



Blue Lake Multifamily Fund

www.bluelake-capital.com



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WHO IS BLUE LAKE CAPITAL



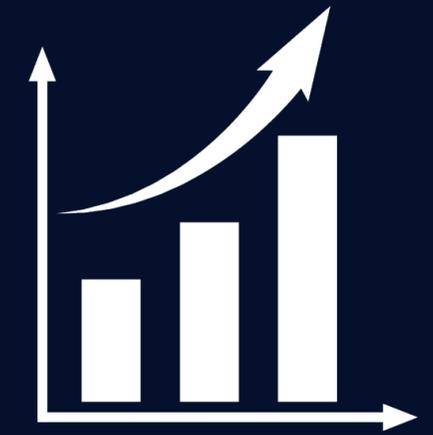
Units Acquired

3,514



Transaction Volume¹

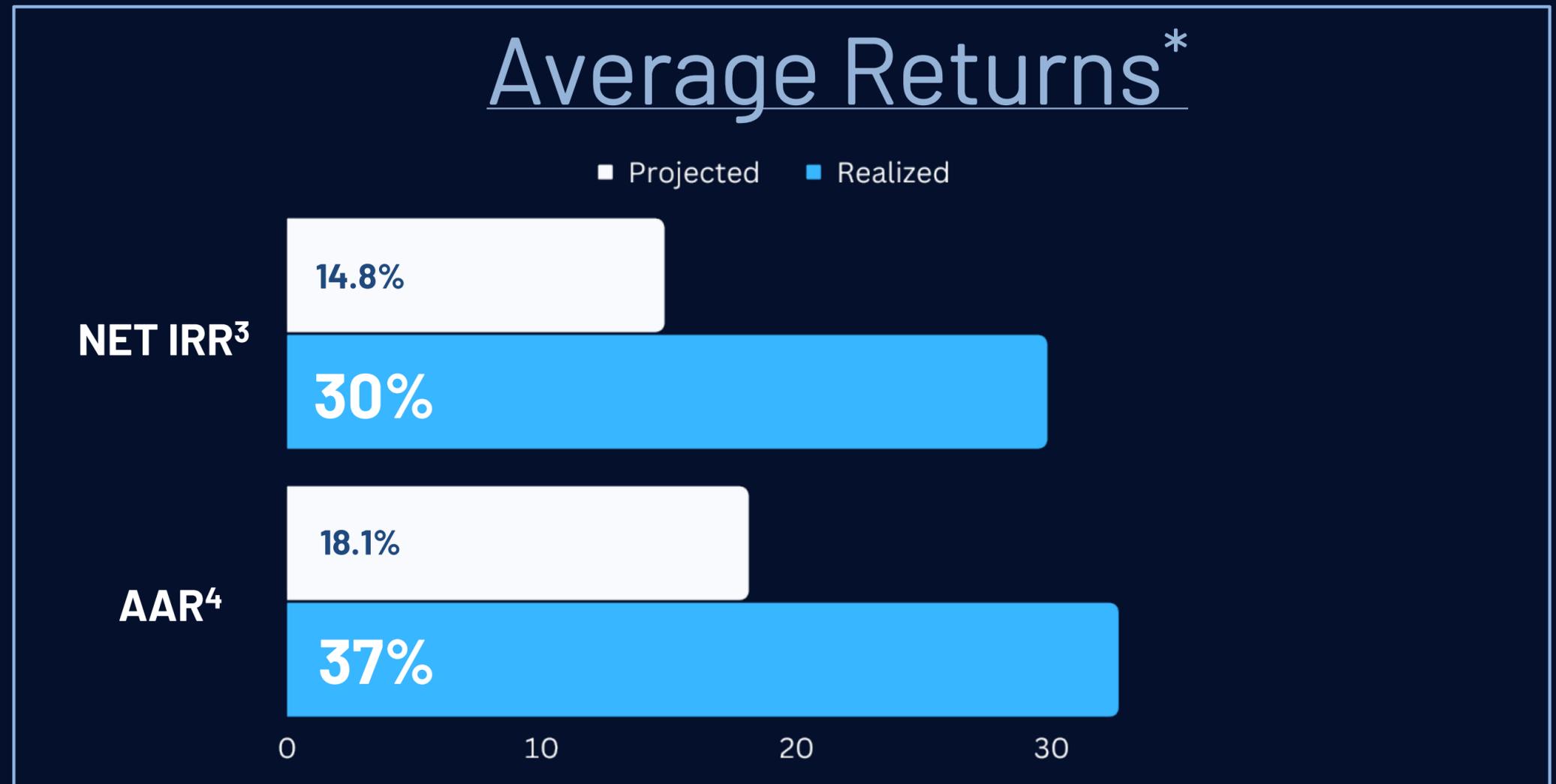
\$850 million



Equity Invested²

\$209 million

Our Track Record



*As of 2/28/2023. Results are not guaranteed. An average means there are returns above and below the stated number. There are no guarantees that this average will be met or exceeded in future opportunities.

Why Invest In Multifamily Now?*



Price Correction

The multifamily market is actively going through a correction, which is great for multifamily investors, as assets are now being priced with greater accuracy resulting in offerings that are not grossly overinflated in price.



Strong Fundamentals

Multifamily real estate fundamentals continue to show strength compared to other asset classes and investment vehicles. Household formation, wages, demand, vacancy, and rent growth has proven resilient throughout the COVID pandemic, demonstrating the strength in the U.S. housing market



Affordability

Over the past decade, single family home values exceeded multifamily rent growth. Increasing household debt and other socioeconomic trends have also fueled demand for multifamily housing as the cheaper alternative to living.



Limited Supply

Despite a high volume of deliveries expected over the next 12 months, multifamily demand is projected to exceed supply through 2030.



Inflation Hedge

Multifamily investing hedges against inflation due to the short-term duration of leases as compared to other real estate asset classes.

*The preceding is based upon Company's opinion and others may differ or vary in their position on these issues.

Our Philosophy



Putting Investors First. Always.

Blue Lake's core principles are to Be Bold, Strive for Excellence, and do so with relentless Hustle, Heart, and Humility.

