



# Bloomington Collection

Value-Add Workforce Housing · South-Side Submarket · Unified Two-Property Acquisition

132-Unit Stabilized Multifamily Investment — Bloomington, Indiana

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# Executive Summary

## A Below-Market Entry into a University-Anchored Workforce Housing Market

Focused Capital presents Bloomington Collection: a unified acquisition of two adjacent, stabilized multifamily communities totaling 132 units on Bloomington, Indiana's south side. Hazel Briar Court (70 units, 1997) and Walnut Springs (62 units, 1995) sit on the same street, share the same workforce tenant profile, and will be operated as a single institutional-quality asset under consolidated management from day one.

The acquisition is being made at \$14.7M (\$111k per unit, significantly below replacement cost) with in-place rents averaging \$1,104 per unit against a current market of \$1,294. That \$190 gap is not a vacancy problem or a distress story. It is a product of passive ownership, underdeveloped marketing, and deferred operational attention. Focused Capital's execution-driven approach, combined with the immediate economies of scale available across a co-located 132-unit platform, is purpose-built to close it.

The broader thesis is equally compelling: Indiana University Bloomington (with record enrollment of 48,626 students, over \$1 billion in annual research expenditures, and a direct employment base of approximately 13,000) functions as a structural demand floor for workforce rental housing in a market where new conventional supply remains severely constrained.

**\$5.01M**

Offering Size

**1995 - 1997**

Year Built

**132**

Total Units

**\$200,000**

Min. Investment

**17.8%**

LP IRR (Projected)

**6.29%**

Avg. Cash-on-Cash

**2.15x**

LP Equity Multiple

**5 Years**

Hold Period

**\$14.7M**

Purchase Price

**\$111k**

Price / Unit

**7.25%**

Entry Cap Rate

**\$77,151**

Avg. Household Income

# The Asset

## Strategic Objective

Bloomington Collection represents an opportunity to establish a scaled, institutional-quality multifamily position in a structurally undersupplied workforce housing submarket; acquired at a basis that conventional value-add operators cannot access through new development. By assembling two adjacent assets under a single operational platform, Focused Capital secures immediate economies of scale, consolidated management leverage, and a unified capital improvement program across 132 units that would be prohibitively inefficient to execute on either property individually.

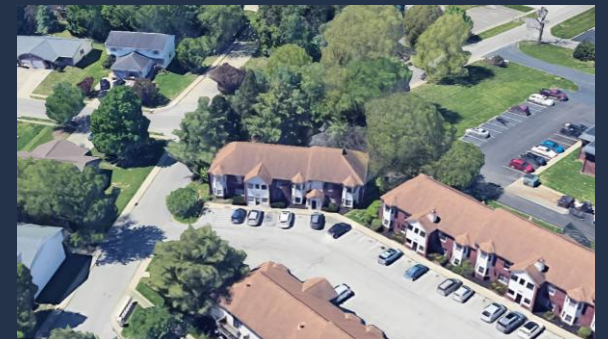
## Aggregation Advantage

The co-location of Hazel Briar Court and Walnut Springs on the same street is not incidental: it is the structural foundation of the investment thesis. A single leasing team, a shared maintenance infrastructure, unified vendor relationships, and a coordinated renovation schedule compress per-unit operating costs from the first month of ownership. This operational consolidation, paired with a \$219/unit rent gap to market, creates a dual-engine return profile: immediate cash flow efficiency and sustained NOI growth through disciplined rent normalization.

## Previous Ownership & Acquisition Context

Hazel Briar Court is currently managed by Renewing Management (whereumatter.com). Walnut Springs is currently managed by Birge & Held. Following acquisition, Focused Capital plans to consolidate management of both properties under one of Indiana's largest multifamily operators with a portfolio exceeding 30,000 units, Birge & Held. The acquisition is being sourced off-market at pricing that reflects passive ownership of stabilized assets — not distress, not deferred capital, and not structural vacancy. The \$14.7M purchase price represents a meaningful discount to replacement cost, which is estimated in the range of \$160,000–\$180,000 per unit for comparable 1990s vintage product in the Bloomington market.

Item	# Units
Hazel Briar Court	3225 S Walnut Springs Drive, Bloomington, IN 47401   70 units   Built 1997
Walnut Springs	3296 Walnut Springs Drive, Bloomington, IN 47401   62 units   Built 1995
Asset Class	Class B Workforce Housing — Garden Style
Current Management	Hazel Briar: Renewing Management   Walnut Springs: Birge & Held
Planned Management	Birge & Held (both properties post-acquisition)
Purchase Price	\$14,700,000 (\$111,364/unit)
Replacement Cost Est.	\$160,000–\$180,000/unit
In-Place vs. Market	\$1,104/unit (in-place) vs. \$1,294 /unit (market) — \$190 gap
Occupancy (T-12)	~97%
Investment Structure	Reg D 506(c) — Accredited Investors Only



# Capital Stack

## Sources & Uses

	% of Total	\$	\$/Unit
<b>SOURCES</b>			
Bank Loan	70.5%	\$11,959,000	\$83,523
LP Equity	29.5%	\$5,009,773	\$34,861
<b>TOTAL SOURCES</b>	<b>100%</b>	<b>\$16,968,773</b>	<b>\$126,717</b>
<b>USES</b>			
Acquisition Price	86.6%	\$14,700,000	\$111,364
Closing Costs	3.4%	\$578,529	\$3,840
Renovation / CapEx	8.1%	\$1,375,000	\$8,333
Operating Reserves	0.6%	\$94,744	\$1,509
Acquisition Fee (1.5%)	1.3%	\$220,500	\$1,670
<b>TOTAL USES</b>	<b>100%</b>	<b>\$16,968,773</b>	<b>\$126,717</b>

## Debt Structure

Item	Detail
Loan Structure	Single Bank Loan — \$11,959,000
LTV (Loan-to-Value) LTC (Loan-to-Cost)	~72.0% ~70.5%
Interest Rate	6.85%
Interest-Only Period	24 months
Amortization	30 years
DSCR (Year 1 Proforma)	1.47x
Recourse	Full recourse — bank debt

