



# RAITH REAL ESTATE FUND III

August 2022



# EXECUTIVE SUMMARY

## Raith Capital Partners

- **Independently owned**, diversified platform with \$1.43 billion managed and invested since 2012
- Extensive experience investing through cycles and across the capital stack; distressed skill set
- **Top quartile track record:** Fund I 15% Net IRR / Fund II 64% Net IRR<sup>1</sup>
- **Highly experienced team** with 75+ years combined Principal experience; partners have been working together for 12 years

## Raith Real Estate Fund III

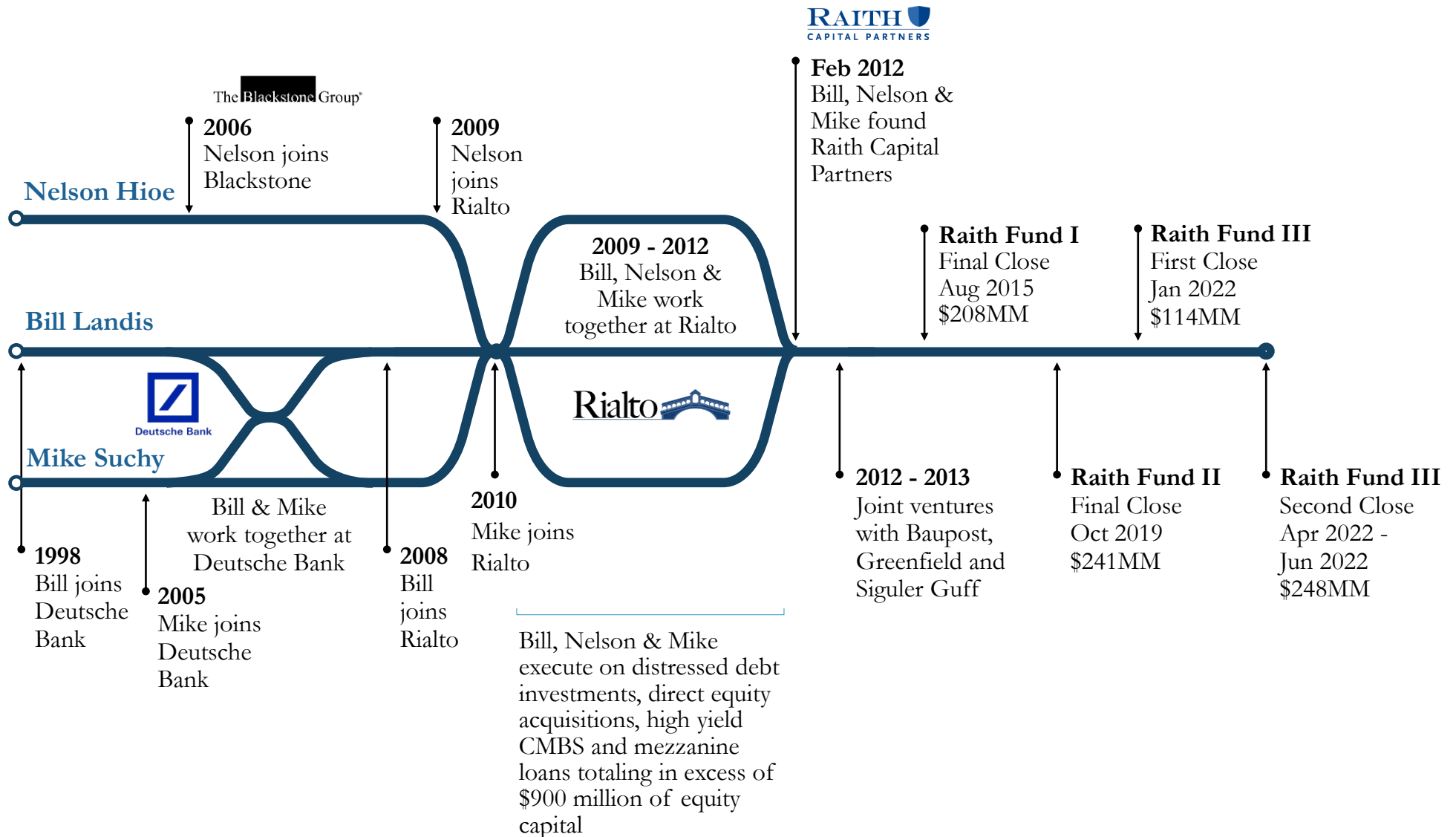
- **\$500 million targeted capital raise** for Opportunistic Fund III<sup>2</sup>
- **Opportunistic strategy** focused on pricing power-focused aggregation, risk-mitigated development and distressed opportunities
- As of June 9, 2022 the Fund has closed on **\$248M of investor commitments across two closings**
- **16% – 18% targeted gross IRR; 7% – 9% stabilized cash on cash yield**<sup>3</sup>

## Investment Philosophy

- Pursue relative-value oriented investment themes in **non-coastal in-migration markets**
- **Over-weight industrial (small bay, ISF, last mile) and high conviction multifamily**
- Focus on **cash flow, downside protection and opportunities to drive outsized rental growth**
- Selectively target **distressed** opportunities

# RAITH TIMELINE

Highly experienced team with 75+ years combined principal experience



# RAITH ORGANIZATION

The team has over 12 years of continuity amongst top leadership and an average of 25 years of experience within executive team



**BILL LANDIS\***  
Co-Founder, Managing Partner  
(30+ years experience)



**NELSON HIOE\***  
Co-Founder, Managing Partner  
(20+ years experience)

## ACQUISITIONS

- MICHAEL SUCHY\***  
Managing Director
- Sahil Amin**  
Vice President
- Dan Schofel**  
Vice President
- Kayla Young**  
Vice President
- Matt Fisher**  
Associate
- Naz Talebi**  
Analyst

