
BLACK SWAN FUNDS

Q1 2026 UPDATE



Welcome!

The following presentation is for informational purposes only, is not for further distribution, and does not constitute an offer to sell, or a solicitation of an offer to buy any interests in any of the Black Swan Real Estate Funds. Any offering of securities or solicitation in connection with the sale of securities will be made pursuant to a private placement memorandum (“PPM”). In the event of any conflict between this presentation and the PPM, the PPM will control. There are risks associated with investing in private real estate funds and notes secured by real estate, which could result in the loss of some or all of your principal investment. Past performance stated herein is not an indicator of future results and is not a guarantee of future yield or similar results and should not be implied therefrom. Certain statements contained herein are forward-looking statements, which by their nature, are speculative and may or may not occur. Any and all target projections that may be contained in this presentation have been estimated based on unknown variables, which may or may not occur in the future. Your decision to invest should be based on your personal financial circumstances and investment objectives. Black Swan Real Estate and its affiliates are not a registered investment advisor and do not provide financial or tax advice to investors. Consult your tax advisor or financial advisor before investing. Full details and disclosure can be found in each fund’s PPM offering documents. Thank you for your interest in doing well while doing good with Black Swan Funds.



Operational Excellence



\$450M+ Assets Under Management

- Vertically Integrated
- Property Management Company - Black Swan Living



\$115M+ Capital Raised

- Private Equity Fund - securefreedomfund.com



\$225M+ Lifetime Sales

- Real Estate Sales Team at Keller Williams



\$50M+ Ground-Up Construction

- \$40M Townhome Community - *Complete!*
- \$11.5M Apartment Building - *Complete!*



**Get Ready for
2026**

REAL ESTATE
Real Life

September 17-20, 2026

September 21, 2026: Upgrade to include VIP Day

**GET YOUR TICKET at
rerl2026.com**

Keep your investor info current!

Log into InvestNext to update your address, SSN/EIN, banking, and contact details. This is necessary for distributions and tax time efficiency!

blackswan.investnext.com

rachel@blackswanteam.com



K1 Timeline

We are targeting April 1 for delivery of Real Estate Fund K1s

You will receive them in 2 ways:

Via secure email from “Safe Send Returns”

Uploaded to InvestNext portal (a few day delay after you receive K1 via Safe Send Returns)

It is the same document delivered to you in both locations. Safe Send Returns is meant to prioritize speed and uploading to InvestNext is to that you have long-term recordkeeping access



K1 Information

You only need to file at the federal level, your own state, and Minnesota
NO OTHER STATES!

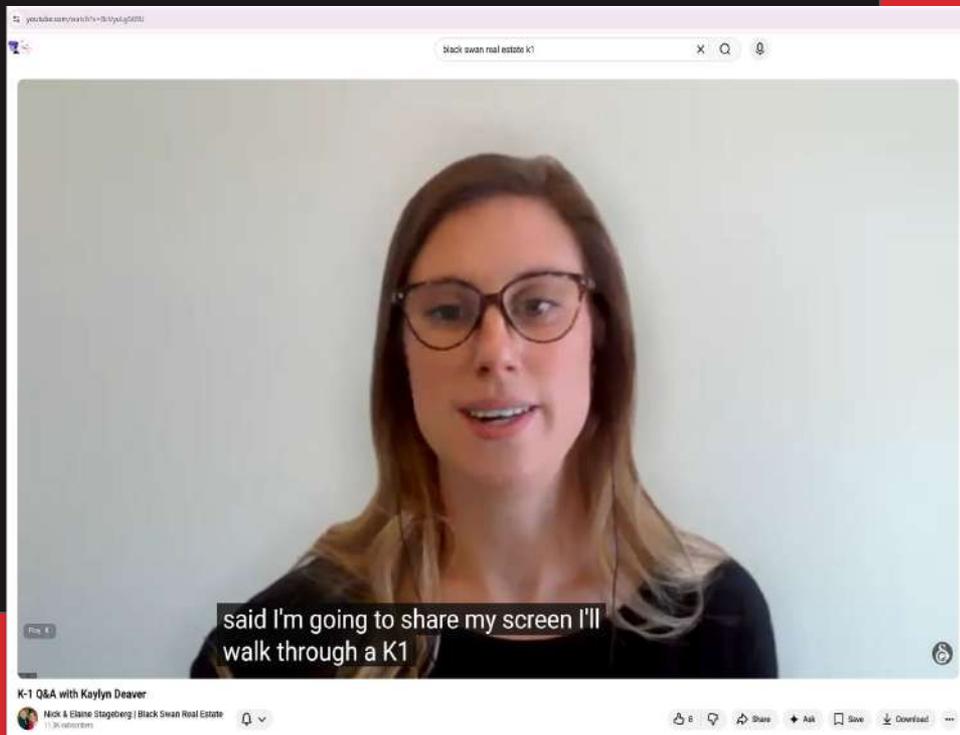
Some of the Black Swan portfolio is located in Washington state (Funds II and III) but Washington does not have personal income tax

You will notice that you receive state information for other states in your K1 packet. This is because some states require that we file *at the Fund level* if an investor lives there. We are required to disclose those forms to you. That does NOT mean that you need to file in those states. You can essentially ignore those forms if you are not from those states.



K1 Education Video available on Youtube

Search for Black Swan Real Estate K1
<https://youtu.be/BcVyULg569U>



The Headlines of the Quarter Are...

- Closed on Villages at Essex Park – on December 30!!!
- Tax season prep! Targeting April 1 for K1 delivery
- Distributions Update
- Portfolio Wide Update
- ICE Update
- Continued massive rent growth
- Closed on Northern Hills Apartments
- More acquisitions coming up!



