FREEHOUSE CAPITAL PARTNERS

Our Strategy And Way Of Working

2024

Summary

Introduction

FCP is a real estate investment firm that acquires and develops income-producing industrial real estate across the rapidly growing Industrial Heartland.

We make long-term investments in markets and asset types that require deep boots-on-the-ground knowledge and relationships, and technical expertise to unlock value other operators can't.

We acquire undervalued Class B industrial assets in large and small markets, develop shovel-ready industrial land in emerging growth markets, and develop large-suite industrial real estate in tertiary markets where we have a distinct operating advantage.

Our long-term goal is to create slow, steady, compounding, tax-efficient wealth for our partners through acquiring yield-generating assets in growth markets for indefinite hold periods. Our view is that if we do this well, appreciation will take care of itself over the long-term.

Our exit strategy, to the degree we have one, centers around aggregating previously overlooked high-yield, lower middle market assets into institutional-quality portfolios for an indefinite hold, exiting to institutional acquirers as our portfolio premium grows.

We have a unique operating advantage across of region with a reputation for consistent, fair dealing and an interest in opportunities too hard for other operators to consider.

In today's interest rate environment this means focusing on creating stable, income-producing assets capable of generating near-term yields greater than what investors can earn in a cash account.

We are not looking to be the operator with the biggest portfolio. Rather, we focus on unlocking outsized upside in specific, overlooked sectors that uniquely benefit from the boots-on-the-ground knowledge and relationships that out-of-market operators can't easily duplicate.

HEAVY VALUE-ADD CLASS B INDUSTRIAL

We acquire undermanaged single and multi-tenant Class B industrial across the Industrial Heartland.

Class B industrial is an asset class with dwindling supply and consistent demand backlog from credit-quality tenants.

We love heavy value-add situations where specific knowledge is required to execute our strategy, including heavy capital expenditures to convert single-tenant to multi-tenant industrial or heavy operational lift to turnaround an undermanaged asset.

SHOVEL-READY INDUSTRIAL SITE DEVELOPMENT

In tertiary markets with steady growth, we develop shovel-ready industrial sites for rapid ground up development.

This positions us and our partners as the most capable developer to partner with growing tenant demand as market demand accelerates.

We develop shovel-ready land with the goal of developing new industrial assets in-house.

MULTI-TENANT INDUSTRIAL DEVELOPMENT

We development multi-tenant industrial assets for identified tenants on land parcels where we, and our investors, have a speed and land basis advantage.

Our hybrid risk model, using partial pre-leasing to cover initial development risk, is designed to allow FCP to bring new supply to undersupplied markets with less initial risk than a fully speculative developer.

Acquire Undermanaged Class A&B Assets

- Lower risk, lower required risk-adjusted returns.
- 12-18 month stabilization tolerance to execute strategy.
- Cap rate improvement target > 3%.
- Characteristics: income-producing, below market rents, near turn lease turnover, possibility for light capex to increase tenant attractiveness (e.g. loading docks)

Single Tenant Industrial Conversion

- Medium risk, higher required risk-adjusted returns.
- 1-2 year stabilization tolerance to complete capital improvements and commence leases.
- Characteristics: vacant single-tenant buildings with attractive demising potential, assets with in-place rents with excessive extra improved land.

Ground-up Development

- Higher risk, higher required risk-adjusted returns.

  Stabilize yield on cost target >2% above market cap rate.
- Partially pre-leased to cover initial carrying costs of asset.
- Characteristics: unfair access to lower land basis, assets with build-to-suit agreements covering debt service.
- 18 month stabilization tolerance from construction start.

Industrial Subdivision Development

- Lower risk, lower required risk-adjusted returns.
- 10+ year development strategy designed to improve large parcels and contribute subdivided parcels to FCP-led industrial developments or other partners.
- Primarily a precursor to FCP-led Ground-up Development

FREEHOUSE CAPITAL PARTNERS

Hans-on Operational Advantage

- Leverage FCP's unique visibility into the demand pipeline for large, credit-quality tenants.
- Reduce go-forward risk of spec development with in-place leases and pre-close lease commitments.
- Bringing local partners into deals to increase the tenant and local support pipelines.

Multi-tenant Industrial Assets

- Stabilized new cash on cash returns of 6.5%.
- Stabilized levered yield on cost > 2% over market cap rate.
- Conservative leverage (50%-60% LTV)
- Interim refinancings to deliver tax-advantaged returns to LPs.
- Tax-focused tools to minimize interim income tax exposure.

Institutional-grade Portfolios

- Consistent tenant type with long-term leases with established, credit-quality tenants.
- Consistent asset type with large-tenant capabilities and 15k+ configurable suite sizes.
- Stabilized leases with annual escalation and time fair market value renewal resets.
- Aggregating lower middle market assets into institutional grade portfolios > 250k SF per market.

Our Investment Approach

Our investment strategy is guided by two key principles: First, underwrite what is known, not what we hope. We make investment decisions based on financial characteristics we can see today (e.g. market rents, identified tenants, required capex). We don't try to predict the future of interest rates or pursue investments that depend on an aggressive future sale or refinance to meet our base case return targets. We believe that if you invest in quality, income-producing assets in growing markets and avoid blowing up, long-term appreciation will take care of itself.

Second, we aim to structure investments to minimize implosion risk. In other words, don't blow up.

