



VF PORTFOLIO I: Phase 2

Multifamily Fund Investment Overview – Denver

Investment Presentation



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VF Portfolio I Overview

We are seeing Denver multifamily properties trade at the same prices as 2015–2019.

The opportunity is now to acquire assets at low basis, with great terms and execute profitable value-add business plans that hedge downside.

The Portfolio will focus on Value-Add Workforce Housing, leveraging VonFinch's relationships, reputation and vertically integrated partnership with our management team in Denver will create powerful returns for investors.

The strategy will be focused on identifying sellers in distress and syndicators needing liquidity.

- **VonFinch believes it can acquire assets at below-market prices** paired with seller financing or provide rescue capital to gain controlling positions.
- **VonFinch will focus on property types and vintages similar to its legacy business** model where it can force appreciation through its proven value-add process.
- **Converting under performing Class C/B- buildings to B+ in Denver** 20–200+ unit properties built in the 1960–1980s vintage

The VonFinch-VareCo Management team combined has executed on 2,500+ Units valued at over \$350 Million dollars of real estate.

The Portfolio Target Returns:

Timeline: 3-5 Years

Equity Multiple: 1.60-2.20x

Average Annual Return: 20-30%

Average Cash Flow: 5-8%

All assets acquired will be operated together for increased management efficiency, with further upside potential selling as a package (not included in underwriting).

[!\[\]\(95b425611cbd2b8716a140cf67c81822_img.jpg\) Link to All Deals Within The Fund](#)



VF Portfolio I Overview

The Portfolio will focus on Value-Add Workforce Housing, leveraging VonFinch’s relationships, reputation and vertically integrated partnership with our management team in Denver will create powerful returns for investors.

Investors in Phase 1 will receive Incentivized Terms for investing early in the fund. Capital will be called upon commitment for each closing. See Fund Documents for details.

Size	\$10M Target Equity \$30M Leveraged Portfolio Value
Life	3-5 Years
Markets	Denver, CO (1)
Status	Open For Phase 1 Investment with Incentivized Terms; Fund Closing Q4 2024
Sponsor	VonFinch Capital
Management	VareCo & LivLavender
Type	Closed Ended Fund
Strategy	Opportunistic Value-Add Workforce Housing Targeting Multifamily Rentals.
Minimum	\$50,000

(1) Up to 25% of the fund capital may be allocated to markets beyond Denver, CO.

The Business Plan

Is targeted at acquiring under-valued, outdated, 20-200 unit Multifamily Properties across Denver to execute a construction focused Value-Add Strategy.

Through acquiring multiple assets, selling them as a Portfolio Package, we anticipate the potential to:

- 1. Increase the size of our buyer pool
- 2. Lower cost of management
- 3. Increase of exit multiple with a lower Cap Rate

Targeted Net LP Returns

Target Hold
Period
3-5 Years

Projected
Annual Return
20-30%

Projected
Equity Multiple
1.6-2.2x

Projected
Cashflow
5-8%

VF Portfolio I

Phase 2: Aligned Success Incentive Structure:

Flexible Investment Minimum with Fee Breaks based on investment amount. Offering an aligned profit share structured that is designed to incentivize management to hold for cashflow, while sharing in upside profits with investors from the value-add forced appreciation.

<u>Investment Minimum</u>	<u>Fees</u>	<u>Performance Incentive Waterfall</u>	
		Profit Split	After 2X Equity Multiple And Return of Capital
\$1,000,000+ Tier	<ul style="list-style-type: none">• 2% Acquisitions Fee• 2% Annual Asset Management Fee	85% to Investor / 15% to Manager	70% to Investor / 30% to Manager
\$250,000+ Tier	<ul style="list-style-type: none">• 3% Acquisitions-Admin Fee• 2% Annual Asset Management Fee	85% to Investor / 15% to Manager	60% to Investor / 40% to Manager
\$50,000+ Tier	<ul style="list-style-type: none">• 3% Acquisitions-Admin Fee• 2% Annual Asset Management Fee	85% to Investor / 15% to Manager	50% to Investor / 50% to Manager



[LINK TO CURRENT ASSETS IN FUND](#)

Why Such Strong Returns?



Why do we Give our Investors 85% of Profits?

Lifetime Relationships is Our Goal.

When you Win. We Win.

