



FFCM

US HOUSING FUND II

Quality Single-Family
Investments

Safeguard Your Wealth

Investors increasingly turn to single-family homes for stable income and wealth protection. High-quality homes in desirable neighborhoods offer income-producing, inflation-protected investments, bolstered by limited supply and strong demand.

US Housing Fund II invests in high-quality homes that attract high-income tenants. These institutional-grade properties offer stable returns, long-term growth, low volatility, and low-correlated returns. The fund is designed to enhance investment portfolios by providing diversification, inflation protection, and conservative growth.

Fund Name	First Floor US Housing Fund II, LLC
Type	Closed-ended
Category	Private Equity
Asset Class	US Single-family Housing
Expected Portfolio Size	50 Homes
Investment Term	10 Years (Cash-out refinance in year 3 - 5)
Leverage (LTV)	Initial: 0% Refinance: 60%
Expected Return (IRR, net)	12-15%
Return Components	☑ Rental Yield: 6.5%
	☑ Growth: 4.2%
	☑ Leverage: 4.0%
Management Fees	☑ Asset Management: 1.25%
	☑ Profit Participation: 20% over a 6.0% hurdle

Fund Features



INSTITUTIONAL- GRADE QUALITY AND STABILITY

The fund acquires high-quality, institutional-grade single-family homes in desirable neighborhoods. These homes attract reliable, high-income tenants, ensuring stable rental income.



EARLY LIQUIDITY THROUGH CASH-OUT REFINANCING

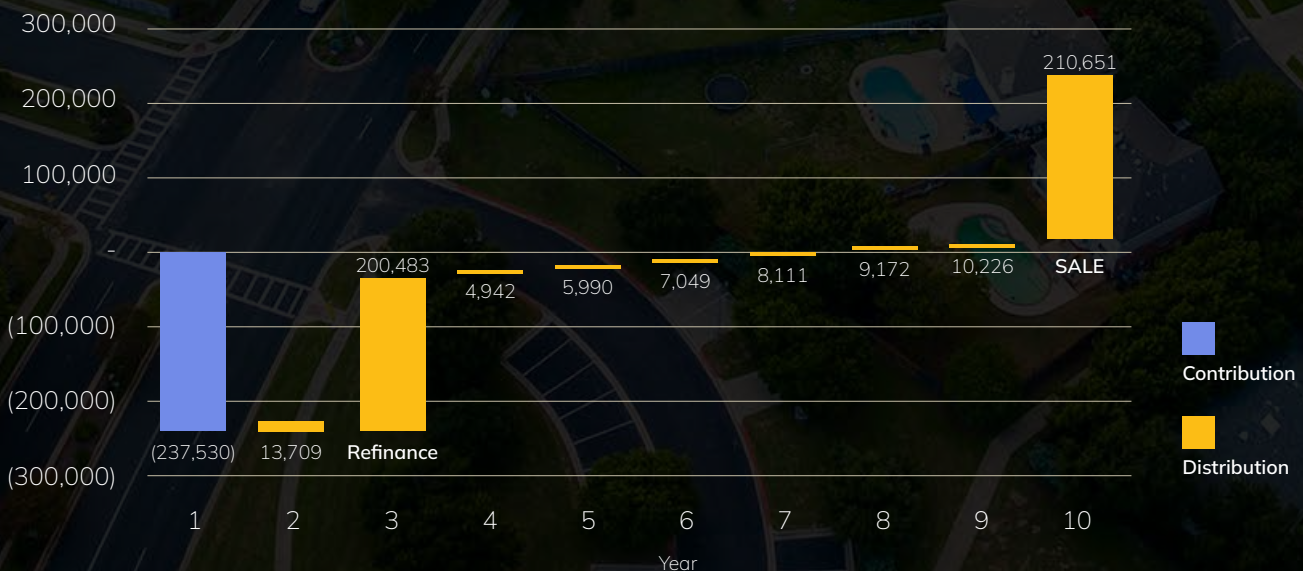
Investors are expected to receive up to 75% of their initial investment back between year 3 and 5 when the portfolio is refinanced.



DIVERSE MARKETS BALANCE GROWTH AND INCOME

The fund invests across income and growth markets, balancing cash flow with potential appreciation. By targeting Midwest markets for stability and Arizona markets for growth, the fund blends higher cash flow with long-term upside potential.

Expected LP Cashflow - \$250,000 Investment



Market Opportunity



HOUSING SHORTAGE

The U.S. has materially underinvested in single-family housing for nearly 15 years. This has led to a dramatic shortage of single-family homes that will take at least a decade to resolve.



