

# ACCREDITED INVESTORS

## TARGETING 20% IRR THROUGH REAL ESTATE

Since 2005, our principals have acquired, entitled, and managed over \$150M in Colorado real estate projects, delivering 20%+ average annualized returns, ~3.0x equity multiples, and typical 5–7 year hold periods.

- ✓ Direct exposure to inflation-resistant housing supply, supported by a 3.8M-unit U.S. housing deficit and strong Build-to-Rent demand premiums
- ✓ Deep municipal and industry relationships that accelerate entitlements and approvals
- ✓ Principals co-invest alongside LPs and assume all debt obligations.





# FUND STRATEGY

## OUR INVESTMENT LIFECYCLE FOLLOWS A DISCIPLINED PLAYBOOK:

### STEP ONE: SOURCING & UNDERWRITING

- Off-market and proprietary deals sourced through long-standing Colorado and national networks
- Conservative, stress-tested underwriting to protect downside and preserve flexibility.

### STEP TWO: DEVELOPMENT & MANAGEMENT

- Direct oversight from entitlement through vertical construction, reducing reliance on third parties
- Phased capital deployment lowers risk exposure and allows adjustments to market conditions
- Established municipal relationships accelerate entitlements and approvals.

### STEP THREE: VALUE CREATION & EXIT

- Value captured at entitlement, through stabilized income, and at disciplined exits timed to market conditions
- We target quarterly distributions post-stabilization with upside from capital appreciation at exit, delivering attractive risk-adjusted returns.

# MARKET OPPORTUNITY

## DIVERSIFIED EXPOSURE: RESIDENTIAL & MIXED-USE

- ✓ Build-to-Rent (BTR): Delivers rent premiums (up to 15% above multifamily), higher occupancy (96–98%), and longer tenancy (25–35% more than multifamily). Expanding renter-by-choice demographics (68% of households earning \$75K+).
- ✓ Mixed-Use Assets: Provide stable cash flow across residential, retail, and service tenants, creating multiple income streams and stabilizing returns.

**\$14.8 BILLION**

Institutional BTR capital  
deployed in 2024,  
+27% YoY

(CBRE, 2024)

**3.8 MILLION**

U.S. housing supply  
shortage as of Q3 2024

(Freddie Mac, 2024)

**102% INCREASE**

BTR starts since 2019  
(112,920 in 2023) —  
demand continues to  
outpace supply.

(Fixr, 2023)

**42% INCREASE**

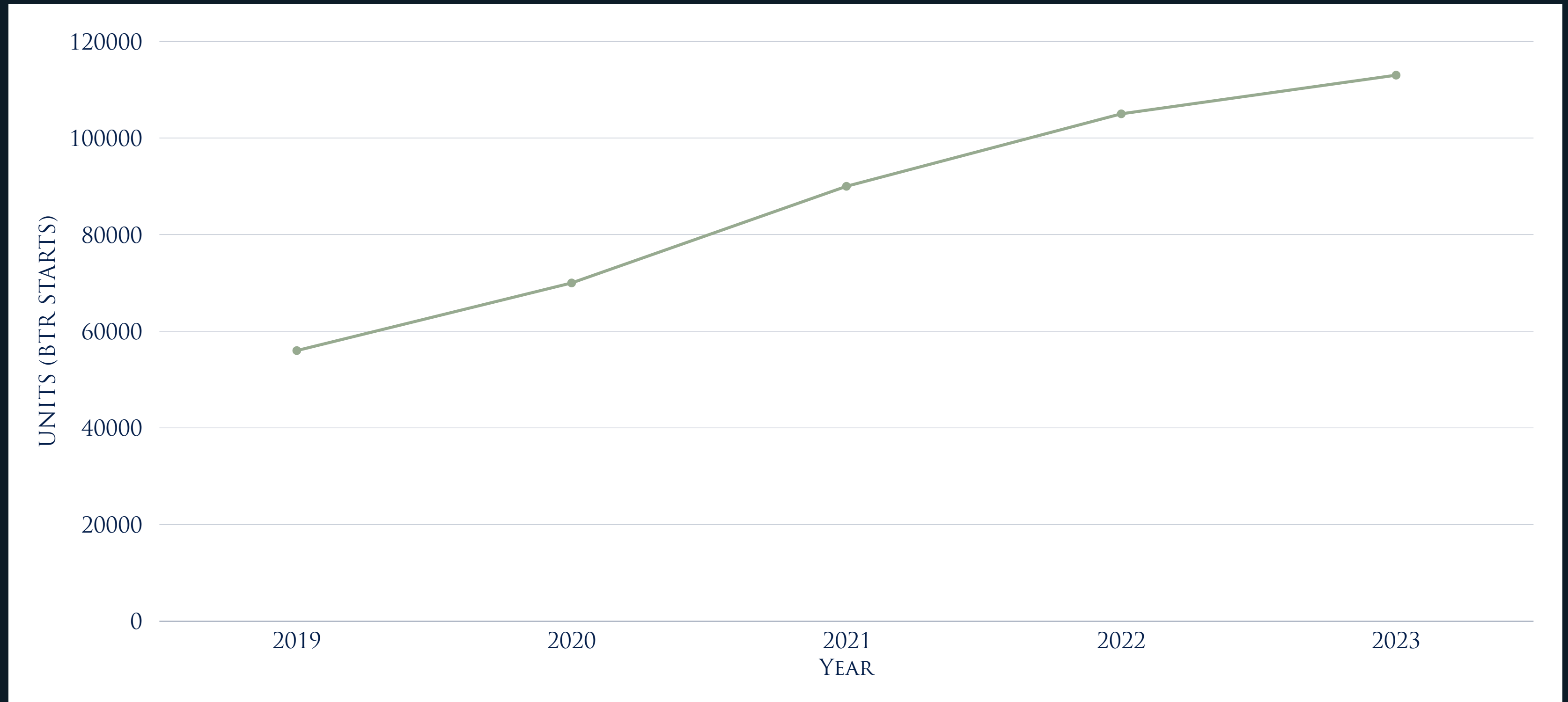
Increase in home prices  
since 2019; 30-year  
mortgage rates have  
doubled since 2020.

