



Capital Equity Fund LLC.

(MCEF)



MACC Venture Partners is proud to launch a new portfolio fund that will acquire Real Estate from a diversified-asset mix of income producing Class A, B, and C multifamily properties—in primary and sub-primary markets across the Southeastern corridor of the United States. The fund will seek to leverage the company's core capabilities in enhancing assets, to produce an income generating investment for U.S., as well as non-U.S. based, investors.

The fund advantage lies in the company's historic ability to efficiently source, acquire, reposition, and operate real estate assets that are trading below their intrinsic value due to structural, capital, and management inefficiencies. In doing so, the fund seeks to procreate superior, risk-adjusted returns to investors and partners, while emphasizing downside protection. The substantive information shared in this presentation is subject to the disclosures contained on the last slide. For any questions related to such disclosures please contact John@maccvp.com.



MCEF

DATA POINTS

Our Projections

Target Launch Date:	Q1-2017
Capital Target:	\$100 Million
Expected Average Units Per Property:	100-300 Units
Minimum Investment :	\$1,000,000
Projected Average IRR to Investors:	15-23%
Targeted Average Deal Size:	\$5 Million to \$20 Million
Intended Average Holding Period:	3-5 Years
Geographic Coverage:	Southeastern United States
Property Type:	A, B, and C Multifamily
Target Annual Cash on Cash Return:	6% to 12%
Auditors:	Elliot Davis Decosimo
Capital Deployment Period:	24 Months
Leverage Maximum:	65%-75%
Fees:	2% (200 bps) Asset Management, 1.5% (150 bps) Acquisition Fees

MACC Venture Partners

MACC Venture Partners

- The capital arm of MACC Properties and Capstone Multifamily Group
- Own and manage over 4,900 units in 5 states
- Offices located in:
 - Gastonia, North Carolina
 - Miami, Florida

Capstone Multifamily Group — Property Management

- Incorporates the following services
 - Transparent and Cost-Based Expensing
 - Flexible Accounting & Planning Services
 - Web-Based Portals
 - An Orderly Bidding System
 - Total Maintenance Control



MCEF

Expertise



Quality Assets

Focused on properties with sustainable competitive advantages and strong cash flow generation.



Undervalued Opportunities

Targeting assets that the team believes are selling at a discount to their long term potential.



Flexible Portfolio

Designed to be opportunistic in its positioning within the geographic strategic framework of the focus markets.

Seeking long term capital appreciate through niche acquisition strategy.

Providing Quarterly distribution of cash flow through an efficiently managed portfolio of assets.



MCEF

Three Pillars of Success

BUY Right

- Conservative underwriting
- Contingency planning and exit strategies
- Strong distillation of deals

FINANCE Right

- Leverage and terms
- The right lender
- Capital expense reserve

MANAGE Right

- Hands-on approach
- Management team
- Transition/implementation team
- Underwriting execution

INVESTMENTS

10 Years in the Southeast

Real Estate Owner/Operator with Proven History

- Properties are managed by a cumulative team; currently over 120 members, including property managers, leasing agents, and on-site maintenance staff.
- Existing portfolio consists of over 3,000 apartment units and commercial office space.
- Stable, longstanding operations are continuously providing market intelligence, deal leads, and asset due diligence.

Differentiated Focus

- Primary focal points are multifamily and office sector, in markets with strong macro-economic prospects; focus on projects with clear, value-add.
- Targeted on a niche of \$5 - \$25mm of equity—the “sweet spot”—where local and institutional buyers are reduced.
- Assets are acquired only with projections of strong cash flow, either immediately or after improvements.

Strong Deal Flow/Pipeline

- Deals are generated from a variety of sources including special servicers, banks, and a multitude of brokers and asset partners; all with intelligence in local markets.
- Opportunities also available to participate in direct deals with Capstone Multifamily Group—a sister company and operator of assets.
- Proper distillation of approximately 200 deals results in an average of 6-10 investments each year.

Proven Syndication Strategy

- \$50mm in capital commitments has been raised over the past 15 deals.
- Supplemented by \$100mm in low cost debt.
- 30 assets—totaling approximately \$200mm in market value, with excellent metrics—have been acquired or contracted to purchase.