We CLOSED on Villages at Essex Park!

- Closed December 30!
- Pulled out all the stops to make certain our investors got depreciation for 2025!!



Distributions



Fund I - monthly distributions throughout 2024 & 2025. Over 20% returned so far!



Fund II - monthly distributions throughout 2025; 6.3% returned to date



Fund III & IV - monthly distributions for 2026 began February 1



Secure Freedom Fund - monthly distributions sent for cash flow option



No capital calls. No capital loss.



Distributions for 2026



- Continued distributions for Fund I & II - 1%* annually via monthly distributions
- First distributions for Fund III & IV in Q1 2026, ahead of schedule! 4%* annually via monthly distributions
- Monthly distribution option for Secure Freedom Fund

January 2026 distribution for Funds I/II were equivalent to 4% annually (0.33%), followed by 1% annually beginning February 1. There was no January 2026 distribution for Funds III/IV, followed by 4% annually beginning February 1 (which will total 3.67% across 11 distributions in 2026)



Legacy Fund Historical Statistics

Legacy Fund	Date Closed	Date of Final Asset Purchase
Black Swan Real Estate Fund I	December 2021	April 2023/final
Black Swan Real Estate Fund II	December 2022	August 2025/still acquiring*
Black Swan Real Estate Fund III	March 2024	March 2025/final
Black Swan Real Estate Fund IV	December 2024	March 2025/final

**Black Swan Real Estate Fund II intends to acquire 2 final units at Riverview Apartments*





Why Are We Changing Distributions For Fund I and Fund II?

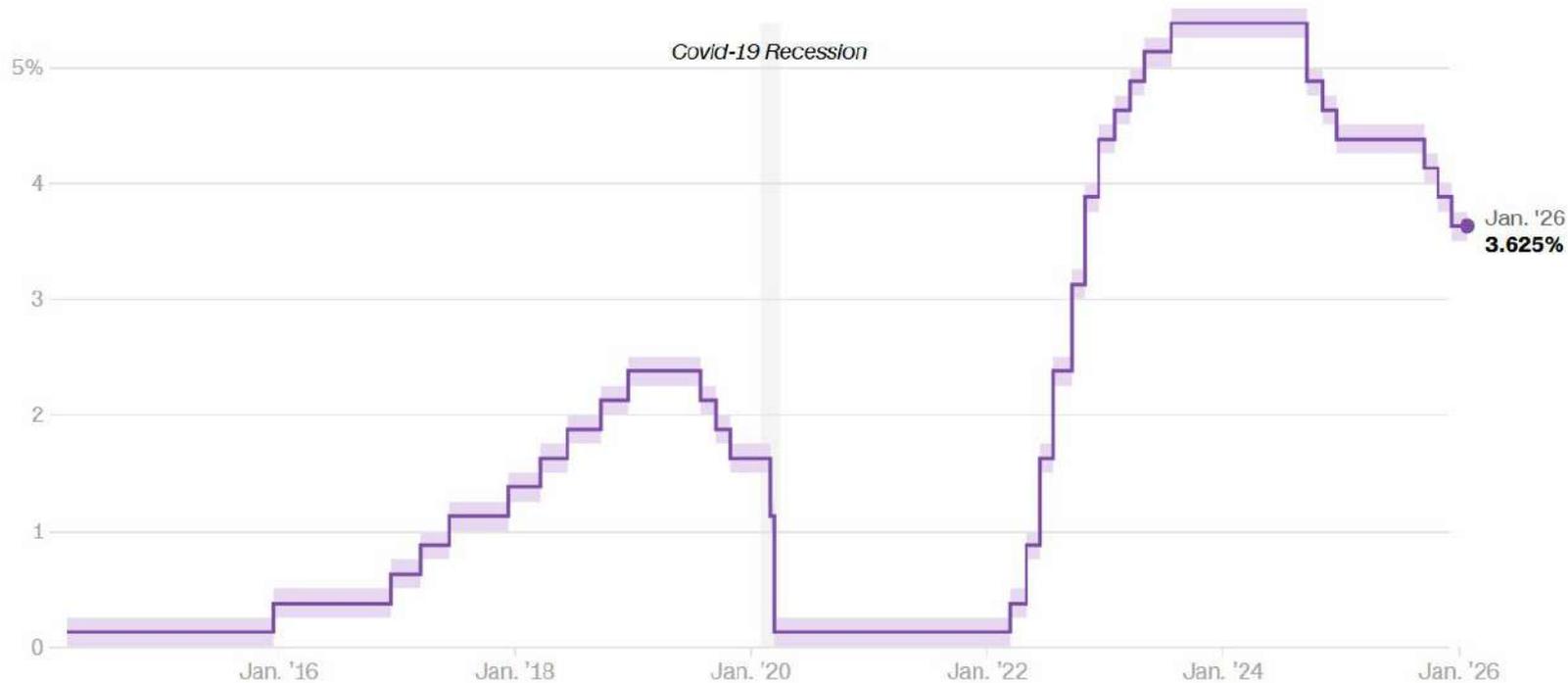
Interest Rate Uncertainty

- Interest Rates
 - Quarter point reduction at September 2025 meeting
 - Quarter point reduction at October 2025 meeting
 - Quarter point reduction at December 2025 meeting
 - Rates held steady at January 2026 meeting
 - January was 5th straight meeting without unanimous decision, which is unprecedented
 - Until June 2025, target range 4.25-4.5%
 - Then three cuts in late 2025, totaling 0.75%
 - Now holding steady



Tracking US interest rates

The federal funds target rate, the midpoint in the **range** set by the Fed for interest rates, remained the same in January, holding steady at **3.625%**.



