Investment Case: “PRVT” REIT ETF As an Alternative for Non-Traded REITs

Introduction

When Real Estate Investment Trusts, or REITs, reemerged on the investment scene approximately 30 years ago they quickly became a viable medium for the individual investor to obtain diversified exposure to one of the largest asset classes available: income-producing commercial real estate.

Prior to the equity REIT structure’s early 1990s adaptations, commercial real estate ownership, development and management was essentially an exclusive club with membership primarily limited to large institutional investors and wealthy families. Vehicles for retail investors were usually encumbered with onerous fee schedules, lower quality properties and conflicted oversight structures.

The REIT model that evolved and grew out of the real estate recession of the late 1980s was centered around the principles of transparency, financial disclosure, corporate governance and fiscal discipline.

As we fast forward to current times, the modern REIT is as popular as ever and that popularity has led to innovators and impersonators alike that have sought to capitalize on the legislation which was signed into law way back in 1960 by President Dwight D. Eisenhower.

Over the past five years, traditional real estate private equity firms, which have historically catered to the largest and most sophisticated of institutional clients, have made a determined push into the retail investor channel. This expansion into the retail market utilized a handful of structures including the private REIT and public non-traded REIT. While these vehicles share several basic characteristics with the publicly traded REITs, there are far more differences than might be appreciated by the average investor.

In the following pages, we seek to educate constituents on the similarities and differences between the various REIT offerings and put forth the premise for a newly launched product which we believe will be an excellent alternative or complement for the large, expensive, illiquid and opaque vehicles currently sponsored by private equity firms.

NTRs – A Brief History

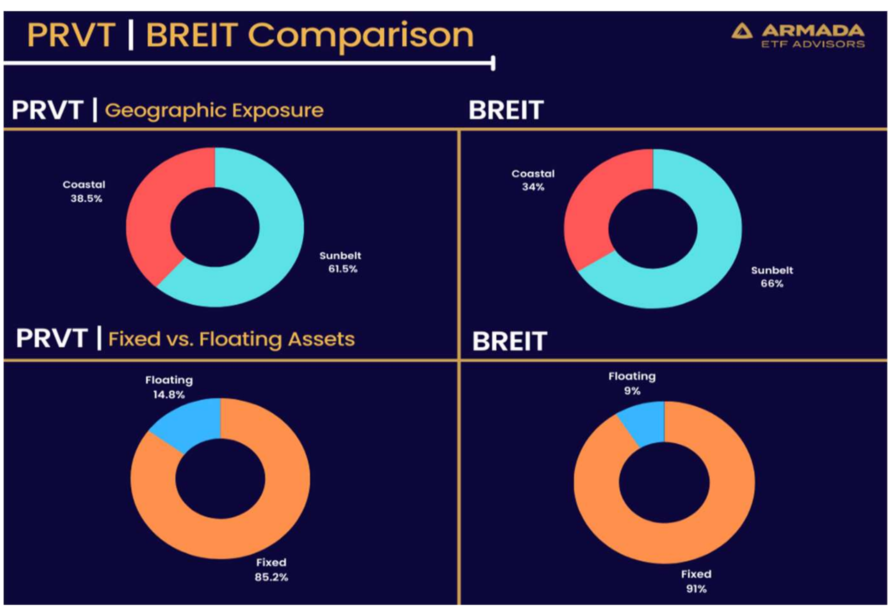
The non-traded REIT (NTR) or NAV REIT industry recorded historic levels of capital formation in 2021 and 2022 with $36.5 billion raised in 2021 and over $30.0 billion also raised in 2022 according to Robert A. Stanger & Co, a boutique investment bank that specializes in private and non-traded funds. It is anticipated that these numbers will be down substantially in 2023 as the industry grapples with sizable redemption queues at several of the larger funds sponsored by blue chip managers including Blackstone and Starwood Capital. The hurdles facing the industry also include a more difficult environment for commercial real estate overall as inflation, rising interest rates and a slowing economy has caused real estate cash flow growth to moderate while financing costs and access to debt capital has become more prohibitive.