INVESTMENTS

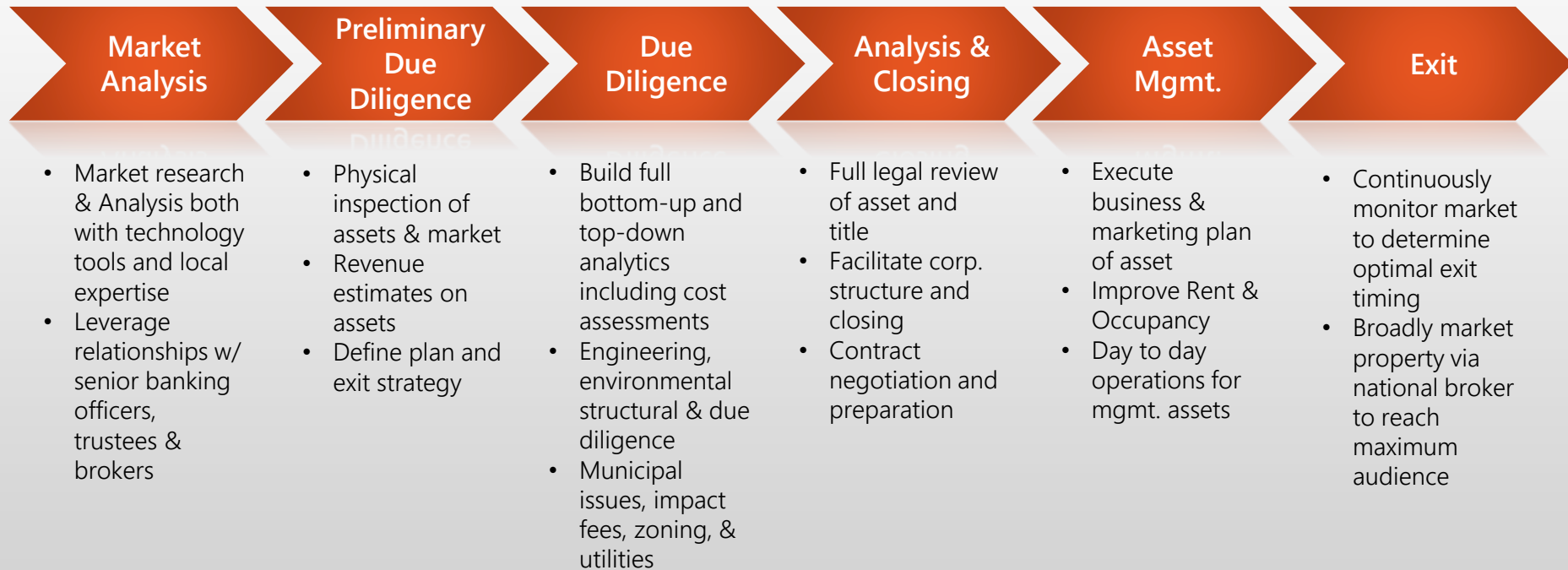
Philosophy & Strategy



- Identify target opportunities
- Underwrite based on thorough analysis of operations, revenue projections, and capital upgrades
- Evaluate full range of outcomes
- Thoroughly understand critical success factors
- Identify multiple exit strategies
- Negotiate best terms by leveraging existing synergies
- Create debt and equity structures that provide best investment
- Actively manage assets and expenditures consistently

