



**SLF Value-Add Fund 1  
&  
SLF Value-Add Fund 2**

**Frequently Asked Questions**



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# OFFERING FAQs

SLF Investment Community: Woodland Hills, CA

## 1 What is the primary difference between SLF Value-Add Fund 1, and SLF Value-Add Fund 2?

- SLF Value-Add Fund 1 investors accrue annualized preferred returns, as well as participate in back-end Fund profit sharing. As a result, SLF Value-Add Fund 1's estimated Fund IRR is slightly higher than SLF Value-Add Fund 2.
- SLF Value-Add Fund 2 investors benefit from receiving monthly investor distributions for the first 36-months after capital is placed, in addition to participation in back-end Fund profit sharing. As a result, SLF Value-Add Fund 2's estimated Fund IRR is slightly lower than SLF Value-Add Fund 1.

(See pages 6 & 7 for more detail)

## 2 What is the investment focus of your Value-Add Funds?

SLF's Value-Add Funds 1 & 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 Funds and participating investors.

## 3 Help me understand the types of senior housing in which the Funds 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
- Originally constructed in year 2000 or later

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

The Funds primarily focus on private pay senior housing communities, however, they 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's Value-Add Funds?

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

## 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 (married couple) 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?

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 Funds 1 or 2?

100% of your investment will be placed directly into the Fund you select, and credited to your investment balance. At the Fund level, SLF Value-Add Fund 1 & 2 will pay management fees, placement fees, and Fund expenses, as outlined in their respective PPM's.

## 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?

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 these Funds, 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?

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 What defines the life of each 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 Fund 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.

## 14 Will my return be consistent throughout the life of either Fund?

SLF Value-Add Fund 1 & 2 investor returns are dependent on the Funds exits from each individual investment project. Investors in SLF Value-Add Fund 1 should not anticipate distributions until the latter portions of Fund life, as capital received from early project exits may be utilized for new investments. Investors in SLF Value-Add Fund 2 will receive monthly distributions for 36-months after initial capital is placed, at which point distributions cease and investors await Fund wind-down.

## 15 What share of Fund profits do the investors receive?

In addition to the accrued preferred returns or monthly distributions (dependent on Fund), upon disposition of the assets in the Fund investors shall receive 85% of the net proceeds in accordance with the units held, until the Fund has made distributions in the aggregate amount equal to the offering proceeds, after all Fund operating expenses, and current Fund Management expenses have been paid. The Fund Manager will receive 15% of the net proceeds from the disposition based on the pro-rata share of units until such time the Fund Manager's asset management fee (the deferred management Fee and any deferred portion of the base management Fee) is paid in its entirety. Thereafter, members will receive 100% of the distributions, pro-rata in accordance with units held. Please see respective Fund PPM's for more detailed distribution information.

## 16 Will the operators/owners invest in the construction and/or operations of the facilities?

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.