Our team applies these principles to everything we do, especially when it comes to our investors, and it shows. **Since inception, our investors have trusted us with an average investment check size of \$350,000, at a maximum of 78% of our investors returning to invest with us again.**

We don't take that for granted. We tremendously value our investors' trust and strive every day to deliver, or overdeliver, on our commitments to them.

Our Team

The Blue Lake team strives to set new, higher standards for serving investors, and to redefine what real estate investing is all about: collective wealth building, creating and maintaining success, and prioritizing our role in helping investors to live an extraordinary life.





Ellie Perlman

Founder & CEO

I grew up in Israel, the eldest of four children in a family of six. We were poor. I was nine when I started to clean synagogues to support my family. As I grew older, I realized what was happening and I wanted something more for myself. I had a burning desire to succeed and break the poverty chain.

After graduating from MIT, I worked as a real estate attorney for one of Israel's top law firms, and a property manager for Israel's largest energy company, but I had bigger goals.

I pivoted my career and became a real estate investor and entrepreneur. Today, I combine my passion for real estate with my experience in real estate law, property management, and business education and experiences. My passion for real estate has become the most powerful force in my life and made walking away from my legal career an easy choice. This burning desire to succeed in life has never left me, and never will.

I keep looking forward to conquering my next goals in real estate investing and my ambition is only exceeded by my obsession with our investors.



“ Growing up poor, as a young adult I made a promise to create a better, brighter future for myself and my family. I analyzed the habits of wealthy people and realized that the one thing all wealthy people have in common is real estate. I understood that owning real estate is the key to financial freedom.”

ELLIE PERLMAN

Founder & CEO





Jeannette Robinson

Director of Investor Relations

I joined Blue Lake as its first employee, at a time that I was forced into a dramatic career shift due to my oldest daughter abruptly becoming chronically ill from autoimmune diseases. How do you build out an entirely new career path from a hospital room? With real estate!

As a single mother of 4 children (2 of whom are now adults – phew!), Blue Lake presented an excellent opportunity to demonstrate to my children exactly how challenges can be overcome, even against hard odds. Ellie’s story deeply resonated with me, and I wanted to help. Coupling this with my own mission to lead my family by my own example, I became unequivocally #TeamBLC. I am very proud of the growth that Blue Lake has achieved and I enjoy our continued journey onward and upward. Most of all, I deeply value and strive to honor the trust that our investors place in us, making all this possible. Real estate investing as a team is truly incredible!



“

A limited mindset plays not to lose.
A growth mindset plays to win.”

JEANNETTE ROBINSON

Director of Investor Relations



Blue Lake Group Team Members



Ellie Perlman— Chief Executive Officer & Founder

- Ms. Perlman has over 15 years of real estate experience, spanning over real estate law, property management and investments, with over \$1B in real estate transactions.
- As a CEO of Blue Lake, she oversees all management functions including strategic planning, oversight of acquisitions, asset management and investor relations.
- Prior to founding Blue Lake, Ms. Perlman was a real estate attorney for one of Israel's top law firms, and a property manager for Israel's largest energy company.
- Ms. Perlman is a board member of the Cherie Blair Foundation for Women and additionally, established a non-profit that supports children's' education.
- Ms. Perlman holds an M.B.A. from MIT Sloan School of Management and Bachelor's and Master's in Laws.



Jeannette Robinson— Director of Investor Relations

- Ms. Robinson has over 20+ years of experience in business development, executive recruiting, as well as management of start-ups and non-profit organizations.
- As Director of Investor Relations, she facilitates the company's strategy, growth opportunities, and business initiatives and communications with Blue Lake Capital's investor community.
- Her expertise in donor relations and capital raising has enhanced Blue Lake Capital's ability to scale portfolio growth from early inception to the portfolio's current standing.
- Ms. Robinson has a BAAS from Howard Payne University and spends her free time serving as a passionate advocate for Veterans and children with disabilities.



Chad Bonham— Director of Asset Management

- Mr. Bonham has over 16 years of real estate experience, with expertise in multifamily asset management.
- At Blue Lake, Mr. Bonham oversees asset management, strategic operational projects, portfolio financial analysis, and capital improvement management
- Prior to joining Blue Lake, Mr. Bonham worked as a VP of Asset Management at DWS.
- Mr. Bonham's experience includes managing assets in seven funds valued over \$3B, and in two REITs, valued at \$2B.
- Mr. Bonham holds an M.B.A with a major in Real Estate from Wharton University and a B.S. in Construction Management from the Brigham Young University.



Mark Gleason— Director of Acquisitions, East Coast

- Mr. Gleason has over 15 years of real estate experience in a vast array of financial and partnership structures including mezzanine financing, tax credit financing, and ground lease structures for both publicly traded companies and privately held owner-operator with portfolios of \$1-\$2 billion.
- As Director of Acquisitions at Blue Lake, he is responsible for maintaining brokerage and debt relationships as well as underwriting, overseeing through due diligence, analyzing market conditions, and closing transactions.
- Prior to joining Blue Lake Capital, Mr. Gleason served as Vice President of Finance for a national apartment owner-operator with 56,000 units under management.
- Mr. Gleason holds a B.S.B.A. in finance from East Carolina University.

Blue Lake Group Team Members



Tim Nguyen– Director of Acquisitions, West Coast

- Mr. Nguyen has over 12 years of real estate acquisitions experience, with over \$2B in transaction volume.
- As Director of Acquisitions at Blue Lake, Mr. Nguyen oversees acquisitions, dispositions, debt strategy, refinance, and recapitalization activity
- Before arriving to Blue Lake, Mr. Nguyen was the Head of Value-Add Acquisitions at Gemdale and a Director of Acquisitions at Atlas Capital.
- Mr. Nguyen holds an M.S in Real Estate Development from Columbia University and a B.S. in Business Administration from Berkeley.



John Parris– Director of Marketing

- Mr. Parris has over 25 years of experience in marketing business development, and client solutions
- At Blue Lake, Mr. Parris is responsible for all aspects of marketing strategy, developing and promoting the Blue Lake Capital brand.
- Prior to joining Blue Lake, he held a variety of leadership roles at Cox Communications, the largest private broadband company in America.
- Mr. Parris holds a B.A. in Economics and Business Administration from the University of Richmond.