INVESTMENTS

Implementation & Process

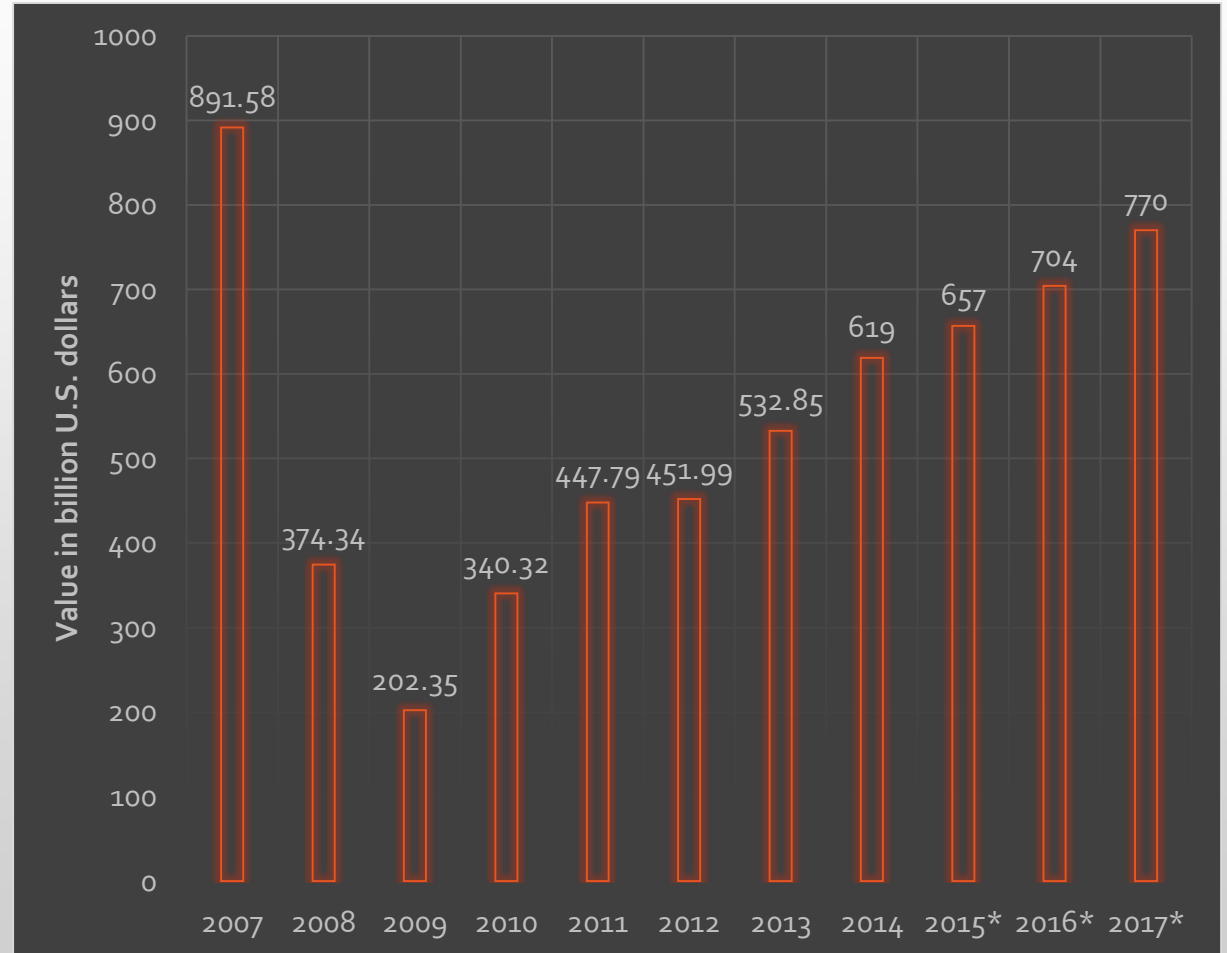




INVESTMENTS

Benefits of Commercial
Real Estate

Value of investment in commercial real estate
worldwide from 2007 to 2017 (in billion U.S. dollars)