In practice this means we underwrite conservatively, with significant cost padding, and set strict go-forward hurdles designed to protect against going upside down. For example, when acquiring a vacant asset, we will condition closing to having leases in-hand with sufficient income to cover basic carrying costs. And we never accept floating rate debt.

Practically, we focus on after-tax returns with a significant emphasis on near-term cash yields. Our specific approach to risk measurement is explained in detail in a later section.

We make decisions based on elements that are in front of us today (i.e. purchase price, required capital investment, debt conditions, lease certainty).

As an operator, we focus on developing assets attractive to regional and national credit-quality tenants. This tenant group signs longer-term leases (5-7 years) allowing for market-rate renewals and tend to expand over time rather than relocate.

Our tenant demographics focus on resilient domestic growth industries including defense, skilled manufacturing, manufacturing infrastructure, aerospace, and regionwide logistics. We maintain direct tenant relationships with regional operators in these industries to accelerate portfolio leasing and growth. We avoid commodity-dependent tenant relationships.

While we often underwrite based on a projected five-to-seven-year hold (spreadsheets need an end date), we invest for an indefinite hold period. For investors this means our underwriting, deal structures, and investment performance projections lean less on IRR (the enemy of time) and more on unlevered yields, equity multiples, and cash flow projections.

Our Investment Principles

We orient our decisions around a quasi-permanent hold strategy focused on maximizing after-tax returns. Our foundational investment principles:

1. **Underwrite What We Know.** We make investment decisions based on factors we can see today, not a projected future sale.

2. **Don't Blow Up.** We underwrite investments to minimize existential risk. When we acquire assets to reposition or develop new ones, we structure pre-lease and other risk coverage deals to minimize the chances of not covering carrying costs including debt service.

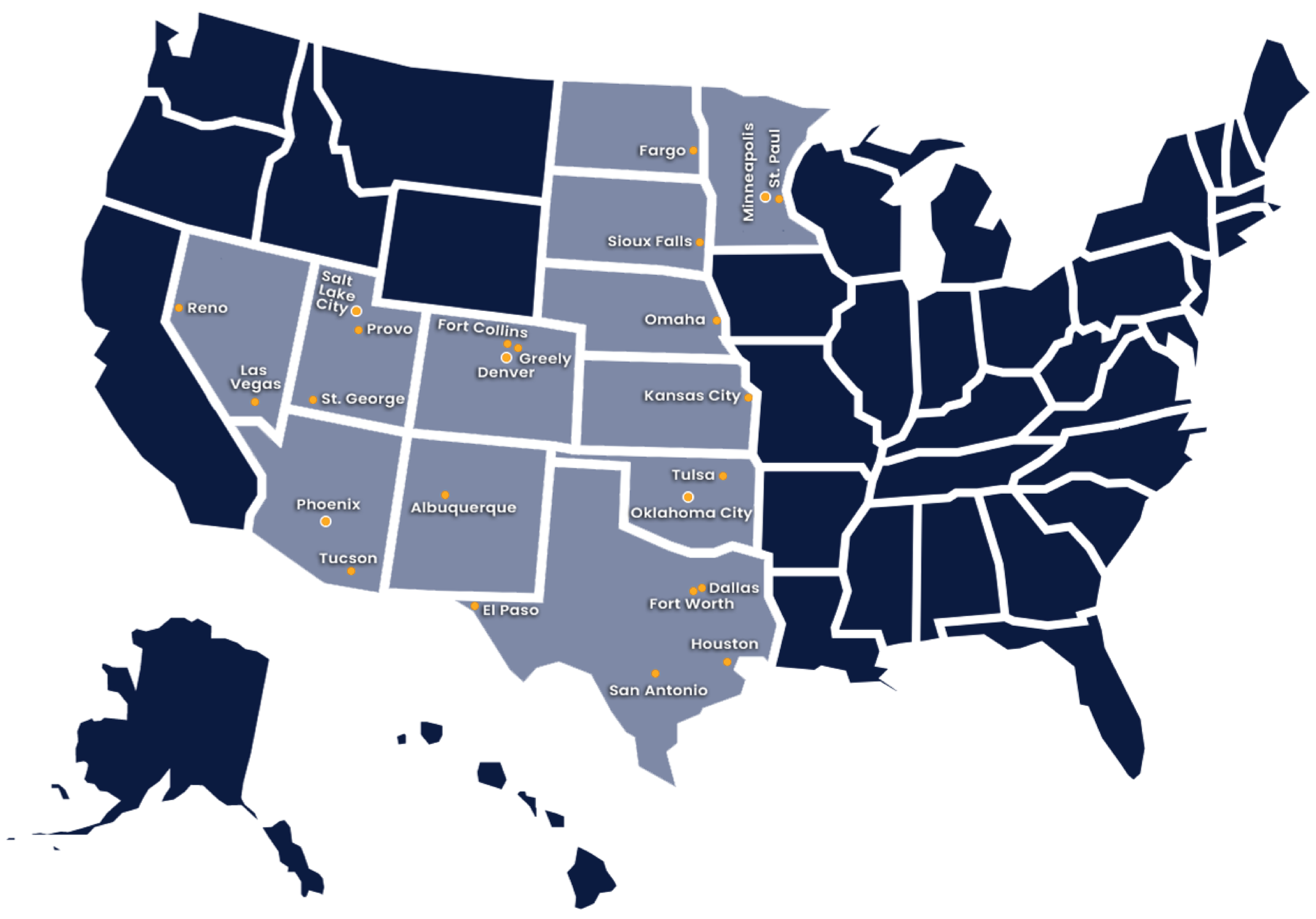
3. **Use Leverage Intelligently.** We use low-to-moderate leverage to minimize economic volatility risk. We are conservative underwriters to ensure that in-place cash flows are sufficient to cover debt service through a variety of economic conditions. We avoid floating rate debt.

