



Accretiv[▲]HYBRID

Portfolio Limited

AUGUST BREAKFAST

Including 1441 Branding Ave,
Downers Grove, Illinois, Chicago

INVESTMENT OPPORTUNITY

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What Drives Commercial Real Estate Values?

CAP RATE
=
INTEREST RATE

GROWTH IN NET OPERATING
INCOME

STOCK MARKET VOLATILITY

VACANCY FACTOR

DEMAND VS SUPPLY

GROWTH IN GROSS
DOMESTIC PRODUCT

We are also actually aware of the currency risks and domicile of the investment.

What Drives Real Estate Values?

Interest rates and Cap Rates



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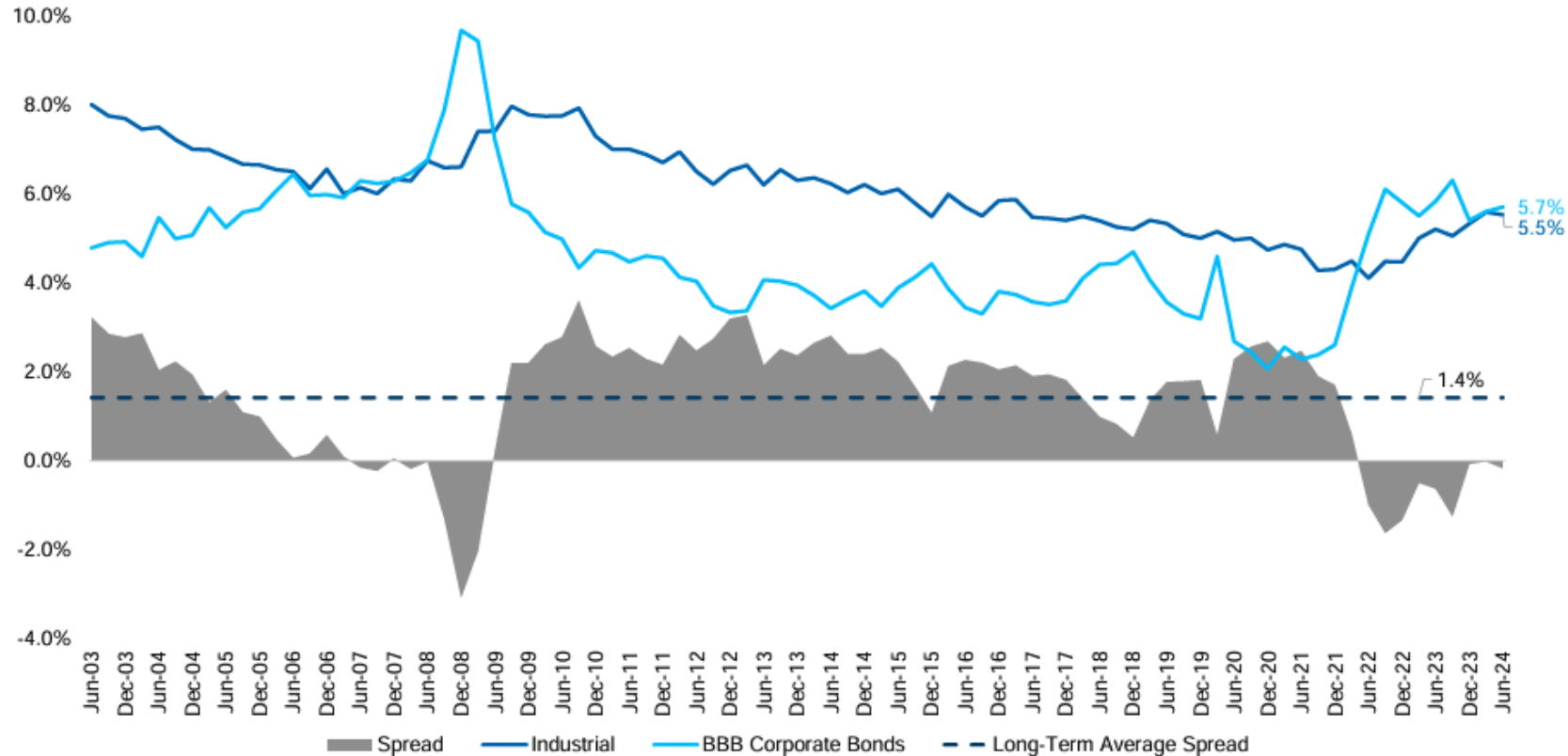


How many Fed rate cuts in 2025?



What Drives Real Estate Values?

Transaction Cap Rate (top quartile) dipped to 5.5%.

