BLACK SWAN
Real Estate

BLACK SWAN REAL ESTATE

Black Swan Funds

Q3 2026

Dear Black Swan Investors,

This quarter has been defined by real growth, careful decision-making, and tremendous effort across the Black Swan portfolio. And it's been a whirlwind of fun activity!

We closed on **four** new properties in the Secure Freedom Fund: **West Willow Apartments, Northern Valley Apartments, Oak Hills Manor, and The Quarters.** We are also under contract on five additional acquisitions, with more opportunities in development. Each of these assets reflects the same strategy that has guided Black Swan from the beginning: *buy carefully, operate intentionally,* and *focus on creating durable and long term value.*

Our teams moved quickly following each closing, completing renovations, addressing inherited maintenance, improving security, welcoming residents, and signing new leases. At The Quarters alone, we have already signed **26 leases.** Oak Hills Manor was nearly fully onboarded within two weeks, while Villages at Essex Park continues to stabilize faster than expected, with net operating income already exceeding our original projections.

Rent growth also remains strong across the portfolio. We are achieving more than **6%** year over year rent growth through renewals alone, while maintaining renewal rates well above the national average.

Elevated borrowing costs continue to create challenges across the industry. They are also creating attractive buying opportunities for investors with patience, liquidity, and a long term perspective. **We remain focused on what we can control: operations, occupancy, expenses, debt structure, and resident experience.**

We have also welcomed **38** new team members this year and continue to use technology and artificial intelligence to improve efficiency and create greater value across the portfolio.

On a personal note, **our family welcomed our sixth child, Elizabeth,** in May. We are grateful for this joyful new chapter and for the extraordinary team that continues to move Black Swan forward.

Thank you for your continued trust and partnership. It is an honor to steward your capital.

All our best,

Nick and Dr. Elaine Stageberg

WHAT TO EXPECT WHEN YOU INVEST

What to Expect When You Invest with Black Swan Real Estate
As part of our commitment to radical transparency and putting the needs of our investors first, we keep our investors informed in multiple channels.

Want more frequent updates?
Be sure to sign up for the weekly newsletter (blackswan.mykajabi.com/connect) and whitelist us in your inbox. We share weekly newsletters centered on investor education and updates on the Black Swan portfolio.
Then, follow us on Facebook, Instagram, LinkedIn, and YouTube for deeper dives, photos, and real-time updates from our team in the field.
Like and Follow us on Facebook
Follow us on Instagram
Follow us on LinkedIn
Subscribe to our YouTube Channel

Investor Portal Access (blackswan.investnext.com)
All important updates and tax documents are available in your InvestNext portal:
- Investment paperwork and accreditation documents
- Quarterly update reports
- K-1 tax documents
- Updates on open offerings and new opportunities

Quarterly Update Webinars
Each quarter, we host a live investor webinar to share:
- Key project milestones and operational updates
- Updated metrics
- Renovation and construction progress
- Economic conditions and what they mean for your investment

Plus, you get a chance to ask your questions in real time. Can't join live? No worries. Replays are uploaded in the portal, on our YouTube channel (just search Black Swan Real Estate directly in YouTube and we'll pop up!), and shared via email. Find all past quarterly updates at blackswanteam.com/updates.

Access To Us
Part of our commitment to our investors is making ourselves available to serve you. We encourage our investors to email or schedule a call with us whenever they have questions that aren't answered through these other means.

These are just a few of the ways we keep you in the loop and put your peace of mind first. It is an honor to steward your capital, and we take that responsibility seriously.

Stay updated all year long!
Scan the QR Code to follow us on your favorite platform!

REAL ESTATE REAL LIFE

Join us in Rochester or From Anywhere

Real Estate Real Life is more than a real estate conference. It is a gathering for investors, entrepreneurs, physicians, and high income professionals who want to build wealth without losing sight of the life that wealth is meant to support.

Attendees can earn up to **8 hours of AMA Category 1 CME** through a jointly accredited activity provided by Pinnacle Conference, LLC, allowing them to invest in professional development and personal growth at the same time.

Choose Your Experience

Virtual Experience

Participate live from anywhere on September 18, 19, and 20. Watch the keynote sessions and panels, join the property tours virtually, ask questions in real time, and enjoy unlimited replay access.

