

# PLAYING THE LONG GAME

*The Power of Compounding*



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# Market Outlook & Multifamily View

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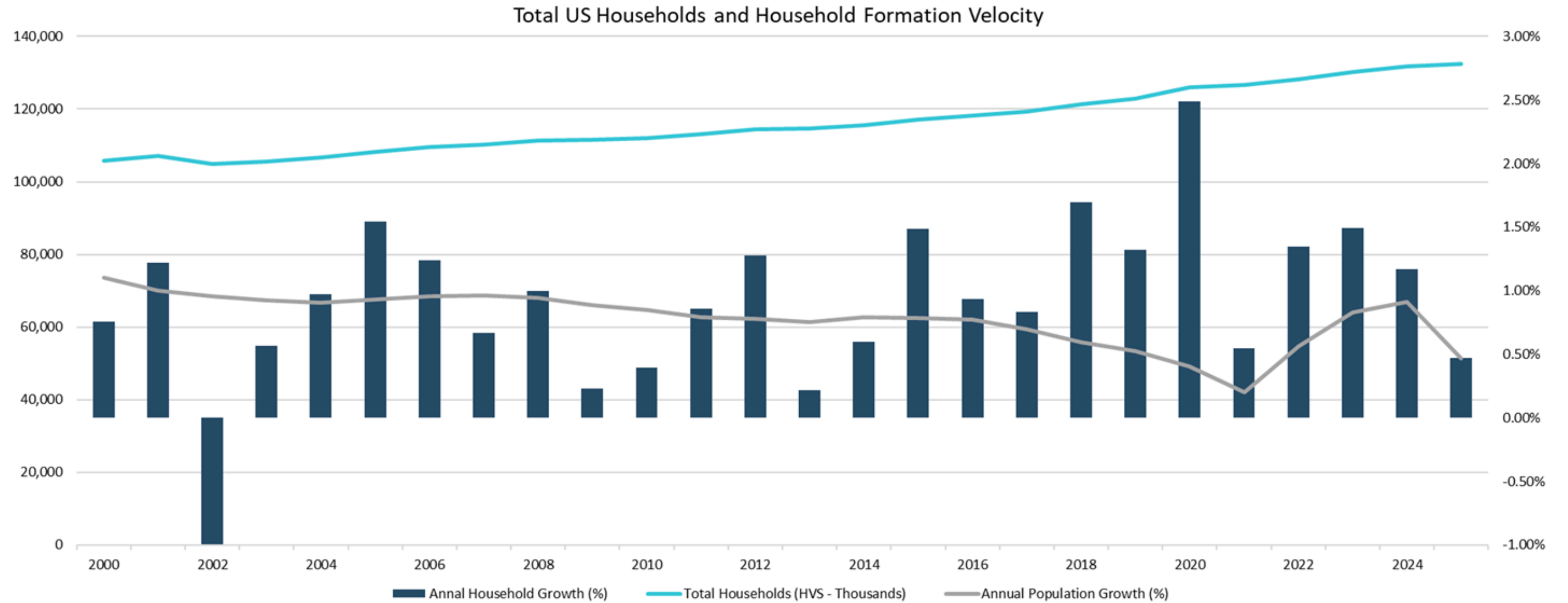


# MULTIFAMILY

▶ Demand is steady with household formations averaging 1.25% growth since 2015.

