



K2ADVANTAGE FUND | MANAGED BY:

Fund Manager

K2 Financial Group, LLC

| Seizing Opportunities In Multifamily
& Commercial Real Estate Projects

Disclaimer

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ACCREDITED INVESTORS ONLY.

Meet the Team



Kristopher Martin

Managing Director

K2 Financial Group &
Co-CEO of Oaktree Funding Corp.

- 20+ years of experience in real estate finance; expertise in loan origination, underwriting, and servicing.
- Focuses on non-agency and investor loans; funded over \$5B in real estate loans in the last five years.
- Strong background in DSCR loans, honed during his time at Oaktree.
- Prioritizes risk management and consistent returns across diverse markets at K2 Financial Group.
- Married to Terri, with five children; emphasizes excellence in both career and family life.



Keith Grayson

Managing Director

K2 Financial Group &
Co-CEO of R5 Asset Management

- Broker-Owner of Grayson Real Estate (GRE), Realtor since 2005.
- Established GRE in Las Vegas, NV, managing REO properties for major banks.
- Expanded brokerage to Arizona in 2010; sold over 900 listings in AZ and NV with \$250M+ sales volume.
- Renovated 70+ properties in Maricopa County; generated \$17M+ in sales in the last 4 years.
- Building a nationwide asset management portfolio.
- Leading \$25M+ multi-family development projects in North Central Phoenix.
- CEO and founder of Silverton Capital, R5 Asset Management, and KJI Construction.
- Enjoys camping on the West Coast with his wife, Brittany, sons Jett and Brock, and dogs, Danzig and Hazel.

R5 Asset Management

Expertise in Multifamily Asset Stabilization

19+ years of experience

in construction, property management, and real estate sales.



Specializes in **turning underperforming multifamily properties** into sustainable, thriving communities.



Expertise in addressing **high vacancy rates, poor property conditions, and mismanagement.**

Our Approach:



Identify and underwrite investment opportunities.



Set capital project budgets for renovations.



Support property management in **marketing and leasing.**



Provide detailed **monthly financial reports** for investors.



Market properties to Buyers upon exit.

Proactive Approach:

- > Utilizes efficient systems, software, and technology.
- > Manages developments ranging from **3 to 300 units**

Investment Focus: Multifamily Real Estate

Specializes in cash flowing
multifamily assets.

Targets properties with potential for value creation through:

- 1 Strategic management improvements
- 2 Targeted capital expenditures (CapEx)

Expertise:

Identifying underperforming properties with management challenges.

Implementing solutions to:

- 1 Stabilize rents
- 2 Enhance operations
- 3 Improve financial performance



Goal:

Optimize each investment for
**long-term growth
and value.**

Case Study

30-Unit Turnaround

- > **Location:** 1930 W Van Buren St, Phoenix, AZ
- > **Purchase Price:** \$400,000 | **Units:** 30
- > **Initial Condition:** Severe disrepair, no water, failed sewer, uninhabitable.



Strategic Interventions:

- 1 Rezoning for Higher Density**
 - Rezoned from A-1 (Light Industrial) to R-4 (High-Density Multifamily).
 - **Outcome:** Increased revenue potential through higher density.
- 2 Extensive Rehabilitation**
 - **Budget:** \$1.1 million.
 - New main water lines, sewer repair, full unit renovations, and upgraded amenities.
- 3 Stabilization & Market Alignment**
 - Rents increased to market rates.
 - **Outcome:** Achieved 98% occupancy within one year.

Financial Impact:

\$220,000/year

NOI

14.6%

CAP Rate

\$4,000,000

(from \$400,000)

Appraised Value (2024)

Case Study

4-Plex Renovation

- > **Location:** 202 S 2nd Street Buckeye, AZ
- > **Purchase Price:** \$160,000
- > **Initial Condition:** Condemned by City with no utilities and sever vandalism



Strategic Interventions:

- 1 Submetered All Utilities**
 - Individual water and electrical meters were installed to increase ROI.
- 2 Extensive Rehabilitation**
 - **Budget:** \$350,000
 - Fully renovated down to the studs with new trusses, framing, roofing, HVAC, water supply, sewer lines, windows, exterior/interior doors, exterior/interior paint, and R-38 insulation.
- 3 Stabilization & Market Alignment**
 - Rents increased to market rates.