DEMOGRAPHIC DEMAND

Millennials are forming families and entering their prime home-buying years. This has created nearly unprecedented demand for single-family homes.



REGIONAL TRENDS

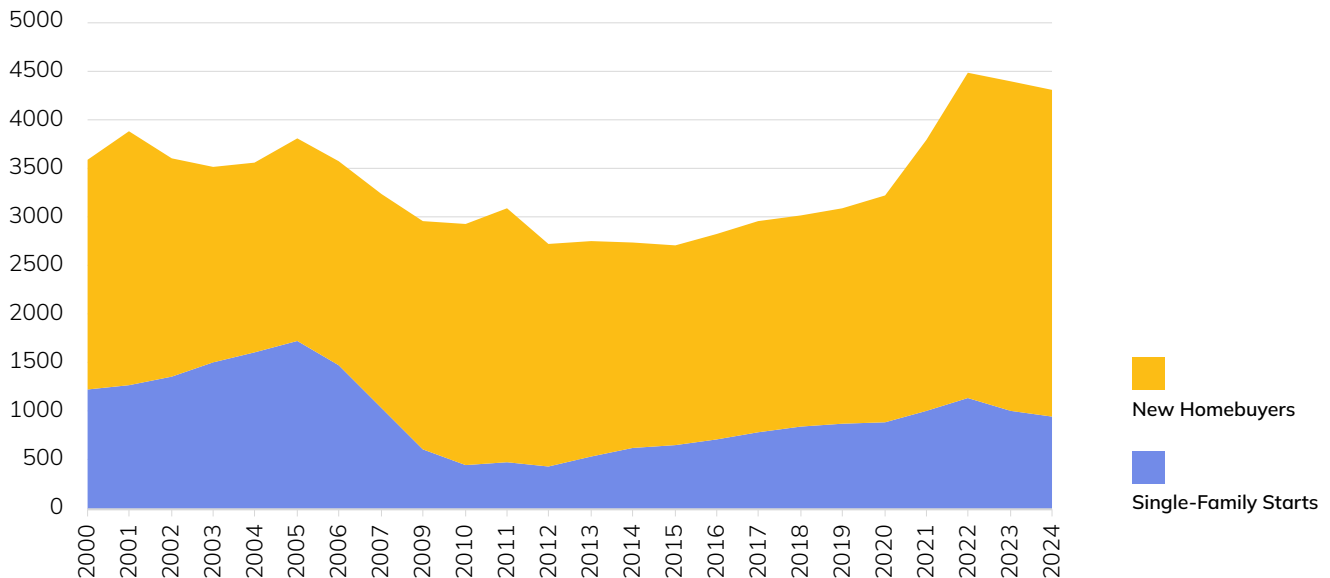
Our fund targets strategic regions with strong job growth and economic stability. Our Midwestern markets give exposure to the post-COVID "Return to Manufacturing" trend while our Arizona markets.



MACROECONOMIC FACTORS

In an inflationary environment, single-family homes serve as a reliable hedge through appreciating asset values and rising rents.

New Homebuyers Outpace Single-Family Starts (Thousands)



About **FFCM**

FFCM is a boutique investment and advisory firm that specializes in institutional-grade single-family homes. Our disciplined investment approach includes acquiring properties at a discount to market value, strategically selecting markets for stability and growth, and expertly managing each property to maximize income and long-term appreciation. Since inception, FFCM has successfully navigated various market conditions and consistently outperforming industry benchmarks.



PROVEN TRACK RECORD

Over \$225 million in single-family home transactions for both private funds and large institutional investors.



