CRESSET PARTNERS

CRESSET PARTNERS:

TAX EFFICIENT STRATEGIES FOR THE SALE OF ARTWORK

SEPTEMBER 2019

www.cressetpartners.com

Tax Efficient Strategies for the Sale of Artwork

Significant wealth creation over the past two decades has fueled an increase in the number of art collectors and enthusiasts globally. Since 2000, the number of billionaires worldwide has quadrupled, driving increased participation in art and collectibles markets. According to the 2019 Art Basel and UBS Global Art Market Report, global art sales totaled approximately **$67.4 billion in 2018**, reaching their second highest level in a decade. With increased interest in art and record capital going into the market, art prices have skyrocketed, breaking numerous price records.

The top ten most expensive paintings sold at auction on an inflation-adjusted basis have all occurred in the last 10 years. In 2017, Leonardo da Vinci's *Salvator Mundi* smashed previous records, selling for $450 million, becoming the most expensive piece of art ever sold. Earlier this year, Jeff Koons' *Rabbit* was sold by Christie's for $91.1 million, becoming the most expensive work sold by a living artist.

While these pricing dynamics benefit active collectors of and investors in art, they can also create significant tax liabilities for collectors who sell highly appreciated works. As art collectors increasingly look at art as an investment, not just a labor of love, like any other asset, they need to consider their potential returns on both a before and after tax basis.

To understand the potential impact on a collector, consider the sale of Jean-Michael Basquiat's *Flesh and Spirit*, which was sold in May

2018 at a Sotheby's auction for $30.7 million. The seller allegedly purchased the piece 35 years ago for $15,000. Assuming a capital gains rate of 28% on art & collectibles and a 3.8% net investment income tax, the seller would face a $9.75 million tax bill. While an extreme example, many collectors who own highly-appreciated art collections will face a significant tax bill when they sell their art.

Until 2017, collectors were able to utilize Section 1031 "Like Kind" Exchanges to roll the proceeds from the sale of an asset or collection of assets into another similar asset or collection without incurring a capital gains tax. **A provision in the Tax Cut and Jobs Act of 2018, however, changed that**. The Tax Cut legislation limited the use of Section 1031 to only real property, excluding personal property, leaving art and other collectors without a tax-efficient solution for the disposal of assets. Given the higher tax rate associated with the sale of art & collectibles as compared to regular capital assets (28% versus 20%), **the elimination of the 1031 option has the ability to significantly impact net proceeds paid to art collectors**.

While the Tax Cut and Jobs Act eliminated the use of 1031 exchanges for collectors, it created another, potentially more advantageous solution for collectors: **Qualified Opportunity Zone (QOZ) investments.** Passed as part of the Tax Cuts and Jobs Act of 2017, QOZs are areas across the U.S. that have been designated by the U.S. government as economically depressed or underserved. To incentivize private investment in these communities, the **QOZ legislation created sizeable tax breaks for investors who make certain types of long-term investments that have the potential to promote economic growth in these zones**.

Investments in QOZ Funds offer three core tax benefits:

1. Deferral of the tax on the sale of the artwork, potentially through 2026.
2. 15% reduction of tax if investment is held for seven years, or 10% if held for five years.
3. Complete avoidance of tax on the appreciation of the QOZ investment if held for at least 10 years.

Over the past year, Qualified Opportunity Zone investments have emerged as an attractive alternative to Section 1031 "Like Kind"

Exchanges, even for real estate investors who have been the most frequent users of Section 1031. They offer several key advantages for art collectors as well. This is a result of **four key factors that differentiate QOZ investments from Section 1031 exchanges:**

1. A collector can keep his or her tax basis (or cash paid) in the artwork and only invest the amount of gain from the sale of the artwork into a QOZ Fund. The collector can use this cash in any matter he or she sees fit, including the acquisition of additional artwork.

2. An art collector doesn't have to die in order to receive a full step-up to fair value. If he or she holds the QOZ investment for at least 10 years, then the investment will receive a full step-up to fair value, and therefore, be excluded from tax.

3. For an investor, a QOZ Fund investment is significantly less complex than a Section 1031 exchange. There are no qualified intermediaries, 45-day identification periods or complicated structures involved with a QOZ investment. A collector simply sells his/her artwork and contributes the gain into a QOZ Fund within 180 days.

4. A collector can get instant diversification and, often times, cash flowing assets with good risk adjusted investment return profiles.

Collectors can utilize QOZ Fund Investments to reduce or potentially eliminate the tax bill from the sale of artwork, while diversifying their investment portfolio and retaining some assets to purchase additional artwork. Collectors can take only the gain portion of the sale and invest it into a QOZ Fund, while using the basis in their investment to purchase additional artwork. In addition, they would now own a diversified asset that, if held for 10 years, would grow tax free. Furthermore, they have deferred and reduced the taxes due on the original sale of the artwork.

Consider the following hypothetical example:

A collector purchases a piece by Mark Rothko in 2008 for $20.0 million. In 2018, they sell the piece at auction for $40.0 million. Upon closing the sale, assuming the seller is U.S. based or subject to U.S. taxation, they would owe the government $6.3 million. Instead of paying the tax bill, the seller could invest up to $20 million dollars (the sale price less the purchase price) into a Qualified Opportunity Zone Fund.

The seller would have $20 million remaining to invest in additional artwork. They would also diversify their overall financial portfolio by owning a portfolio of private company investments or real estate that is potentially growing tax free.

The tax free growth can be significant and add approximately 4% to 5% per year to the overall investment return. Additionally, the seller would defer the tax bill from the sale of the Rothko piece until 2027, reducing the amount owed to $5.35 million.

In order to qualify for the aforementioned QOZ benefits, QOZ Funds need to invest in operating businesses or real estate that are located within one of the 8,766 zones across the U.S. The key for QOZ investors, however, is to identify investment opportunities that not only stand on their own merit, but are also attractive without the tax benefits. There is wide dispersion in the quality of the zones, though opportunities exist for skilled investors to identify high-quality projects or businesses located in attractive markets. It is important for investors to consider their options carefully and select experienced partners with the requisite skill and resources to identify the appropriate QOZ investments and navigate the complexity of the QOZ regulations.

To that end, Cresset has partnered with Larry Levy and the team at Diversified Real Estate Capital to launch the **Cresset-Diversified QOZ Fund**. Cresset and Diversified built a multi-disciplinary team with expertise in real estate, private equity, fund management, and tax. The Fund is investing in 8-10 real estate development projects across the country and will target Class A institutional-quality opportunities located mostly in primary urban markets. The Fund has partnered with top-tier national development firms, including Hines, on its projects. To date, the Fund has raised over $250 million and has six development projects either under construction or under contract, located in major urban growth centers, including Houston, Portland, Denver, Nashville, Omaha and the Washington DC metro area.

ABOUT CRESSET

Entrepreneurs Eric Becker and Avy Stein founded Cresset with a vision to reinvent wealth management, with a firm belief that clients deserve better. Cresset has offices in Chicago, West Palm Beach, San Francisco, Seattle, Denver and Minneapolis. The firm offers individuals and families access to a comprehensive suite of family office services, personalized wealth management, investment advisory, planning, and other services through Cresset Asset Management, an SEC Registered Investment Advisor with assets under management in excess of $5 billion. Cresset Partners, Cresset's private investing affiliate, offers clients and other investors direct access to institutional quality real estate, private equity, and other investment opportunities.

Sources:

Bloomberg News. "Basquiat's Flesh and Spirit Fetches $30.7 million at Sotheby's", by Katya Kazakina. May 16, 2018. https://www.bloomberg.com/news/articles/2018-05-17/basquiat-s-flesh-and-spirit-fetches-30-7-million-at-sotheby-s

Forbes, "The Art of the Tax-Free Exchange", by Michael S. Schwartz. June 4, 2018. https://www.forbes.com/sites/forbesfinancecouncil/2018/06/04/the-art-of-the-tax-free-exchange/#42212fe64d9e