Financial Impact:

\$59,530/year

NOI

11.67%

CAP Rate

\$895,000

Appraised Value (2025)

Deployment of Capital Strategy

These acquisitions will span the course of an 18-month period with \$25,000,000 in total investments. We will incorporate a mix of smaller property renovations that consist of 3-12 units and mid-sized 20-100 unit developments that are in distress due to poor condition, high vacancy rate, delinquent loan status, and/or substandard property management.

Acquisition of properties less than \$75,000 per unit with a market rent at or above \$1,100 per month increases returns to our investors at a rate not achieved in most metropolitan areas.

Examples of properties that meet our criteria:

Indianapolis, IN



4-Plex Listed at \$164,900

Indianapolis, IN



8 Units Listed at \$425,000

Indianapolis, IN



4-Plex Listed at \$295,000

Indianapolis, IN



4-Plex Listed at \$199,500

Wilkinsburg, PA



4-Plex Listed at \$349,000

Pittsburgh, PA



4-Plex Listed at \$200,000



Goal:

Invest \$5,000,000 every 90 days in the Pittsburgh, PA and Indianapolis, IN multifamily markets.

Proprietary Deal Flow

Fund Manager:

Keith Grayson, seasoned real estate broker and multifamily investor

Network:

Extensive contacts with lenders, banks, auction houses, brokers, and institutional investors.

Access:

Advanced national search databases for a wide range of opportunities.

Deal Screening Process:

Review **hundreds of multifamily** deals monthly.

Focus on properties with:

- 1 Strong cash flow potential
- 2 Strategic locations
- 3 Value-add opportunities

Strategic Approach:

- > Combines **deep industry connections** with **sophisticated data analysis tools**.
- > Ensures every decision is based on **comprehensive market insights**.
- > Consistently selects **high-quality, high-potential** investments that align with long-term goals.



Our Investment Philosophy



Focus:

Multifamily assets with strong cash flow and value creation potential.

Core Principles:

Value-Add Strategy:

Improve properties through **management overhaul** and **targeted CapEx** to boost value and returns.

Rigorous Due Diligence:

Leverage industry networks and **data analytics** to thoroughly vet opportunities, ensuring alignment with investment criteria.

Risk Management:

Diversify across geographies and property types to minimize risk and maximize returns.

Long-Term Growth:

Invest in assets with **immediate cash flow** and **long-term appreciation** through active management and efficiency.

Investor Alignment:

Ensure transparency and focus on **consistent, aggressive returns** while preserving capital.

Adaptability:

Stay responsive to market trends, refining strategies to capitalize on emerging opportunities.

How Our Fund Works

Duration of Investment

- > Investments in limited liquidity assets held for up to 60 months.
- > Investor requests for refunds considered with 6 months' notice (subject to availability).