Source: Statista from Knight Frank

INVESTMENTS

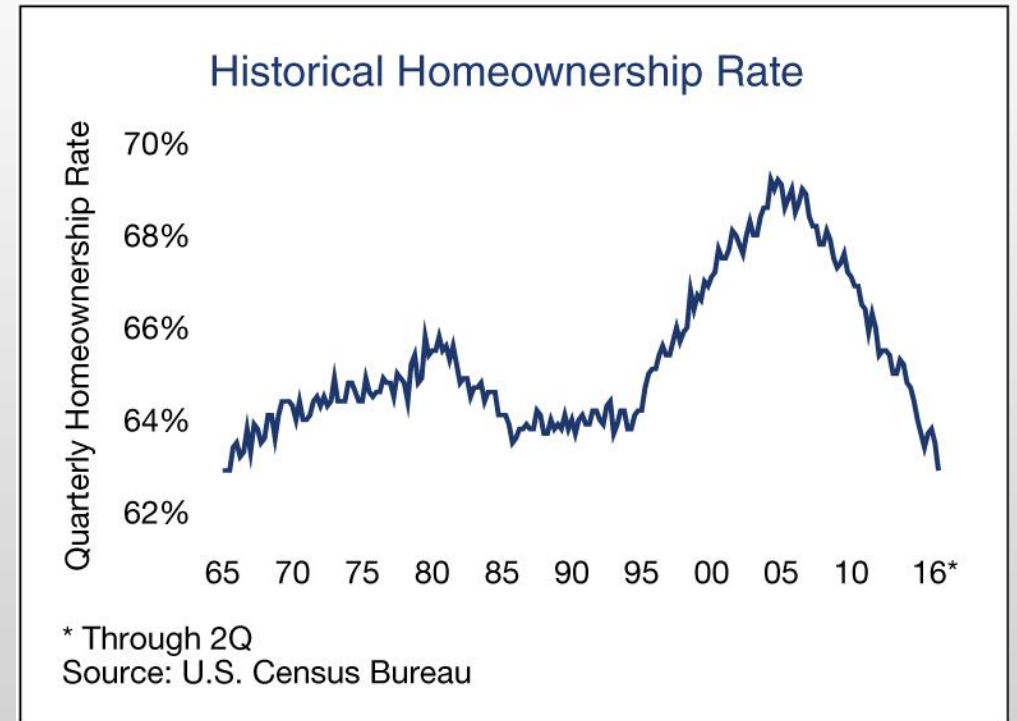
Benefits of Multifamily

Low homeownership has benefited the nation's multifamily sector

- In Q2 of 2016 apartment vacancy fell to 3.8 percent, equaling the 10-year low
- Rent has risen steadily for the past six years, increasing 5.3 percent from last June while the absorption of 123,000 units was one of the highest levels since 2009.

Causes of historically low homeownership levels:

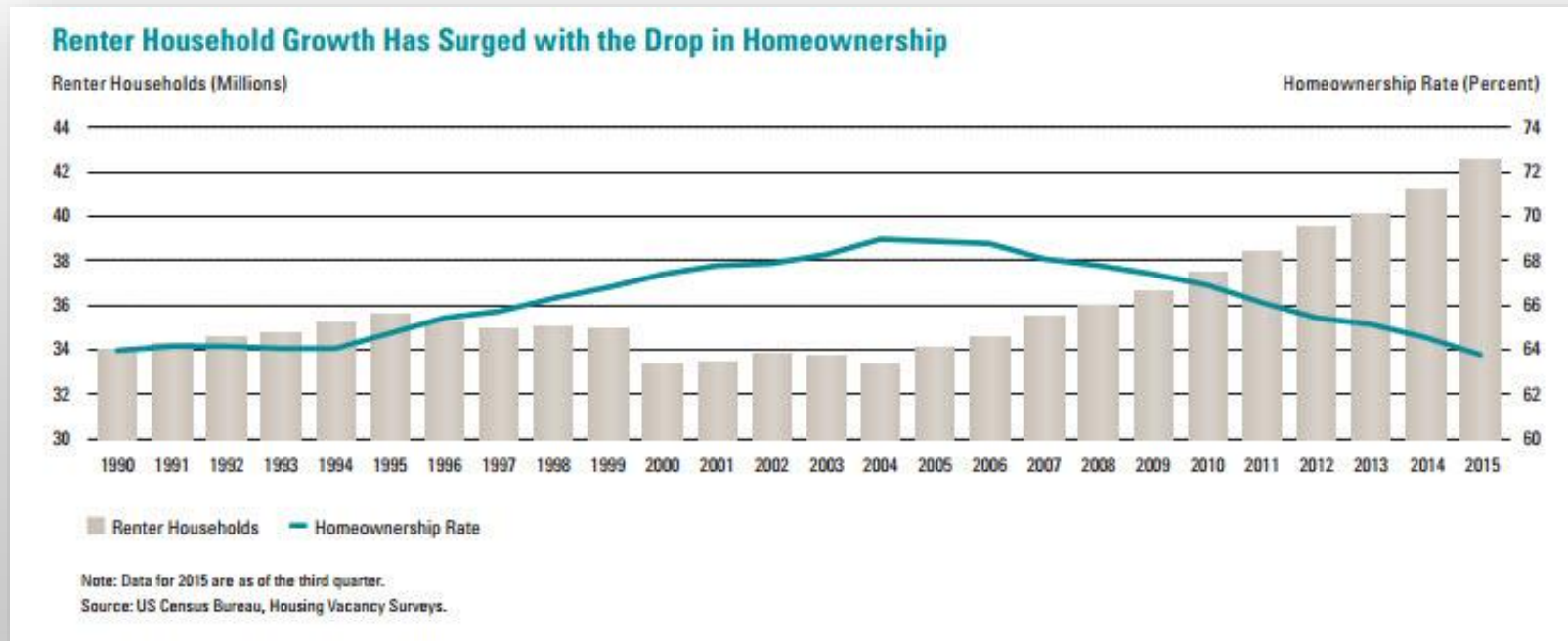
- Delays in life changes among multiple generations
- Scarce inventory
- The inability to save for down payment requirements
- More stringent credit terms
- Steadily increasing home price



