



SLF Value-Add Fund 2

Frequently Asked Questions

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OFFERING FAQs

SLF Investment Community: Woodland Hills, CA

1 Why should I consider investing in senior housing?

- Senior housing has consistently been a top performing commercial real estate sector for 15+ years
- Tight capital markets make it difficult for senior housing developers and operators to acquire proper financing for their senior housing communities.
- The demand for senior housing is increasing at an unprecedented rate as approximately 10,000 baby boomers reach the age of retirement every day.
- The result is a large gap between the demand and supply for quality senior housing in many markets creating a great opportunity for investors to potentially achieve significant returns.

2 What is the investment focus of SLF Value Add Fund 2?

SLF Value-Add Fund 2 will invest in senior housing communities perceived to be under-performing operationally, financially distressed, in need of updated marketing, and/or require project renovations. Once invested, SLF will pursue necessary modifications to raise overall community sales values. At which time SLF will seek exit, providing returns to the Fund and participating investors.

3 Help me understand the types of senior housing in which the Fund may invest.

The Manager intends to target existing facilities that meet some or all of the following parameters:

- assisted living, memory care, independent living, active-adult living-
- Located throughout the United States with an emphasis on “sunbelt” regions
- Generally constructed in year 2000 or later

4 Will the Fund invest in private-pay, or government-subsidized communities?

The Fund primarily focuses on private pay senior housing communities, however, it may consider investment opportunities in subsidized pay communities. Subsidized pay communities typically rely on Medicare/Medicaid for their revenue.

5 Can anyone invest in SLF Value-Add Fund 2?

Only accredited investors with a U.S. tax ID can invest in the Fund.

6 How do I determine if I am an accredited investor?

This is determined by a 3rd party accreditation verification service the Fund utilizes. To give you an idea, the general guidelines if personally investing are:

- Annual income of \$200,000 (individual) or \$300,000 (w/ spouse or spousal equivalent) for the past two consecutive years with the expectation of achieving this income threshold in the current year.
- Or a net worth of \$1M or more, excluding the value of your principal residence (individual or combined with spouse)
- Investor holds a current Series 65, Series 7, or Series 82 license.
- Alternatively, your CPA, Attorney, or licensed financial advisor can complete a [3rd Party Verification Letter](#) to confirm your accredited status

Please contact us for accreditation guidelines if investing through a trust or an entity.

7 How do I track my investment in the Fund?

All investors will be provided 24-hour access to their information through an online portal. This portal permits you to view performance information

regarding your investments including preferred return accrual, distributions, Fund updates, quarterly financials, annual audits, and investment documentation. .

8 Are there any up-front fees for investing in SLF Value-Add Fund 2?

100% of your investment will be placed directly into the Fund and credited to your investment balance. At the Fund level, SLF Value-Add Fund 2 will pay management fees, placement fees, and Fund expenses, as outlined in the PPM.

9 Can I invest through an IRA, Trust, or Entity?

Yes. We accept investments through an IRA (traditional, SEP or ROTH), a Trust, Entity, or an individual. If investing via an IRA, approval of the Fund may be required by your IRA custodian.

10 Are there any benefits to using IRA funds rather than personal funds to invest in the Fund?

Funds from an IRA typically provide you tax benefits when compared to investments made with traditional non-IRA funds. In most situations, your income tax liability is deferred until such time you withdraw your capital from the IRA account for personal use. Please consult your tax professional to better understand your personal tax situation.



11 Can I use a 1031 exchange for my investment?

A 1031 exchange cannot be used to invest in this Fund, but we may have other options that can be explored for those investors who wish to use a 1031 exchange.

12 If I am not a resident of the USA, can I invest in the Fund?

Yes. Offshore investors may invest, but the offering must be permitted under local law in the investor's country of residence. They will also need to obtain an Individual Taxpayer Identification Number (ITIN). Local, non-US resident investors are permitted to invest, regardless of their visa status. Additional documentation required.

13 How long will my capital be invested?

The term of the Fund is 45 months from the conclusion of the subscription period (~15 months). As the Fund begins to wind down, whereby the assets within the Fund are purchased by our clients or sold to a 3rd party, your principal investment is returned to you, in addition to your prefs and pro-rata share of the Fund's profits. The Fund will own multiple assets, so the wind down will be gradual.