Uziel Sinvani– Acquisitions Analyst

- Mr. Sinvani has over 5 years of real estate experience, with a diverse background in Acquisitions and Asset Management
- As an Acquisitions Analyst, he is responsible for gathering and analyzing financial and operational data to further improve the acquisition process through data interpretation, identification of trends, and overall operational efficiencies.
- Mr. Sinvani's background includes a blend of both technical and operational leadership. He formerly served in Israeli Air Force and is currently pursuing his B.A. in Social Sciences Management.



Ryan Rasieleski– Acquisitions Associate

- Mr. Rasieleski has over 4 years of multifamily real estate experience, ranging from Operations Strategy, Asset Management, and Acquisitions. He has been involved in over \$2B of multifamily transactions in primary, secondary, and tertiary markets across the U.S.
- At Blue Lake, Mr. Rasieleski is responsible for market research, deal sourcing, underwriting, due diligence, and equity/debt structuring.
- Prior to joining Blue Lake, he managed a \$7B portfolio spanning 25,000 units for a vertically integrated owner-operator
- Mr. Rasieleski holds an M.B.A with a major in Finance from Johnson & Wales University and a B.S. in Management from Rhode Island College.

- ❖ **Track Record:** Blue Lake has exited deals with an average net IRR to investors of 30% and 1.67x EM. Blue Lake has demonstrated the ability to produce strong results and high yields to returns in a short period of time, during volatile market environment.
- ❖ **Truly Diverse Team:** The Blue Lake Group is led by Ellie Perlman, a female entrepreneur and an immigrant from Israel. A third of the group is comprised by women and over 50% belongs to at least one minority group.
- ❖ **Proprietary Approach to Market Selection:** Blue Lake Capital has developed a proprietary Investment Strategy software with Archer AI to identify submarkets that match its investment criteria. The system leverages predictive analytics to filter criteria that Blue Lake Capital has flagged as important and tailors from time-to-time based on market conditions. For example, we set weighted parameters on custom metrics such as rent-to-income ratio to measure tenant affordability to achieve our proforma rents and establish thresholds on neighborhood scores to validate our location preferences (e.g., low crime levels, high quality schools, adequate area amenities). This dynamic tool allows us to strategically test investment hypotheses and stay ahead of the curve in a fast-paced environment where macro- and micro- variables are constantly changing, and we will shift our strategy based on real-time observation of these market trends as necessary.
- ❖ **Machine Learning Projections:** Blue Lake Capital incorporates RealPage's Axiometrics forecasting system to assist in determining our underwriting assumptions. RealPage uses Nutonian's groundbreaking software Eureka, which is a unique machine-learning platform that explores the hyper-dimensional relationships between property and market forces to evolve highly accurate yet concise models of those relationships and their outcomes. This independent estimation of apartment market forecast models allows for market-specific dynamics to emerge from market to market and provides Blue Lake Capital with confidence in the methodology of its data sets.
- ❖ **Utilizing AI in Underwriting:** Blue Lake Capital utilizes Archer AI to streamline its underwriting process, which includes leveraging its sophisticated program to generate robust financial models for our Investment Team to further underwrite. Our deal processing time has been cut by over 5x due to accelerated financial modeling using Archer's Auto-UW tool, which has nearly instantaneous T12 and rent roll parsing, pre-loaded sale/operating/rent comps, and built-in charts and tables specifically designed to identify value in multifamily deals. This allows us to scale our acquisitions pipeline in a robust manner and screen deals efficiently so that we can prioritize our focus on those deals that best suit our investors.

The Blue Lake Differentiation



Blue Lake Multifamily Fund Overview



Highlights & Projected Returns

Blue Lake Multifamily Fund Highlights

- ❖ **Fund Size:** \$100M
- ❖ **Anticipated Life of Fund:** 5 to 7 years
- ❖ **Target Holdings:** 10 to 15 properties with 200+ units located in high growth markets
- ❖ **Equity Allocated Per Deal:** ~\$30M - \$50M
- ❖ **Strategy:** Class B+/- multifamily assets targeting underperforming, value-add, or institutional assets
- ❖ **Investing Opportunity:** Accredited Individuals, Family Offices, Funds, SD-IRA, 401Ks
- ❖ **Minimum Investment:** \$50,000
- ❖ **Distribution Frequency:** Monthly

Projected Returns & Investment Classes*

Investment Class	Investment Amount	Pref Return	LP/GP Equity Split from Pref to 12% IRR	LP/GP Equity Split from Above 12% IRR	LP IRR**	LP Equity Multiple**	Average LP Cash-on-Cash (Excluding Sale)	Average LP Cash-on-Cash (Including Sale)**
A	\$50,000 - \$249,999	8%	70% / 30%	50% / 50%	14.9%	1.87x	6.00%	17.5%
B	\$250,000 - \$499,999	8%	70% / 30%	55% / 45%	15.1%	1.89x	6.25%	17.9%
C	\$500,000 - \$999,999	8%	70% / 30%	60% / 40%	15.4%	1.91x	6.48%	18.3%
D	\$1M - \$4,999,999	8%	70% / 30%	65% / 35%	15.7%	1.94x	6.71%	18.7%
E	\$5M+	8%	70% / 30%	80% / 20%	16.4%	2.00x	7.00%	20.0%

*Projected Returns are based on our cumulative historical performances. Historical performance does not guarantee future performance. See appendix for further details.