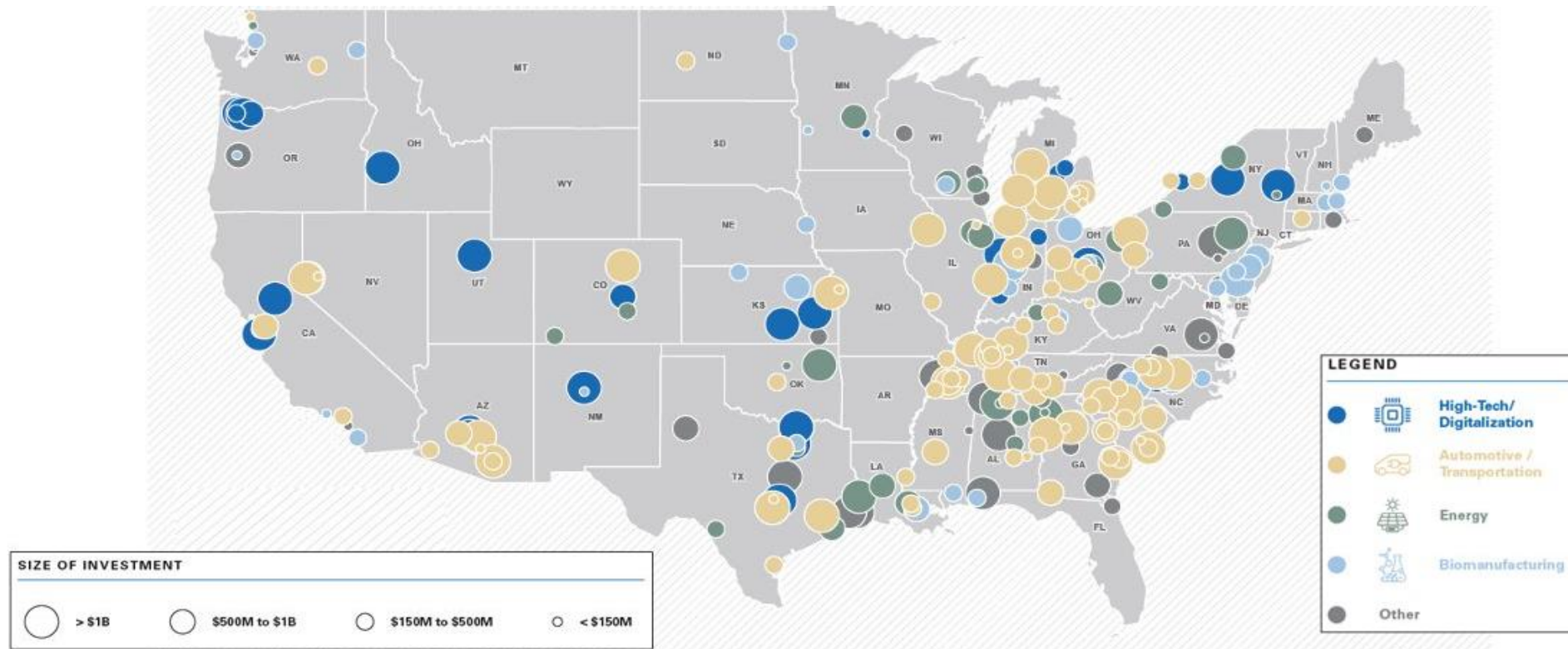


Source: Real Capital Analytics, Federal Reserve Bank of St. Louis, Moody's as of 7/22/24.
*Quarterly

What Drives Real Estate Values?

Massive investment in manufacturing drives demand.

The estimated investment pledged toward onshoring U.S. manufacturing is approximately **\$3.06–\$3.14 trillion**, comprising **\$1.58 trillion** in private sector commitments and **\$1.48–\$1.56 trillion** from foreign government agreements.

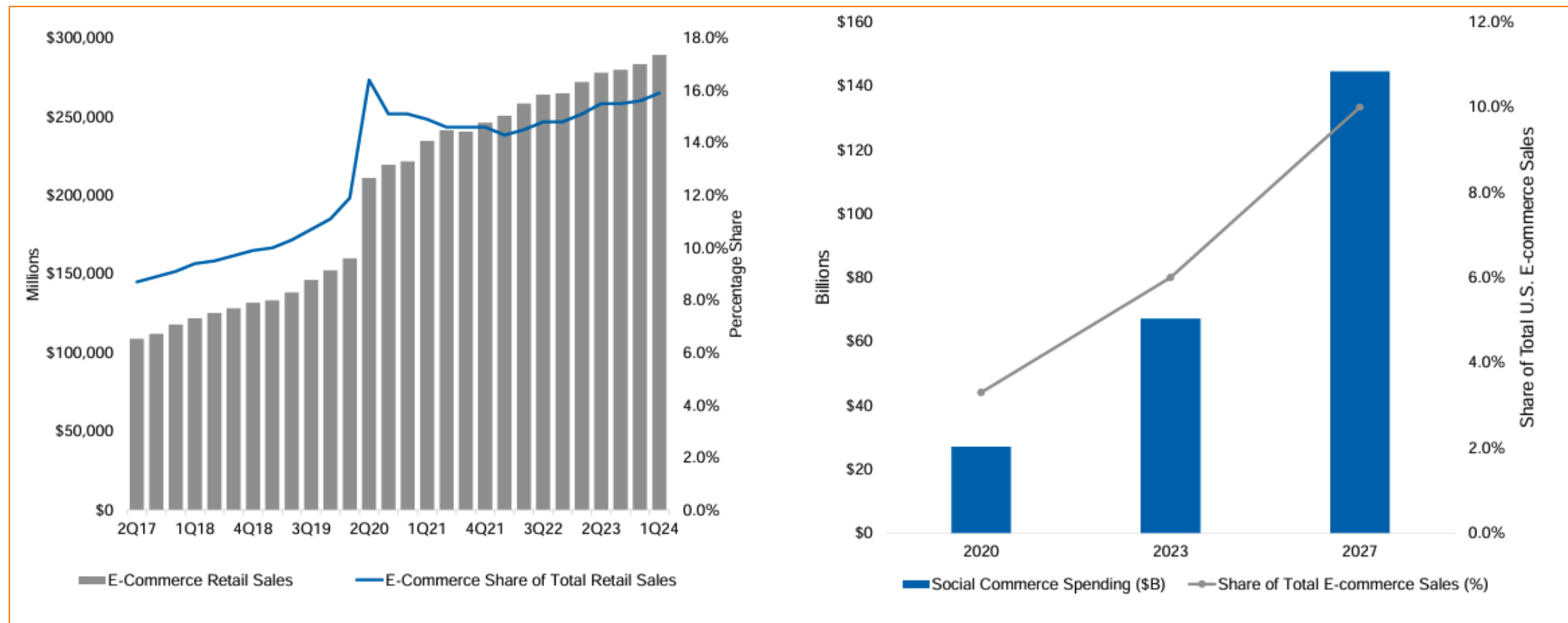


Note: Investments of at least \$100 million. Investment dollars may include allocations to real estate and equipment, infrastructure, intellectual property, and other outlays.
Sources: Newmark Research, Newmark Global Strategy & Consulting, various press releases and articles

What Drives Real Estate Values?

The **growing demand** for logistics space driving demand.

E-Commerce growth continues to drive demand for logistics space – **1,2 MSF required for every \$1 billion gains.**

