



J19 INVESTMENTS

Exclusive Alternative Investment Opportunities: Gain privileged access to unique alternative investment vehicles across real estate, private equity, and energy.

High Yield Fund - Introduction

Executive Summary

The J19 Investments High Yield Tax Deferred Fund (“HYTD”) owns a diversified and growing portfolio of income-producing real estate assets and discounted loan pools.

The Fund represents the culmination of our \$10B+ transaction history and 10+ year track record, leveraging a combination of seasoned and newly sourced real estate investments.



Structure: Evergreen Fund

Timeline: Launching Q2 2026

Strategy: The Fund targets diversified tax-deferred income streams, including direct real estate holdings, deeded mineral rights, and real estate loans, to build a resilient, diversified income portfolio.

Process: We employ a highly conservative capital structure, focusing on unlevered and low-leverage financing to ensure downside protection. This approach is coupled with tax management, including cost segregation and 1031 exchanges, to maximize tax-deferred income for investors.

The Four Pillars of J19

1. Return

Provide a 7%-11% monthly tax-deferred cash distribution to generate a 17%-20% total return, while managing downside risk with a conservative capital structure

2. Expertise

\$10B of MF RE transactions, leveraging long-standing relationships with boots on the ground partners in multifamily, industrial, and minerals

3. Tax Efficiency

Tax strategies unique to multifamily assets offset income generated from the fund, allowing you to receive a tax-deferred return

4. Removing PE Barriers

No J curve. No lumpy capital calls. Money works day one. Distributions start the following month with quarterly redemptions after a 1, 3 or 5-year lock up

Fund Terms

Minimum Investment

\$250,000 Qualified Clients*

Initial Capital Call

50% at close; 50% Yr 2

Redemption Frequency

Quarterly

Total Target Return (tax-deferred)

17% - 20%

Fees

2% Mgmt / 20% Performance

Lock-up Period

1, 3 or 5 Years

Target Yield

7% - 11% tax-deferred

Estate Planning

Strategic estate planning vehicle for multigenerational wealth

**If not a Qualified Client, please inquire for other options*

Investor Tiers

| INVESTOR TIER | TAX-DEFERRED CASH DISTRIBUTION | MINIMUM INVESTMENT | LOCK-UP PERIOD | FUND LEVERAGE |
|-------------------|--------------------------------|--------------------|----------------|---------------|
| Explorer | 7% | \$250,000 | 1-Year | 0% |
| Achiever | 8% | \$1,000,000 | 3-Year | 0% |
| Partner | 9% | \$3,000,000 | 3-Year | 10% |
| Executive Partner | 10% | \$5,000,000 | 3-Year | 20% |
| Founder | 11% | \$10,000,000 | 5-Year | 30% |