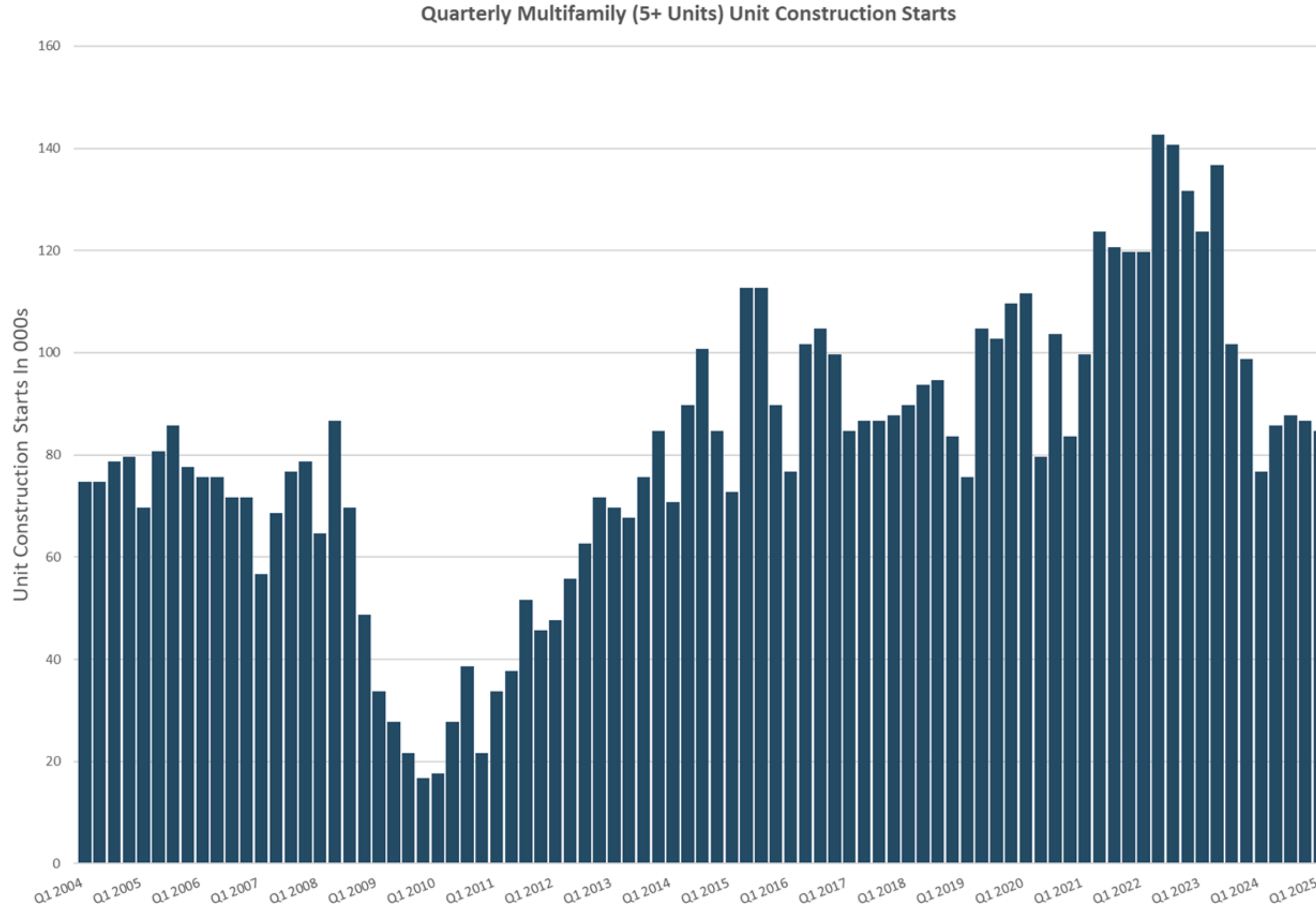
## Demand Drivers:

- Aging Population
- Married Later
- Student Loans
- Unaffordable Home Prices
- Down Payments
- Stringent Loan Requirements
- Population Growth



Source: U.S. Census Bureau (through Q2 2025)

# Supply – Starts Slowing



Source: U.S. Census Bureau (Q1 2025)

# ▶ Non-Traded REIT Fundraising Down Considerably

Non-Traded REIT fundraising down ~82% from 2022 to 2024

2025 pace expected to remain low

Investors are allocating away from real estate

**Non-Traded NAV REIT Redemptions**  
(\$ in millions)

	NAV	Fundraising	DRIP	Redemptions	Redemptions as % of Fundraising & DRIP	Redemptions as % of NAV <sup>(1)</sup>	Net Fundraising	Weighted Avg. % Change NAV/Share
2022 Total	\$107,142	\$33,198	\$2,018	(\$12,040)	34.2%	12.2%	\$23,176	4.22%
2023 Total	94,832	10,185	1,991	(18,324)	150.5%	17.5%	(6,148)	-7.32%
2024 Total	81,481	6,076	1,784	(12,702)	161.6%	14.3%	(4,843)	-3.49%
Q1 2025	81,411	1,250	448	(2,794)	164.6%	3.4%	(1,097)	-0.06%
Q2 2025	81,485	1,633	447	(2,055)	98.8%	2.5%	24	-0.21%
<b>TOTAL</b>		<b>\$52,342</b>	<b>\$6,687</b>	<b>(\$47,916)</b>	<b>81.2%</b>		<b>\$11,113</b>	

Year-end 2021 to 6/30/2025 **-6.81%**

Traded REIT Change in Consensus NAV to 6/30/2025 -11.0%

(1) Redemptions as a % of average aggregate NAV during trailing 12 months or YTD period, as applicable.