General Admission

Join us in Rochester for the live sessions, community experience, and Black Swan property tours.

VIP Experience

Enjoy the complete conference experience with additional access, deeper connection, and special VIP opportunities.

Learn more and reserve your ticket at rerl2026.com

REGISTER NOW!

IN SUMMARY...

Q3 brought a rapid expansion of the Secure Freedom Fund portfolio and an equally significant amount of work behind the scenes. Four properties closed, four additional acquisitions moved under contract, and our teams began improvements immediately after taking ownership.

Here are some of the highlights:

- Youngest member of the team added!
- Secure Freedom Fund opening for investment!
- 38 new team members added this year
- Under contract on Cascade Apartments, Cedar Glen Apartments, Cedar Gate Apartments, and Metropolitan Towers Apartments
- Coming soon: South Pointe Apartments, and Eden Apartments
- Closed on West Willow Apartments, Northern Valley Apartments, Oak Hills Manor Apartments, and Quarters Apartments
- Massive efforts at all new acquisitions
- Essex stabilizing faster than expected
- Continued challenges in the industry
- Continued massive rent growth for Black Swan

Although elevated interest rates continue to affect borrowing costs and refinancing proceeds, we believe current market conditions are creating compelling acquisition opportunities. We remain focused on careful buying, strong operations, liquidity, and long term value creation.

DISTRIBUTIONS

Fund I - 1% annualized (monthly distributions). Over 20% returned to date.
Fund II - 1% annualized (monthly distributions). Focus on liquidity and long-term stability.
Fund III & IV - **Increased to 7% annualized starting May 1!**
Secure Freedom Fund - monthly distributions sent for cashflow option

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 is acquiring 2 final units at the Riverview Apartments*

IMPORTANT ANNOUNCEMENTS

Secure Freedom Fund Reopening

The Secure Freedom Fund will open to those on the waitlist on Friday, August 7 at 1:00 p.m. CT. It will then open to our entire community on Friday, August 14 at 12:00 p.m. CT. If you would like early access, we encourage you to join the waitlist.

To continue exploring whether the Secure Freedom Fund is a good fit for your financial plan, you can visit ***securefreedomfund.com*** to review the investment materials and join the waitlist.

INVEST NOW!

Best of the Best! - Please vote for us!

Black Swan Living has been nominated in four categories for Rochester's Best:

- **Best Apartment Community: Residence @ Discovery Square**
- **Best Property Management Company**
- **Best Place to Work (Medium to Large)**
- **Best Customer Service**

VOTE FOR US!

These awards are more than public recognition. A trusted local reputation helps our communities stand out when prospective residents are choosing where to live. It also strengthens resident confidence and supports our ability to recruit talented employees as the portfolio grows.

Every vote helps Black Swan Living remain visible and competitive in the communities we serve.

BLACK SWAN LIVING

We believe strong financial performance begins with careful operations at the property level. The Black Swan Living team supports that performance through hands on management and a consistent focus on the resident experience.

This quarter required an extraordinary level of execution as our team onboarded and began improving four newly acquired properties.

At **Oak Hills Manor, 95% of residents** were onboarded within two weeks of closing. Our team completed inherited renovations and maintenance requests, improved the fire sprinkler system, addressed water intrusion, and began modernizing common areas.

At **The Quarters,** our teams renovated more than 30 units, upgraded security and lighting, refreshed shared spaces, and completed extensive grounds cleanup. These improvements supported a focused leasing effort that has already produced 26 signed leases.

We also welcomed **38 new team members** this year across operations, leasing, construction, and maintenance. This growth strengthens our ability to serve residents and execute our business plans across an expanding portfolio.