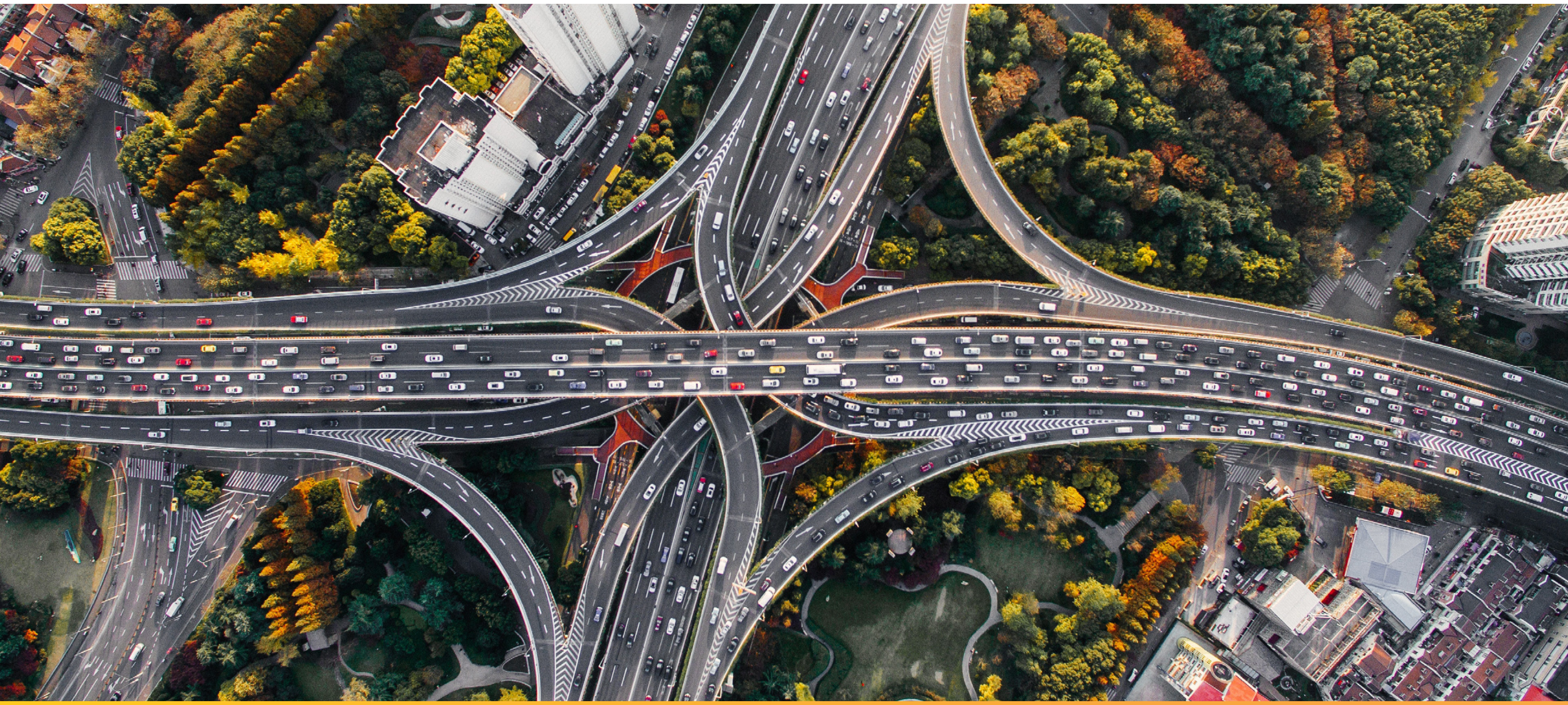
The Art Market Report, an Art Basel and UBS report. Prepared by Dr. Clare McAndrew. https://www.ubs.com/global/en/about_ubs/art/2019/art-basel.html

To learn more, visit our website at www.cressetpartners.com
or contact us at QOZ@cressetpartners.com.

CRESSET
PARTNERS

www.cressetpartners.com

QOZ Funds:
An Alternative for Section 1031 Investors



Investors who utilize Section 1031 (aka "Like-Kind") Exchanges for the tax benefits they provide should consider a new option for sheltering real estate capital gains: Qualified Opportunity Zone Funds (QOZF). These funds have arisen as a result of the Tax Cuts and Jobs Act of 2017, which designated Qualified Opportunity Zones to promote investment in economically distressed areas. While 1031s remain a useful tool, QOZFs have many tax and other advantages compared with 1031s.

DIVERSIFICATION

A 1031 is generally a single-asset structure, and real estate is the only asset that now qualifies. However, a QOZF can invest in multiple real estate assets as well as businesses, through various structures. Because some QOZFs consist of a portfolio of assets they offer investors geographical and sectoral diversification as well.

EASE OF INVESTING

1031s can be cumbersome and problematic because their execution requires the use of a qualified intermediary, identification of replacement property within 45 days and a closing within 180 days. All of the administration can be very difficult and time consuming. On the other hand, an investor simply contributes his or her capital gain directly to a QOZF within 180 days of their sale or exchange and file an easy election within their tax return. The investor no longer has to be burdened with following the rigid 1031 rules and directly owning real estate.

QOZ Funds: An Alternative for Section 1031 Investors

ECONOMIC BENEFITS

An investor has to die in order to eliminate the capital gains associated with a 1031. Furthermore, investors in 1031s can face depreciation recapture on disposal of assets, or be confronted with taxes on the portion of the replacement property that does not meet the like-kind exchange criteria. By contrast, a QOZF can offer a 10% or 15% reduction in the deferred capital gains, depending on the holding period of the QOZF interest. Furthermore, if the QOZF interest is held for at least 10 years the investor would pay no tax when it is sold. QOZF investors also retain access to their principal (or basis) amount, as opposed to the Section 1031 requirement that the principal must be rolled into the replacement property.

A 1031 CAN BE COMBINED WITH A QOZF INVESTMENT

An investor who disposes of an asset under a 1031 and is unable to find a qualifying replacement property of equal or greater value would reap considerable benefits from investing the taxable gain generated by the difference into a QOZF. For instance, if an investor needs a replacement property worth $10 million but is only able to locate a quality property worth $7 million, then the investor will have a capital gain on a portion of their investment. If instead this taxable gain were put into a QOZF, then all gains would be deferred. The investor would thereby receive the benefits of both a 1031 and a QOZF investment.

Cresset and Diversified Real Estate Capital have launched the Cresset-Diversified QOZ Fund, a $500 million Qualified Opportunity Zone Fund with a robust pipeline of opportunities. For more information, please contact our team at qoz@cressetpartners.com or 312-429-2450.

CRESSET

Utilizing QOZs to Enhance the Transfer of Wealth

By Tony McEahern, Vimala Snow and Dan Terlep

Estate planning is Critical for Wealthy Families to Preserve their Legacy

Advanced estate planning is an important issue for families of means to properly address. One of the most common ways to transfer an asset to children or grandchildren is by making outright gifts. When gifting, one uses their lifetime gift tax exemption amount (the "Exemption Amount") to shield the gift from gift tax (maximum rate is currently 40%).[1] Today, the Exemption Amount is roughly $11 million or $22 million for a married couple.[2] Although a significant amount, many wealthy families find that their desire to create a legacy for their family is limited by the Exemption Amount. Fortunately, there are several estate planning methods that may be used to transfer a legacy to future generations efficiently.

Investing in a QOZ Presents a Planning Opportunity

An increasingly popular way to reduce taxes generally is to invest in Qualified Opportunity Zones ("QOZs"), but little is discussed about how QOZs can be utilized to shift appreciation of wealth over time to future generations. Investors have various options to transfer interests in QOZs to future generations tax efficiently. There are a few items to evaluate: (1) what is the value of the QOZ over time, (2) why would you transfer the QOZ interest, and (3) what are things to be aware of when making this decision? Assets that appreciate significantly and that have a discount associated with their current market value can be ideal for moving wealth to the next generation. A QOZ investment enhances the ability to transfer wealth as it is both long-term in nature due to its investment time-line and the inherent deferred tax liability will further reduce the transfer tax value of the asset allowing the grantor to transfer more assets than would have otherwise been possible.

What is a QOZ?

Tax legislation in 2017 created the opportunity to invest in a QOZ and receive numerous benefits for doing so. Basically, a taxpayer can receive tax benefits for timely investing capital gains in property or businesses located in certified communities through a QOZ fund. Investments in QOZs are eligible for three core benefits: (1) deferral of capital gains tax from the sale of any asset with a maximum deferral through 2026,[3] (2) reduction of tax of up to 15% of the deferred capital gains for investments held for 7 years,[4] and (3) complete avoidance of tax on the investment's appreciation if held for at least 10 years.[5]

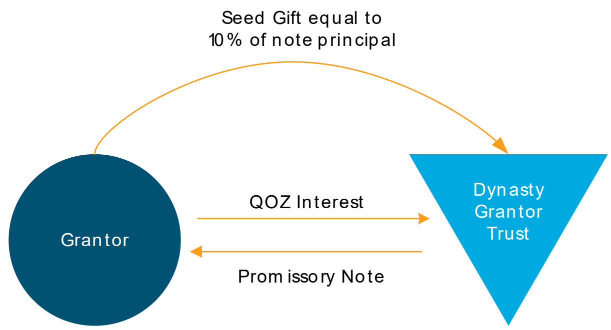
How to Combine Investing in a QOZ with Estate Planning

An effective and widely accepted way to magnify the impact of a gift is to transfer assets to a "grantor trust" – that is, a trust that takes advantage of the mismatch in the income and estate tax rules. More specifically, a trust can be created which insulates its assets from estate tax while at the same time being ignored for income tax purposes. This not only allows the wealth creator to continue to pay tax on any

---

[1] IRC §§ 2501-2502, 2001(c).
[2] Rev. Proc. 2018-57.
[3] IRC § 1400Z-2(a)-(b).
[4] IRC § 1400Z-2(b)(2)(B).
[5] IRC § 1400Z-2(c).

income generated within the trust, but also facilitates additional planning opportunities as transfers between the grantor and the grantor trust are ignored for income tax purposes. One of the most common of these techniques is for a grantor to leverage a gift to a grantor trust by selling additional assets to the trust in exchange for a promissory note, to be paid over a period of years. This allows the assets to appreciate inside the trust, thus removing them from the grantor's taxable estate, while at the same time being disregarded for income tax purposes.