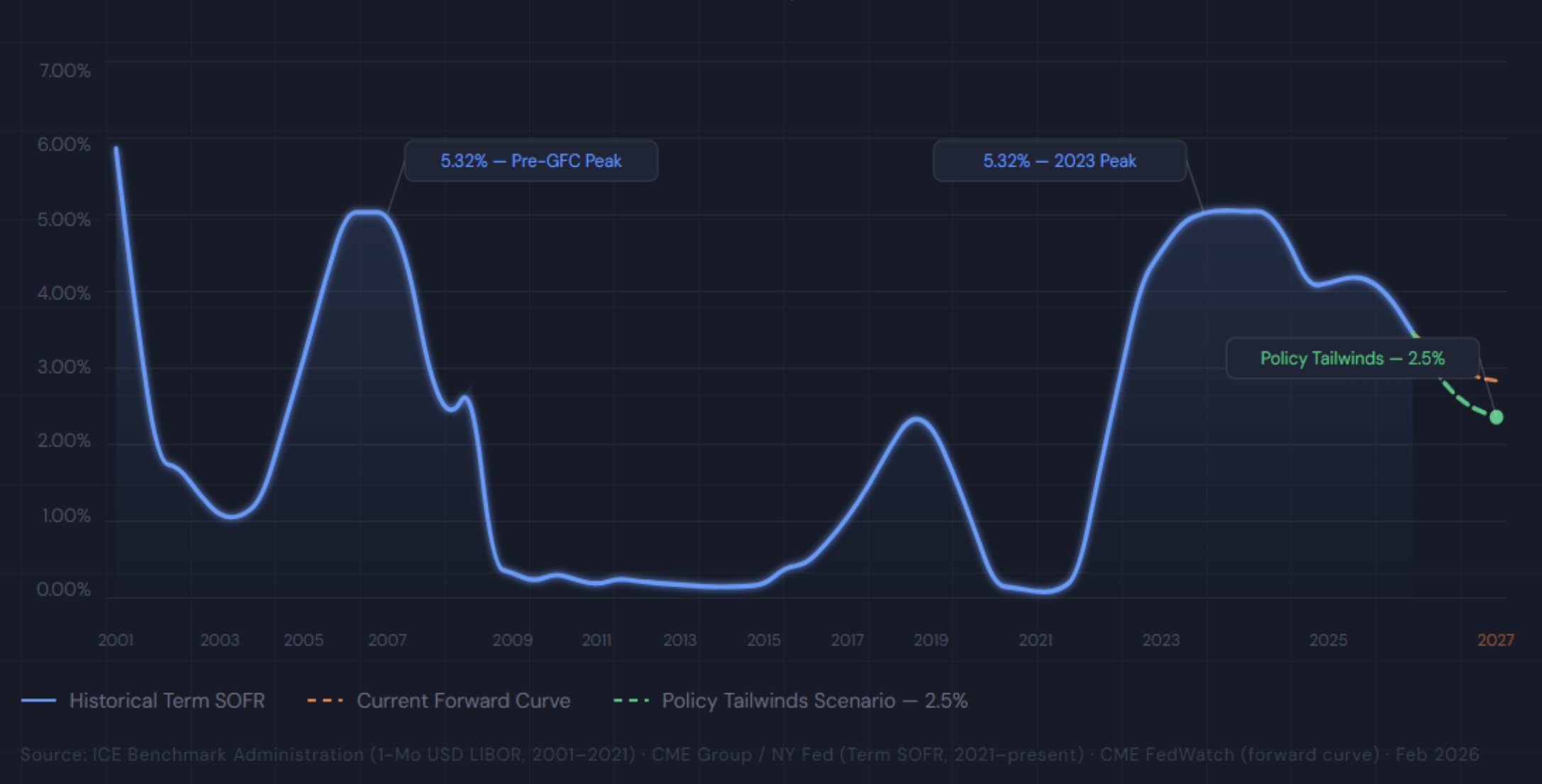
Why Buy Now?

Current Opportunity

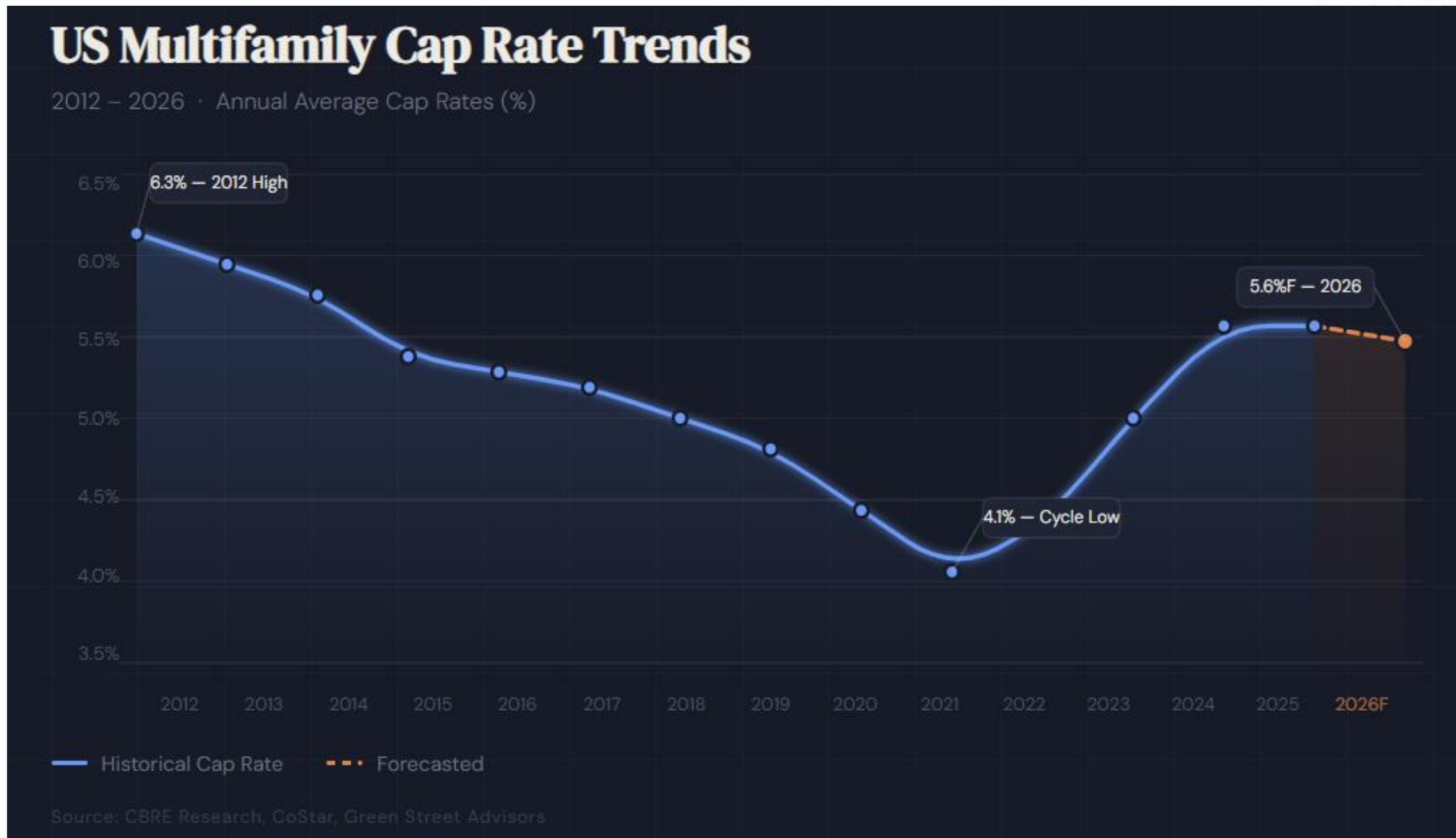
- **Valuation reset:** Cap rates expanded from 2022 lows, creating opportunities to acquire below replacement cost
- **Supply peak fading:** New completions projected to drop ~50% by 2026–2027, tightening markets for stronger rent growth
- **Falling rates:** Fed cuts improve financing, reduce borrowing costs, and enhance transaction volume
- **Resilient demand:** Affordability constraints and limited supply support sustained tenant demand and occupancy stability
- **Improving exits:** Cap rate compression forecasted for 2026–2027 as rates ease—positioning for appreciation
- **Target markets:** Secondary/tertiary Sun Belt markets with constrained supply and strong yield profiles