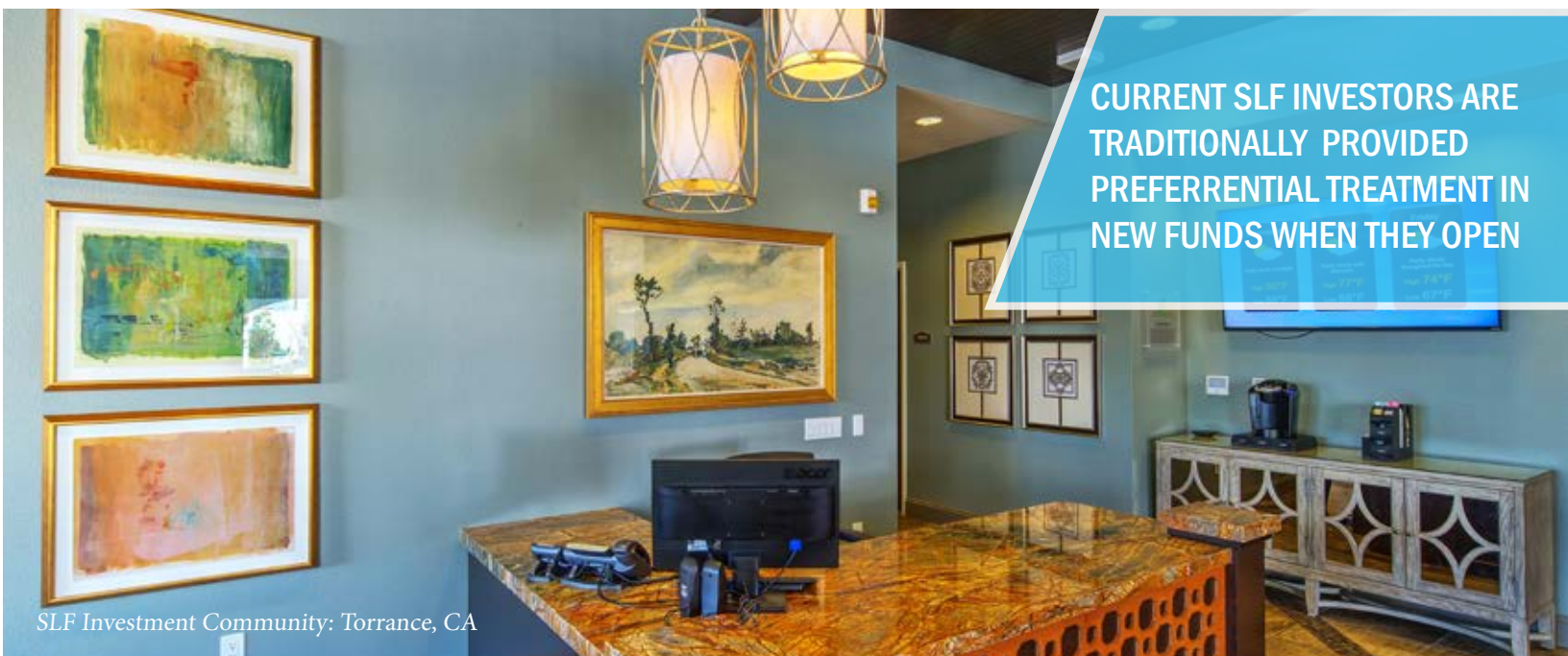
# 17 What are the various investment levels of **SLF Value-Add Fund 1**? Can I receive monthly income? How much, for how long? What is the overall estimated return on my investment?

SLF Value-Add Fund 1 offers multiple levels of participation for accredited investors. With each increasing level of investment participation, investors will accrue a higher annualized preferred return rate, as well as receive reduced unit pricing. Overall, resulting in a higher estimated IRR per increasing investment class, as outlined in the below table:

INVESTMENT LEVEL	ANNUALIZED PREFERRED RETURN ACCRUAL <sup>(1)</sup>	ESTIMATED UNIT PRICE	UNITS PER \$1,000 INVESTED	ESTIMATED CLASS IRR <sup>(2)</sup>
<b>\$50,000 - \$249,999</b>	7.00%	\$1.000	1.000	12.00% - 16.00%
<b>\$250,000 - \$499,999</b>	8.00%	\$980	1.020	13.00% - 17.00%
<b>\$500,000 - \$999,999</b>	9.00%	\$940	1.064	15.00% - 18.00%
<b>\$1,000,000+</b>	10.00%	\$880	1.136	17.00% - 21.00%

**Estimated Fund IRR<sup>(2)</sup>**  
**12.00% - 21.00%**

(1) All Investors will accrue an annualized Preferred Return on their respective unreturned Capital Contribution from the date said capital is accepted by the Manager of the Fund until the entire Capital Contribution has been returned in full. For a detailed description and explanation of the preferences, see the Private Placement Memorandum of the Offering.  
 (2) Estimated IRR's have been rounded to the nearest whole percent, are based on projections, and not guaranteed. 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

# 18 What are the various investment levels of **SLF Value-Add Fund 2**? 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 receive higher monthly investor payment rates, as well as receive reduced unit pricing. Overall, resulting in a higher estimated IRR per increasing investment class, as outlined in the below table:

INVESTMENT LEVEL	PREFERRED MONTHLY INVESTOR PAYMENTS <sup>(1)</sup>	ESTIMATED UNIT PRICE	UNITS PER \$1,000 INVESTED	ESTIMATED CLASS IRR <sup>(2)</sup>
<b>\$50,000 - \$249,999</b>	7.00%	\$1.000	1.000	10.50% - 14.00%
<b>\$250,000 - \$499,999</b>	7.50%	\$960	1.042	11.50% - 15.00%
<b>\$500,000 - \$999,999</b>	8.00%	\$920	1.087	13.50% - 17.00%
<b>\$1,000,000+</b>	8.50%	\$880	1.136	15.50% - 20.00%

**Estimated Fund IRR<sup>(2)</sup>**  
**10.50% - 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.



**SLF VALUE-ADD 2 OFFERS MONTHLY INVESTOR PAYMENTS - PAYABLE FOR 36 MONTHS FROM TIME OF INVESTMENT.**

SLF Investment Community: Summerville, SC



# RISK FAQs

SLF Investment Community: Las Vegas, NV

## 19 What are the benefits of investing in a 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's Value-Add Funds being passive investments, rather than having to take the time to manage their own individual investments actively.

