

The Management Team

The **McAlister Investment** management team offers collective expertise earned from years of successful real estate investment, development and operating experience. The hallmark of every **McAlister** investment is the systematic and exhaustive due diligence process implemented prior to acquisition. The strong reputation of the **McAlister Investment** principals and long-standing relationships with lenders, developers/owners, and the brokerage community provides continual, active sources of suitable product that helps **McAlister Investment** generate success for our clients.

Jim McAlister, Sr. brings over 40 years of successful real estate experience and wisdom to his investors. In 1973, Jim founded the **McAlister Company**, an organization that formed partnerships with high net worth individuals and institutions. Prior to forming his own organization, Jim was responsible for numerous real estate projects including the successful implementation of The Woodlands, Texas, a 25,000 acre master planned community just north of Houston. Throughout Jim's career he has closed over \$1 Billion in real estate land partnership transactions and since 2002, he has had seven (7) real estate Funds which had over \$290 Million in assets.

Hydie McAlister began her commercial real estate career in 1991 with **McAlister Company**. In 2008, Hydie co-founded **McAlister Investment Real Estate**, bringing with her significant experience in capital formation, asset selection, due diligence and investor relations. Hydie was instrumental in forming the \$50+ Million **McAlister Opportunity Fund 2012**, overseeing the property acquisition activities. As of the end of 2013, Hydie has been involved in land transactions totaling over \$80 Million.

Paul Connor is responsible for capital formation, sourcing properties, evaluating the investment potential, deal structuring and overseeing the due diligence and enhancement of all investments. Prior to joining **McAlister Investment Real Estate**, Paul was Vice President of Acquisitions for Senterra Real Estate Group. Senterra is the successor company to Century Development, which developed Greenway Plaza and Allen Center in Houston. During his 11 year tenure, Paul oversaw the firm's real estate investment, financial structuring, and merger and acquisition activities throughout the United States. Throughout Paul's career, he has been involved in over \$350 Million of real estate developments and investments.

Jim McAlister, Sr.

jimsr@mcalisterv.com
713.535.2276

W. Paul Connor

paul@mcalisterv.com
713.535.2257

Hydie McAlister

hydie@mcalisterv.com
713.535.2260

2211 Norfolk Street, Suite 803
Houston, TX 77098
713.535.2250

www.mcalisterv.com



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McAlister INVESTMENT
REAL ESTATE

OPPORTUNITY FUND 2014

McALISTER INVESTMENT

REAL ESTATE

McAlister Investment is a private real estate investment firm with an investor base consisting of high net worth individuals, pension plans, institutions, endowments, universities, and private funds. Guided by our proven approach and trusted expertise, **McAlister Investment** uses unleveraged capital to invest in undeveloped land parcels in Texas and the Sun Belt states to achieve strong, risk-mitigated returns for our investors.

The **McAlister Companies** have completed over \$1 billion in real estate transactions.

McAlister Companies have a record over the past 40 years of investing in land parcels through partnerships that have been extremely successful.

The McAlister Opportunity Fund 2014

The **McAlister Opportunity Fund 2014** (the Fund), is the eighth in a series of discretionary cash only land investment funds by the **McAlister Companies**. The funds do not use leverage and purchase for cash only. This \$100 million opportunistic real estate fund, will primarily focus on investing in undeveloped or developing land parcels located in Texas and the Sunbelt states.

The business plan for the Fund utilizes a portfolio of multiple properties and a land banking component to provide annual cash flow to the investors.

Capital preservation, attractive long-term investment returns, and risk mitigation are key elements of the **McAlister Investment** strategy.

Our time-tested approach is to make acquisitions that are unlevered with a defined exit strategy and limited risk exposure.

Land investments are typically in the range of \$2 million to \$10 million, providing diversification within the portfolio in terms of property type, location and size.

The Fund will target a gross return of 18%+ IRR unlevered to its investors.

There is currently a vibrant and growing demand for housing coupled with a constrained supply of developable home sites. This presents an opportunity to invest in real estate today that has not been seen since the early 1990s. Paired with continued tight lending to developers and strong population and job growth in Texas and the Sunbelt states, the real estate market presents unprecedented investment opportunities.

Track Record and Transparency

Integrity is more than a goal or moral guidepost at **McAlister Investment**, it's an unbending standard for how we conduct business. It is this standard, paired with our commitment to clear and consistent communication with our investors, that has earned us a track record of investment and development activities that have produced superior returns compared to other real estate investments.

Investment Opportunity
\$100 million unlevered private equity fund offering

Investment Strategy
Focus on opportunistic undeveloped real estate

Preferred Return

10% per annum

Targeted Return

18 – 20% IRR unlevered
2.0+ X Multiple

Minimum LP Commitment
\$250,000

GP Contribution
1% minimum

Targeted Term for Each

Project
3 to 5 years

Fund Life
7 years with ability to operate under initial term through 2025

Acquisition Fee

1% of properties acquired

Carried Interest
20% of cumulative distributions after return of capital commitments and preferred return

Management Fee
2% per annum of capital commitments during the investment period, thereafter the lesser of 2% of aggregate capital commitments, or 2% of the appraised value of assets of the Partnership

The Strategy

Utilizing available unlevered capital retained by our Fund for acquisitions is a key to the Fund's strategy. This approach allows **McAlister Investment** to move quickly and to "buy the right investment at the right time." The ability to close quickly gives the Fund an advantage in securing quality properties at an attractive price.

The Fund investments are all cash acquisitions of high quality under-valued residential and commercial tracts in geographical areas of active growth and development. Investment tracts purchased by the Fund are targeted to mature for development within a three to five year time frame.

After purchasing a tract, **McAlister Investment** enhances the value of the land through the formation of utility districts, drainage plans, flood plain/wetlands mitigation, access improvement and overall site planning. Once improvements are made, the land tract is then sold in whole or in part to maximize the profit and cash flow to investors.

Texas Economic Highlights

Nationally, Texas has led the way for job and population growth with nearly 25% of the total U.S. growth in both categories. Houston ranked number one in net job gains of the top 10 major metro areas of the U.S. in 2011, 2012 and 2013. Three other Texas cities, Dallas/Ft. Worth, Austin and San Antonio, are also in the top 15.

This growth in jobs continue to fuel an increase in population for Houston and Texas in general. The influx of population continues to increase demand for new housing. Absorption of the limited developed residential lot supply for new home construction, especially in the Greater Houston Metro area, continues to outpace the supply of new lots to the market. Texas, and Houston specifically, is experiencing historically low available housing inventory which is creating ideal investment opportunities.

Demand is outpacing supply, creating sustainable upward price pressure. Prices for finished residential lots are currently above 2007 levels and are continuing to increase along with demand.