14 What defines the life of the Fund?

There are four general stages to the Funds investment in existing communities:

1. Months 1-12: Implement Value-Add Plan.

This period covers the timeframe from the Fund's acquisition of an existing facility until the value-add plan has been fully implemented.

2. Months 13-24: Break Even. The Manager anticipates that each acquired value-add Asset will break even or reach "cash flow" within one (1) to two (2) years.

3. Months 25-36: Financial Stabilization. The financial industry typically evaluates an Asset's previous 12 months of financial operations when determine the value of an Asset.

4. Months 37-48: Marketing and Sale. Once a senior housing community achieves financial stabilization, it's the ideal time for the Manager to begin the process of marketing the facility for sale, or acquiring long-term financing for the community, allowing for the liquidation of the Fund's interest.

15 Will my return be consistent throughout the life of the Fund?

No. SLF Value-Add 2 investors will receive monthly preferred payments for the first 36 months after the time of initial investment. SLF Value-Add 2 investor returns are also dependent on the Funds exit from each individual investment project. After preferred monthly payments, Investors in SLF Value-Add Fund 2 should not anticipate distributions until the latter portions of Fund life, as capital received from early project exits may be utilized for new investments.

16 What share of the Fund's profits do the investors receive?

In After the payment in full of all preferred returns, the available cash will thereafter be distributed to the Investors pro rata in accordance with units held until his/her/their respective capital contribution to the Fund has been returned in full. Thereafter, the investors and the manager receive distributions on an 85% and 15% basis respectively, until the deferred management fee (and any deferred portion of the base management fee) is paid in full. Finally, all remaining profits are distributed to the members pro rata in accordance with units purchased. Please see page 17 of PPM for more information regarding the Fund distribution waterfall.

17 Will the operators/owners invest in the construction and/or operations of the facility?

Yes. In virtually every deal, the operators/owners will have some level of co-investment in the form of equity, bank note guarantor, and/or commitment to a long term lease on the facility.

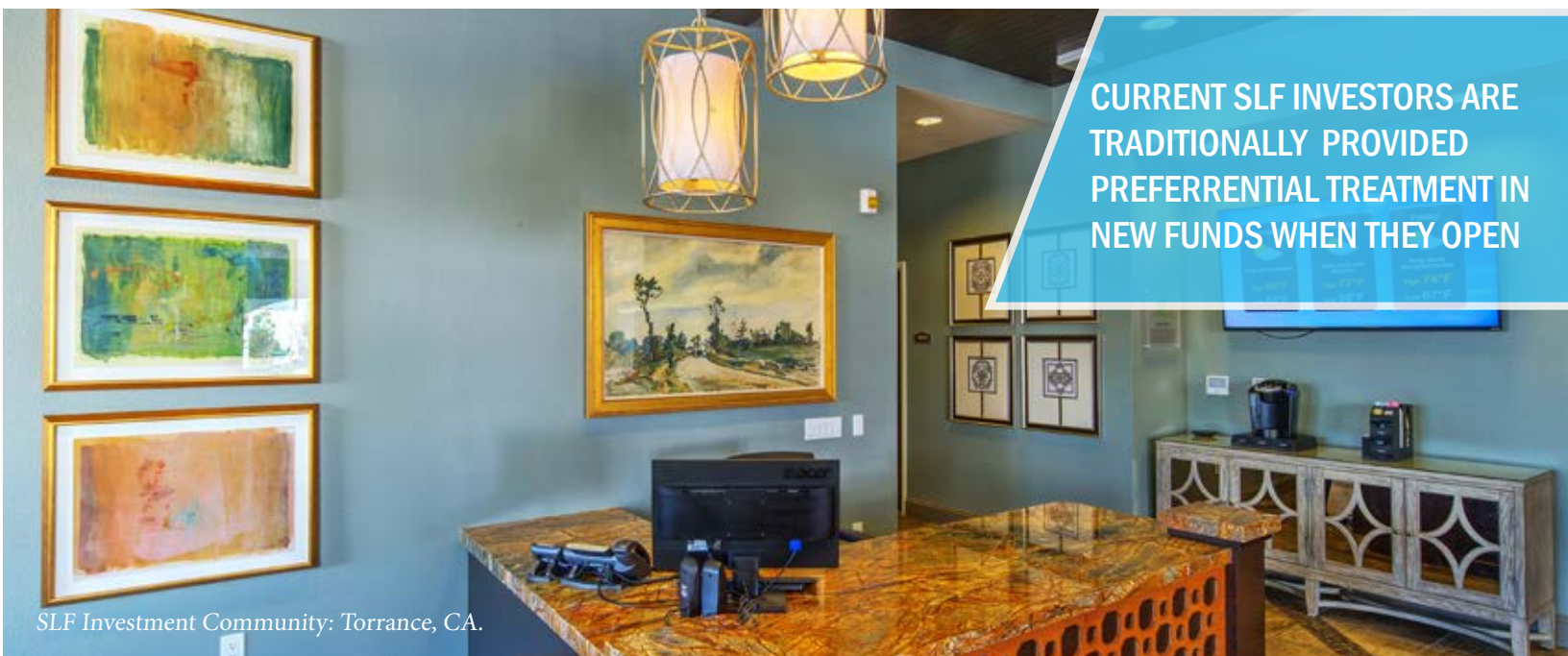
18 What are the various investment levels? Can I receive monthly income? How much, for how long? What is the overall estimated return on my investment?