** Includes sale proceeds.

Sample Proforma*

	Year 1	Year 2	Year 3	Year 4	Year 5
REVENUE					
Gross Market Rent	5,461,003	5,797,926	6,102,263	6,415,238	6,726,848
Premiums Achieved	143,454	473,376	838,541	1,044,161	1,094,880
Loss to Lease	(137,324)	(116,806)	(61,915)	(33,014)	(34,618)
Gross Potential Rent	5,467,133	6,154,496	6,878,890	7,426,385	7,787,110
Vacancy	(273,357)	(307,725)	(343,944)	(371,319)	(389,355)
Concessions	-	-	-	-	-
Bad Debt	(27,336)	(30,772)	(34,394)	(37,132)	(38,936)
Model Unit	(18,962)	(20,132)	(21,188)	(22,275)	(23,357)
Employee Unit	-	-	-	-	-
Effective Rental Income	5,147,479	5,795,867	6,479,363	6,995,658	7,335,462
OTHER INCOME					
Other Income	339,140	348,678	368,522	387,351	406,647
New Other Income	38,097	99,861	110,936	116,604	122,412
Utility Reimbursements (RUBS)	144,582	146,144	149,067	152,048	155,089
Total Other Income	521,820	594,682	628,525	656,002	684,148
Effective Gross Income	5,669,299	6,390,549	7,107,887	7,651,661	8,019,609
EXPENSES	BLC				
Payroll	(418,000)	(422,515)	(430,965)	(439,584)	(448,376)
Repairs and Maintenance	(57,600)	(58,222)	(59,387)	(60,574)	(61,786)
Contract Services	(\$107,301)	(108,460)	(110,629)	(112,842)	(115,099)
Turnover	(64,800)	(65,500)	(66,810)	(68,146)	(69,509)
Utilities	(220,908)	(223,294)	(227,760)	(232,315)	(236,962)
General/Admin	(76,027)	(76,848)	(78,385)	(79,953)	(81,552)
Marketing	(57,600)	(58,222)	(59,387)	(60,574)	(61,786)
Insurance	(379,857)	(383,960)	(391,639)	(399,472)	(407,461)
Misc	(13,622)	(13,769)	(14,044)	(14,325)	(14,612)
Real Estate Taxes	(699,757)	(889,834)	(907,630)	(925,783)	(944,299)
Property Management Fee	(155,906)	(175,740)	(195,467)	(210,421)	(220,539)
Total Expenses	(2,251,378)	(2,476,363)	(2,542,103)	(2,603,989)	(2,661,979)
Net Operating Income	3,417,921	3,914,186	4,565,785	5,047,671	5,357,630

Capital Stack



*For sample purposes only. This proforma does not represent a specific or direct asset of the Fund.

Sample Investment Returns

These return projections are only projections. The actual returns, if any, are based upon numerous variables. Because the Company has yet to acquire any assets, the return projection cannot be guaranteed to be accurate. Nonetheless, the Company will attempt to purchase assets that the Company believes are likely to provide returns that mimic these return projections.

Projected Returns at \$500,000

	Investment	Year 1	Year 2	Year 3	Year 4	Year 5
Investor Annual Percent Return		4.12%	5.22%	5.70%	6.46%	7.13%
Investor Return on Investment	(500,000)	\$20,206	\$26,299	\$34,356	\$40,282	\$44,051
Return from Disposition						\$775,612
Yearly Return		\$20,206	\$26,299	\$34,356	\$40,282	\$819,663
						Total Return: \$ 940,806

Projected Returns at \$1,000,000

	Investment	Year 1	Year 2	Year 3	Year 4	Year 5
Investor Annual Percent Return		4.12%	5.22%	5.70%	6.46%	7.13%
Investor Return on Investment	(\$1,000,000)	\$40,413	\$52,598	\$68,712	\$80,565	\$88,102
Return from Disposition						\$1,568,886
Yearly Return		\$40,413	\$52,598	\$68,712	\$80,565	\$1,656,988
						Total Return: \$ 1,899,276

Projected Returns at \$5,000,000

	Investment	Year 1	Year 2	Year 3	Year 4	Year 5
Investor Annual Percent Return		4.12%	5.22%	5.70%	6.46%	7.13%
Investor Return on Investment	(\$5,000,000)	\$202,063	\$262,988	\$343,558	\$402,825	\$440,510
Return from Disposition						\$7,932,731
Yearly Return		\$202,063	\$262,988	\$343,558	\$402,825	\$8,373,241
						Total Return: \$ 9,584,675

Benefits of Investing in Blue Lake Multifamily Fund*

- ❖ **Investors Come First**: Blue Lake Capital prioritizes our investors, first and foremost. While there are many options available for investors today, Blue Lake Capital investors regularly invest with us, at a maximum **repeated rate of 78%**. We are honored by this and are highly committed to keeping our investors at the forefront of our fiduciary responsibilities.
- ❖ **Aligned Interest with Your Sponsor**: Ellie Perlman, Blue Lake's CEO and Founder, personally invests a substantial amount of her own capital, as well as her families' funds, (~\$1M - \$8M+) in every asset Blue Lake acquires. Due to this, Ellie and her family are usually **the largest LP in every deal**. This ensures every acquisitions, the management of the assets, and the timing of dispositions are equally beneficial for all parties, as **everyone is invested together**.
- ❖ **Minimize Risks Through Diversification**: A Fund allows an investor to **diversify equity across assets and markets**. A key advantage to this is returns are dependent upon the combined performance of the assets within the Fund as a whole, as opposed to "putting all your eggs in one basket" or in just one asset or market at a time.
- ❖ **Capital Preservation / Inflation Hedge**: Multifamily investments, when properly managed, are an excellent hedge against inflation. Inflation causes the purchasing power of every dollar to decrease, as prices and interest rates continue to rise across the economy. By securing your funds into multifamily investments, **the value of your money is retained, and produces income** throughout the holding period. Since the property generally appreciates in value over time, your original investment can be sold at a higher price than it was purchased at, furthering the growth of your original capital.
- ❖ **Tax Benefits** – Real estate investments provide a key benefit to investors, unlike other investments. Each year investors can capture losses from both operational expenses, as well as the depreciation of the assets, to offset gains from their passive income streams. This means **investors can realize direct tax reductions and deferrals**, which positions multifamily investors to continue to grow their wealth in a far more stable and consistent fashion.
- ❖ **Conservative Underwriting**: Any real estate deal can be made to look "good" and project appealing returns. However, this can cause investors to be disappointed if the projections are not met, lose money, and mistakenly invest in poor and/or failing investments. At Blue Lake Capital, we are extremely conservative in our underwriting. Our projections are strictly data driven, based on AI computed data science, current market rates, and pragmatic projections. In order to continue to meet and exceed our projected returns to our investors, **we do not inflate or overreach on our underwriting and projections**.

*These are reasons that the Company believes are beneficial. Please be sure to speak with your own legal, tax, and financial advisors to evaluate this opportunity based upon your unique financial position.

A Strategic Approach to Investing

Markets have changed. We have too.



Our Investment Strategy



Blue Lake Capital takes a unique approach to real estate investing, with preservation of capital, followed by return on capital, as our highest priorities.