# Capital Stack

## Investment Timing

Milestone	Timing
Projected Close	July 13th, 2026
Funding Deadline	June 29th, 2026
First Distribution	Q1 2027
Value-Add Execution	Years 1–3: CapEx deployment, rent normalization
Stabilization Window	Years 3–5: Full occupancy at market rents
Disposition Target	Year 5 (2030–2031)

## Fee Structure

Fee	Rate
Acquisition Fee	1.5% of Purchase Price
Asset Management Fee	2.0% of Effective Gross Income
GP Co-Invest	5%
Disposition Fee	1.0%
Refinance Fee	1.0%

# Unit Mix & Rent Roll

Combined Portfolio — Hazel Briar Court & Walnut Springs

Unit Type	# Units	Avg. SF	In-Place Rent	Market Rent	Gap
2BR/2BA (996 SF)	38	996	\$1,113	\$1,225	+\$122
2BR/2BA (1,096 SF)	24	1,096	\$1,046	\$1,270	+\$224
3BR/2.5BA (1,336 SF)	8	1,336	\$1,414	\$1,495	+\$81
2BR/2BA (1,100 SF)	35	1,100	\$1,054	\$1,270	+\$216
2BR/2BA (1,100 SF)	10	1,100	\$1,047	\$1,270	+\$223
3BR/2BA (1,100 SF)	17	1,100	\$1,157	\$1,450	+\$293
Total / Avg.	132	1,084	\$1,104	\$1,294	+\$190

**132**

Total Units

**\$1,104**

Avg. In-Place Rent

**\$1,294**

Avg. Market Rent

**\$190**

Rent Gap

**~97%**

Occupancy (T-12)

## Property Amenities

Hazel Briar Court: Open-concept layouts, private patios, dishwashers, air conditioning, in-unit washer/dryers, on-site maintenance. Garden-style community.

Walnut Springs: Open-concept layouts, private patios or balconies, washer/dryer hookups, dishwashers, air conditioning. Select units with fireplaces and vaulted ceilings. Pet-friendly. Easy access to I-69, 12 minutes from IU campus.



# Investment Thesis I — The Rent Gap

## Combined Portfolio — Hazel Briar Court & Walnut Springs

The most immediate driver of value in Bloomington Collection is the spread between in-place rents and what the Bloomington market currently supports. At \$1,104 per unit on average, both properties are priced at or below the market floor for comparable 1995–2005 vintage two- and three-bedroom product in the south Bloomington submarket; not because the assets are inferior, but because they have not been actively managed toward market.

This is not a speculative rent growth assumption, it is a return to market; one validated by eleven comparable properties currently leasing in the same submarket at rents ranging from \$1,210 to \$1,849 for two-bedroom units. Even the most conservative comp, Bradford Ridge (built 1988, 200 units), achieves \$1,210 (\$106 above current Hazel Briar in-place rents. Steeplechase Apartments, a 1997 vintage property of near-identical age and configuration, is leasing at \$1,645) \$350 above current in-place rents, on the same product.

The \$190/unit gap across 132 units represents approximately \$300,612 in annualized incremental NOI at full capture — directly supporting the projected exit valuation.

## Comp Validation — 2BR Market Rents

Property	Year Built	2BR Asking Rent	Rent/SF	vs. Bloomington Collection
Meadow Creek	2003	\$1,780	\$1.42	+\$530
Steeplechase Apartments	1997	\$1,645	\$1.32	+\$400
Echo Park	2016	\$1,499	\$1.56	+\$254
The Boulders at Deer Park	1992	\$1,355	\$1.18	+\$110
Comp Average	—	\$1,351	\$1.40	+\$247
Forest Ridge	2005	\$1,350	\$1.23	+\$105
Acadia Court	1984	\$1,250	\$1.45	+\$146
Bradford Ridge	1988	\$1,210	\$1.51	+\$106
<b>Bloomington Collection</b>	<b>1995–1997</b>	<b>\$1,046 - \$1,113 in-place / \$1,250 - \$1,295 mkt</b>	<b>\$0.95 - \$1.12</b>	<b>—</b>

# Investment Thesis II — Employment Stability

## Indiana University as a Structural Demand Floor

The Bloomington multifamily market is insulated from the cyclical demand volatility that characterizes many secondary markets by a single, durable anchor: Indiana University Bloomington. With fall 2025 enrollment reaching a record 48,626 students (the largest beginner class in university history) and over \$1 billion in annual research expenditures, IU functions less as an economic participant and more as a permanent infrastructure system for the city.

Critically, Bloomington Collection does not serve the student housing market. Both properties are located on Bloomington's south side, geographically and demographically separate from the student belt surrounding IU's north campus. The subject tenant base consists of professionals, healthcare workers, manufacturing employees, and young families. The workforce that operates the institutions, plants, and facilities that IU and its affiliated ecosystem support. This distinction matters: workforce renters turn over less frequently, qualify more reliably, and are less sensitive to academic calendar seasonality.

Beyond IU, the employer base within 15 minutes of both properties includes IU Health's \$557M Regional Academic Health Center (5,000+ regional employees), Cook Medical's world headquarters (10,000+ global employees), Simtra BioPharma's actively expanding Bloomington campus (\$250M+ in committed capital expenditure), and NSWC Crane (one of Indiana's largest high-tech employers) within a 50-minute commute.

## Major Employers

Employer	Industry	Local Headcount	Drive Time
Indiana University Bloomington	Higher Education / Research	~13,000 employees; 48,626 students	~12 min
IU Health (South Region)	Healthcare	5,000+ across 7 counties	~12 min
Cook Medical / Cook Group	Medical Devices	10,000+ globally; HQ in Bloomington	~12 min
Novo Nordisk (former Catalent)	Pharmaceutical Mfg.	~1,400	~12 min
Simtra BioPharma	Pharmaceutical Mfg.	1,001–5,000; \$250M+ expansion	~15 min
NSWC Crane	Defense / R&D	~3,800 scientists & engineers	~50 min

# Investment Thesis III — Supply Constraints

## A South-Side Submarket With No Direct Competition

New conventional multifamily supply in the Bloomington MSA is structurally constrained by a combination of topographic limitations, zoning friction, and the absence of institutional development capital targeting the workforce segment. The city's visible 2025 pipeline — approximately 573 conventional units across three approved projects — is concentrated exclusively on the north side of the city, targeting a different price point and tenant base than the subject.