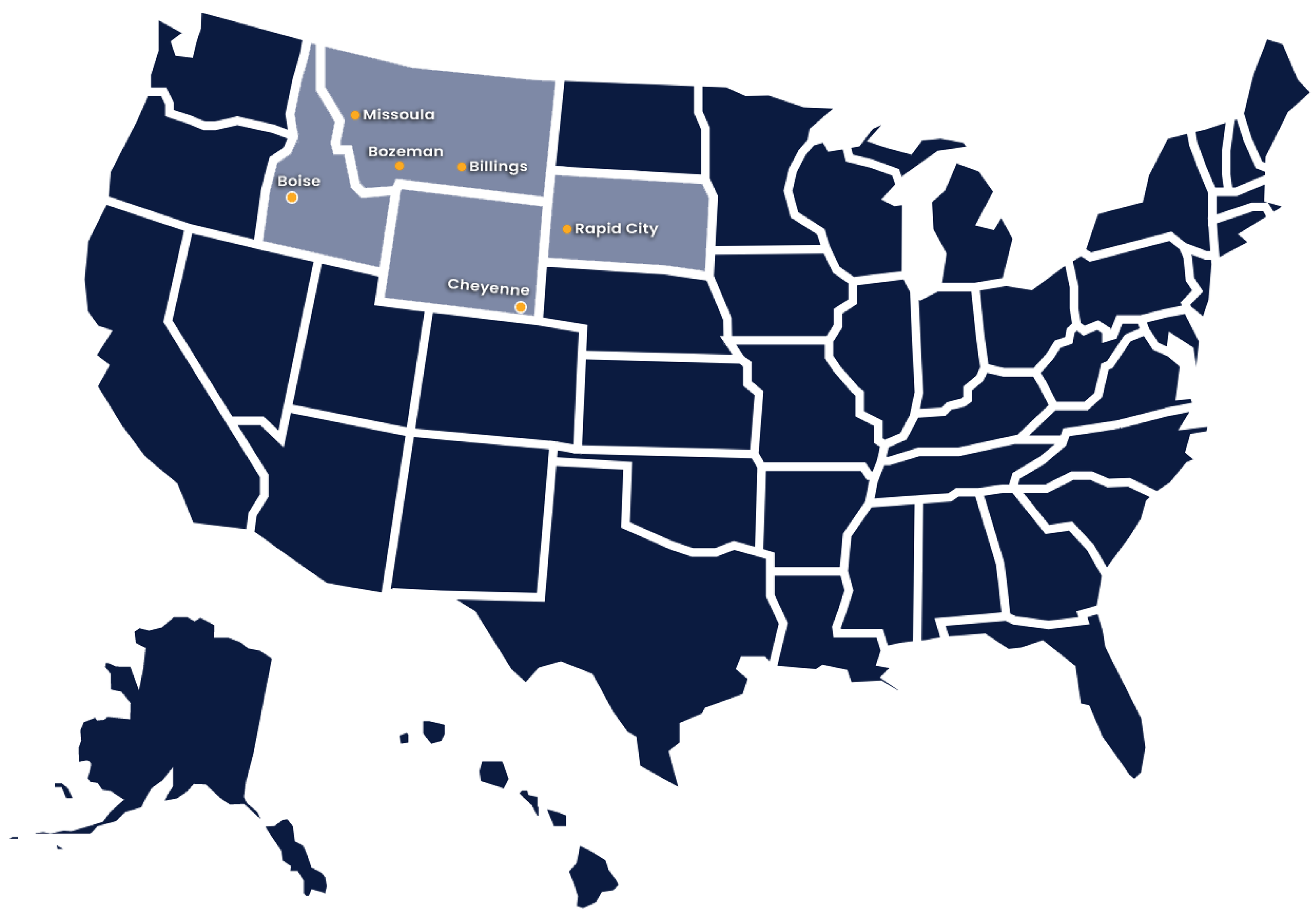
4. **Deal by Deal Investments.** We raise capital primarily on a deal-by-deal basis to avoid the pitfalls of "the imperative to deploy capital" that large funds face. We pounce only when the opportunity is right.

5. **Long-Term Oriented.** We believe the growth trajectory of our focus markets will continue over time, so we aim to hold assets for 5+ years. When we opportunistically sell assets, we structure reinvestment opportunities so we, and our investors, can remain invested in the market's growth.

6. **Tax-Advantaged.** We operate assets to provide tax efficiencies to our LPs, delivering accelerated tax losses, tax-efficient return-of-capital events, and 1031 exchanges whenever possible.

7. **Cash Flow First.** We focus on generating stable cash flows and avoid assets that are dependent on a sale or radical market shift to meet our base case return targets.





Our Focus Markets

THE INDUSTRIAL HEARTLAND

The emerging Industrial Heartland is among the chief beneficiaries of the relocation of economically viable US Companies out of higher cost, less business-friendly markets. The primary and secondary markets of the region have seen consistent economic growth even during periods of economic turmoil.