# ▶ State of the Market Conclusion

- **Operational:**

- Short-term supply and demand imbalance creating softness today, but healthy long-term supply and demand picture projected into future creates potential for:
  - Outsized rent growth
  - Improved occupancies
  - Concession reductions

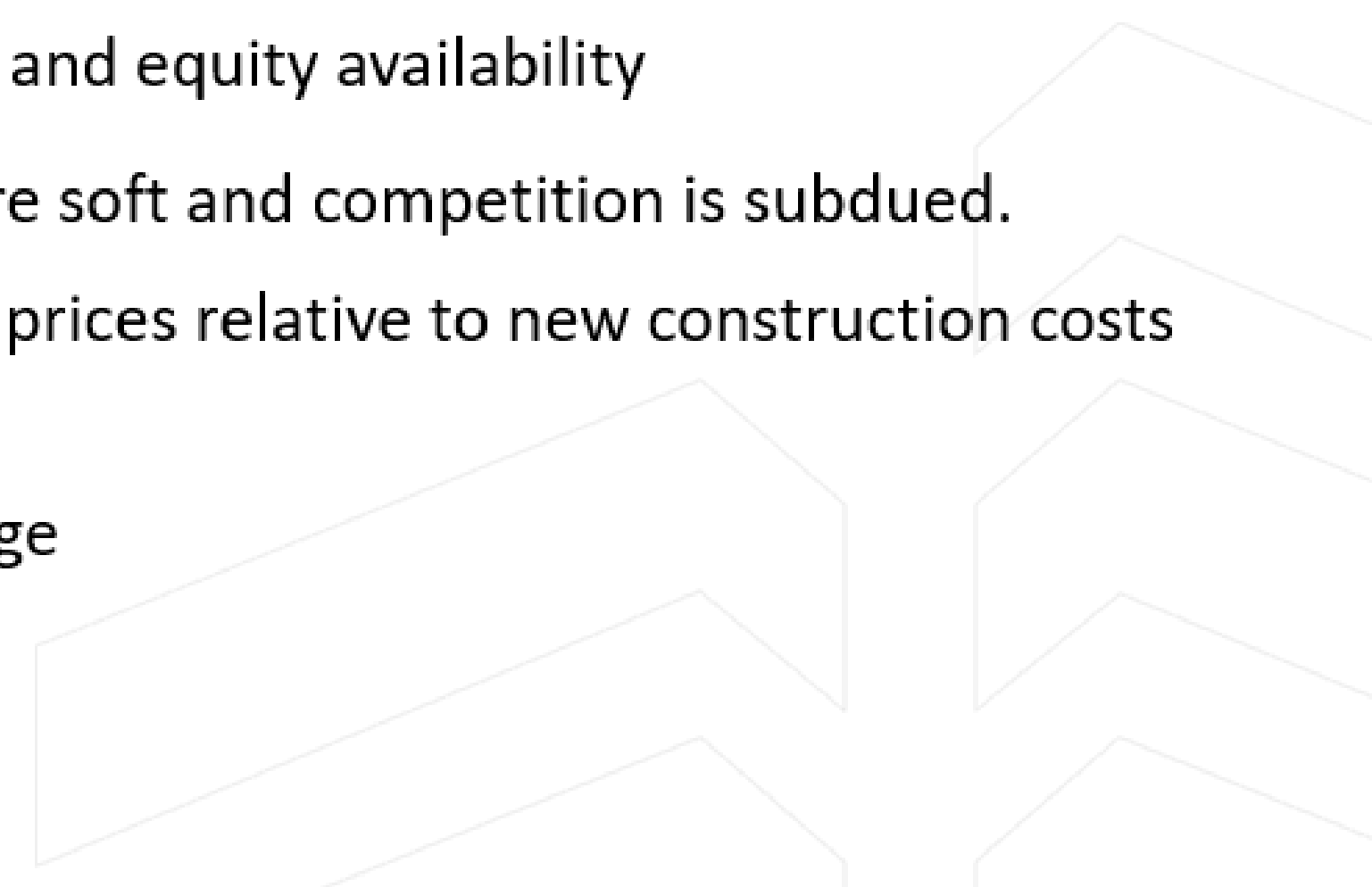
- **Capital Markets:**

- Subdued competition on the buy-side from reduced debt and equity availability

- **MLG's Investment Strategy:** Deploy capital when operations are soft and competition is subdued.

