

INVESTMENT OBJECTIVE

The investment objective of the OAI Capital Real Estate Fund is to grow capital through the investment in distressed commercial real estate in the U.S. The secondary investment objective is the generation of current income. Management of the Fund believes certain sectors of the U.S. commercial real estate market are experiencing steep declines in asset values due to higher interest rates, tight credit markets, remote work, office downsizing and a difficult environment for many retail chains.

RCG ADVANTAGES

People Lead portfolio Manager is Shawn Ridley, a 5-star Morningstar rated manager with over 35 years of consistent success in managing private investment funds, mutual funds, institutional funds, and high-net worth portfolios. The investment team has over 150 years of professional experience.

Process OAI Capital implements a rigorous investment process with a focus on distressed high quality commercial real estate properties that is (or will) generate high current income and long-term capital growth.

Performance Management of the Fund is performance oriented, with a goal of avoiding losses while seeking positive annual returns. This is the 5th private investment fund managed by the lead manager, and the second fund focused on distressed commercial real estate (that fund was launched during the last real estate downturn in 2010).

Deal Access The OAI Capital management team has unique relations throughout the country with banks, commercial real estate firms and other real estate funds which will provide a high level of deal flow.

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THE FUND

The OAI Capital Real Estate Fund is a private investment fund with an investment objective of long-term growth of capital and to generate a relatively high level of current income. To achieve its investment objective the Fund will invest in distressed commercial real estate assets that represent a discount to its long-term intrinsic value. The Fund will focus on existing or in-development commercial real estate properties that are incurring significant financial stress.

INVESTMENT THESIS

\$1.2 trillion of “potentially troubled” commercial real estate (“CRE”) loans are maturing by the end of 2025, while an estimated \$25 billion of CRE loans are currently in default. These forecasts are driven by rising office vacancies due to remote work migrations; tighter credit standards; higher equity to debt ratios, declining fundamentals for brick & mortar retail, and a tidal wave of maturities of CRE loans.

PORTFOLIO STRATEGY

The Fund intends to focus primarily on secondary and tertiary metro areas – pro team markets – that maintain strong demographics. Portfolio constructions will focus on “speed to income,” with >40% of portfolio acquisitions generating positive cash flow upon. We anticipate adaptive re-use projects that will generate cash flow within 18 months to represent another 40% of the portfolio, while in-progress developments (multi-family, adaptive re-use) will represent 20% of portfolio assets and will not be expected to generate positive cash for up to 36 months.

The focus of the Fund is acquiring commercial properties at values considered distressed in normalized conditions. Management of the Fund understands certain properties will require meaningful capital for renovations, adaptive re-use projects or resurrecting failing multi-family developments.

The Fund expects to utilize a wide range of financial structures when investing capital in portfolio properties to achieve its long-term investment objective of long-term growth with a competitive level of current income.

FUND TERMS

Subscriptions:	Open
Remittances:	Quarterly
Liquidity:	3-year lock-up
Preferred Rate to LP:	8.0%
Waterfall:	L.P. = first 8.0%
	80% LP/ 20% GP

DISCLAIMERS

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