The evolving landscape for value creation in real estate was quickly reflected in listed REIT valuations and share prices as the group saw a collapse in stock prices throughout the second half of 2022, with equity REITs ending the year with total returns down approximately –25%. Given the valuation dichotomy between NTR and listed REITs, with one being based on discounted cash flow (DCF) methodology and annual appraisals while the other is market-based, we would expect it to take many quarters for NTR valuations to converge with their listed peers.

The Alternative

Following two years of extreme growth in assets under management (AUM) for the NTR sector coupled with a "time out" instituted on the part of investors, we believe it is an excellent time to come to market with a vehicle that builds on several of the redeeming qualities of the recent class of NTRs but in a structure that has proven its mettle for over 30 years. The Private Real Estate Strategy Via Liquid REITs ETF (PRVT) is an actively managed ETF that will closely monitor and analyze the public filings and disclosures of the largest and most successful non-traded REITs which are sponsored by leading investors in real estate private equity. These investment firms have decades-long track records and experience in allocating capital across geographies and property sectors. The PRVT ETF will utilize a research-based investment approach to resemble the thematic allocation process which has contributed to the success of the large NTR sponsors. However, instead of executing this strategy with the purchase of "real property", which is time consuming and expensive, the fund will construct an actively managed portfolio of listed REITs to approximate the portfolio characteristics under consideration. The ETF can also rebalance quickly when a fundamental change in focus is warranted.

By way of example, we compare the PRVT model portfolio to Blackstone Real Estate Income Trust (BREIT), which is the largest of the non-traded REITs with a net asset value of just under $70 billion and is largely considered the bellwether of the non-traded REITs. BREIT is sponsored by Blackstone Inc., the largest alternatives investment manager in the world. The charts on the following pages depict how the characteristics of the direct real estate portfolio owned by BREIT can be mirrored using publicly traded REITs that will constitute the PRVT ETF.



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PRVT - BREIT Comparison

Valuation Comparison

PRVT FFO Multiple : 17.6x
BREIT FFO Multiple : 39.0x

PRVT Premium/Discount to NAV : -6.4%
BREIT Premium/Discount to NAV : +65%

PRVT AFFO Multiple : 20.2x
BREIT AFFO Multiple : 59.0x
(excluding financial instrument gains)

PRVT Debt to Gross Asset Value : 23.6%
BREIT Debt to Gross Asset Value : 45.0%

PRVT Implied Cap Rate : 5.4%
BREIT Implied Cap Rate : 4.3%

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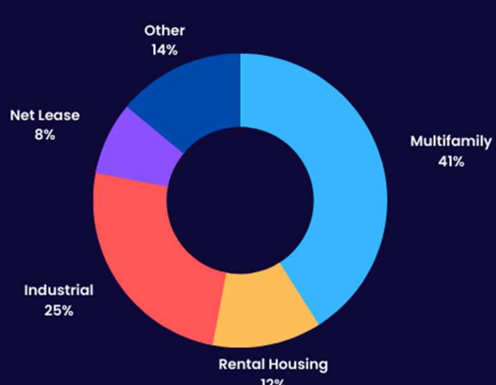
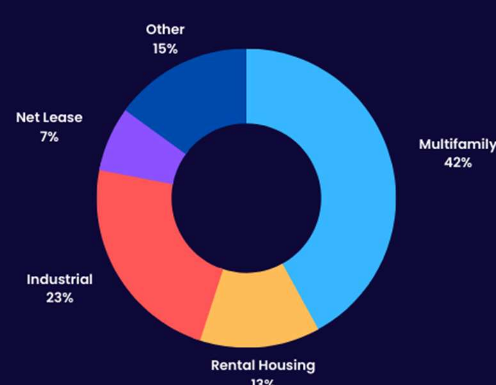
PRVT - BREIT Comparison