This commitment fosters lifetime relationships investors.

Our competitors offer 70% splits vs 85% splits we offer.

A lot of funds today are done by groups without the track record or long-term goals of VonFinch Capital. We're focused on investing together for decades, not years.

Our waterfall structure is focused on knocking it out of the park for investors. When we do, we profit right along side of you. **After we double your money, we begin earning 30% of the profit share, rather than 15%. This aligns our interests with yours**, as we're in it for a win-win. To deliver above average returns.

We're long-term players, with a long-term outlook. We know that when we perform, we'll win your business for years to come.

We are incentivized to improve your returns. When an investor wins big, they tell their friends. We only make a big payday once you have doubled your money.

Comparing The Difference	70% Split	85% Split
Projected Annual Return	17-25%	20-30%
Projected Cashflow	4-6.5%	5-8%
Projected Equity Multiple	1.8-2.2x	2.0-2.5x



Fund Projects

Case Study: Ivanhoe 10

- Purchased in February of 2023 at **\$175k per door, nearly 40% below comparable properties.**
- Construction is nearly complete, with **strong leasing activity** underway.
- Purchased with **4% Fixed-Financing Interest Only for 5 years** from the seller.
- **Investing into the Fund today** benefits from projects like Ivanhoe 10 **as if you invested from day 1**, with less risk based on project progress.
- The fund will **continue to purchase similar projects**, with strong returns.

Mid-Construction



Before-Construction



Fund Projects

Case Study: Colfax 27

- Purchased in May of 2023 at a discount, **\$400K below comparable properties.**
- Construction is ahead of schedule, with **nearly 50% of renovations complete.**
- **Appraised at 2x the purchase price, post construction by the lender,** a conservative credit union.
- **Investing into the Fund today** benefits from projects like Colfax 27 **as if you invested from day 1,** with less risk based on project progress.
- The fund will **continue to purchase similar projects,** with strong returns.

Mid-Construction



Before-Construction



VF Portfolio Deal Team



Steven Pesavento

Managing Principal, VonFinch Capital
Investment Sponsor

Steven is a real estate entrepreneur and Managing Principals of VonFinch Capital. Investing full time since 2016, he's completed over 200 transactions, renovated nearly 100 assets and transacted over \$180M in investment real estate. Steven's investors have entrusted him with over \$50 million of investor capital, delivering solid consistent returns.



Terrance Doyle

Managing Principal, The VareCo
Construction & Property Management

Terrance has directed the growth of VareCo's Denver & Des Moines portfolios through 1,400+ real estate transactions and its current AUM of more than \$230M. Terrance's operational team delivers value through exceptional construction, lending, and brokerage relationships that lead to exceptional returns.

VonFinch-VareCo Track Record

VonFinch Portfolio	Denver	Nationwide	Combined
Market	Denver	Nationwide	Combined
Properties	4	7	11
Smallest Units	10	150	-
Largest Units	278	232	-
Total Units	356	832	1,188
Value	\$19M	\$161M	\$180M

VareCo Portfolio	Denver	Des Moines	Combined
Market	Denver	Des Moines	Combined
Properties	11	10	21
Smallest Units	10	7	-
Largest Units	276	135	-
Total Units	693	733	1,426
Value	\$158M	\$72.6M	\$230.6M

VonFinch-VareCo Combined Total of 2,500+⁽³⁾ Units and \$350+ Million⁽³⁾ of Asset Value.

- **VonFinch** has successfully built a powerful asset management and investor relations division, driving success for our investors and construction partners.
- **VareCo** has successfully built a vertically integrated construction and property management division, driving our collective competitive advantage in the market.

1. Estimated value based on book values, latest appraisals or latest offers.

2. As of year end 2022 including pipeline pursuits under contract and joint ventures property management engagements.

3. Combined value includes the total value & unit count of properties owned by VonFinch & VareCo without double counting co-owned assets.

The Location Denver, CO

Awards and Accolades

Ranked as the top place to live in the U.S. by U.S. News & World Report, the city of Denver is home to over 705,439 residents (as of May 2019). An estimated 2.9 million people live in Denver Metro as a whole, with more people moving to the area each year, **as this number is expected to grow by 12.6 percent over the next five years**, compared to 3.7 percent nationally. Currently 100+ people are immigrating to the city each day. The Denver Metro accounts for over half of the population in the entire state of Colorado, which is **home to an estimated 5.5 million people**.

