

DOMUS US MULTIFAMILY REAL ESTATE FUND



Ventana Palms, Phoenix, Arizona - 160 Apartments

DOMUS US MULTIFAMILY REAL ESTATE FUND – INVESTMENT HIGHLIGHTS

- * IRR OF 25%+ OVER A 5 YR PERIOD
- * EQUITY MULTIPLE IF 1.81X OVER A 5YR PERIOD
- * FINANCED BY LONG TERM (35YR) non-recourse US Government guaranteed (HUD) DEBT
- * INVESTORS REPAID ON REFINANCE AN ESTIMATED 100% OF ORIGINAL INVESTMENT (AT 18-24MTHS)

8 ASSET MULTI-STATE PORTFOLIO - FEATURES

Domus offers investors an opportunity to invest in geographically diverse a portfolio of 8 value-add properties comprising 1296 apartments located across 4 states in the US (Arizona, Utah, Oregon and Colorado). These are markets with some of the highest jobs and population growth trends in the US and allows investors to access high quality real estate investment in a strengthening US economy.

INVESTMENT STRATEGY

Working with US based operating partner, Geringer Capital, targeting an IRR exceeding 25%, an equity multiple of x1.81 over a 5-year hold period and delivering secure income, the investment strategy broadly comprises,

- acquiring the portfolio using floating rate acquisition short term debt;
- immediately undertaking value add improvements to increase rental income;
- following improvements to the apartments, re-financing the assets using low fixed rate (currently at around 3.4%pa), long term (up to 35 yr.), non-recourse US Government guaranteed debt under the HUD Program.

This will offer investors the following key benefits based on implementation of the acquisition and financing strategy, namely:

- **repayment to investors an estimated 100% of their original investment in approximately 18 - 24 months' time on the refinance, in addition to all accrued preferred return, and probably some profit**
- delivering recurring income supported by positive long-term fundamentals of US multifamily real estate and further enhanced by the strengthening US economy
- above market returns driven by an already proven value add strategy and underpinned by the high demand for rental apartments in the portfolio sub markets
- an opportunity to benefit from historically low fixed rate US Government guaranteed debt which is not readily accessible to individual investors and which is only available for large scale US multifamily assets: both Wells Fargo and US Prudential have reviewed the portfolio projections and indicated our HUD loan in 24 months would be in excess of US\$192m
- a US asset management team that has extensive experience with large scale US multifamily projects and a well-established track record of obtaining US Government, guaranteed debt for large scale multifamily assets.

INVESTMENT SUMMARY

Acquisition Price	US\$161m
Portfolio yield on acquisition	5.74%+* * this assumes the 8th asset (Ventana) PP at a 5.5% whereas actual yield on close due to rent increases is now 6.8%
Equity Multiple	x1.81
Projected IRR	25%+ over 5yrs
Bridge Finance Terms	6.67%* with LTV @ 86%** on acquisition * blended senior+mezz and part deferred so cash flow positive ** LTV across the 8 assets in the portfolio
HUD finance (non-recourse)*	3.4%-4.2%pa**: fixed for 35 yrs: LTV: 80%-82.5% * estimated loan sizing of US\$192M (estimated by lenders) after 18-24 mths. **Current HUD rates are subject movement of 10 yr US Treasury Bond Yield
Distributions	100%+ of invested amount repaid within 18-24 mths + Quarterly cash distributions from NOI after 18/24 mths + Profits on sale of assets on Fund expiry



Waterstone, Mesa, Arizona - 296 Apartments

KEY DATES & TERMS

THIS EQUITY RAISE	Up to US\$21.5m
MINIMUM SUBSCRIPTION	US\$250K
SUBSCRIPTION APPLICATIONS DUE:	Now closed
SUBSCRIPTION AMOUNTS DUE:	Now closed

* The Trustee has the discretion to accept subscriptions for less.

IMPORTANT NOTE:

MAKING AN APPLICATION

- * APPLICATION FORM ATTACHED TO INFORMATION MEMORANDUM
- * EMAIL COMPLETED APPLICATION FORM TO LES KOLTAI AND CC ETICORE
- * COMPLETE A WHOLESALE INVESTOR DECLARATION FORM ATTACHED TO THE IM IF REQUIRED

PLEASE NOTE:

APPLICATIONS RECEIVED FROM INVESTORS ARE ON A FIRST COME FIRST SERVED BASIS, AT THE DISCRETION OF THE TRUSTEE.

TO REQUEST A COMPLETE INFORMATION MEMORANDUM AND APPLICATION FORM, PLEASE CONTACT:

Les Koltai

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ABOUT LS GLOBAL ADVISORS

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