



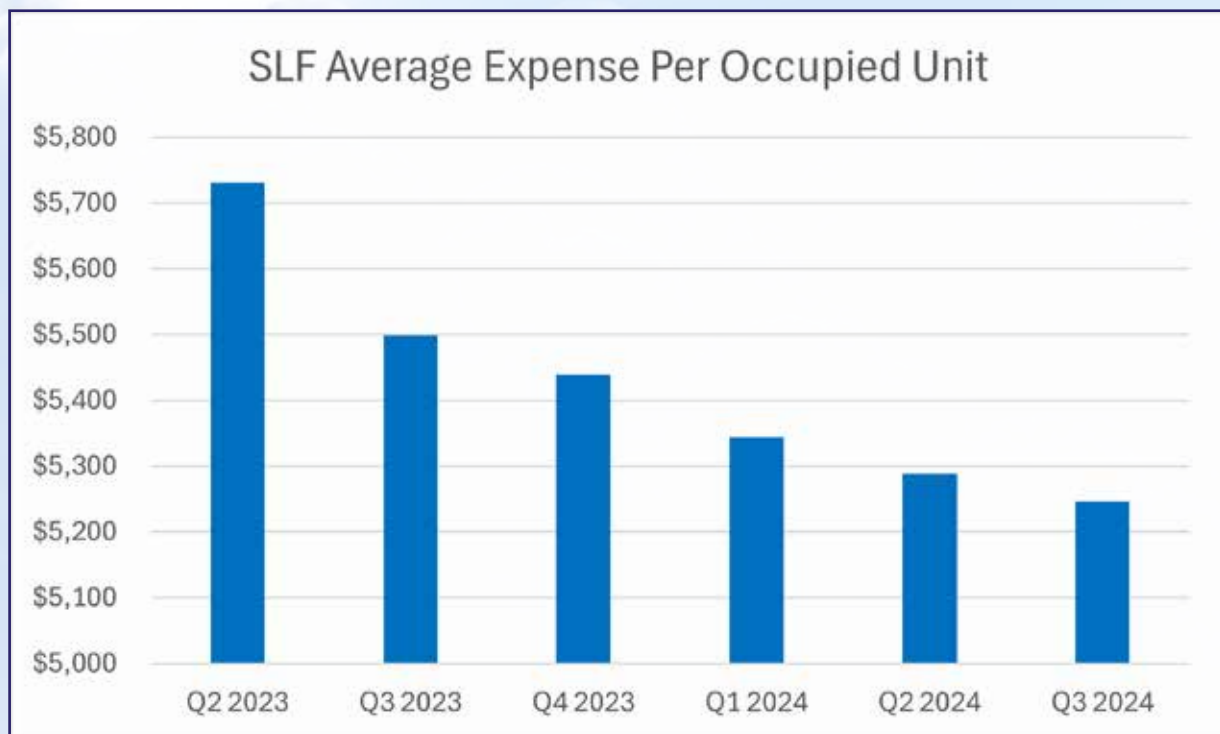
Senior Living Fund

December 2024

Senior Living Fund (SLF) is a private equity fund with 20+ assets under management that generated over \$25.8 million (\$103.2 million annualized) in revenues during Q3 2024. The majority of assets within our portfolio are Independent Living (IL), Assisted Living (AL) and Memory Care (MC) communities that were developed and constructed by our sponsor partners utilizing SLF equity.

SLF is deeply involved in the oversight of our 3rd party operators and their continued focus on expense management. This last year saw additional pressure on staff wages and the increasing cost of goods and services but overall, our operators performed very well in spite of these issues.

One metric that SLF follows very closely on a monthly basis is the average expense per occupied unit (AEPOU) for each and every asset. The ultimate goal is to continually reduce the AEPOU by reducing cost as a result of improving employee turnover, proper staffing and monitoring hours on a daily along with identifying and improving upon departmental inefficiencies. The chart below illustrates the performance by our operating partners at twenty (20) separate assets within SLF's portfolio providing independent living, assisted living and memory care services.



Market Update

As the US economy transitions from a high-inflation, high-interest rate environment to lower inflation and lower interest rates, we pay particular attention to key US economic news and metrics which impact Federal Reserve rate policy.