The markets of the Industrial Heartland are within a day's drive of approximately 40% of the US population, benefitting from strong transportation connectivity by road and rail.

FCP's primary focus across the region is the development of affordable Class B Industrial assets for credit-quality tenants by acquiring and converting vacant single-tenant assets in larger primary and secondary markets. This heavy value add strategy allows us to be buyers of assets that others overlook due to the complexity of the conversion. This approach allows us to bring Class B Industrial to market at a discount to other operators.

Class B supply is steadily declining, by some estimates at a rate of 1% per year in major regional markets. The ideal Class B asset was once on the edge of a city but is now inside of it. Aging Class B is in areas where cities will no longer allow industrial development, providing an advantage to tenants who can locate there.

Class B tenants are stable and make long-term lease decisions, often opting to expand rather than relocate. These tenants can't afford to lease newly developed Class A assets and frequently benefit from the closer proximity to customers urban Class B assets provide.

Our specialty approach to converting single tenant assets to multi-tenant Class B assets is a unique approach that, when executed effectively, provides a lower going in basis to achieve market rate rents than those of acquirers executing simple value add strategies.

EMERGING TERTIARY MARKETS – THE UPPER ROCKIES

FCP's history started with a focus on Class A and B industrial in the emerging tertiary markets of the Upper Rockies. We continue to focus on the long-term growth of the region. The investments we make in the region are ten-year, asymmetric bets with low initial downside risk, owing to how we structure our investment strategies.

In each of these markets we are the most connected, capable industrial operator. For example, our relationship with the economic development agency in Cheyenne, WY is not only a close partner, but they are also an equity investor in one of our larger Cheyenne assets.

The US, specifically the Upper Rockies region, is experiencing a transformational shift in manufacturing and logistics investment, driving demand well past the supply of suitable large-scale industrial facilities.

While local population growth in mountain markets is driving record demand for housing with some spillover to industrial demand, the bulk of industrial demand is from larger regional and national employers expanding operations into the region. They are attracted to the lower cost of operations, business-friendly climates, and growing populations.

Our team has built deep, boots-on-the-ground relationships that others can't duplicate. In many of the region's markets, we are the only operator capable of acquiring and developing large-scale assets. Call an economic development agency or a key market tenant broker and you'll soon end up on the phone with FCP.

Our investments in the region center mainly on controlling, entitling, and improving large industrial development parcels to be the developer most quickly able to deliver usable industrial square footage for tenants. In our investment profiles we discuss this strategy and why it matches the region's growth characteristics.

Investment Profiles

We believe that industrial real estate in business-friendly climates with favorable transportation access is a long-term bet on America. Our investment profiles are focused on acquiring assets, with identifiable demand, at favorable discounts and asset types with significant supply-constraints.

We do this by focusing on markets and niches where you need boots-on-the-ground relationships and specific domain experience to capture value from operational leverage.

We focus on three distinct risk profiles. Our underwriting style favors keeping upfront risks low (either via lower dollar investments or stronger hedging via pre-leasing) and never conditions an investment's base case projected outcomes on a sale. IRR targets are secondary to yield targets.

We believe owning stable assets with well-structured leases in markets with enduring supply challenges and a history of economic growth is a better path to appreciation than financial engineering.