Sector Exposure

PRVT



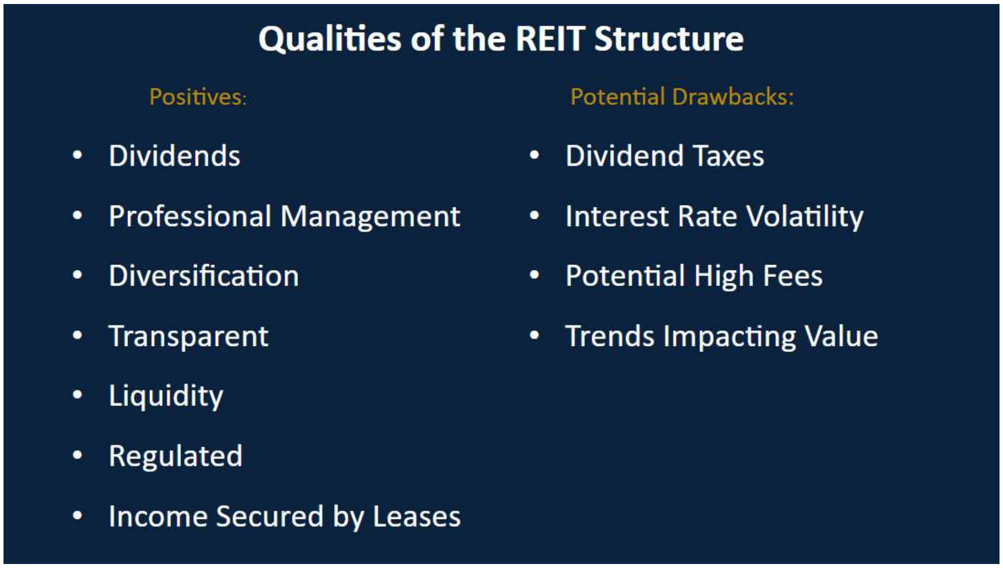
BREIT



REITs and ETFs – On a Parallel Plain

The ETF structure has been around for over 30 years and provides numerous advantages to the investor. They are transparent in that the portfolio along with its net asset value (NAV) is calculated and published daily while the shares of the ETF can be purchased and sold on major exchanges throughout the trading day at the ETFs given market price. There are no minimum purchase requirements, and the annual management expense is extremely competitive, especially for an actively managed vehicle. Finally, there are tax benefits associated with the ETF structure in that capital gains taxes are typically only incurred once, upon the sale of the ETF by the investor, whereas mutual funds pass on capital gains taxes to the investor throughout the life of the investment.

The modern era in listed REITs started around the same time as the introduction of the ETF, some 30 years ago and the two industries have growth in parallel. If ETFs represent a milestone in the democratization for investing in diversified stock/bond portfolios, then listed REITs represent no less for bringing commercial real estate investment to the masses in a transparent, low-cost structure that aligns the interests of all parties involved. Commercial real estate as an asset class is massive and REITs have provided attractive dividend yields and total returns to investors over the long term. REITs are typically structured such that their dividends are paid from recurring cash flow and are not reliant on external capital sources for such payment. They are also known as “dividend growers” in that they strive to grow their dividends over time commensurate with cash flow growth. While REITs represent a unique asset class with characteristics of both general equities and fixed income alternatives, they are possibly best known as a portfolio diversifier in that the relatively low correlation of listed REIT stock returns with those of other equities and fixed income investments makes REITs attractive to asset allocators with an eye towards portfolio optimization.



<u>What is this going to cost me?</u>

A frequent refrain used by those in the business of selling NTRs is that the fee structures of today are substantially less onerous to the investor than what had been in place years ago. This might be the case, but current fee structures are still exceedingly hard to justify in a world where fees and transaction costs across many investment vehicles have come down sharply and both investors and sponsors alike have become acutely aware of the compounding effect that fees have on nest eggs over the long term. NTRs have multiple layers of fees, starting with the selling commission, which depending on the share class can be upwards of 3.5%, upfront. There is also an upfront dealer/manager fee which can range from 0-1.0% in most cases. Finally, there is a stockholder servicing fee which is paid per annum (ongoing for the term held) and usually payable on a monthly basis. The second level of fees are advisor fees, which get paid to the sponsor. This level of fees starts with a management fee, paid per annum and typically payable monthly, in the range of 1.25% of the value of the investment. On top of the management fee is a performance participation allocation with a standard split to the sponsor of 12.5% of annual return, subject to a 5% annual hurdle amount and a high-water mark, with a catch-up as also standard.

The PRVT ETF will charge a total operating expense ratio of 0.59% per annum.