To recap, beginning in early-2022, the Fed raised interest rates 5.25% over the ensuing 16 months to combat inflation, which hit a peak of 9.1% in June 2022. Interest rates then remained unchanged for 14 months, creating havoc in the capital markets, significantly affecting the underlying commercial debt on many commercial real estate assets, including many SLF senior housing assets. Inflation finally fell below 3% in July 2024, prompting the Fed to begin lowering interest rates. The Fed is largely expected to continue lowering the Fed rate over the next 12-18 months, as long as key economic data supports such action. If such forecasts bear out, the Fed rate will work wonders for the capital markets, providing leverage to buyers, and consequently increasing the value of senior housing assets, resulting in greater sales proceeds as we prepare the assets for sale.

Q3 2024 key economic data overall was relatively positive:

- Real gross domestic product (GDP) increased at an annual rate of 2.8%, consistent with previous quarters.
- The national unemployment rate was 4.2% in Q3 2024, up from 4.0% in Q2 2024.
- Personal Consumption Expenditures Price Index (inflation) has stalled around 2.5% for the last several months, signaling there is still work to be done to move the index closer to 2.0% as desired by the Fed.
- Job growth is still growing, albeit at a slower pace.
- Another very important recent factor is Trump's presidential election victory.

What are the implications of these metrics and the election?

- The 10-year Treasury yield jumped more than 14 basis points to 4.43% when Trump was announced as the victor. A rising yield often suggests that investors expect stronger economic growth and higher inflation which prompts them to demand higher returns.

- The Fed is going to move a bit more cautiously as it assesses both the ongoing strength of the economy and the impact the incoming Trump administrations policies may have on economic growth and inflation. At the Fed meeting shortly after the election, Fed Chair Jerome Powell stated “ongoing economic growth, a solid job market, and inflation that remains above its 2% target means the Federal Reserve does not need to rush to lower interest rates” , indicating borrowing costs may remain higher for longer.
- Accordingly, economists paired back how far the Fed might cut rates. The general sentiment is the Fed will proceed cautiously in 2025, assessing if economic proposals under President Trump eventually become actual policies and how those policies end up affecting inflation, labor markets and overall economic growth.

In early October, SLF opened new fixed rate note offerings for SLF Fund IV, SLF Fund V, and SLF Fund 6. Several current SLF investors have either already made an investment in these offerings or are in the process of completing their investment. In addition, there are a fair number of investors who are evaluating the offerings. The 30-day exclusive period for current SLF Fund investors expired, and SLF is now opening the offerings to all other potential investors.

We anticipate we will continue to raise capital through these offerings through Q1 2025. The primary purpose of the capital raise is asset preservation, asset support, and reserve replenishment. While we have had success raising capital through these offerings, the process takes time, and certain assets remain at risk. The quicker we raise capital the lower the risk we will lose an asset to aggressive lender action. We continue to work with the lenders on revised arrangements, and the lenders have generally been cooperative. In addition, SLF has used a portion of capital from these offerings, as well as from the sale of the Taylorville, IL asset, to begin providing investor payments in Funds where that is feasible. As additional capital is raised, we will make diligent effort to provide regular monthly distributions when possible. SLF is also in the midst of other recapitalization events; more information on these events will be provided as they occur.

SLF Investment Community Spotlight

Carriage Crossing Senior Living-Rochester is a 60 unit combined Assisted Living (AL) and Memory Care community in Rochester, Illinois. CCSL-Rochester first opened operations in July 2021. Despite the pandemic and a labor shortage this asset reached and has maintained stabilized occupancy since February 2022.

A contributing factor to the success of CCSL-Rochester has been the Independent Living (IL) cottages adjacent to the building. The IL component has been a feeder to our community as IL residents age in place and need assisted daily living services the move across this parking lot is convenient and familiar. While Senior Living Fund remains bullish on value added opportunities we are also aggressively pursuing opportunities to replicate the IL model on the same property as existing assets. SLFs business model will continue to remain flexible and evolve as needs within the senior housing industry change.