EXPERTISE AND EXPERIENCE

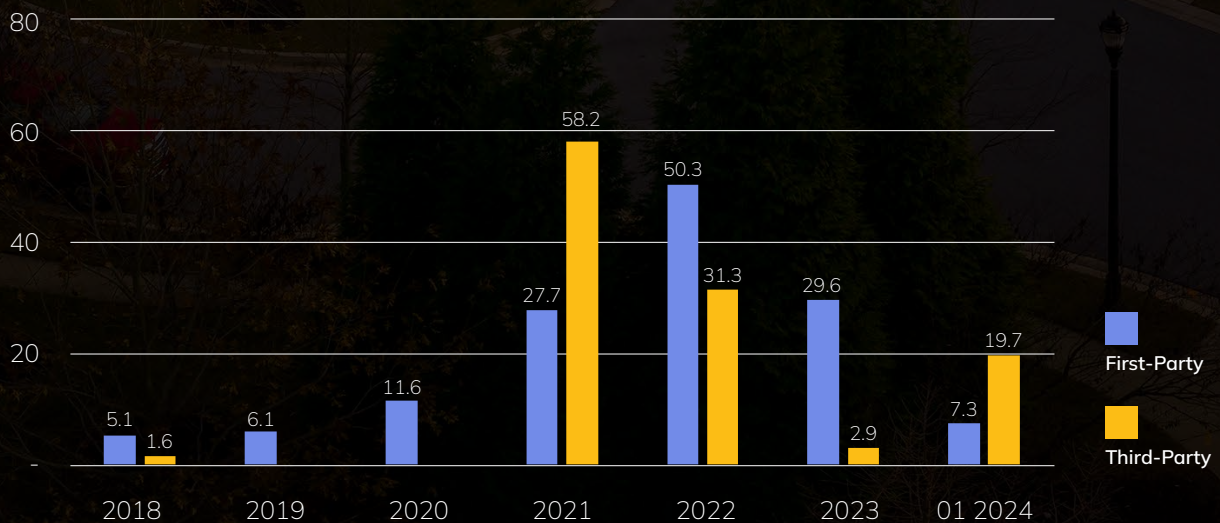
A management team with deep industry knowledge and a history of successful investments.



STRONG PARTNERSHIPS

We invest in markets where we have developed strong and proven local partnerships. Our partners include acquisition agents, construction teams, and property managers and we align our partners' interests with our own.

Transaction Volume (Millions)



Principals



John Patterson, Managing Director

John Patterson is a co-founder and Managing Director at First Floor Capital Management. He focuses on shaping the firm's investment strategies and leads the company's finance and reporting arms. John was a former product manager at Microsoft and combines business strategy with rigorous financial analysis to deliver scalable investment solutions. He holds a B.S. in Applied Mathematics from the University of Arizona, a B.S. in Computer Science from Rose-Hulman Institute of Technology, and an MBA from Harvard Business School.



Benjamin Riehle, Managing Director

Benjamin Riehle is a co-founder and Managing Director at First Floor Capital Management, where he focuses on the firm's acquisition strategies. Under his leadership, First Floor has sourced over \$225 million in single-family homes for both private funds and institutional investors. Benjamin is a recognized thought-leader in the single-family rental sector and has consulted for some of the largest institutional SFR funds in the country. He holds a B.S. in Accounting and a J.D. from the University of Arizona.

Questions and **Answers**

Q: Who is this investment best suited for?

A: This investment is ideal for investors seeking a conservative strategy to protect, grow, and diversify their wealth. It targets those looking to safeguard their assets through stable income and potential appreciation from quality homes, not those seeking quick riches in real estate.

Q: What defines an institutional-grade home?

A: An institutional-grade home is a high-quality residence in a desirable neighborhood. These homes typically feature 3+ bedrooms, 2+ bathrooms, 1,300+ square feet of living space, and an attached garage. Built post-1980, they are located in middle-income or higher census tracts, away from busy streets, and close to reputable schools and major employers.

Q: How does FFCM balance low rental yields in hot markets like Phoenix with higher rental yields in more stable markets like Kansas City?

A: FFCM requires a larger discount in hotter markets like Phoenix to offset lower rental yields. In markets with low rental yields, we require a significant safety margin which safeguards our investments if expected growth does not materialize.

Q: What if home prices decline?

A: The fund strongly bets on the US single-family market. Should prices drop long-term, returns would be adversely affected. However, a decline during the acquisition phase would allow us to purchase more homes at lower prices. We do not foresee a long-term decline given the underbuilding in the US, the size of the millennial generation, the cost of new construction, and ongoing inflation.

Q: What risks are associated with this investment?

A: Primary risks include falling home prices, adverse economic conditions, and operational challenges. Our conservative approach, thorough due diligence, and strategic partnerships help mitigate these risks.

Q: What distinguishes this fund from other real estate investments?

A: While the concept of single-family rentals is straightforward, assembling and managing such portfolios is complex. Our team specializes in creating and overseeing bespoke single-family portfolios, offering investors a exposure to this desired asset class while minimizing the numerous associated risks.

Q: How can I invest?

A: Prospective investors can contact our Managing Directors, John Patterson or Ben Riehle, for more details.



More Information

For further details on the US Housing Fund II, please visit www.ffcm.com/ushf2

For additional information about FFCM, or to discuss investment opportunities and other services, please contact us.

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