38 New Team Members	**19** Operations	**3** Leasing	**16** Construction and Maintenance

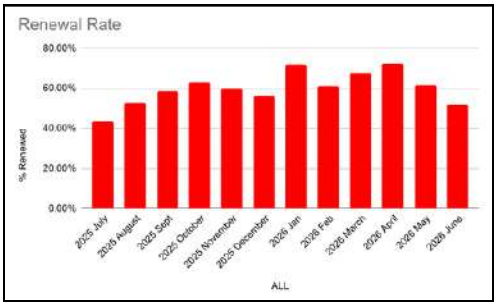
Our focus remains the same: **operate with excellence, improve every property we touch, and create lasting value for residents and investors.**

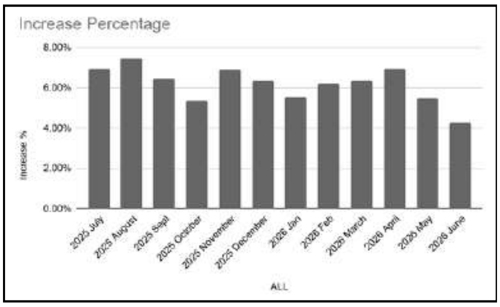
RENT GROWTH

This quarter's rent growth came largely from residents who chose to remain in their homes. This is important to us because while it is financially advantageous, it also creates stability for people, families, and the community.

In April, **72.31% of eligible residents renewed their leases,** the highest monthly renewal rate in Black Swan history. The average increase on those renewed leases was **6.96%.** National renewal rates have recently averaged approximately **54% to 55%.**

A renewal produces value in two ways. First, the new lease moves rental income closer to current market rates. Second, the property avoids many of the costs associated with a resident moving out, including cleaning, repairs, advertising, leasing time, and vacancy between residents.





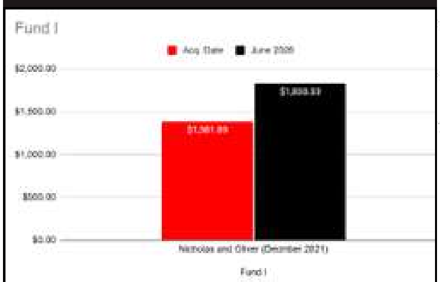
Several changes contributed to this quarter's results:

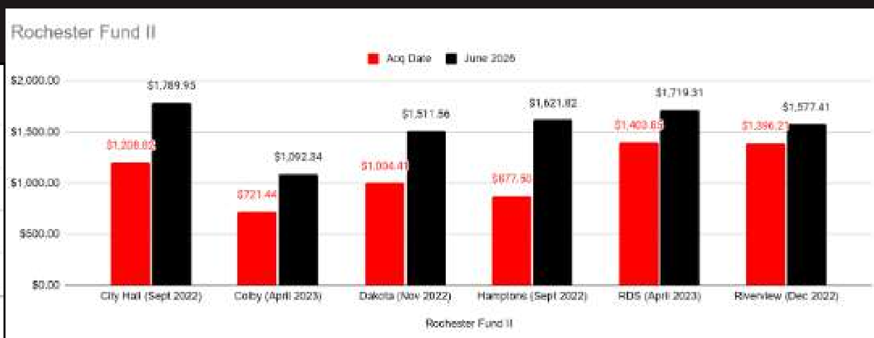
- Two team members were added to the renewals team
- Upcoming renewals and rental rates are reviewed each week
- Resident communication and follow up have been expanded
- Custom software now tracks more of the renewal process
- Accountability leases encourage residents to make timely decisions

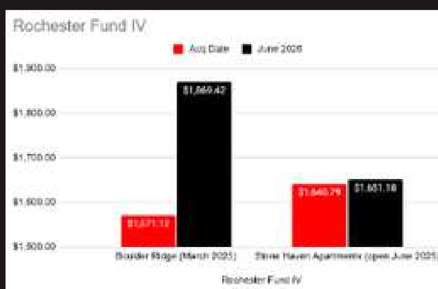
Together, these efforts produced more than **6%** year over year rent growth from renewals alone.

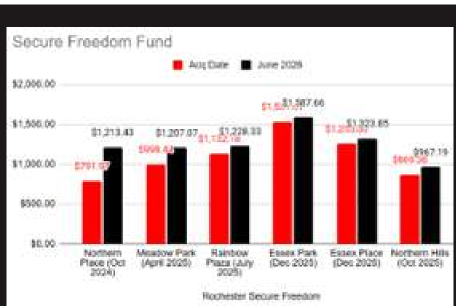
The most encouraging part of this result is that it was not dependent on a broad increase in market rents. It came from resident retention, closer attention to pricing, and a renewal process built to reduce missed opportunities.