As noted previously, an appreciating asset that is subject to discounts for lack of marketability and/or lack of control only serves to enhance the impact of a transfer to a grantor trust. A QOZ interest would not only receive a lack of marketability discount due to its long-term nature but would also benefit from a reduction due to the deferred capital gain when arriving at a value for transfer tax purposes. The combination of these two factors, in addition to the lack of control, may provide a significant discount on the value. The upper discount range of 65% would not be unreasonable for this type of asset. Because of the $11 million limit on tax-free gifts,[6] the significant reduction of value can create a way to move future appreciation to heirs at lower transfer costs today. In evaluating the transfer options, an investor should be aware that the Income in Respect of a Decedent rules apply to QOZs.

Examples

There are a couple of scenarios worth comparing. The first comparison below demonstrates the results of (1) a transfer of a typical investment to a grantor dynasty trust[7] against (2) a transfer of an interest in a QOZ to a grantor dynasty trust.[8] The second comparison shows the outcomes of (1) holding an investment in a QOZ for heirs until death against (2) a transfer of the interest in a QOZ to a grantor dynasty trust. In

[6] IRC § 2010; Rev. Proc. 2018-57.

[7] *The non-QOZ investment transfer to trust model assumes the following: (a) initial value of assets being sold to a dynasty grantor trust equal to $7.62M ($10M less capital gains tax of $2.38M), (b) a 30% discount rate for lack of marketability and control, (c) an applicable long-term AFR note to facilitate the sale, and (d) $533k seed gift to the trust (reflecting 10% of the discounted asset).*

[8] *The QOZ investment transfer to trust model assumes the following: (a) initial value of assets being sold to a dynasty grantor trust equal to $10M (due to deferral of associated capital gain through 2026), (b) a conservative 50% discount rate for lack of marketability and control and deferred income tax liability, (c) an applicable long-term AFR note to facilitate the sale, and (d) $500k seed gift to the trust (reflecting 10% of the discounted asset).*

each assessment, the transfer to a grantor dynasty trust produces a net advantage to the heirs, $6.8 million and $7.7 million, respectively.[9]

Comparison of Trust with and without QOZ	Total Year 10 After-Tax Value	Estate Tax	Net to Heirs
Gift/Sale planning	$20,639,000	($1,053,000)	$19,586,000
Gift/Sale planning with Opportunity Fund	$27,522,000	($1,163,000)	$26,359,000
Difference	**$6,883,000**	**$110,000**	**$6,773,000**

Comparison of QOZ in trust and held personally	Total Year 10 After-Tax Value	Estate Tax	Net to Heirs
Opportunity Fund	$27,607,000	($8,963,000)	$18,644,000
Gift/Sale planning with Opportunity Fund	$27,522,000	($1,163,000)	$26,359,000
Difference	**($85,000)**	**($7,800,000)**	**$7,715,000**

The analysis Is for illustrative purpose and not a guarantee of performance or the strategy or types of investments that may apply to you.

Conclusion

There are several current income tax benefits to be gained from investing in QOZs; given the long-term nature of their investment timeline, they are also worthy of consideration as vehicles to transfer wealth to intended beneficiaries.

[9] *All of the examples share the following features: (a) 10% rate of return for the primary investment and a $3M cash investment earning 3% held individually to be utilized for payment of tax obligations, (b) grantor lives through 2026 and pays tax on deferred capital gain of $8.5M with other assets, (c) a comparison of the estate tax savings benefits and income tax savings, (d) lifetime exemption amount is equal to $5.2 million in year 10 and only exemption used was an initial gift funding for two trust scenarios, and (e) no state income tax obligations (all gains are long term capital gains at 23.8%).*

whatsoever in relation to the timeliness, accuracy and completeness of any content contained in the web page. While care has been taken in preparing the contents of this web page, such contents are provided to you "as is" and "as available" without warranty of any kind either express or implied. In particular, no warranty regarding suitability, accuracy, or fitness for a particular purpose is given in conjunction with such contents. Cresset shall not be liable for any loss, damage, costs, charges and/or expenses incurred as a result of or in connection with this article or any reliance on the contents of this article.

The provision of any services or products provided by Cresset and/or its affiliates shall be expressly subject to the particular terms and conditions as contained in a separate written agreement with Cresset and/or its affiliate as applicable. Cresset will not provide any individualized advice or consulting unless agreed to by a separate written agreement. Investment advice and family office services are provided through Cresset Asset Management, LLC, an affiliate of Cresset; Cresset Asset Management, LLC is an SEC registered investment adviser.

CRESSET-DIVERSIFIED QOZ ANNUAL MEETING

CRESSET

Join us for a detailed presentation and interactive discussion on the current state of the opportunity zone program and how the Cresset-Diversified QOZ Fund has become a market leader in the space. Hear from members of the Cresset-Diversified team, and gain insight from our partners at Hines. The Annual Meeting will provide a detailed update for current fund investors, and a comprehensive introduction for prospective investors and their advisors.

The Meeting Program will take place at the offices of DLA Piper in Chicago (444 W. Lake Street) from 10am-12pm. A detailed agenda can be found below. Following the meeting, guests are welcome to join us for lunch and an open house at Cresset's office on the 47th floor of 444 W. Lake Street.

Tuesday, October 29th
10:00 am - 1:00 pm

444 W. Lake Street, Suite 4700
Chicago, IL 60606

10:00 am - 12:00pm
Formal Meeting at DLA Piper
12:00 pm - 1:00 pm
Lunch & Open House at Cresset

RSVP HERE

Cresset-Diversified QOZ Fund

2019

CRESSET

The Cresset-Diversified QOZ Fund

With experienced investment teams and proven investment processes, the Fund seeks to generate attractive returns enhanced by substantial capital gains tax deferral, reduction and elimination.

- Launched in October 2018, the Cresset-Diversified QOZ Fund targets a diversified portfolio of 6-8 investments across multiple real estate product types.
- The Fund is managed by experienced legal, tax and accounting experts, complemented by our Advisory Board.
- The Fund held its first close in December 2018
- The Fund was built with significant flexibility to allow investors to pre-fund their capital commitments if they have a finite deadline by which they need to invest gains.
- Partners of Cresset and Diversified Real Estate are investing a significant amount of their own capital gains alongside investors.

CRESSET

Cresset-Diversified QOZ Fund Updates

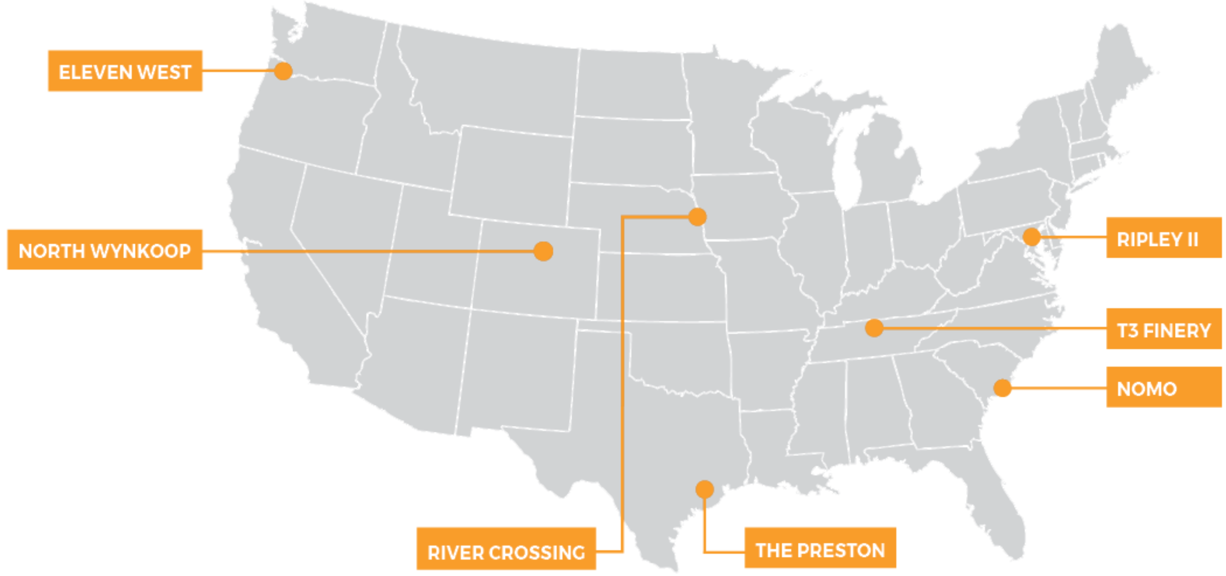
- To date, investors have committed over $280 million to the Cresset-Diversified QOZ Fund and the underlying projects.
- The Fund has committed to six projects across the country, with exposure to multi-family residential, office and retail properties.
- The Fund closed on its investment in Houston in April 2019 and started construction shortly thereafter, making the Preston one of the largest QOZ investments in the U.S. to start construction. The Preston is being developed in partnership with Hines.
- In June 2019, the Fund closed on the purchase of land for its second project, North Wynkoop, in the RiNo Neighborhood in Denver. North Wynkoop is also being developed in partnership with Hines.
- In addition to Houston and Denver, the fund has four other investments under contract in Nashville, Portland, Silver Spring, Maryland (DC Metro Area), and Omaha.