HEAVY VALUE-ADD CLASS B INDUSTRIAL

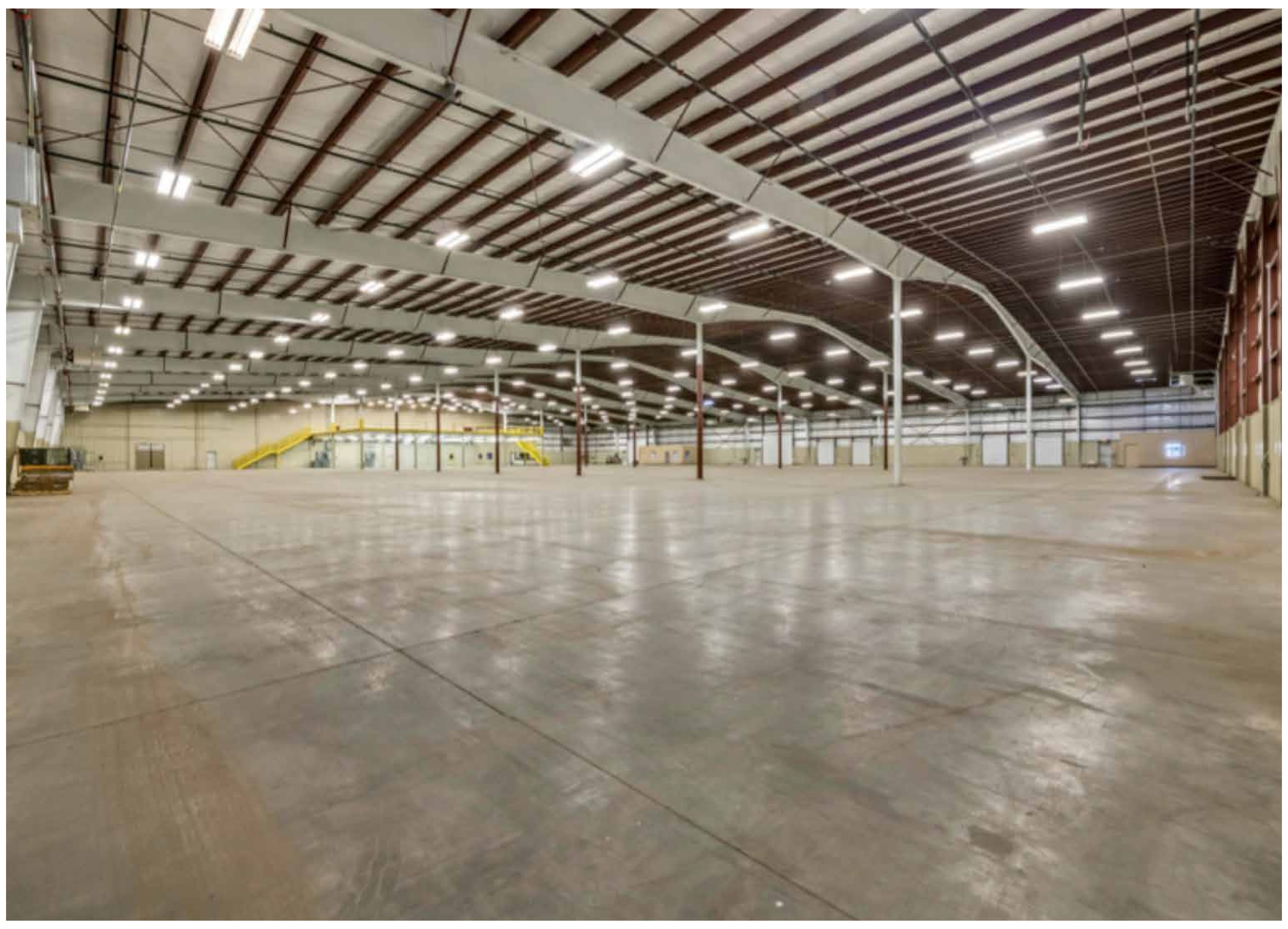
Class B Industrial is the backbone of the American economy. We acquire aging and complicated Class B industrial assets in primary and secondary Industrial Heartland markets, with a slight preference for assets that require a heavier lift than the typical value add asset.

Regardless of an asset's form when we acquire it, our strategy focuses primarily on creating large suite assets for national and regional credit-quality tenants. Our goal is to develop assets that generate reliable yields more than what investors can earn in a cash account. And we aim to hit our stabilized yield target within 12 months of closing when possible. We lean on our comparative advantages in leasing speed and our development experience in similar assets to move quickly to deliver on an asset's strategy.

Our comfort with complexity often creates advantaged opportunities to acquire assets at a significantly lower cost than other operators, creating outsized upside potential for investor owners. We would love each project to be simple but our comparative advantage is our comfort in more complicated, dirty sandboxes.

We focus on Class B industrial assets because:

- **Limited Supply:** Class B assets, due to their age, are often located in areas of a city where Class B industrial is no longer the highest and best use of land, meaning new development is minimal, reducing the supply of industrial space and exacerbating the supply/demand imbalance.
- **Sticky Tenants:** Class B tenants tend to stick around. They rarely upgrade to Class A and if more space is needed, more often expand than relocate.
- **Lease Terms:** Class B tenants typically sign lease terms of 5-7 years, providing opportunities for rent escalations that typical Class A and single tenant leases do not, allowing income to follow market and inflation trends.
- **Infill Locations:** Our target Class B assets are located in urban environments with convenient access to populations. These assets are attractive to companies requiring closer proximity to customers. And the dirt is valuable for future uses.
- **Age:** These assets are generally 15+ years old, providing an advantaged cost basis in today's world where development costs for new assets have rapidly outpaced rents.
- **Deal Complexity:** Heavy value-add projects, especially single tenant to multi-tenant conversions, require complicated capital improvements beyond just adding walls. This is very frequently beyond the interest, capabilities, or financial resources of the asset's existing owner and most operators.
- **Predictable Capital Expenditures:** Class B and single tenant conversions have predictable capex requirements for experienced operators and, as an asset class, has some of the lowest ongoing capex requirements of all asset classes given tenant expectations.
- **Conversion Advantages:** Single-tenant buildings have a variety of current-tenant occupancy plans, making value add strategies more complicated. Potential buyers need to be able to measure lease-up risk by identifying near-term lease demand. If single tenant occupants plan to vacate in 2-3 years, understanding lease-up risk is difficult, reducing the pool of potential buyers.



The more complicated assets can often be acquired at a significant discount to replacement costs for comparable multi-tenant assets in a market. However, given all the above, turning one of these opportunities into a productive investment requires specific knowledge and deep local relationships.

Our approach is to move quickly on-the-ground so we can underwrite the capital investment required, identify tenant demand, and proceed with an acquisition when we have confidence in an investment's economics. We need a lot of highly reliable information very quickly. This is why our experience, and relationships, in this niche matter.

Our goal is to be able to close with identified tenants in-hand. Class B tenants plan ahead, at most, 6-9 months. So, we favor vacant or low WALT (short lease term) assets that we can convert and deliver to tenants within a year of closing.

We set reasonable guaranteed preferred rates of return tied to a premium over SOFR and bring a simple, standard waterfall to every deal, sharing profits with our investors 70/30, after paying the current and unpaid preferred rate of return.