Holladay Properties' two Empire Street projects (180 and 210 units respectively) and Urban Equity Properties' State Farm tower conversion (183 units) are all located two or more miles north of the subject and are designed to compete for the higher-income, downtown-proximate renter; not the workforce tenant that Bloomington Collection serves. The south-side conventional submarket, where both subject properties are located, has no approved conventional pipeline delivering through the hold period.

Bloomington Collection operates in a submarket where supply cannot respond to demand signals quickly enough to compress the rent gap the acquisition is positioned to capture.

## Supply Pipeline — Bloomington MSA (2025–2027)

Project	Developer	Units	Location	Target Tenant	Direct Competition?
UEP State Farm Conversion	Urban Equity Prop.	183	Downtown	Higher-Income Renter	No
Holladay at GTE/Verizon	Holladay Properties	210	North Side	Higher-Income Renter	No
Hopewell South (City PUD)	City of Bloomington	TBD	West Side	Mixed / Affordable	No
South-Side Conventional	—	0	South Side	Workforce	—

## Market Vacancy & Absorption

Metric	Value	Source
Bloomington MSA Vacancy Rate	~6.4%	CoStar / Market Data
National Average Vacancy Rate	~7.8%	CoStar
Conventional Pipeline (South Side)	0 units delivering 2025–2027	Bloomington Plan Commission
IU Fall 2025 Enrollment	48,626 (record)	Indiana University
Avg. Rent Growth (MSA, 2023–2024)	3.5% per annum	Market Data
2025 Projected Rent Growth	4.0%+ pace	Market Data

# Market Overview — Bloomington, Indiana MSA

## A College-Town Market With Structural Depth Beyond the University

Bloomington, Indiana (Monroe County MSA, CBSA 14020) is a mid-sized university city with a population of approximately 159,000 and an economic profile that extends well beyond its most visible anchor. Indiana University Bloomington contributes approximately 14–18% of the metro's nonfarm employment directly, and its affiliated ecosystem (including IU Health, Cook Medical, and a growing life sciences manufacturing sector) accounts for a substantially larger share of the city's economic activity.

The Bloomington MSA's vacancy rate of approximately 6.4% sits below the national average of 7.8%; a reflection of the city's chronic supply-demand imbalance in conventional rental housing. Rent growth has averaged 3.5% per annum over the past two years and is on pace to exceed 4% in 2025; meaningfully outperforming the national average of approximately 1% over the same period. Focused Capital's proforma underwrites to a conservative 3% annual rent growth, leaving meaningful upside unrealized in the base case.

### Market Snapshot

Metric	Value
MSA Population	~159,000 (Monroe + Owen Counties)
Principal City Population	~80,000
MSA Unemployment (Nov 2025)	2.9%
Avg. Conventional Rent	\$1,117 (CoStar) — \$1,694 (Yardi Matrix)
Vacancy Rate (City)	~6.4% (vs. ~7.8% national avg.)
IU Enrollment (Fall 2025)	48,626 — record high
IU Research Expenditures	\$1B+ (FY2025 — record high)
New Supply (South Side)	0 units in pipeline 2025–2027
MSA Rent Growth (2023–2024)	3.0% per annum
2026 Projected Rent Growth	2.0%+ pace

### Recent Market Developments



Simtra BioPharma executing \$250M+ campus expansion; acquired additional 65-acre Curry Pike site in July 2025 for oncology manufacturing — the market's most significant private-sector job creation event in years.



Bloomington Convention Center \$71M expansion broke ground June 2025 (completion early 2027), with a 225-room hotel under planning — reflecting sustained civic investment.



Trades District tech park received \$16M Lilly Endowment investment, signaling continued institutional confidence in Bloomington's long-term trajectory.