Committed Capital	Deals Closed	Deals Under Contract
$280+ M	2	5

CRESSET

Investments Summary

The Cresset-Diversified QOZ Fund targets high-quality real estate investments in prime markets across the United States, and partners with top developers to build core assets that will create and sustain long-term value. The following slides summarize investments currently closed, funded, or under contract for the Fund.



CRESSET

Investments Summary

INVESTMENT	MARKET	ASSET	DEVELOPER	CRESSET EQUITY	PROPOSED LEVERAGE
THE PRESTON (CLOSED)	Houston, TX	Multi-Family	Hines	$87 million	50% LTC
NORTH WYNKOOP (UNDER LOI, CLOSED ON LAND)	Denver, CO	Multi-Family	Hines	$59 million	60% LTC
ELEVEN WEST (UNDER LOI)	Portland, OR	Multi-Family, Office	DDG & Gerding Edlen	$53 million	50% LTC
T3 FINERY (UNDER LOI)	Nashville, TN	Office, Retail, Multi-Family	Hines	$97 million	55% LTC
RIPLEY II (UNDER LOI)	Silver Spring, MD	Multi-Family, Retail	Washington Property Co.	$40 million	65% LTC
RIVER CROSSING (UNDER LOI)	Omaha, NE	Multi-Family, Retail	Hines	$25 million	60% LTC
NOMO (UNDER LOI)	Charleston, SC	Multi-Family	Lennar	$43 million	55% LTC



CRESSET

The Preston

The Preston, which broke ground in March 2019, will create a multi-faceted living experience in a residential tower for residents of the Inner Loop East borough of Downtown Houston. Adjacent to Market Square Park, residents are able to experience full access to a metropolitan city combined with community appeal.

RENT & VALUE GROWTH

Educational Attainment	Highest growth among Houston submarkets
Development Partner	Hines
Commute Time	150K+ walkable jobs
Population Growth	277% since 2000
Neighborhood Growth	2nd in Houston submarkets
WalkScore	95 - Among highest in Houston
Public Transit Friendly	100 Transit Score & 87 Bike Score

Cost	$183 million
# of Units	373 units
# of Parking Spaces	519 parking spaces
Retail Space	6,800 square feet
Square Footage	1,163 sf/unit / $3.39/sf
Rent Pricing	$3,945 average per unit

CRESSET

North Wynkoop

A Hines development property, North Wynkoop is a build-to-core asset located in the only available development site within an opportunity zone in Downtown Denver, Colorado.

DEAL SUMMARY

Market / Submarket	Denver, CO | River North
Development Partner	Hines
Buildings	One 11-Story, Mid-rise Apartment
# of Units	392 units
Residential Space	336,122 SF | 857 SF Average Unit Size
Total Cost	$155 million
Cresset-Diversified Equity	$59 million
Proposed Leverage	60% LTC

INVESTMENT VALUE PROPOSITION

Highly Amenitized Location
Investment opportunity in River North (RiNo) Art District that hosts a vibrant art scene, restaurants, startups and established businesses just northeast of Downtown Denver

RiNo is Poised for Continued Growth
$3 billion of public investment has poured into the RiNo neighborhood. 1.1 million SF of existing office and 2.9 million SF of future office within 1-mile of the site, expected to bring 20,000 future jobs and supply deficit of 1,700 multifamily units

Highly Attractive Denver Market
Population growth within the 25-34 year old segment continues to grow at a near 2% annual rate, outpacing the national average by almost a factor of four

As of Q4 2018, rents have been growing at an annual rate north of 3%, up from a low of 2% in 2016, even in the midst of Denver's largest supply wave to-date
RiNo has experienced some of the best leasing velocity in Denver over the past 2 years

CRESSET

Eleven West

Rising 24 stories, Eleven West will be the highest-end multifamily project in Portland and will offer optimal office space for the Portland market. Eleven West is located within the #1 rated Qualified Opportunity Zone census tract in the Country by SmartGrowth.

DEAL SUMMARY

Cost	$211 million
# of Units	222 units
Commercial Space	116,000 sf of Office | 7,900 sf of Retail
Development Partners	Downtown Development Group, Gerding Edlen
Entitlement	Fully-entitled
Cresset Equity / DDG Equity	$53 million (50%) | $53 million (50%)
Proposed Leverage	50% LTC

INVESTMENT VALUE PROPOSITION

Premium Location
At the confluence of Portland's CBD and Pearl District, a unique shovel-ready development opportunity to invest in what is regarded as the best remaining developable site in Portland

Luxury Class AA Asset
State-of-the-art high-rise product, class-setting amenities, finishes and unmatched quality

Proven Development Partners and Product
DDG (50/50 Equity Partner), Gerding Edlen (Developer) and ZGF (Architect) successfully developed a very similar product, Twelve West, in Portland in 2009 and exited to Greystar for $588 / SF in July 2018

Designed by Internationally Acclaimed Architect ZGF
ZGF is an architecture, design and planning firm with 700+ professionals across six offices in the US and Canada

No Inclusionary Housing Requirements
Exempt from Portland's onerous inclusionary housing requirements

Low Volatility Through Downturns
Portland has been the lowest beta core market on the West Coast. During the last recession, the city's diversified employment base allowed the city to maintain vacancy in an extremely narrow band.

CRESSET

T3 Finery

Hines' unique T3 Finery development is located in Nashville's Wedgewood Houston area, which has been deemed the creative hub of Nashville, with a walkable neighborhood and an unmatched artistic spirit.

DEAL SUMMARY

Market / Submarket	Nashville, TN | Wedgewood Houston
Development Partner	Hines
Buildings	Two Office Buildings, One 7-Story Mid-rise Apartments
# of Units	230 units
Commercial Space	265,000 SF of Office | 30,000 SF of Retail
Total Cost	$193 million
Cresset-Diversified Equity	$82 million
Proposed Leverage	55% LTC

INVESTMENT VALUE PROPOSITION

Nashville is in the Path of Growth
Wedgewood Houston is a transforming, creative, mixed-use destination that has attracted Apple Music, Soho House, Jackalope Brewery, and other music and arts

Superior Access to Transportation
The T3 Finery site benefits from reduced commute times due to the proximity to Nashville's key urban centers via nearby, easily accessible, major interstates.

Timber | Technology | Talent
T3 Finery is a vintage concept, boldly reborn. Harnessing the raw energy of industrial design – and complementing it perfectly with technology, style, amenities and renewability Timber construction methods result in leading edge environmental sustainability benefits

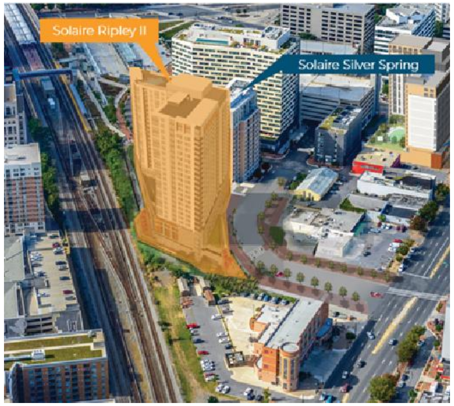
CRESSET

Ripley II

Ripley II is a luxury 419-unit high-rise apartment development with 15,000 sf of retail located in the Ripley District of downtown Silver Spring, MD in the DC Metro. This will be the third multi-family property developed by Washington Property Company in the immediate vicinity.