Compliance & Reporting

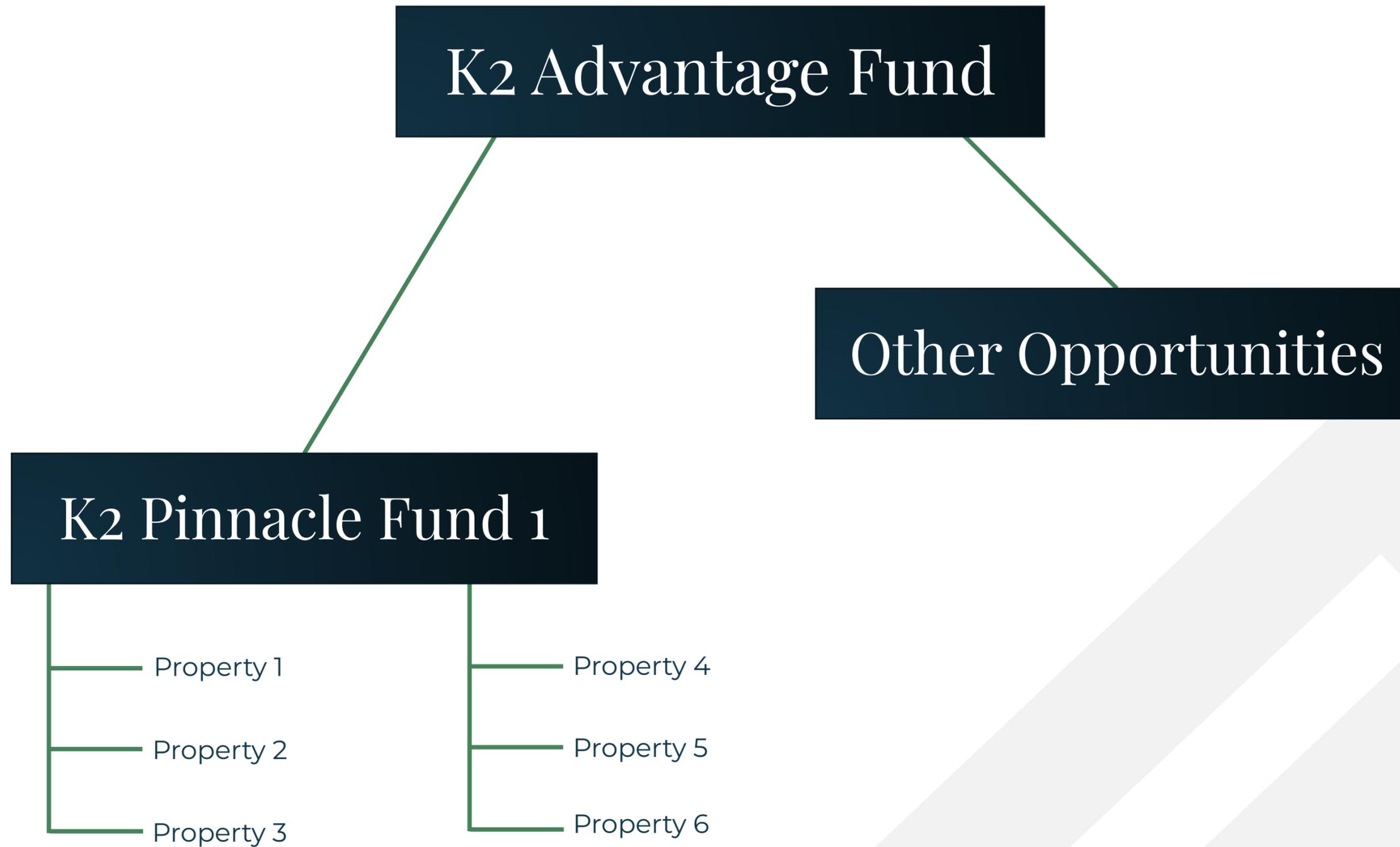
- > Adheres to state, federal, and local laws, ensuring investor protection.
- > Best practices in compliance and reporting are a top priority.

Investor Reminder

- > Review the Private Placement Memorandum (PPM) and Risk Factors thoroughly.
- > Ensure alignment with your investment strategy and risk tolerance before proceeding.



Our Fund Concept



K2 Advantage Fund, LLC

Fund of Funds strategy, investing in a curated selection of high-performing funds.

Primarily invests in funds managed by **K2 Financial Group** or where **K2 Advantage** is the sole investor.