We pride ourselves on delivering superior, risk-adjusted returns for investors through strategic industry observations, market & property selection, operational efficiency, and proven value add strategies resulting in high yield and forced appreciation. **Our team has been able to consistently identify opportunities in Multifamily assets that have returned, on average, 30% net IRR to our investors.**

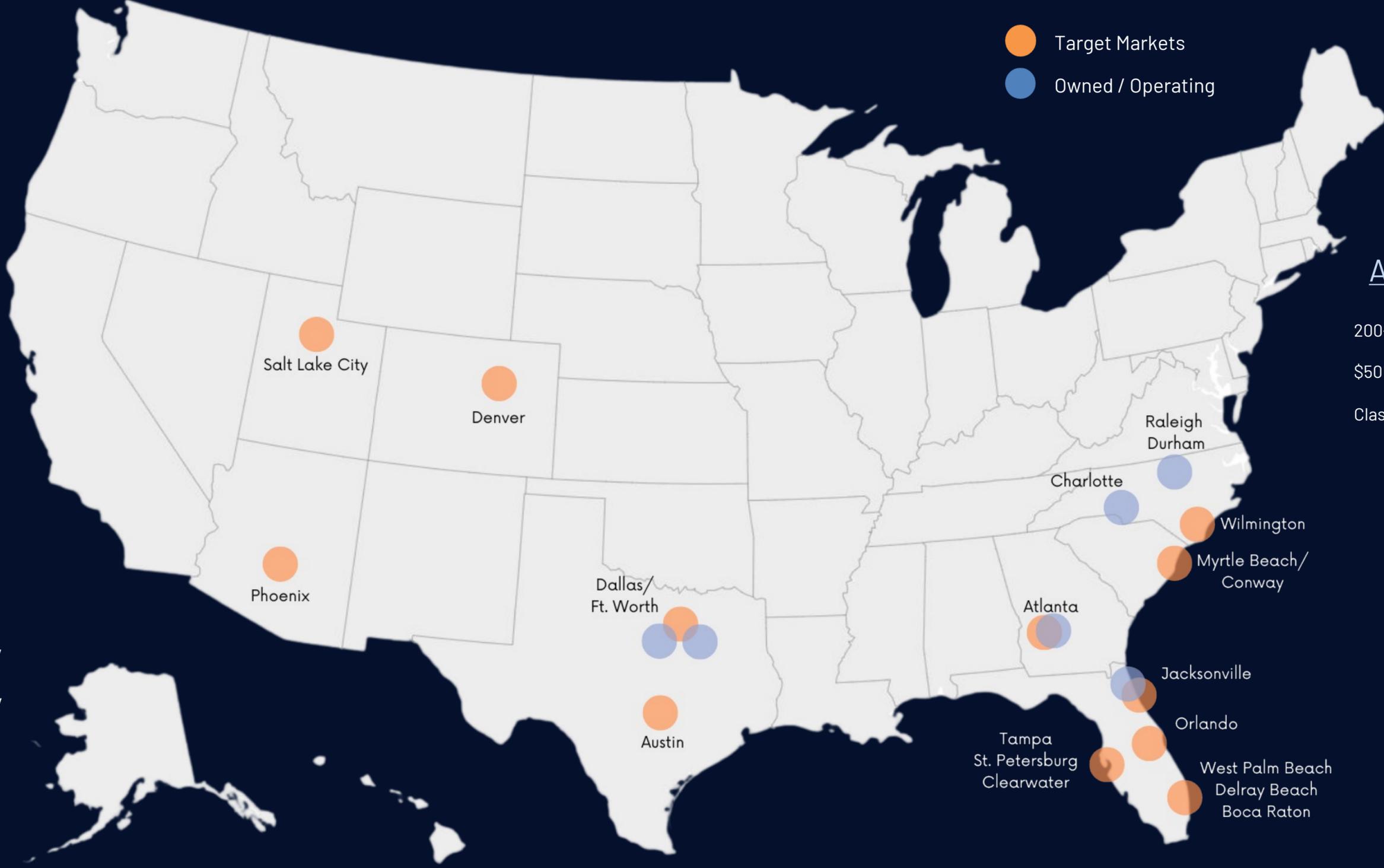
To uncover the best opportunities, we leverage extensive financial analysis, tenant demographics, market/submarket historical and projected performances, competitive analysis, data sciences, and even AI technologies.

We look for situations where we can maximize asset appreciation, such as:

- Multifamily properties leasing below market rents
- Outdated multifamily properties that can benefit from mild to moderate renovations, and modernizing assets to justify higher rents
- Poorly managed multifamily assets, where operational costs significantly reduce overall potential profitability
- High performing multifamily assets being sold at a discount in bulk sell offs

We target high growth markets with strong fundamentals, backed by data and AI technologies, to mitigate risk and optimize investor capital through all stages of the economic cycle.

Portfolio & Target Markets



We Look For

- Strong locations
- Population growth
- Employment growth
- High barriers to entry
- High earning industry segments

Acquisition Criteria

- 200+ Units
- \$50M+ Capitalization
- Class A/B Multifamily
- Core Plus or Value Add
- Underperforming Assets



Risk Mitigation Strategy

❖ **Operational Efficiency:** Blue Lake Group has developed a best in class team to closely manage our assets. Our focus in 2023 is Asset Management, with emphasis on operational efficiency. We are strategically analyzing utility bill-backs, implementing ancillary income strategies, and comparing in-take fees to maximize income across our portfolio.

We are also prioritizing expense discipline given the inflationary environment we are currently operating in. With the rising costs of fixed expenses such as taxes and insurance, we are managing our controllables to ensure we optimize net operating income and resulting cash flows.

Resident satisfaction is at the forefront of our operational strategy. Our maintenance team is working closely with the front office to ensure resident inquiries, work orders, and other requests are addressed timely and effectively to maximize the resident experience. High retention reduces turn costs, customer acquisition expenses, frictional vacancy, and high reviews will drive more demand.

❖ **Acquisitions:** Blue Lake Group already underwrites conservatively; however, we will continue to stress test each deal based on the risk profile of the asset. We will only pursue deals that align with our investment strategy and buy at a discount to replacement cost to further mitigate market risk.