Term SOFR Rate History & Outlook

2001 – 2027 · 1-Month USD LIBOR (2001–2021) / CME Term SOFR (2021–present)



Valuation Reset



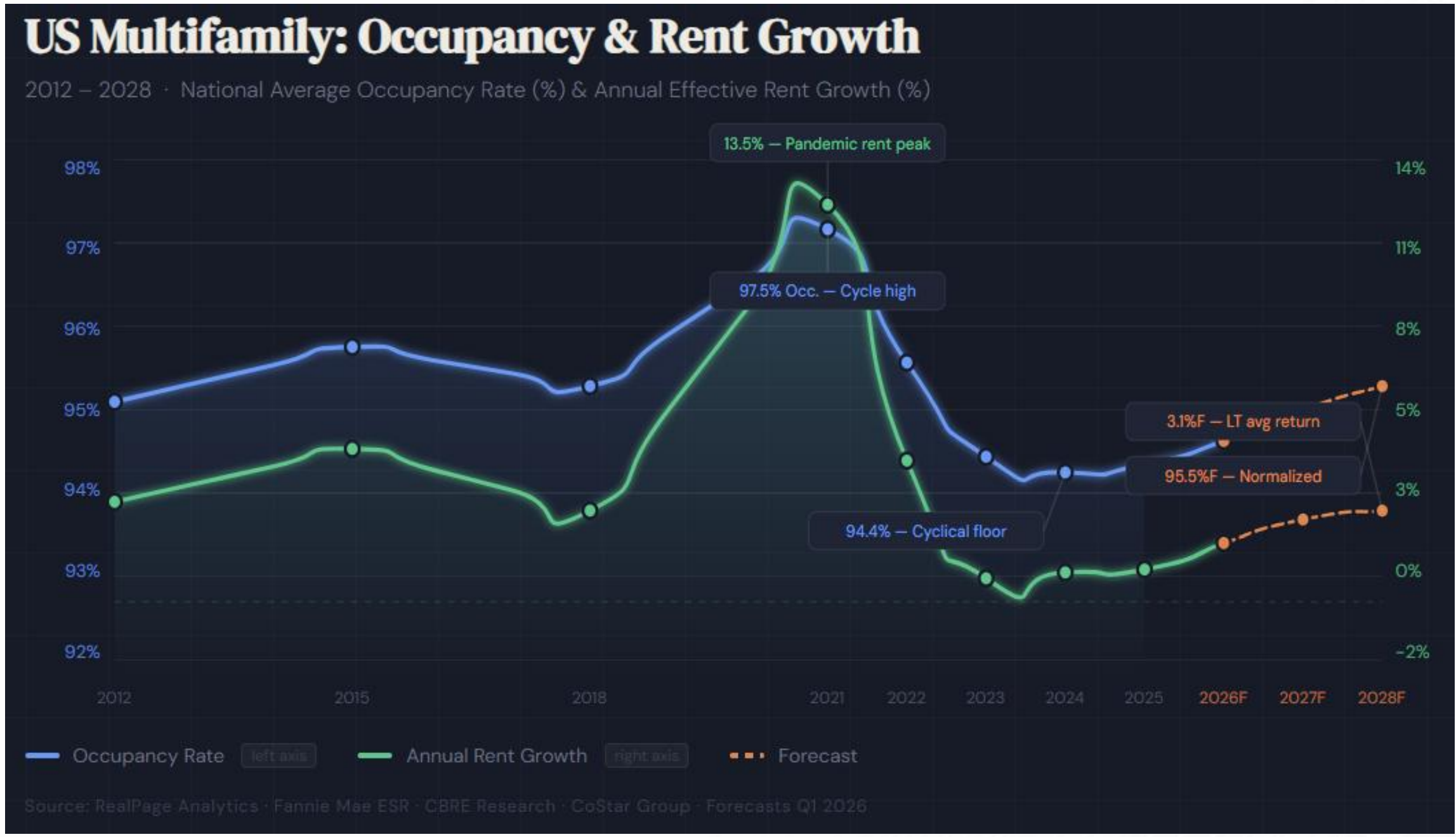
- **Valuation reset:** Cap rates have expanded from a 4.1% cycle low (2021) to 5.7% today - a 28% value correction that has returned the market to 2014 pricing, creating a more attractive entry point for new capital
- **Historical Buying Opportunity:** History supports counter-cyclical entry. Investors who acquired multifamily assets during the last valuation reset (2009–2012) captured the full benefit of the subsequent compression cycle
- **Cap Rate Outlook:** Having plateaued at 5.7% through 2024–2025, multifamily cap rates are forecast to begin compressing in 2026 as the supply pipeline thins and credit conditions ease