Track Record: Rent Growth









MASSIVE AI WINS

Artificial intelligence is changing how quickly our team can review information, identify problems, and complete repetitive work. This quarter, we began measuring that impact across several areas of the company.

Property Reporting

NOI, rent roll, and cash flow information can now be updated daily for every property, including future projections. This gives our team a more current view of performance and helps identify changes sooner.

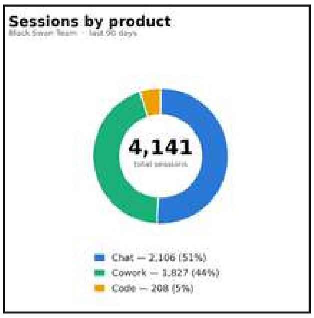
	T12	2026-9-15	2026-8-15	2026-7-15	2026-6-15	2026-5-15	2026-4-15	2026-3-15	2026-2-15	2026-1-15	202
Georgetown Cashflow	$ 691,614.09			**$ 11,018.22**	**$ 2,697.73**	**$ 41,921.11**	**$ 41,340.28**	**$ 229,688.17**	**$ 69,195.88**	**$ 41,878.67**	**$ 44**
Georgetown NOI	$ 1,968,560.71			$ 117,815.82	$ 134,612.59	$ 153,941.32	$ 141,161.36	$ 151,286.04	$ 164,838.10	$ 131,991.30	$ 159
Georgetown Non recurring Expense/Income	$ 229,755.84			$ 20,104.20	$ 45,221.46	$ 25,326.81	$ 13,127.68	$ (165,095.53)	$ 8,832.33	$ 3,302.74	$ 28
Georgetown Debt Service	$ 1,039,190.78	$ 86,693.40	$ 86,693.40	$ 86,693.40	$ 86,693.40	$ 86,693.40	$ 86,693.40	$ 86,693.40	$ 86,809.89	$ 86,809.89	$ 86
Georgetown Rent Roll	$ 196,839.15	$ 188,054.00	$ 196,817.00	$ 203,849.00	$ 204,913.00	$ 202,407.00	$ 198,414.00	$ 198,805.00	$ 192,463.00	$ 198,660.00	$ 193
Georgetown Vacancy	3.88%	11.28%	6.77%	3.01%	2.26%	3.01%	4.51%	4.51%	2.26%	2.72%	
Georgetown Average Rent	$ 1,551.53	$ 1,605.75	$ 1,599.26	$ 1,592.20	$ 1,588.27	$ 1,580.97	$ 1,574.13	$ 1,575.64	$ 1,491.77	$ 1,547.08	$ 1
Per Unit NOI	$ 1,228.42			$ 885.83	$ 1,012.12	$ 1,157.45	$ 1,061.36	$ 1,137.49	$ 1,239.38	$ 992.42	$ 1

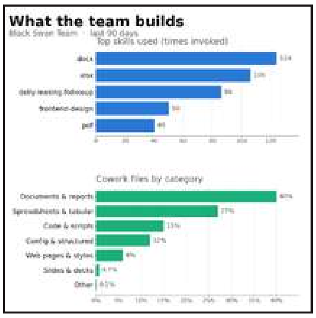
Inspections and Due Diligence

Property walkthroughs can be recorded and converted into organized reports. Work that previously required approximately one week can now be completed in about one hour.

Administrative and Legal Work

Routine legal drafts that once required several days and approximately $300 can now be prepared internally within minutes, then reviewed before use. HUD reimbursement processing has also been reduced from two working days to approximately 15 minutes.





Utility Analysis

Automated utility analysis identified several areas for review, including rising water and electricity costs at Oliver, a 39% year over year increase at Hamilton, and higher trash expenses across 25 of 26 properties.

These insights help our team identify possible leaks, equipment issues, and opportunities to renegotiate vendor contracts. At Meadow Park, renegotiating the trash contract reduced costs from $56 to $11 per unit.

At a 5% capitalization rate, every $100,000 in annual savings may add approximately $2 million to property value. Artificial intelligence helps surface these opportunities, while our team verifies the findings and determines the appropriate action.

SECURE FREEDOM FUND

The **Black Swan Real Estate Secure Freedom Fund** was created to provide stability, simplicity, and predictable cash flow through high-quality real estate backed by disciplined operations. With monthly distribution options and a focus on conservative underwriting, the fund is designed to serve investors seeking both income and long-term strength.

