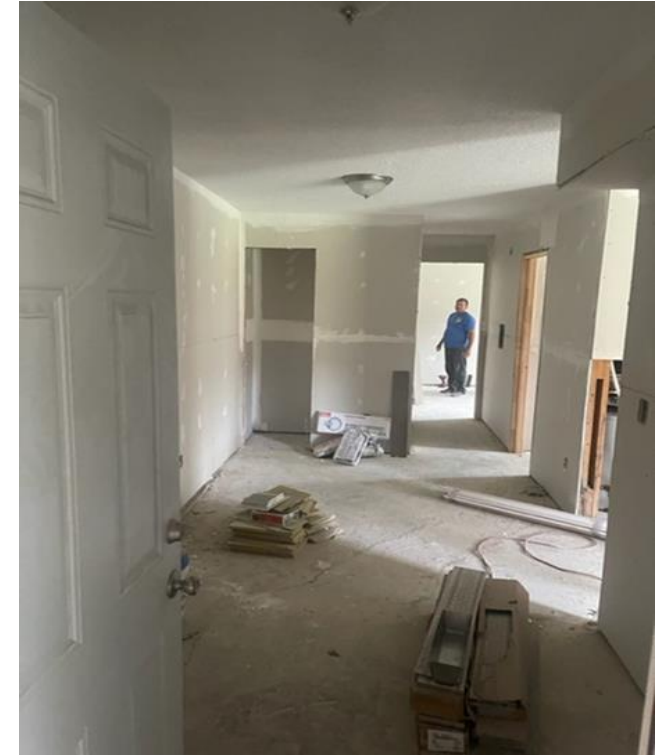
Before Exterior Pictures



After Exterior Pictures



Before Interior Pictures



After Interior Pictures



Proven Management Capability



Phil Wazonek - Lead Manager

- -25+ years in commercial real estate working with various multi-billion dollar companies including Avenue Living Communities, Qualico Developments, Triple Five Corporation, Bentall Real Estate Services and Princeton Developments Corp
- Extensive experience buying, selling, renovating, managing apartment complexes in excess of \$200M
- experienced investor in numerous states in the USA since 2008. Currently living/working fulltime in the USA since 2020
- Extensive experience in cross-border real estate investing
- Former Chairman, Real Estate Insurance Exchange, Advisory Board
- Past President, The Edmonton Inner City Housing Committee
- Former Adjudicator-Appeals, Certified General Accountants of Canada
- Attended Northern Alberta Institute of Technology (Business Administration) and The University of Alberta (Faculty of Commerce)
- Winner US/International Investor of the Year Award, REM Real Estate Magazine, Canada

Proven Management Capability



Thomas Beyer – Co-Lead Manager

- 25+ years of residential rental property acquisition, financing and management of over \$225M
- B.Sc. in Computer Science from the Technical University in Munich, Germany, 1986
- MBA University of Alberta, 1988
- Project management and sales & marketing career at IBM and then IBM Business Partner to 2004
- Long time REIN member, now Honorary Member, multiple award winner (2005-2010, 2011 “Top Player of the Year” and 2011 Michael Millenar Leadership Award for helping and mentoring others)
- Occasional speaker at Ozzie Jurock LandRush, Michael Cambell MoneyTalks, REAG and REIN events
- President of Prestigious Properties Group with \$35M AUM as of winter 2024/2025- \$125M AUM at peak with over 1,200 units in 2015
- Former Director of the UNA (University Neighborhood Association, at UBC in Vancouver, BC), Vice Chair and VP Finance, and re-elected as “resident at large” and then acclaimed 2nd time of a financial sustainability taskforce established by UBC and UNA
- Author of the Book “80 Lessons learned on the Road from \$80,000 to \$80,000,000” and co-author of the bestselling book Real Estate Action 2.0
- Happily married and father of two adult children and Opa to 4 grand children

Memphis Apartment Fund SUMMARY

- Apartment Buildings – high demand and recession proof
- 25+ years making 40 acquisitions with asset value in excess \$146,000,000.00
- Memphis, is a growth market & Tennessee is a pro-business, tax friendly state.
- Low Purchase Price: \$25,000.00 per unit
- Low Sale Price: \$85,000.00 per unit
- Memphis Ownership and Management
- Conservative Leverage
- Proven & Repeatable Concept:

Acquire----Enhance-----Sell