(Redfin Data Center, 2024)  
(Freddie Mac, 2024)

The Build-to-Rent (BTR) and mixed-use market is **expanding at an unprecedented pace**. The Fund provides accredited investors with access to a diversified portfolio of BTR and mixed-use developments in high-growth U.S. markets.

# MARKET EXPANSION

BTR HOME STARTS HAVE **MORE THAN DOUBLED** SINCE 2019



\*BTR home starts climbed by 102% from **~56,000** in 2019 to **112,920** in 2023, underscoring rapid market expansion.



# FUND-LEVEL OPPORTUNITY

KEY FACTORS	OUR FUND	TYPICAL REIT	PUBLIC EQUITIES
Investment Focus	Residential & mixed-use development	Existing assets	Broad market
Markets	High-growth U.S.	Varied	Global
Cash Flow	Quarterly distributions post-stabilization; tied to real asset performance	Varies	Dividends / reinvested
Tax Treatment	Pass-through & accelerated depreciation	Limited	Standard capital gains
Control	Active management with direct oversight	Limited influence	None
Volatility	Lower — asset-backed, real cash flow	Moderate	High (market-driven)
Transparency	Direct reporting at both fund and asset levels	Partial	Minimal
Return Drivers	Entitlement gains, stabilized income, and disciplined exits	6–12% annual	Variable

Unlike REITs or equities, our fund gives investors **direct exposure** to development-driven value creation with **full-cycle oversight**.

# TAX BENEFITS

## PRIVATE FUNDS VS. REITS & EQUITIES

### Private Real Estate Funds

- ✓ Direct depreciation deductions (offset taxable income)
- ✓ Pass-through structure (K-1; avoids double tax)
- ✓ Potential 1031 exchange for deferrals
- ✓ Capital gains taxed at long-term rates
- ✓ Flexibility in timing distributions

### REITs & Public Equities

- ✗ No depreciation pass-through
- ✗ REIT dividends taxed as ordinary income (though 20% QBI deduction may apply)
- ✗ Public equity dividends only get favorable treatment if “qualified”
- ✗ No 1031 exchange for shares
- ✗ Double taxation risk in equities (corporate + shareholder)

This asset class provides direct exposure to hard, income-producing real estate—offering **tax efficiency** and **downside protection** that stocks and REITs can't match. (All investments carry risk.)



# CORE PRINCIPALS

## HOW WE OPERATE:

- ✓ Hands-on oversight with direct accountability at every stage.
- ✓ Active engagement from acquisition through exit — not outsourced.
- ✓ Decisions grounded in market data, tested against multiple scenarios.
- ✓ Principals invest personal capital, carry debt obligations, and provide transparent asset-level reporting.







# KEY TERMS

## DEAL STRUCTURE AT A GLANCE:

- Minimum investment: \$100,000+
- Target returns: **20% IRR**; modeled upside **above 30%**
- Distributions: Quarterly (post-stabilization)
- Term: 5–7 years
- Accredited investors only
- Inflation-resistant hard asset exposure
- Alignment: principals co-invest alongside LPs and assume all debt obligations.



# INVESTMENT PROCESS

## INVESTOR JOURNEY OVERVIEW

### INITIAL CONSULTATION & ALIGNMENT

Review of investor objectives, portfolio goals, and confirmation of alignment on risk tolerance, return targets, and investment horizon.