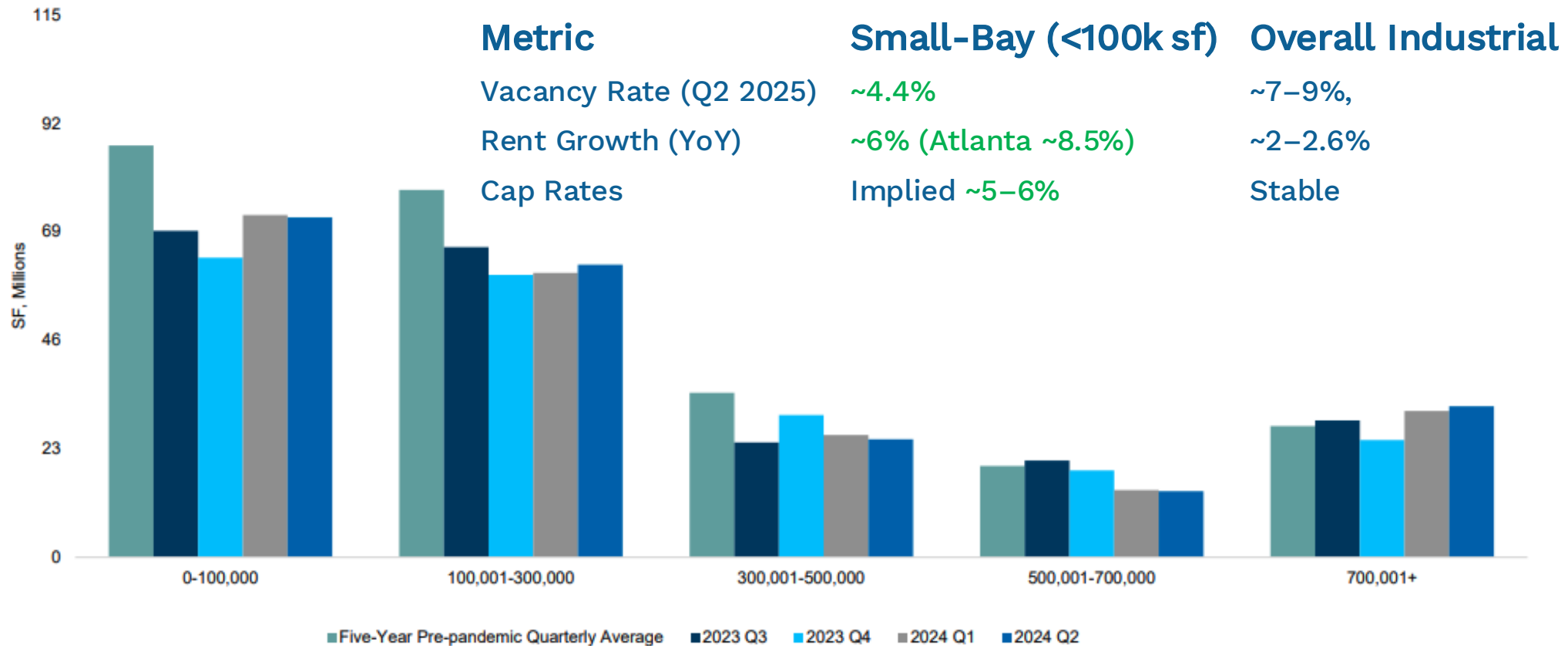


Source: U.S. Census Bureau, St. Louis Federal Bank, Green Street, GlobalDaTA, Emarketer, August 2024.

What Drives Real Estate Values?

The **growing demand** for logistics, especially small bay.

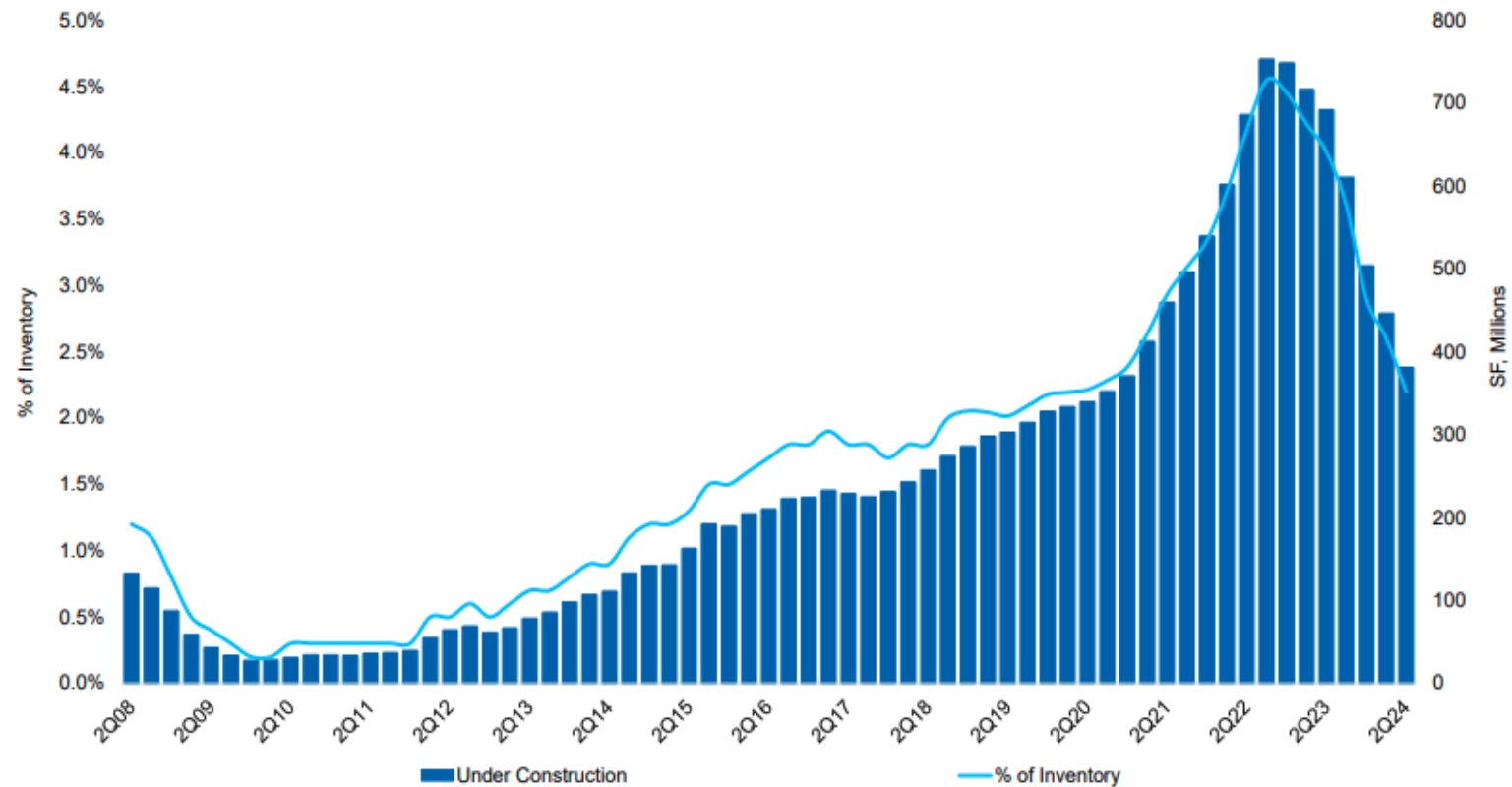
Buildings under 100,000 sf account for **65% of leasing activity**.



What Drives Real Estate Values?

Supply constraints **accelerate escalation** and NOI.

The pipeline of new Industrial construction dipped below 400 MSF (Q22024) and **roughly 2% of available inventory**.