SLF Value-Add Fund 2 offers multiple levels of participation for accredited investors. With each increasing level of investment participation, investors will earn a higher monthly preferred payment rate, as well as receive reduced unit pricing. Overall, resulting in a higher estimated IRR per increasing investment level, as outlined in the below table:

INVESTMENT LEVEL	MONTHLY PREFERRED PAYMENT ⁽¹⁾	ESTIMATED UNIT PRICE	UNITS PER \$1,000 INVESTED	ESTIMATED CLASS IRR ⁽²⁾
\$50,000 - \$249,999	7.00%	\$1.000	1.000	7.00% - 14.00%
\$250,000 - \$499,999	7.50%	\$960	1.042	8.00% - 15.00%
\$500,000 - \$999,999	8.00%	\$920	1.087	10.00% - 17.00%
\$1,000,000+	8.50%	\$880	1.136	12.00% - 20.00%

Estimated Fund IRR⁽²⁾
7.00% - 20.00%

(1) SLF VAF 2 investors will receive preferred monthly investor payments, payable monthly, for 36 months from the time of their investment. Please see the Private Placement Memorandum of the Offering for additional information.
 (2) Estimated IRR's have been rounded to the nearest whole percent, are based on projections, and not guaranteed. Investor IRR range differs per investment level. For additional information, see the Private Placement Memorandum of the Offering.



CURRENT SLF INVESTORS ARE TRADITIONALLY PROVIDED PREFERENTIAL TREATMENT IN NEW FUNDS WHEN THEY OPEN

SLF Investment Community: Torrance, CA.

RISK FAQs

SLF Investment Community: Las Vegas, NV

19 What are the benefits of investing in the Fund, compared to investing directly in a specific senior living community?

Fund investors benefit from having their investment placed in many communities, rather than a single community, which diversifies their investment and lowers their investment risk profile. Investors also benefit from SLF Value-Add Fund 2 being a passive investment Fund, rather than having to take the time to manage their own individual investments.

20 What other risks are involved in this investment?

This is a speculative investment. The majority of communities in which the Fund anticipates investing have lower-quality track records. Typically projects requiring some extent of renovation, or quality improvement. The performance and market value upon maturity of these assets are based on industry standards, detailed market studies, the historical performance of the senior housing operator, and our own experience with these assets. There are many other risk factors that should be understood and considered before you decide to invest. They are located in the Private Placement Memorandum (PPM) for the Fund.

21 Is this Fund leveraged?

No permanent external debt will be used by the Fund to provide capital for Fund investments. The Fund may borrow capital from or loan capital to affiliated Funds or the Fund Manager.

22 Will the Fund return my investment if I am not satisfied with its performance?

There is no obligation for the Fund to return your investment if you are not satisfied with Fund performance. It is an at-risk investment, and you should fully evaluate the risk in light of the projected returns before you decide to invest. Please reference hardship cases as outlined in the PPM.

23 How is my investment secured?

Upon investment, you will own units in the Fund, and therefore will be an owner in the Fund. Your fully executed Subscription Agreement will be testimony to this. Each investment by the Fund is secured by ownership or a note secured by the underlying real estate and/or operations.