❖ **Financing:** Due to interest rate volatility expected to continue through the first half of 2023, we are focused on fixed rate agency debt for new acquisitions. Eliminating the fluctuations in debt service payments will create more validity in our pro forma projections throughout the investment.

- ❖ **Real Time Revenue Management that Maximizes Income:** Blue Lake utilizes a revenue management software that analyzes real time property performance, submarket rates and market conditions. The system allows our on-site team to adjust asking rents in real time, maximizing rates and increasing NOI and properties' valuation while staying competitive to market competitors.
- ❖ **Cost Savings that Improves NOI:** Operating expenses are reviewed at least monthly by Blue Lake's asset management team and further optimized through a partnership with a third-party contract negotiation firm that has a large national influence and ability to leverage their economies of scale. These cost savings have a direct impact on net operating income, property values, and investor returns.
- ❖ **Utilities Management:** Utility usage is monitored and reported through a GRESB-affiliated platform to identify areas of improvement and minimize the portfolio's carbon footprint. Utility billbacks for each property are also reviewed by a team of legal experts to ensure optimal recapture rates, which increases overall profitability, enhances property values, and is accretive to investor returns.
- ❖ **Business Intelligence:** Property performance analytics are tracked through business intelligence software that provides real time insights into forward-looking operational performance in order to proactively manage the portfolio's revenues and expenses and focus on the bottom line for our investors.

Blue Lake's Strategic Advantages



Advantages of Investing With Blue Lake Capital*



A Seasoned Team Managing Your Investments

Our team has over 60+ years of combined experience in value-add multifamily investing. We've created a dedicated team focused on the acquisition, oversight, and disposition of assets through all stages of the investment cycle.



Performance

Our track record competes with some of the largest institutions in real estate with an average net IRR of 30% to investors. We are obsessed with our investors, and continually strive to exceed our commitments to them.



Relationships

Blue Lake Capital leverages a deep network of investors, partners, brokers, lenders, operators, and vendors to optimize performance in all aspects of a transaction.



Transparency

We pride ourselves on reporting and communication throughout the entire investment cycle; from initial underwriting to distribution and disposition so investors have the most accurate, honest, and up-to-date information regarding their investment.



Focus

Our entire team is aligned to the company's vision and values, always considering investors first, striving for excellence, and fostering entrepreneurship to drive results.

*These are reasons that the Company believes are beneficial. Please be sure to speak with your own legal, tax, and financial advisors to evaluate this opportunity based upon your unique financial position.

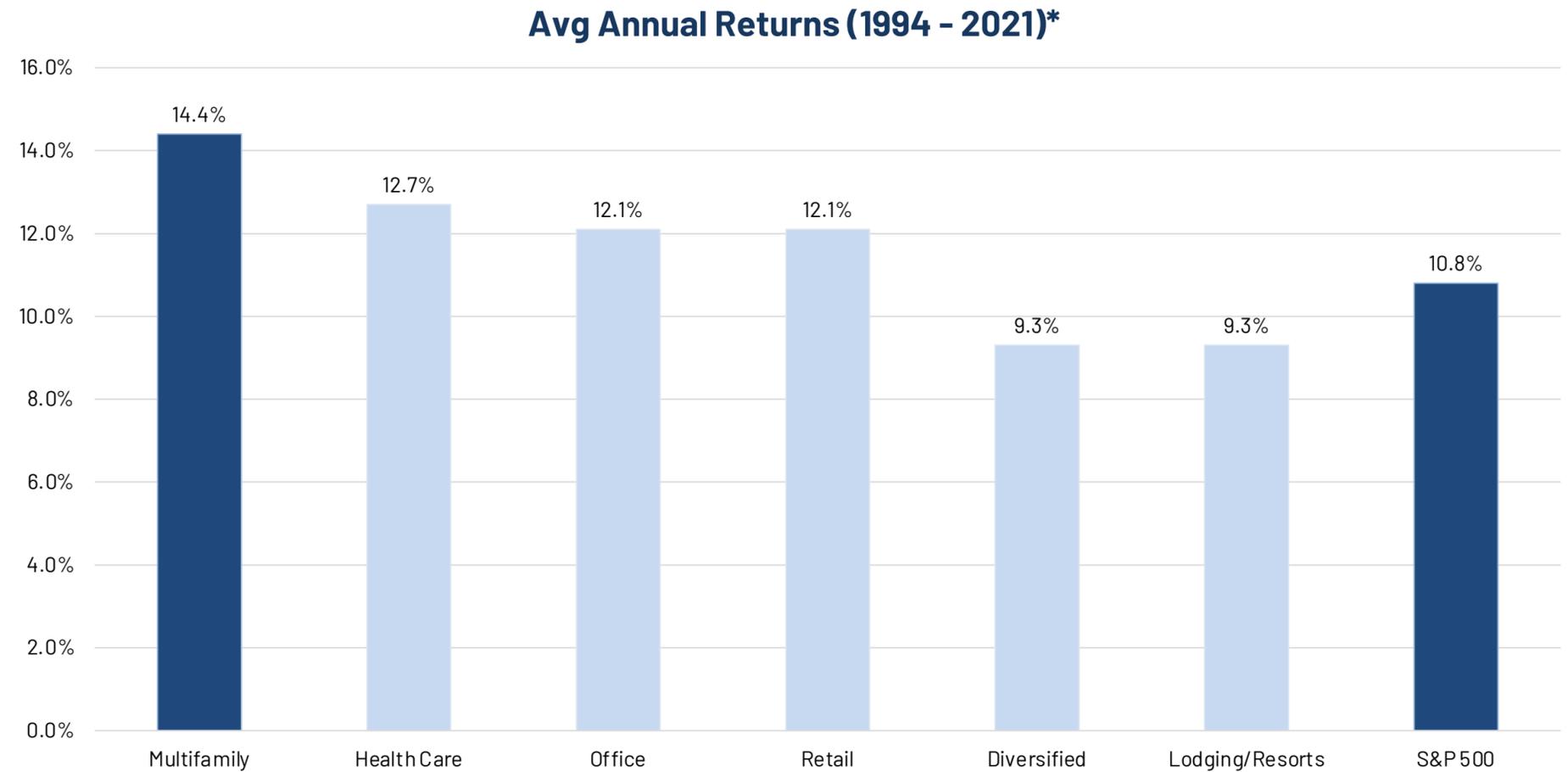
The Current Economy

Why investing in multifamily makes sense now.



