

Halston Waterleigh Investment Incentive

Ashcroft Capital is offering an incentive to investors based on the equity amount they invest in Class B of Halston Waterleigh. **The more you invest, the more upside you participate in.** Ashcroft has historically outperformed our projected returns as evidenced by an LP IRR of 22% and average cash on cash return of 24.7% across the 28 properties that have gone full-cycle*.

As an example, if Halston Waterleigh hypothetically returns a gross IRR of 20.0%, investors who invest more than \$100,000 would receive additional upside. In this hypothetical scenario, an investor who invested in the \$100,000 - \$249,999 range would receive a 17.0% IRR and 21.5% annualized cash-on-cash return whereas an investor who invested in the \$500,000 - \$999,999 range would receive a 18.4% IRR and a 24.0% cash-on-cash return.

Please note the table below is meant to only be used to illustrate the upside benefits for investing more. To review the projected returns of Braxton Waterleigh please refer to slide 9.

It is also important to note that the additional upside in the investment tiers comes out of the GP profits. It does not impact any LP returns. For example, a \$25,000 investor is not making less money when a \$1,000,000 investor receives additional upside.

Investment Tier	Coupon Rate	LP/GP Split	LP IRR	LP Equity Multiple	LP Avg CoC (inc Sale)
\$25,000 to \$99,999	7.0%	<u>70%</u> / 30%	15.6%	1.96x	19.3%
\$100,000 to \$249,999	7.0%	<u>75%</u> / 25%	16.4%	2.02x	20.5%
\$250,000 to \$499,999	7.0%	<u>80%</u> / 20%	17.1%	2.08x	21.7%
\$500,000 to \$999,999	7.0%	<u>85%</u> / 15%	17.8%	2.14x	22.9%
\$1,000,000 - \$1,499,999	7.0%	<u>90%</u> / 10%	18.5%	2.21x	24.1%
\$1,500,000+	7.0%	<u>100%</u> / 0%	19.8%	2.33x	26.5%

**Past performance is not an indicator of future outcomes, and there can be no guarantee of similar results or distributions at the same rate. Future performance may materially differ.*

***Sample returns for discussion purposes only*

****In accordance with the waterfall structure detailed in the subscription documents, contingent upon investment performance, Class A may also be entitled to .5% or 1% of cash distributions.*

***** Once all Class B Limited Partners (LPs) have received a 7% return, the General Partner (GP) will receive any catch-up distributions necessary to achieve a retroactive 70/30 split. This distribution structure applies until the 7% return has been distributed to all Class B LPs.*

******At any time, the GP, in its sole discretion, may limit the amount of capital to be allocated to each Class and Tier, and may close one or all Classes or Tiers within a Class.*

******Pursuant to Article VII of the Partnership Agreement, the Partner's share of profits may be slightly lower as the Class A receives additional distributions, after the Class B IRR exceeds the 13% and 25% return hurdles, as detailed and in accordance with 7.1 (g)-(h), and 7.2(h)-(i) of the Agreement.*