24 What factors influence the overall projected Fund return?

Many factors influence the projected Fund return. These are the three primary factors:

- **The specific financial performance of each asset** in which the Fund invests. While a great deal of analysis is undertaken before the Fund invests in any asset, some assets will likely perform better than projections, and other assets will perform below projections. The performance is ultimately reflected in the net operating income, or NOI.
- **The market valuation at the time each asset is taken out.** This is typically reflected in what is called a “Cap Rate” (Capitalization Rate). The Cap Rate is simply the rate of return an asset buyer wants for the cash flow stream produced by the asset. If the market Cap Rate drops, that is positive for your investment, because it means that the asset is worth more based on the existing cash flow stream. In periods of great demand, the Cap Rate typically drops, thereby increasing the value of your investment.
- **The length of time before each asset matures.** The longer it takes for the asset to mature, the more likely it dilutes your return. Therefore, we would like to wind down the Fund as quickly as we can after the assets have economically stabilized.

25 Can you provide me your latest audited financial statements for the Fund?

Yes. We anticipate the first audit for the Fund will be conducted mid-2024 by a member of the Public Company Accounting Oversight Board (www.PCAOBUS.org) and annually thereafter. The PCAOB is a private sector, nonprofit corporation created by the Sarbanes-Oxley act of 2002 to oversee the audits of public companies and other issuers in order to protect the interest of investors and further public interest in the preparation of informative, accurate, and independent audit reports. The results of each audit will be made available to all investors in the Fund in addition to accredited prospective investors upon request.

26 What happens to my investment in Senior Living Fund if interest rates change?

The Fund will not employ any permanent external financial leverage to increase the investment power of the capital provided by investors. As a result, the change in the prime lending rate and other similar index rates should not have any direct effect on your investment. Should the prime rate or similar indices rise significantly, this could cause the exit Cap Rate to rise, which would negatively influence the valuation of each asset.

27 How do you keep my personal information secure?

Fund Management takes several precautions to protect the security of your personal information and your privacy, including:

- We utilize the latest firewall protection software, which is installed on all Company computers.
- We publish company internet use requirements and restrictions and remind all employees to avoid going to rogue websites or opening suspicious emails that might introduce malware or phishing programs onto the workstations. The firewall is designed to catch this, but we will take extra precautions.
- All printed documents with any sensitive information are stored in a locked cabinet in a secured room until no longer needed. At that time, they are shredded, and the contents securely disposed of by a shredding service.
- The online portal requires a login ID and password, and will not provide access to anyone’s information except for the investor who is accessing the portal.
- Our main offices are locked 24/7 and require direct approval before anyone is allowed to enter.

28 Is it possible that I can lose part or all of my investment?

Yes, your investment in the Fund is an at-risk investment. While we believe a partial or total loss of your investment is very unlikely, it is a possibility. **THIS INVESTMENT INVOLVES A DEGREE OF RISK THAT MAY NOT BE SUITABLE FOR ALL PERSONS. ONLY THOSE INVESTORS WHO HAVE NO NEED FOR LIQUIDITY AND CAN BEAR THE LOSS OF A SIGNIFICANT PORTION (OR ALL) OF THEIR INVESTMENT SHOULD PARTICIPATE IN THE INVESTMENT.**

29 What happens if the operator for any Fund investment fails? Or if your developer does not complete construction at the facility?

These risks are mitigated through our relationships in the senior housing sector and our underwriting process. In general, operators will have a history of successful operations management, and developers/contractors will have a successful record of performance developing, constructing, and renovating facilities. That does not always prevent problems, but it should reduce the chance of these problems occurring. Should they still occur, Fund management and advisory council members have an ample number of relationships with other operators, developers and contractors that we can bring in to address the issue. Further, we have factored in the possibility of under-performance with these investments. That is why we have provided a range of estimated investor returns.

30 How can this Fund generate these returns?

The Fund will primarily invest in under-performing projects that are listed below market value. Once operating efficiently, these projects are anticipated to bring a much greater targeted rate of return for the investor than other comparable existing-asset opportunities. The estimated returns stated in our literature are consistent with rates of return someone should expect for investing in value-add projects.

31 Are there any other new competing facilities being built or planned near the communities where the Fund will invest?

The market studies for each potential investment typically take into consideration existing facilities and facilities that are either being constructed or have been approved by municipal planning organizations in the trade area. If there is excessive current and planned supply of competing senior housing, the Fund will eliminate the investment opportunity from further consideration.