DEAL SUMMARY

Market / Submarket	Silver Spring, Maryland | Ripley District
Development Partner	Washington Property Company
Buildings	One 27-Story High-rise Apartment Development
# of Units	403 units
Commercial Space	15,000 SF
Total Cost	$147 million
Cresset-Diversified Equity	$41 million
Proposed Leverage	65% LTC



INVESTMENT VALUE PROPOSITION

Transit Oriented Development
Within 0.3 Miles of Silver Spring Metro Station (Red Line) and two future Purple Line Stations

Proven Product & Development Team
Solaire Ripley II will be the 3rd luxury multi-family property developed by WPC in the immediate vicinity

Impressive Demographic Composition
Highly educated workforce supports diverse needs of local employers – Average household income within 5-miles is $117,328

Employment Hub
Proximate to several major employers within Montgomery County including the NOAA, FDA, NIH, Naval Support Activity Bethesda, Marriott International and Lockheed Martin

Neighborhood
Upon full build-out, the Ripley District will be home to over 3,000 residents and 3 million square feet of mixed-use development, including 100,000 square feet of restaurants, entertainment, and service retail

CRESSET

River Crossing

River Crossing is a city-defining mixed-use project in the heart of Omaha's CBD. The development by Hines will bridge Omaha's unique topography of the lake and riverfront with the vibrant amenity based off of the Old Market.

DEAL SUMMARY

Market / Submarket	Omaha, NE | Downtown Omaha
Development Partner	Hines
Buildings	One 4-Story Mid-rise Apartment Development
# of Units	375 units
Commercial Space	42,000 SF of Retail
Total Cost	$79 million
Cresset-Diversified Equity	$30 million
Proposed Leverage	60% LTC

INVESTMENT VALUE PROPOSITION

Location Scarcity
No other sites in Omaha can replicate proximity to all three areas – the CBD, the Old Market and water frontage, rendering this site, one-of a kind

Diverse and Stable Omaha Economy
Well-rounded economy driven by a diverse group of Fortune 500 and 1000 firms

Adjacent to Riverfront Revitalization Park Project
$300 million, fully funded predominantly private project creating a dynamic new destination

Master Planned Community
Phase I of multi-phased generational project that will deliver apartments, condos, retail, a beautifully landscaped boulevard, a boutique hotel, and office space poised to be a transformative development in Omaha

Alternative Public Funding Sources
Three public support sources have been identified to support the project that include TIF, Capital Improvement Projects, and funding for the garage

CRESSET

NoMo

Due to the extensive amenities and a central, accessible location, NoMo will appeal to a variety of demographics including professionals working in both the North Charleston and Downtown Charleston employment nodes.

DEAL SUMMARY

Market / Submarket	Charleston, SC | North of Morrison ("NoMo")
Development Partner	Lennar (LMC)
Buildings	One 8-Story Mid-rise Apartment
# of Units	303 units
Commercial Space	13,000 SF of Retail
Total Cost	$113 million
Cresset-Diversified Equity	$43 million
Proposed Leverage	55% LTC

INVESTMENT VALUE PROPOSITION

Growing Charleston Economy
Charleston is becoming a job center that is able to attract top talent due to its pro-business environment, established infrastructure, and unparalleled quality of life

Strong Developer
Lennar has an excellent reputation within the development and construction business and their LMC (Lennar Multifamily Communities) Investments manages 51 communities

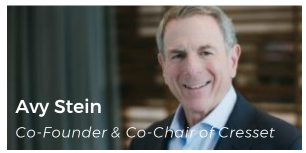
Class-A Product
Units are designed with quartz countertops in kitchens and baths, stainless steel appliances, and Luxury Vinyl Flooring

Extensive Amenity Package
Amenities will include a state-of-the art fitness center, enclosed bike storage room, Amazon package lockers, refrigerated storage, co-working spaces, 3 elevated courtyards with grills and a resort-style pool, and a rooftop deck offering bay views of the Ravenel Bridge

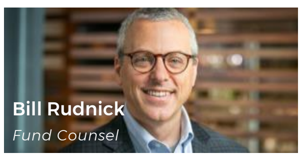
CRESSET

Cresset-Diversified QOZ Fund Team

FUND LEADERSHIP

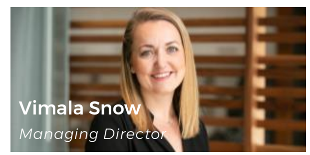


FUND LEADERSHIP

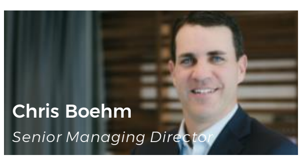


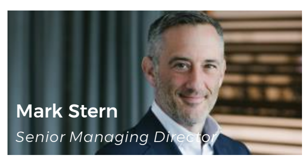
ACCOUNTING

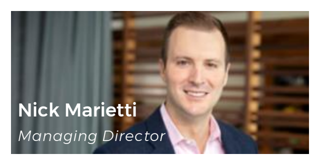
TAX AND LEGAL

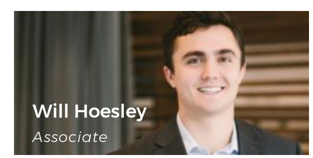


INVESTMENT TEAM









BUSINESS DEVELOPMENT

ASSET MANAGEMENT

CRESSET

Executive Summary of Principal Terms

TERMS	DEFINITIONS
The Fund	Cresset-Diversified QOZ Fund, L.P., a Delaware limited partnership
The General Partner	Cresset-Diversified QOZ GP, LLC, a Delaware limited liability company
The Manager	Cresset-Diversified QOZ Management, LLC, a Delaware limited liability company
Limited Partners	An investor will become a Limited Partner of the Fund upon the acceptance of the Investor's subscription by the General Partner
Legal Counsel	DLA Piper
Investment Minimum	$250,000, except as otherwise agreed by the General Partner in its discretion
Team Commitment	Minimum of 2% of the total Capital Commitments to the Fund
Investment Period	The Fund may draw capital until December 31, 2019
Organizational Expenses	Up to a maximum amount of 1.5% of Capital Commitments
Term	13 years with potential extensions to allow for 10-year hold period. It is the Fund's intention to begin seeking liquidity for each investment after it has been held for 10 years
Management Fee	1.5% of total Capital Commitments for 5 years; 1.25% of total Capital Commitments thereafter
GP Interest	20% carried interest to GP after 6% hurdle rate

CRESSET

Background: Qualified Opportunity Zones ("QOZs")

Opportunity Zones have emerged as an attractive way for individual investors to own high-quality assets while deferring or eliminating taxes and making a measurable social impact.

OVERVIEW

The Tax Cuts and Jobs Act of 2017 created an investment program that provides potentially significant tax benefits to investors who re-invest capital gains into long-term investments into communities designated by states and the federal government for economic development, called Qualified Opportunity Zones ("QOZ").

SUPPORTIVE MARKET AND POLITICAL BACKDROP

Several macroeconomic and political factors have generated significant momentum for QOZ investments:

- Record high valuations in public and private markets have resulted in significant unrealized capital gains
- Historically high levels of uninvested dry powder held by private equity funds will result in more business sales and transactions, which will result in capital gain events
- Investors are focusing more on social impact when making investment decisions
- The QOZ legislation was passed with bipartisan support from both Republicans and Democrats alike

ATTRACTIVE TAX BENEFITS

Investors with recent capital gains can benefit from several key tax benefits

TAX DEFERRAL	TAX REDUCTION	TAX ELIMINATION
Investors can realize existing capital gains while deferring paying capital gains taxes on realized investments until as late as December 31, 2026.	In addition to deferral, there will be a step-up in basis, up to 15%, applied to the original capital gain, depending on the holding period.	Capital gains generated by the Fund's investments are not taxed if the investment in the Fund is held for 10 years.

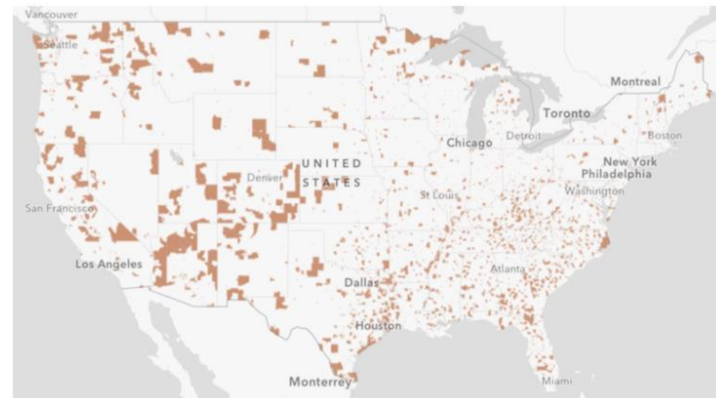
CRESSET

Overview of Opportunity Zones

SELECTION OF OPPORTUNITY ZONES

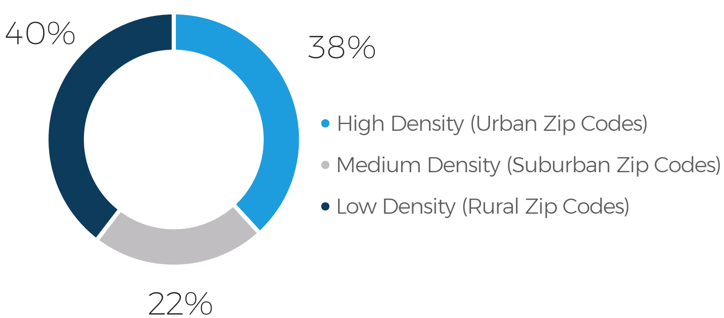
- An Opportunity Zone is a census tract nominated by the Governor of the State of its location and certified by the U.S. Department of the Treasury for economic development.
- The program utilized income and employment data from the 2010 census to create a pool of over 25,000 potential census tracks for Governors to consider.
- From that pool, the Governor's were able to nominate 25% of the eligible zones for inclusion.
- Today, there are 8,766 Opportunity Zones across all 50 states, Washington D.C. and Puerto Rico.