We are pleased to announce that the Secure Freedom Fund is opening for investment on **Friday, August 7 at 1:00 PM Central** ***for the waitlist, and Friday, August 14 at 12:00 PM Central for the public.***

Open to the waitlist Friday, August 7 at 1:00 PM Central
Open to the public Friday, August 14 at 12:00 PM Central

securefreedomfund.com

The timing of this opening reflects strong momentum across the fund, meaningful operational progress, and a growing pipeline of acquisition opportunities.

Quarter Highlights

- **Closed on The Quarters, a 63-unit Rochester community**
- **Closed on Oak Hills Manor, a 48-unit community in Circle Pines, MN**
- **Closed on Northern Valley and West Willow, two more Rochester communities near our headquarters**
- **Under contract on four additional acquisitions: Cascade, Cedar Glen, Cedar Gate, and Metropolitan Towers**
- **Coming soon: South Pointe Apartments and Eden Apartments**
- **Villages at Essex Park stabilizing faster than expected,** allowing focus to return toward acquisitions
- **Continued monthly distributions** for investors utilizing the cash flow option

The Secure Freedom Fund remains focused on capital preservation, predictable returns, and disciplined growth. With embedded equity, active acquisition opportunities, and continued operational strength, we believe the fund is well positioned for the next phase ahead.

The Quarters, purchased this quarter by the Secure Freedom Fund

UNDER CONTRACT

Four properties closed this quarter. Five more are moving through the pipeline behind them, the most active stretch of acquisition activity in Black Swan's history. Here is what we are buying, and why.

Cascade Apartments
44 units in Rochester, built 2016, less than a mile from our headquarters. $7.2M purchase price, $164K per unit. This is a true Class A property: large units, vaulted ceilings, underground parking, stone countertops, kitchen islands, oversized balconies, and beautiful grounds. Closing is projected before October 1.

Cedar Gate Apartments
48 units, built 1964. $5.25M purchase price, $109K per unit. Sits directly across the street from Mall of America, backs up to single-family homes, and is one block from a large public park. There's a gorgeous courtyard on site, a quiet green pocket in the middle of one of the busiest retail corridors in the state.

Cedar Glen Apartments
64 units, built 1967. $6.45M purchase price, $101K per unit, an incredible per-unit basis even for this market. Huge surrounding green space for tenants. An older asset, and exactly the kind of value-add opportunity our operations team has built its reputation on.

Metropolitan Towers Apartments
112 units, built 1968. $12.9M purchase price, $115K per unit. Immediately adjacent to Mall of America. The one-bedroom units here run an unusually generous 1,100 square feet, more space than most new construction offers at twice the rent.

South Pointe Apartments
142 units, built 1962. $15.4M purchase price, $108K per unit, a few blocks from Mall of America. One owner held this property for 40 years. It comes with a pool, a basketball court, and a beautiful campus, plus a huge amount of surplus land, room for future infill development on ground we would already own.

Eden Apartments ***(coming soon)***
94 units, our first ground-up construction project inside the Secure Freedom Fund, built as infill development right next to The Quarters in Rochester. Eden will share The Quarters' clubhouse, fitness center, volleyball and basketball courts, soccer field, parking, trash, lawn care, and snow removal, which is a big part of why the economics work: we're not building amenities twice. We're projecting one of the lowest per-unit construction costs in Rochester in a decade.

VILLAGES AT ESSEX PARK

Villages at Essex Park continues to stabilize faster than expected following its acquisition by the Secure Freedom Fund.

Our team has made substantial progress across the 288 unit community, improving the physical property, strengthening operations, and preparing apartment homes for new residents.

Quarter Highlights

- **Stabilizing far faster than expected**
- Over TWENTY roofs replaced.
- Bulk Internet rolled out to all units
- Electricity being installed in all garages, garage openers next
- Over 50 units turned over
- 12 pending move-ins today
- Incredible work from our amazing team and particularly the site staff

The financial performance of the property is also exceeding our initial expectations.