FUND MANAGEMENT FAQs

SLF Investment Community: Pooler, GA

32 What are the primary objectives of the Fund Manager?

The Fund Manager has three primary investment objectives:

- To preserve, protect and return investor capital contributions.
- To provide each investor with attractive risk-adjusted returns.
- To achieve or exceed the targeted Fund performance.

33 Are there any circumstances under which the Fund manager may issue a capital call?

Yes. However, we consider the likelihood of a capital call very low. In essence, a large portion of the assets in the Fund would have to perform poorly. Should a capital call be made, the members would have the option of providing additional capital.

34 As an investor in the Fund, will I have a say in the management decisions?

No. The investors are limited partners of the Fund LLC. As a limited partner, your exposure is limited to your invested funds. The Fund Manager will make all decisions regarding the operations of the Fund.

35 What is the Fund Manager's experience in managing funds?

The Senior Living Fund principals have managed many private Funds and other similar investments in various capacities since the early 2000s, including several Senior Housing investments and private Funds.

36 What is the Executive Team's experience in the Senior Housing Sector?

The Senior Living Fund manager has been involved in the senior housing sector since 2008, developing an extensive knowledge of this sector. It's very common for key Senior Housing industry sources to refer quality operators and projects to the Fund Manager. We hold many key relationships today that will continue to be of great benefit to the Fund's future.

37 Will the Fund Manager be co-investing in the Fund?

The Manager will invest a minimum of \$100,000 as one of the Fund's investors, prior to expiration of the subscription period. The manager shall also be entitled to units in the Fund as a result of its capital commitment, separate and independent from any interest or other compensation resulting from acting as the Fund's Manager, and may increase the amount of its capital commitment at any time.

38 How many projects do you anticipate the Fund will invest in?

We anticipate the Fund will invest in 6-10 unique projects.

39 How many prospective projects are in Senior Living Fund's pipeline? What are the locations of these projects?

We typically have approximately 10-20 candidate projects under consideration across the United States at any point in time. The list of candidate projects change on a regular basis as we identify new prospective projects and eliminate others.

40 How do you determine the opportunities in which the Fund will invest?

We consider numerous factors, such as:

Timing. We must carefully manage idle capital, because idle capital produces no revenue for the Fund. At the same time, this principle must be balanced against making prudent, wise investments.

Market Demand. Comprehensive market studies are typically performed by an independent experienced 3rd party for each investment opportunity. The market studies are carefully evaluated to gain comfort that there is very strong demand for the services the senior housing community will provide.

Financial Analysis. A very thorough financial analysis is performed to provide confidence that the operations will likely achieve a projected return to the Fund consistent with the Fund goals.

Risk Analysis. We consider many factors that could impact the success of the senior housing community, including operators, financial strength of the key members, the market, the design of the facility, the likelihood of significant competition, etc.

Operator Experience. This is a very important factor. There is a strong belief that SLF's successful, experienced operators are most likely to continue to be successful.

41 Is the Fund Manager in the business of developing, constructing, or operating senior housing facilities?

No. The Fund Manager does not develop, construct, or operate any of the actual facilities. The Fund Manager's role is to help the developers and operators acquire the capital necessary to develop, construct, and operate the facilities, while also providing investors with a unique opportunity to participate in a very high performing sector.



-SLF Residents

42 In the event that the Fund Manager is unable to fulfill his responsibilities to the Fund, what is the Fund's succession plan?

Daniel Brewer, as principal of Bridge Capital Management, LLC, which is a principal owner in Senior Living Fund, has a wealth of senior housing and Fund management experience, and serves as the Chief Fund Manager for the Funds. Mark Shader, Chief Operating Officer for Senior Living Fund, has worked closely with Dan throughout the last 30 years, including many years with Accenture, Senior Living Fund, Bridge Capital Management, and related companies. In the event Mr. Brewer is unable to fulfill his Fund Manager responsibilities for any length of time, Mr. Shader will assume his duties.

43 How is the Fund manager compensated?

The Fund Manager is compensated as follows:

- “Asset Management Fee” for managing the Fund and its Assets, comprised of a “Base Management Fee” equal to two percent (2.0%) per annum of the Gross Offering Proceeds payable monthly; and a “Deferred Management Fee” equal to three percent (3.0%) per annum of the Gross Offering Proceeds deferred without interest until all Investors have received the return of their Capital Contributions in full;
- “Marketing and Promotional Stipend” to reimburse the Manager’s out-of-pocket marketing and promotional costs, which is a one-time fee equal to seven percent (7.0%) of the Gross Offering Proceeds, to be advanced to the Manager as and when marketing costs arise;
- “Placement Fee” equal to three percent (3.0%) of equity invested, as and when applicable upon the successful deployment of the Fund’s equity capital to acquire a new Asset.