Note: Data current as of January 29, 2026 at 3 p.m. ET

Source: Board of Governors of the Federal Reserve System via FRED

Graphic: Matt Stiles, CNN

Interest Rate Uncertainty

- Increasing politicization of the Fed
 - Trump attempts to fire Governor Lisa Frank for alleged mortgage fraud
 - Arguments heard at US Supreme Court (Trump v. Cook)
 - Cook prevailed, not going anywhere
 - Jerome Powell under investigation for “alleged irregularities” in the Federal Reserve building renovation
 - None of this has ever happened before
- New Fed Chair named on January 29, Kevin Warsh
 - Will replace Powell in May 2026
 - Still requires Senate confirmation
 - One of the most competent and qualified options
 - Markets have had a neutral response
 - Generally far more concerned about inflation than unemployment
 - Says QE is “Reverse Robinhood”
 - Wants to disrupt / reinvent the Fed
 - Had to attack the Fed to land the job
 - Wants less transparency, calls the Fed Dot Plot “deeply unproductive”
 - Wants to rely less on economic models
 - Will likely defend Fed independence



Expense Pressure

- Nicholas/Oliver Apartment taxes \$234k -> \$335k
- Collectively, Black Swan will pay over \$3.6M of taxes in 2026, about 2.5% of the ENTIRE county
- Insurance increased 137% YoY at of our properties
- 6% YoY increase in utility costs
- Electrician hourly rate \$70/hour -> \$105/hour in last five years
- Washing machine \$350 -> \$670 in last five years



ICE in Minnesota Uncertainty

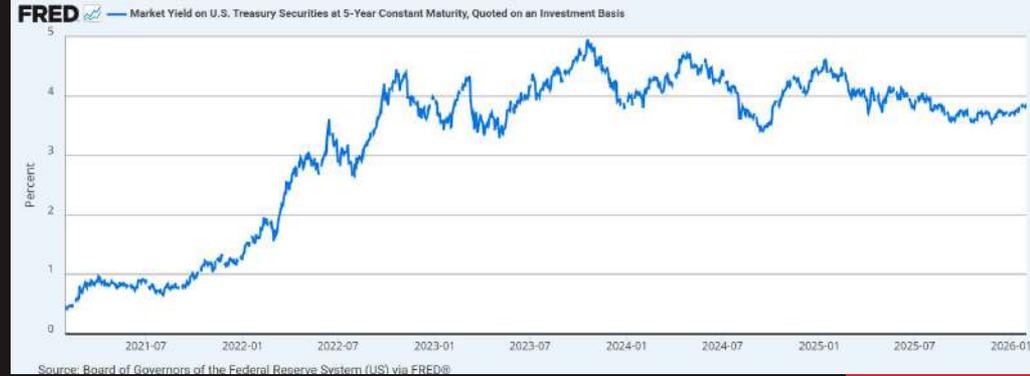
- ICE has been to our properties multiple times
- Individuals have been apprehended without escalation
- Nick has personally intervened in these situations to keep the peace
- Contractors afraid to show up for work
- We have privately hired local law enforcement officers
- Our team has worked tirelessly and successfully to keep our communities calm and safe
- Blessed are the peacemakers



Picture is not from an actual Black Swan property



2027/2028 Loan Maturities



- For the industry, 2025 was a bad year to refinance and 2026 looks no better
- This is a **fatal** problem for many in our industry
- **Funds I-IV have ZERO loan maturities in 2026!!!**
- Overall, Black Swan has EXTREMELY LITTLE maturity risk exposure compared to the industry
- Planning for maturity on RDS and other assets in 2027, Nicholas in 2028
- **So far, Black Swan has never actually needed to put cash into a refinance**



Hamptons Townhomes

- Owned in Fund II
- Purchased 3 years ago for \$1.55M
- Worth approximately \$2.0-2.2M today, despite price declines in the industry
- Approximately \$500k+ of equity in this deal
- \$41k of cash flow in the 12 months before our refi
- New debt
 - Refinancing from 5% into 6.75%
 - Refinancing from 25 year amortization to 20 year
- Goes from \$41k of annual cash flow to essentially zero
- **Conclusion: We have huge amounts of equity in this deal, however it is difficult to unlock**



Residence @ Discovery Square



- Owned in Fund I and Fund II
- Purchased in April 2023 for \$27M
- We owe \$22M, appraised in Q3 2024 for \$36M
 - **We have \$14M of equity in this ONE asset, though it will be difficult to unlock**
- If rates go down 1%, we could likely refi for \$5M+ cash out.
- But if rates go up 1%, we would have to fight to avoid a cash-in refi

