





Designed for our Investors, to deliver safe, outsized yield with significant upside

# **Legal Disclaimer**



#### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The information contained in this presentation includes statements that are not historical and are considered "forward-looking statements." Such forward-looking statements include, but are not limited to, statements regarding development plans for Last Mile Retail Fund II, LLC ("Fund 2", "Fund II", or the "Fund"); market analysis and strategies; anticipated financing and financial performance of the Fund and various other matters. These forward-looking statements express the expectations, beliefs, and intentions of the Fund's management regarding the future.

The forward-looking statements contained in this presentation are based on current expectations and beliefs concerning future developments that are difficult to predict. Last Mile Investments, LLC ("LMI" or the "Sponsor"), the managing member of Fund 2, cannot guarantee future performance, or that future developments affecting the Fund and its investment strategy will remain as currently anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements.

These risks and uncertainties include those described in the confidential private placement memorandum through which this offering will be made. This presentation does not constitute an offer to sell or a solicitation of an offer to buy.

#### **INVESTOR SUITABILITY STANDARDS**

Investment in Fund 2 are for accredited investors and involve a high degree of risk and is suitable only for those investors who have substantial financial resources in relation to their investment, can bear the total loss of their investment, and understand the particular risks of commercial real estate investment. In addition, investment in Fund 2 is suitable only for an investor who does not need liquidity in his or her investment and is willing to accept substantial restrictions on the transfer of interests in Fund 2. Please note that meeting the qualifications to participate in this offering does not make Fund 2 a suitable investment.

# INVESTMENT OVERVIEW



## **Premier Sponsorship**

Veteran Management, Retail Experts, Track Record

## **Experienced Fiduciary**

Fund II Target Equity
Raise of \$100M

# Best Performing Retail Segment

# Fund II Investment Thesis

- Board of Directors with 130+ years of, and \$33B in, total real estate experience
- **Management Team** with 45 years of experience focused 100% on the retail sector; including but not limited to investment strategy, fund management, value creation, asset management, leasing, strategic finance, and investor relations
- Partnership with North American Properties; best-in-class real estate track record, over \$7B of investments to date, with 260+employees
- Over **\$1.4B** of equity invested on behalf of Investors
- Invested on behalf of institutional, family office, and high net worth Investors
- Transparent, timely reporting
- Last Mile Investments ("LMI") will co-invest alongside Investors
- For Last Mile Retail Fund I, the Sponsor invested ~\$12M
- The Sponsor will invest at least another \$15M in Fund II (25% increase)

\$27M TOTAL

- **Top performing** retail segment, both prior and during the pandemic
- Maximum tenant demand, from not only retail but non-retail tenants
- As a result, occupancy increase has outpaced all other retail segments
- "Capital light" asset class
- · Last Mile Retail is Thriving

LMI is taking advantage of **4 distinct opportunities within 1 investment thesis** - amplifying the potential upside for Investors:

- Asset Strength E-commerce resistant tenant base, "A" locations, maximum leasing demand, low capital
- High Growth Market Focus Affluent suburban locations within economically stable, high growth markets
- **Current Ownership** Acquiring from a fragmented, un-motivated, non-real estate focused ownership base
- The Next Institutional Asset Class Mispriced, giant opportunity, and in the early innings; with increasing institutional interest and public exit optionality



# BEST IN CLASS **EXECUTIVE TEAM**



#### LAST MILE INVESTMENTS I FADERSHIP



**Ryan Moore CEO** LAST MILE 🥸



**David Birdsall** CIO LAST MILE 🥸



**Todd Pleiman CFO** LAST MILE 🥸



**Tom Williams** President and CEO



**Kevin Riley** Partner and COO



**Dick Williams** Partner and EVP



NORTH AMERICAN PROPERTIES

NORTH AMERICAN PROPERTIES

#### **EXPERIENCE**

Leadership team with 130+ years of, and \$33B in, total real estate experience



#### **ALIGNMENT**

LMI materially co-invests alongside Investors, \$27M committed to Fund I and II

#### **FIDUCIARY**

Over **\$1.4B** of equity invested on behalf of institutional, family office, and high net worth Investors