	Upfront Selling Commissions	Dealer Manager Fees	Annual Stockholder Servicing Fees	Maximum Stockholder Servicing Fees Over Life of Investment (Length of Time)		Total (Length of Time)	
Class T	3.00%	0.50%	0.85%	5.56%	(7 Years)	9.06%	(7 Years)
Class S	3.50%	0.00%	0.85%	5.56%	(7 Years)	9.06%	(7 Years)
Class D	1.50%	0.00%	0.25%	7.38%	(30 Years)	8.88%	(30 Years)
Class I	0.00%	0.00%	0.00%	0.00%		0.00%	

BREIT

Fee Description	Computation
Annual Management Fee	1.25% of NAV
Performance Participation Interest	12.5% of Total Returns In Excess of 5%

BREIT

Source: BREIT Prospectus: April 23, 2023.

A REIT by Any Other Name...

While non-traded and listed REITs have many similarities as they relate to tax structure and the ownership and management of commercial real estate, there are important differences which should be understood by investors. Listed REITs in many respects have the look and feel of traditional c-corporations, but for the need to meet specific regulatory requirements to maintain their tax-advantaged status as a REIT. Most listed REITs are internally advised and managed. They have a board of directors and a management team along with employees that are responsible for the setting and execution of the corporate strategy. There exists a traditional alignment of interest between the team running the company and the stakeholders (debt and equity owners) that invest with the REIT. This relationship is by no means perfect, and always susceptible to bad actors and negligent behavior, but overall, the structure has worked quite well. Listed REITs are also financed similarly to listed c-corps. They typically raise equity capital via the public markets and can utilize a menu of debt capital markets options including various forms of secured and unsecured financing, along with accessing debt capital through the unsecured bond market. Listed REITs have a dividend policy that is set by the board of directors and the safeguarding of the dividend is important as it represents a major commitment between the board and shareholders.

Listed REITs, not unlike traditional c-corps, operate in full view and scrutiny of the public capital markets which have material implications for growth prospects and ultimately for their very survival as an independent entity. Listed REITs typically have large and sophisticated institutional shareholders as well as retail investors who own their common (and in some cases preferred) shares and possibly unsecured bonds. Also, depending on the size of the company, they could have upwards of 12-15 Wall Street securities analysts who “cover” the stocks and report regularly on financial disclosures and material events that occur at the company. The analyst community is also instrumental in providing a valuation framework on the company and the various sub-sectors under the broader REIT umbrella.

Because listed REITs are beholden to various stakeholders to access various forms of capital, it is in their best interest to avail themselves frequently to investors and potential investors at industry conferences and through a myriad of corporate access platforms where they are pressed to take hard questions from all different types of constituents, even activists and short-sellers whose agenda may not align fully with the longer term vision of the board and senior management. The quarterly ritual of "earnings season" is also keenly observed by most listed REITs where they not only provide interested parties with the requisite 10-Q filing, but also produce lengthy supplemental disclosures and host conference calls that are open to the public and where the investment community can ask questions in an open forum.

The ultimate endgame of this multifaceted and somewhat intricate relationship between publicly listed companies and their constituents is to provide transparency and build confidence such that financial markets will reward the company with a premium valuation and the lowest possible cost of capital. And all things being equal, the players with the lowest cost of capital and greatest access to capital are typically the "winners" over the long term. But it must be noted, this privilege is earned, it cannot be bought.

The NTR industry shares several structural characteristics with its listed REIT cousin in terms of the requirements needed to maintain REIT status, but the similarities end quickly. The actual DNA of these vehicles are more akin to private fund structures which the NTR sponsors have been implementing for the past 25+ years. While there are many differences between the listed REIT and NTR structures, the most notable in our view comes down to capital formation and how the vehicles grow, invest and access capital. NTRs raise capital primarily through broker/dealer networks and financial advisers.