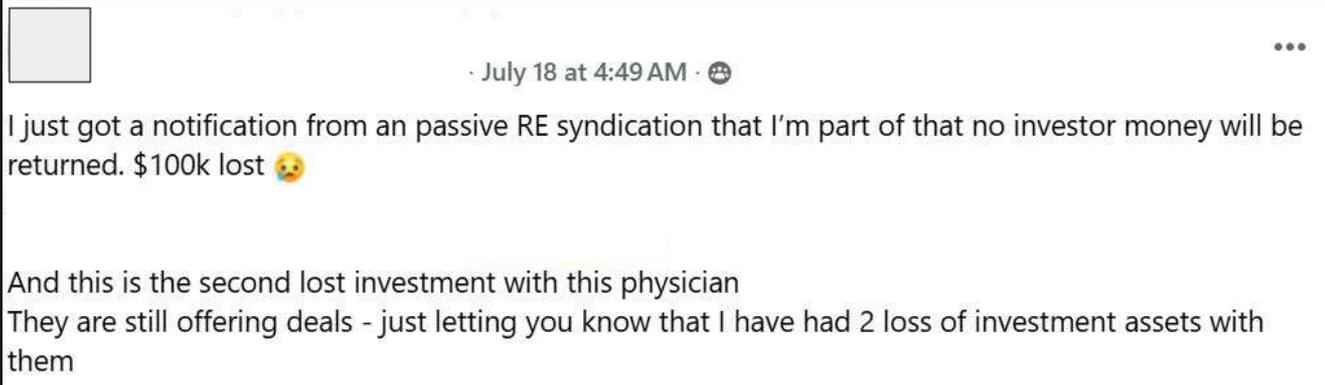


Nicholas/Oliver Apartments

- Income
 - 2022: \$1.716M
 - 2023: \$1.826M
 - 2024: \$1.972M
 - 2025: \$2.021M
- NOI
 - 2022: \$792k
 - 2023: \$860k
 - 2024: \$1M
 - 2025: \$1.169M
- Even with these INCREDIBLE outcomes, our 2028 refi could be tight in the current high-uncertainty environment



State of the Market



Anonymous member

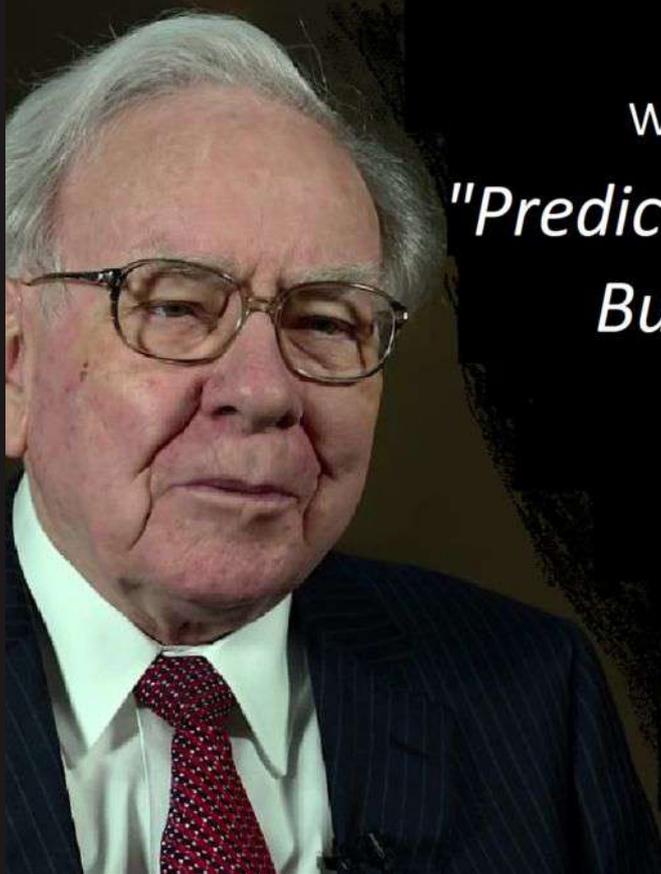
July 28 at 2:44 PM · 🌐

Hi everyone! I'm reaching out to see if anyone else here has invested as a Limited Partner (LP) in syndication deals with _____ specifically in the DFW market. I recently received a capital call, and it looks like some of the multifamily properties—especially those bought with floating rate loans—are facing challenges and struggling to find a viable exit strategy.

If you're in a similar situation, what are you doing? Any advice or insights would be greatly appreciated. Just trying to understand the best options moving forward. Thanks so much!



We Built a \$450M+ Ark



Warren Buffett's Noah Rule

*"Predicting Rain Doesn't Count,
Building Arks Does."*



What does this mean? Funds I/II

- Are Funds I/II at risk?
 - No.
 - We always take cautious, conservative, forward looking action. When looking back at 2025, interest rates, and elevated expenses, we believe it is prudent to increase the liquidity in Funds I and II to provide even more security. We will always prioritize long-term security over short-term gain.
- Is there the possibility of a capital call?
 - No.
 - In fact, there are no provisions in any of our PPMs for an involuntary capital call. That is why we MUST be so conservative.
- Is there the likely possibility of capital loss?
 - No.
 - We do not believe there is any meaningful risk for capital loss in any of our Funds (above baseline such as natural disasters, fires, acts of God, or other unforeseen circumstances. All investing has risk.)
- We are thinking ahead to 2027/2028 when we reach loan maturity on assets in Fund I and Fund II and want to have ample liquidity available



What does this mean? Funds III/IV

- Why are you able to start distributions well ahead of schedule?
 - Extremely conservative underwriting in 2024/2025 because of the headwinds in the industry
 - Favorable purchase price - buying when everyone else was selling
 - Fixed rate debt with very favorable loan assumptions
 - Stability in operations across the assets
 - Georgetown, Bayswater, and Stone Haven Apartments all doing exceptionally well



What does this mean? Secure Freedom Fund

- Are distributions changing for Secure Freedom Fund?
 - No. Secure Freedom Fund has a 10% fixed rate of return and investors have the option of choosing monthly distributions, or allowing their growth to compound.



