



# Real Estate Equity Investment Program Highlights

## Ameritas can help your clients focus on their core business

Ameritas Investment Partners, Inc. (AIP) is a registered investment advisor for public and private pension funds, endowments, foundations, mutual funds, high net worth individuals and insurance companies, including Ameritas Life Insurance Corp. (Ameritas®). As part of the Ameritas investment portfolio, AIP has developed a real estate joint venture program for Ameritas to invest in select real estate transactions alongside operating partners. The Ameritas portfolio is well-diversified and includes an ownership interest in more than 75 properties across 25 states, including 4,500 apartment units, 800,000 square feet of office and retail space, and 5.1 million square feet of industrial product.

## Investment philosophy

AIP works with a national network of carefully selected mortgage banking intermediaries to identify potential development partners and real estate opportunities that fit Ameritas' investment criteria. AIP focuses on two primary investment strategies:

### Heavy Value-Add/Opportunistic

Investment in quality, general purpose properties with stabilization and repositioning/renovation risk that can be acquired for substantially below replacement cost. These properties may suffer from management/ownership issues and will benefit from fresh capital and the implementation of a new management and/or leasing strategy. Underwrites to a net leveraged internal rate of return (IRR) above 18% based on realistic assumptions.

### Light Value-Add/Core-Plus

Acquisition of existing properties in solid locations that have been mismanaged or under-leased but do not have substantial stabilization/renovation risk like heavy value-add investments. Purchase prices will still be favorable, and the properties will benefit from some residual value creation, but most of the return will come through stable cash flow. Due to the lower risk profile and current cash-on-cash yield, IRR expectations are above 14% based on realistic assumptions.

## How we can help

Ameritas will enter into traditional partnerships that have a direct ownership interest in real estate or will purchase a defaulted promissory note from a lender and then either foreclose on the real estate or negotiate a deed in lieu of foreclosure with the borrower. Ameritas and the transaction sponsor will contribute equity to capitalize each transaction (percentages vary by investment). In addition to committing equity for a joint venture investment, Ameritas can also provide bridge financing.

Most of Ameritas' partners have raised capital from friends, family, and high net worth individuals in the past, and the goal is to establish long-term relationships that allow partners to focus on identifying investment opportunities instead of finding equity. Ameritas takes on the role of limited partner in each joint venture and looks to the sponsor to utilize their local market expertise to manage the day-to-day operations of each investment. Ameritas maintains approval rights over major decisions, such as annual budgets, loan modifications, refinances, and dispositions. Ameritas is here to provide the financial resources and expertise so you can focus on identifying investment opportunities.

## For more information, contact:

Adam Karavas  
Director - Real Estate  
5945 R Street  
Lincoln, NE 68505  
p: 402-467-6957  
c: 402-429-8807  
[adam.karavas@ameritas.com](mailto:adam.karavas@ameritas.com)

Will Brewer Jr.  
Sr. Real Estate Analyst  
5945 R Street  
Lincoln, NE 68505  
p: 513-595-2735  
[will.brewer@ameritas.com](mailto:will.brewer@ameritas.com)





# Real Estate Equity Investment Program Highlights

## Property types

Industrial, multifamily, and strip retail properties. Investment focus is on existing value-add properties and select industrial BTS development opportunities. Multifamily properties must have at least 100 units.

## Location

Focus is on MSA's with populations of at least 500,000 and favorable long-term growth prospects.

## Investment size

\$5.0 to \$30.0 million total project budget including debt and equity provided by all parties. This translates to equity commitments ranging from \$2.0 to \$10.0 million.

## Entity structure

Limited liability company.

## Ameritas involvement

Ameritas prefers to be involved in a potential investment as early as possible. After acquisition the sponsor will act as the managing member while Ameritas takes on the role of a limited partner maintaining approval rights over major decisions such as sales, refinances, loan modifications and changes to the approved budget.

## Financial reporting

Delivery of monthly financial statements, leasing updates and annual GAAP audit required.

## Sponsor equity

Cash equity investment by the sponsor required. Percentages vary by transaction, typically at least 10% of equity commitment.

## Yield targets

Vary based on investment strategy:

Heavy Value-Add: Above 18% IRR  
Light Value-Add: 14% to 16% IRR

## Holding period

Investment term of five to seven years is typical, but Ameritas does not have a defined hold period.

## Leverage

Ameritas can provide bridge debt for joint venture properties or is amenable to third party financing (new or assumption) depending on the investment characteristics.

## Other

- Industrial Build-to-Suit. Minimum 10-year lease.
- Defaulted promissory note purchases where sponsor formulates and presents a plan to reposition the asset after acquisition of the promissory note.



Ameritas Investment Partners

Ameritas® and the bison design are registered service marks of Ameritas Life Insurance Corp. Fulfilling life® is a registered service mark of affiliate Ameritas Holding Company.