We touched on the fee structure earlier in this paper and most of the upfront cost of raising capital comes directly from the investors in the form of the selling commission and various other stockholder fees. It is fair to say that sponsors would not be successful in raising capital if they don't have many years of solid performance track records to assist with the marketing of new funds and NTRs, which is the case for sponsors such as Blackstone and Starwood Capital, each of which has demonstrated solid returns to investors over the years. The problem with this process is that the sponsor and the selling agents are highly incentivized to raise as much capital as possible and invest that capital, even if the environment for capital deployment is less than stellar. The "pie eating contest" of 2021/22 may end up being a difficult case study in which individual investors piled into NTRs as the U.S. economy reopened following the worst of the Covid pandemic, when commercial real estate values were rising quickly, the economy was reaccelerating and interest rates were essentially zero, adding rocket fuel to an already robust environment. It is too early to write the narrative on how the cycle will end for this period in history, but we do know that NTRs lack many of the "guardrails" in the form of unbiased and vested constituents to oversee the sponsors and preserve the long-term integrity of the vehicle.

Another important discussion topic when considering NTRs compared to listed REITs is the dividend, or distribution, which is the term typically used by the NTRs. The distribution is set at the creation of the fund and given these are REITs, it is an important part of the equation and instrumental in the total return framework of the vehicle. We revert to the notion that these vehicles are sold on commission and the distribution is set with an eye towards what will sell, and bigger distributions are more attractive. Sponsors are very clear in their marketing materials that distributions are primarily paid through subscriptions, borrowings and asset sales; and not necessarily from recurring cash flow which is typical for listed REITs. The fact that not all dividends (distributions) are created equal may not resonate with all investors, but as NTR inflows slow and property markets continue to normalize, we believe that some hard realizations will come to pass as it relates to distribution levels.

The final distinction in parsing the differences between the two REIT structures is valuation. Given the vital role that net asset value (NAV) plays in the return calculation for NTRs, it is surprising that a greater amount of transparency is not provided when sponsors explain the valuation methodology. Many sponsors describe the process as including an annual appraisal of all assets, but appraisals can quickly become outdated, especially in fast-moving market environments. These sponsors also highlight a discounted cash flow methodology (DCF) as an important valuation tool, yet in most instances, several of the key inputs to the DCF methodology go undisclosed. While sponsors and distributors of these products underscore the notion that monthly NAVs are less volatile and provide greater stability than the daily price discovery provided by listed REITs, the debate over which valuation mechanism is superior will only intensify as NTRs continue to gate redemptions and the valuation dislocation between the two vehicles widen.

Many investors are disappointed with the current valuations on listed REITs, but they likely take some comfort in knowing that they can monetize their positions at any given time, even if they are unhappy with the price. Given the fact that subscriptions and redemptions for NTRs are solely determined by the monthly NAV calculation via an opaque process which does not provide for scrutiny from multiple interested and disinterested parties, it is possible that a whole generation of investors could become alienated if they begin to believe that the system is working against them.

Public REITS	VS	Private REITS
Listed on Exchange	Listing	Not Listed on Exchange
Stock Exchange Traded	Liquidity	Redeem Shares for Cash (Monthly)
Daily	Liquidity Limits	Typically Monthly (with Limitations)
No Limits	Gating	Can Limit Liquidity
Primarily Institutional Investors	Ownership	Primarily Retail Investors
Individual REITs, Mutual Funds, ETFs	Ownership Options	Public or Private Nontraded Sector
Typically Internally Advised and Managed	Management Structure	Third-Party Manager/Externally Advised
Usually Covered by Operating Free Cash Flow	Dividend	Funded Though Borrowing and Stock Offerings
Usually 10-30% of Dividend	Return of Capital	Usually 80%+ of Dividend
Usually Less than 7x Debt/EBITDA	Leverage	Usually Greater than 10x Debt/EBITDA
Third Party Research (Usually 5 or More Banks)	Checks and Balances	No Independent Research

<u>We'll Bet with the House</u>

While we are not fans of the NTR structure and believe that the listed REIT model provides more overall benefits and safeguards to the investor, we have become quick studies of public NTRs nonetheless as they provide valuable and timely insights into the strategic thinking of the sponsors, one or two of whom are known to be best in class real estate investors with deep market knowledge and excellent data upon which to execute a thematic investment approach. The larger NTR sponsors demonstrated acute allocation skills early in this cycle as they avoided value-oriented property types (retail and office) and coastal biases in favor of overweight allocations to growth-oriented regions and property sectors. In hindsight, the decision to skew these NTRs toward sunbelt regions of the U.S. which have superior demographics including population growth, job growth and wage growth was spot on. These funds are largely overweight property sectors including rental housing and industrial/distribution along with more niche-oriented segments like self-storage and data centers, again showing strong acumen in exploiting evolving themes. A high degree of discipline is also noted for those who deemphasized major urban markets such as New York City, San Francisco and Los Angeles as these are liquid and high-priced cities where large amounts of capital could have been invested in relatively short order.