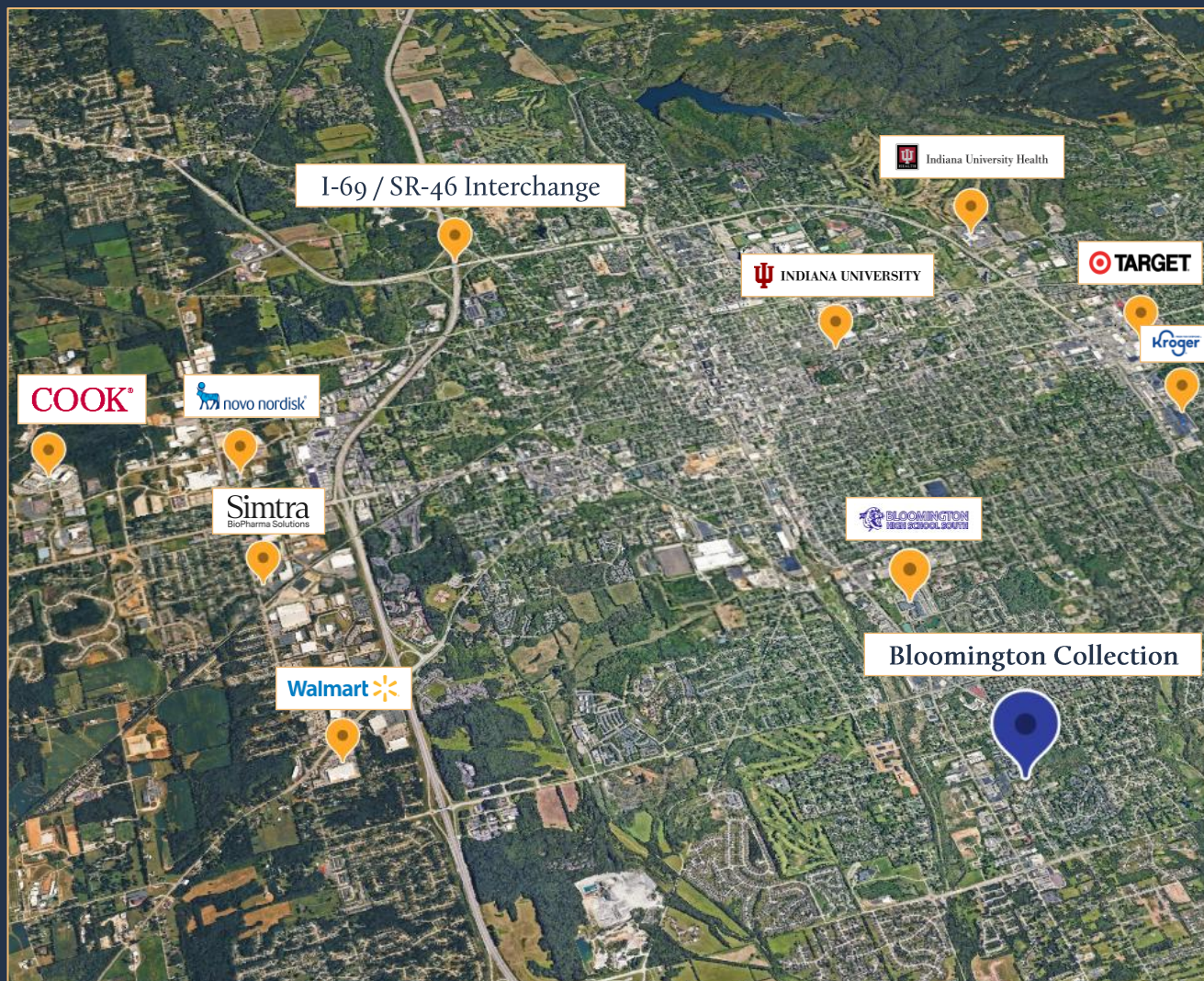


IU crossed \$1 billion in research expenditures in FY2025 — record high — reinforcing its role as the metro's economic foundation.

# Market Overview — Location & Employers

## Proximity to Key Demand Drivers

Employer / Destination	Industry	Drive Time
Indiana University Bloomington	Higher Education	~12 min
IU Health Regional Academic Health Center	Healthcare	~12 min
Cook Medical (World HQ)	Medical Devices	~12 min
Novo Nordisk Bloomington	Pharmaceutical Mfg.	~12 min
Simtra BioPharma	Pharmaceutical Mfg.	~15 min
Bloomington South HS (Niche A)	Schools	~5 min
Kroger, Target, Walmart	Retail / Daily Use	~5 min
I-69 / SR-46 Interchange	Interstate Access	~12 min
Indianapolis CBD	Regional Metro	~60 min
NSWC Crane	Defense / R&D	~50 min



# Rent Comparables (2BR)

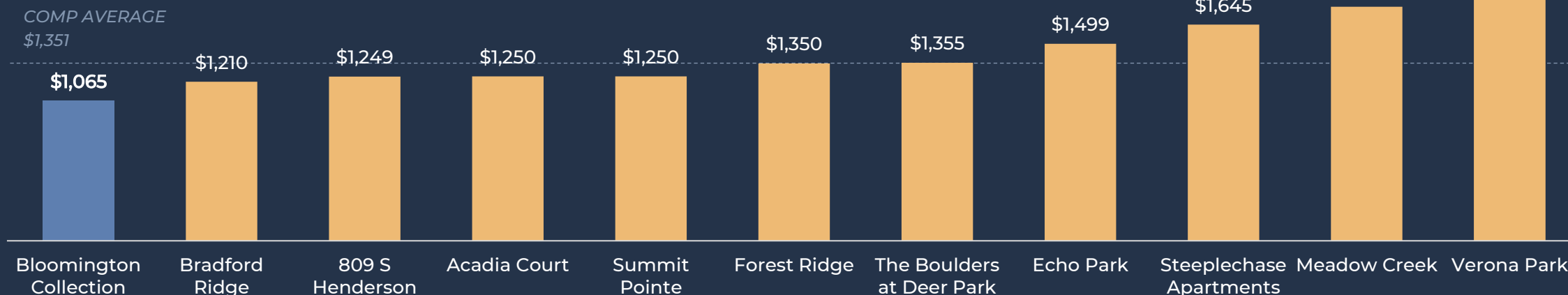
The following comparable set represents active conventional multifamily communities within the Bloomington MSA. Subject properties are highlighted. Comp average confirms that current in-place rents at Bloomington Collection represent a meaningful discount to the market — one that is achievable through operational normalization rather than speculative growth assumptions.



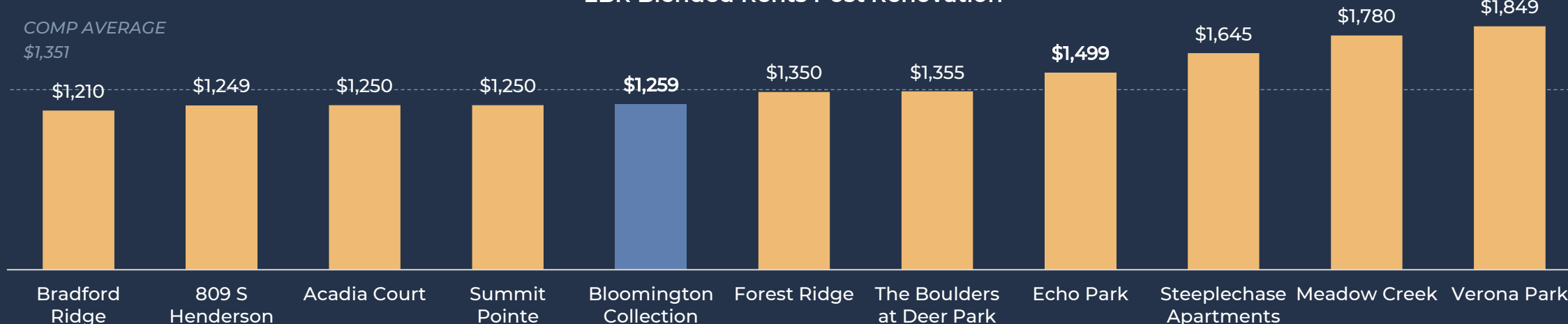
	Bloomington Collection	Bradford Ridge	809 S Henderson	Acadia Court	Summit Pointe	Forest Ridge	The Boulders at Deer Park	Echo Park	Steeplechase Apartments	Meadow Creek	Verona Park	Comp Average
<b>Yr Built</b>	1995–97	1988	2000	1984	1986	2005	1992	2016	1997	2003	2020	-
<b>Units</b>	107	200	50	201	288	120	114	154	180	200	150	-
<b>Avg. SF</b>	1,062	799	900	864	944	1,100	1,150	959	1,250	1,250	1,014	-
<b>Rent</b>	\$1,046 - \$1,113 in-place	\$1,210	\$1,249	\$1,250	\$1,250	\$1,350	\$1,355	\$1,499	\$1,645	\$1,780	\$1,849	<b>\$1,351</b>
<b>Rent/SF</b>	\$0.95 - \$1.12	\$1.51	\$1.39	\$1.45	\$1.32	\$1.23	\$1.18	\$1.56	\$1.32	\$1.42	\$1.82	<b>\$1.40</b>