U.S. OPPORTUNITY ZONES



Source: Department of the Treasury website, CDFI Fund website, IRS Website

OPPORTUNITY ZONES BY DENSITY



Source: EIG analysis of American Community Survey data

KEY IMPACT INVESTING TRACKING STATISTICS

- **Population:** 35 million
- **# of Businesses:** 1.6 million
- **# of Current Jobs:** 24 million
- **Unemployment Rate:** 14.4%
- **Median Family Income:** $42,000

The Fund's investments will create substantial and measurable impact in American communities.

Opportunity Zones Are Not Created Equal

There is widespread and meaningful dispersion in the quality and characteristics of the census tracks selected for the QOZ program. This is driven by several critical factors, including:

STALE DATA

The QOZ selection process utilized income and employment data from the 2010 census data. Certain high-growth markets have experienced significant improvement over the past nine years, resulting in good opportunities.

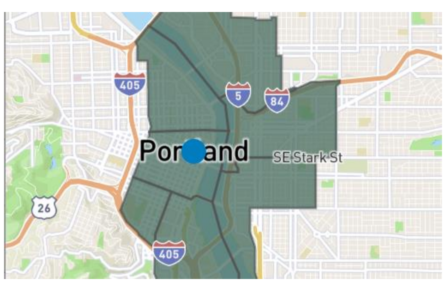
INCOME AS AN IRRELEVANT MEASURE

In certain areas, income may not properly demonstrate the investment opportunity. Universities are a prime example, where the student population may be deemed “low income”.

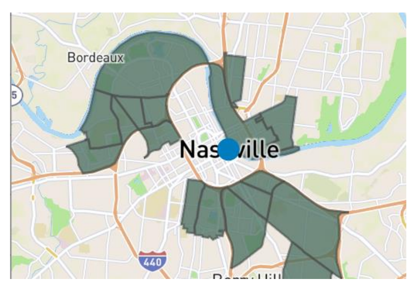
NON-RESIDENTIAL AREAS

Certain areas are productive from a commercial real estate standpoint, however they have limited residential population with equivalent income.

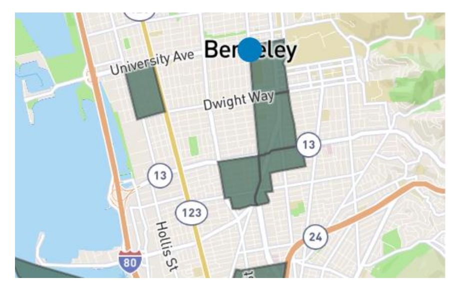
EXAMPLES:



PORTLAND, OR



NASHVILLE, TN



BERKELEY, CA

Tax Incentives for QOZ Investors

INVESTORS WILL RECEIVE THE FOLLOWING TAX INCENTIVES WHEN INVESTING IN THE FUND:

1. Payment of capital gains tax on the capital gain invested in the Fund is deferred until as late as December 31, 2026.
2. There will be a 10% step-up in basis on the original investment if the QOZ Investment is held to year 5 and a 15% step-up in basis if the QOZ Investment is held to year 7.
3. The investor will pay no capital gains tax on gains from QOZ Investments, provided they are held for 10 years.

QOZ INVESTMENT TIMELINE

YEAR 0
Harvested gains are invested into the fund.

YEAR 5[1]
The original capital gain is reduced by 10%.

YEAR 7[2]
The original capital gain is reduced by an additional 5%, for a total reduction of 15%.

DEC 31, 2026
Original capital gains tax is due unless the asset has been sold.[3]

YEAR 10
When the investment is sold, tax is eliminated on QOZ capital gain.

0 — 1 — 2 — 3 — 4 — 5 — 6 — 7 — 8 — 9 — 10

1. *This reduction is effectuated by increasing the tax basis of the Investor's interest in the Fund by 10% of the capital gain that the Investor elected to roll over (invested in the Fund), and is only available with respect to investments made prior to December 31, 2021. The amount of capital gain that is recognized when the deferral period ends will be the capital gain that the Investor elected to roll over (or, if less, the fair market value of the Investor's investment in the Fund) less the Investor's tax basis in Fund, all determined at that time. The final income tax liability will vary depending on, among other things, the applicable capital gains tax rate and the fair market value of the investment in the Fund when the deferral period ends.*
2. *This reduction is effectuated by increasing the basis of the Investor's interest in the Fund by an additional 5% of the capital gain that the Investor elected to roll over (invested in the Fund), thus reducing the net capital gain by a total of 15%, and is only available with respect to investments made prior to December 31, 2019. See the prior footnote for further description of the amount of capital gain that is recognized and final income tax liability when the deferral period ends.*
3. *In which case, the tax is due when the sale occurred*

CRESSET

Tax Incentives for QOZ Investors

MAJOR BENEFIT TO AFTER-TAX RETURNS

- After-tax gains on a QOZ Investment can be more than double those of a similar investment without the QOZ benefits.
- The table below illustrates an investor's potential after-tax returns in a QOZ Investment compared to the investment of capital gains in a traditional investment both appreciating at 10%.

	TRADITIONAL INVESTMENT	QOZ INVESTMENT
Invested Capital Gain	$1,000,000	$1,000,000
Less: Capital Gain Tax Investment (23.8%)	(238,000)	0
After-Tax Investment	762,000	1,000,000
Year 10 Value (assumes 10% annual investment appreciation)	1,976,432	2,593,742
Less: Year 10 Capital Gains Tax (23.8%)	(289,035)	0
Year 10 After-Tax Value	1,687,397	2,593,742
*Less: Cap Gains Taxes on Invested Gains Due on 12.31.26 **	0	(202,300)
Total Year 10 After-Tax Value	**$1,687,397**	**$2,391,442**
Total Year 10 After-Tax Net Gain **	**$687,397**	**$1,391,442**

** Assumes investment is held for 7 years and a 15% step-up in basis is applied to original capital gain that was invested*

*** Assumes 10-year holding periods, annual rate of investment appreciation of 10%, and a long-term capital gains tax rate of 23.8%.*

Note: The amounts shown are not net of fees and carry in either the traditional investment or the QOZ investment. This is to illustrate the tax benefits of QOZ investments prior to any fee structures.

