

Consistent Cash Flow and Capital Protection with Secured Lending

Confidential Investment Summary

*Regulation D, 506(c)

For Accredited Investors Only



In the next 15 minutes...

Significant opportunity in the marketplace



Massive Demand for
Secured Lending



A Secret Win-Win:
The Strength of
Multifamily



Predictable Cash
Flow & Capital
Preservation



A Perfect Blend



Our Multifamily Expertise

Operational Excellence

- **20-year** Track Record
- Over **\$400M** in Assets Owned
- 20 Complexes; **3,250 Units** Total
- 12%+ Target Preferred Returns
- 17%+ Target Total Return Returns
- **10 Properties Sold** in the Past 24 Months



Our Secured Lending Expertise

Opening the Door to our Prosperity Family

- **\$30M+** in private capital loans in the single family home space
- **1,000+** single-family homes over a 15-year period, leveraging secured loans.



Disclaimer

506(c) Real Estate Offering

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Investors are strongly encouraged to conduct their own due diligence and consult with legal, tax, and financial professionals prior to making any investment decision. This presentation contains forward-looking statements that are based on assumptions and expectations that may not be realized.

The Team Making it Happen



Meet Our Experienced Team

- > 15+ years as a Stockbroker & Registered Investment Advisor
- > Started Prosperity Capital Partners in 2003
- > Delivering double-digit, multifamily real estate-backed investor returns for 20+ years
- > Over \$400M in apartment complex ownership and management
- > Vertically integrated acquisitions, operations, and property management teams



Meet

Randy Lawrence



Vertical Integration

Streamlined Excellence

PCP's in-house property management ensures top-tier efficiency and care, enhancing value-add strategies, reducing costs, and boosting property performance.

This vertical integration allows swift response to market changes and aligns operations with investment goals, driving higher returns for investors.

1

Enhanced Control: PCP's direct oversight ensures faster responses, superior performance, and top-notch financial reporting across all properties.

2

Cost Efficiency: PCP cuts third-party costs, achieving better savings on supplies, vendors, and operations, boosting your bottom line.

3

Strategic Long-Term Growth: PCP's phased management integration ensures sustainable growth, consistent value creation, and effective navigation of real estate cycles.

