



Multifamily Investment Solutions

Income. Growth. Diversification. Tax Benefits.

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Mission Statement

Tidegate Capital endeavors to provide our investors income, appreciation, diversification, and tax benefits. We capitalize on the inefficiencies inherent in the fragmented sub \$10mm / sub 120-unit Class B and C value-add multifamily apartment space.

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1. About Us



Overview

Tidegate Capital specializes in acquiring and managing Class B and C value-add multifamily real estate on behalf of individuals, family offices, and institutions.

We invest judiciously in select markets based on our proprietary top-down modeling. We then only purchase assets that meet our intensive bottom-up analysis.

Post acquisition, we execute a systematic rehabilitation plan coupled with a hands-on approach to site management. This results in increased underlying value by way of improved occupancy, operational efficiency, and cash flow.

Our approach dictates the use of independent property managers, tax advisors, and legal professionals to provide additional expertise and scale.

Key Facts

Extensive real estate, asset management, and portfolio management experience

Ownership interest in multifamily units throughout Massachusetts, Rhode Island, and Florida

Headquartered in metro Boston

2. Investment Strategy

Why Multifamily Real Estate

Inclusion of directly owned multifamily real estate within an investment portfolio allows for enhanced return benefits, increased diversification, and low correlation to traditional asset classes, including other real estate sectors.

The rationale for owning multifamily properties includes:

- Current income with appreciation potential
- Tax benefits due to capital depreciation
- Consistent demand for residential units with lower volatility than retail and office space
- Demographic shifts favor delayed home-ownership as Millennials are opting to rent instead of buy
- Since 2007, renter household formation has been growing while affordability continues to decline
- Fixed-rate mortgages coupled with the ability to raise rents during periods of inflation may result in an increasing preferred dividend

At Tidegate Capital we:

- Incorporate third-party analytical tools for consistent and independent insight
- Utilize economies of scale and reduce operating costs to increase efficiency

2. Investment Strategy

Why Value-Add Class B and C Multifamily

Our research and experience dictate that Class B and C multifamily properties offer the best return – risk profile vis-à-vis Class A and D.

Class B and C assets are often dated properties with basic amenities, often with pools and potentially attractive curb appeal. Value-add site enhancements allow for improved cash flow and operations.

These assets are thus valued at higher cap rates than Class A properties and offer a lower risk profile than Class D properties.

Benefitting from the execution of carefully orchestrated rehabilitation plans, our properties have greater potential for capital appreciation.

At Tidegate Capital we:

- Deploy a direct, hands-on approach to overseeing our properties
- Employ local, professional property managers to enhance the resident experience, which is crucial to improved asset valuations

2. Investment Strategy

Our Value Proposition

We target Class B and C value-add multifamily apartment complexes with the following attributes:

- 8% preferred dividends
- 15% – 22% IRRs
- Finite holding periods (3 to 10 years)

At Tidegate Capital we:

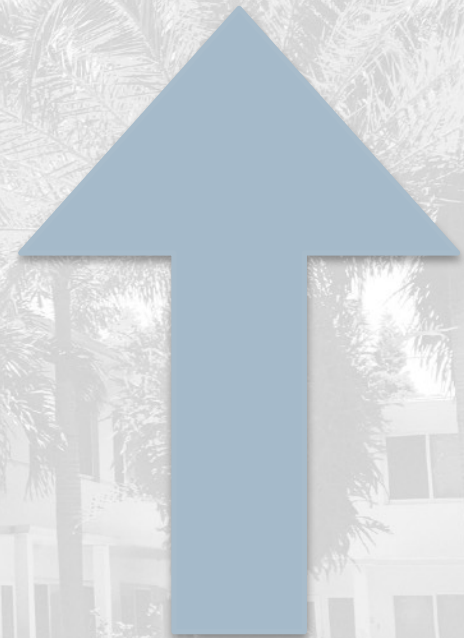
- Capitalize on properties that are often beyond the reach of individual investors
- Focus on assets that are beneath the radar and outside the scope of the large national players and REITs
- Search for “story” properties that may be on the market due to a situation whereby the current owner may be obligated to sell