Multifamily Real Estate Historically Outperforms the S&P

Many real estate asset classes outperformed the S&P 500's average 10.8% annual return since 1994. **The Multifamily Sector ranked as one of the top performing segments in the public space demonstrating stability as a superior investment vehicle.**



*While this is historically accurate, there is no guarantee that this trend will continue.

Multifamily Provides Recession Resistance

Following the last recession, the multifamily sector recorded the fastest recovery compared to all real estate asset classes and the broader markets. This supports multifamily being uniquely recession resistant compared to other asset classes.

A shift in investor sentiment also supported liquidity within the industry as multifamily apartments became a 'safe-haven' for investor capital during a period of high uncertainty.

Multifamily Resilience Post Recession*



Source: Greenstreet

*Multifamily historically provides recession resistance but there can be no guarantee that it will continue providing such resistance.

Class B Assets Produce Higher Yield and Less Risk

Necessity Renters

Class B assets contain necessity renters compared to Class A lifestyle renters who choose to rent. Necessity renters are more likely to renew, absorb rent increases, and appreciate value-add improvements to their existing units.

Low-Cost Basis

Class B assets can be acquired at a significant discount to replacement cost.

Higher Yields

Stronger yields can be achieved through Class B assets due to the cap rate spread between Class A and Class B deals in suburban locations.

NOI Growth

A disproportionate share of profits are made through cash flow and NOI growth, making the asset value less dependent on cap rate compression outside of ownership's control.

Low Impact

Multifamily construction pipeline has minimal impact on rent growth and vacancy since Class B does not directly compete with new Class A deliveries. This asset class provides a cheaper alternative while offering comparable amenities.

Affordability

Across the top 150 markets, class B effective rents are \$472, or 21.6%, less than Class A effective rents.

Case Studies

Our investment strategy in the real world.





Case Study: Element 41

Property: Element 41
Location: Marietta, GA

Acquired: October, 2020
Sold: June, 2022
Units: 494
Average SF: 935



- Blue Lake Capital unlocked untapped upside by implementing an interior value-add program. The upgrade scope consisted of new flooring, countertops, cabinets, appliances, and light fixtures.
- Exteriors were also upgraded throughout the hold, including resurfacing the parking lot, tree trimming, power washing, and FF&E in the amenity spaces.
- **Rents increased by 59.8% through accretive capital improvements and strategic pricing strategy.**
- A change in management supported operational efficiency at the property through reputation management, expense discipline, and hands-on oversight.



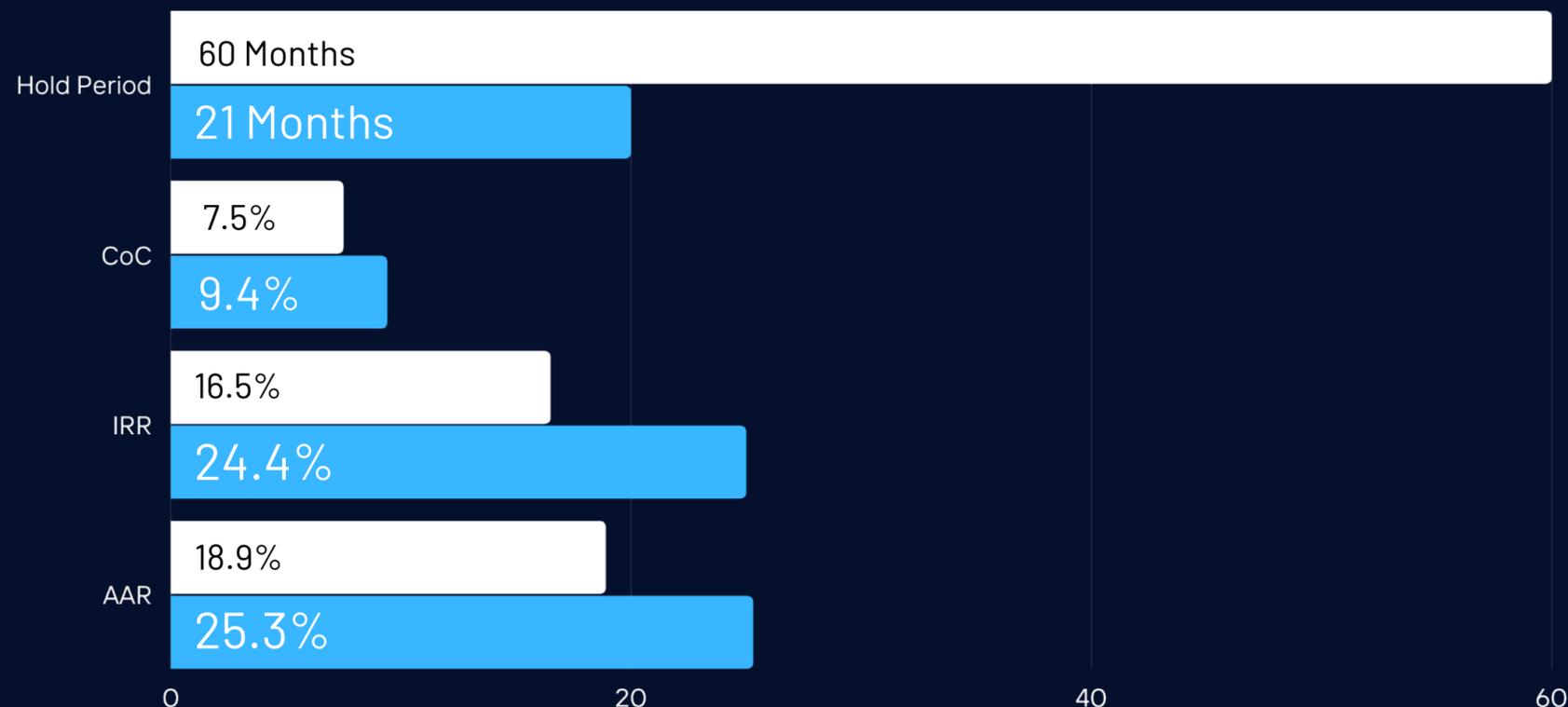
Case Study: Legacy Portfolio

Property: Legacy Portfolio
Location: Norcross/Gainesville, GA

Acquired (off-market): October 2019
Sold: June 2021
Units: 250
Average SF: 1,130

- Off market deals that were awarded through brokers relations
- Both properties went through an extensive interior upgrade program which increased the rent roll by 50% within two years.
- Exterior capital projects allowed Blue Lake Capital to reposition the property by focusing on upgrades to the tour path, common grounds, and amenity areas enhancing the prospect and resident experience.
- A new property management company immediately increased operational efficiency through contract negotiations and work orders while prioritizing leasing performance.