# 2-Bedroom Rent Comparables

### 2BR Blended Asking Rent



### 2BR Blended Rents Post Renovation



# Rent Comparables (3BR)

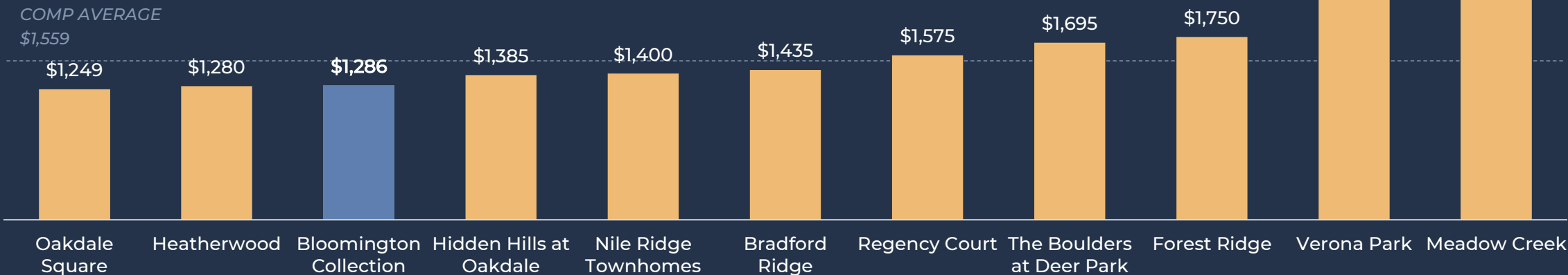
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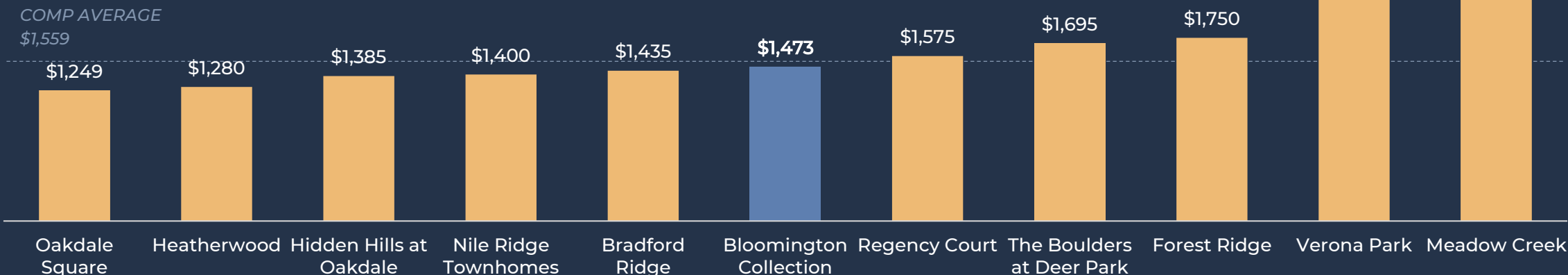
	Oakdale Square	Heatherwood	Bloomington Collection	Hidden Hills at Oakdale	Nile Ridge Townhomes	Bradford Ridge	Regency Court	The Boulders at Deer Park	Forest Ridge	Verona Park	Meadow Creek	Comp Average
<b>Yr Built</b>	1972	1990	1995–97	1990	2000	1988	1995	1992	2005	2020	2003	-
<b>Units</b>	200	80	25	150	40	200	80	114	120	150	200	-
<b>Avg. SF</b>	1,085	1,100	1,176	1,100	1,400	1,080	1,200	1,875	1,100	1,500	1,750	-
<b>Rent</b>	\$1,249	\$1,280	\$1,157 - \$1,414 in-place	\$1,385	\$1,400	\$1,435	\$1,575	\$1,695	\$1,750	\$2,200	\$2,285	<b>\$1,559</b>
<b>Rent/SF</b>	\$1.15	\$1.16	\$1.14 - \$1.26	\$1.26	\$1.00	\$1.33	\$1.31	\$0.90	\$1.23	\$1.47	\$1.31	<b>\$1.21</b>