3. Process

Top Down



- Risk Management
- Return Optimization



Bottom Up

3. Process — Top Down

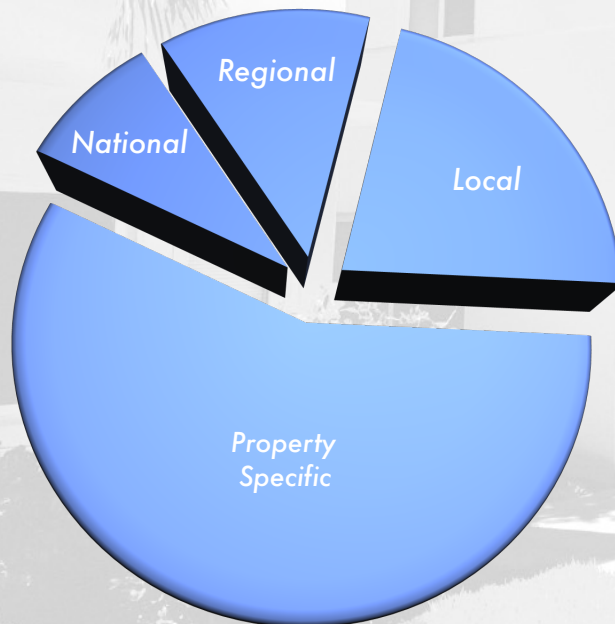
Proprietary Analytical Model

Representative Inputs and Weightings

GDP Growth
Macro Trends
Unemployment
Financial Markets
Relative Yields

Inflation Rate
Vacancy Data
Personal Income
Employment Base
Owner Rights

Population Density
Cap Rates
Foreclosures
Education
Transportation



Top Down Approach

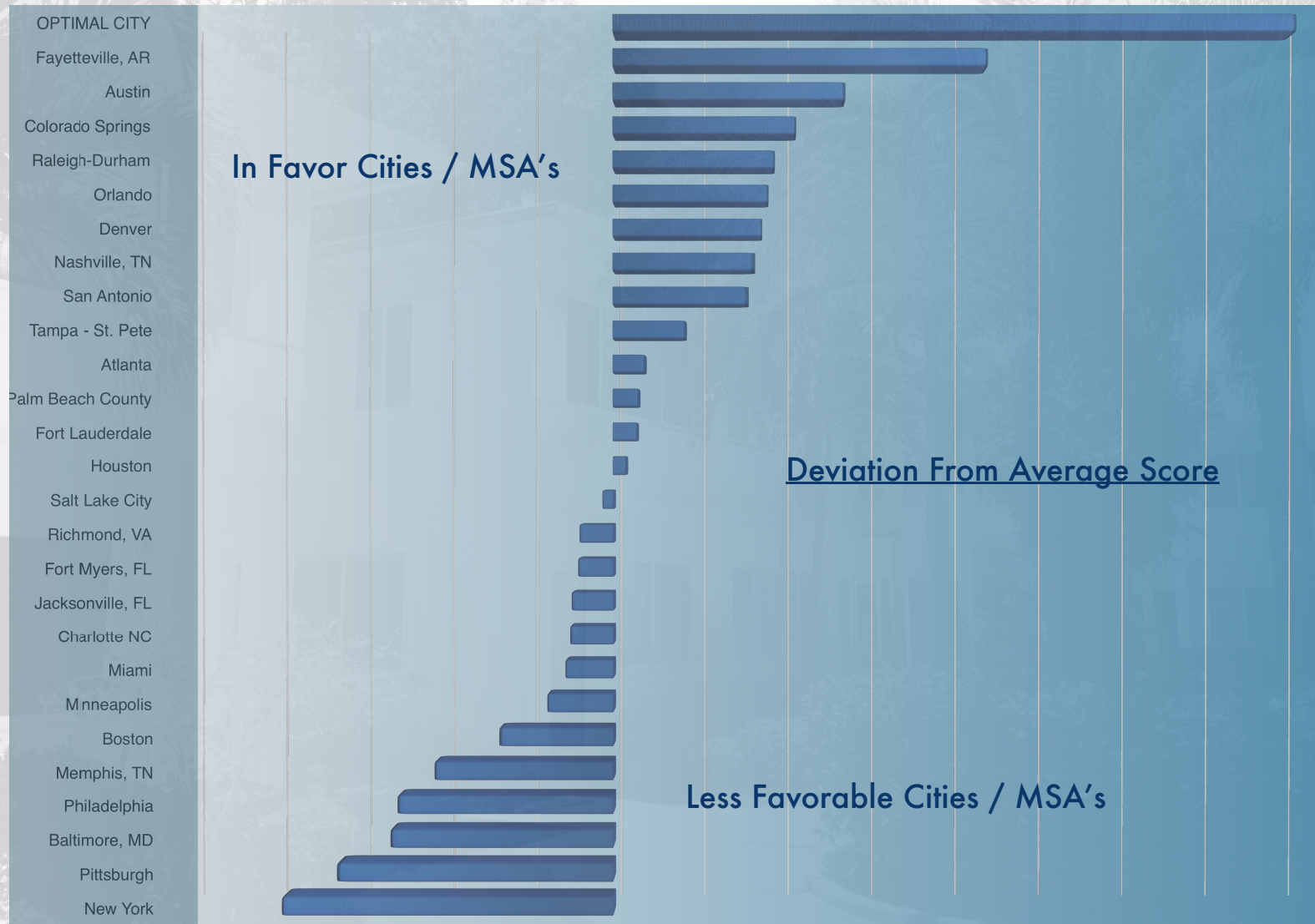
Tidegate Capital employs a rigorous, proprietary selection process for a region to be included in our target market list.