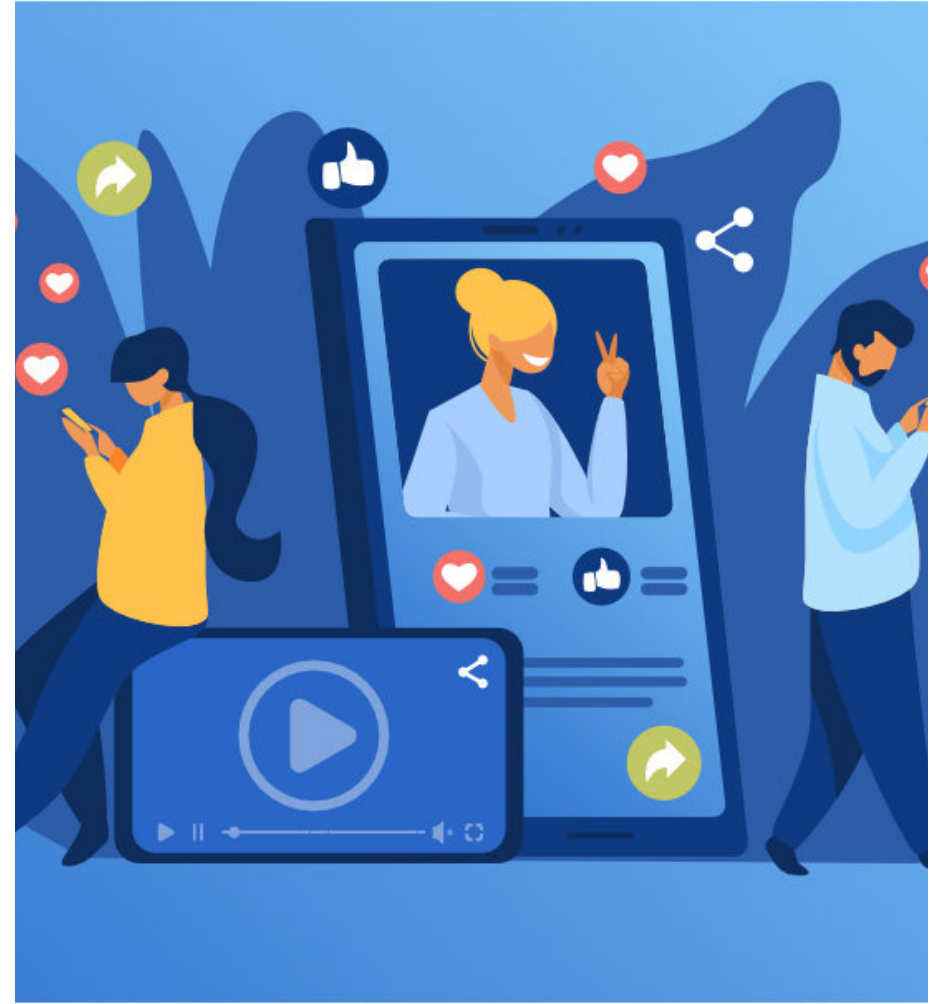
The Moment in Multifamily Real Estate



The Multifamily Market

Ripe With Opportunity

- Media and social media narratives can be misleading.
- Multifamily sector is incredibly fundamentally strong.
- Supported by consistent demand and favorable demographics.
- Temporary financing problems within the space are creating opportunity.





This Moment in Time

The Debt Environment

- Rising interest rates and property valuation adjustments.
- Pressure on property owners and developers.
- Traditional lenders pulling back.
- Alternative financing solutions can negotiate higher yields.
- Increased demand for flexible debt solutions.

The Market Opportunity



Rising Interest Rates

- > Traditional financing is becoming more expensive
- > The debt for alternative debt sources is surging
- > Debt investors can secure higher returns while providing much needed capital

Institutional Shift

- > Major institutional investors moving into the debt space
- > Debt investments becoming a key strategy for consistent income in a volatile economic landscape.

Market Update



Secured, Cash Flowing Assets

- > Unique combination of security and income.
- > Security of senior positions in the capital stack, with predictable cash flow

Multifamily Fundamentals

- > Strong, ongoing demand driven by urbanization and housing shortages
- > Historically strong performance well during economic downturns.





What is the Secured Opportunities Fund?



Investment Overview

The Secured Opportunities Fund

- **9% Preferred Return:** Investors enjoy a solid 9% preferred return, ensuring consistent income.
- **Quarterly Distributions:** Investors can count on consistent cash flow payments each quarter
- **Income Preference:** The fund provides capital preservation and reliable income – at a time when both are difficult for investors to secure.

Investment Overview

The Secured Opportunities Fund

- **24-Month Commitment:** The investment has a 24-month investment period, providing a stable investment horizon.
- **Experienced Management:** Invest with a firm with 20 years of experience providing consistent double-digit returns with the asset class



Capital Stack, Explained



THE CAPITAL STACK

The hierarchy of financial claims on a real estate investment. It is structured in layers, each representing different levels of risk and reward for investors

HIGH RISK
HIGH
REWARD



LOW RISK
LOW
REWARD



COMMON EQUITY

Highest risk, potentially highest rewards

Highest Risk: Last in line for repayment, bearing the most risk.

Potential for Highest Rewards: Offers the greatest upside, with returns dependent on successful performance.

Residual Claim: Receives payment only after all debts and preferred equity are satisfied.

PREFERRED EQUITY

Higher Risk, Higher Reward

Fixed Returns: Offers steady returns with moderate risk.

Middle-Tier Risk: Positioned below all debt but above common equity.

Preferred Payout: Receives distributions before common equity, offering some downside protection.

MEZZANINE DEBT

Moderate Risk, Moderate Reward

Balanced Risk-Reward: Offers higher returns than senior debt with moderate risk.

Secondary Claim: Paid after senior debt but before equity investors.

Moderate Security: Positioned above equity, providing a reasonable level of protection.

SENIOR DEBT

Lowest Risk, Modest Reward

Lowest Risk: First in line for repayment, minimizing exposure to financial losses.

Priority Claim: Receives payments before all other capital stack layers.

Strong Capital Protection: Backed by the highest level of security, reducing default risk.