# 3-Bedroom Rent Comparables

### 3BR Blended Asking Rent

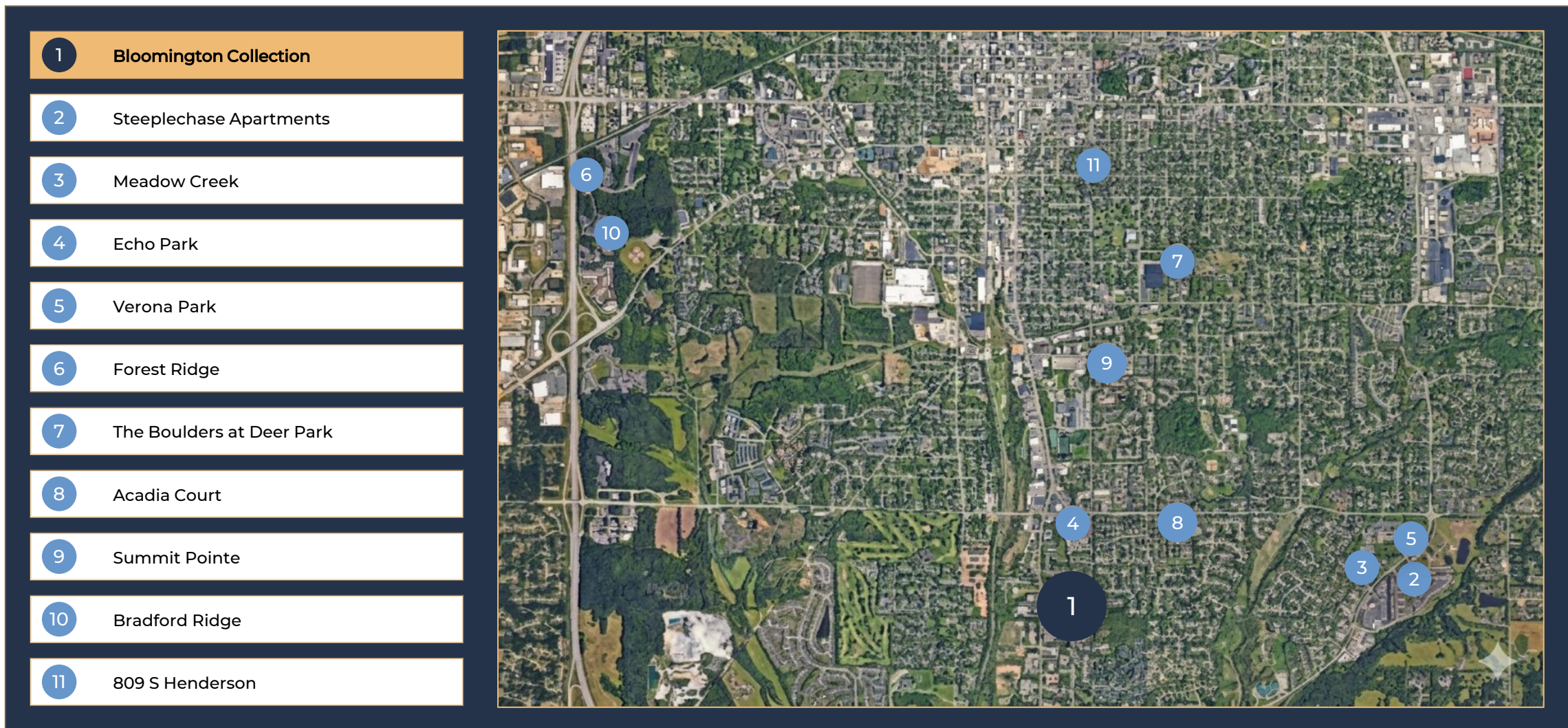


### 3BR Blended Rents Post Renovation



# Rent Comparables Map

All comparable properties are located within the Bloomington MSA, concentrated on the south and east sides of the city — the same conventional workforce submarket as Bloomington Collection. The density of comparable activity in this corridor confirms sustained, durable demand for quality two- and three-bedroom workforce rental housing at the subject's price point.



# Business Plan

## Execution-Driven Value Creation Across a Unified 132-Unit Platform

Bloomington Collection is a stabilized, cash-flowing asset on day one. The business plan does not depend on lease-up, repositioning, or market expansion. It depends on doing the fundamentals exceptionally well: closing a well-documented rent gap, deploying targeted capital improvements, and operating two co-located properties with the efficiency of one.

The consolidation of Hazel Briar Court and Walnut Springs under a single management platform eliminates the overhead redundancy inherent in independent operations: one leasing team, one maintenance crew, one management fee structure, one vendor relationship framework. These efficiencies accrue immediately and compound over the hold period, directly enhancing investor returns independent of rent growth assumptions.

## Key Components



### Push Rents to Market

A disciplined renewal pricing and new-lease strategy designed to close the \$219/unit gap systematically over the hold period. Lease expirations are treated as repricing opportunities, not rollovers. Informed by an active comp monitoring program and anchored by the 11-property comparable set confirming market support.



### Digital Marketing & Leasing Optimization

Both properties currently lack a modern digital marketing presence commensurate with their quality. Implementation of professional photography, optimized ILS listings across Apartments.com, Zillow, and Rent.com, and a streamlined inquiry-to-lease process will reduce vacancy duration, improve applicant quality, and strengthen online reputation — each of which directly supports occupancy and rent growth.

# Business Plan – Key Components



## Consolidated Management Leverage

Operating both properties as a single 132-unit platform eliminates duplicated management overhead, consolidates maintenance staffing, and creates negotiating leverage with service vendors — per-unit cost savings that accrue directly to investors from month one.



## Parking Lot Resurfacing & Restriping

Deferred parking lot maintenance is the most visible indicator of passive ownership. Resurfacing and restriping both properties delivers immediate curb-appeal impact at disproportionately low cost, anchoring the broader narrative of active reinvestment and supporting leasing competitiveness.



## Ancillary Income Programs

Introduction of renter's insurance requirements, reserved parking fees, and pet fee optimization creates incremental, recurring income streams that compound meaningfully over a five-year hold.



## RUBS Implementation

Deployment of a Ratio Utility Billing System to recover a proportional share of common-area utility expenses from residents. A standard operational practice across well-managed Class B workforce housing that directly grows NOI without impacting base rent competitiveness.



## Common Area Refresh

Targeted upgrades to breezeways, exterior lighting, landscaping, and laundry facilities create a meaningfully improved daily resident experience. These improvements reduce turnover at renewal, generate positive word-of-mouth, and establish the visual and functional quality expected of a well-managed asset at the market rent the properties are being positioned to achieve.



## Window & Entry Door Replacements

Aging windows and entry doors are among the highest-visibility, highest-ROI capital improvements for 1995–1997 vintage assets. Replacement reduces tenant complaint volume, lowers maintenance labor, improves energy efficiency, and materially changes the perception of ownership investment; directly supporting rent growth and renewal conversion rates.