#### **FOCUS**

100% Focus on wellpositioned multi-tenant retail



# **LAST MILE INVESTMENT STRATEGY**



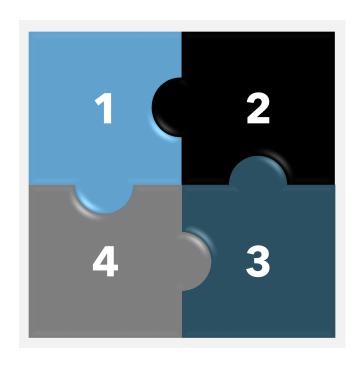
**LMI** has tailored the **Investment Thesis** to take advantage of <u>4</u> distinct opportunities:

#### **ASSET STRENGTH**

"A" Locations
E-Commerce Resistant &
Service Based Tenancy
Maximum Leasing Demand

# THE NEXT INSTITUTIONAL ASSET CLASS

The "BIG" Opportunity
Mispriced, Giant Opportunity,
Early Innings
Institutionalization &
Future Public Company



# HIGH GROWTH MARKET FOCUS

Strong Tailwinds Economic Growth Job Creation

## CURRENT OWNERSHIP

Undermanaged Undercapitalized Unmotivated

# **OPPORTUNITY 1:** ASSET STRENGTH



Stable Cash Flow + Growing Cash Flow + "A" Location

LMI is focused on service-oriented and convenience-based retail ("Last Mile Retail")

#### **OUR TENANTS ARE E-COMMERCE AND AMAZON RESISTANT**









#### **BANKRUPTCIES ARE NOT OUR TENANTS**

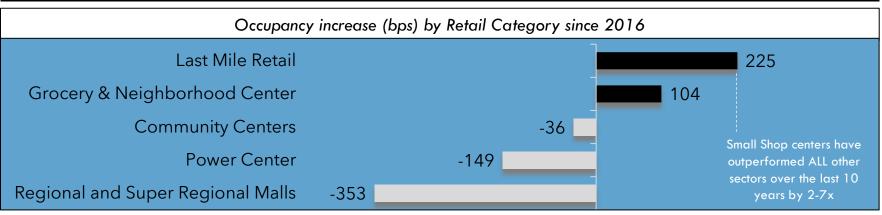


# **OPPORTUNITY 1:** ASSET STRENGTH



Stable Cash Flow + Growing Cash Flow + "A" Location





Source: Costar

# Why the outsized **Tenant Demand** for **Last Mile Retail**?

## **Right Sized Spaces**

As tenants re-imagine their omnichannel and brick and mortar strategy, they are opting for smaller units that are more conveniently located to the consumer

## Convenient, Fundamentally Strong, Well-Trafficked Locations

Fully integrated omnichannel strategies have made **solving the "Last Mile" the First Priority** in making sure the tenant/service provider/retailer can **reach the consumer** 

## Increasing Demand for Retail and Non-Retail

Both **retail and non-retail** (medical, dental, vision, wellness, professional, service, among others) are finding it critical to be **near the consumer** 

# **OPPORTUNITY 1:** ASSET STRENGTH



Stable Cash Flow + Growing Cash Flow + "A" Location

# **SELECTIVITY: NOT ALL RETAIL IS THE SAME**

#### **MARKET FUNDAMENTALS**



Low Vacancy



High Barrier to Entry



Population Growth



Income Growth



Job Growth

#### **RETAIL SYNERGY**



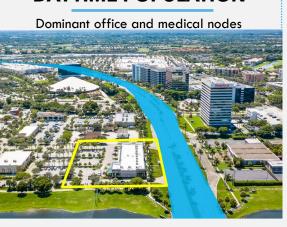
#### **DENSITY**



# HIGH TRAFFIC THOROUGHFARES



#### **DAYTIME POPULATION**



# PREMIUM ACCESS & VISIBILITY



# **OPPORTUNITY 2:** HIGH GROWTH MARKETS



# **LMI Primary Markets Focused in the Sunbelt**

Annual population growth in LMI Primary Markets is nearly **2x higher** than the US average, which could be further amplified by urban to suburban trends.



Sample Corporate Moves and Expansions in our Primary Markets include:





























### **LMI Primary Markets\***

- Atlanta
- Austin
- Charleston
- Charlotte
- Columbus
- Dallas/Fort Worth
- Denver
- Houston
- Jacksonville
- Nashville
- Orlando
- Phoenix
- Raleigh/Durham
- San Antonio
- Tampa/St. Petersburg
- West Palm Beach

\*LMI intends for the majority of any venture to be focused in these **Primary Markets** 

# **OPPORTUNITY 3: OWNERSHIP**



The current ownership base typically lacks the experience, capital, or the motivation to maximize the value; **creating additional opportunity for the LMI investor base**.