The Opportunity

We believe it is an opportune time to execute upon the investment themes of key NTR sponsors, not with real property nor in an NTR structure, but with listed REIT securities in an exchange traded fund (ETF) wrapper. Over the past two years certain NTRs have amassed substantial portfolios of multifamily and industrial assets. These purchases were made following massive inflows primarily from retail investors in search of attractive distributions and non-correlated returns in a period of otherwise high volatility. This capital was invested during a highly competitive period when monetary policy was extremely loose and demand for growth oriented real estate was intense. We estimate that both Blackstone Real Estate Investment Trust (BREIT) and Starwood REIT (SREIT) are currently being valued at an approximate 4.2% implied cap rate on NAV and likely purchased a large percent of their assets at sub-4% yields on cost. The PRVT ETF can largely replicate the geographic, property sector and leverage characteristics of these vehicles with a diversified portfolio of 20-50 listed REITs which currently trade at a blended implied cap rate of approximately 5.5%, a substantial discount to where the NTRs are currently valued.

PRVT Investment Strategy

The fund is an actively managed Exchange-traded fund (ETF) that will invest in a diversified portfolio of publicly traded real estate investment trusts (REITs) and to a lesser extent, publicly traded mortgage-backed securities. The fund will seek out similar qualitative characteristics to the aggregate portfolio holdings of a select group of public, non-traded REITs (NTRs). The NTRs are public, SEC-registered companies that make regular, publicly available filings with the SEC. In particular, the fund will approximate the qualitative characteristics of the underlying holdings of non-traded REITs managed by large, global real estate firms. Public, non-traded REITs typically invest directly in real estate. In contrast, the fund will seek similar strategic themes for its investments by owning publicly traded, or “listed” REITs.

The global real estate firms which the fund evaluates have extensive market and asset-level knowledge which comes from owning and managing large portfolios of real estate assets across many geographies and property sectors. In general, these firms have access to extensive real-time data which enables them to identify and act upon market conditions and trends. The fund, in turn, uses publicly available data from the NTRs to assist in portfolio construction. In particular, the fund analyzes third-party data as well as financial disclosures and supplemental reports (e.g., 10-Q, 10-K, annual reports, etc.) filed by the NTRs.

PRVT Portfolio Construction

The "top down" aspect of the portfolio construction process will be driven by the investment strategy articulated above in which the fund's property sector, geographic profile and other qualitative characteristics are heavily influenced by available information from public, non-traded REITs.

The 'bottom up" or stock selection for the fund will consist of an iterative process of consistent monitoring and analysis of an investable universe of listed REITs and other securities. For illustrative purposes, below we highlight four distinct factors or character groupings which are analyzed on a quarterly basis when each company releases earnings which include extensive supplemental data books that provide details on corporate profitability, balance sheet, portfolio and property level analytics as well as commentary on markets, strategy, capital allocation trends and outlook for future periods. We analyze this data, listen to earnings conference calls and discuss results with industry leaders and investors over an approximate three-to-four-week period, "earnings season" and utilize the results to make portfolio rebalancing decisions.

Liquidity

The fund positioning is skewed towards larger, best-in-class owners/operators of real estate, and thus we minimize exposure to quasi-public or highly illiquid securities. Most of the fund holdings have been in the public markets for 20+ years and as such have extensive track records across various time periods and market conditions. They have also experienced considerable organic and external growth via access to public equity and debt. Liquidity is also a by-product of solid capital allocation decisions as it is the better allocators of capital that are rewarded with equity valuations which enable follow-on issuance. Thus, the strong are rewarded with growth capital and the weak struggle with high debt burdens and a competitive disadvantage in the allocation of capital.