Our primary focus is locating and validating attractive metropolitan areas.

This results in geographic regions that deliver the most robust investment opportunities for the optimal risk-adjusted return to our clients.

3. Process — Top Down

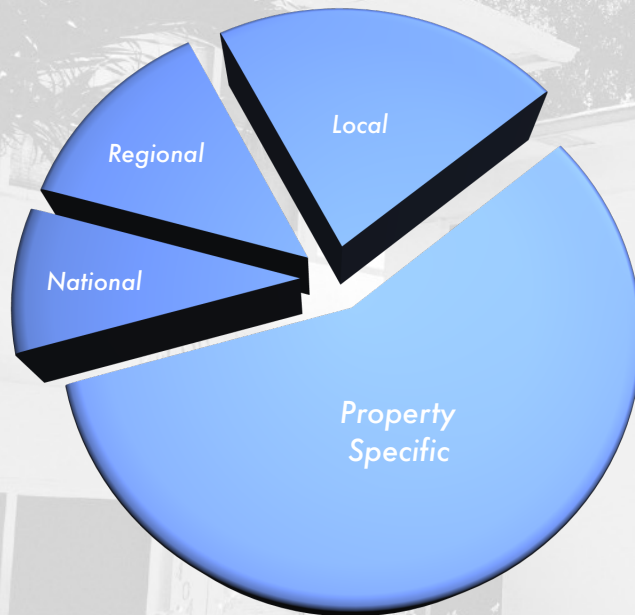
Target Market Selection Based on Proprietary Models as of June 15, 2018



3. Process — Bottom Up

Proprietary Analytical Model

Representative Inputs and Weightings



Property Condition
Value-add Potential
Utilities
Unit Mix
Prior Ownership - Story
"Green" Opportunities

Location
Sales and Rental Comps
Occupancy History
Amenities
Operating History
Financing Options

Bottom-Up Approach

Analyze current income and operating expenses.

Calculate Price-to-Rent ratio.

Account for deferred maintenance and value-add rehabilitation.

Determine conservative pro-forma rent and operating assumptions to determine risk-adjusted Net Operating Income (NOI).

Implement a comprehensive rehabilitation plan to maximize returns upon disposition.