	CURRENT OWNERSHIP	OUR PERSPECTIVE	OUTCOMES	
Leasing	Lease for occupancy	Lease for value creation and improve merchandising/asset relevance	Maximize leasing demand  H Improved merchandising, quality of tenants, and relevance of the asset  H Lower operating costs and better recoveries  H Drive NOI and Cash Flow	
Capital Investment	None to minimal	Strategic use of capital to drive rent and attract top tenants		
Tenant Relationships	Limited to local	Long standing local, regional, and national		
Operations	Single asset = No economies of scale	Portfolio = Increase economies of scale		
Or Other Strategies	None	Alternative income, use of common area, strategic financing, lease improvement, portfolio construction, expense reduction		





Producing safe, growing, outsized yield for our Investors

### WITH **SIGNIFICANT VALUATION UPSIDE**







**OPPORTUNITY 4:** LMI HAS IDENTIFIED THE NEXT INSTITUTIONAL ASSET CLASS

# **OPPORTUNITY 4:** THE "NEXT" ASSET CLASS



# LMI has identified the next Institutional Asset Class, before being priced as one

INSTITUTIONAL PROFILE			LMI Fund I	INSTITUTIONA
	Location	Top 50 MSA's focused on economic diversity and stability.	$\bigcirc$	Institutional Asset Cl Between 3.50% an
8 === 	Tenant Profile	E-commerce resistant, service and convenience-oriented tenants with minimal anchor risk	$\bigcirc$	Property Type G Grocery Anchored Neighborhood Center Multi-Family
	Traffic	~20,000+ vehicles per day	33,040 VPD	Triple Net Retail (Single Tenant) Single Family Rental
	Incomes	~\$80,000+ average household incomes in trade area	\$120,080 AHHI	In addition, Green Street estimates S NOI growth of 4.1% from 2022 to 20.
A. A	Density	~60,000+ people within trade area	90,140 people Per Placer.ai True Trade Area	profile, LMI is able asset class 100-300 institutionalized ass the same high gr

### **AL CAP RATES**

Classes Are Trading ind 5.90% Today

	Cap Rate Ranges on '21E NOI	
	Markets	
Property Type	Gateway - Primary - Secondary	
Grocery Anchored Neighborhood Center	5.00% - 5.90%	
Multi-Family	3.70% - 4.75%	
Industrial	3.80% - 4.75%	
Triple Net Retail (Single Tenant)	3.25% - 5.50%	
Single Family Rental	3.50% - 5.50%	
Storage	4.75% - 5.75%	

Strip Center Same Store annual

an institutional le to acquire this **0** bps better than set classes within growth markets

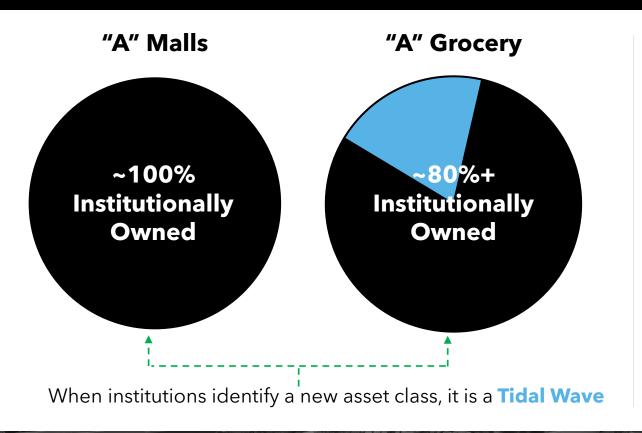
Institutions are beginning to inquire

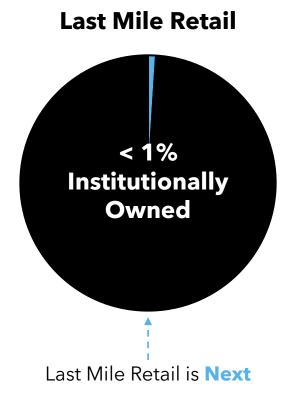
# **OPPORTUNITY 4:** THE "NEXT" ASSET CLASS