*Information & Graphic are From Marcus & Millichap Research Services

INVESTMENTS

Benefits of Multifamily



"There are now more Americans renting than at any other time in U.S. history."

— National Real Estate Investor

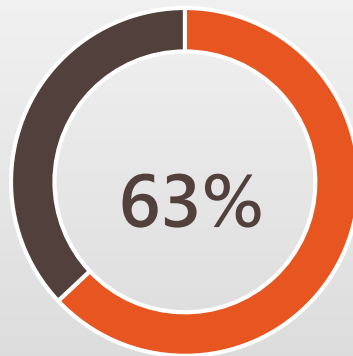
*From the Joint Center For Housing Studies at Harvard University; published in December 2015.

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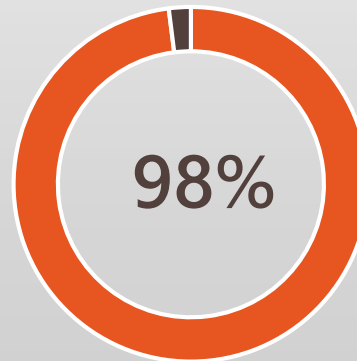
Investment Benefits

CASE STUDY — Conventional Market Rent, 120 Units, Augusta, Georgia

Occupancy at Acquisition
2009



Occupancy at Sale
2014



Return on
Investment

Pref
Return = 9%

Internal
ROI = 31%

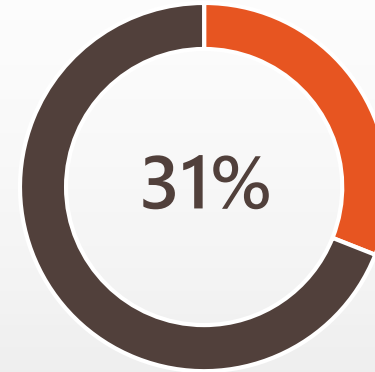
Historical case studies are provided for informational purposes only; they are not promises of future performance or specific returns as past performance is not an indication of future results. Projects and holdings in the fund may have considerably varying degree of returns in comparison to past projects. Any Investment in the fund may have loss exposure.

MACC

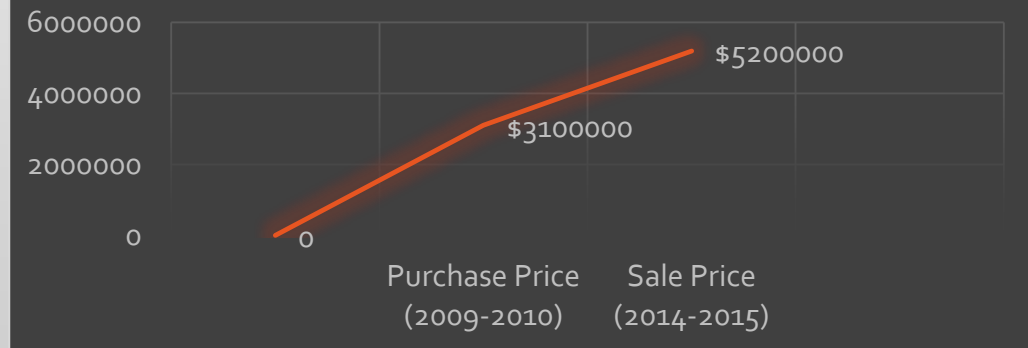
Investment Benefits

CASE STUDY — Conventional Market Rent, 120 Units, Augusta, Georgia

IRR After 4.5 Years



Property Value Increase



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MCEF Roles & Experience

Portfolio Management Partners



Tony Azar
Chief Executive Officer

Responsibilities

Oversees the complete process of identifying, analyzing, acquiring, managing, marketing, syndicating all properties.

