

Alternative Income Fund III



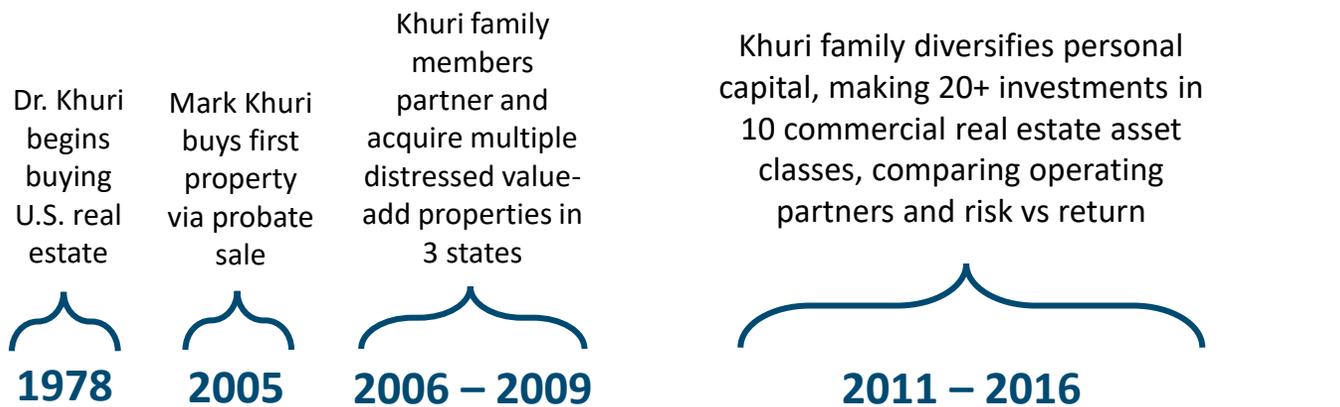
Projected Investor Returns:
11-16% Weighted Average Annual ROI
7-10% Weighted Average Cash on Cash

Disclaimer

All investments involve risk. You should consult your attorney, financial advisor, and/or accountant to understand the risks of this investment, prior to considering an investment. None of the information contained here constitutes any offer to sell nor is any information herein the solicitation of an offer to buy any security. Securities may only be purchased through offering documents which contain details about the risks associated with an investment in the fund.



Providing clients with passive income and growth since 2010, through 65+ partnerships with our investors!



2017-Present: SMK: Private Equity Real Estate

Utilize established relationships with operating partners to access private investment opportunities. Focus on diversification across asset classes, regions and operating partners

- In 2017 SMK begins syndicating commercial real estate, partnering with trusted operators and SMK investors.
- Beginning in 2018, focus on recession resistance



Dr. Suheil and Mark Khuri



2010
SMK Capital Management is Formed

2010-2017:
SMK: Operating Partner
Acquire, rehab and operate 60+ property portfolio of value-add single family + multifamily, with SMK investors

2017

Screening: 10-20 opportunities/month

Investments: 4-8 opportunities/year

Present

Asset Class	Location	Investment Date	Acquisition Price	Status	Performance	IRR
Retail Shopping Center	Prunedale, CA	10/15/2013	\$ 15,250,000	Sold - 2016	Earned 8-10% annually and overall IRR of 17.40%	17.4%
Mobile Home Parks	Multi-State Portfolio	5/10/2012	\$ 24,500,000	Sold - 2018	Earned 8-10% annually and overall IRR of 13.73%	13.7%
Mobile Home Parks	Multi-State Portfolio	10/25/2013	\$ 54,000,000	Sold - 2018	Earned 8-10% annually and overall IRR of 15.80%	15.8%
Self-Storage	Fayetteville, NC	12/5/2013	\$ 6,750,000	Sold - 2018	Earned 7-10% annually and overall IRR of 23.67%	23.7%
Self-Storage	Naples, FL	3/27/2015	\$ 7,535,000	Sold - 2018	Earned 7-9% annually and overall IRR of 23.29%	23.3%
Self-Storage	SpringHill, FL	7/1/2015	\$ 5,874,000	Sold - 2018	Earned 9-10% annually and overall IRR of 23.07%	23.1%
Mobile Home Parks	Foley, AL	8/10/2017	\$ 6,900,000	Sold - 2020	Earned 10-12% annually and overall IRR of 21.3%	21.3%
Self-Storage	Rockledge, FL	3/5/2015	\$ 7,900,000	Sold - 2020	Earned 10-12% annually and overall IRR of 23.18%	23.2%
Mobile Home Parks	Multi-State Portfolio	8/15/2015	\$ 20,000,000	Sold - 2021	Earned 10% annually and overall IRR of 14.3%	14.3%
Self-Storage	Rock Hill, SC	9/15/2017	\$ 10,900,000	Buyout - 2021	SMK negotiated buyout for investors in 2021	NA
Apartments	Phoenix, AZ	10/15/2020	\$ 40,500,000	Sold - 2021	Earned 4% annually and overall IRR of 92.3%	92.3%
Apartments	Shawnee, KS	5/22/2017	\$ 27,550,000	Sold - 2021	Earned 7-9% annually and overall IRR of 22.7%	22.7%
Apartments	Seattle, WA	11/21/2017	\$ 74,000,000	Sold - 2021	Earned 5-7% annually and overall IRR of 9.1%, 1031 exchange into new asset 2021	9.1%
Apartments	Seattle, WA	11/21/2017	\$ 74,000,000	Sold - 2021	Earned 5-7% annually and overall IRR of 9.1%, 1031 exchange into new asset 2021	9.1%
Apartments	Austin, TX	9/20/2019	\$ 46,000,000	Sold - 2022	Earned 7-8% annually and overall IRR of 20%	20.0%
Apartments	Austin, TX	12/11/2018	\$ 36,300,000	Sold - 2022	Earned 7-8% annually and overall IRR of 24%	24.0%
Apartments	Dallas, TX	1/28/2019	\$ 46,500,000	Sold - 2022	Earned 8% annually and overall IRR of 15.6%	15.6%
			\$ 504,459,000		Sold Investments Average IRR 23.0%	