Supply Peak Fading



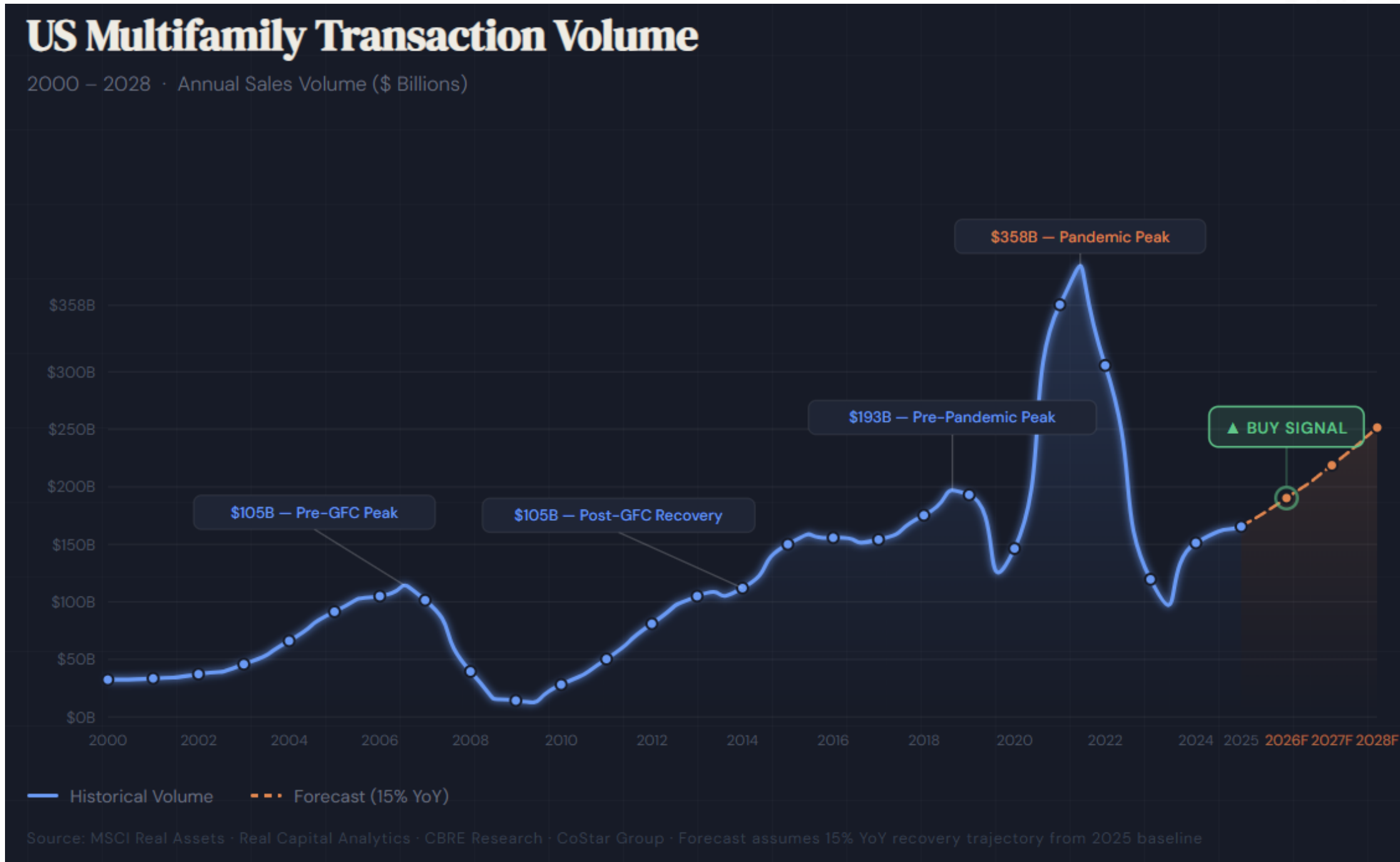
- **Peak is Behind Us:** At 608,000 units delivered in 2024, the highest volume since 1986, the supply wave has crested. New deliveries are forecast to fall to 430,000 units in 2026 as the market begins its rebalancing
- **Pipeline Contracting Fast:** Construction starts fell over 40% between 2023 and 2025 as financing costs surged and credit tightened - the sharpest pipeline contraction in decades, with the full impact on deliveries flowing through in 2026 and 2027
- **Stabilization Improving:** With national vacancy at 6.7% in early 2026 and new supply decelerating sharply, absorption is anticipated to improve through 2026 driving vacancy compression and renewed rent growth