Fund Liquidity

- What is the liquidity for each Fund? (as of January 15, 2026)
 - Fund I - \$657,824 (against a \$11M Fund) Target: \$1.5M
 - Fund II - \$2,441,278 (against a \$30M Fund) Target: \$3M
 - Fund III - \$901,517 (against a \$16M Fund with no upcoming refinances)
 - Fund IV - \$1,399,370 (against a \$12M Fund with no upcoming refinances)

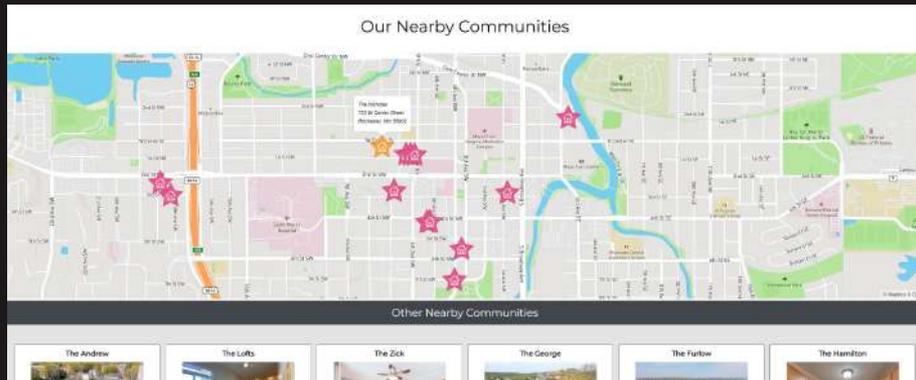


PORTFOLIO WIDE UPDATES



New Websites!

- stonehavenbyron.com
- essexparkapts.com
- northernplaceapartments.com
- rainbowplazaapts.com
- meadowparkapts.com
- uptownaptsrochester.com
- theboulderridge.com
- theriverviewrochester.com
- dakotatownhomes.com
- nue52roch.com
- thenicholasrochester.com



Floor Plans & Availability

Map & Availability

Map & Availability

- #1115-218
Rent: Starting at \$995
Floor Plan: Finch
1 bd | 1 ba
750 sq ft
Available: 08/07/2024
Deposit: \$400
- #1012-308
Rent: Starting at \$1,045
Floor Plan: Finch
1 bd | 1 ba
750 sq ft
Available now!
Deposit: \$400
- #2023-305
Rent: Starting at \$1,145
Floor Plan: Bluejay
2 bd | 2 ba
1,008 sq ft
Available now!
Deposit: \$400

Floor Plans

CALL NOW

Map & Availability

Studio - 2 Bed

1 - 2 Bath

4 Floor Plans

\$1,350 - \$1,795

- Studio**
Rent: **\$1,350**
Studio | 1 ba 499 sq ft
Deposit: \$400
- 1 Bed 1 Bath**
Rent: Starting at **\$1,495**
1 bd | 1 ba 683 sq ft
Deposit: \$400
- 2 Bed 1 Bath**
Rent: Starting at **\$1,645**
2 bd | 1 ba 864 sq ft
Deposit: \$400
- 2 Bed 2 Bath**
Rent: Starting at **\$1,795**
2 bd | 2 ba 912 sq ft
Deposit: \$400

Year End Team Retreat

Cast vision for 2026

Celebrated wins

Reviewed goals from 2025:

- Average per-unit per-month maintenance cost \$188 -> \$89
- Average per-unit per-month utility cost \$83 -> \$77
- Average per-unit per-month cleaning cost \$20 -> \$14
- Average per-unit per-year legal cost \$41-> \$34
- 100% Leased Stone Haven Apartments before Sept 1
- Expanded into Apple Valley and Anoka in MN
- Capital raise \$28M in 2024 -> \$35M in 2025



Tax Wins

Tax Challenge at Nicholas, Riverview, and RDS,
Meadow Park

Meadow Park 2026 payable

\$109k -> \$73k

Nicholas 2027 payable

\$335k -> \$295k

Working on reduction at Riverview and Stone Haven
Townhomes



Boulder Ridge HUD Updates (Funds III/IV)

- Purchased distressed, on the HUD watch list
- Hadn't passed an inspection in half a decade
- 124 items outstanding at time of purchase, which we have resolved
- 113 additional items identified during inspection last week
- Hopefully will be removed from the watch list later this year
- Just completed \$100,000 upgrade to all common areas and hallways
- \$875,000 spent on improvements so far
- Working to get improvements reimbursed from \$2.3M HUD escrow