CRESSET

Tax Incentives for QOZ Investors

COMPARATIVE ECONOMICS: QOZ INVESTMENT VS. TRADITIONAL INVESTMENT

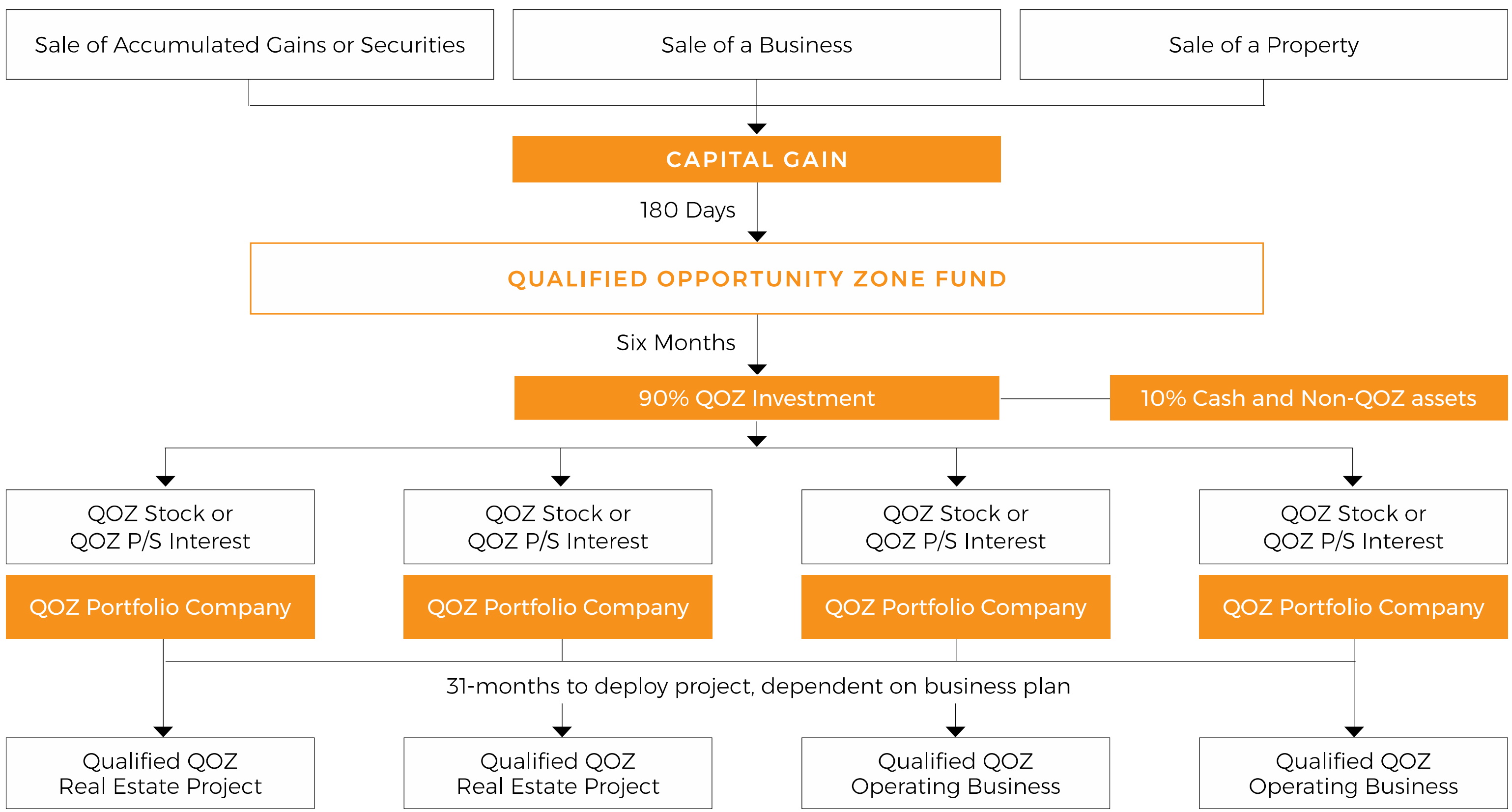
The sensitivity table below demonstrates the after-tax net value of a $1,000,000 investment of capital gains in a traditional investment as compared to the investment of the same capital gains into a QOZ Investment at different annual investment appreciation rates.

ANNUAL INVESTMENT APPRECIATION	TRADITIONAL INVESTMENT	QOZ INVESTMENT	ADDITIONAL GAIN
4%	$1,040,851	$1,277,944	$237,093
6%	$1,221,201	$1,588,548	$367,347
8%	$1,434,923	$1,956,625	$521,702
10%	$1,687,397	$2,391,442	$704,045
12%	$1,984,748	$2,903,548	$918,800
14%	$2,333,932	$3,504,921	$1,170,990
16%	$2,742,829	$4,209,135	$1,466,306
18%	$3,220,351	$5,031,536	$1,811,184
20%	$3,776,551	$5,989,436	$2,212,886

Note: The amounts shown are not net of fees and carry in either the traditional investment or the QOZ investment. This is to illustrate the tax benefits of QOZ investments prior to any fee structures.

CRESSET

Qualified Opportunity Fund Mechanics



Appendix: Team and Advisory Board Biographies

CRESSET

Fund Leadership

Eric Becker

Co-Founder & Co-Chairman

- Co-Founded Sterling Partners, a value-add, growth Private Equity firm that raised eight funds in excess of $5.7 billion.
- At Sterling, served for 32 years as Senior Managing Director and Co-Chairman of the Operating Committee, which monitored the firm's 30 portfolio companies.
- Founded: the Caretta Group (2015), a private investment firm that invests in and partners with customer-focused growth companies that have a compelling mission; Trilogy Investments / Vennpoint (2015), a Real Estate investment firm that invests in value-added Real Estate; Tango Communications (Co-Founder and CEO); and LifeCard International (Co-Founder), a healthcare technology company that automated claims processing and developed digital medical records.
- Interested and active in a range of civic and philanthropic organizations including serving as the Co-Chairman of Chicago Ideas Week.

Avy Stein

Co-Founder & Co-Chairman

- Co-Founded and served as Chief Executive Officer of Willis Stein & Partners, a Private Equity firm with funds in excess of $3 billion, with investments in the education, recycling, telecommunications, general industrial, and consumer sectors.
- Founded and served as Chairman of Lincoln Clean Energy, a developer of wind and solar energy
- Served as Managing Director at Continental Illinois Venture Corporation and President of Cook Energy Corporation, an oil and gas exploration and production company, after starting as an attorney at Kirkland & Ellis.
- Chairman of the board for FDH Velocitel and the former lead director for Interval Leisure Group (NYSE: IILG).
- Member of the Board of Trustees, Chairman of the Investment Committee of the Ravinia Festival; a member of the Harvard Law School Leadership Council of Chicago; and a director for the Western Golf Association (Evans Scholars Foundation).

CRESSET

Fund Leadership

Larry Levy

Founder, Levy Family Partners

- Founder of Levy Family Partners, Diversified Real Estate Capital and has more than 40 years of experience in the Real Estate Industry.
- Major real estate projects have included River Point, a 1.1 million square foot office building in partnership with Hines and Ivanhoe Cambridge; 321 N. Clark in Chicago; Park Tower at Transbay in San Francisco, developed with The John Buck Co. and Golub & Co. and recently leased to Facebook; The Chicago Mercantile Exchange Center; One South Dearborn, in partnership with Hines; One Magnificent Mile; and Woodfield Lake Office Campus.
- Significant investor in multifamily real estate projects all over the country through Diversified and his interests in Waypoint Residential and Redhill Realty investors. In all more than 10 million square feet developed.
- Has developed or owned hotel and resort projects in the United States and internationally, including a current interest in Esperanza Resort in Cabo San Lucas, Mexico.
- Developed Levy Restaurants into an internationally recognized food service organization with the market leading share in sports and entertainment catering throughout North America and Europe.
- Currently the Chairman of the Board of Del Taco Restaurants (NASDAQ: TACO) and owns a significant stake in Del Taco and Blaze Pizza.
- Through his family office, Larry has been a successful private equity and venture investors with stakes in such diverse companies as Intensity Therapeutics, Cleversafe, Home Depot Supply, Organic Life, Lakeview Investment Group, Nest, Popchips, Signal, SpaceX, Uber, Peloton, and Swipesense.
- Larry and his wife Carol created and endowed the Levy Institute of Entrepreneurial Practice and the Levy Social Entrepreneur Lab at Kellogg Graduate School of Management at Northwestern University. Larry serves on the boards of the Kellogg Graduate School of Management, Northwestern University, Lincoln Park Zoo, the Art Institute of Chicago and Northwestern Memorial Hospital. Larry received his B.S. and M.B.A. at Northwestern University.

CRESSET

Fund Leadership

Jeff Cherner

Senior Managing Director

- Co-founder and Executive Vice President of Diversified Real Estate Capital, LLC.
- Has purchased, owned and/or developed more than $1 billion of real estate and has more than 30 years of experience in the real estate industry.
- Experience includes structuring real estate partnerships as well as the financing, sale, acquisition and ownership of commercial real estate.
- Was a Principal in Baird & Warner Real Estate Capital, one of the nation's leading mortgage brokers.
- Mr. Cherner and Mr. Michael Miller purchased that company in 1997. The company was sold in 2007 to a national mortgage banking firm.
- Holds an undergraduate degree from Northern Illinois University and is a CPA.

Michael Miller

Senior Managing Director

- Founder and Executive Vice President of Diversified Real Estate Capital, LLC.
- While at Diversified, has purchased, owned and/or developed more than $1 billion of real estate.
- Has more than 30 years of experience in the real estate industry which includes acquisition, ownership, financing, re-development and sale of commercial real estate.
- Was also a Principal in Baird & Warner Real Estate Capital, one of the nation's leading mortgage brokers.
- Holds an undergraduate degree from the University of Michigan and an MBA from the University of Chicago.

Bill Rudnick

Fund Counsel

- Partner with the law firm of DLA Piper, where he has practiced for thirty years.
- Will be involved in diligence and structuring of the Fund's investments.
- Received his BA, cum laude, in philosophy from Tufts University; he received his JD from the Pritzker School of Law, Northwestern University; and he received his MBA with honors from the Booth School of Management, The University of Chicago.
- Active in food banking for three decades, chairing the boards of directors of The Greater Chicago Food Depository, Feeding America, and The Global FoodBanking Network, which he co-founded.
- Member of the Economic Club of Chicago and YPO Gold.

