

MORTGAGE INCOME STRATEGY

STRATEGY SUMMARY

Washington Capital's Mortgage Income (MI) strategy provides qualified institutional investors with an alternative to traditional fixed income strategies. The strategy provides construction, permanent, and combination construction/permanent loans for union-built projects across the United States. MI strategy loans are generally secured through a first deed of trust and/or by employing conservative underwriting and collateralization practices.

The portfolio contains loans which are diversified by product type, location, size, and maturity. Our management team employs a disciplined investment process that seeks to provide clients with stable and competitive returns.

PRODUCT HIGHLIGHTS



Complement to traditional fixed income vehicles



Strategy makes union-built construction and/or permanent loans on commercial or multi-family properties



Loans secured with first deed of trust and/or conservative underwriting strategies

INVESTMENT PROCESS

Washington Capital's real estate debt investment universe includes commercial properties located across the United States. Our investment approach seeks to add value in several ways: diligent underwriting, lending flexibility, portfolio diversification, local market presence and market inefficiencies.

UNDERWRITING

Through a diligent application of Washington Capital's internal underwriting guidelines and an assessment of a borrower's real estate experience and financial position, we seek to ensure that interest and principal payments are realized.

FLEXIBILITY

Washington Capital offers the added benefit of providing developers with combination construction/permanent loans. We also maintain flexibility within our underwriting discipline. We are periodically able to identify unique lending opportunities that may not fit the profile of larger lenders. In these cases, we are able to seek higher lending rates from borrowers with limited options for sourcing loans.

MARKET KNOWLEDGE

We believe that being a successful real estate investor requires maintaining a local presence in the markets in which we invest. To this end, we maintain a "branch office" organizational structure in our primary investment markets, staffed by investment professionals who work with the local investment community and are able to draw upon their contacts when making investment decisions.

MARKET INEFFICIENCIES

MI strategy's portfolio holdings include properties within both urban and suburban markets. Through our exposure to suburban markets, we seek to take advantage of those inefficiencies inherent in markets with lower transaction volume and competition. We believe that this approach adds value relative to the index and our peers.

The information provided herein represents the opinion of WaCap and is not intended to be a forecast of future events, a guarantee of future results, nor investment advice. There is risk of loss; the strategy is highly illiquid, and liquidations may be on a pro rata basis. The information herein does not constitute an offer, solicitation or recommendation to purchase any security or investment advisory service. Commingled fund investors must meet certain qualifications in order to invest. For further information about our advisory services, please contact Washington Capital.