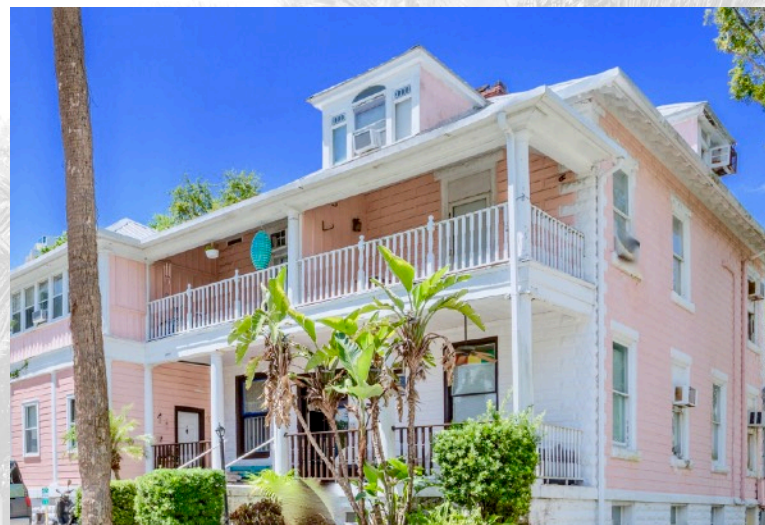
4. Investment Opportunities

We believe:
value-add class B and C
multifamily properties offer a
superior return-risk profile vis-
à-vis class A and D.

Jupiter Palms



Vinoy at Beach Drive



Midship



4. Investment Opportunities and Solutions

Tidegate Capital Investor Opportunities

1. **LLC Equity Owner / Member:** Tidegate Capital (TGC) serves as the manager of an investment property(ies) on behalf of one (or several) LLC equity investors.
2. **Customized Fund:** TGC acquires several properties in concert with the needs of a client (often an endowment, institution, or family office) and manages in a single pool.
3. **Lender:** TGC borrows capital from client to facilitate a property acquisition, typically between 1 million and 10 million, for a term of 6 to 18 months.
4. **1031 Exchange:** TGC will identify, acquire, and manage an appropriate asset for an investor seeking deferred tax treatment. The transactions are coordinated through a 1031 exchange facilitator.

5. Leadership



Colin P. O'Keeffe, MBA
Principal and Founder

- Over 25 years of real estate experience in property management, asset management, and development
- Asset manager for over 8,000 multifamily units

Mr. O'Keeffe has over 25 of years real estate experience, primarily in the multifamily housing sector. He currently manages and has ownership interest in multifamily units throughout Massachusetts, Rhode Island and Florida. His background includes asset management, acquisition, development, property management, financing and disposition of multifamily assets throughout the central and eastern U.S. Prior to forming Tidegate, he served at Equity Office Properties, Boston Financial, and Bank of America.

Mr. O'Keeffe earned a BA in Economics from the University of Richmond and an MBA from Northeastern University.



Guy C. Holbrook, IV, CFA®
Principal and Founder

- 27 years of comprehensive experience investing through major market events and cycles
- Responsible for developing proprietary analytical tools for incorporation into Tidegate Market Selection Process

Working exclusively in the investment industry since 1987, Mr. Holbrook focuses on portfolio construction, research, and management. He has developed detailed analytical and risk-reduction models to target Tidegate's investment markets. Mr. Holbrook began his investment career at MFS, and subsequently joined Scudder, Stevens & Clark. At Columbia Management, his 10-person portfolio team managed over \$30 billion in assets, and he developed a fixed income fund, growing AUM to \$1 billion.

Mr. Holbrook earned a BA in Economics from Colby College and holds the Chartered Financial Analyst (CFA®) designation.



Jeffrey S. King, CFP®
Managing Director

- Experienced in multiple investment vehicles and structures
- Client-focused approach to relationship management

Mr. King began his asset management career in 1987 and has worked at large investment firms and boutiques alike, including MFS, Prudential Investments, UBS Global Asset Management, and Bank Julius Baer. His expertise includes marketing, sales, and client service. He has worked extensively with investment advisors, bank trusts, family offices, and institutions to help them source investment programs for client portfolios.

