

IGRE

Investment Grade R.E. Income Fund, LP

Frequently Asked Questions

What is the total anticipated amount of the IGRE Fund?

\$100 million, consisting of \$40 million of Investor Equity Capital and \$60 million of 1st trust deed bank financing, fixed rate for 10 years pursuant to a non-binding term sheet from Morgan Stanley & Co.

What is the preferred return?

Our preferred return is targeted at 6% (non-compounded), paid monthly, backed by long-term (10 years or more) lease agreements. *Distributions are not guaranteed.*

What types of properties does the Fund invest in? How many? Where?

The Fund invests in existing properties that meet each of the following criteria:

- Single-tenant and multi-tenant net-lease properties in suburban neighborhoods located throughout the United States.
- Tenants are "Investment Grade" rated, or of comparable creditworthy quality. Leases will be for a minimum term of 10 years and contractually backed by the parent company.
- Tenants are classified as "Essential" businesses, selling "Necessity-Based" products that historically have been in demand regardless of the state of the economy. Examples include grocery stores, pharmacies, distribution & fulfillment centers, healthcare facilities, home improvement & cellular providers.
- Tenants who successfully withstood the 2008 financial crises and the current pandemic all while meeting their financial obligations timely, including dividend and rent payments.

How many properties will the Fund own, and where will they be located?

The Fund seeks to acquire 15-20 properties, geographically dispersed throughout the U.S.

What is a Net-Lease?

A long term lease agreement where in addition to rent payments, the tenant is solely responsible for all operating costs related to the property. These generally include property taxes, insurance premiums, maintenance and repairs, utilities and most other expenses.

How is "Investment Grade" determined and what does it mean?

"Investment Grade" is determined by credit rating agencies such as Standard & Poors and Moody's. Companies with ratings of BBB- or above from Standard & Poors, or Baa3 or above from Moody's, are considered "Investment Grade". These credit ratings represent a company's potential for repaying loans and the tenant's rent obligations are backed by the Full Faith and Credit of the parent company. The better the credit rating, the lower the risk of default. We intend for the tenants of the Fund to be primarily comprised of investment grade or of comparable creditworthy quality.

Who is eligible to invest in the IGRE Fund?

The fund is a Regulation A, Tier Two offering that permits accredited and non-accredited investors the opportunity to participate in a program that has been historically limited to high net worth and institutional investors. Non-accredited investors are limited to invest no more than the greater of 10% of their annual income or net worth. Additional restrictions and conditions may apply.

What is the expected hold period and exit strategy?

Our expected holding period is between 5-7 years. We will sell our properties individually, if a compelling opportunity arises, or in a packaged form, whereby we sell our entire portfolio to a high net worth individual or an institutional investor. Alternatively, we may list on a public exchange, though this is not guaranteed. Because this is a Regulation A, Tier Two offering, the transfer/resell of units is potentially readily available than a traditional Reg D offering. So long as the offering is not listed on an exchange, liquidity is still subject to the location of an appropriate buyer.

What are some of the key highlights of the Fund?

We target at least 80% of our leases to consist of tenants with an investment grade rating, and all others will have credit of comparable quality.

- Tenants will primarily be in businesses that sell essential products or services, and/or who have weathered the 2008-09 financial crisis, as well as the COVID pandemic.
- It will target existing buildings already leased to investment grade tenants (no development)
- It is pursuing properties that have automatic rental increases included and an existing lease with 10 years or more or leases with an opportunity to extend.
- Diversification in geography, industry and tenant mix.
- Single and multi-tenant properties with Net-Leases which means the tenant pays most expenses of the building to include taxes, insurance and most maintenance.
- Tenant rent obligations are backed by the Full Faith and Credit of the parent company.

Important Disclosures:

The contents of this communication: (i) do not constitute an offer of securities or a solicitation of an offer to buy securities, (ii) offers can be made only by the Offering Circular (the "OC") which is available here , (iii) do not and cannot replace the OC and is qualified in its entirety by the OC, and (iv) may not be relied upon in making an investment decision related to any investment offering by an issuer, or any affiliate, or partner thereof ("Issuer"). All potential investors must read the OC and no person may invest without acknowledging receipt and complete review of the OC. With respect to any "targeted" goals and performance levels outlined herein, these do not constitute a promise of performance, nor is there any assurance that the investment objectives of any program will be attained. All investments carry the risk of loss of some or all of the principal invested. These "targeted" factors are based upon reasonable assumptions more fully outlined in the OC for the respective offering. Consult the OC for investment conditions, risk factors, minimum requirements, fees and expenses and other pertinent information with respect to any investment. These investment opportunities have not been registered under the Securities Act of 1933 and are being offered pursuant to an exemption therefrom and from applicable state securities laws. All offerings are intended only for accredited investors unless otherwise specified. Non-accredited investors are limited to the greater of 10% of annual income or net worth. Past performance are no guarantee of future results. All information is subject to change. You should always consult a tax professional prior to investing. Investment offerings and investment decisions may only be made on the basis of the OC issued by Issuer, or one of its partner/issuers. Issuer does not warrant the accuracy or completeness of the information contained herein. Thank you for your cooperation.

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Real Estate Risk Disclosure:

Investors will own units of the fund which through the General Partner will purchase and manage the properties. There is no guarantee the General Partner will be successful in executing its strategy or that investment objectives will be met. Properties financed are subject to foreclosure by lenders and may lose value during the life of the investment. Costs associated with the transaction may impact investors' returns and may outweigh the tax benefits. Changes in tax law may impact the tax deferral of the preferred annual return. An investment in the fund is freely transferable however there is no current secondary market for the units as such the investment should be treated as an illiquid investment. Targeted 6% preferred annual return is paid from rents received accordingly property vacancies or damage can impact rents paid. There is no guarantee the preferred return will be made.

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