

Co-GP Sponsorship Program

PARTNERING WITH BEST-IN-CLASS SPONSORS TO FUND THEIR PLATFORM AND DEAL PIPELINES



\$25M - \$50M

initial equity commitment with capacity to fund \$100M+

5-7 YEARS

investment duration

8%

target annual yield paid from operating cash flow

Partnership with U.S. Sponsors

RESILIENT INDUSTRY FOCUS

- Opportunistic investors focused on scalable growth in operating businesses (e.g., healthcare, consumer food/beverage, manufacturing)
- Businesses with complementary risk parameters

EXPERIENCED MANAGEMENT

- Founders and teams with industry expertise and demonstrative success working together, with a clear business plan and growth objectives

PROVEN TRACK RECORD

- A verifiable history of investments and exits with proven performance and sustainable cash flows

SCALABLE GROWTH

- Active acquisition and/or growth pipeline

What Partners Can Expect

SIGNIFICANT FUNDING

- Encore to fund up to 95% of equity requirement; allocations can vary depending upon size of investment

SPEED AND CERTAINTY

- Funding within 7 to 10 days of Encore Investment Committee and Board approval

MINIMAL DISRUPTION

- Given significant equity contribution, Encore will retain control, and majority ownership, of the partnership
- Following Encore due diligence, sponsor management teams operate business with minimal interference

SUPPORT SERVICES

- Access to Encore's suite of support services and infrastructure



Terms

TARGET CO-INVESTMENT	<ul style="list-style-type: none">• Joint Venture GP interests: up to 10% of equity requirement split 50/50 between Sponsor and Encore• LP interests: at least 90% of equity requirement
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WATERFALL STRUCTURE	<ol style="list-style-type: none">1) 8% preferred return (to be paid current)2) Return of capital (100% pari-passu to all Partners¹)3) GP catchup equal to 20% of aggregate distribution4) 80/20 cash flow split between Partners/GP thereafter
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FEES	2% of funded equity paid to Sponsor annually
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Founded in 1999, Encore is a vertically integrated, diversified investment company headquartered in Dallas, Texas. Encore has completed more than 125 commercial real estate transactions with a total value of \$2.9 billion.¹ Recognizing the cyclical nature of the real estate market, beginning in 2014, Encore added operating businesses to its portfolio in order to generate sustained cash flow during economic downturns, mitigating risk through diversification.

Focusing on opportunistic and value-add strategies in non-gateway markets throughout the U.S., Encore develops, acquires, and manages multifamily apartment developments, limited and full-service hotels, mixed-use retail centers, and commercial office buildings. Encore has established a sustainable private equity investment model through the acquisition of operating companies in the medical, dental, and restaurant industries, generating consistent cash flows despite market instability. Encore's growth continues to evolve through co-sponsorships with proven mid-size investment managers and operators. In addition, Encore was a pioneer in issuing U.S. private real estate bond offerings on the Tel Aviv Stock Exchange in Israel.

Operational excellence, combined with disciplined investing, allows Encore to capitalize on trends across all market segments, maximizing risk-adjusted returns.



On January 1, 2020, Encore Wealth Management became Ignite Investments. Built on a foundation of Encore's 20 years of experience in growing wealth and mitigating risk, Ignite is an innovative platform providing access to quality investment opportunities structured to align investors' interests with those of the sponsor.

With a strong infrastructure promoting transparency and clarity, Ignite partners with top-tier sponsors whose investments pass the team's rigorous due diligence process, resulting in strategic deal sourcing and co-GP opportunities. Sponsors benefit from Ignite's unparalleled capital-raising capabilities and ongoing investor support. Its effective sales strategy, combined with precise deal selection, has historically resulted in an average raise period of less than 30 days for a sponsor's actively marketed offerings.

As a partner to best-in-class sponsors, Ignite's main purpose is to provide superior support through its extensive suite of strategic planning, marketing, and administrative services, allowing each sponsor to focus its resources on portfolio management. Together since 2018, the team has raised more than \$150 million in equity for Encore, and currently manages approximately \$370 million in assets representing nearly 800 investors.²

Encore engages Ignite as its exclusive advisor to structure, document, and manage its LP offerings.

(1) As of June 30, 2021. Value of assets as represented by total sales price of realized investments, total Fair Market Value of unrealized investments, and total cost of assets under development. (2) Equity raised January 1, 2018 through August 15, 2021.

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