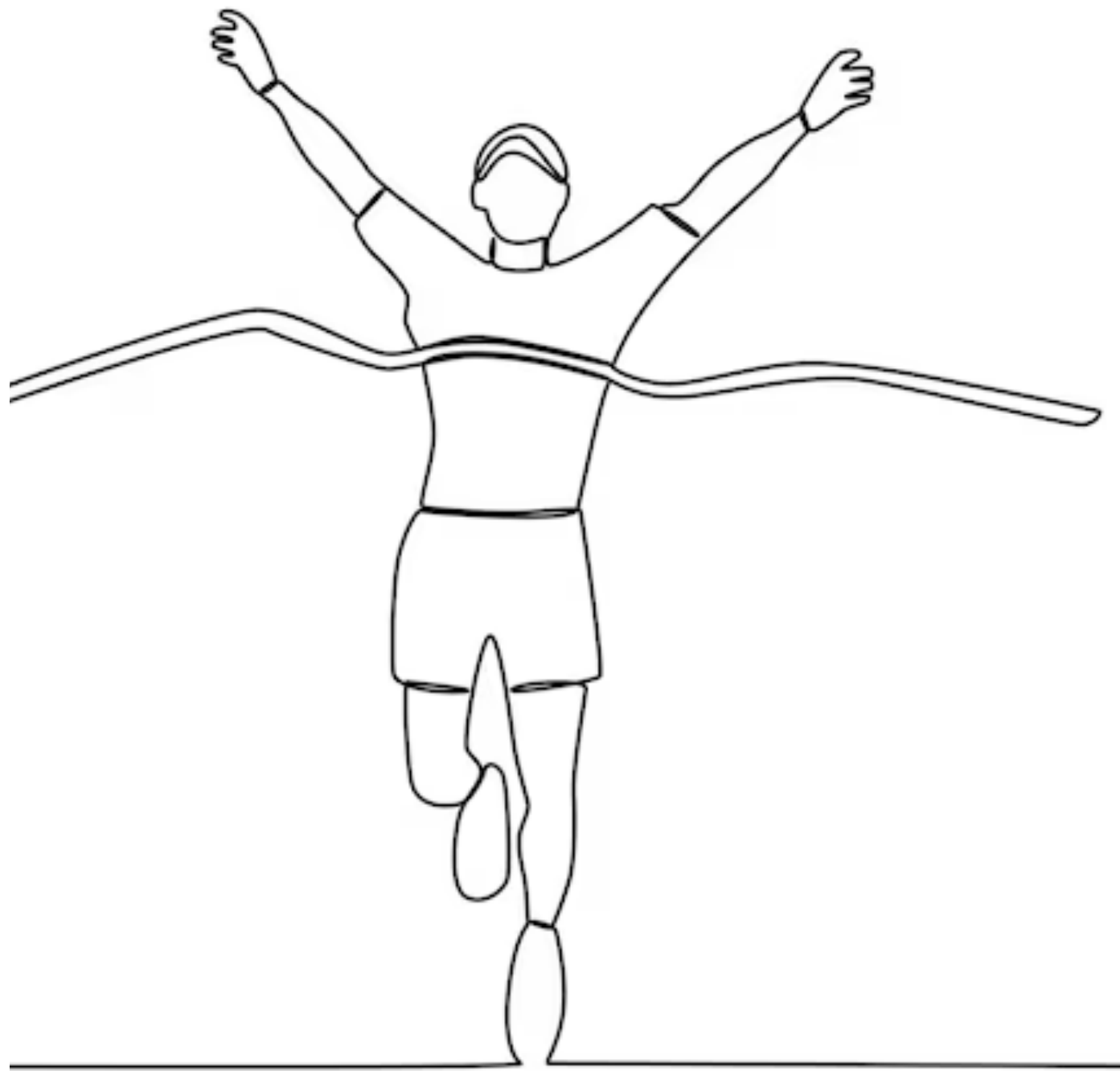
What This Means for You



First in Line

Priority in Payment

Debt investors hold a senior position in the capital stack, receiving payments first—whether it's interest or principal—providing stronger security compared to equity investors. In the event of financial distress or sale, debt investors are paid out before equity holders, offering a protective buffer for their capital.