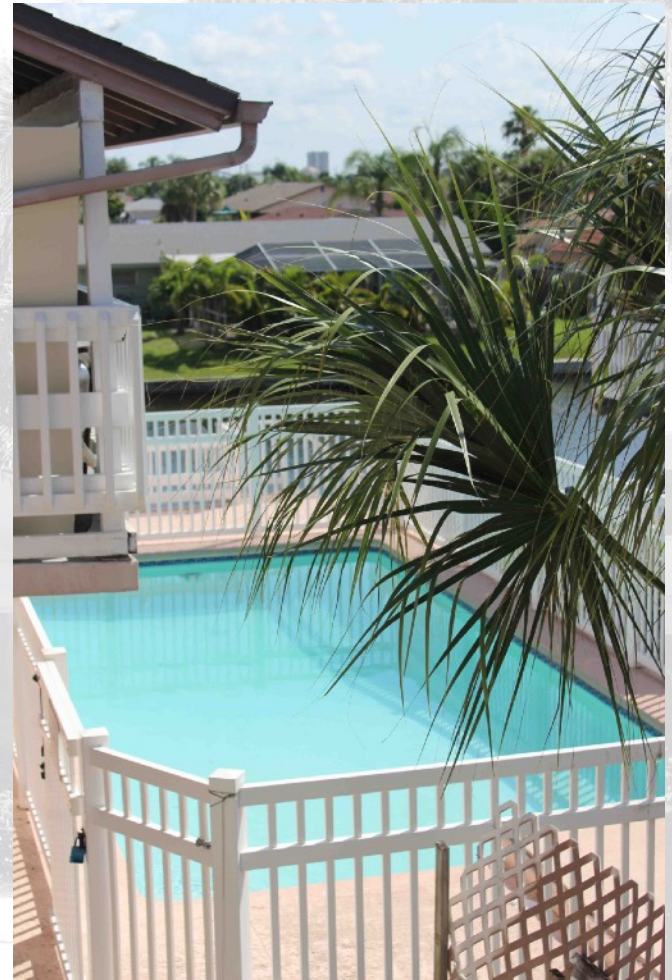
Mr. King earned a BA in Administrative Science from Colby College and graduated with Distinction in the Major. He is licensed as a Certified Financial Planner (CFP®).

In addition, Tidegate Capital is guided by the expertise of 4 independent advisors, each with extensive experience in business management, start-ups and technology.

6. Appendix: Typical Improvements

Improvements

- Change name to reflect pending improvements
- Integrate local site manager
- Enhance landscape and curb appeal
- Install new signage with contact info
- Create website
- Repaint exterior as needed
- Replace HVAC as needed
- Update kitchens and baths as needed
- Implement green technology and fixtures