Resilient Demand



- **Supply/Demand Gap:** The occupancy compression from 97.5% (2021) to 94.5% (2024) wasn't driven by weak demand, it was driven by the largest supply increase since the 1980s. With over 608k new units delivered in a single year, landlords lost pricing power and annual rent growth stalled near 1%
- **The 2026 Turning Point:** Construction starts fell 40%+ over the past two years, marking the end of the supply wave. With far fewer deliveries in 2027 and 2028, today's occupancy trough is expected to normalize
- **Normalization (2027–2028):** As occupancy is projected to return toward the 95.5% stabilized threshold by 2028, rent growth is also expected to return, with annual rent growth forecast to normalize back to the 2.5%–3.0% long-term average

Transaction Volume Recovery

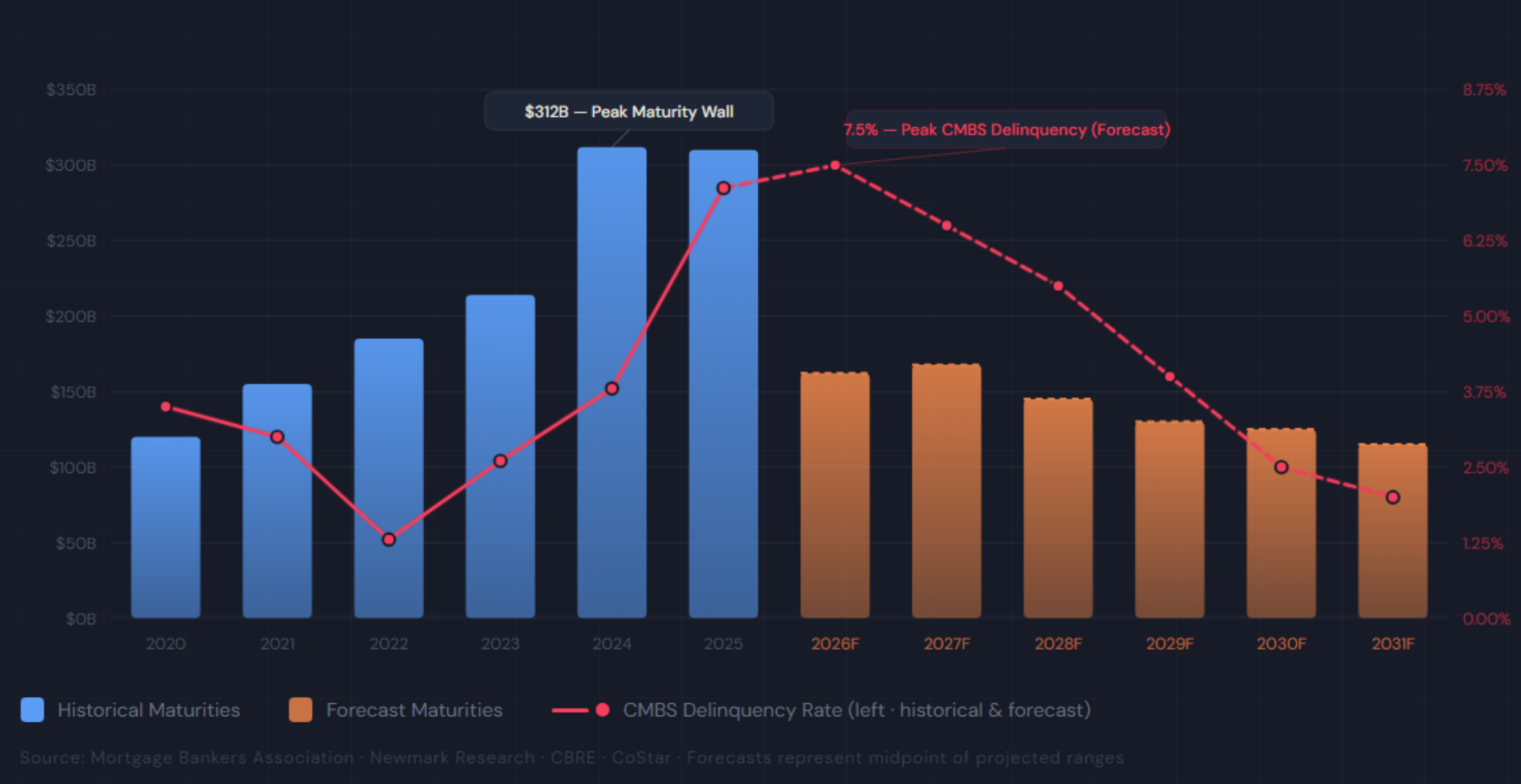


- **Cycle Reset:** Volume peaked at \$105B in 2006 and took seven years to recover, reclaiming that level in 2013 and marking the next expansion cycle
- **Pandemic Distortion:** Volume surged to ~\$358B in 2021–2022, driven by near-zero rates and post-pandemic demand
- **Reclaiming the Prior Peak:** With 2025 volume at ~\$160B vs. \$193B in 2019, a return to prior-peak levels by 2026–2027 would mirror past recovery patterns
- **Capital Deployment:** We remain patient until volume approaches ~\$190B+. In the meantime, we are selectively buying discounted notes and off-market high-cap rate deals

Distressed Opportunities

Multifamily Debt Maturity Schedule

2020 – 2031 · Annual Maturities (\$ Billions) & CMBS Delinquency Rate (%)



- **Maturity Wall Peaks:** Over \$620B in multifamily debt matures across 2024–2025, the largest two-year concentration on record. With refinancing largely unavailable at today's rates, lenders are turning to discounted note sales, deed-in-lieu transactions, and distressed asset sales
- **Delinquency at Cycle Highs:** CMBS delinquency is tracking toward 7.5% by 2026, a level not seen since the post-GFC era, driven by 2021-vintage floating-rate bridge loans hitting expiration against a high-rate environment
- **Distress Begins to Clear:** Maturities drop sharply post-2026 and delinquency normalizes toward 2–2.5% by 2030–2031, mirroring the post-2010 recovery pattern as oversupply absorbs and credit conditions improve

Real Estate: Our Foundational Investment Strategy

Why Real Estate?

Real estate remains a core asset class and forms the foundation of J19's alternative investment platform, offering a balanced and attractive return profile. The Fund invests across diverse real estate sectors, providing stable cash flow, long-term capital appreciation, and an effective hedge against inflation. We further enhance investor wealth by leveraging unique tax benefits not typically available in other alternative investments.

Consistent Cash Flow

Generate consistent, predictable income through rental payments, offering attractive yields to investors.

Appreciation

Benefit from long-term property value growth driven by strategic acquisitions and market demand.

Inflation Hedge

Real estate is widely recognized as an effective hedge against inflation due to its ability to generate income that can reprice over time. Across property types, shorter lease durations and contractual rent escalations allow cash flows to adjust with rising inflation, providing an advantage over assets with fixed, long-term pricing.

Tax Benefits

Our strategies leverage significant tax advantages, including depreciation benefits and 1031 exchanges, enabling tax-deferred growth and wealth preservation.



Capital Structure for Downside Protection

Reducing Risk

Our investment process employs a highly conservative capital structure, prioritizing resilience over IRR. We emphasize cash and low-leverage financing to limit debt exposure, maintaining a substantial equity cushion that protects investor capital. This strategy significantly reduces asset-level risk against market downturns and valuation dips, ensuring the fund's stability across various economic cycles.

Downside Protection & Stability

We specifically utilize longer-term, fixed-rate debt maturities to lock in financing costs and eliminate artificial risk. This shields the fund from refinancing and interest rate volatility inherent in short-term debt and bridge loans. By avoiding rapid loan maturities, we are never forced to sell assets prematurely, allowing us to hold properties through cycles to maximize long-term value.

