

AVANATH LAUNCHES NEW BRAND

Industry leader Avanath Capital Management has launched a new brand that reflects the firm's ongoing commitment to empowering communities through quality affordable housing investments.

Avanath's new brand features a welcoming logo and fresh colors, as well as a new tagline, "Lifestyle within Reach," which speaks to the firm's deep commitment to the residents it serves.

“ Affordable housing has the power to change lives. ”

- Daryl Carter, Founder, Chairman & CEO of Avanath

"We continue to refocus our efforts to speak directly to our residents," Carter explains. "This brand refresh replaces a corporate-facing design with a customer-focused look and feel."

Since 2008, Avanath has invested over \$1 billion in affordable and workforce housing communities in rent-burdened markets across the U.S. The firm adds value through both property level renovations and resident support services.

"Affordable housing investments offer a win-win proposition to investors and residents alike," says John Williams, President of Avanath. "The demand for these products outweighs supply by leaps and bounds, providing a clear opportunity to generate attractive risk-adjusted returns

while also delivering a positive social impact."

Avanath takes a holistic approach to its investments in order to deliver this social impact. The firm provides social services such as after-school programs and financial literacy courses at its properties, fostering resident satisfaction and community goodwill that contributes to the overall stability of a neighborhood.

"Safe, clean, and affordable housing is the foundation for economically viable neighborhoods," confirms Carter. "Our new brand positions us for future growth, and enables us to continue to transform communities by delivering lifestyles within reach."

Watch our brand launch video at www.vimeo.com/194086409.



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AVANATH ACQUIRES WORKFORCE HOUSING ASSET IN NY METRO

Avanath has acquired Grand Pointe Park, a 156-unit workforce housing asset in the Poughkeepsie submarket of the greater New York metro.

Poughkeepsie's growing chip manufacturing, technology, and healthcare sectors are driving employment throughout the region, creating enormous demand for workforce housing.

"Many renters are being priced out of urban cores and are migrating to the suburbs," explains John Williams, President and Chief Investment Officer of Avanath. "This movement is driving tremendous demand for more affordable communities in commuting distance to metros, making these assets ideal targets as strong long-term investments."

Grand Pointe Park is located just 3 miles from Poughkeepsie Station, which provides train service to Grand Central Station in New York City in 90 minutes.

"This acquisition is well-aligned with our investment strategy of enhancing asset quality without sacrificing affordability, enabling us to generate attractive risk-adjusted returns to our investors while also positively impacting entire communities," explains Williams.

a message from the chairman

DELIVERING A+ COMMUNITIES

by Daryl J. Carter, *Founder, Chairman & CEO*

One of my fondest memories as a child at McGraw Elementary School in my hometown of Detroit was the reward received for an exemplary job on a test or assignment – the grade of A "star" – and having the teacher place a gold star on my forehead.

I couldn't wait to get home and show my parents my star! Eventually, beyond the 2nd or 3rd grade, those stars became the standard "A+" – still the gold standard in excellence.

Our firm was founded on the premise of delivering the highest standard of excellence to our affordable and workforce apartment communities. We do more than just provide residents with a place to stay – we create a community and a lifestyle.

As we have built our company to over 50 apartment communities, we've decided to shift from a corporate to a consumer-facing brand to bring this message of our standards to the forefront of our company.

After many hours spent working with Michael Pagliuco, a close friend and talented designer, we've rebranded with a welcoming design that reflects our commitment to the residents we serve.

Our residents have and always will be our top priority. One of my favorite tasks is walking our communities with my onsite colleagues to gain a better understanding of our residents, their needs, and most importantly, their aspirations.

I believe in the aspirational role that positive housing plays in transforming entire communities, and wanted to convey this sentiment in our new tagline, "Lifestyle within Reach."

Our mission is to provide safe, clean, affordable housing that supports our residents and their lifestyles and aspirations. We will continue to emphasize the "A+" and "Avanath+" in our company branding.

It is our objective that every Avanath community will receive an "A+" grade from all residents. That is that standard we strive for every day.



THE CASE FOR IMPACT INVESTING:

Q&A with Rekha Unnithan, Director, Impact Investing Portfolio Manager, TIAA Investments, an affiliate of Nuveen

Rekha Unnithan of TIAA Investments recently shared some insights about why impact investing is gaining momentum among investors.

Her recent in depth analysis on the topic can be read here: <https://goo.gl/u4uhxC>

Q: What is driving the tremendous growth in the global impact investment market?

A: There is a growing acknowledgement that some of the issues facing our society, our planet, and our people have the potential to be resolved by the investment community.

The case is being proven that impact investing is a sustainable model for generating both financial and social returns. By harnessing market forces, impact investing expands the resources available beyond

traditional philanthropy to address environmental and social needs, while also delivering competitive risk-adjusted returns.