### DOCUMENTATION REVIEW

Delivery of the PPM and supporting documents outlining structure, strategy, risk factors, and performance targets.

### SUBSCRIPTION EXECUTION

Formalization of commitments through the subscription agreement. Allocation confirmed and capital call schedule communicated.

### CAPITAL DEPLOYMENT

Capital deployed in phases across residential and mixed-use projects in high-growth U.S. markets. Phased deployment balances risk, aligns capital to entitlement, construction, and stabilization milestones, and preserves flexibility across cycles.

### ACTIVE MANAGEMENT & REPORTING

Quarterly financial statements, project-level reporting, and distribution schedules provided to investors. Direct access to principals ensures transparency and accountability across the fund lifecycle.

# KEY INVESTOR INQUIRIES

**Q: How is downside risk managed across cycles?**

**A:** Conservative leverage, stress-tested underwriting, and diversification across resilient U.S. growth markets preserve capital and mitigate exposure to market shifts.

**Q: What drives the 20%+ IRR target?**

**A:** Returns are generated through entitlement gains, stabilized income, and disciplined exits — not aggressive leverage or speculative rent assumptions.

**Q: Why invest directly in the Fund rather than a REIT?**

**A:** Direct fund investment provides greater transparency, asset-level reporting, and participation in development-driven value creation not available in public REITs.

**Q: What is the expected liquidity profile?**

**A:** Distributions commence after stabilization, with capital returned progressively through project-level exits over a 5–7 year horizon.

**Q: How are GP and LP interests aligned?**

**A:** Principals commit meaningful personal capital alongside LPs, and fund economics are structured to directly align outcomes with investor performance.

**Q: What has the team demonstrated through prior cycles?**

**A:** Nearly two decades of execution through downturns, consistently delivering realized returns by staging capital and adjusting timing to market conditions.



# LEADERSHIP TEAM

OVER SIX DECADES TURNING CAPITAL & STRATEGY INTO REALIZED RETURNS



## **Josh Paterson — Managing Partner**

- Directed \$120M+ in real estate deals spanning investment, development, and syndication
- Former President across brokerage, property management, construction, and development firms
- Deep background in capital raising, investor relations, and asset management with multiple successful exits in private equity and tech
- At Arete: drives sourcing, entitlements, and fund operations, from Denver in-fill projects to a 250-acre mixed-use community in Firestone



## **Justin Caruso — Partner**

- Over a decade leading Denver's residential, commercial, and transit-oriented projects
- Advanced to Managing Broker in 3 years, executing across Highlands, RiNo, and Golden Triangle districts
- Co-founded The Space Creators, converting industrial sites into profitable multi-tenant workspaces
- At Arete: focuses on land acquisition, deal execution, and scalable development platforms



## **Rex Brandt — Partner**

- 20+ years shaping Colorado's growth, from luxury resorts to transit-linked housing
- Transformed agricultural land into high-value residential communities in supply-constrained markets
- Converts macro demand trends into investor-ready developments with measurable ROI
- At Arete: directs land acquisition and community development initiatives



## **Kate Robitello — VP, Marketing & Investor Relations**

- 10+ years in C-suite leadership roles with full P&L accountability
- Directed \$50M+ in marketing spend, focused on scaling capital-intensive sectors and luxury consumer brands
- Advisor to global brands including LVMH, Diageo, and Beam Suntory
- At Arete: directs marketing operations and initiatives tied to capital raising and fund growth.

# IMPORTANT LEGAL DISCLOSURES

## **Accredited Investors Only**

Investment opportunities are extended exclusively to Accredited Investors, as defined by applicable regulatory standards.

## **Not a Solicitation or Offer**

This presentation is for informational purposes only. A formal offer to invest will be made solely through the definitive Private Placement Memorandum (“PPM”) and accompanying subscription documents.

## **Risk of Loss**

Investments in the Fund involve significant risk, including the potential loss of principal. Past performance is not indicative of future results, and there is no guarantee that the Fund will achieve its objectives.

## **Forward-Looking Statements**

Any projections, including target IRRs of 20%+ with modeled upside to 30%+, are based on current expectations and assumptions. These are inherently subject to business, economic, and competitive uncertainties and are not guarantees of future performance.

## **Market Data Sources**

Market data and forecasts are derived from reputable third-party sources. While believed to be reliable, this information is subject to change and should not be relied upon as guaranteed.

## **Tax Considerations**

Prospective investors should consult with qualified tax professionals to understand potential implications and benefits of an investment in the Fund.

## **Consult Professional Advisors**

Investors are strongly advised to consult their financial, legal, and tax advisors before making any investment decisions.

## **Due Diligence**

Thorough review of the PPM and offering documents is essential before making a commitment.





# CONTACT

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