Consistent Cash Flow

Our conservative financing directly translates to more predictable and stable cash flows for our investors. Lower interest expenses immediately free up more cash flow for distribution. Crucially, insulating the portfolio from short-term rate swings allows for superior forecasting, ensuring the fund can maintain its distribution targets reliably, driven by asset quality, not financial engineering.

Maximum Tax Efficiency: Depreciation to Shield Income

How & Why the Fund Utilizes Depreciation

The fund leverages depreciation as a non-cash deduction to shield rental income from taxes. It's accelerated through cost segregation, reclassifying building components into shorter 5–15 year assets. This creates paper losses that offset fund income and distributions, passing tax savings directly to investors via K-1s and increasing after-tax returns.

Bonus Depreciation & The Current Opportunity

Bonus depreciation allows the fund to immediately expense 100% of eligible shorter-lived assets via cost segregation, generating non-cash paper losses to shield investor income. The 2025 One Big Beautiful Bill Act permanently restored 100% bonus depreciation for property placed in service after January 19, 2025, front-loading massive first-year deductions—a rare opportunity for acquisitions now.

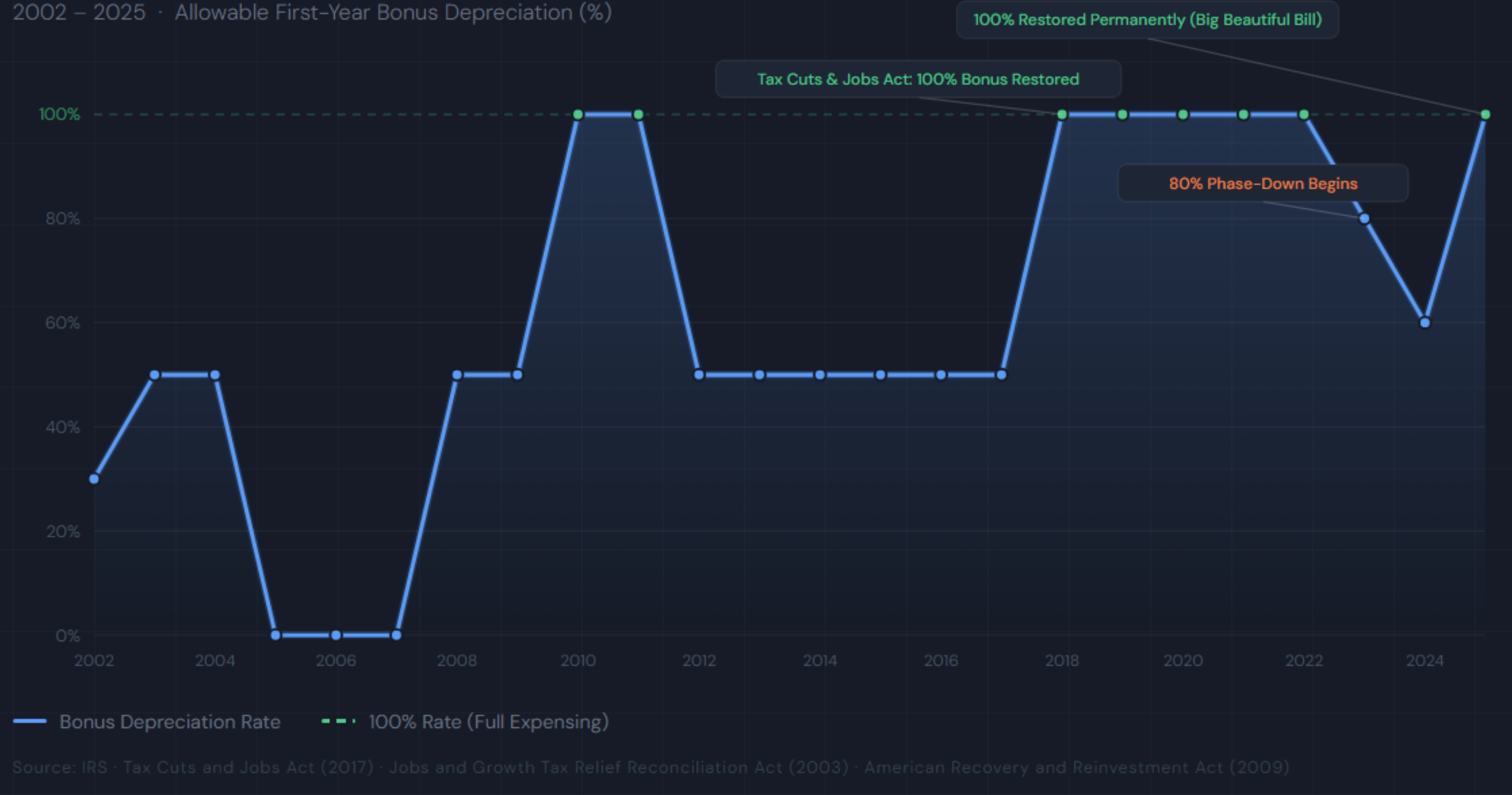
Investor Benefits

Depreciation eliminates or sharply reduces taxes on distributions and passive income, creating tax-deferred cash flow for reinvestment as equity builds. Deferred taxes can convert to lower capital gains rates via 1031 exchanges, positioning real estate as a premier tax-advantaged wealth builder.

Bonus Depreciation History

US Bonus Depreciation Rate by Year

2002 – 2025 · Allowable First-Year Bonus Depreciation (%)



Cash Flow Program

- HYTD is expected to provide a monthly distribution stream, based on a fixed 7% - 11% annual rate on Net Asset Value (NAV)
- This reliable and predictable cash flow will grow with the value of the NAV, with any earnings in excess of the distribution rate to be re-invested and therefore compound capital faster
- The Fund also offers a Distribution Re-Investment Program ("DRIP"), which provides the ability to compound some, or all, of the distributions received, in order to grow capital at an accelerated rate and avoid the challenge of reinvesting small amounts received on an unpredictable cycle
- This allows the investor to choose how much cash flow to receive vs. how much to reinvest and compound

Team Overview



Michael Oberrender

Managing Principal

- Directs portfolio strategy and capital allocation
- \$10B+ in transactions across commercial & multifamily real estate