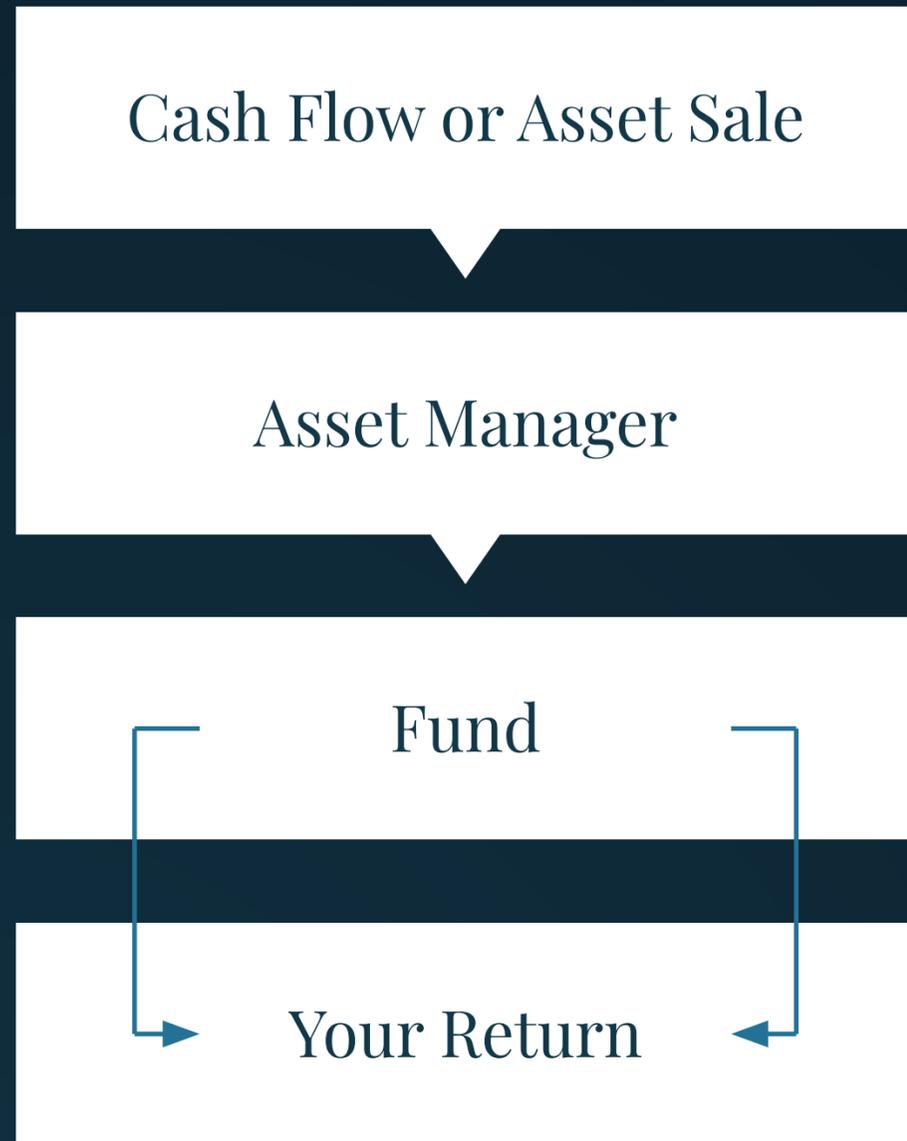
Investor Flexibility: Choose from a diverse portfolio of funds.

Flagship Offering:
K2 Pinnacle Fund I, LLC

Focuses on acquiring **multifamily real estate** with **value-add opportunities**.

Generates **consistent income** and **long-term growth** for investors.

How Do I Make Money?



Investors in **K2 Pinnacle Fund I** can earn significant dividends based on their investment amount.

\$50,000 – \$99,999

8% Preferred Return

\$100,000 – \$999,999

10% Preferred Return

80% Split
(Up to 25% of total upside minus dividend)

\$1,000,000 and up

10% Preferred Return

80% Split
(Up to 25% of upside)

50% Split
on remaining returns up to max return

Disclaimer: Actual fund performance will ultimately determine actual dividend amounts, however, the fund will “catch up” your dividend amounts before returning any splits or fund manager income.

Example 1

Investment Amount	\$300,000.00	
Preferred Return	10%	
Annual Days	360	
Date of Investment	10/13/2024	Quarter End: 12/31/2024
First Quarterly Due	1/15/2025	
Days Calculated	79	
Daily Accrual	\$83.33	
First Preferred Payment	\$6,583.33	1/15/2025
Second Preferred Payment	\$7,500.00	4/15/2025
Third Preferred Payment	\$7,500.00	7/15/2025
Fourth Preferred Payment	\$7,500.00	10/15/2025
Total Percentage of Fund	3.000%	
Total Upside due Investor	\$30,916,67	Upside Pay Date: 1/15/2026

\$10,000,000.00
Total Fund Investment

29.00%
Total Fund Net Return

\$2,900,000.00
Total Fund Net Return

\$2,000,000.00
Payable to Investors

\$60,000.00
Total Investor Return

20.000%
Percentage

This is an EXAMPLE of a return profile the fund is targeting this is not a guarantee of a specific return. Results will vary.