Growth and Income

We view ourselves as total return investors. As such, we are agnostic to dividend yield in the aggregate and are more focused on the cash flow being generated to not only cover the dividend in difficult environments, but also grow the dividend on a compound annualized basis over the course of a real estate cycle. Thus, low dividend payout ratios and peer leading earnings (FFO) growth go together with an attractive dividend yield. We will cover portfolio construction further down in the discussion, but higher growth companies will dominate our "best ideas", while "yieldier" names tend to be viewed more tactically.

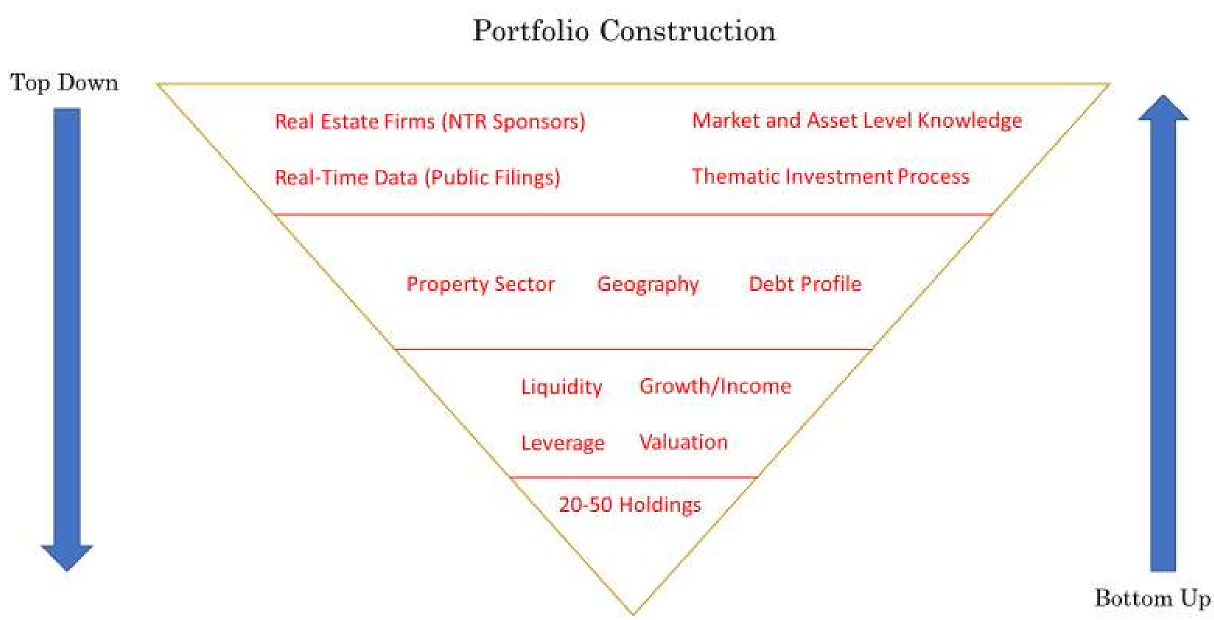
Leverage

Given the basic premise behind REITs as a "pass through" vehicle and the mandatory requirements for the distribution of taxable income, they do not retain a great deal of free cash flow and as such need to be prudent allocators of capital and prudent managers of their balance sheets. We place a high degree of confidence in companies that utilize the many tools available to public companies and provide optionality in various interest rate environments.

Valuation

The most relevant valuation tools for REIT investors have historically been cash flow multiples (price/FFO), net asset value (NAV) and implied cap rates. For our purposes, relative valuation becomes incrementally more important for portfolio construction. We also focus on potential outcomes, either positive or negative, which may not yet be fully reflected in current valuations. As an example, companies will sometimes hint at potential outcomes, whether positive or negative, before they become formalized and cemented in official company guidance. Wall Street earnings revision data can be a helpful guide and we are always on the lookout for nuances in tone and posturing and if deemed actionable, we will make portfolio weight adjustments.