## ASSET MANAGEMENT

- Alex Castro**  
Vice President
- Robert Jackson**  
Vice President
- James Egan**  
Senior Advisor
- Devon Riley**  
Analyst
- Jake Rosenberg**  
Analyst
- TBD**  
Analyst

## FINANCE/ ACCOUNTING

- Richard Gunthel\***  
Controller
- Gus Coutis**  
Assistant Controller
- Orlaith Murphy**  
Vice President
- Robert Rothenberg\*\***  
Accounting

## LEGAL COMPLIANCE ADMINISTRATION

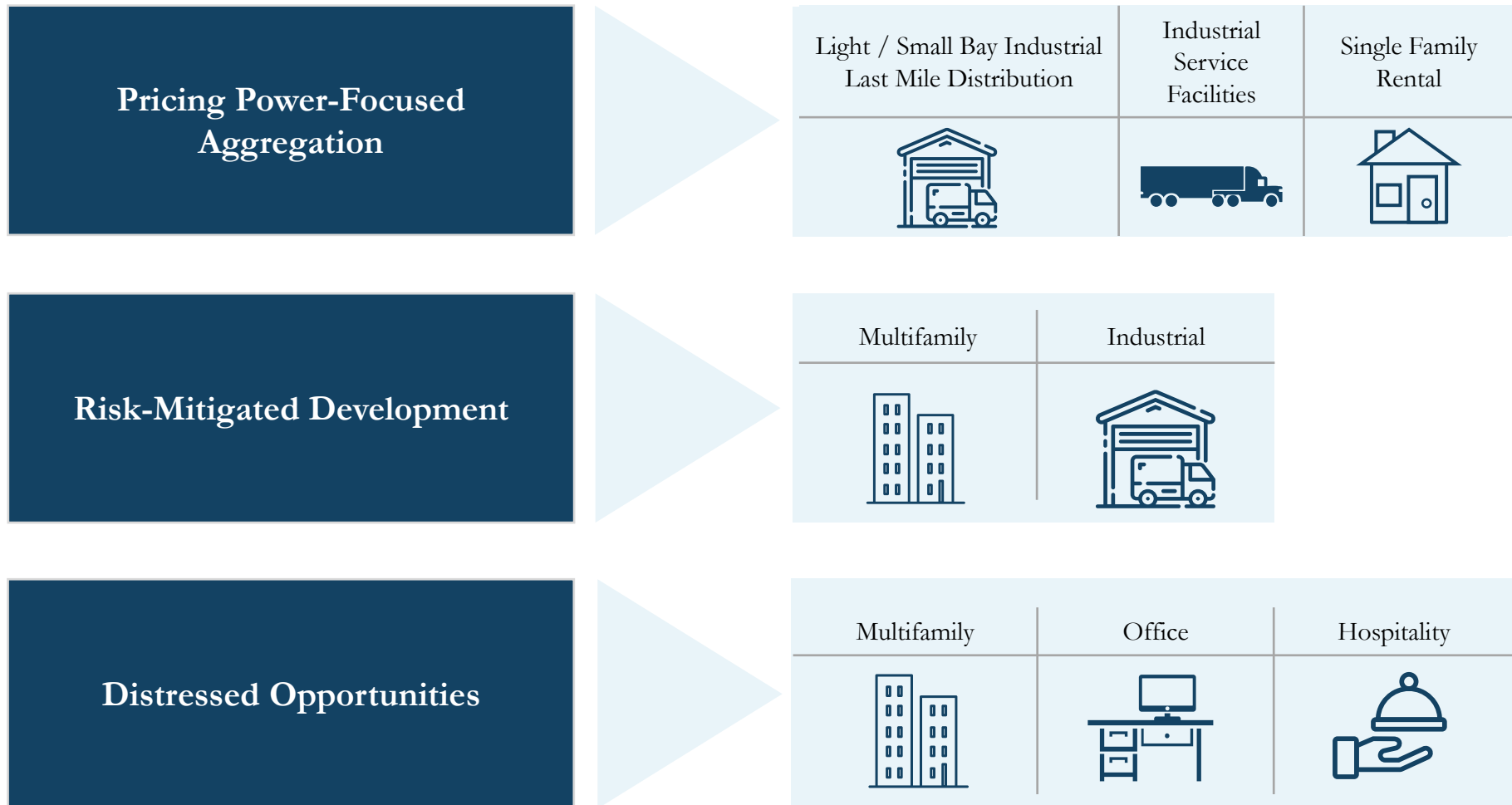
- Sandra Forman\***  
General Counsel & CCO
- Michele Gross**  
Chief Administrative Officer
- Kelsey O'Callaghan**  
Compliance Associate
- Kara O'Daly**  
Administrative Assistant

# FUND III INVESTMENT THEMES

Fund III will focus on investing in high-growth niches, development opportunities and distress

## Investment Themes

## Target Sectors



# RAITH INVESTMENT APPROACH

Raith aims to achieve higher risk-adjusted returns by mitigating downside risks and embedding additional sources of upside that are not part of underwritten returns