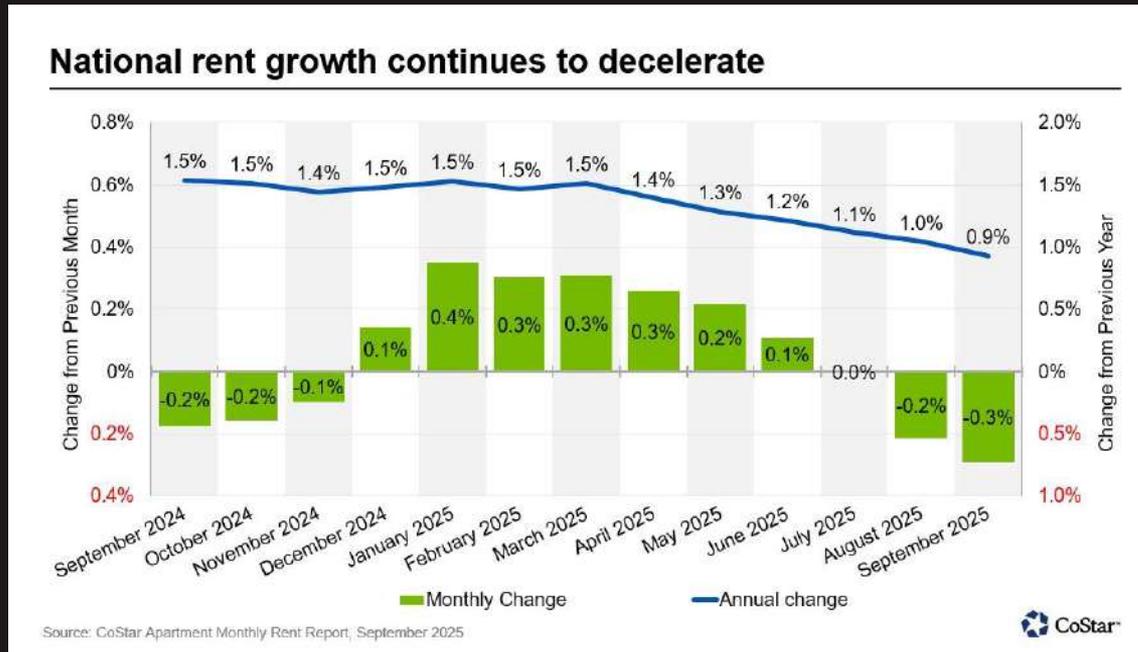


RENT GROWTH



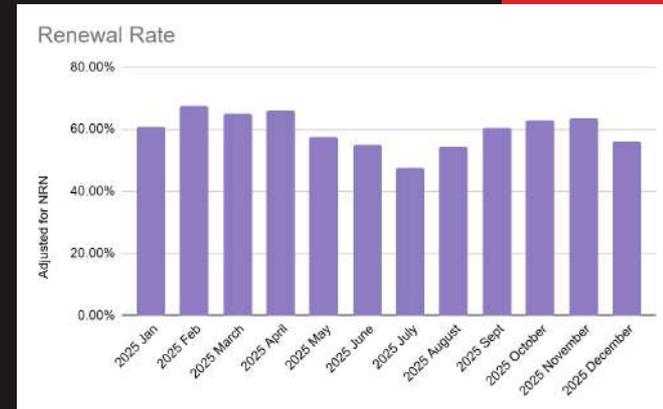
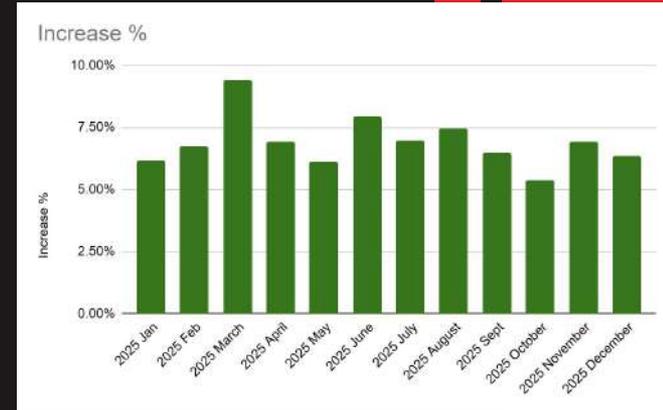
National Rent Growth Continues to Decelerate

According to CoStar's September 2025 Apartment Monthly Rent Report, annual rent growth slowed to 0.9%, down from 1.0% in August and 1.5% at the start of the year. At Black Swan..... (next slide)

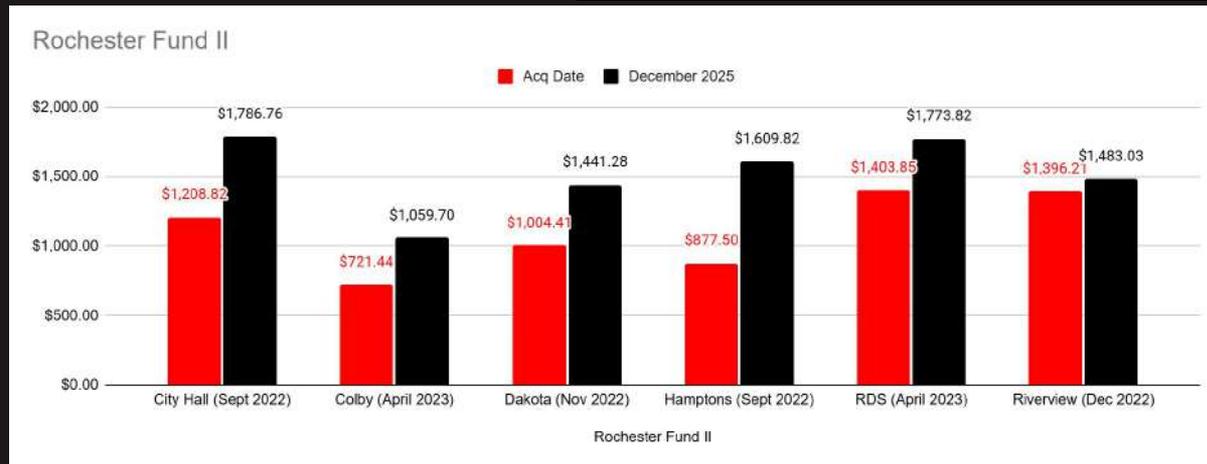
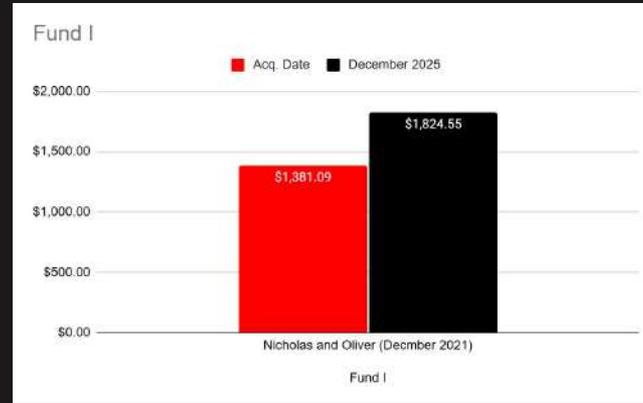