There are ~160,000 Last Mile Retail assets located in the LMI Primary Target Markets alone

**Less than 1%** of those assets are institutionally owned today

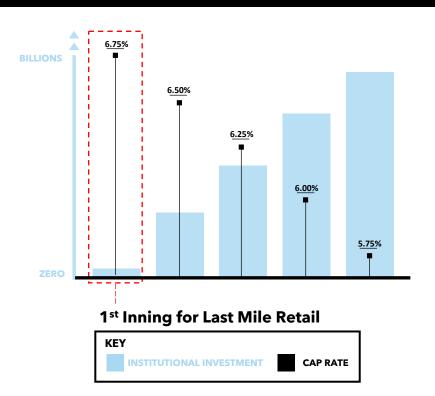




# **OPPORTUNITY 4:** THE "NEXT" ASSET CLASS



# WHAT HAPPENS WHEN AN ASSET CLASS IS INSTITUTIONALIZED?



**Last Mile** Has
First Mover **Advantage** 

# INSTITUTIONALIZATION OF AN ASSET CLASS HAPPENS REGULARLY



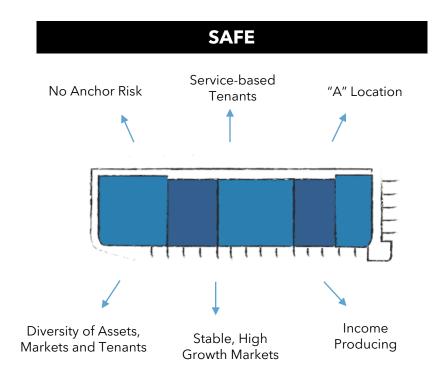
**Significant Value Creation** For Those Who Own The Asset Class



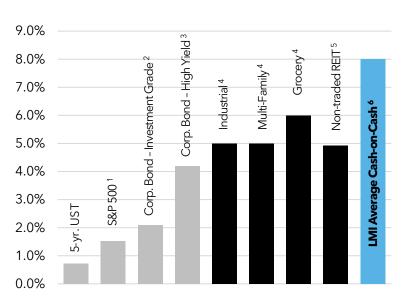
# Designed for our **Investors**, to deliver **safe**, **outsized yield** with upside

**PLUS** 





#### **BEST IN CLASS YIELD**



1) S&P 500 dividend yield includes only companies that pay out distributions; 2) Bloomberg Barclays US Aggregate Credit, Corporate, Investment Grade; 3) Bloomberg Barclays US Aggregate Credit, Corporate, High Yield; 4) Assumes mid-point cap rate from Primary and Secondary markets - see Greenstreet data (page 17); 5) Average distribution of top 5 Non-Traded REITs; 6) See Cash on Cash footnote (Page 24)

## **LMI** Additional Benefits

#### **TAX EFFICIENCY**

100% of the tax benefits (depreciation) are passed on to the investor group, resulting in a highly tax-shielded cash flow stream to investors.

#### **MINIMUM VOLATILITY**

Focus on a diversified portfolio of assets, tenants, and markets providing a stable investment for our Investors; no concentration risk.

#### **PUBLIC MARKETS**

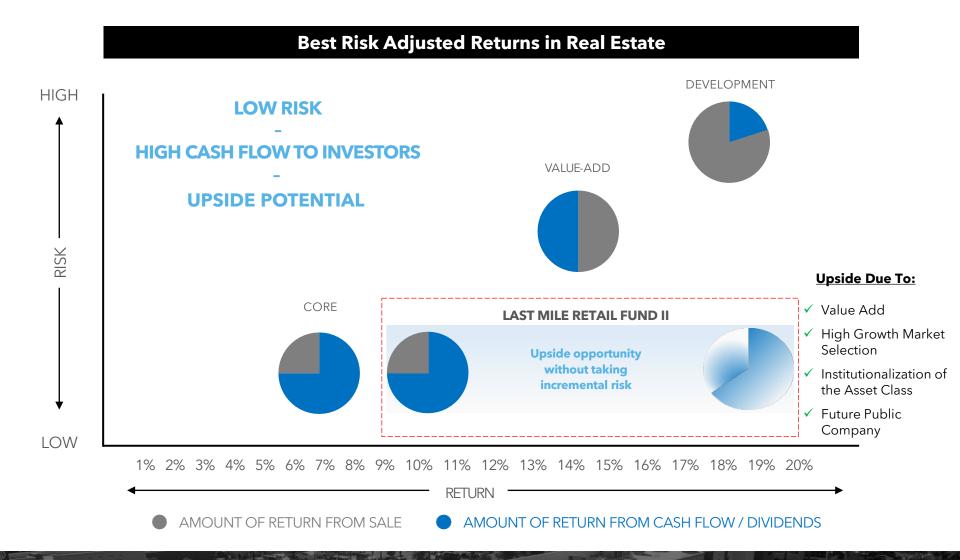
An investment that is not impacted by public market volatility.