Q: Why did you select an affordable/workforce housing fund for your investment?

A: Income inequality continues to be a tremendous pressure, particularly in the U.S. market. Housing is a big spend for low income families, and there is a serious dearth of affordable housing options.

Communities without access to affordable housing often also suffer from a lack of other critical needs, such as health, education, food, and security. These are factors that impact the world as a whole.

Q: What benefits have you seen from investing in the product type?

A: We understand that preserving access to affordable housing is a critical part of our ecosystem.



Beyond that, we know that this is not about putting people in a box where they just stay. It's about making communities thrive. By doing so, there are positive ancillary effects on health, crime reduction, education, etc.

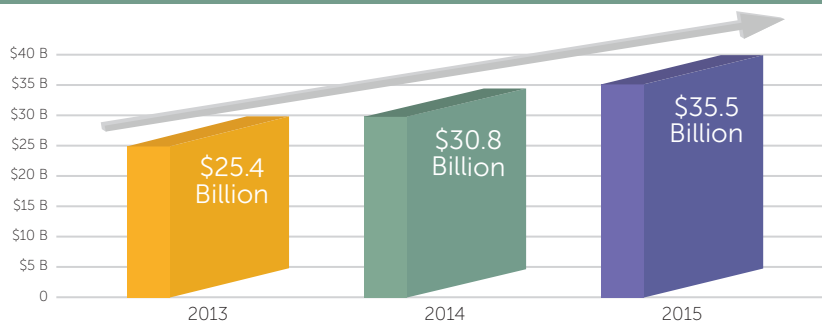
Q: What results have you seen as an investor with Avanath?

A: Owner/operators such as Avanath have developed ways to deepen the experience for residents, resulting in more vibrant affordable communities.

Through property level renovations and social programming, Avanath is able to enhance the value of its properties, which increases occupancy and overall appeal – all of which positively improves the bottom line.

We plan to deepen our commitment to assets like these in the coming years, and we expect to see others in the industry doing the same.

GLOBAL IMPACT INVESTMENTS INCREASED
FROM \$25.4 BILLION TO \$35.5 BILLION
FROM 2013 TO 2015



Source: Global Impact Investment Network



COMMUNITY PARTNER SPOTLIGHT: FOCUS ON DIVERSITY

Pictured (from L to R): CSC CEO Peter Ng, CSC Board President Bee Hsu, Board of Equalization Chair Fiona Ma & CSC Board Member Vinh Ngo

A commitment to diversity is integral to Avanath's success.

Avanath's affordable housing communities are highly diverse. We partner with service providers that reflect the diversity of the communities in which we serve.

One such partner is Chinatown Service Center (CSC), a nonprofit that provides social services to the residents at Castelar, one of Avanath's affordable communities in Los Angeles, California.

Director of Programs Ruth Chu recently shared some insights on Chinatown Service Center's social impact and involvement at the Castelar community.

Q: What is Chinatown Service Center's mission?

A: As the largest community-based Chinese American health and human services organization in southern California, CSC is committed to providing outstanding services that improve quality of life for immigrants and minorities.

Q: How does your mission align with Avanath's vision?

A: Like Avanath, we invest in underserved communities by providing equal opportunities for immigrants. We advocate on behalf of individuals assimilating into American life.

Q: What is your history with the Castelar community?

A: We've been involved with Castelar since 2004. Our headquarters are located only two blocks away.

We've been working closely with Avanath since they acquired the community in July 2014.

Q: Can you share some examples of the social services you provide at Castelar?

A: CSC offers many services including medical care, dental care, English translation, food stamps, citizenship application assistance, and more.

We assist Castelar's residents with translating healthcare applications, income tax files, and citizenship forms, among others.

We offer services and assistance in languages that reflect Avanath's diverse community.

Q: How do your social services help owners retain residents and impact the community at large?

A: Our social services can increase resident satisfaction, which minimizes turnover and boosts overall occupancy.

On a larger scale, we are helping underserved groups of people thrive and promoting the rich cultural diversity of southern California.

avanath+

Avanath Capital Management is a privately-held, vertically integrated investment firm managing real estate and real estate-related investments generating attractive risk-adjusted returns through current income and capital appreciation from its investments. The firm also provides property management services through its two affiliates, Avanath Property Management and McKinley-Avanath Property Management.

Founded by Daryl J. Carter, the Avanath management team averages 25 years of experience and has successfully guided investment funds in defining growth opportunities and delivering attractive returns. Avanath professionals have real estate operating expertise and long-standing relationships with strong local, regional and national sponsors that can access investment opportunities aligned with Avanath's initiatives.

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