Black Swan Renewals and Rent Growth

- Average per-unit rent increased
- Nationwide, year-over-year rent growth is <1%
- We are achieving 7%+ year-over-year rent growth from renewals ALONE
- How?
 - Laser focus - Nick personally reviews every renewal and all rental rates every week
 - Bold changes - completed reworked leasing agent compensation
 - Never stop adding value: Full Time Overwatch Captain
 - Maturing portfolio
 - Market vacancy declines in Rochester



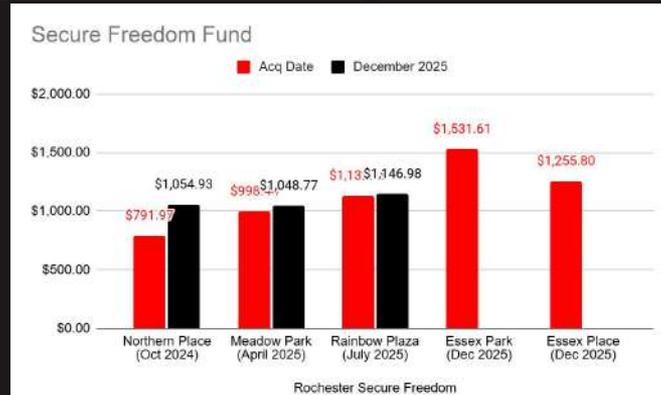
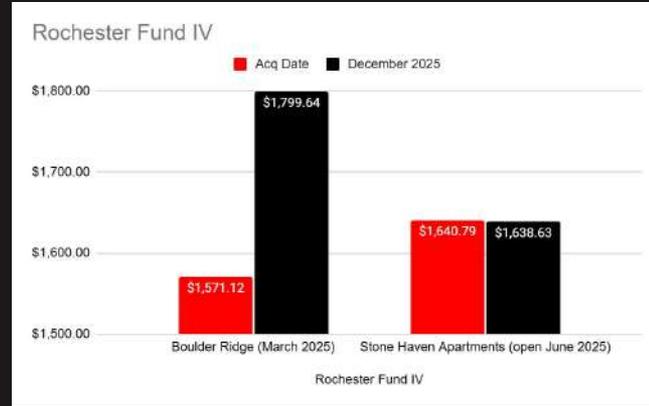
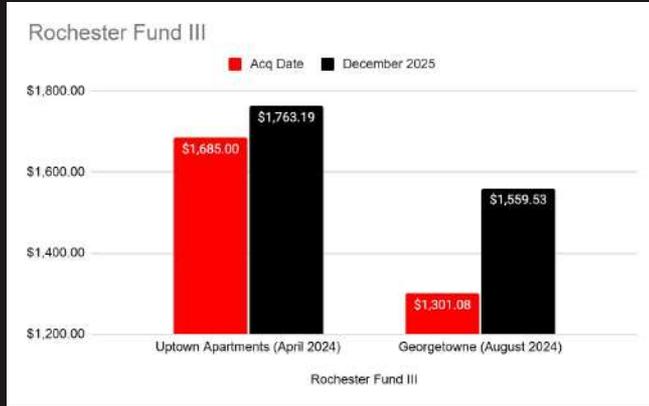
Black Swan Rent Growth



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Track Record: Rent Growth

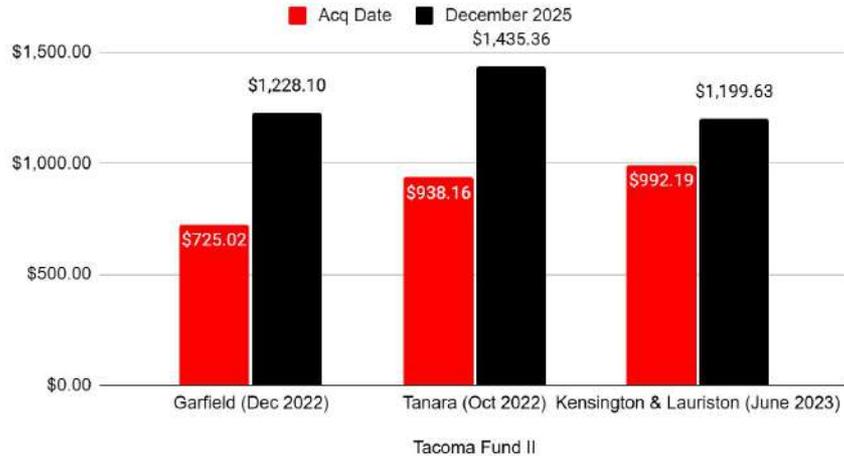


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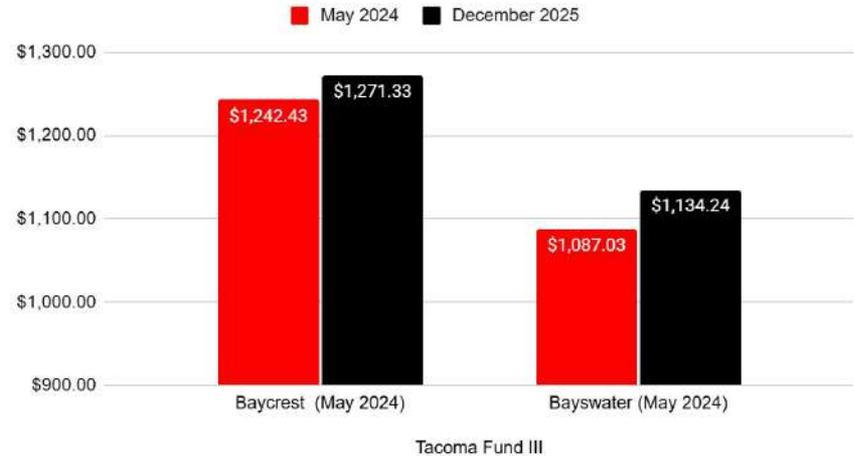


Track Record: Rent Growth

Tacoma Fund II



Tacoma Fund III



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Secure Freedom Fund - Officially Our Biggest EVER!