	Pricing Power-Focused Aggregation	Risk Mitigated Development	Distressed Opportunities
Risk Mitigation	<ul style="list-style-type: none"> <li>Acquire non-strategic assets from non-institutional, 'retail' owners</li> <li>Focus on markets with supply-demand imbalances</li> </ul>	<ul style="list-style-type: none"> <li>Acquire land at below market basis with no entitlement risk and limited permitting risk</li> <li>Shorten time frames from land closing to 'shovels in the ground'</li> </ul>	<ul style="list-style-type: none"> <li>Source off-market deal flow with complex legal considerations</li> <li>Utilize legal and credit expertise to create more protected structures</li> </ul>
Upside Generation	<ul style="list-style-type: none"> <li>Curate, upgrade and grow portfolio; identify outsized rent growth opportunities</li> <li>Exit to large, institutional buyers that are pivoting to niche sectors that require scale</li> </ul>	<ul style="list-style-type: none"> <li>Develop programmatic, multi-phase partnerships with deeply rooted, local operators</li> </ul>	<ul style="list-style-type: none"> <li>Multiple paths to resolution increases likelihood of outperformance</li> </ul>

# FUND II CASE STUDY — REALIZED

## EL PASO INDUSTRIAL PORTFOLIO



### OVERVIEW

Raith opportunistically acquired a 2.2 million sf portfolio from a larger owner that was looking to shed assets in a non-core market

Raith separately acquired a portfolio off-market consisting of 200k sf and land for 560k sf of development from a private owner

Raith capitalized on uncertainty around NAFTA agreement and cross-border trade / tariffs

### VALUE CREATION

**Total average rental rate increased by 23%** from \$4.27 psf to \$5.25 psf

**Total NOI increased by 53%** from \$6.9m to \$10.7m. **WALT increased from 2.7 to 5.0 years**

**Developed and leased 260k sf** of space, realizing a 9%+ total yield on cost

**Refinanced portfolio in Q2 2021;** returned c. 75% of original invested capital. Cash on cash at disposition was 76%

**Sold for \$232M** to a large institutional group at a cap rate of 4.63% while retaining two developable land parcels

### RESULTS\*

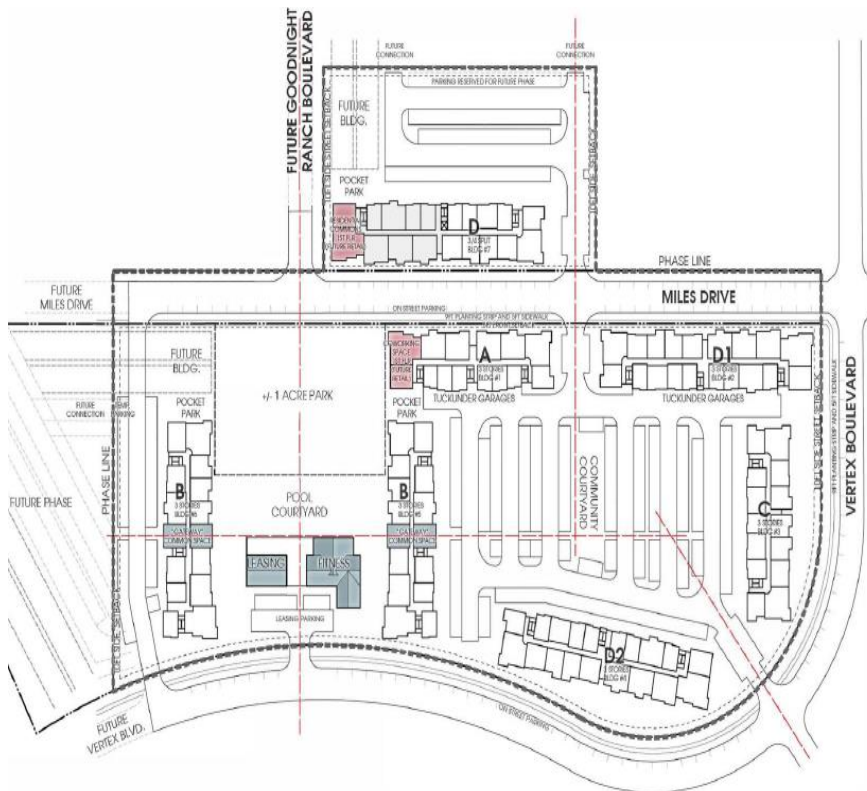
<b>\$232M</b> Sold November 2021	<b>249.6%</b> Gross realized IRR	<b>3.08x</b> Gross realized MOIC
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Acquisition Date	September 2019-January 2020
Disposition Date	November 2021
Deal Sourcing/Type	REIT & Private; Near-Term Rollover; Growing Market; Development Upside
Property Type	Industrial
Property Size	2.2M sf*
Location	El Paso, TX and Santa Teresa, NM
Cost Basis	\$141M*
Exit NOI	\$10.7M
Exit Occupancy	100%



The portfolio above (owned 80% by Fund II) is being shown for illustrative purposes only in connection with Raith's participation in the acquisition process and was not selected based on performance. A full list of investments in Fund II is available upon request. \*Information reflected here excludes the Pan American and Plaza Circle land parcels that the Fund retained post-November 2021. †The IRR and MOIC for El Paso Industrial Portfolio has been adjusted to eliminate the effect of bridge equity that was called on 9/20/19 and subsequently returned to investors in Raith Real Estate Fund II, L.P. on 10/31/19, and bridge subline funding that was used to develop two land parcels with 260k sq. ft and was subsequently repaid. The equity was temporarily called to avoid a potential timing mismatch between the transaction closing date and the financing closing date. The unadjusted IRR and MOIC for El Paso Industrial Portfolio is 205% and 2.70x. IRR and MOIC are presented on a gross basis, which does not include fees and expenses to the investor. See "Additional Disclosures" on pages 14 to 16 of this Presentation for additional information. Past performance is not indicative or a guarantee of future performance.