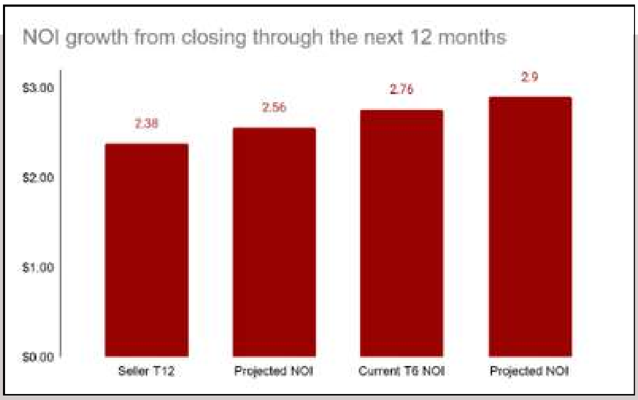
Seller NOI at Closing: $2.38 million

Our Projected NOI at Closing: $2.56 million

Current Annualized NOI: $2.76 million

Projected NOI for the Next 12 Months: $2.9 million

This progress reflects the extraordinary effort of our operations and onsite teams. Essex Park is becoming a strong cornerstone of the Secure Freedom Fund portfolio.



FUND IV UPDATES

Closed December 2024

Black Swan Real Estate Fund IV continues to perform steadily as the portfolio moves further into its stabilization and cash flow phase.

Date of Final Asset Purchase: March 2025 (final)
Capital Returned to date: 2.8%
Distribution Schedule: 7% annualized via monthly distributions

Steady, stabilizing Fund moving into its maturity phase

Fund IV started 4% annualized distributions in February 2026. Starting May 1, distributions increased to 7% annualized. This adjustment is a reflection of the strong progress we've made across the Fund IV portfolio as it stabilizes.

Fund IV Assets

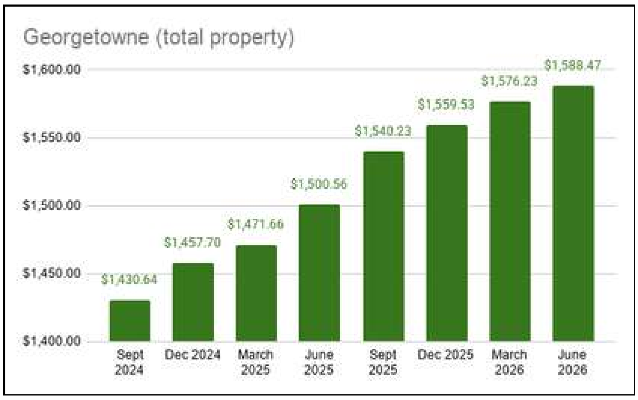
- Stone Haven Apartments - 56 brand-new Class A units in Byron, MN
- Georgetown Townhomes *(50% owned by Fund III)* -132 units in Rochester, MN
- Boulder Ridge Townhomes *(50% owned by Fund III)* -112 units in Apple Valley, MN

Our focus for Fund IV remains consistent: strengthen operations, maintain occupancy, grow revenue thoughtfully, and support dependable monthly cash flow.

Fund III and Fund IV each own 50% of these two assets

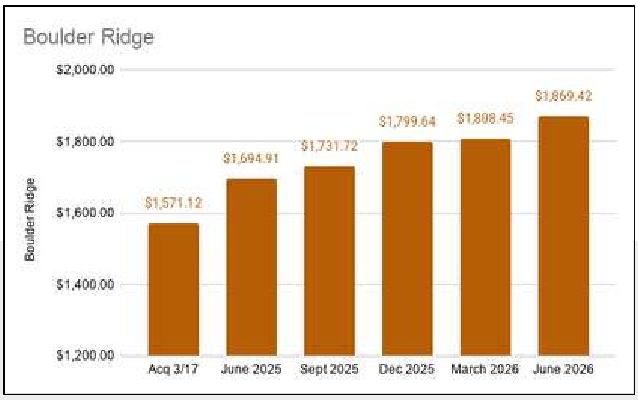
Georgetown Townhomes
132 Townhome Units | *Rochester, MN*

No material change this quarter. Georgetown continues to hold a 76% renewal rate, the highest resident retention in the portfolio, with rents rising steadily quarter over quarter.