- \$35M of capital raised
- Northern Hills Apartments closed
- Villages at Essex Park closed
- Over \$85M AUM
- One new asset recently under LOI!

JOIN THE WAITLIST NOW AT

securefreedomfund.com



Closed New Deal in Secure Freedom Fund!

- Northern Hills Apartments
- 32 units
- All 2 bed 1 bath
- In-unit laundry and Central HVAC!
- Due diligence complete
- Asset dated, but in excellent condition
- \$3.0M purchase price, \$94k/unit
- \$2.4M seller financed at 5.75% for 3 years, IO payments
- Value add plan includes
 - Water conservation plan
 - Paint all exteriors
 - Light renovations to unit interiors
 - Upgrade internet
 - Improve marketing and leasing
 - Implement pet friendly policies



Onboarding Complete!

- All tenants onboarded in our portal
- Estoppel agreements signed
- Only 1 move out / vacancy
- First unit renovation complete!
- Landscaping improvements
- Keypad lock installs
- Toilet upgrades
- Survey for internet performed, contract signed
- Cost segregation study performed
- Website created
- Drone photos
- Matterport shoot
- Marketed on portals like Zillow and apartments.com
- Waste disposal contract terminated, cost cut in half





We CLOSED on Villages at Essex Park!

- Closed December 30!
- **Pulled out all the stops to make certain our investors got depreciation for 2025!!**
- Massive property
 - 288 units, 26 buildings, 17 acres
 - Approximately 1,000 residents
- 2.18% HUD loan assumption
- \$40.4M purchase price (down from \$41M)
- ~\$16M capital raise
- Owned by Secure Freedom Fund
- 8 minutes from our headquarters



Essex Onboarding

- Full Court Press: 20+ Staff Member On Site
 - Converted clubhouse into command center
 - Team members flew in for the month
 - Staffing 12 hours a day 7 days a week
 - Nick personally there day in and day out
- Tenant onboarding
 - Signed estoppel agreements with 98% of tenants!!!
 - Tenants onboarded in portal
 - RUBS brought in house
 - Only 3 units have been asked to vacate at this time
- Maintenance and Construction onboarding
 - Snow cleared day of closing
 - Remediating thousands of delinquent items from city inspections
 - Existing Vendors onboarded in our system
 - 6 turns completed already
 - Countless tenant maintenance tickets resolved, very few outstanding right now
- Several units leased
- Site staff onboarded



Security Cameras Installed



The Grinch Apprehended!



Bottle Thrower Found!



Common Area Improvements

- Keypad locks installed on all utility, mechanical, and staff areas, 50+ areas secured
- Smart thermostats installed throughout campus
- 20 Laundry rooms spruced up with decor and other improvements
- Campus-wide key fob system upgrading to a keypad code system in two days
- 11 out of 14 common area air handlers repaired
- Fiber internet online campus-wide



Lighting, Switch, and Toilet Upgrades



Clubhouse Upgrades



Brought Fire Alarm Panels Into Compliance!



Thousands of Keys Labeled and Organized



New Massive Website Launched

Floor Plans - Village at Loon | x +

essoparkapts.com/floorplans/#location

CALL NOW

Floor Plans & Availability

Floor Plans Map & Availability Favorites Filter

Map & Availability

22 Available

- OFFICE
- CLUBHOUSE
- POOL
- PING
- PLAYGROUND
- GARAGE
- PET FRIENDLY
- MARKET RATE
- INCOME RESTRICTED

40th STREET NORTHWEST

#1115-218
Rent: Starting at \$995
Floor Plan: Finch
1 bd | 1 ba
750 sq ft
Available: 04/07/26
Deposit: \$400

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Rent: Starting at \$1,045
Floor Plan: Finch
1 bd | 1 ba
750 sq ft
Available now!
Deposit: \$400

#1023-105
Rent: Starting at \$1,145
Floor Plan: Bluejay
2 bd | 2 ba
1,008 sq ft
Available now!
Deposit: \$400



Trash Upgrades!



Clubhouse Upgrades



New Acquisition!

- The Quarters, 63 units in Rochester
- Will be owned in Secure Freedom Fund
- Loan assumption at 3.5% from bank we know
- Convert from student housing to market rate housing
- \$8.45M purchase price
- \$6M loan assumption
 - \$134k/unit
- All 4 bed 2 bath units, 1240 sqft
- Quick close



We are working currently to get this asset under contract with intent to be purchased by the Secure Freedom Fund, but acquisition is not guaranteed until closing.

Another New Acquisition!

- Northern Valley Apartments, 16 units in Rochester
- Will be owned in Secure Freedom Fund
-
- Immaculate class B asset
- \$2M purchase price
 - \$125k/unit
- Will be able to close with cash already in the fund



We are working currently to get this asset under contract with intent to be purchased by the Secure Freedom Fund, but acquisition is not guaranteed until closing.

Update In Summary

- Closed on Villages at Essex Park – on December 30!!!
- Tax season prep! Targeting April 1 for K1 delivery
 - PLEASE UPDATE YOUR INFO IN THE PORTAL
 - blackswan.investnext.com
- Distributions Update
- ICE Update
- Portfolio Wide Update
- Continued massive rent growth
- Closed on Northern Hills Apartments
- More acquisitions upcoming?!