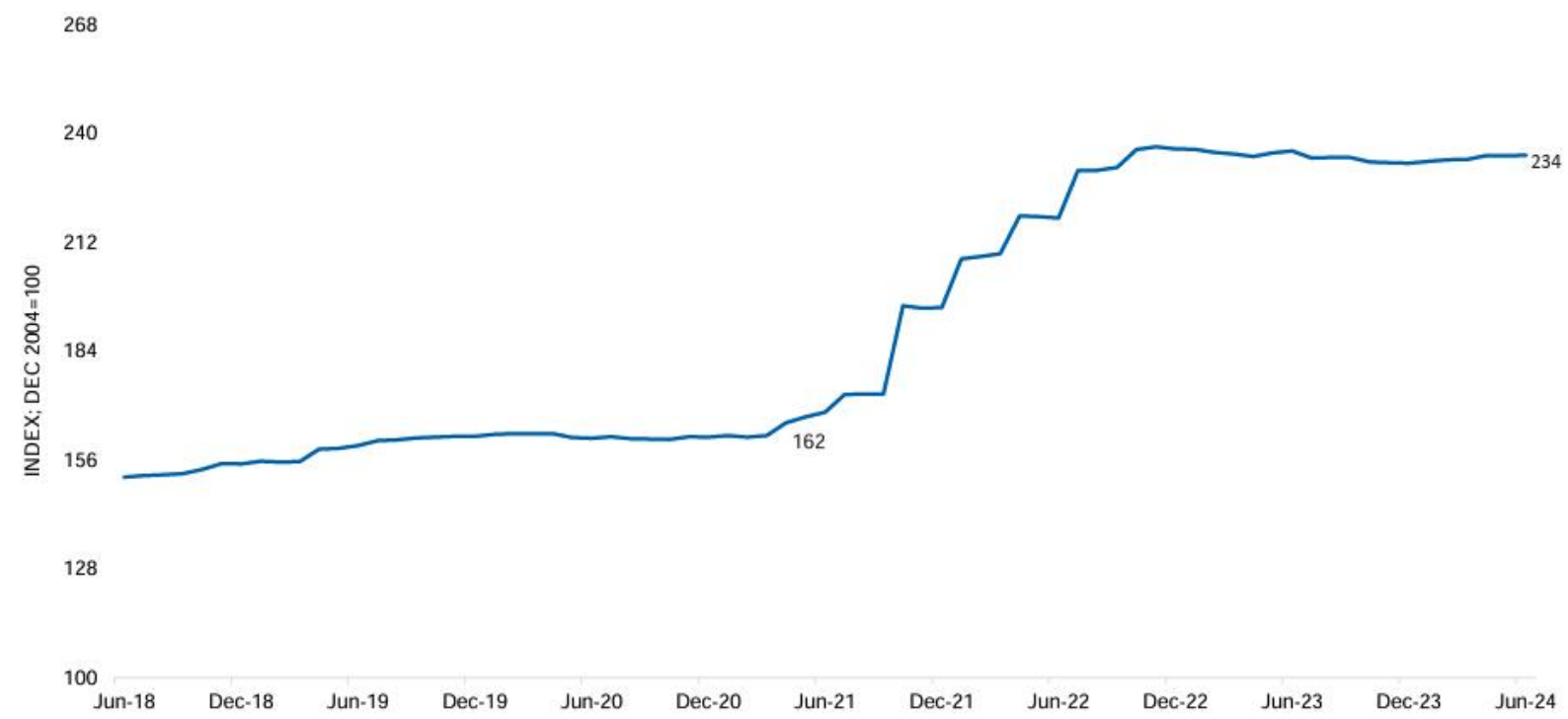


Source: Newmark Research, July 2024.

What Drives Real Estate Values?

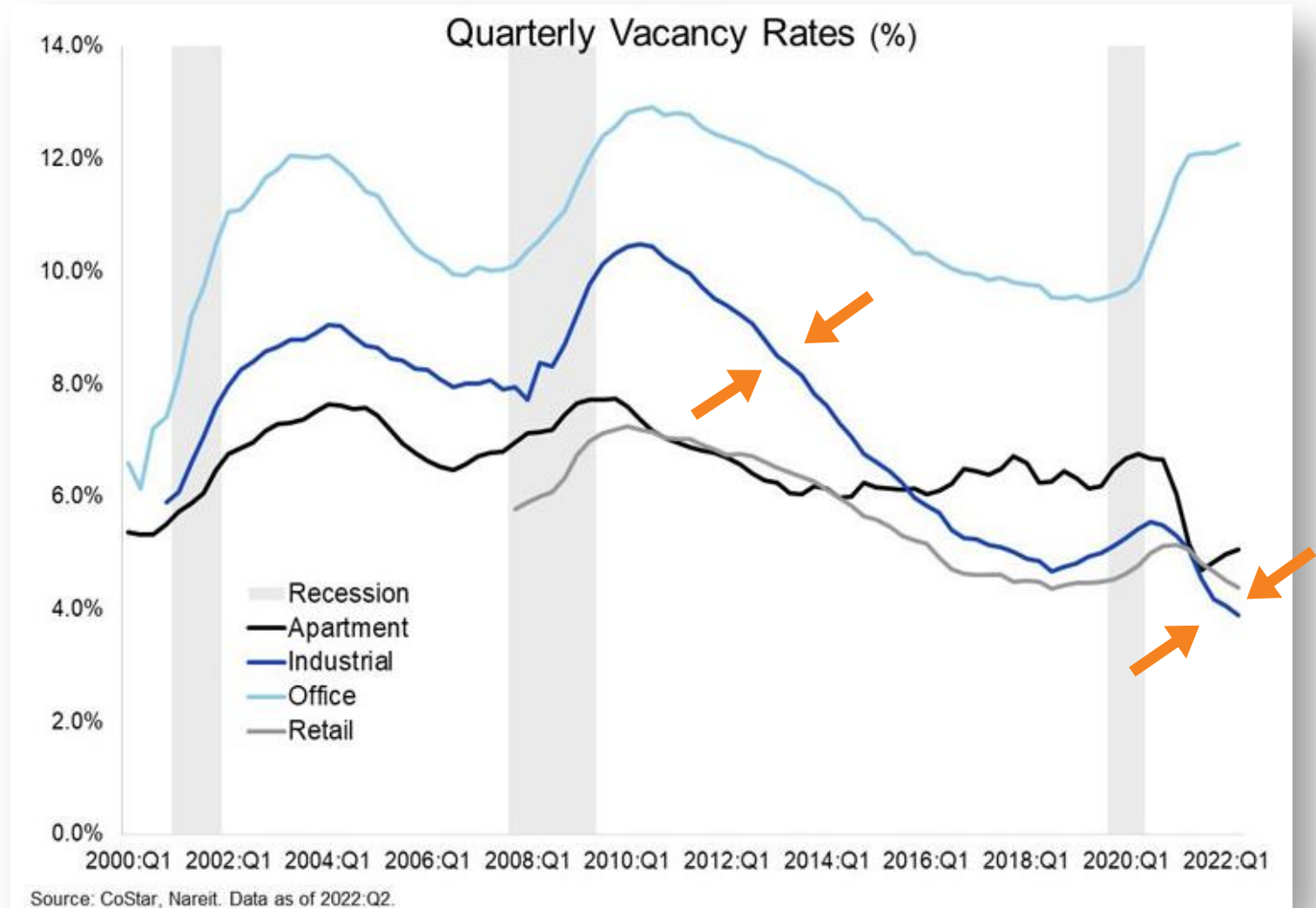
Construction inflation **accelerates escalation** and NOI.