# GOODNIGHT RANCH: MULTI-PHASE APARTMENT DEVELOPMENT



Property Type	Multifamily
Property Size	13.5 acres, 340 units
Location	Austin, TX
Est. Levered Development Cost Phase I	\$74.5M
Underwritten Rent / CBD Rent per unit	\$1,593 / \$2,000+ per unit
Anticipated Delivery	Q3 2024

## PROJECTED RESULTS

**5.2%**

Untrended return on cost  
Vs. Sub-4% market cap rates

**21.0%**

Gross IRR

**1.92x**

Gross MoIC

## OVERVIEW

Off-market deal where operating partner has a 10+ year relationship with seller; attractive land basis and significant relative value

Rare opportunity to develop a site in a premier location in one of the fastest growing MSAs in the country (~15 minutes outside of downtown Austin)

Sponsors have been local to Austin-San Antonio since their inception and have deep market knowledge and expertise

Raith will have priority rights to capitalize subsequent phases

Anticipated delivery in Q3 2024 and underwritten to a 5.2% untrended return on cost (vs. sub-4% market cap rates)

In addition to the development spread, the basis of \$200,000 per unit is well below valuation for existing, comparable product



# AEROS LOGISTICS CENTER (DEVELOPMENT)



Property Type	Industrial
Property Size	157.3 acres, ~2mm sf
Location	Denver, CO
Purchase Price	\$12.5M
Land Basis PSF	\$1.82psf
Est. Development Cost	\$149.8M

## PROJECTED RESULTS

**5.5%**

Untrended return on cost  
Vs. ~3.75% market cap rates

**27.1%**

Gross IRR<sup>1</sup>

**1.64x**

Gross MoIC

## OVERVIEW

Opportunity to acquire 157.3 acres of entitled industrial land (c. 2 million buildable sf) that requires a planning process with the city of Aurora and is located three miles from the Denver Int'l Airport, the 3<sup>rd</sup> busiest airport in the world in one of the fastest growing MSAs in the United States

Off-market acquisition at \$1.82 per land square foot, which represents a 53% discount to the average price of recently sold, unimproved land in Aurora

Sponsor is deeply entrenched in the local market and recently navigated a similar planning process at another project proximate to the site

Business plan is to pursue build to suit opportunities, limiting Raith's exposure until a tenant has been secured

Raith negotiated for an exit right beginning month 24 that extends through month 42, allowing Raith to sell back its interest at a 1.5x multiple on its invested capital

Raith has underwritten building 50% of the site to a 5.5% untrended return on cost (vs. c. 3.75% market cap rates)

The investment above (owned by Fund III) is being shown for illustrative purposes only in connection with Raith's participation in the acquisition process and was not selected based on performance. A full list of investments in Fund III is available upon request. Fund III owns 70% of this investment. Aeros Logistics Center closed on March 30, 2022. IRR and MOIC are presented on a gross basis, which does not include fees and expenses to the investor and is before subline funding. See "Additional Disclosures" on pages 14 to 16 of this Presentation regarding projected performance. Past performance does not guarantee future results. No representation or warranty, express or implied, is made regarding future performance. <sup>1</sup>Represents the gross IRR to Raith net of any performance fees paid to the operating partner.

# FUND II PROJECTED PERFORMANCE

(DOLLARS IN MILLIONS, AS OF 3/31/22)

Current unrealized investments are generating a 16.5% cash on cash yield

Investment Name	Property Type	Asset Location	Date of Investment	Capital Invested through 3/31/22	Realized Value through 3/31/22	Projected Value	1Q2022 Sale Cost Basis <sup>1</sup>	Sale Proceeds/1Q2022 FMV	Gross IRR	Gross MOIC
<b>REALIZED</b>										
<b>Actuals</b>										
2100 International Parkway	Industrial	Akron, OH	Feb-18	\$14.0	\$19.6	\$0.0	\$14.4	\$16.3	32.7%	1.30x
IMC Holdings Portfolio	Industrial Service Facility	Various - TX, TN	Apr-20	\$10.5	\$12.5	\$0.0	\$10.3	\$11.3	NM <sup>2</sup>	1.16x
USX Industrial Portfolio	Industrial Service Facility	Various - FL, GA, MO	Jun-20	\$7.2	\$8.6	\$0.0	\$7.0	\$7.9	NM <sup>2</sup>	1.17x
El Paso Industrial Portfolio <sup>3</sup>	Industrial	El Paso, TX   Santa Theresa, NM	Oct-19	\$33.5	\$105.6	\$1.2	\$113.2	\$184.4	249.6%	3.08x
Avalon Bay Communities (NYSE: AVB)	Multifamily	Various	Jul-20	\$10.1	\$17.3	\$0.0	\$10.1	\$16.8	183.6%	1.72x
<b>Total Realized<sup>4</sup></b>				<b>\$75.4</b>	<b>\$163.7</b>	<b>\$1.2</b>	<b>\$155.0</b>	<b>\$236.6</b>	<b>110.3%</b>	<b>2.29x</b>
<b>UNREALIZED</b>										
<b>Projected Through Sale</b>										
E6 Hotels <sup>5</sup>	Hotel	Lynwood, WA   Denver, CO Colorado Springs, CO   Livonia, MI	Nov-18	\$49.9	\$17.0	\$32.9	\$141.0	\$125.1	-1.4%	0.97x
El Paso Industrial Portfolio <sup>3</sup>	Industrial	Blue Ash, OH   El Paso, TX	Nov-19	\$2.6	\$0.0	\$12.2	\$3.9	\$3.9	69.1%	1.46x
Strategic Supply Chain <sup>3</sup>	Industrial	Various: IL, IN, KS, MI, OH, KY, VA, GA, FL	Mar-21	\$64.0	\$8.9	\$194.7	\$256.5	\$356.3	126.4%	3.04x
Ashland Industrial <sup>6,7</sup>	Industrial	Richmond, VA	Sep-21	\$22.3	\$0.0	\$45.6	\$32.1	\$32.1	71.4%	1.56x
<b>Total Unrealized</b>				<b>\$138.9</b>	<b>\$25.8</b>	<b>\$285.3</b>	<b>\$433.5</b>	<b>\$517.4</b>	<b>42.9%<sup>9</sup></b>	<b>2.05x<sup>9</sup></b>
<b>Total Committed Asset Level Returns<sup>8</sup></b>				<b>\$214.3</b>	<b>\$189.5</b>	<b>\$286.5</b>	<b>\$588.5</b>	<b>\$754.1</b>	<b>63.1%<sup>9</sup></b>	<b>2.15x<sup>9</sup></b>
<b>TOTAL FUND II PROJECTED GROSS RETURNS NET OF FUND EXPENSES</b>									<b>61.7%</b>	<b>2.00x</b>
<b>TOTAL FUND II PROJECTED NET RETURNS NET OF MANAGEMENT FEES AND CARRIED INTEREST</b>									<b>46.4%</b>	<b>1.71x</b>