■ Projected ■ Realized



Understanding Our Investors' "Why"

Investors First. Always.





Larry & Sharon G.

"After many years as professional real estate investors, we turned to buying fractional shares, which lifted the responsibility of owning real estate outright.

After doing heavy research, we decided on investing with Blue Lake Capital, not only for their experience and track record with multi-level family investments, but also for their focus, transparency, and communication.

The culture of the company and its personnel is one of approachability, openness, and sincerity.

They continue to deliver on all fronts."



Taj & Kim P.

"Since we started investing in multifamily real estate in 2019 with Blue Lake Capital, our experience has been both pleasurable and profitable.

The Blue Lake team has far exceeded other syndicators in communication, transparency, consistency and, most importantly, ROI.

In the relatively short time we have worked with Ellie and Jeannette, they have built our trust to the point where we confidently have recommended them to both family and friends.

Investing in their fund is a perfect way to instantly diversify into multiple assets across multiple markets, while bringing in a stable consistent cash flow (with monthly payouts as a bonus). This is a great option for both new and seasoned real estate investors."



Josh E.

"We have invested with Blue Lake Capital since early 2019. From the beginning, their commitment to conservative underwriting has resulted in consistent cash flow and positive exits despite market events that created disturbances in the greater CRE markets (COVID and escalating interest rates). We also really appreciate the convenient portal, monthly email updates, and quarterly operating statements from the actual properties.

Finally, communication is always fast and easy. Highly recommended!"



Sajani I.

"As an accredited investor with several years of experience doing business in various private alternative investments with multiple financial institutions, I can honestly say my favorite investment experiences have been with Blue Lake Capital. I have been impressed with their undaunting efforts to procure profitable multi-family investment opportunities to their clients; their laser focused strategies to improve property values and tenant experiences; their absolute dedication to providing optimal investor relations.

I especially value Blue Lake Capital's founder Elle Perlman for her relentless work ethic, and I cannot end this without a big shout out to Jeannette Robinson who is always willing to go the extra-extra mile to make the entire administrative process seamless.

This is definitely a growth focused company that I enjoy doing business with again and again."





Jeannette Robinson

Director of Investor Relations

jeannette@bluelake-capital.com

210.740.5431

www.bluelake-capital.com

ENDNOTES: (values as of February 28, 2023)

- ¹ **Transaction Volume**: the price paid for acquired and sold assets, plus proceeds from asset sales by Blue Lake Capital and/or its founder, Ellie Perlman, since inception.
- ² **“Equity Invested”** represents the total equity invested upon acquisition of an investment, any equity invested over the life of such investment through the disposition date for such investment. Invested Equity includes equity from capital partners who invested in investments through which Blue Lake was responsible for the origination, structuring, financing and asset management through joint ventures in respect of which Blue Lake has operational control.
- ³ **“Net IRR”** represents a compounded annual rate of return and is calculated based on actual Invested Equity and Total Cash Flow Distributions paid through February 28, 2023, after deal, operating, and performance fees are paid to the Sponsor.
- ⁴ **“Average Annual Return”** represents the sum of Equity Multiple less one, divided by Hold Period in number of years.

APPENDIX:

- **AUM Since Inception (Purchase Price)**: the amounts paid for acquired and sold assets by Blue Lake Capital and/or its founder, Ellie Perlman, since inception.
- **“Equity Multiple”** represents Total Project Profits divided by Invested Equity, plus one.
- **“Hold Period”** represents the time period between the acquisition date and disposition date.
- **“Market Value”** represents the total annualized NOI for current assets under management as of February 28, 2023 divided by a market cap rate of 4.0%, plus the aggregate gross sales proceeds realized from sold assets since inception.
- **“Target Return Range”** Neither the Sponsor nor any of its representatives has made or makes any representation to any Limited Partner regarding the target return range reflected herein (the “Target IRR Return Range”) and none of them intends to update or otherwise revise the Target IRR Return Range to reflect circumstances existing after the date when determined, even in the event that any or all of the assumptions underlying the Target IRR Return Range are later shown to be incorrect. In addition, the Fund may make an Investment with an expected return outside of the Target IRR Return Range where the Sponsor, in its sole and absolute discretion, deems it appropriate. Accordingly, the Target IRR Return Range does not in any way obligate the Sponsor to, and is not a representation that, the Sponsor will only make Investments with expected individual returns within the Target IRR Return Range. Moreover, there can be no assurance that the Fund will be able to achieve returns within the Target IRR Return Range or that a Limited Partner will receive a return of its capital.
- **“Total Cash Flow Distributions”** represents total cash flows distributed from property operations and sales proceeds.
- **“Total Project Profits”** represents the aggregate distributions paid during the Hold Period less the return of all capital contributed.

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The following materials present information regarding a proposed creation of a special purpose vehicle (the "Issuer") which would offer securities (the "Securities") to finance its acquisition of a portfolio of financial assets to be selected and managed by the portfolio manager referred to herein (the "Manager"). These materials have been prepared to provide preliminary information about the Issuer and the transactions described herein to a limited number of potential underwriters of the Securities for the sole purpose of assisting them to determine whether they have an interest in underwriting the Securities.

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Past performance of indices or asset classes does not represent actual returns or volatility of actual accounts or investment managers and should not be viewed as indicative of future results. The comparisons herein of the performances of the market indicators, benchmarks or indices may not be meaningful since the constitution and risks associated with each market indicator, benchmark, or index may be significantly different. Accordingly, no representation or warranty is made to the sufficiency, relevance, important, appropriateness, completeness, or comprehensiveness of the market data, information, or summaries contained herein for any specific purpose.

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