Producer Price Index: New warehouse construction costs July 2024



Source: Newmark Research, St. Louis Federal Bank, RSMeans, July 2024.

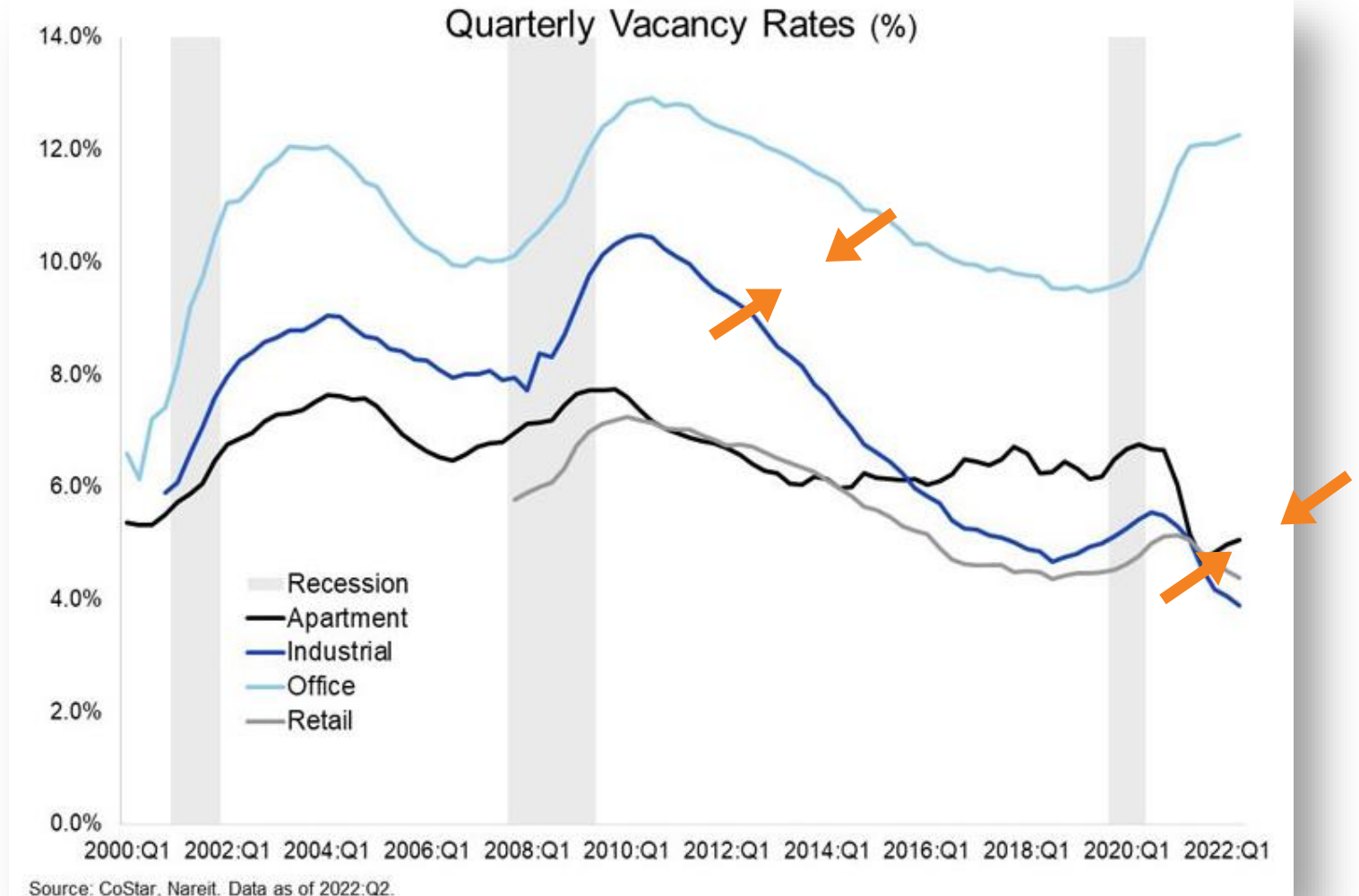
Industrial
already has the
LEAST
VACANCY
in **ALL**
sectors.



What drives our excitement for Small Bay Industrial?

Industrial remains a top performer.

As a whole, Industrial already has the **LEAST VACANCY** in all sectors!



Introducing Accretiv Hybrid

Our strategy focuses on acquiring a **portfolio of 8-10 profitable small bay buildings** in growth areas to capitalize on the current market dislocation.

We expect declining interest rates, cap-rate compression, and increasing rate per square foot, as a result of strong demand to boost yield and capital growth.

The exit plan will involve a portfolio sale within the five-year investment period.

A bundle of twigs withstands stronger winds than a lone branch.

Accretiv's diversified portfolios offer resilient against market volatility.



Opportunity Overview – Building 1

Acquisition price : \$6,150,000

Building size : 48,533 SF

In place NOI : \$507,616

In place Cap Rate: 8.25%

Occupancy : 100%

WALT : 7.0 years

Cash on Cash : 7%

IRR over 5 years : 15%



Location Overview

Chicago remains a top three leasing market nationally and is the third largest metro by industrial transaction volume with rents growing nearly 2 times faster than the national average.