- Prioritizing Class A/B in great sub-markets with attractive prices relative to new construction costs and in locations where tenants can pay rent premiums

- **Snapback Potential:** The power of operating & financial leverage



# Powerful After-Tax Benefits of Reinvestment

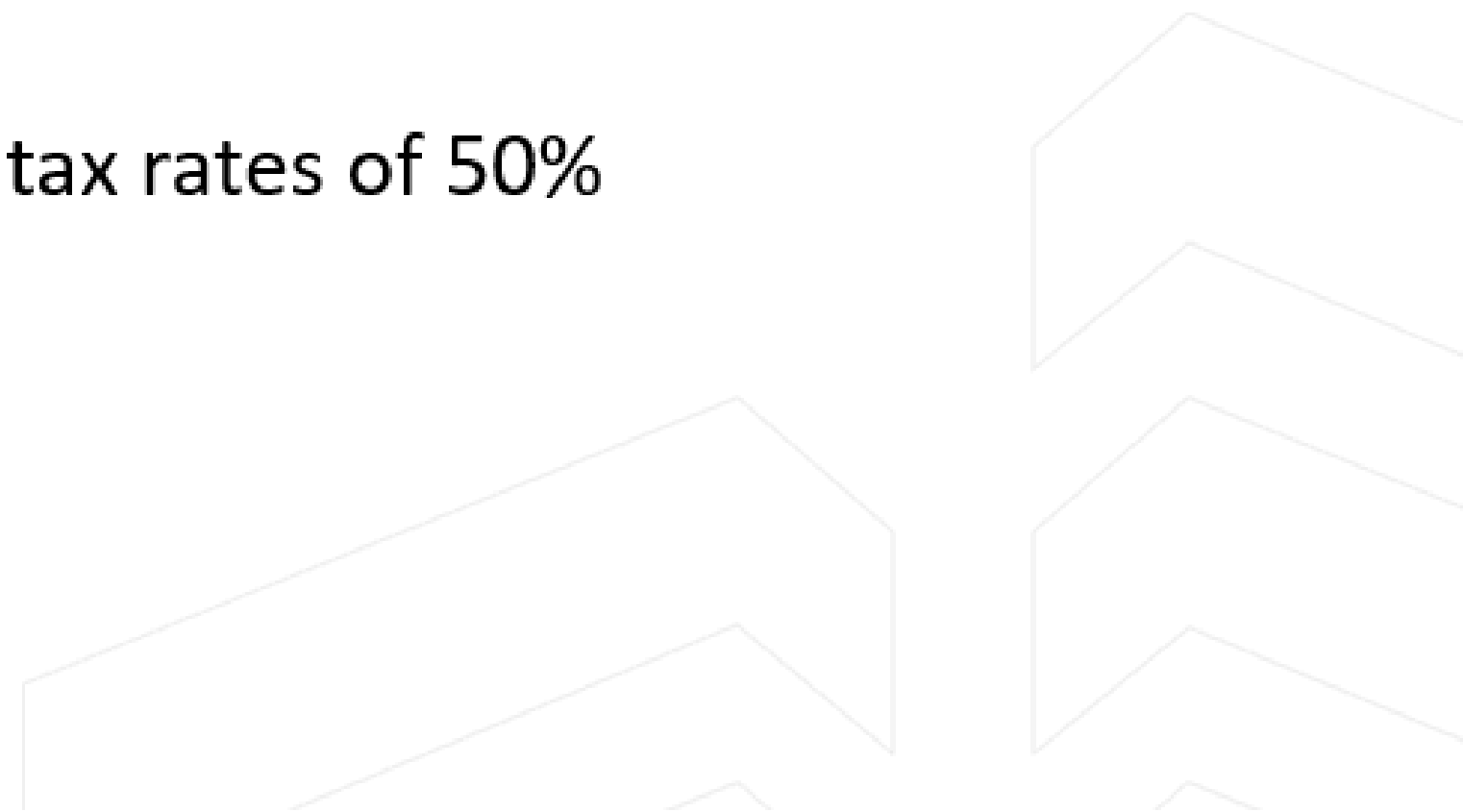
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## ▶ MLG Capital Reinvestment Example

### Let's assume:

- Investor invests \$500,000 in each of our last six funds (MLG Funds I – VI) upon the first capital call of each fund
- Investor is subjected to the passive loss limitations
- The MLG Funds are the only passive activities the Investor has
- The Investor has other non-MLG ordinary income
- Effective Capital Gain tax rates of 30% and Ordinary tax rates of 50%