CRESSET

Investment Team

Mark Stern

Senior Managing Director

- Leads Cresset Partners' Real Estate team, sourcing acquisitions in the United States.
- Since 1995, sourced in excess of $5 billion of acquisitions nationwide focusing on multifamily properties and has acquired over 30,000 multifamily units nationally.
- Prior to Cresset Partners, spent 16 years at Waterton, a leading Real Estate investing and property management company, and most recently served as Senior Vice President of Acquisitions.
- Prior to Waterton, served as Manager of Acquisitions and Dispositions for Moran and Company, where he was responsible for the Midwest and Denver regions.
- Before that, was Vice President of Acquisitions for TVO Realty Partners during which the company purchased 12,000 units with a capitalization of approximately $1 billion.

Nick Marietti

Managing Director

- Managing Director at Cresset Partners, focused on Qualified Opportunity Zones.
- Directs investments and development across all major Real Estate sectors.
- Experience includes the acquisition, ground-up development, and re-positioning of multiple multi-family properties, large-scale land acquisitions and master development, and retail re-positioning.
- Began his career as an attorney at K&L Gates.
- Holds a Bachelor of Arts in Business Economics from Brown University, a JD from the University of Michigan, and an MBA from The University of Chicago Booth School of Business.

Carter Eckerline

Associate

- Associate on the Cresset Partners Real Estate team.
- Responsible for comprehensive financial analyses, strategic research, and due diligence management.
- Prior to joining Cresset, was a Real Estate Analyst at Holliday Fenoglio Fowler (HFF) where he worked on debt and equity placement transactions nationwide with a focus on multifamily properties.
- While at HFF, was involved in closing over $1.5 billion of financing across 35 transactions.
- Graduated from the University of Denver with a degree in Finance and Real Estate.

CRESSET

Investment Team

Chris Boehm

Senior Managing Director

- Leads Cresset Partners' direct private capital efforts, making control and non-control equity and structured investments in private companies across a range of industry verticals.
- Prior to Cresset Partners, spent over twenty years as a Private Equity partner and finance and strategy executive with Willis Stein & Partners.
- Co-founder and Member of the Board of Directors of Lincoln Clean Energy, a renewable energy development platform established in 2009.
- Served on the board of directors of the Children's Memorial Foundation, The Daniel Murphy Scholarship Fund, and a director for Western Golf Association (Evans Scholars Foundation).

Ryan Schultz

Director

- Responsible for developing partnerships with individuals, teams and firms in order to expand Cresset's ecosystem.
- Responsible for sourcing opportunities and managing the investment process.
- Prior to Cresset, was on the investment team at Sterling Partners, a Chicago–based Private Equity firm, and in the Healthcare Investment Banking group at Piper Jaffray & Co., where he was responsible for M&A advisory and public and private capital raising.

Will Hoesley

Associate

- Associate on Cresset Partners' Private Capital acquisition team.
- Responsible for evaluating investment opportunities, coordinating due diligence, underwriting, and financial modeling.
- Previously was an investment banking analyst at Piper Jaffray where he focused on mergers and acquisitions and debt and equity transactions for Healthcare companies.
- Graduated from the University of Wisconsin-Madison with a degree in Finance, Investment and Banking.

CRESSET

Business Development

Nicholas Parrish, CFA, CAIA

Head of Business Development

- Focuses on building and developing co-investment partnerships with family offices and institutions for direct private equity and real estate transactions sourced by Cresset Partners. Responsible for setting the overall distribution strategy for investment products and strategies executed or managed by Cresset Partners.
- Joined Cresset after spending 14 years with GCM Grosvenor, a global leader in alternative investments and was responsible for managing the firms relationships with a variety of investors, including family offices, endowments, family foundations, and pension funds.
- Graduated from Marquette University with a Double Major in Business Economics and Finance and holds both the Chartered Financial Analyst designation and the Chartered Alternative Investment Analyst designation, and is a member of the CFA Society of Chicago and CAIA Society of Chicago.

Matt Teitelbaum

Vice President

- Responsible for cultivating strategic partnerships with individuals, teams and firms in order to expand the Cresset platform.
- Most recently, worked on the institutional credit sales desk at Natixis Securities Americas LLC.
- Previously, worked at Harris Associates LP, a Chicago-based investment adviser.
- Started career in client services on Morgan Stanley's institutional equity desk.
- Holds a BA in Economics from the University of Maryland

CRESSET

Asset Management

Michael Jackson

Vice President

- Over twenty years of related real estate experience
- Holds an undergraduate degree in engineering from the University of Texas and MBA from DePaul University
- Experience includes asset management, construction management, and logistics management.
- Held several real estate management positions, served in the U.S. Marine Corps and is currently the Vice President of Asset Management for Diversified Real Estate Capital, LLC

Chip Wille

Senior Director

- Over eleven years of industry experience including real estate private equity, leasing, construction, and operations management.
- Senior Director of Asset Management for Diversified Real Estate Capital, LLC where his focus is on asset management for all aspects of current projects.
- Previously, he spent five years with Hines most notably on the development of River Point in downtown Chicago.
- Prior to Hines, spent five years at UBS with a focus on due diligence and client reporting.
- Holds an undergraduate degree in Finance from Miami University and an MBA from Northwestern University's Kellogg School of Management.

Tax, Legal and Accounting Experts

Vimala Snow

Managing Director

- Legacy & Wealth Tax Planning supporting client relationships.
- Advises on and coordinates implementation of efficient tax, trust, investment and business structures to preserve and grow family wealth in a manner that achieves client's personal, financial, business and charitable goals.

Daniel Terlep

Managing Director

- Experience includes engagement management, tax, estate planning, accounting, risk management, technology and software solutions, structuring, due diligence and asset allocation among other experiences.
- Responsible for family office restructuring efforts to maximize family objectives, governance, operational, tax considerations.
- Tax and client service professional on sophisticated multi-billion dollar family offices.

David Mills

Chief Financial Officer

- Responsible for accounting, investor reporting, compliance and regulatory matters.
- Experience in fund accounting, fund related compliance and regulatory matters, investor reporting, portfolio company management, and day-to-day fund operations.
- Former CFO of Willis Stein & Partners.
- Previously was an auditor for Clifton Gunderson LLP and the Illinois Agricultural Auditing Association.
- Received an M.B.A. from DePaul University and a B.S. degree in Accountancy from Illinois College and is also a Certified Public Accountant (inactive).

CRESSET

Disclaimer

All right, title and interest in and to the information contained in this presentation is the sole and exclusive property of Cresset Partners, LLC, and LCM Opportunity, LLC (collectively, "Sponsor").

The information contained in this presentation is not intended to provide professional, investment, legal or tax advice and should not be relied upon in that regard. The contents of this presentation are for general information only and are not provided with regard to your specific investment objectives, financial situation, tax exposure or particular needs. The contents hereof are not a recommendation of, or solicitation for, the subscription, purchase or sale of any security, including the fund mentioned herein. Nothing contained herein should be used as the basis for making any specific investment, business or commercial decision. You should read the final confidential offering memorandum, partnership agreement and/or other supplemental and controlling documents before making an investment decision regarding any particular security carefully before investing in any security.

Investments, including interests in real estate and private equity funds, are subject to investment, tax, regulatory, market, macro-economic and other risks, including loss of the principal amount invested. Past performance as well as any projection or forecast used or discussed in this presentation are not indicative of future or likely performance of any investment product. Statements may be forward looking and are not intended as specific investment advice or guarantees of future performance. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such statements.

The contents of this presentation are subject to change and may be modified, deleted or replaced at any time in Sponsor's sole discretion. In particular, Sponsor assumes no responsibility for, nor make any representations, endorsements, or warranties whatsoever in relation to the timeliness, accuracy and completeness of any content contained in the presentation. While care has been taken in preparing the contents of this presentation, such contents are provided to you "as is" and "as available" without warranty of any kind either express or implied. In particular, no warranty regarding suitability, accuracy, or fitness for a particular purpose is given in conjunction with such contents. Sponsor shall not be liable for any loss, damage, costs, charges and/or expenses incurred as a result of or in connection with this presentation or any reliance on the contents of this presentation.

The provision of any services or products provided by Sponsor and/or its affiliates shall be expressly subject to the particular terms and conditions as contained in a separate written agreement between you and Sponsor and/or its affiliate as applicable. Sponsor will not provide any individualized advice or consulting unless agreed to by a separate written agreement.

Cresset refers to Cresset Capital Management, LLC and its affiliates. The General Partner and the Manager of the Fund are affiliated with Cresset and, as such, any investor considering investing in the Fund is hereby advised that certain persons affiliated with Cresset (including persons affiliated with Cresset Asset Management, LLC ("CAM")) may have a direct or indirect ownership interest in the General Partner and the Manager of the Fund, and thus may benefit from the income received by the General Partner and the Manager in their respective capacities. Additionally, all investment advice and family office services are provided through CAM, an SEC registered investment adviser.

For more Fund information, please contact:

Nick Parrish
nparrish@cressetpartners.com

Matt Teitelbaum
mteitelbaum@cressetcapital.com