<sup>1</sup>Cost basis for realized investments is presented at the time of sale. <sup>2</sup>IRR is not meaningful due to holding period of less than one year and presence of subscription facility financing. <sup>3</sup>Represents the Fund II owned share of the asset (80.00%). <sup>4</sup>The returns on the realizations are presented on a gross basis, which does not include fees and expenses to the investor. The realized assets represent approximately 17.0% of invested capital. <sup>5</sup>Represents the Fund II owned share of the asset (90.00%). <sup>6</sup>Ashland Industrial transaction closed on 9/10/21. <sup>7</sup>Unrealized Value for Ashland Industrial equals projected profit since no contributions or distributions have been made. Ashland Industrial is expected to add \$26.2M to Capital Invested during the investment hold period. <sup>8</sup>Total Fund II Projected Returns assume the remaining capital produces a 17% gross IRR upon realization. <sup>9</sup>IRR and MOIC for El Paso Industrial Portfolio has been adjusted to eliminate the effect of bridge equity that was called on 9/20/19 and subsequently returned to investors in Raith Real Estate Fund II, LP on 10/31/19, and bridge subline funding that was used to develop two land parcels with 260k sq. ft. and was subsequently repaid. The equity was temporarily called to avoid a potential timing mismatch between the transaction closing date and the financing closing date. The unadjusted IRR and MOIC for El Paso Industrial Portfolio is 191% and 2.53x, therefore changing Total Unrealized to 63.4% and 2.25x, and Total Committed Asset Level Returns to 61.5% and 2.12x, respectively. The realized assets represent approximately 35.18% of invested capital. Please refer to "Additional Disclosures" on pages 14 to 16 in this presentation regarding projected performance and how IRRs are calculated.

# FUND I PROJECTED PERFORMANCE

(DOLLARS IN MILLIONS, AS OF 3/31/22)

Investment Name	Property Type	Asset Location	Date of Investment	Capital Invested through 3/31/22	Realized Value through 3/31/22	Projected Value	1Q2022 Sale Cost Basis <sup>1</sup>	Sale Proceeds/1Q2022 FMV	Gross IRR	Gross MOIC
<b>REALIZED</b>										
									<b>Actuals</b>	
Food Emporium	Retail	New York, NY	Oct-14	\$5.2	\$8.4	\$0.0	\$22.5	\$23.0	126.6%	1.63x
Magnolia Ridge Apartments	Multifamily	Metairie, LA	Jul-14	\$7.8	\$16.2	\$0.0	\$9.4	\$16.4	32.5%	2.08x
Charbonneau Apartments	Multifamily	Columbia, SC	Nov-14	\$6.8	\$9.2	\$0.0	\$7.2	\$9.2	15.4%	1.35x
Park Place Apartments	Multifamily	Plymouth, MN	Jun-16	\$16.5	\$32.1	\$0.0	\$78.3	\$92.3	68.1%	1.94x
Chapel Hill <sup>2</sup>	Multifamily	Lewisville, TX	Jun-16	\$30.7	\$58.8	\$0.0	\$125.3	\$146.6	38.6%	1.91x
Avana Point	Multifamily	Fort Worth, TX	Jun-16	\$12.0	\$19.6	\$0.0	\$40.6	\$46.3	26.9%	1.63x
Lake Point Business Center <sup>3</sup>	Industrial	Orlando, FL	Apr-17	\$5.7	\$9.6	\$0.0	\$14.6	\$17.6	28.5%	1.68x
246 Industrial Way	Industrial	Eatontown, NJ	Sep-15	\$13.3	\$17.7	\$0.0	\$14.2	\$17.6	15.3%	1.33x
Avera Commerce Center	Industrial	Stafford, TX	Apr-16	\$6.2	\$10.5	\$0.0	\$16.7	\$20.0	15.0%	1.69x
Windsor Corporate Park	Office	East Windsor, NJ	Feb-14	\$28.0	\$25.7	\$0.0	\$23.0	\$26.2	-3.7%	0.92x
Distressed REIT Portfolio <sup>4</sup>	Office/Industrial	Various	Sep-17/Dec-17	\$46.2	\$70.8	\$0.0	\$46.4	\$69.0	21.3%	1.53x
Midwest Ind. Portfolio	Industrial	Ohio	May-17	\$21.4	\$48.4	\$0.0	\$62.5	\$77.5	28.5%	2.26x
Avana Sterling Ridge	Multifamily	The Woodlands, TX	Jun-16	\$9.6	\$17.2	\$0.0	\$45.3	\$48.5	15.0%	1.79x
Seminole Trails	Student Housing	Tallahassee, FL	Apr-15	\$12.7	\$16.5	\$0.0	\$13.2	\$15.7	9.9%	1.30x
Decoverly III	Medical Office	Rockville, MD	Nov-15	\$9.7	\$13.1	\$0.0	\$16.5	\$20.8	8.2%	1.36x
La Quinta I, II, III	Retail	La Quinta, CA	Jun-15/Aug-16	\$13.2	\$20.4	\$0.0	\$12.7	\$16.6	22.9%	1.55x
Arden Square	Retail	Sacramento, CA	Oct-15	\$14.3	\$19.6	\$0.0	\$15.2	\$17.5	10.3%	1.37x
<b>Total Realized<sup>5</sup></b>				<b>\$259.3</b>	<b>\$413.7</b>	<b>\$0.0</b>	<b>\$563.6</b>	<b>\$680.7</b>	<b>22.2%</b>	<b>1.60x</b>
<b>TOTAL FUND I PROJECTED GROSS RETURNS NET OF FUND EXPENSES</b>									<b>20.1%</b>	<b>1.64x</b>
<b>TOTAL FUND I PROJECTED NET RETURNS NET OF MANAGEMENT FEES AND CARRIED INTEREST</b>									<b>14.9%</b>	<b>1.46x</b>