Want to participate? Senior Living Fund provides accredited individuals the opportunity to invest in various private senior housing offerings. For more information, please contact our Investor Relations Team:

Team@seniorlivingfund.com

SLF Team

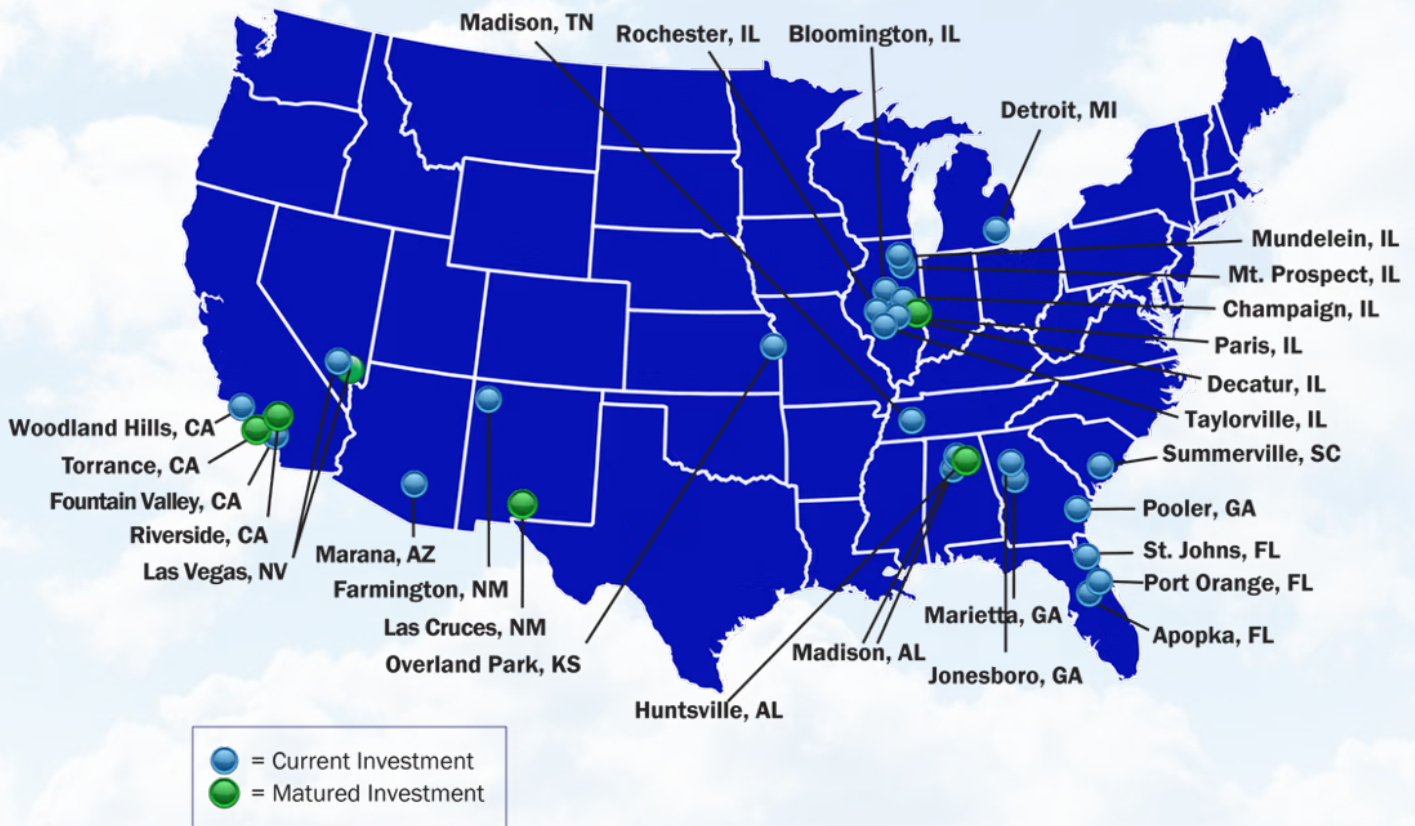


Chief Fund Manager - Dan Brewer
Dan is the owner of Bridge Capital Management and is the founder and Chief Fund Manager of the Senior Living Fund. Dan has 35+ years of business experience, including 25+ years of experience in real estate investing, asset allocation, and management.



Chief Operations Officer - Mark Shader
Mark brings strong operational skills to the SLF team through his 30+ years of experience in business consulting, real estate investment and development, financial analysis and management.

SLF Portfolio





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FUND