Target Proforma Return Profile

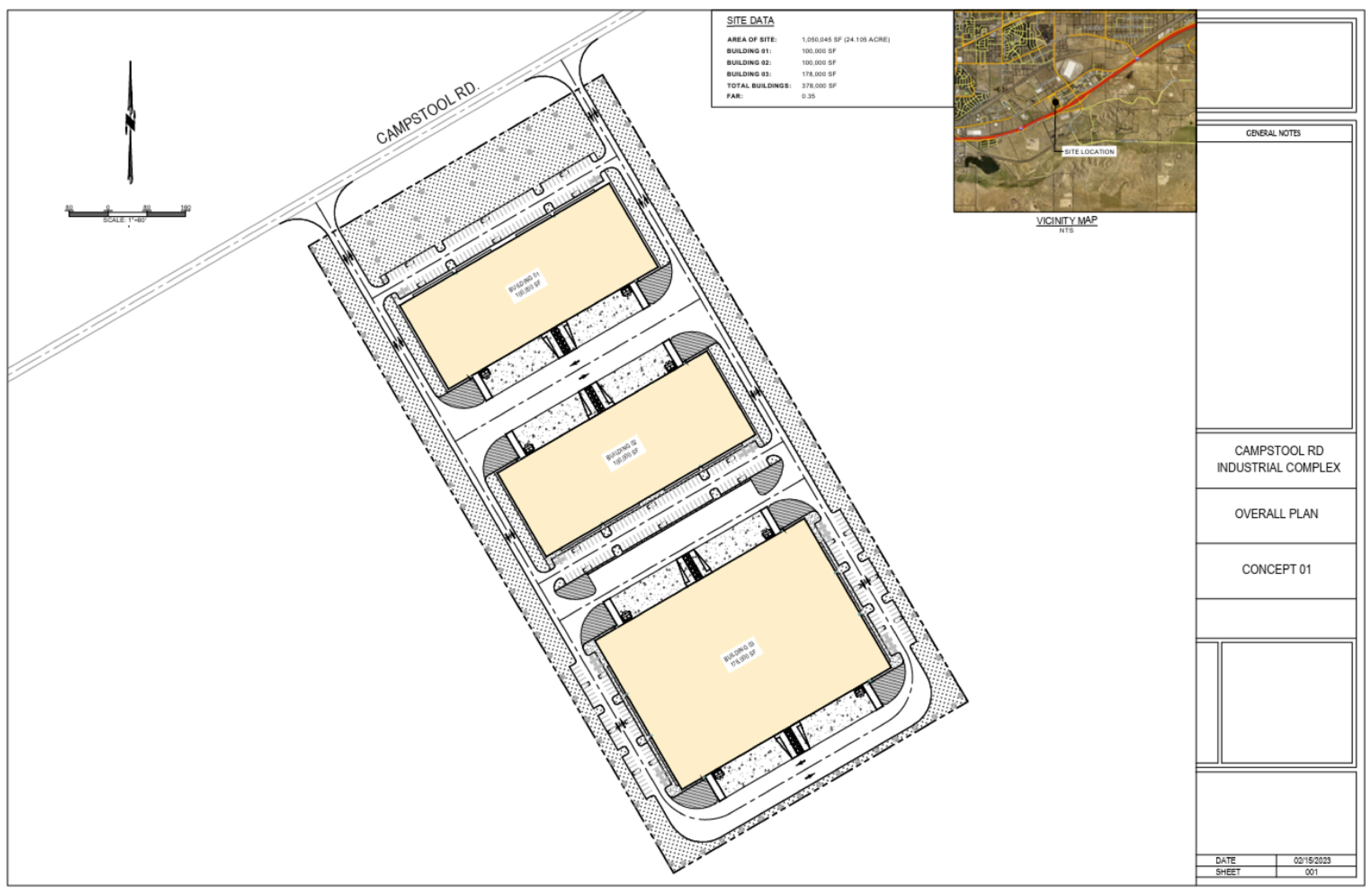
- Net levered LP cash-on-cash yields > 6.5% +
- Stabilized levered yield on cost > 8% (or > 2% of above market cap rate, whichever is greater)

  Note: We place a huge emphasis on unlevered yields on deals using leverage, especially in a high-rate period. We target unlevered yields > 4% higher than levered yields.

- Life of deal: 2x equity multiple, LP level: 1.5x EM
- Strategy execution: We target stabilizing against the proforma strategy <12 months from close.

  In situations where a current tenant needs to occupy >12 months from close, delaying our strategy execution, we put more emphasis on confidence in rent rates and increase our minimum yield hurdles significantly...in other words the deal needs to be very worth it.

SHOVEL-READY INDUSTRIAL SITE DEVELOPMENT



FCP's land strategy is focused on controlling the most shovel-ready industrial land in emerging tertiary markets. We develop land for the purpose of developing ground up industrial assets in the future, as tenant demand accelerates.

Emerging tertiary markets that have grown into formidable employment centers in recent years are universally supply-constrained in large suite industrial real estate (15k-40k SF). In these markets there is little Class B inventory to convert for tenants seeking 15k+ SF suites. These markets absorb newly developed inventory, on average, 100k-200k SF per year and growing.

To meet growing demand, a developer chooses one of two paths: own a lot of raw land or develop speculative assets.

