

Subject: RE: Opportunity Zones

From: Oliver Rothausen <[REDACTED]>

Date: Wed, 19 Jun 2019 15:06:02 -0400

To: Andrew King <andrew.king@db.com>,

Stewart Oldfield <[REDACTED]>,

"Paul Barrett ([REDACTED])" <[REDACTED]>

Hi Paul,

Please see the attached materials and below for a brief overview below on the GTIS Opportunity zone fund. Please let us know if you have any questions or if you'd like to set up some time to speak about the opportunity in detail. Thank you!

Deutsche Bank Wealth Management is pleased to announce the launch of the GTIS Partners Qualified Opportunity Zone Fund which will be structured as a private REIT. GTIS will be targeting a \$500m fund size and have received commitments of ~\$100mm thus far.

GTIS Firm Overview:

- Real estate fund manager founded in 2005 with \$4.7 billion of AuM focused on the U.S. and Brazil with 94 employees located across seven offices
- Over \$1.4 billion of equity capital committed to 81 residential projects in 30 markets comprising \$7.1 billion in total project cost
- Over \$180 million of equity committed to 7 projects that are now located in Opportunity Zones, including 1.8 million square feet of commercial space and 4,000 planned residential units

GTIS 0-Zone Strategy:

- Diversified – invest in residential and commercial development in up-and-coming areas of major gateways (e.g. NY, SF) and select next-tier markets (e.g. PHX, ATL, DAL)

- Focused on growth markets – urban as well as suburban development (e.g. Multifamily and Single family rental) with a focus on sunbelt markets that have stronger demographics, job growth, and business friendly climate
- Balanced portfolio – 10-15 ‘bite sized’ assets (target \$20-\$50M commitment) vs. one-off mega deals that carry idiosyncratic risks
- Commingled fund – REIT structure enables commingled pool with the flexibility to exit through IPO or individual property sales, and manager incentive tied to overall fund performance (fund-wide promote vs. deal-by-deal)
- Identified pipeline – \$250M+ pipeline diversified across property types and markets, as a direct continuation of GTIS investment strategy carried out over the past 10 years

REIT Structure:

- Ease of entry – REIT structure is investor friendly (rolling investor closing but pro-rata participation in all fund assets)
- Ease of administration – One form 1099 as opposed to multiple K1s for each property
- Manager incentives well aligned: - Comingled fund-wide incentive fee across all assets as opposed to a deal by deal promote
- Flexibility in managing working capital: - Recycling of capital within the REIT
- Multiple exit strategies: - Potential REIT IPO, ability to sell the underlying properties through Plan of Liquidation (vs. entire partnership interest), REIT conversion into a partnership

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Oliver Rothauser
 Director | Sales & Origination
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 Deutsche Bank Wealth Management



<http://deutschewealth.com>

{https://brandportal.intranet.db.com/img/modules/positive_impact_ENG.gif}

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In addition to the above characteristics, in connection with any private markets transaction we will proceed under the belief that you have substantial experience investing in such offerings and that you possess the sophistication to evaluate the particular transaction.

Note that in order to execute any transaction or service that we offer to you, you must be fully on-boarded as a client of both the Wealth Management division of Deutsche Bank and the Institutional Wealth Partners group thereof and execute all related documentation.

We will regard your acceptance of this email as confirming your agreement with the above statements. If you are not in agreement with such statements, please advise us immediately.

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From: Andrew King
Sent: Tuesday, June 18, 2019 6:22 PM
To: Stewart Oldfield <[REDACTED]>; Paul Barrett
([REDACTED]) <[REDACTED]>
Cc: Oliver Rothauer <[REDACTED]>
Subject: RE: Opportunity Zones

Paul,

As Stew described, I've attached information on the OZ fund focused on the New York metro area: the RXR Qualified Opportunity Zone Fund (the "Fund").

As an overview, RXR Realty, the sponsor, is a 500-person vertically integrated real estate owner and developer with a 50-year history in the metro New York market. RXR has already raised over \$100 million for the Fund and is targeting \$500 million for a portfolio of real estate investments in the New York area. This target portfolio includes almost 2,900 apartment units and approximately 675,000 square feet of office space in locations designated as "Qualified Opportunity Zones" ("QOZs") in the New York metropolitan area. The Fund has closed on its first two investments: Atlantic Station Phase II and 360 Huguenot and the Fund's offering documents more fully describe the other targeted investments, as well as other investments that the Fund may pursue. QOZs are designated census tracts where investments, under certain conditions, may entitle eligible investors to receive favorable tax treatment. The final close is anticipated in October 2019.

Highlights on the Fund include:

- RXR Realty is a large firm with deep roots in the New York area. It has \$18 billion in gross assets under management and is the 5th largest office land lord in NYC
- The firm's current leadership team has worked together for 23 years in RXR Realty and in the predecessor vehicle, Reckson Associates, a public REIT they sold in 2007
- The firm has long term local relationships with owners, tenants, brokers, contractors and municipalities
- RXR has been developing properties in the target markets for several years and had already assembled a portfolio of developments before the opportunity zone legislation was passed. The Fund is a continuation of RXR's "Emerging Submarket Strategy" of targeting transit-oriented developments in New York City's suburban downtowns and outer boroughs
- The investments are expected to produce returns that are attractive on their own without considering the opportunity zone tax benefits

Please review the attached materials for further information about the offering and the significant risks associated with investment, all of which

qualify this email.

Please let us know if you have any questions or would like to discuss further.

Best Regards,

Andrew

From: Stewart Oldfield
Sent: Tuesday, June 18, 2019 3:02 PM
To: Paul Barrett ([REDACTED]) < [REDACTED] >
Cc: Oliver Rothauser < [REDACTED] >; Andrew King
[REDACTED]
Subject: Opportunity Zones

Paul,

DB is working with two top managers to pursue the OZ opportunity in a couple of different ways. We will send details on each separately, but one is NY-focused with an existing portfolio of assets structured as a partnership. The other is a private REIT with a more national focus. I think both could be good fits for your clients. Once you've been able to review the info, please let us know when you can discuss in more detail. Looking forward to catching up more generally as well.

Thanks,

Stew

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Stewart Oldfield, CFA, CAIA

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