

# HillPointe Update:

## 3Q24 Operations Update

This confidential investment briefing is an overview of our current funds and does not constitute an offer.



CONFIDENTIAL

# A love letter from our attorney...



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### Investment Profile

**Asset class:** Workforce multifamily fund.

**Geography:** Multiple projects, primarily in FL, GA, and SC.

**Strategy:** Development.

Fund only open to large investors with investments over \$5 MM.

### Investment Metrics

- Expected 6-7-year hold.
- 20% LP IRR projected; ***Prior history suggests potential for sizeable upside.***
- *Earlier funds by sponsor delivered 30%+ to LP.*
- NDF5 investment: \$3 MM.

# HILLPOINTE

Multifamily development fund, focused on the Southeast



## Sponsor

- HillPointe is exclusively focused on work force apartment development in SE US.
- Extreme cost advantage – can build new units at ~\$150-170K/door vs. competitors at \$220-240K+/door.
- Can sell finished units at \$200-250K+.
- Vertical integration is key advantage, esp. in current supply chain environment.

## Description

- Focus on Southern States (e.g., FL, GA, SC, TN, AZ). Build 20-24 apartment complexes.
- Off-market, open to repeat investors only.
- Ironton also invested in NDF4, NDF5 and in a dedicated fund dedicated to HillPointe.

# HILLPOINTE

Multifamily development fund, focused on the Southeast



## 3Q Update

- 21 investments to date.
- Initial rent underwriting in-line with current rents achieved by 10-20 yr old product and 15-25% discount to newly built.
- All projects pro forma with conservative assumptions to achieve 8%+ yield on cost (e.g., cap rate).
- These assets are selling at 5.25-5.50% cap rates, so still good spreads.
- Four projects are open and in lease-up.
- On average, rents at pro-forma.
- 17/21 projects in construction; all are at least on-time, and a few are ahead. Generally, on budget.
- Leased up projects in Fund II and III are getting refinanced at 30% occupancy with meaningful returns of capital.
- There are four projects that could be refi candidates by 4Q25

# HILLPOINTE

Typical look, from earlier fund. HillPointe projects are standardized to look alike.



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Typical look, from earlier fund. HillPointe projects are standardized to look alike.



# HILLPOINTE

Pointe Grand at Heath Brook (Ocala, FL) in September 2023





# HILLPOINTE

Pointe Grand at Watson Blvd in September 2023



# Ironton Capital – Current Funds Overview

For Accredited Investors for Informational Purposes Only – Not an Offer to Invest



	National Diversified Funds (NDFs)	Short Term Income Funds (STIs)	Medium Term Income Funds (MTIs)	Single Asset Funds
Sector	<ul style="list-style-type: none"> <li>Real Estate</li> </ul>	<ul style="list-style-type: none"> <li>Real estate (~80%)</li> <li>Medical Receivables (~20%)</li> </ul>	<ul style="list-style-type: none"> <li>Medical Receivables</li> </ul>	<ul style="list-style-type: none"> <li>Mainly Real Estate</li> </ul>
Target Returns	<ul style="list-style-type: none"> <li>16%+</li> <li>5-6 year timeline</li> </ul>	<ul style="list-style-type: none"> <li>8-9%</li> </ul>	<ul style="list-style-type: none"> <li>11-13% fixed (based on assets under management AUM)</li> </ul>	<ul style="list-style-type: none"> <li>15-20%</li> <li>1-5 year timeline</li> </ul>
Liquidity	<ul style="list-style-type: none"> <li>Cash distributed as individual projects cash flow</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly dividends</li> <li>Principal back with 30-day notice</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly dividends</li> <li>Access to principal after one year lockup</li> </ul>	<ul style="list-style-type: none"> <li>Varies</li> </ul>
Fund Size	<ul style="list-style-type: none"> <li>\$10-20M</li> </ul>	<ul style="list-style-type: none"> <li>\$200M+</li> </ul>	<ul style="list-style-type: none"> <li>\$100M+</li> </ul>	<ul style="list-style-type: none"> <li>\$1-10M</li> </ul>
Individual Investments	<ul style="list-style-type: none"> <li>10-15</li> </ul>	<ul style="list-style-type: none"> <li>200-400</li> </ul>	<ul style="list-style-type: none"> <li>25,000+</li> </ul>	<ul style="list-style-type: none"> <li>Varies</li> </ul>
Tax Advantages	<ul style="list-style-type: none"> <li>Targeting depreciation tax shelter</li> </ul>	<ul style="list-style-type: none"> <li>REIT income treatment</li> </ul>	<ul style="list-style-type: none"> <li>No tax advantage</li> </ul>	<ul style="list-style-type: none"> <li>Varies</li> </ul>
Min Investment	<ul style="list-style-type: none"> <li>\$50K</li> </ul>	<ul style="list-style-type: none"> <li>\$50K</li> </ul>	<ul style="list-style-type: none"> <li>\$50K</li> </ul>	<ul style="list-style-type: none"> <li>\$50K</li> </ul>

# Thank you for your investment!



**We would love to hop on the phone with you and answer all your questions!**

Please use this direct link to book a 15 minute call with our Investors Relations Team. If you want to talk to a particular team member, you will be able to choose their name from the dropdown menu and find a time that fits your schedule.

<https://ironontoncapital.com/booknow>

## **What is your family's favorite charity?**

The GP's have donated over \$250,000 to these charities in the past five years. We are excited to give more as we succeed together. We plan to donate at least 10% of our profits either to local charities, or non-profits chosen by the limited partners so let our IR team know your family's favorite charity!