Tenants in this market generally desire occupancy within 6-9 months of starting a search. While a developer can typically construct a building within 6-9 months, it's nearly impossible to do so on unimproved land. Entitlements and site improvements can be the longest lead time items in a development. Delivering a building on raw land within 6-9 months of lease signing is impossible in 99% of markets.

Our land development strategy is the missing middle between build-to-suit and high risk speculative development. We acquire (either directly or via contribution partnerships) large parcels conducive to industrial development, then entitle and improve the parcels to be shovel-ready for rapid development when tenants are identified.

This approach puts FCP in an advantaged leasing position over other operators. Rather than taking on one extremely risky $15M speculative building development with no identified tenant, we take a fraction of the risk and, as a result, control significantly more land area.

This strategy puts us in a position to be the favored developer for tenants seeking to relocate to or expand into emerging markets. As the only developer in the market with improved, shovel-ready land for a variety of industrial uses, we can sell parcels or develop new buildings on the market's only land capable of delivering usable square footage within 6-9 months.

Where possible, as in our projects in Cheyenne, WY, we work with key landowners and market leaders like the local economic development agency, to contribute land to these partnerships to reduce upfront capital requirements. FCP and its partners bring the development capital and partner to prepare the parcels for turn-key development and immediately market the subdivision to new tenants.

We see these investments as 10+ year bets on a market's growth with long-term upside but capped near-term risk. The land partnership's goal is to contribute most of the subdivided parcels into new ground-up developments for identified tenants over the life of the partnership, accelerating as tenant demand grows.

FCP has a deep track record of navigating entitlements, planning, and tenant demand in the growing but hard-to-access tertiary markets where boots-on-the-ground relationships matter more than anything.

Working around each market's demand and entitlement complexities, we take control of large parcels of land, form and entitle new industrial subdivisions, perform initial site improvements to create development pads, and bring in required infrastructure for future development.

Our long-term land partnerships are structured as long-term holds, structured to contribute or sell parcels for development, in line with market absorption. We only develop when we have demand and we only sell if it helps us maximize the value of adjacent parcels.

The structure of our typical land development deal:

- Identify advantaged parcels within or adjacent to industrial corridors. Work with owners to create advantaged structures, where possible, to reduce the upfront capital required to control the parcels.
- Initiate entitlements, site grading, infrastructure improvements, and other required elements to prepare the pads for general industrial development.
- Design building schematics (on a hypothetical small parcel within the development) for a multi-tenant development.
- Begin lease marketing when the site improvements reach a point where a new ground-up development could be delivered within 6-9 months of finalizing a lease with tenants.
- When a lease is signed for a percentage of the new building's square footage that would cover carrying costs, initiate the new ground-up deal.
- Contribute the subdivided parcel to a new deal at its new basis, form the new ground-up deal's capital stack, begin development.
- Deliver the parcel and benefit from the new asset's near-term yields, tax efficiencies, and refi liquidity opportunities.
- Repeat

GROUND-UP MULTI-TENANT INDUSTRIAL DEVELOPMENT

FCP's approach to ground-up development differs from the typical speculative developer. We develop multi-tenant industrial assets using anchor tenants to cover the initial carrying costs for the larger building.

We prefer to avoid single-tenant build-to-suit developments because they favor short-term build-to-sell deals and generate stable, but low yields over extremely long-term lease terms. We are a long-term holder, not a merchant developer. We prefer long-term leases with options to turnover tenants or reset leases to market rates over the life of our ownership, an option recent inflation cycles have proven to be valuable.

Building on our land development strategy, we primarily focus on developing ground-up multi-tenant industrial assets for identified tenants on land where we have advantaged access and/or a lower-than-normal cost basis.

We use our dominant leasing advantage in key markets to identify tenants before initiating development. Our preference is to take partial speculative risk, setting a "begin construction" hurdle equal to income required to cover the asset's carrying costs. We continue lease marketing into the construction period with the goal of leasing the remainder of the asset before construction completion.

We focus on new development projects only in markets where we have distinct market knowledge and leasing advantages. Much like developers in larger markets, we can initiate construction based on specific lease knowledge or intelligence of market growth (e.g. Cheyenne's unannounced city annexations).

We set reasonable guaranteed preferred rates of return tied to a premium over SOFR and bring a standard waterfall to every deal, sharing profits with our investors 70/30, after paying the current and unpaid preferred rate of return.

To incentivize a long-term hold, we will often crystalize the promote once the asset is stabilized either via the appraisal from a refinance or using an appraisal from a bank-approved lender.

Standard Development Deal Hurdles

- Stabilized yield on cost ≥ 2% over market cap rate (development spread)
- Deal level equity multiple: 2x EM

How We Underwrite

Our first investment principle is to not blow up. This requires us to be very conservative in initial underwriting assumptions and minimizes a deal's dependency on a rosy view of a projected future sale.

We believe that if you invest in quality income-producing assets in growing markets and avoid blowing up, long-term appreciation will take care of itself.

We underwrite opportunities based on factors in our near-term control. We do not lean on projected sale values, market appreciation, debt refinancing, future interest rate changes, or other uncontrollable factors to make a deal look attractive.

We work with tenants capable of committing to long-term leases, use long-term fixed debt, and underwrite based on an investment's knowable near-term economics, most notably purchase and capital investment costs, lease security, and the resulting unlevered cash-on-cash yields.