#### **INFLATION PROTECTIONS**

The combination of contractual growth within the leases, under market rents, and high growth markets.



# Designed for our **Investors**, to deliver safe, outsized yield with **upside**





# An allocation to **Private Real Estate** can lower **Investment Portfolio** risk and volatility, while increasing **Diversification** and **Returns**

#### **Annual Standard Deviation**<sup>1</sup> (10 Years)



<sup>1)</sup> Represents quarterly returns for each index over the past 10 years as of September 30, 2020 and 10-year, annualized standard deviations as of September 30, 2020.

Represents 10-year quarterly returns. Private Real Estate is represented by the NFI-ODCE Index. Public Real Estate is represented by the FTSE NAREIT All Equity REITs Index.

# FUTURE **PUBLIC COMPANY**



Phase I

**Portfolio Construction** 

Phase II

### **Open the Fund**

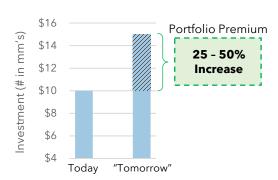
Phase III

### **Disciplined Scale**

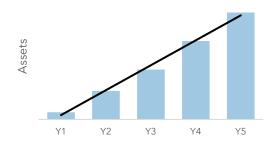
Construct the Institutional Quality Portfolio

+

~8% Distributions<sup>1</sup>



Quarterly Distributions
+ Institutionalization + Public Exit



#### **BUILD THE "RIGHT" PORTFOLIO**

- Institutional Profile and Metrics
- "A" Locations in High Growth Markets
- Best Performing Sector of Retail, with Leading NOI Growth

#### **BENEFITS TO ORIGINAL INVESTORS**

- Unlock Portfolio Premium: 25-50% increase in principal value due to portfolio construction, portfolio premium, and NOI Increase
- Lower Asset Management Fee: 10% discount for all "Original Investors"
- **Liquidity:** 20% "cash out" option<sup>2</sup> at time Last Mile "Opens the Fund"

#### **BENEFITS OF SCALE**

- Creates Ultimate Optionality:
  - Institutional Sale
  - REIT Sale
  - · Public Listing
- Highest Valuation
- Maximum Tax Efficiency
- **Liquidity:** Annually up to 5%, similar to institutional quality funds

21

# **FUND II - SUMMARY OF TERMS**



**Sponsor/GP:** Last Mile Investments, LLC ("LMI")

**Target Raise:** \$100,000,000

**Sponsor Co-Investment:** \$15,000,000

**Term:** 7 years (with two, 1-year extension options)

**Investment Period:** 3 years (with one, 6-month extension option)

**Target Leverage:** Sub 70%

**Acquisition Fee:** 1% on Purchase Price

**Asset Management Fee:** Tiered based on Commitment:

AMF will only be >\$10M 1.50% charged on invested >\$5M 1.75% equity <\$5M 2.00%

**Other Standard Fees:** 

Disposition Fee None Financing Fee None Administrative Fee None

**Sponsor Promote:** 30% above a 6% preferred simple return

No Manager Catch-up

**Conversion:** Sponsor may elect to convert Fund II to an

Open-Ended Fund during the Term

Safety



**Outsized Yield** 



Upside





# **EXECUTIVE TEAM - BIOGRAPHIES**





Ryan Moore
CEO and Co-Founder
LAST MILE ®

Ryan has more than 18 years of experience in real estate investing, finance, and portfolio /asset management; including over \$10B in transaction value ranging from acquisitions and capital markets to strategic joint ventures and M&A. Prior to co-founding Last Mile Investments, Ryan served on the senior leadership team of Phillips Edison & Co (as Principal of the institutional management business) a ~\$7B fully integrated real estate platform focused on the retail sector, where he most recently built and led the Institutional Investment Management business. Ryan was responsible for all aspects of the business including strategic direction and growth, portfolio management, performance, investor relations, and capital raising. Ryan is a graduate of the University of Illinois with a BS in Finance. He is an active member in ICSC and ULI nationally, where he is the Vice Chair for a national retail council consisting of senior level peers.