Boulder Ridge Townhomes
112 Townhome-Style Units | *Apple Valley, MN*

No material change this quarter. Boulder Ridge's HUD score remains at 3, keeping the property eligible for distributions, and lease-ups continue near $2,140 per month for three-bedroom units.



FUND III UPDATES

Closed March 2024

Black Swan Real Estate Fund III continues to perform strongly as the portfolio advances through its stabilization phase. Over the last quarter, the Fund made meaningful progress through improving cash flow, continued asset performance, and a major refinance event that created substantial value.

Date of Final Asset Purchase: March 2025 (final)
Capital Returned to date: 2.8%
Distribution Schedule: 7% annualized via monthly distributions

Steady and stable, in its maturity phase.

Fund III started 4% annualized distributions in February 2026. Starting May 1, distributions increased to 7% annualized. This adjustment is a reflection of the strong progress we've made across the Fund III portfolio as it stabilizes.

Fund III Assets

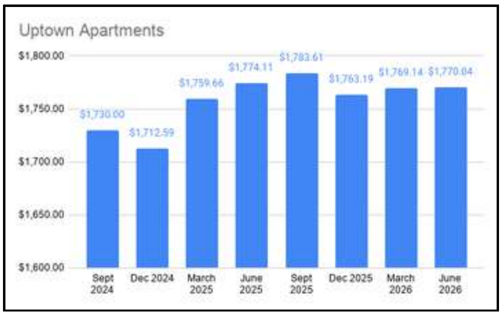
Georgetown Townhomes *(50% owned by Fund IV)*
Rochester, MN - Acquired August 2024

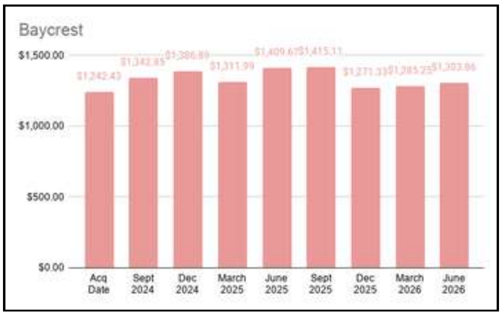
Boulder Ridge Townhomes *(50% owned by Fund IV)*
Apple Valley, MN - Acquired March 2025

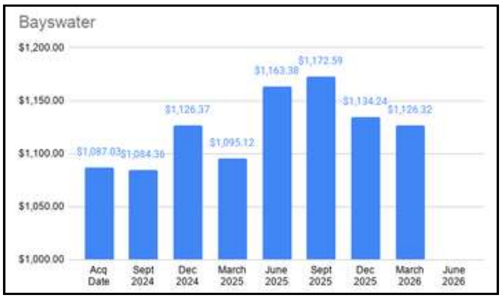
Uptown Apartments
Rochester, MN - Acquired April 2024

Baycrest Apartments
Tacoma, WA - Acquired May 2024

Bayswater Apartments
Tacoma, WA - Acquired May 2024







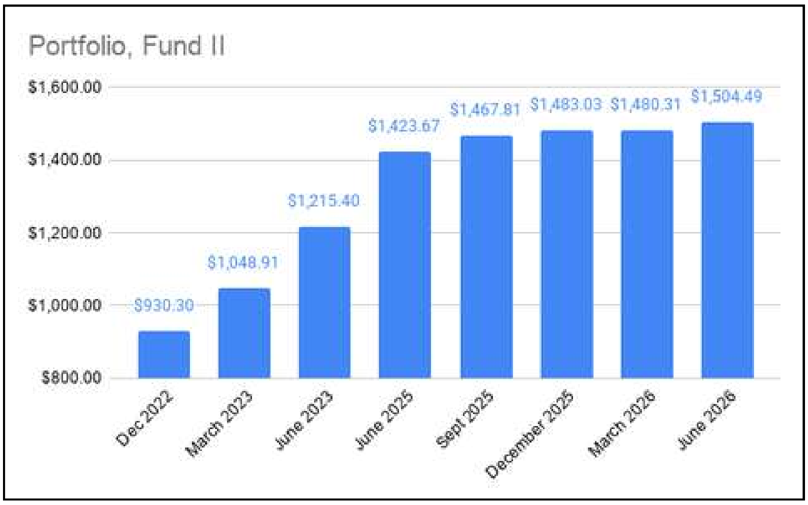
FUND II UPDATES

Closed December 2022

Black Swan Real Estate Fund II continues to perform steadily as the portfolio moves through its maturity phase.

