

JMG Investor summary

JMG has been in business for over 20 years buying, selling and managing multi-tenant properties. Our primary focus over the last 13 years has been in the Midwest with a total of 19 properties that JMG has acquired. Today we have 13 properties that we own and manage. Below is a snap shot of the properties as a whole and some background as to why JMG is so successful and is trending towards even better success in the next real estate cycle.

Summary:

- Total property value today in excess of \$85,100,000
- Investor portion \$27,200,000
- Targeted Investment Period: **5-8 Years**
- Investment Profile: **Opportunistic**

JMG Key Investor Points:

- **Market Strategy:** The asset type JMG looks for are “C/B” properties in markets that are below value due to poor management or needed upgrades and maintenance. This focus has brought 15-22% in IRR returns and several properties have even achieved over 26.5% IRR.
- **Ideal Locations we select:** Our main focus has been tertiary markets that have shown growth over the last 3-5 years as these markets have proven to exhibit the highest growth potential in the future for our investors. As JMG grows and expands we will be looking at additional properties both existing and new construction through-out the mid-west and central US.
- **Strong Local Economy:** Mid-West employment and population has seen steady, consistent growth per year since 2010. Unemployment has been decreasing year over year with 2017 ending at 4.1%, the lowest rate in over a decade, while the economy continues to improve more and more companies are looking towards the mid-west and growth opportunities.
- **Conservative Financing:** Our asset portfolio is averaging 68-70% leverage, keeping our at-risk level low. This gives us room to navigate through most downturns in the industry which normally occur every 10—12 years.
- **Favorable Investor Structure:** Because the investment is being structured for a long-term hold (5-8 years) to maximize cash-on-cash returns, JMG investments have seen higher than anticipated returns. This was mainly accomplished through upgrading, rehabbing and focused management. JMG maximizes rents to market rates which has a very positive impact on our Investors IRR while also increasing the value of the asset.
- **Managed by JMG:** One of the main reasons JMG has been so successful over the last 20 years is they have an outstanding property management group that every seasoned investor knows can make or break how successful a property is, thus returning strong IRR for investors.
- **Experienced Sponsor:** History of Strong returns, JMG has an average IRR for our properties between is 15.1% and 22% over the last 13 years. In 2017 JMG investors averaged an IRR of over 20% across the portfolio.
- **Current projects:** JMG has 5-7 properties in various early stages of evaluating, acquiring and purchasing.

- **Depreciation:** While realizing appreciation and capital gains is a definite incentive to real estate ownership, there also is depreciation on the other end of the spectrum. In its most basic form, the physical improvements of a property may be depreciated over a 27.5 year period in an accounting method referred to as “straight line depreciation”. However, certain improvements (e.g. appliances and flooring) may be depreciated over a period as short as five years. Depreciation is utilized by real estate operators as a tax benefit tool, which allows an investor to utilize a passive “loss” from depreciating improvements to offset other passive income. The net result is a higher after-tax yield. As the tax benefits of depreciation are dependent upon an individual’s or entity’s taxable income, investors are strongly encouraged to consult a tax advisor.

Keep in mind there are risks to any investment, so please review the complete set of offering materials on a specific property.

For additional information on investing with JMG please contact **Jerry Goodreau at 317-997-4788 or jgoodreau@jamesmgt.com**

Some of our properties below:



Crosslakes



Hillcrest



Village on Madison



Georgetown