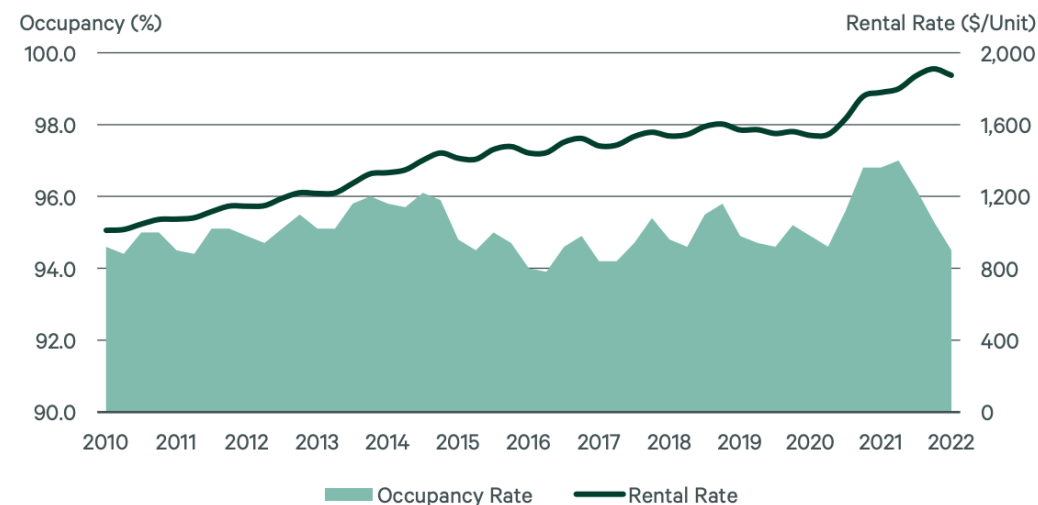
- **#14 Best Places To Live** - U.S. News & World Report 2021
- **#1 State in Employment**- Us & World News, 2022
- **#2 State for Economy in the US** – US & World News, 2022
- **4th Most Desired City to Live for College Grads** - Axios 2022
- **4th Best Place in America for Business** - NBC, 2022
- **#12 Top City for Young Professionals** - Niche.com, 2022

Denver Multifamily Market Overview

- Denver experienced **strong rent growth of 15.7%** over the last 12 months. Looking ahead, CBRE **projects rent growth of 6.2% for the next year.**
- After a recent floor of 3%,** vacancy rose to 3.9% in the 2nd quarter of 2022, the first increase since 2021. Most of this is in less affordable new Class A stock.
- Denver **continues to see growth** which is fueled by strong jobs and population growth, with a lack of affordable housing.
- 55,000 jobs will be created,** as tech companies and startups alike continue to demand skilled labor.
- Metro Denver's housing market has long been undersupplied.** The combined effect of dramatic home price appreciation with the **long running discount for renting vs. owning has been 31.3% or \$457 a month cheaper to rent than to own.**

Denver Market Vacancy

FIGURE 1: Occupancy and Average Asking Rental Rate



Asset Sales By Vintage

FIGURE 8: 2022 Year End Sales Statistics

Vintage	Number of Transactions	Total Units	Sales Volume (\$M)	Avg. Sale Price (\$M)	Avg. Sale Price (\$/Unit)	Avg. Sale Price (\$/SF)
<1970s	165	3,090	704.2	4.3	227,900	330
1970s	55	4,160	963.6	17.7	231,600	306
1980s	14	2,533	717.8	52.5	283,400	337
1990s	6	843	349.8	63.6	414,900	455
2000s	6	1,214	526.7	87.8	433,800	464
2010s	17	2,583	1,121.1	67.9	434,000	482
2020s	19	2,843	1,232.6	64.9	433,600	476
TOTAL/AVG.	280	17,266	5,615.7	20.1	325,200	394

SUBMIT YOUR RESERVATION

Interested In Getting Involved?



- ✓ **Contact Jed at Jed@VonFinch.com**
- ✓ **Or by text/phone at 720-457-5550**



Jed Cooper
Advisor, VonFinch Capital
Investor Relations



Steven Pesavento
Managing Principal, VonFinch Capital
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