## 20 What other risks are involved?

This is a speculative investment. The majority of communities in which the Funds anticipate 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 respective Private Placement Memorandums (PPM's) for the Funds.

## 21 Are the Funds leveraged?

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

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

There is no obligation for either 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 each PPM.

## 23 How is my investment secured?

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



## 24 What factors influence the overall projected Fund returns?

Many factors influence the projected Fund returns. Below are the three primary factors:

- **The specific financial performance of each asset** in which the Funds invest. While a great deal of analysis is undertaken before either 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 Funds as quickly as we can after the assets have economically stabilized.

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

Yes. We anticipate the first audit for the Funds will be conducted by the end of Summer 2024 by a member of the Public Company Accounting Oversight Board ([www.PCAOBUS.org](http://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 addition to accredited prospective investors upon request.

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

The Funds 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 is an at-risk investment. While we believe a partial or total loss of your investment is very unlikely, it is a possibility. **THESE INVESTMENTS INVOLVE 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.**

## 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 do your Funds generate these returns?

Each 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 Funds 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 Funds 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 attractive, risk-adjusted returns.
- To achieve or exceed 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 Funds 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 either Fund, will I have a say in the management decisions?

No. 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 Funds.

## 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 SLF 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 our Funds and investors.

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

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 Manager, and may increase the amount of its capital commitment at any time.



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

We anticipate each 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 Funds will invest?

We consider numerous factors, such as:

**Timing.** We must carefully manage idle capital, because idle capital produces no revenue. 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 consistent with 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 communities?

No. The Fund Manager does not develop, construct, or operate any of the actual communities. The Fund Manager's role is to help the developers and operators acquire the capital necessary to develop, construct, and operate the communities, 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 either 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 will be compensated as follows:

- 2% of gross offering proceeds as a Asset Management Fee, paid monthly.
- A placement fee of 3% of all equity proceeds deployed into projects upon each respective funding.
- 2% of the maximum principal amount of each loan as an origination fee.
- As each Fund winds down and proceeds are distributed, the Fund Manager will receive a 3% Deferred Management Fee after all investors have received their accrued annual preferred returns and/or monthly distributions, as well as capital contributions. After such time, distributions shall be made 15% to the Manager, and 85% pro rata to the Members until such time as the Deferred Management Fee is paid in full. Thereafter, 100% of distributions shall be made to the Investors. The Fund Manager will also be paid a marketing and promotion stipend. See respective Fund PPM's for more details.

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 Funds place capital?

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

## 45 Are your Funds compliant with Federal SEC and State Securities Filing requirements?

Yes. Our Funds 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 Funds grow, our legal counsel or qualified 3rd party service will update and maintain the Federal SEC and State securities compliance on an as-needed basis. Please visit the SEC EDGAR Database Online to view the filings for our Funds.

## 46 Will the Fund Manager devote his full time to the management of SLF Value-Add Fund 1 or 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 1 & 2 are key Funds.

## 47 Can I sell my interest in my investment?

No. Investments are illiquid and there is no current market for shares in our Funds, nor is one expected to develop in the near future.

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

The Funds will be taxed as a partnership. You will receive a K-1 for your tax filing. Note: the Funds cannot complete their tax returns and issue K-1s to Fund investors until receipt of K-1s from each project in which the Funds invest. The Funds have virtually no control over the timely issuance of the investment-level K-1s. **Therefore, it's quite possible 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.

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

No. While the Funds intend 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 Funds.

**51** Is this a REIT?

No. SLF Value-Add Fund 1 and SLF Value-Add Fund 2 are not REIT's. They are private investment funds structured as limited liability companies.



SLF INVESTORS TYPICALLY HOLD TWO SIMILAR PRIORITIES:

MAKE MONEY. CREATE CHANGE.

SLF Investment Community: Pooler, GA



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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.