Please see page 18 of PPM for more information surrounding Fund Manager compensation.

SLF Investment Community: Marana, AZ

WE TYPICALLY HAVE 10-20 PROJECTS UNDER CONSIDERATION AT ANY POINT IN TIME, ALLOWING US TO BE VERY SELECTIVE.

LEGAL / TAX FAQs



SLF Investment Community: Champaign, IL

44 Upon investment, will I own an equity percentage of the facilities in which the Fund places capital?

No. The Fund will invest in two different ways: by virtue of a note, or by virtue of an equity investment. The Fund will retain the full ownership of all notes and equity positions. You as a member will have ownership units in the Fund.

45 Is the Fund compliant with Federal SEC and State Securities Filing requirements?

Yes. The Fund works closely with our legal counsel to be compliant with Federal and State filing requirements, based on the current membership in the Fund. As the Fund grows, our legal counsel or qualified 3rd party service for the Fund will update and maintain the Fund's Federal SEC and State securities compliance on an as-needed basis. Please visit the SEC EDGAR Database Online to view the filings for our Fund.

46 Will the Fund Manager devote his full time to the management of SLF Value-Add Fund 2?

No. The Fund Manager manages other Funds and investments. However, the predominant focus of their business is in the senior housing sector, of which SLF Value-Add Fund 2 is a key Fund.

47 Can I sell my interest in this investment?

No. An investment in the Fund is illiquid and there is no current market for shares in the Fund nor is one expected to develop in the near future.

48 Will the Fund be taxed as a corporation or as a partnership? What kind of tax form will I receive?

The Fund will be taxed as a partnership. You will receive a K-1 for your tax filing. Note: the Fund cannot complete its tax return and issue K-1s to the Fund investors until it receives K-1s from each of the projects in which the Fund invests. The Fund has virtually no control over the timely issuance of the investment-level K-1s. **Therefore, it's quite possible Fund investors will receive their Fund K-1s past the established IRS issuance date, thus necessitating the filing of an extension by the investors.**

49 As an investor, will the income, gains and losses of the Fund affect my own individual tax return?

Yes, but every investor will be impacted differently depending upon their personal circumstances. Investors are encouraged to consult their personal tax professionals to fully understand the tax implications of their investment in the Fund.

50 If income made by the Fund results in an increase in my own personal income tax liability, will the Fund provide the funds to cover these income tax liabilities?

No. While the Fund intends to make distributions to partners to cover tax liabilities, there can be no assurance that the capital will be available nor that such distributions will be sufficient to cover partners liability. Investors may owe taxes on interest income not distributed by the Fund.

51 Is this a REIT?

No. SLF Value-Add Fund 2 is not a REIT, it is a private investment fund structured as a limited liability company.



SLF Investment Community: Pooler, GA



Information on this document is not an offer or a solicitation to sell or purchase securities. Statements, descriptions, and data on these pages are for informational purposes only and relate to an investment opportunity which may be offered in the future. No offer or solicitation will be made until the necessary final documentation and agreements have been delivered to you.

Forward Looking Statements. The Fund is including the following cautionary statement in this informational summary to make applicable and take advantage of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 for any forward-looking statements made by, or on behalf of, the Fund. Forward-looking statements include statements concerning plans, objectives, goals, projections, strategies, future events or performance, and underlying assumptions and other statements which are other than statements of historical facts. All such subsequent forward-looking statements, whether written or oral and whether made by or on behalf of the Fund, are also expressly qualified by these cautionary statements. Certain statements contained herein, including, without limitation, those that are identified by the use of the words "anticipates," "estimates," "expects," "forecasts," "intends," "plans," "predicts," "projects," "believes," "seeks," "targeted," "will," "may" and similar expressions, are "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties, which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. The Fund's expectations, beliefs and projections are expressed in good faith and are believed by the Fund to have a reasonable basis, but there can be no assurance that management's expectations, beliefs or projections will result or be achieved or accomplished.