Example 2

Investment Amount	\$1,000,000.00	
Preferred Return	10%	
Annual Days	360	
Date of Investment	11/3/2024	Quarter End: 12/31/2024
First Quarterly Due	1/15/2025	
Days Calculated	58	
Daily Accrual	\$305.56	
First Preferred Payment	\$17,722.22	1/15/2025
Second Preferred Payment	\$27,500.00	4/15/2025
Third Preferred Payment	\$27,500.00	7/15/2025
Fourth Preferred Payment	\$27,500.00	10/15/2025
Total Percentage of Fund	11.000%	
Total Upside due Investor	\$191,277.78	Upside Pay Date: 1/15/2026

\$10,000,000.00
Total Fund Investment

38.00%
Total Fund Net Return

\$3,800,000.00
Total Fund Net Return

\$2,000,000.00
Payable to Investors

\$291,500.00 Total Investor Return	26.500% Percentage
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This is an EXAMPLE of a return profile the fund is targeting this is not a guarantee of a specific return. Results will vary.

Example 3

Investment Amount	\$80,000.00	
Preferred Return	8%	
Annual Days	360	
Date of Investment	11/3/2024	Quarter End: 12/31/2024
First Quarterly Due	1/15/2025	
Days Calculated	58	
Daily Accrual	\$17.78	
First Preferred Payment	\$1,031.11	1/15/2025
Second Preferred Payment	\$1,600.00	4/15/2025
Third Preferred Payment	\$1,600.00	7/15/2025
Fourth Preferred Payment	\$1,600.00	10/15/2025
Total Percentage of Fund	0.800%	
Total Upside due Investor	\$0.00	Upside Pay Date: 1/15/2026

\$10,000,000.00
Total Fund Investment

38.00%
Total Fund Net Return

\$3,800,000.00
Total Fund Net Return

\$2,000,000.00
Payable to Investors

\$5,831.11 Total Investor Return	7.289% Percentage
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This is an EXAMPLE of a return profile the fund is targeting this is not a guarantee of a specific return. Results will vary.

The Opportunity



\$10,000,000

Fund Amount



\$50,000

Minimum Investment Required



January 15, 2025

First Dividend Payment Date

Risk Disclosure

Market Risk: The value of multifamily properties can fluctuate due to changes in the broader real estate market, influenced by economic conditions, interest rates, and local supply and demand dynamics.

Economic Downturns: Economic recessions can lead to higher vacancy rates and lower rental income, affecting the fund's profitability. Tenants may also face financial difficulties, leading to an increase in delinquencies.

Property Management Risk: The success of a multifamily real estate investment depends heavily on effective property management. Poor management can result in higher operating costs, lower occupancy rates, and reduced rental income.

Interest Rate Risk: Rising interest rates can increase the cost of financing for the fund, reducing cash flow and potentially lowering property values. Higher rates might also make it more expensive for potential buyers to acquire similar properties, impacting exit strategies.

Liquidity Risk: Real estate investments, including those in multifamily properties, are generally illiquid. Investors might find it challenging to sell their shares in the fund quickly without affecting the price, especially during periods of market stress.

Leverage Risk: Many real estate funds use leverage (debt) to finance property acquisitions. While this can amplify returns, it also increases the risk, particularly if property values decline or rental income decreases, making it difficult to service the debt.

Regulatory and Legal Risks: Changes in zoning laws, rent control regulations, or property taxes can impact the profitability of multifamily investments. Legal disputes, such as tenant lawsuits or compliance with local regulations, can also pose risks.

Operational Risks: Multifamily properties require ongoing maintenance, repairs, and capital improvements. Unexpected costs related to these can reduce the fund's profitability. Additionally, if the property is not well-maintained, it could lead to higher vacancy rates and lower rental income.

Tenant Turnover and Vacancy Rates: High tenant turnover can lead to increased costs for marketing and renovating units, as well as periods of vacancy where no rental income is generated. This risk is heightened if the property is located in a market with high competition or declining demand.

Natural Disasters and Environmental Risks: Multifamily properties are exposed to risks from natural disasters such as floods, hurricanes, earthquakes, and fires. Environmental risks, like exposure to hazardous materials or contamination, can also lead to significant liabilities and costs.

Exit Strategy Risk: The ability to sell or refinance properties at favorable terms can be uncertain. Market conditions, interest rates, and property performance can all affect the timing and success of an exit strategy.

Sponsor Risk: The experience, track record, and management capabilities of the fund's sponsor play a crucial role in the success of the investment. Poor decision-making by the sponsor can negatively impact returns.



IF YOU'RE READY TO INVEST, GO TO:

www.k2fi.com