Date of Final Asset Purchase: August 2025, with two remaining Riverview units intended for future acquisition
Capital Returned to Date: 6.83%
Distribution Schedule: 1% annualized through monthly distributions

Steady, quiet Fund in its maturity phase



Fund II was adjusted from 4% annualized distributions to 1% annualized distributions in February 2026. This adjustment was made intentionally to increase liquidity and further protect investor capital ahead of future loan maturities in 2027 and beyond. Extensive details provided in Q1 2026 Update.

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

FUND I UPDATES

Closed December 2021

Black Swan Real Estate Fund I remains the most mature fund in the Black Swan portfolio and continues to deliver stable operations and consistent monthly distributions.

Date of Final Asset Purchase: April 2023
Capital Returned to Date: 20.8%
Distribution Schedule: 1% annualized through monthly distributions

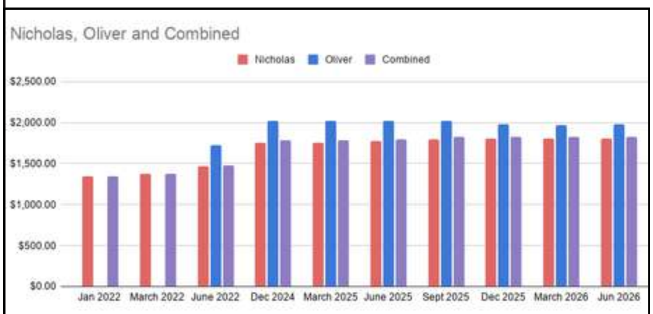
Steady and stable, in its maturity phase

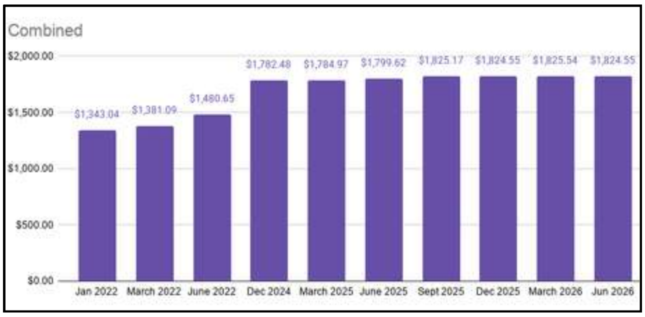
Fund I was adjusted from 4% annualized distributions to 1% annualized distributions in February 2026. This adjustment was made intentionally to increase liquidity and further protect investor capital ahead of future loan maturities in 2027 and beyond. Extensive details provided in Q1 2026 Update.

The Nicholas Apartments

No material change this quarter. Nicholas & Oliver remain dependable, high-performing anchor assets, benefiting from their location minutes from the expanding $5B Mayo Clinic “Hospital of the Future” project.

Fund I continues to provide steady monthly distributions, with over 20% of invested capital returned to date, reinforcing its role as a foundational success story of Black Swan's vertically integrated, investor-aligned model.





CONCLUSION

As we move forward through 2026, we remain encouraged by the strength and momentum across the Black Swan portfolio.

This quarter, we completed ***four acquisitions*** for the Secure Freedom Fund, placed ***four additional properties under contract***, and continued advancing future opportunities. Our teams made substantial improvements at newly acquired properties, while Villages at Essex Park stabilized faster than expected and exceeded our initial NOI projections.

We also continued achieving strong rent growth and renewal performance across the portfolio. These results reflect the discipline, systems, and daily execution of our growing team.

We remain mindful of the challenges created by elevated interest rates and higher borrowing costs. Our strategy remains unchanged: buy carefully, maintain liquidity, use responsible debt, operate properties exceptionally well, and make decisions with a long term perspective.

We believe the current market continues to create opportunities for patient and experienced operators. Black Swan is positioned to pursue those opportunities while remaining focused on capital preservation and dependable performance.

Thank you for your continued trust, confidence, and partnership. It is an honor to steward your investment capital, and we remain deeply committed to serving you well.

All our best,

Nick and Dr. Elaine Stageberg