We consider portfolio construction in terms of three distinct tiers or baskets with the weights and constituent representation of each basket defined by the analytical breakdown described above. The strategic basket or best ideas segment of the portfolio is usually represented by the top 10-12 holdings and will typically constitute 60-70% of the portfolio with individual position weights of 5% -10%. These best ideas are long term holdings which essentially "check all the boxes" as it relates to management, business plan, portfolio quality and balance sheet. These positions also represent compelling valuations and total return profiles. The next tier of approximately 10-15 positions are "core" portfolio holdings with weights in the range of 1%-4%. Core holdings screen well using the qualitative and quantitative criteria described above, however come up a bit short of top tier status. This shortfall could be company specific or a function of the sub-sector or geography in which the company operates. The final tier is represented by tactical positions usually aggregating to approximately 10% of the portfolio. These allocations are opportunistic and usually have an event driven best-case scenario related to privatization or M&A and the potential for asymmetric upside. These positions usually trade at discounted valuations and have higher dividend yields. Portfolio turnover for the fund is expected to be relatively low. We anticipate a range of 10-20% as rebalancing is typically valuation driven and does not entail broad-based changes.



Summation

In the final analysis, income producing real estate is a large and far-reaching asset class with many notable characteristics which make it an attractive holding for all types of investors across a varied risk landscape. There are also numerous structures, platforms and wrappers upon which to build an allocation. Following several years of massive inflows into public, non-traded REIT vehicles, it is our belief that now is the right time to provide investors with a highly liquid, transparent, tax-efficient and cost-effective real estate product that couples the real-time knowledge and data availability of blue-chip private equity firms with the listed-REIT portfolio construction capabilities of Armada ETF Advisors.

Link to Blackstone Real Estate Investment Trust: https://www.breit.com/

Link to Starwood Real Estate Investment Trust: https://www.starwoodnav.reit/

Investors should consider the investment objectives, risks, charges, and expenses carefully before investing. For a prospectus or summary prospectus with this and other information about the Fund, please call or visit our website at www.armadaetfs.com. Read the prospectus or summary prospectus carefully before investing.

Investments involve risk. Principal loss is possible. Unlike mutual funds, ETFs may trade at a premium or discount to their net asset value. Brokerage commissions may apply and would reduce returns. The fund is new and has limited operating history to judge.

Fund Risks: The Fund is classified as a non-diversified investment company. The Fund may invest a greater portion of its assets in the securities of a single issuer or a smaller number of issuers than if it was a diversified fund. To the extent that the Fund invests in other funds, a shareholder will bear two layers of asset-based expenses, which could reduce returns compared to a direct investment in the underlying funds.

Dividends are not guaranteed, and the dividend yield may fluctuate.

Through its investments in REITs, the Fund is subject to the risks of investing in the real estate market, including decreases in property revenues, increases in interest rates, increases in property taxes and operating expenses, legal and regulatory changes, a lack of credit or capital, defaults by borrowers or tenants, environmental problems, and natural disasters. The Fund may invest in derivatives, which are often more volatile than other investments and may magnify the Fund’s gains or losses.

The Fund invest in mortgage-backed securities (MBS), which are subject to the risks generally associated with fixed-income securities and mortgage-backed securities. Delinquencies and defaults by borrowers in payments on the underlying mortgages, and the related losses, are affected by general economic conditions, the borrower's equity in the mortgaged property, and the borrower's financial circumstances. In addition, an increase in prevailing interest rates typically causes the value of existing fixed income securities to fall and often has a greater impact on longer duration and/or higher quality fixed income securities.

Unlike typical exchange-traded funds, there are no indexes that the Funds attempt to track or replicate. Thus, the ability of the Funds to achieve its objectives will depend on the effectiveness of the portfolio manager. In general, ETFs can be tax efficient. ETFs are subject to capital gains tax and taxation of dividend income. However, ETFs are structured in such a manner that taxes are generally minimized for the holder of the ETF. An ETF manager accommodates investment inflows and outflows by creating or redeeming “creation units,” which are baskets of assets. As a result, the investor usually is not exposed to capital gains on any individual security in the underlying portfolio. However, capital gains tax may be incurred by the investor after the ETF is sold.

The Fund is recently organized, giving prospective investors a limited track record on which to base their investment decision.

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