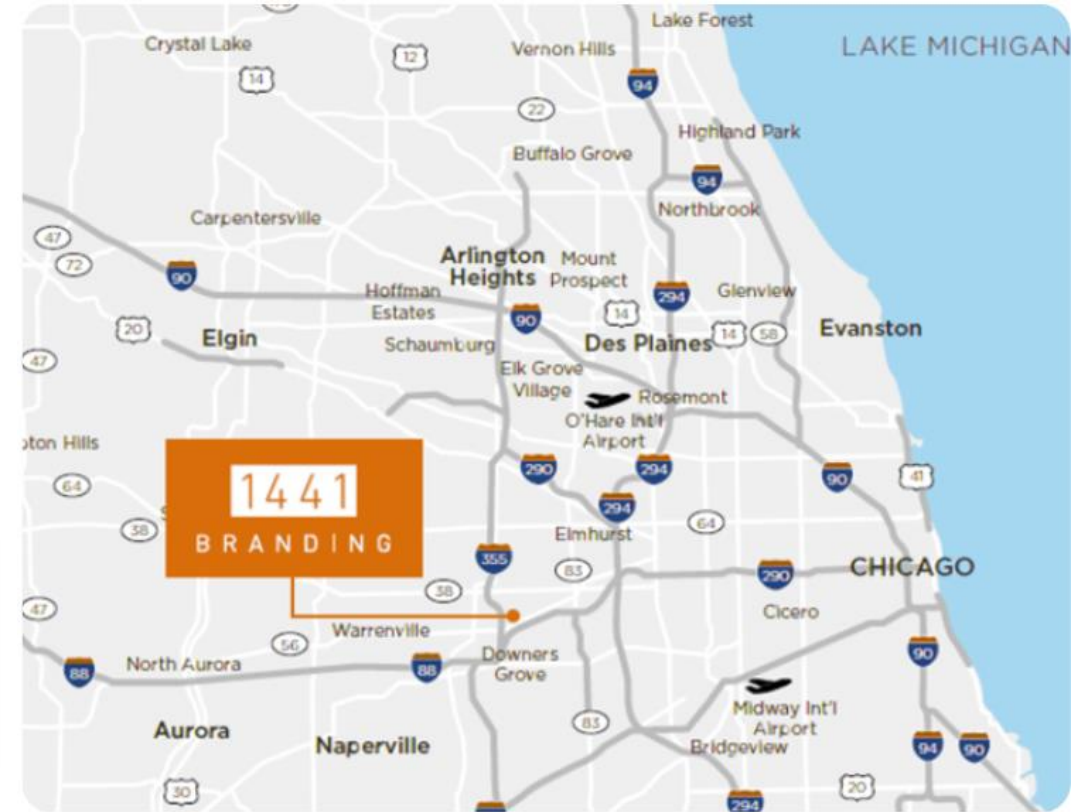
**Located in DuPage county,
Illinois, a pro business
jurisdiction known for its low
taxes and strong labor market.**

**25 minutes to O'Hare
international airport & less
than 30 minutes from
downtown Chicago.**

Less than 2 miles from I-88/I-355 interchange enabling efficient movement throughout the metro region and across the Midwest.

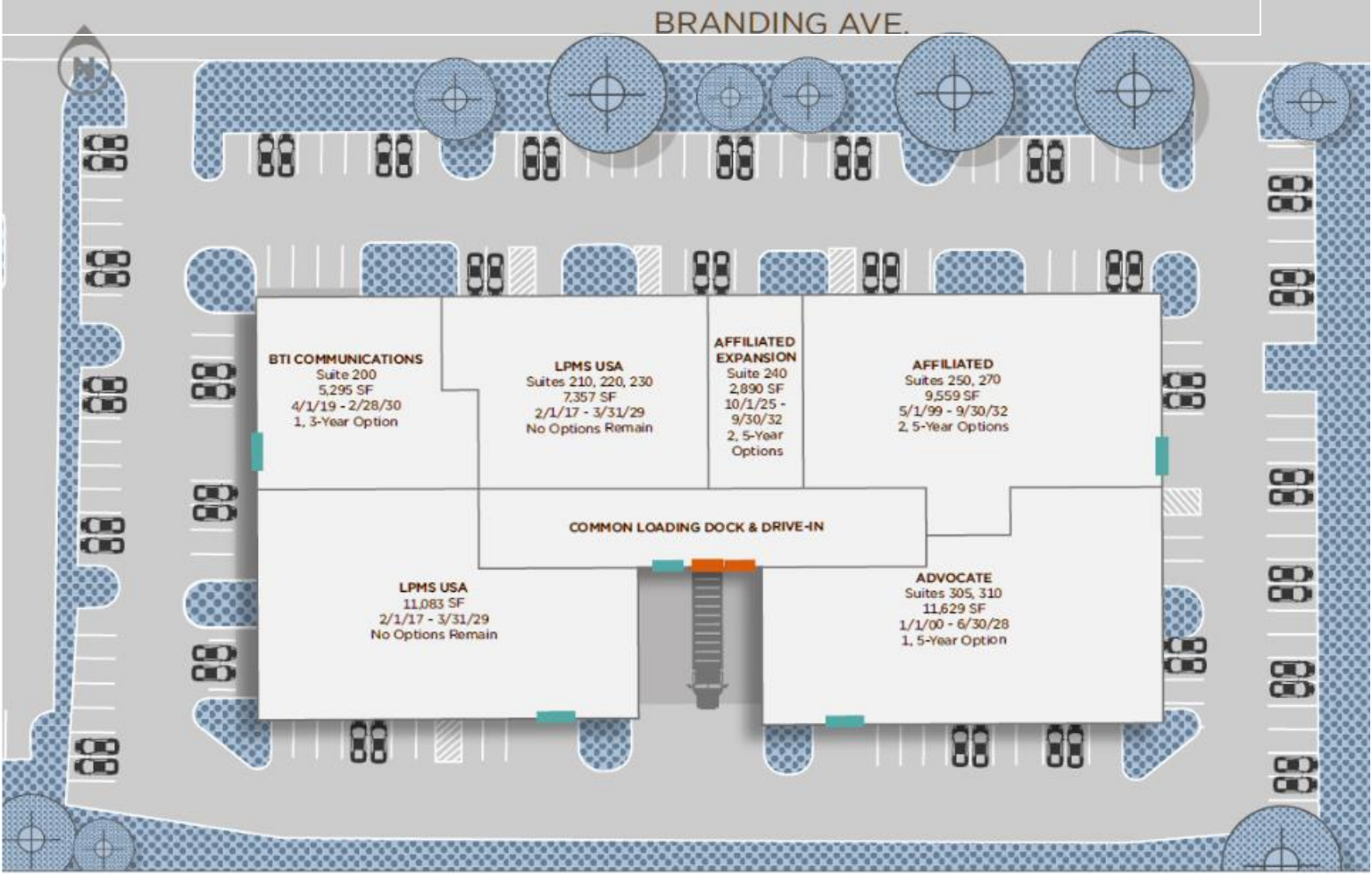
**Near major national
retailers: Whole Foods, ALDI,
Home Depot, PetSmart.**

Strong labor pool and workforce accessibility.



Overview – Tenant overview.