Higher Security for Lending Investors

Risk Mitigation

The senior position gives debt investors priority on cash flows and sale proceeds, reducing risk. Even if asset values drop or the borrower defaults, debt investors' claims come first, making debt investments inherently lower risk than equity investments.



Cash Flow You Can Count On

Predictable Income Stream

Debt investors enjoy a predictable income stream, with interest payments typically made on a regular schedule, offering consistent returns—particularly appealing in volatile markets compared to equity investments.



Backed by Real Assets

Collateralization

Loans in the debt fund are secured by senior real estate assets, providing added security. In case of default, the underlying asset can be liquidated to repay the debt, protecting investor capital.



Our Underwriting Strategy





3 Simple Steps

Our Investment Process

- **Step 1:** Rigorous Screening and Underwriting
- **Step 2:** Enhancing Value with Strategic Lending
- **Step 3:** Exit When Capital Is Returned

Our Underwriting Strategy



Commercial Property

A stabilized 75-unit apartment complex with an \$8.5 million valuation, offering significant equity protection and short-term returns through value-add improvements.



Small Commercial Fix and Flip

A 12-unit commercial property bought for \$700,000, renovated over six months, and resold for \$1.1 million, generating quick returns through value-add improvements and property cash flow.



Residential Fix and Flip

A small property purchased for \$400,000, quickly renovated to generate immediate rental income, and resold for \$600,000, offering fast, profitable returns in active residential markets.



Commercial Property

75-unit apartment complex In southeast market

- Deal Structure:

- Valued at \$8.5 million with a \$3.5 million equity cushion.
- Loan goes in behind the first loan, providing a **\$3 million equity buffer**.

- **Short-term loan** (up to 12 months) for additional value-add projects.

- Benefits:

- Proven operator.
- Great security and return paid by **cash flow**.
- Significant **equity protection**.



Small Commercial Fix and Flip

12-unit property purchased for \$700,000

- **Deal Structure:**

- Purchasing small commercial property,
- Renovating over 6-month period
- Resell for \$1.1 million.

- **Benefits:**

- High potential for short-term appreciation with a quick turnaround.
- Secure returns, backed by property cash flow during the renovation period.
- Ideal for properties requiring minor upgrades and immediate resale at a higher price.





Residential Fix and Flip

Direct-to-Owner purchase for \$400,000

- **Deal Structure:**

- Fast renovation timeline, generating immediate cash flow from rents
- Resold for \$600,000.

- **Benefits:**

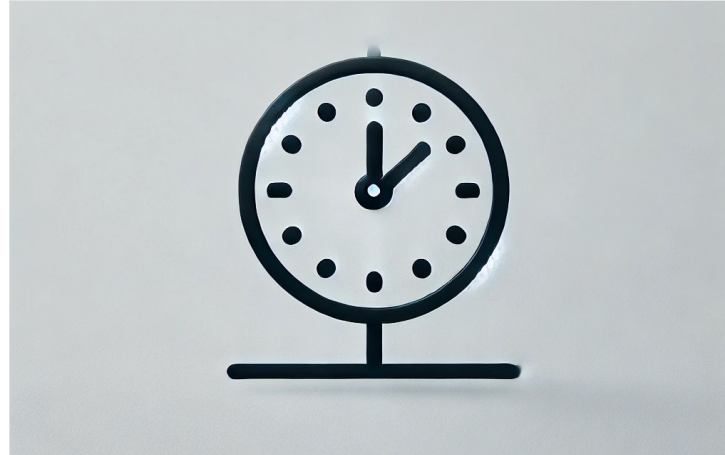
- Lower entry cost compared to commercial properties, with a focus on speedy, profitable turnovers.
- Secure, consistent returns from value-add and immediate resale potential.

Key Advantages of These Property Types



Increased Security

All loans are backed by significant equity buffers.



Short, 12-Month Term

Loans typically under 12 months.



Consistent Cash Flow

Strong returns paid by property cash flows.



Why Invest Today?

The Secured Opportunities Fund

- Seasoned Secured Lending Experts
- Truly Passive Income
- Lower Risk, Consistent Cash Flow
- Tax Efficiency
- Inflation & Recession Resistance

Ready to Invest?





pcpre.net/go



Thank You!

I look forward to partnering with you
on this opportunity.

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