# MLG Historical After-Tax Cash Flow Example

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
<b>Contributions &amp; Distributions</b>														
Capital Contributions	500,000	-	500,000	-	500,000	-	500,000	-	-	500,000	500,000	-	-	3,000,000
Distributions	9,301	34,038	40,816	221,452	85,709	328,778	501,218	294,130	416,728	330,640	422,425	228,850	223,914	3,137,996
<b>Taxable Income(Loss)</b>														
Interest Income	345	277	340	296	401	470	2,512	1,366	800	2,001	4,403	4,416	4,380	22,004
Rental/Ordinary Income(Loss)	1,014	1,857	(23,230)	(135,519)	(71,961)	(67,503)	(549,545)	(19,218)	(86,333)	(305,815)	(349,790)	(29,838)	(18,187)	(1,654,067)
1231 Capital Gain	-	-	-	299,274	19,983	248,470	505,513	62,069	198,424	110,280	350,085	71,403	130,874	1,996,374
Passive Losses Suspended	-	-	23,230	-	51,978	-	44,032	-	-	195,535	-	-	-	314,775
Passive Losses Released	-	-	-	(23,230)	-	(51,978)	-	(42,851)	(1,181)	-	(295)	(41,565)	(112,687)	(273,786)
Current Year Taxable Income(Loss)	1,359	2,134	340	140,821	401	129,459	2,512	1,366	111,710	2,001	4,403	4,416	4,380	405,300
<b>After Tax Cash Flow Summary</b>														
Distributions	9,301	34,038	40,816	221,452	85,709	328,778	501,218	294,130	416,728	330,640	422,425	228,850	223,914	3,137,996
Capital Gain Tax (30%)	-	-	-	(89,782)	(5,995)	(74,541)	(151,654)	(18,621)	(59,527)	(33,084)	(105,026)	(21,421)	(39,262)	(598,912)
Ordinary Tax (50%)	(680)	(1,067)	(170)	79,227	9,791	59,506	251,501	30,352	43,357	54,140	172,841	33,494	63,247	795,537
Net Tax	(680)	(1,067)	(170)	(10,556)	3,796	(15,036)	99,847	11,731	(16,170)	21,056	67,816	12,073	23,985	196,625
<b>After Tax Cash Flow</b>	<b>8,622</b>	<b>32,971</b>	<b>40,646</b>	<b>210,896</b>	<b>89,505</b>	<b>313,742</b>	<b>601,065</b>	<b>305,861</b>	<b>400,558</b>	<b>351,695</b>	<b>490,240</b>	<b>240,922</b>	<b>247,898</b>	<b>3,334,621</b>

This summary represents the performance result of a hypothetical investor ("Investor") assuming the Investor invested \$500,000 upon the first capital call of each MLG Fund (Funds I-VI) as depicted above. The summary utilizes actual historical performance results from the series of MLG Closed-End Real Estate Funds (collectively the "MLG Funds"). Figures assume that: (1) the Investor is subjected to the passive loss limitations, (2) the MLG Funds are the only passive activities the Investor has and (3) the Investor has other non-MLG ordinary income in an amount equal or greater to the total of Rental/Ordinary Income (Loss), Passive Losses Suspended, and Passive Losses Released in each respective year. The summary also assumes effective Capital Gain and Ordinary tax rates of 30% and 50%, respectively. As shown in the figures, the combination of Rental/Ordinary Income(Loss) and 1231 Capital Gain allows the Investor to release the amount of losses from Rental/Ordinary Income(Loss) into the Investor's tax picture resulting in After Tax Cash Flow exceeding Distributions. Further, the Investor has additional Passive Losses Suspended that can be carried forward to help offset future income.

## ▶ MLG Historical After-Tax Cash Flow Summary Takeaway

### Results:

- Received ~\$3.1M in distributions and ~\$3.3M in after-tax cash flow
  - **After-tax cash flow exceeds total distributions by \$196,625**
- Section 1231 capital gains along with rental/ordinary losses released into tax picture to **offset ordinary income**
- In this example, the hypothetical Investor **received tax refunds in 7 of the 13 years** illustrated. Results may vary based on an investor's individual tax situation.

### Managed Accounts:

- Lower reinvestment threshold and prioritized reinvestment
- Get your capital put to work quickly with little downtime

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