Alternative Income Fund III: Immediate Diversification

Self-Storage Facilities

+

Mobile Home Parks

+

Industrial Properties

+

ATM Fund

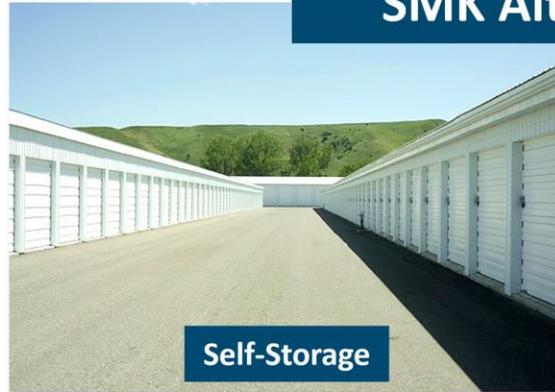
+

Apartments

+

Private Real Estate Debt

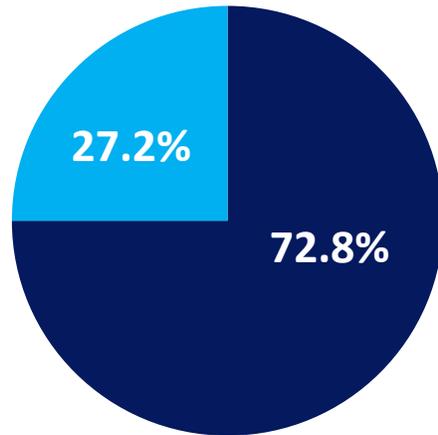
SMK Alternative Income Fund III Assets



REDUCED RISK

Alternative Income Fund III: Portfolio Allocation

Blend of Fixed Income + Growth



■ FIXED INCOME

- ✓ ATM's
- ✓ Private Real Estate Debt

■ INCOME + GROWTH

- ✓ Mobile Home Parks
- ✓ Self-Storage
- ✓ NNN Industrial
- ✓ Apartments

7 Investments Made:	Quantity
Self-Storage Facilities	7
Mobile Home Parks	4
Industrial Properties (NNN)	12
Apartments – Value Add	1
Apartments – Tax Exempt	2
Total Properties:	24
ATM's	1,807
Private Real Estate Debt	52 Loans

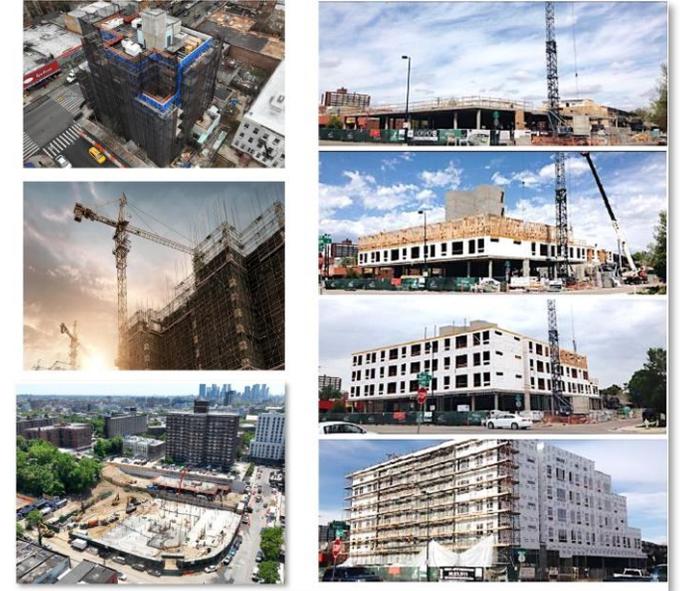
STRONG CASH FLOW + AMPLE GROWTH

Alternative Income Fund III: Fixed Income Assets

1) Fixed Income = Private Real Estate Debt Fund

- Debt investment with 1st position liens = Lower risk
- 52 individual loans totaling over \$1.9 billion
- Loans made primarily multifamily construction, \$5m - \$100m, up 36-months
- Track record = 200 paid off loans totaling over \$4 billion + zero losses