David Birdsall
CIO and Co-Founder
LAST MILE ®

David is an experienced shopping center executive and has overseen and led the efforts of developing and redeveloping over 8,000,000 square feet of commercial space over the last 25 years. Prior to co-founding Last Mile Investments, David served as Founder /President of 360 Property Partners, President of the Strategic Investment Fund division of Phillips Edison, Vice President of Development with Regency Centers and began his career with the Midland Group. He is a 1992 graduate of Xavier University and has held leadership positions in several industry related organizations including ULI, ICSC, and YPO. He also serves as a board member of Buffalo Wings and Rings, Al Neyer, Inc., and Lightbridge Academy.



Todd Pleiman
CFO and Partner
LAST MILE ®

Todd has 16 years of real estate, capital markets and finance experience - 13 of those years working exclusively in the retail real estate industry. Over his career, Todd has managed a corporate finance team that was responsible for the cash flow planning, budgeting and forecasting of hundreds of real estate properties across multiple investment funds. In his most recent role, prior to becoming a Partner of Last Mile Investments, he served as Vice President of Capital Markets for Phillips Edison & Co. and was responsible for creating, executing and maintaining the company's capital markets strategies. In his time in that role, Todd executed over \$6 billion of financing transactions and played a strategic role in two company mergers.



Tom Williams

President and CEO

NORTH AMERICAN PROPERTIES

As President and CEO of North American Properties, Tom Williams is driven in many ways but if there was one word at the heart of every action it would be: altruism. He deeply believes in "giving" and the acts of both investing in and giving back to our communities is where he finds tremendous satisfaction and fulfillment. Tom's heart and soul is woven into the fabric of NAP's purpose-driven culture, and manifested in his leadership style. He is known for empowering people to question conventional wisdom, find meaning in their work and discover better ways of building great places. After joining the family business in 1986, Tom led the diversification of NAP's portfolio and expansion into the Sunbelt with the opening of offices in Ft. Myers, Dallas and Atlanta. Under his 30+ years of leadership, NAP has built a strong balance sheet and track record of successful developments in 67 cities and 15 states. In the past three years alone, North American has launched 36 projects totaling \$1.1 billion in total capitalization.



Kevin Riley
Partner and COO
NORTH AMERICAN PROPERTIES

Kevin's purpose is to provide the highest value for our associates, our investors and our communities as a result of the work we do. His vision is to focus NAP as an industry leader in every market in which it serves. Kevin joined North American Properties (NAP) in 1998 as Chief Financial Officer. Since 2014, he has led NAP as its Chief Operating Officer and Partner overseeing the strategic, operational and financial affairs of the company on behalf of its investors. Kevin serves on the board of the Catholic Inner-city Schools Education Foundation, Nehemiah Manufacturing Company, and is member of National Urban Land Institute. He is also actively involved with Cincinnati Center City Development Corporation's (3CDC) Asset Committee.



Dick Williams
Partner and EVP
NORTH AMERICAN PROPERTIES

Dick Williams joined the family business, North American Properties, to focus on both real estate and operating company investments given his background. Dick started his career at Morgan Stanley working for their real estate investment fund and providing investment banking services to real estate clients. He then worked as a Vice President in corporate finance at Robinson-Humphrey in Atlanta supporting real estate and specialty finance clients before becoming a founding team member at an early-stage private equity fund. Most recently, he spent 15 seasons with the Cincinnati Reds, serving for several years as the GM and President of Baseball Operations. Dick is also a Chartered Financial Analyst (CFA), a member of Young Presidents' Organization (YPO) and he serves on the Board of Directors for several organizations including, but not limited to, Skyline Chili, the Boys and Girls Clubs of Greater Cincinnati and the Cincinnati Art Museum.

# INVESTMENT STRATEGY **OVERVIEW**