Recent Capital Improvements (2016-2025)	
HVAC Unit Replacements (2025)	\$311,603
Fire Hydrant Replacement (2025)	16,650
Brick Tuckpointing (2023)	87,000
New Entrances / Landscaping / Regrade (2022)	46,480
New Entrance Concrete Walkways (2022)	13,970
Parking Lot Mill & Repave (2021)	90,600
Roof Replacement (2020 West Half / 2016 East Half)	207,705
Total	\$774,008



DOCK-HIGH DOORS

DRIVE-IN DOORS

*FOR ILLUSTRATIVE PURPOSES ONLY

Tenant Summary

Suite	Tenant	SF	% of RBA	Lease Term		Base Rent			Estimated	Recovery	Options
				Start	Expiration	Annually	Monthly	PSF	Recoveries	Type	
100, 110, 210, 220, 230	LPMS USA	19,160 SF	39.5%	02/01/2017	03/31/2029	\$162,094	\$13,508	\$8.46	\$80,673	NNN	None
200	BTI Communications Group	5,295 SF	10.9%	04/01/2019	02/28/2030	\$62,216	\$5,185	\$11.75	\$22,295	NNN	1 x 3-year
240*, 250, 270	Affiliated Customer Service, Inc.	12,449 SF	25.7%	05/01/1999	09/30/2032	\$177,630	\$14,803	\$14.27	\$40,248	NNN	2 x 5-year
305, 310	Advocate Home Health Services	11,629 SF	24.0%	01/01/2000	06/30/2028	\$139,548	\$11,629	\$12.00	\$48,964	NNN	1 x 5-year
Total/Wtd Avg		48,533 SF	100.0%			\$541,488	\$45,124	\$11.16	\$192,180		
Occupied		48,533 SF	100.0%								
Vacant		0 SF	0.0%								

*Note: Affiliated Customer Service, Inc. is set to expand to Ste 240 (2,890 SF) by October 1, 2025.



Tenants Overview – Affiliated Customer Service

Affiliated occupies more than 25% of the building and has been a tenant for nearly 26 years.

They are the largest authorized distributor of Gamewell-FCI by Honeywell fire alarm products in the Chicagoland area, Northwest Indiana, and Southern Wisconsin.

AFFILIATED CUSTOMER SERVICE

Industry - Fire Detection & Life Safety Systems

Lease Expiration - 9/30/32

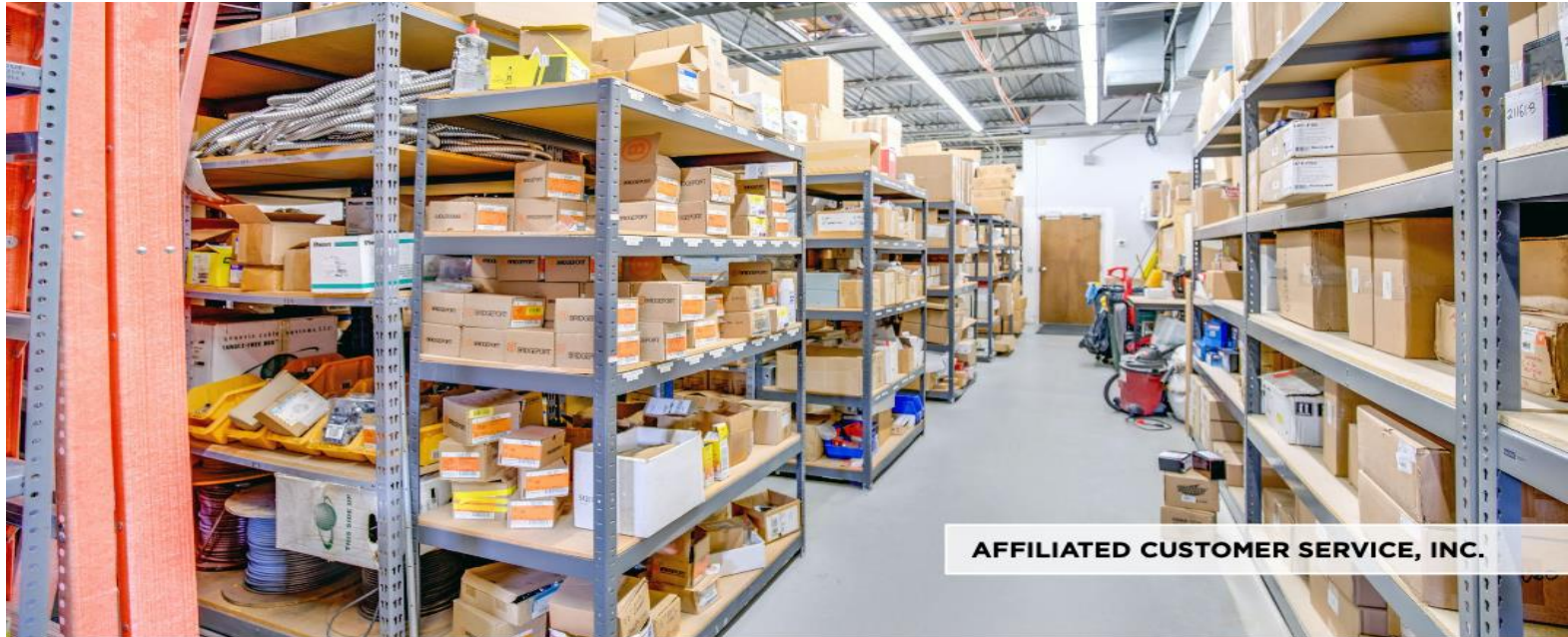
Suites - 240, 250, 270

Rentable Sq. Ft. - 12,449 SF

Type - Private

Headquarters - Downers Grove, IL (The Property)

Tenure at Property - 26 Years



AFFILIATED CUSTOMER SERVICE, INC.

Tenants Overview – Advocate Home Services

ADVOCATE HOME HEALTH SERVICES
Industry - Healthcare
Lease Expiration - 6/30/28
Suites - 305, 310
Rentable Sq. Ft. - 11,629 SF
Type - Non-Profit
Headquarters - Oak Brook, IL
Tenure at Property - 25 Years

Advocate Home Health Services occupies 24% of the building and has been a tenant for 25 years.

They are a leading provider of in-home medical care, operating under the umbrella of Advocate Health, one of the largest non-profit health systems in the United States.



