



VELOCITY

CAPITAL PARTNERS

Our family-run firm has transacted over \$500mm in real estate for 250 investors, delivering consistent returns and downside protection through our innovative structures.

VELOCITY HYBRID EQUITY FUND 1

UNIQUELY MORE SECURE & PREDICTABLE

Team



Steeve A. Breton
President

Steeve has sponsored investments in over 3,500 apartment units and has diverse real estate experience including multifamily operations and ground up development. His conservative approach and analytical skills enable him to clearly assess risk and invest wisely to maximize investor returns while preserving their principal.

Prior to his real estate ventures, Steeve had a 25-year career in finance and operations for multiple fortune 500 companies.

Steeve has an MBA from Babson College's Olin School of Business where he now guest lectures in the Real Estate Transactions course at the undergrad and graduate levels.



Drew J. Breton
Director of Debt and Acquisitions

Drew is an experience multifamily syndication analyst and commercial mortgage broker. He has brokered over \$100mm of multifamily debt for clients since graduating from University of Connecticut with a degree in Real Estate Finance.

In his current role Drew is responsible for underwriting investment opportunities, finding appropriate debt options, and coordinating acquisitions from loan application to closing. He also serves as an analyst and advisor throughout the due diligence and acquisition process.



Daniel F. Sallis
Director of Operations

Danny brings a dynamic blend of leadership, analytical, and operations expertise to multifamily investing, honed over a distinguished 12-year career in U.S. Army Special Operations. In addition to his proven track record in budgeting and financial planning, Danny has led over 200 National Security initiatives in seven countries.

He then put his operations skills to use as a value-add multifamily operator where he managed all aspects of property management and renovations as a consultant for several real estate companies.

In his current role, Danny leads asset management activities across all of Velocity Capital Partner's holdings. He is also tasked with cultivating productivity and efficiency in our fund operations and the company's organizational processes.

Leveraging A Proven Track Record

We are raising a \$2mm second round in Hybrid Equity Fund 1 to deploy into our preferred equity position in the development of The Elwood, a luxury 114-unit residential mixed-use building in Kokomo, IN, a suburb of Indianapolis.

By leveraging our track record of success as multifamily owner-operators, and our expertise in capital markets, our unique fund structure can deliver equity like returns with downside protections unavailable to common equity investors.



25+ Investments
14 Full Cycle



2.25+ Equity
Multiple



\$500mm+ of transaction
experience



\$50mm+ in equity
invested

✓ Equity Multiple >2X
Avg Hold 4 years

✓ Strong financial,
operational and
compliance background

✓ More than \$50mm
equity raised

✓ 250+ valued
investment partners

Past performance may not be indicative of future results.

Investment Opportunity



- ✓ Multifamily anchored investments
- ✓ We take no sale profits till your capital is returned and you've earned a 10% IRR
- ✓ Performance based fees only
- ✓ Property depreciation is passed through to investors

Our Competitive Advantage

Performance Based Fees

1% asset management fee from cash flows and 1% performance fee paid after investors earn \Rightarrow 10% IRR



Skin In The Game

Our family invests up to 10% of the fund's equity and receives no profits until our investors earn \Rightarrow 10% IRR



Our First Objective

Preserve and grow our invested capital. We are not deal or fee driven and can afford to wait for great opportunities.



Diverse Experience & Resources

We have the experience, capital and connections needed to weather storms and perform throughout cycles in the middle market multifamily space.



Market Diversification

We are able to invest in multiple markets by leveraging partnerships with well connected, vertically integrated local operators in need of capital.



Middle Market Expertise

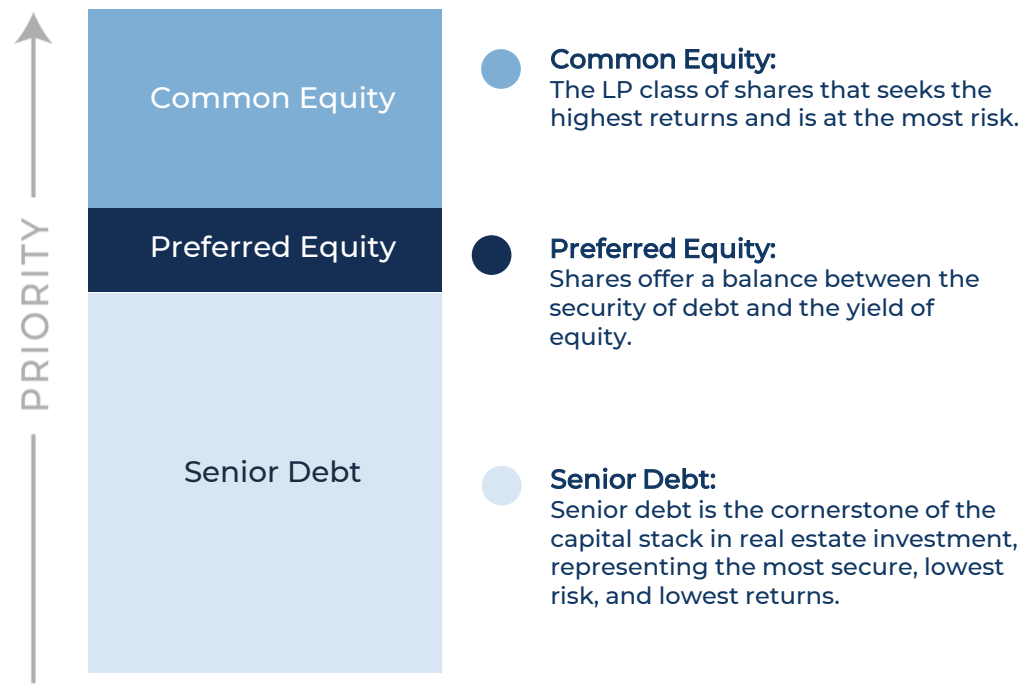
We are capitalizing on untapped opportunities in middle-market structured equity, following the lead of firms like Apollo, Blackstone and KKR who only offer structured equity products to upper market firms.