Consistent quarterly returns of 10%+ to investors since 2015



2) Fixed Income = Private ATM Fund

Projected annual cash flow of 25% beginning in year 1

- No growth, ATMs depreciate
- Attractive tax advantaged investment, bonus depreciation = significant passive losses in yr 1



Consistent annual income, with limited variability of returns

Alternative Income Fund III: Income + Growth Assets

3) Income + Growth = NNN Industrial Sale Lease Back Portfolio

- The sale lease back process = a company (manufacturing businesses) selling the real estate it occupies and leasing back as the tenant = 100% occupancy at acquisition, provides lower risk
- Great hedge against inflation & stagflation, tenant pays expenses, taxes, insurance, utilities and building maintenance
- Long term 20-year leases + built-in rent escalations
- Portfolio already includes 12 properties in 8 states and is projected to grow to over 15 properties
- Fixed rate debt on properties at ~70% LTV and 3.9%-6.5% interest with going in cap rates between 7.5% - 8.1%

Q1-Q3 2023 investor cash flow = 7-9%, 15-17%+ IRR, ~2.0x equity multiple



Alternative Income Fund III: Income + Growth Assets

4) Income + Growth = Self-Storage Portfolio + Mobile Home Parks

- Top recession resistant asset classes, lowly correlated to the economy and often demand increases during recessions
- This portfolio has acquired 7 Self-Storage properties in 6 states, totaling over 2,000 units
- In due diligence on 2 additional Mobile Home Park Investments and a Self-Storage Portfolio
- Focus on acquisitions with human error that can be fixed, cold calling acquisition team of targeting mom-and-pop owners



**Project level projections for the assets in the portfolio are
4%+ cash flow in year 1, 20-25%+ IRR, ~2.0-3.0x equity multiple**



Alternative Income Fund III: Income + Growth Assets

5) Income + Growth = Mobile Home Park Portfolio

- This portfolio was recently acquired and includes 4 Mobile Home Parks, 91% occupied, 233 total lots, Kansas City metro
- Going in cap rates for the properties are 11.1%, 8.3%, 7.4% and 11.1% while 5 year fixed rate debt has been placed at 75% loan to cost, 6.95% interest rate
- Previously in escrow with a different buyer in October 2022 for 35% higher purchase price

**Investor level projections are 3%+ cash flow in year 1 increasing to 9% in year 2,
15-16% IRR, ~2.7x equity multiple**



Alternative Income Fund III: Income + Growth Assets

6) Income + Growth = Tax Exempt Apartments, Houston TX

- 2 apartment communities next door to one another, 532 units
- Built in 2008, 94-96% occupied, only 2 within 3 miles that have not been renovated
- 50% of units at property will be income and rent restricted = 100% property tax abatement
- Annual savings of \$1.09 million in real estate property taxes in year 1
- Purchase Price = \$80,250,000
- Appraised Value = \$113,700,000
- The tax-abated going in cap rate = 6.86% while the debt terms have a 10-year fixed interest rate of 5.36%

Investor level projections are 7% cash flow in year 1, 15-17% IRR, ~2.5x equity multiple



Alternative Income Fund III: Income + Growth Assets

7) Income + Growth = Value-Add Apartments, San Bernardino, CA

- 160 units, 92% average occupancy through 2023, 1985 build
- Operating partners own the asset next door
- Building 88 garages which are in very high demand and rent for \$150/mth. The additional income generated by the garages, is projected to increase the property value by over \$3,000,000.
- Our operating partners are signing personal guarantees on the debt and personally guaranteeing the full return of capital invested



**Investor level projections are 8% cash flow in year 1, 22% Average Annual ROI,
~1.44x equity multiple over 2 years**

Projected Returns and Financial Summary

INVESTMENT OFFERING (net to investors)	Class A	Class B	Class C
Minimum Investment	\$500,000	\$250,000	\$50,000
Investor Cash Flow and Profit Split	90%	85%	80%
Projected Weighted Average Cash on Cash	8-10%	8-9%	7-8%
Equity Multiple	1.65-1.70x	1.60-1.65x	1.55-1.60x
*Projected Weighted Average Annual ROI	13-16%	12-14%	11-13%

**Includes cash on cash return from quarterly distributions + property sale profits*

- Simple high cash flow and profit split
- No hurdles capping investors upside
- Incentives management to select highly profitable investments

- Asset Management Fee: 1%
- Acquisition/Disposition Fee: 1%
- Investment Term: 5+ years
- ✓ *Return of capital to begin in years 2-4*
- Investor Distributions: Quarterly
- Projected Annual Cash Flow:

Y1	4-7%
Y2-Y3	7-9%
Y4-Y5+	8-10%+

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LOGIN

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