ADVOCATE HOME HEALTH SERVICES

Tenants Overview – LPMS USA

LPMS USA

Industry - Electronics Molding

Lease Expiration - 2/28/29

Suites - 100, 110, 210, 220, 230

Rentable Sq. Ft. - 19,160 SF

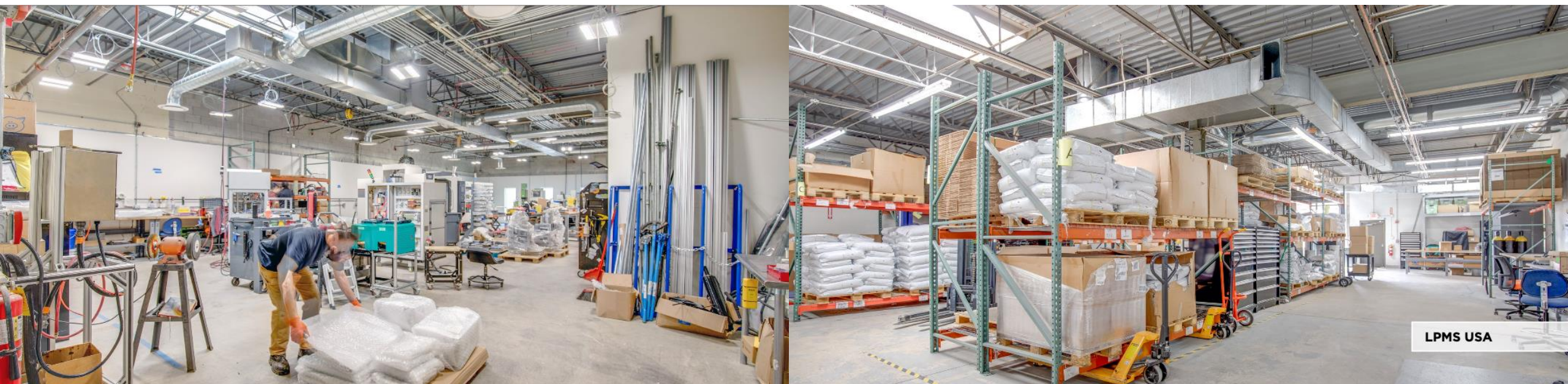
Type - Private

Headquarters - Downers Grove, IL (The Property)

Tenure at Property - 8 Years

LPMS USA occupies 39% of the building and has been a tenant for over 9 years. They are the premier provider of low-pressure molding (LPM) technology in North America, specializing in advanced encapsulation solutions for sensitive electronics.

The company's ISO 9001-certified and ITAR-compliant manufacturing capabilities ensure high standards of quality and regulatory compliance. LPMS USA continues to be a trusted partner for manufacturers seeking reliable, efficient, and environmentally friendly encapsulation technologies.



Tenants Overview – BTI Communications

BTI Communications Group occupies 11% of the building and has been a tenant for 5 years. BTI is a technology solutions provider founded in 1985. Headquartered in California, with regional offices in Downers Grove, Illinois, and Phoenix, Arizona, BTI specializes in delivering integrated services across physical security, communications, and IT infrastructure. Their offerings include IP surveillance systems, access control, intrusion detection, VoIP telephony, managed IT services, cybersecurity, and business continuity solutions.

BTI COMMUNICATIONS GROUP

Industry - Information Technology and Services

Lease Expiration - 2/28/30

Suites - 200

Rentable Sq. Ft. - 5,295 SF

Type - Private

Headquarters - Santa Fe Springs, CA

Tenure at Property - 6 Years



Financial Information

PROJECT CAPITAL STRUCTURE				
PURCHASE PRICE				6,145,000
GENERAL PARTNER FEE				61,450
DUE DILIGENCE FEE				61,450
CAPITAL EXPENDITURE				5,000
3RD PARTY PLACEMENT COSTS				147,480
CAPITALIZED ANNUAL ADMIN COSTS				10,000
CLOSING FEES				132,635
TOTAL INVESTMENT				6,563,015
AMOUNT FINANCED	LTV:	60.86%	DCR:	1.58x
EQUITY CONTRIBUTION				2,568,765
ACCRETIV CONTRIBUTION (Co-GP and Accretiv Hybrid Fund 2)			1,500,000	
CO-SPONSOR CONTRIBUTION (Co-GP and 3rd Party Equity)			1,068,765	

PROJECT PARAMETERS	
HURDLE RATE	7.00%
INVESTMENT HOLDING PERIOD (YEARS)	5
EQUITY CARRY PROFIT SPLIT	
INVESTOR	70%
SPONSOR	30%

Portfolio – between 8 and 10 small bay buildings...

Accetiv Hybrid Portfolio - projection	Equity	Year 1	Year 2	Year 3	Year 4	Year 5
Deal 1 - 141 Branding	1 556 881	103 093	103 671	103 382	103 382	1 879 303
Deal 1 - Sunken cost	50 000					
Deal 2 – 151 Allendale Ave	1 552 882	98 849	103 144	107 312	103 102	1 803 465
Deal 3	2 000 000	60 833	146 000	146 000	146 000	2 640 000
Deal 4	2 000 000	24 333	146 000	146 000	146 000	2 640 000
Deal 5	2 000 000		146 000	146 000	146 000	2 640 000
Deal 6	2 500 000		152 083	182 500	182 500	3 300 000
Deal 7	2 500 000		121 667	182 500	182 500	3 300 000
Deal 8	3 000 000		109 500	219 000	219 000	3 960 000
Total	15 602 882	287 109	1 028 064	1 232 694	1 228 483	22 162 768
Cost per deal allocation		(14 850)	(29 700)	(29 700)	(29 700)	(35 700)
Return to investors		272 259	998 364	1 202 994	1 189 783	22 127 068
Anticipated Distributions and IRR		7%	7%	8%	8%	13,03%

Property Value Of Portfolio : \$48,8 million

Conclusion

“

We acquire high-quality, profitable buildings with existing good tenants, strong fundamentals in strategic locations.



RIGHT TEAM

Experience & Track Record, we will also be partnering with our friends Mark Esrig and Ron Schinik.

RIGHT TIME

Generational Opportunity being driven by supply constraints, interest rate decreases and the resulting cap compression.

RIGHT PRODUCT

Small Bay Industrial supply constraints. Two buildings already under contract, both at over 8% cap.

RIGHT STRATEGY

Diversification in a time of uncertainty, but with a razor-sharp focus on specific assets.

An aerial photograph of a dense city skyline, likely New York City, featuring numerous skyscrapers and buildings. The image is slightly hazy, giving it a soft, atmospheric feel. Overlaid on the image is the Accretiv logo, which consists of the word "Accretiv" in a bold, black, sans-serif font. A small orange triangle is positioned above the letter 'i'. Below the logo, a solid orange horizontal line spans across the middle of the image. At the bottom, the words "Thank You" are written in a large, blue, sans-serif font.

Accretiv

Thank You