

INVESTMENT THESIS & STRATEGY

ABOUT INVESTORS FIRST CAPITAL (IFC),

IFC, founded in 1994, is comprised of a strategically assembled and uniquely qualified team that can quickly source out and assess opportunistic value-add assets that meet its criteria to generate unprecedented returns.

Our team includes a 45 year veteran developer and investor with a proven track record, a nationally renowned economist and strategist, a seasoned Wall Street financier who has owned and operated over \$2 Billion of commercial real estate assets; astute acquisitions directors, a seasoned CRE marketing veteran with 18 years experience along with a supportive team all with an ownership stake.

With a combined 150 years of experience within the primary principals, we have the experience required to produce impressive results garnering up to 4X returns.

Our team has expertise in development, construction, management, leasing, financing, acquisitions, dispositions, investment analysis, research and marketing. We operate on the tenets of integrity, reputation and results.

Our proven long-term and short-term strategies allow us to leverage our reputations and relationships to secure the best deal and offer our equity partners the capability to acquire low risk investments that generate high returns. We rely on our results-driven methodology to outperform the market and typically even exceed our own projections. We always employ a budget-conscious lens to our projects to maximize returns by making improvements to our properties that enhance and offer beautifully redesigned spaces for our tenants.

Our capital partners can rest assured that when an opportunity is presented, it will have been pre-qualified to be of the lowest risk profile whilst delivering the intended ROI.

We sit at the nexus of preparation and opportunity. Some call it luck but we call it intellectual prowess, unique abilities, specialized knowledge, unparalleled hands-on property management & asset management, exceptional market knowledge and diligence.

Fundamentally IFC rises above the fray to see opportunities when others do not.

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INVESTMENT THESIS

IFC, and affiliated companies, invest in opportunistic/value added properties by acquiring assets that will produce at least 2x returns. IFC is uniquely qualified to find the diamonds in the rough, taking advantage of its experience, know how and unparalleled capabilities to see opportunities when others do not.

Essential elements that we attribute to our proven track record and success is our, exceptional judgment, vision, penchant to be conservative, always focusing on the downside and properly and realistically assess the risk profile and recognize that not all distressed assets can be saved..

Most important to the eventual outcome are five major considerations;

- Physical characteristics of the property
- Marketing strategy
- Competition
- Competent management during the turnaround period
- Cash flow during the work-out period

SHORT TERM STRATEGY

The asset classes we seek are multi-tenant office buildings, anchored shopping centers and apartments. The properties holding period is intended to be 18 to 36 months. The qualifiers include, but not necessarily limited to, at or below 40% of replacement cost, at or below 40% of market rental rates, at or below 40% of replacement cost rents, typically under 75% occupancy, WALT of 2 years, 30 years old or more, with deferred maintenance, dated and/or architecturally unappealing curb appeal, in need of upgrading, neglected by ownership, absent or ineffective marketing, financial distress and very poor management.

The property locations must pass our test of being in "good", structurally sound condition, stable or improving market, relatively middle to upper-middle household income, solid residential housing in close proximity, dense retail and abundant eateries, low crime, convenient transportation in the immediate area, generally good schools and the highly confident belief through research and analysis that we will achieve the desired ROI. Finally, in terms of the debt profile, we seek financing not in excess of 50% of the purchase price that also includes additional proceeds necessary to make all planned improvements.

SHORT TERM CRITERIA

- Asset classes: office buildings, shopping centers, office-flex and apartments.
- Locations: Western U.S. in major metropolitan cities/sub markets and Southeast Florida.
- Opportunistic/value added properties. Typically pre-2000 construction.
- Under 40% of replacement costs.
- Needs rehabbing, renovation, improvements inside and out, can be 70% or less leased.
- \$15 million to \$100 million.
- 18 month to 30 month hold.



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INVESTMENT THESIS & STRATEGY

LONG TERM STRATEGY

The asset classes we seek are multi-tenant office buildings and anchored shopping centers. The hold period is planned for 8 to 10 years. The qualifiers include, but not necessarily limited to, at or below 50% of replacement cost, at or below 75% of market rental rates, at or below 50% of replacement cost rents, 10 years or less since built, excellent condition with minimally anticipated capital expenditures, architecturally & aesthetically appealing, at least Class B+ asset, occupancy no less than 90%, stable income stream with low tenant rollover exposure, no leased space that if vacated would attribute more than 8.0% loss in the total gross income, WALT of 4 years and with limited significant income degradation such as caps on rental increases, tenant lease options to renew that prohibit the ability to continue to increase rental rates, unless very low financial impact, expectation that rents will double during the hold period, and the determination that any projected future tenant improvements will be limited.

The property locations must pass the test of being a minimum of 'very good' condition, improving area with steady growth forecast, above average regional household incomes, executive housing in close proximity, vibrant retail shopping centers and eateries, low crime, good to very good schools and the highly confident belief through research and analysis that we will achieve the desired ROI. Finally, in terms of the debt profile, we seek financing not in excess of 50% of the purchase price and to provide for set-aside reserves so funds are in place should any needed improvements be required.

LONG TERM CRITERIA

- Asset classes: Class "A" office buildings, shopping centers and soffice-flex.
- Locations: Western U.S. in major metropolitan cities/sub markets and Southeast Florida. Suburban or CBD.
- 100,000 SF, minimum class B+.
- \$20 million to \$100 million in excellent condition, predominantly leased, post 2015 construction.
- 50% or less then replacement costs.
- 90% + leased.
- +/-10 year hold.

"Do your homework to uncover distressed opportunities, manage them to health, and sell them off for a bundle"

- Sam Zell



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