- Managed 43,500+ units in 20 markets nationwide
- Master of Real Estate, Texas A&M University

Michael leads the firm's real estate portfolio and investment strategy, bringing over a decade of commercial and multifamily experience. He has managed 43,500+ units across 20 markets, overseen a team of 800+ professionals, and guided more than \$10 billion in transactions.

His work centers on identifying high-performing assets and executing acquisition and disposition strategies through disciplined underwriting, asset management, and capital planning, delivering consistent, risk-adjusted returns for high-net-worth investors navigating complex market conditions.

Michael holds a B.S. in Agricultural Economics and a Master of Real Estate from Texas A&M University.

Appendix - Current Pipeline

| Investment | Type | Gross Yield | Gross IRR | Notes |
|---------------------------|-------------------------|-------------|-----------|--|
| 465 Residential Lots (TX) | Note Purchase | 32% | N/A | 65% LTV note-on-note financing; Sourced direct from seller |
| MF Loan Pool (TX) | Note Purchase | 8% | 22% | Unlevered; 5 Property Collateral |
| Los Prados Loan Pool (TX) | Note Origination | 28% | N/A | 65% LTV note-on-note financing |
| Condo Loan Pool (TX) | Note Origination | 26% | N/A | 65% LTV note-on-note financing |
| McAllen Flats (TX) | MF Condo Conversion | N/A | 73% | 65% LTV |
| Sugar Road Place (TX) | MF Condo Conversion | N/A | 61% | 65% LTV |
| Northwest Terraces (TX) | MF Condo Conversion | N/A | 36% | 65% LTV |
| Boca Palma (TX) | Multifamily Acquisition | 9% | 26% | Sourced Off-Market |
| Miravento (TX) | Multifamily Acquisition | 8% | 22% | Sourced Off-Market |
| West Point (TX) | Multifamily Acquisition | 7% | 17% | Sourced Off-Market |
| Heritage Square (TX) | Multifamily Acquisition | 7% | 18% | Sourced Off-Market |
| Edinburg Place (TX) | Multifamily Acquisition | 7% | 20% | Sourced Off-Market |
| Mercedes Place (TX) | Multifamily Acquisition | 6% | 9% | Sourced Off-Market |
| Palms (TX) | Multifamily Acquisition | 7% | 15% | Sourced Off-Market |
| Rock Ridge (TX) | Multifamily Acquisition | 8% | 22% | Sourced Off-Market |
| Valley Island Palms (TX) | Multifamily Acquisition | 7% | 19% | Sourced Off-Market |
| Houston Industrial (TX) | Industrial Acquisition | 6% | 17% | Joint Venture |
| Dallas Industrial (TX) | Industrial Acquisition | 8% | 18% | Joint Venture; 65% LTV; 5 buildings + IOS |
| Oil Minerals (TX) | Energy / Minerals | 12% | N/A | Joint Venture; At \$70 oil |
| Gas Minerals (TX) | Energy / Minerals | 14% | N/A | Joint Venture; At \$4 natural gas |

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