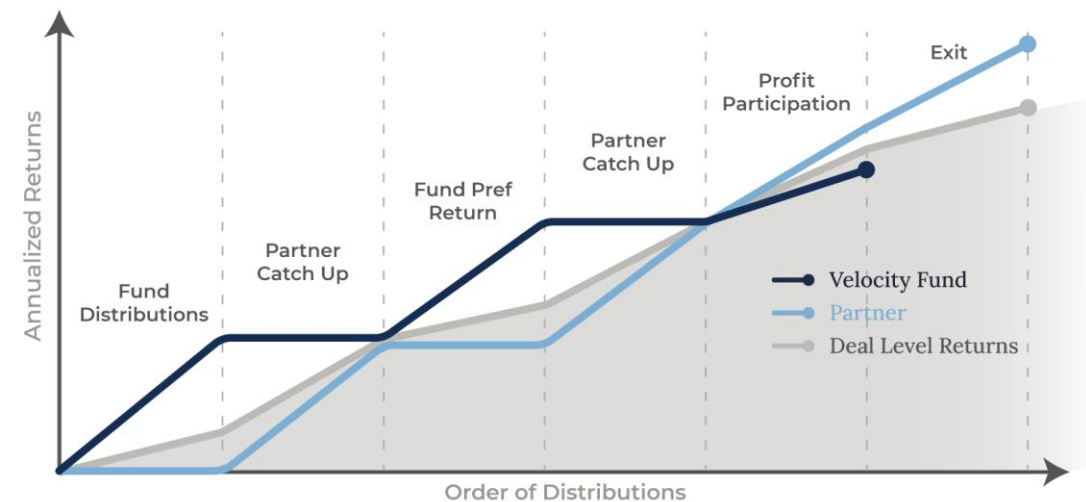
VELOCITY
HYBRID EQUITY FUND

Investor-First Capital Structure

Capital Stack



Velocity Hybrid Equity Structure



With **Velocity's Hybrid Equity structure**, investors get cash flow distributions and return of equity ahead of the property's common equity investors.

Additional profits are shared based on predetermined splits yielding higher returns than traditional preferred equity investments.

Asymmetric Returns



"The first rule of investing is don't lose money. The second rule is don't forget the first rule."

Warren Buffet

RANGE OF COMMON EQUITY INVESTMENT RETURNS



Losses are more common and more detrimental to long term growth than investors realize

*The median IRR of Value-Add CRE funds was 12% between 2011 and 2022.

This emphasizes the negative effect of losses (outliers) on average IRR over time

Our structure reduces negative outcomes by > 70%

Investment outcomes based on applying our Hybrid Equity structure to the same deals

With our structure, an asset can lose 30-50%+ of its total equity, and The Fund will still achieve a 5-7% IRR

Giving up the "home runs" for more secure and predictable returns

The Fund achieves a much larger potential reward compared to the potential loss if things don't go as planned

For Velocity Funds, the likelihood of upside gain is significantly greater than the potential downside risk

Village Apartments

252 Units | Forest Lake, MN

Our first fund asset, The Village Apartments was built in the 1970s and meticulously maintained by its original owners. The aging asset is adjacent to the 2020 A Class Encore Apartments as well as several newer B Class assets in the area.

The acquisition provided an opportunity to renovate and increase rents while remaining more affordable than neighboring properties. Additionally, the property's operating expense ratio was very inflated due to high repairs and maintenance and suboptimal rent levels.

The asset has outperformed since closing in December 2024. Occupancy has remained above 90% even during heavy renovations in the first half of the 2025. Renewal rent increases are averaging near 7%, and Net Operating Income continues its steady climb as the renovations have been very well received in the market. Perhaps more importantly, the property is already cash flowing well above what it needs to make the quarterly preferred payments to the fund at 6% annualized, and all indications point toward us and our common equity partners achieving our target return in 3-4 years.



The Elwood Apartments

114 Units | Kokomo, IN

We are pleased to announce the closing of our preferred equity position in the development of The Elwood, a luxury 114-unit residential mixed-use building in Kokomo, IN, a suburb of Indianapolis. The city provided \$6.2 million in public funding to The Elwood as part of Kokomo's ongoing effort to prepare for thousands of new jobs, including those at their new \$3.2B Samsung battery plant.

The Elwood is a JV partnership with a developer we know well and who we just completed another project with. District South just completed construction of 84 residential units with 15,000sqft of office space. The project was completed on-time and under-budget.

- 7 minutes away from the new Samsung battery plant (2,800 jobs)
- Private-Public partnership the \$6.2mm in city investment
- Low leverage at 54% Loan-to-Cost
- 16-month construction | 3-year overall investment (aligned to Fund 1 term)
- Will provide quarterly payments to Fund 1 investors during construction ⁽¹⁾

(1) Fund 1 is holding our origination fee in reserve to distribute to investors during construction, opposed to waiting for a pref return catch up at the end.



HOW CAN WE SERVE YOU?

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VELOCITY HYBRID EQUITY FUND I DISCLAIMER

NOTE REGARDING FORWARD LOOKING STATEMENTS

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