Experience 25 years

Asset Management, Asset Acquisition, Property Management, RE Finance, Start-ups & new ventures



John Azar
Executive Vice President

Responsibilities

Directs strategic development and growth; also oversees capital structure, alternative financing, and investor/portfolio development

Experience 15 years

Investment Management, Institutional Finance, Debt & Equity, RE Development, Venture Funding

First Class Support

Auditors	3 rd Party Administration	Property Management	Legal

MCEF Leadership Bios



Tony Azar, Chief Executive Officer
Tony@maccproperties.com

Tony is the Chief Executive Officer of MACC Venture Partners. His focus is on acquisitions, repositioning, and management of all real estate holdings and projects. Tony manages and oversees the complete process of identifying, analyzing, acquiring, managing, marketing, and syndicating all properties. Tony started in Real Estate in 2003 and has a history of success as an entrepreneur.

In addition, Tony owns Capstone Multifamily Group, a family-run property management company that owns and/or manages 27 apartment complexes consisting of over 2,700 rental units in over 15 markets throughout the Southeast. Tony attended North Carolina State University and the University of North Carolina in Charlotte where he studied Electrical Engineering, Analysis & Design (EAD).



Jalal John Azar, Executive Vice President
John@maccvp.com

John is the Executive Vice President of MACC Venture Partners and the Capstone Multifamily Group of companies where he directs strategic development and growth. He oversees capital structure, alternative financing and investor/portfolio development. John has a history of pronounced success in investment management, institutional sales and distribution as well as commercial banking and lending.

John was a co-Founder and Managing Partner of Boston Venture Partners (BVP), a private equity consulting and finance firm specializing in real estate development, and structured finance. Through his tenure he worked on a cumulative portfolio of \$1.8 Billion spanning from Boston to Miami as well as London and South America. John holds a B.A. from the University of North Carolina in Charlotte and an M.B.A. from Boston University Questrom School of Business.

MACC Venture Partners

Family of Companies



Private Equity Commercial Real Estate

- Capital Preservation and Appreciation
- Quality Assets
- Undervalued Opportunities
- Flexible Portfolio
- Fund Management

www.maccvp.com



CAPSTONE COMMERCIAL GROUP

- Multifamily Office & Land
- Global Listing Services
- Property Valuation
- Buyer Representation

www.c21capstone.com



- Management of Income Producing Assets
- Transparent and Cost-Based Expensing
- Flexible Accounting & Planning Services
- Web-Based Portals
- An Orderly Bidding System
- Total Maintenance Control
- Flexibility of Management

www.livewithcapstone.com

MACC Venture Partners

Established Southeast Presence



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251 W Main Ave
Gastonia, NC

Miami Office
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Miami, FL

Disclosure

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If any offer of Investment is made, it shall be pursuant to a definitive Operating Agreement, Private Placement Memorandum subscription documents and/or other relevant definitive legal documents, prepared by or on behalf of the Opportunity which would contain material information not contained herein and which shall supersede the information herein in its entirety ("Definitive Legal Documentation"). The Opportunity mentioned in this document will not be registered in your jurisdiction and to the fullest extent possible any such offer will be made only pursuant to private placement exemptions available. It may therefore not be eligible for sale or investment in your state or country and may not be suitable for you or certain types of investors.

As such, any decision to make an Investment should be made after reviewing the Definitive Legal Documentation for the Opportunity which will contain representations by you that you are a sophisticated investor meeting any relevant regulatory requirements and that you have conducted such investigations as you deem necessary and after consulting your own investment, legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of making an Investment.

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Investing is speculative and may involve substantial investment, liquidity and other risks. Investments can be leveraged and performance results can be volatile and may result in loss of principal. Past performance is no indication of future results. There is no secondary market for the investors' interests and high expenses may offset any profits the Opportunity may generate.

(i) "All projections and forward-looking statements are based on the information available to the company and its analysis of the same. They are not promises of performance or specific returns"; and (ii) "All case studies and historical statements are provided for informational purposes. They are not promises of future performance or specific returns."

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