<sup>1</sup> Cost basis for realized investments is presented at the time of sale. <sup>2</sup>Represents the Fund I owned share of the asset (88.87%). <sup>3</sup>Lake Point realized value and invested capital are shown net of \$7.2mm of capital treated as bridge financing. <sup>4</sup>The Distressed REIT Portfolio consists of seven assets which have all been realized. <sup>5</sup>The returns on the realizations are presented on a gross basis, which does not include fees and expenses to the investor. The realized assets represent approximately 89% of invested capital. Past performance is not indicative, or a guarantee, of future performance. Please refer to "Additional Disclosures" on pages 14 to 16 regarding projected performance and how IRRs are calculated.

# RAITH REAL ESTATE FUND III

<b>Target Size:</b>	\$500 million
<b>Target Returns:</b>	16% - 18% Gross IRR 12% - 14% Net IRR
<b>Maximum Leverage:</b>	70% LTV at the portfolio level
<b>Management Fee:</b>	1.5% of capital commitments during Investment Period 1.5% of invested capital thereafter
<b>Promote Structure:</b>	9% preferred return; 60/40 (LP/GP) until a 12% return is achieved; 50/50 (LP/GP) until the GP has received 20% of profits; 20% to the GP thereafter
<b>Commitment Period:</b>	3 years from the Final Closing Date
<b>Term:</b>	8 years from the Final Closing Date, subject to two one-year extensions
<b>GP Commitment:</b>	The greater of \$2 million or 1% of the aggregate capital commitments of the Limited Partners

# RAITH ESG INITIATIVES

As a real estate investor, Raith believes that considering and effectively managing relevant ESG factors mitigates risks and creates and preserves value for investors

Firm
<ul style="list-style-type: none"> <li>▪ Raith is ethnically diverse with 47.5% identifying as such</li> <li>▪ Raith staff’s non-male population is 53%</li> <li>▪ Raith generally mandates all searches to include gender and ethnically diverse candidates</li> </ul>

Investments
<ul style="list-style-type: none"> <li>▪ Raith has an ESG screen which it applies to all potential investments during due diligence</li> <li>▪ All Investment Committee memos include a section outlining where the asset(s) underwrite as measured against our firm policies and initiatives</li> <li>▪ These screens include Climate Risk Assessment, Water Consumption, Energy Consumption and Efficiency in addition to others, as applicable</li> </ul>

# RAITH ESG INITIATIVES (CON'T)

## SAMPLE ESG SCREEN

Fund III - Example

[Scorecard](#)

[CSV](#)

Address: USA  
 Coordinates: (30.14844, -97.75716)

Activity: Residential

Category	Risk Level	Category Score	Country Benchmark
+ Floods	Low	0	23
+ Heat Stress	Medium	55	65
+ Hurricanes & Typhoons	Medium	67	50
+ Sea Level Rise	None	0	6
+ Water Stress	High	90	59
+ Wildfire	High	90	64

# RAITH CAPITAL PARTNERS LEADERSHIP

## WILLIAM W. LANDIS III

### Founding Partner

Mr. Landis co-founded Raith Capital Partners in February 2012.

Over the last ten years, Mr. Landis and his team have invested in excess of \$2 billion in distressed loans secured by commercial real estate and commercial mortgage-backed securities. The principals of Raith were early investors in the re-cast CMBS market starting in 2010, having bought controlling interests in 25 transactions. Prior to forming Raith, Mr. Landis served as the Chief Investment Officer at Rialto Capital Management from its inception in 2008. Prior to Rialto, Mr. Landis was a Managing Director and member of the Group Executive Committee in the Commercial Real Estate group at Deutsche Bank (as successor firm to Bankers Trust).

While at Bankers Trust, Mr. Landis led the Firm's commercial securitization efforts and was instrumental in launching Bankers Trust Mezzanine Fund I.

Prior to 1998, Mr. Landis worked in fixed income institutional sales at both Smith Barney and Prudential Securities, primarily focused on asset-backed securities including: CMBS, RMBS, credit cards, student loans and manufactured housing.

Mr. Landis received a Bachelor of Arts degree from Drew University and an MBA from Columbia University. He is a member of Drew's Board, currently serving as Chair following multiple committee positions including Chair of the Investment Committee overseeing the university's endowment.

## NELSON N. HIOE

### Founding Partner

Mr. Hioe co-founded Raith Capital Partners in February 2012.