# Financial Overview — Assumptions

## Annual Operating Cost Assumptions

Expense Line	\$/Unit/Year	Basis
Payroll	\$1,600	Consolidated staffing — both properties
Taxes	\$1,133	Monroe County effective rate
Repairs & Maintenance	\$600	Normalized post - CapEx
Contract Services	\$625	Landscaping, janitorial, pest control
Management Fee	3.25% of EGI	Birge & Held — planned post-acquisition
Insurance	\$350	Indiana Midwest CAT-adjusted rate
Make Ready	\$200	Standard turnover allowance
Advertising & Marketing	\$325	ILS listings, digital marketing
G&A	\$325	Administrative and compliance
Utilities	\$135	Common area only — Individually billed (elec., water, sewer)
CapEx Reserves	\$250	Lender-required annual reserve

# Proforma

INCOME	T-12	\$/Unit	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Gross Potential Rent	\$1,816,450	\$13,761	\$2,082,784	\$2,145,268	\$2,209,626	\$2,275,914	\$2,344,192
General Vacancy (7%)	(\$57,428)	(\$435)	(\$153,769)	(\$158,375)	(\$163,120)	(\$168,014)	(\$123,610)
Concessions	(\$62,402)	(\$473)	(\$31,242)	(\$21,453)	(\$22,096)	(\$22,759)	(\$23,442)
Bad Debt (1.0%)	(\$10,923)	(\$83)	(\$20,828)	(\$21,453)	(\$22,096)	(\$22,759)	(\$23,442)
Loss-to-Lease	(\$87,498)	(\$663)	(\$166,958)	(\$42,905)	(\$44,193)	(\$45,518)	(\$46,884)
<b>Total Rental Revenue</b>	<b>\$1,598,199</b>	<b>\$12,108</b>	<b>\$1,709,988</b>	<b>\$1,901,081</b>	<b>\$1,958,120</b>	<b>\$2,016,864</b>	<b>\$2,126,814</b>
RUBS / Utility Reimb.	\$8,704	\$66	\$8,910	\$9,088	\$9,270	\$9,548	\$9,835
Other Income	\$94,298	\$714	\$105,000	\$96,820	\$99,725	\$102,716	\$105,798
<b>Eff. Gross Income</b>	<b>\$1,701,201</b>	<b>\$12,888</b>	<b>\$1,823,898</b>	<b>\$2,018,320</b>	<b>\$2,078,785</b>	<b>\$2,141,148</b>	<b>\$2,254,827</b>
Total Oper. Expenses	(\$848,789)	(\$6,430)	(\$758,148)	(\$787,641)	(\$805,532)	(\$823,847)	(\$843,411)
<b>Net Operating Income</b>	<b>\$852,412</b>	<b>\$6,458</b>	<b>\$1,065,750</b>	<b>\$1,230,679</b>	<b>\$1,273,253</b>	<b>\$1,317,301</b>	<b>\$1,411,416</b>

## Revenue & Expense Growth Assumptions

**3.0%**  
Rent Growth

**3.0%**  
Other Income Growth

**2.0%**  
Expense Growth (ex-Tax)

**7% / 5%**  
Vacancy (Yrs 1-4 / Yr 5)

# Projected Returns

Projected Returns 5-YEAR HOLD — 6.50% EXIT CAP			Projected Returns Net to Investors	
AAR (LP)	LP Cash on Cash	LP Preferred Return	LP IRR	LP Equity Multiple
21.4%	6.29%	8.0%	17.8%	2.15x

Total LP Contribution	\$5,009,773
Capital Outstanding	5 years
Hypothetical Investment of	\$200,000
% of Ownership (Class A)	3.99220%
Return on Invested Capital	\$225,234

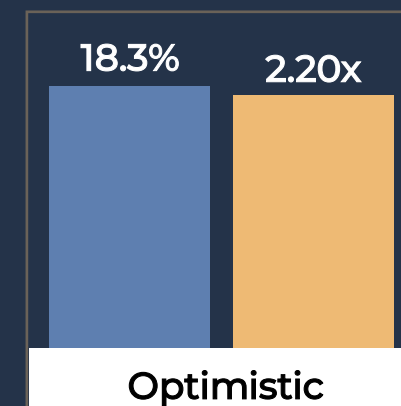
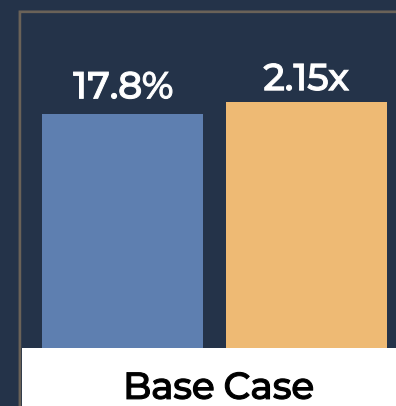
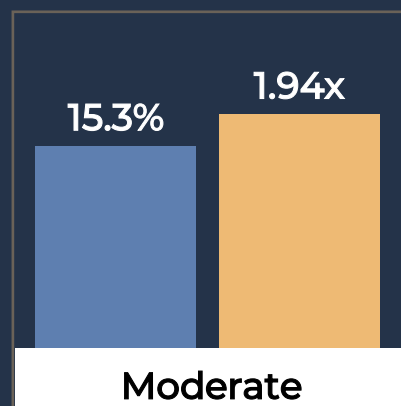
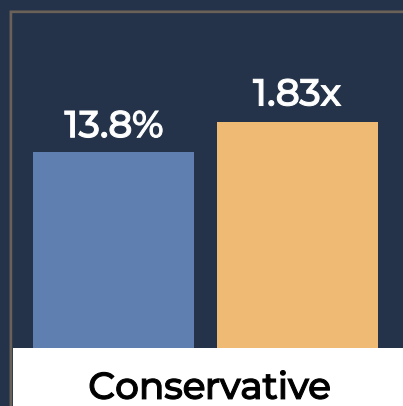
Sample Investment Return — \$200,000 Commitment						
	Yr 0	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
LP Investment	(\$200,000)					
Distributions		\$7,377	\$14,319	\$10,821	\$13,003	\$379,713
Net Cash Flow	(\$200,000)	\$7,377	\$14,319	\$10,821	\$13,003	\$379,713
Total Return						\$225,234
Total Return + Capital						\$425,234
Cash-on-Cash Return		3.7%	7.2%	5.4%	6.5%	189.9%

Net returns reflect LP economics after preferred return, GP promote, asset management fees, and disposition fee. All projections are based on a 5-year hold and 6.50% exit cap rate. Returns structured as: 8% LP preferred return → 80/20 LP/GP split to 17% IRR → 50/50 split thereafter.