Given our indefinite hold intentions, we place a low emphasis on IRR, especially in periods of high interest rates. We will eventually sell assets, either outright, into new developments that we structure, or reinvesting sale proceeds into new assets via 1031 exchanges.

But our intention in the near term is to deliver strong interim yields to owners in excess of what they could earn in other investments.

Our deal-level hurdles center around a few key principles:

1. Unlevered Yields. We do not use leverage to meet our minimum deal performance hurdles. We decide to proceed with a deal based solely on the near-term, projectable performance and delivery of unlevered yield.
2. Leverage. We use leverage to improve returns for investors only if doing so doesn't come at the cost of our minimum interim-yield hurdles or add the risk of blowing up.
3. No Deal Hinges on an Exit. We decide to proceed when we believe sustainable yields meet our hurdles. While every underwriting must have an end date, we can't predict future cap rates and, as such, do not tie decisions to rosy projections of exits. This often means IRRs in our underwriting carry little value.

GROUND-UP MULTI-TENANT INDUSTRIAL DEVELOPMENT

We view investment opportunities and their risks through a simple lens of the near-term elements of an asset that we can see and understand. We express this in a "formula" that forces us to look at each of a deal's characteristics in isolation.

As a matter of table stakes, we will not evaluate a deal in a market or situation where we do not believe there is sustainable economic growth. Further, we believe including a subjective measurement of "is this market growing" in our risk model which avoids making it too easy to talk ourselves into doing a deal we shouldn't do.

We use this model less as a scoring mechanism and more to understand where we need to place more emphasis on certainty to feel good about moving forward with an asset.

For example, if a purchase price is higher than we'd like, leaving little margin of safety in rent rates, we need to feel very good about our ability to lease the asset at those rents. In primary and secondary markets, we can derive a lot of comfort from market-level data meaning we might be comfortable moving forward with an acquisition without a lease in-hand. In markets or periods where the data isn't as robust, we will place more emphasis on "Lease Certainty" and require having a lease in-hand to close.

Deal Quality = Purchase Price + Capital Invested + Rent Rates + Market Demand Legibility + Lease Certainty + Market Supply Pipeline

Purchase price	This is most controllable element. While sellers may have a view on an asset's value, our view of its value is often determined behind all the other elements of a deal. As a developer and acquirer of assets that often require heavy capital investment, our tolerable purchase price is what we can pay and still earn our target near term returns. When an asset is more expensive that we'd like, we place more pressure on the quality of our capital investment projections (via requiring hard estimates from local contractors) and more certainty on near-term leasing certainty.
Capital Invested	As a heavy value add operator, we often invest significantly to convert single-tenant assets to multi-tenant assets or otherwise make them capable of serving a pool of tenants they can't serve today. These investments can be thought of as an increase in purchase price, which must be justified by a strong ROI. In assets requiring significant capital investments and/or little margin of safety, significant emphasis shifts to the certainty of rents and downward pressure on purchase price.
Rent Rates	This is one of the most obvious in the model but can be among the most complicated. Because we place little-to-no emphasis on exit projections in our underwriting, we must have strong confidence in rents to produce the near-term yields our hurdles require. As a value-add investor often acquiring assets that leased to single tenants at lower rents, we need to understand that our purchase and capital investment will generate sustainable ROI. This requires visibility into market comps that many markets don't make easy to obtain. In markets where we have less assets, we put significant pressure on understanding the context of rent comps, relying less on market data, and instead sometimes visiting assets in-person to make sure we believe they are, in fact, comps.
Market Demand Legibility	This nuanced element relates to a market's size and overall transaction volume. Larger markets with significant leasing volume give us a body of data of recent rents that can predict, rather reliably, how an asset will lease in the near term. So long as our strategy can be executed within 12 months, we can lean heavily on market-level data to build confidence in leasing potential. Markets with less transaction volume (e.g., tertiary markets) require more certainty of lease demand.
Lease Certainty	The holy grail of risk prediction is having leases in-hand. We attempt to do this with every asset we pursue, and we have a track record of moving quickly on lease marketing and closing with a material % of an asset's square footage leased at the closing of the asset, even before we initiate our capital improvements. In markets with less legible lease demand (e.g., smaller markets) we place a stronger emphasis on identifying specific tenants, opening leasing discussions with them, and validating our rent
Market Supply Pipeline	We can't predict the future, but we can understand the pipeline of new supply development in a market. As an acquirer and developer of industrial assets for tenants that would typically lease Class B space, we are generally not concerned about the supply pipeline of new Class A inventory. However, the 2020-2022 low interest rate era led to some speculative development in a handful of markets that led to a near-term glut that drove down rents market wide. We want our assets and rents to be defensible over the long-term. So, we monitor supply pipelines and in markets where the supply pipeline appears to be trending in excess of economic growth, we place a stronger emphasis on lease certainty and purchase price.

The FCP Investment Experience

FCP takes an institutional approach to investments & reporting. We prepare narrative memos with full transparency on costs, diligence, and base case return expectations.

Closed deals receive quarterly, professional reports by the 15th of the month following quarter end. Depending on the asset class, reporting will include detailed operating financials and/or a narrative update on development progress. We distribute free cash flows by the 30th of the month following quarter end.

We deliver annual reports, net income allocations, and K1s in mid-February annually. Our goal is to be the fastest K1 our investors receive.

Investors can access account statements, asset reports, and new opportunities in our self-service investor portal anytime.