Prior to forming Raith, Mr. Hioe was a Managing Director at Rialto Capital Management, which he joined in 2009. While at Rialto, he was involved in the Firm's acquisitions effort for whole loan portfolios, distressed assets, and securities. In the distressed loan space, these transactions included acquisitions of c. \$5 billion of nonperforming loans from the FDIC and various financial institutions. Mr. Hioe was instrumental in the development of Rialto's securities investing business, which helped to establish the firm as a significant B-piece investor.

Prior to Rialto, Mr. Hioe worked at The Blackstone Group in the firm's real estate private equity fund, focusing on real estate investments in several property types. He was involved in the acquisition of Equity Office Properties and Hilton Hotels. Prior to Blackstone, Mr. Hioe worked in affordable housing finance at The Community Builders, and as a strategy consultant at Cap Gemini Ernst & Young.

Mr. Hioe received a Bachelor of Arts degree from Williams College and an MBA from Harvard Business School and is a former member of the Board of Governors of the Commercial Real Estate Finance Council (CREFC).

## MICHAEL SUCHY

### Partner

Mr. Suchy is a member of the Firm. He is also a member of the Firm's investment committee and valuation committee. As a member of the Investment Committee, Mr. Suchy participates in all acquisitions. Mr. Suchy is also responsible for the Firm's fixed income investment business.

Prior to Raith, Mr. Suchy was a Director at Rialto Capital Management, LLC, which he joined in 2010. At Rialto, Mr. Suchy focused on the underwriting and pricing of investments in non-performing commercial real estate loan portfolios and non-investment grade commercial mortgage-backed securities that in aggregate exceeded \$1 billion during his tenure.

Prior to joining Rialto, Mr. Suchy was part of Deutsche Bank's commercial real estate group, where he focused on loan structuring and syndication as well as the restructuring and workout of loans both internally and as an advisor for clients of the bank. Prior to Deutsche Bank, Mr. Suchy worked in a variety of real estate and corporate finance roles at JP Morgan.

Mr. Suchy received a Bachelor of Science degree in finance from the University of Illinois and is a Chartered Financial Analyst.

## ADDITIONAL DISCLOSURES

**This presentation is solely for the use of Rhode Island State Investment Commission and is not for general distribution. This information and its contents are the property of Raith Capital Partners, LLC (Raith”).** The material contained in this Presentation is intended to facilitate your discussions with Raith and is for informational purposes only. It is not an offer, solicitation or recommendation to purchase or sell any securities or partnership interests of any fund managed by Raith. Any such fund, like Raith Real Estate Fund III LP (the “Fund” or “Fund III”), is offered or sold pursuant to a private placement memorandum and the related documents (such as an agreement of limited partnership) (the “Offering Memorandum”) that set forth detailed information regarding such fund, including investment risks and conflicts of interest. This Presentation does not present a full or balanced description of any investment and should not be used as the exclusive basis for an investment decision. These materials are not an offer to sell, or the solicitation of an offer to purchase securities.

Information cited herein is as of March 31, 2022, unless otherwise noted.

In making a decision to invest in the Fund, prospective investors should rely only on the confidential offering memorandum for such securities and not on these materials, which contain preliminary information that is subject to change and that is not intended to be complete or to constitute all the information necessary to adequately evaluate the consequences of investing in such securities. Raith makes no representation or warranty (express or implied) with respect to the information contained herein (including, without limitation, information obtained from third parties) and expressly disclaims any and all liability based on or relating to the information contained in, or errors or omissions from, these materials; or based on or relating to the recipient’s use (or the use by any of its affiliates or representatives) of these materials; or any other written or oral communications transmitted to the recipient or any of its affiliates or representatives in the course of its evaluation of Raith or any of its business activities. Raith undertakes no duty or obligation to update or revise the information contained in these materials

These materials also contain information about Raith and certain of its personnel and affiliates. This information has been supplied by Raith to provide prospective investors with information as to its general portfolio management experience. Information of a particular fund or investment strategy is not and should not be interpreted as a guaranty of future performance. Moreover, no assurance can be given that unrealized, targeted or projected valuations or returns will be achieved. Future results are subject to any number of risks and factors, many of which are beyond the control of Raith.

There can be no assurance that the Fund will achieve its investment objective, the target return or any other objectives. Alternative investment strategies, such as private equity and real estate, inherently involve risk and may not be suitable for all investors. Investments in private investment funds are speculative and involve special risks, and there can be no assurance that the Fund’s investment objectives will be realized or that suitable investments may be identified. An investor could lose all or a substantial portion of its investment. Private funds are generally not subject to the same regulatory oversight or regulatory requirements as a mutual fund. Investments may involve complex tax structures resulting in delays in distributing important tax information. Private funds may not be required to provide periodic pricing or valuation information to investors. Performance could be volatile as Raith may employ leverage, and adherence to risk control mechanisms does not guarantee investment returns

An investment in the Fund is illiquid and its value is volatile and can suffer from adverse or unexpected market moves or other adverse events. In addition, in light of the various investment strategies of such other investment partnerships, funds and/or pools, it is noted that such other investment programs may have portfolio investments inconsistent with those of the strategy or investment vehicle proposed herein.

Before making a decision to invest in a Fund, a prospective investor should carefully review information respecting Raith and such Fund and consult with its own legal, accounting, tax and other advisors in order to independently assess the merits of such an investment.