6. Appendix

Annual Total Returns of REITs and Broad Based Benchmarks*

Historical Annual Total Returns — Compounded

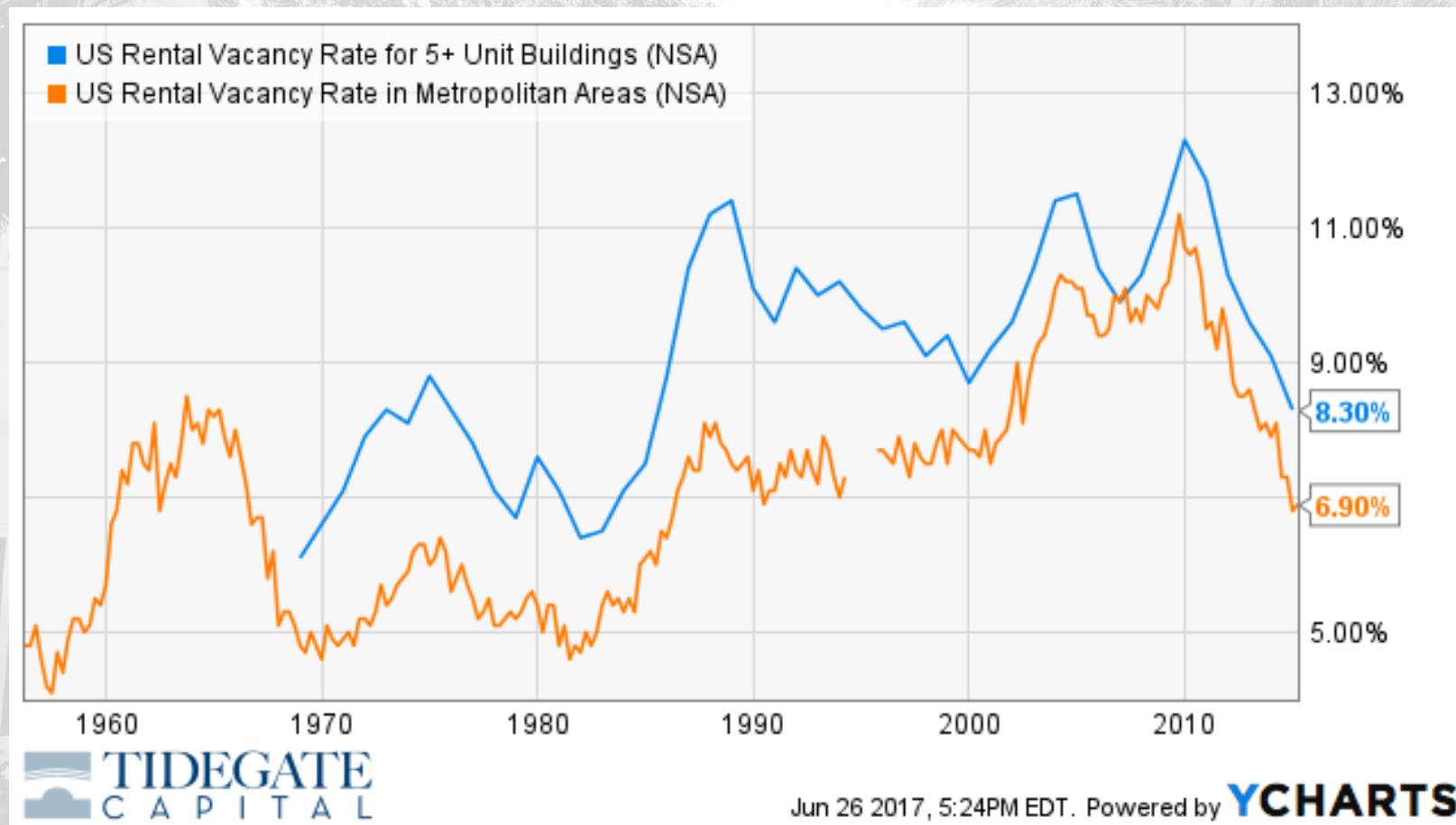
	Listed US REITs	Large Cap US Stocks (S&P 500)	Small Cap US Stocks (Russell 2000)	U.S. Bonds (US Agg Index)	US Inflation (CPI)
1 Year	27.15	13.69	4.89	5.97	0.76
3 Year	16.39	20.41	19.21	2.66	1.33
5 Year	16.63	15.45	15.55	4.45	1.69
10 Year	7.5	7.67	7.77	4.71	2.12
15 Year	12.29	4.24	7.38	5.7	2.25
20 year	11.13	9.85	9.63	6.2	2.28
25 Year	10.6	9.62	9.75	6.49	2.52
30 Year	9.52	11.35	10.27	7.44	2.71
35 year	11.14	11.83	11.09	8.16	3.25
40 Year	12.83	12.19	na	na	3.85

The U.S. REIT Index defines and measures the investable universe of publicly traded real estate investment trusts domiciled in the United States.

* www.reit.com

6. Appendix

Historical Rental Vacancy Rates



Vacancies remained well below current levels during the 20-year period from 1967 to 1986.
Demand for rental housing is expected to increase due to transitioning demographics.



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Preliminary projections, subject to revision. Real Estate investing involves risk, including complete loss of principal.