# Sensitivity Analysis

The following analysis presents LP IRR and equity multiple outcomes across a range of exit capitalization rate assumptions, holding all other variables (rent growth, expense growth, vacancy) constant at base case. The base case assumes a 6.50% exit cap rate, consistent with current transactional activity for comparable 1990s vintage Class B multifamily in the Indiana market.

Scenario	Exit Cap Rate	LP IRR	LP Equity Multiple	Probability
Optimistic	6.25%	18.3%	2.20x	20%
Base Case	6.50%	17.8%	2.15x	50%
Moderate	6.75%	15.3%	1.94x	20%
Conservative	7.00%	13.8%	1.83x	10%



IRR figures sourced directly from the IRR Sensitivity tab of the underwriting model. The base case at 6.50% exit cap produces a 17.8% LP IRR and 2.15x equity multiple. Probability weights are management's assessment of relative scenario likelihood given current market conditions.

# Risk Considerations

## The Risk Premium Is the Mechanism — Not the Obstacle

Focused Capital approaches risk disclosure as a discipline, not a formality. The following factors create the pricing environment that makes this acquisition available at a basis below replacement cost and at a cap rate approximately 100–150 basis points above comparable stabilized product in the Indianapolis market. Understanding each risk, and how it is operationally mitigated, is central to the investment thesis.

Risk Factor	Focused Capital's Mitigation
IU Funding Compression & Novo Nordisk Headcount Reduction (HIGH   market perception risk)	Subject serves workforce renters (healthcare workers, manufacturing employees, young families) not IU employees or pharmaceutical contractors. Record IU enrollment (48,626) sustains household formation. Simtra BioPharma's \$250M+ expansion actively adds jobs in the same employer segment. Underwriting assumes 3% rent growth, not the 4%+ currently observed.
Near-Term Supply Pipeline   573 Conventional Units Approved (2025) (MEDIUM   indirect pressure)	All three projects are located north of the subject, targeting higher-income renters at price points materially above Hazelnut Springs' market rents. The south-side workforce submarket has zero approved pipeline through the hold period. Proforma vacancy conservatively modeled at 7% in years 1–4.
Wage Growth Softness   MSA Average Hourly Earnings Declined 6.5% YoY (MEDIUM   rent ceiling risk)	Target tenant base earns wages from healthcare, manufacturing, and logistics — sectors that recorded positive wage growth in the same period. Proforma rent growth of 3% annually is supportable at current income levels and is well below the comp set's demonstrated market rents.
Insurance Cost Escalation   Indiana Midwest Storm Exposure (MEDIUM   operating cost risk)	Underwriting models insurance at \$500/unit/year with 2% annual escalation, above current in-place costs. Wind/hail deductible exposure is confirmed at diligence. Planned consolidation under Birge & Held's portfolio-level insurance program may provide preferential pricing post-acquisition.

The risk premium embedded in this acquisition, approximately 100–150 basis points above stabilized comparable assets in the Indianapolis market, is the mechanism through which above-market returns are generated. Focused Capital underwrites to it, not around it.

# About Focused Capital

At Focused Capital, we build long-term wealth through a patient and conservative approach to multifamily real estate private equity investing. Our priority is capital preservation; delivering steady, risk-adjusted returns with a focus on consistent cash flow. Our value-add strategy enhances property value and maximizes returns while maintaining a diversified portfolio across various markets to mitigate risk. With a strong emphasis on key metrics including Internal Rate of Return, Yield on Cost, and Equity Multiple, we aim for superior performance that aligns with our investors' goals.

Focused Capital targets strong multifamily markets within a three-hour radius of Indianapolis — acquiring assets in the \$20M–\$50M+ range, 100+ units, 1980s vintage and newer, across value-add, development, and Core+ strategies with a 5–7 year hold period.

## Team



**Chad Schieler**

*Founder & Principal*



**Jared Shum**

*Head of Investor Relations*



**Chad Olsen**

*VP of Investments*



**Andy Kropp**

*Director of Asset Management*



**Traci Mundell**

*Executive Assistant*

# Focused Capital — Track Record

## Our Mission

To create and preserve wealth for our investors by acquiring and managing high-quality multifamily real estate assets, combining market expertise with a commitment to integrity and results.

## Full-Cycle Realized Returns

Property	Location	Realized IRR	Equity Multiple	Exit Date
Dickson Road	Indianapolis, IN	17.90%	2.00x	Aug. 2022
Wedgewood Commons	Columbus, IN	93.09%	3.03x	Dec. 2023
Sugar Hill Apartments	Crawfordsville, IN	18.28%	1.32x	Dec. 2023
Walnut Manor Apartments	Kokomo, IN	47.46%	2.03x	July 2025
<b>Average</b>	-	<b>44.18%</b>	<b>2.10x</b>	-

## Current Portfolio

Property	Location	Strategy	Proj. IRR
Gateway Crossing	Clarksville, IN	Core+	15%
Heritage Square	Sellersburg, IN	Core+	15%+
District South	Fishers, IN	Development	19%+
Autumn Trace	Kokomo, IN	Value Add	16.5%+
Elston Point	Lafayette, IN	Value Add	15.5%+
Melrose Place	Lebanon, IN	Value Add	17%+
Atlas Apartments	Richmond, IN	Value Add	16%+

# Next Steps

Ready to Learn More?



**View investment details**  
<https://bit.ly/FocusedCapitalBC>



**Schedule a call with our team**  
<https://bit.ly/FocusedCapitalCall>

## Contact

Focused Capital Investor Relations Team



Email: [Investors@FocusedCapital.com](mailto:Investors@FocusedCapital.com)



Phone: (317) 961-3755



[www.FocusedCapital.com](http://www.FocusedCapital.com)

Milestone	Timing
Investor Registration	Now Open!
Funding Deadline	June 29th, 2026
Targeted Close	July 13th, 2026
First Distribution	Q1 2027
Target Exit	Year 5 (2030–2031)

This presentation is for informational purposes only and does not constitute an offer or solicitation to purchase securities. Investment open to Accredited Investors only under Reg D 506(c). Please review the full Private Placement Memorandum before investing.