## ADDITIONAL DISCLOSURES (CONTINUED)

These materials may contain “forward-looking” information that is not purely historical in nature, and such information may include, among other things, projections, forecasts or estimates of cash flows, yields or returns, scenario analyses and proposed or expected portfolio composition. The forward-looking information contained herein is based upon certain assumptions about future events or conditions and is intended only to illustrate hypothetical results under those assumptions (not all of which will be specified herein). By their nature, forward-looking statements speak only as of the date they are made, are not statements of historical fact or guarantees of future performance and are subject to risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify, in particular due to the uncertainties created by the COVID-19 pandemic, including the projected impact of COVID-19 on our business, financial performance and operating results. The forward-looking statements are based on the Raith’s beliefs, assumptions and expectations, taking into account all information currently available to it. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known and not all relevant events or conditions may have been considered in developing such assumptions. The success or achievement of various results and objectives is dependent upon a multitude of factors, many of which are beyond the control of Raith.

Projected performance calculations rely to a significant extent on the expected values of a fund’s unrealized investments, which are based on the estimated cash flows contained in Raith’s asset-level business plan. In preparing the business plan, Raith takes into consideration a myriad of factors including, but not limited to, the current state of each asset, the existence or future possibility of financing, as well as existing market and economic and available market opportunities. There is no assurance that the Funds will achieve the projected returns. No representations are made as to the accuracy of such estimates or projections or that such projections will be realized. Actual events or conditions are unlikely to be consistent with, and may differ materially from, those assumed. Prospective investors should not view the past performance of Raith as indicative of future results.

The case studies presented herein include summaries of certain investments of Fund I and II and are not representative of all investments made, some of which had differing performance results. These case studies are being shown for illustrative purposes only in connection with Raith’s participation in the real estate acquisition process and were not selected based on performance. A full list of investments from Fund I and Fund II are available upon request. Raith believes that the case studies showcase a diverse set of asset classes, markets, and themes, which the Fund will seek to invest in; however, it should not be assumed that investments made in the future will be profitable or will equal the performance of the investments discussed herein. “Gross” performance is calculated before deduction for fund-level management fees, carried interest and expenses, all of which may be meaningful and reduce the ultimate return to the investor. Performance information for individual assets is presented on a gross basis because it is not practical to allocated fund-level fees, carried interest and expenses among individual assets.

Raith does not undertake any obligation to publicly update or review any forward-looking information, whether as a result of new information, future developments or otherwise.

Certain information provided herein, including indices information and other information, etc. was prepared by third parties (the “**Third Party Content**”). Third Party Content is obtained from sources believed to be reliable and that no guarantees are made by Raith as to its accuracy, completeness, or timeliness.

These materials are not intended for distribution to, or use by, any person or entity in any jurisdiction or country where such distribution or use would be contrary to law or regulation. These materials contain information for the Rhode Island State Investment Commission only, and their distribution or the divulgence of any of their contents to any person, other than the person to whom they were originally delivered and such person's advisors, without the prior consent of Raith is prohibited.

## ADDITIONAL DISCLOSURES (CONTINUED)

Raith does not provide legal, accounting or tax advice. Any such matters is explanatory and may not be relied upon as definitive advice. All investors are advised to consult with their legal, accounting and tax advisers regarding any potential investment.

Raith Capital Partners, LLC is an investment adviser registered with the U.S. Securities and Exchange Commission. Registration does not imply a certain level of skill or training.

### Investment Track Record

FMV Gross IRRs are before deduction of management fees and carried interest. FMV Gross IRRs are computed based on actual dates of cashflows, and the fair market value of unrealized investments as of the respective calculation dates. FMV Net IRR is calculated net of all fees and profit allocations (carried interest) to the general Partner and is computed based on actual dates of cashflows.

Projected Gross IRRs are before deduction of management fees and carried interest. Deal returns presented as Case Studies in this presentation are calculated after subline funding unless otherwise noted. Projected Gross IRRs are computed based on actual dates of cashflows to the calculation date and the cashflows from the business plan going forward. Projected Net IRR is calculated net of all fees and profit allocations (carried interest) to the general Partner and is computed based on actual dates of cashflows to the calculation date and the cashflows from the business plan going forward.

RREF Chapel Hill Coinvest, LLC, and Raith Mount Street, LLC are not included in the performance calculations as they are not germane to the firm's current investment strategy or are a smaller part of a vehicle which is already included in the measure (i.e. co-investment).

### Valuation

Valuations are as of March 31, 2022. Raith has valued its unrealized investments in accordance with accounting principles generally accepted in the United States of America (“US GAAP”). Fair value is defined by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification Topic 820 (“ASC 820”) as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

While Raith believes that its valuation methodology is sound, there can be no assurance that a fund will realize the estimated value with respect to such investments. The values assigned to investments are based on available information and do not necessarily represent amounts that might ultimately be realized, since such amounts depend on future circumstances and cannot be reasonably determined until the individual positions are liquidated.

### COVID-19 and Global Economic and Market Conditions

The coronavirus (“COVID 19”) outbreak continues to be a major global health crisis. At this stage Raith’s results have not been materially impacted by COVID-19. However, uncertainty about the ultimate adverse impact of COVID-19 on economic conditions impacting Raith’s investments and its ability to source, manage and divest investments remains. We believe any adverse impact on Raith’s funds relating to COVID-19 would be driven by a number of factors that we are unable to predict or control, including, for example: the severity and duration of the pandemic (including the impact of new COVID strains); the pandemic’s continued impact on the United States and global economies; the timing, scope and effectiveness of additional governmental responses to the pandemic ; the timing and speed of economic recovery; the availability and effectiveness of new treatments and the continued roll outs of COVID-19 vaccines, including booster vaccines; and the negative impact on our fund investors, vendors and other business partners that may indirectly adversely affect Raith. Accordingly, the estimates and assumptions about the ultimate impact of COVID-19 may change substantially over time.