



SENTINEL NET LEASE

CORPORATE OVERVIEW

February 2024



About Sentinel



Founded in 2019 by industry veterans, Fred Lewis and Dennis Cisterna, Sentinel Net Lease is a real estate investment firm that is focused on opportunistically acquiring assets that produce ongoing cash-flow from long-term leases. These assets are expected to be resistant to certain market disruptions while offering potential outsized returns for investors. In a post-COVID environment, we strive to understand the long-term viability of the real estate we acquire by assessing the current utility and occupancy of the building coupled with potential future demand. Our integrated business model creates a competitive edge in the marketplace that provides sustainable, long-term value to our investors.

Mission Statement

“Our mission is to create value by delivering strong risk-adjusted returns on quality commercial real estate through measured analysis, strategic acquisition, and active management. We focus on select investments that meet our rigorous criteria that can deliver consistent and dependable returns to our investors. Leveraging our deep understanding of commercial real estate, together with innovative technology, we strive to create a seamless, passive real estate investment experience with optimized results for our stakeholders.”



\$288MM+

Assets
Under Management

1.75MM

Square Feet

11.9%

Avg. Cash-on-Cash
From Lease Income

35%

Avg. Net IRR
on Completed Deals

The Sentinel Standard

Since our inception, Sentinel has made it a priority to improve the investment experience for our investors to make smarter, more informed decisions related to our current portfolio and future acquisitions. Advances in technology, applications, and data analytics have made it possible for middle-market investors like Sentinel to have access to the same tools as the largest investment firms in the world. Even before we close on an acquisition, the Sentinel team likely knows the property better than the owner selling it because of our attention to detail and willingness to roll up our sleeves and dig in. We strive to learn as much as possible in the diligence process through on-site visits, reviewing all due diligence items provided by the seller and our own commissioned reports to make sure that the investment is sound and that we understand the asset's condition to identify and reduce failures in the future. Our acquisition and asset management roadmap allows Sentinel to create individual outcome-driven asset management solutions by:

- ▶ **Building Trust Through Tech:** We utilize advanced technology to provide an end-to-end solution for each investment we make. This technology platform transforms the real estate investment experience for both Sentinel and our investors by streamlining fundraising, investment administration, and investor reporting.
- ▶ **Proactive Management:** We have a deep understanding of how each part of the process for property and asset management fits together to maximize property value. We undergo a detailed analysis of each property to develop the right life cycle asset management strategy for our expected hold period. This is all calculated in our underwriting during the acquisition process so that we can more accurately project our return on investment.
- ▶ **Optimize Operations:** Managing costs more effectively and removing wasted activity allows for reduced operating costs and risks. We do not just watch the dollar; we watch the penny. Our team takes a holistic view of property operations to ensure we are maximizing the asset's reliability and resilience and lowering costs.
- ▶ **Capital Solutions:** We take a streamlined approach when considering capital improvements. Our strategic and business-driven approach allows us to deliver an objective and comprehensive plan to maximize property value. Creating a capital improvement plan and reserve schedule during the acquisition process allows Sentinel to adequately address any deferred maintenance and future capital projects without cannibalizing potential returns.
- ▶ **Attract and Maintain Tenants:** We value our tenants who we view as our customers. Our experienced management team ensures the highest level of customer service and satisfaction through consistent interaction, communication, and collaboration. Our leasing strategy includes retaining high-energy market makers in the local area who have a broad reach and are intimately familiar with the market trends.
- ▶ **Mitigate Risks:** We ensure that preventative measures are taken to protect the asset and that each property has vendors, property management, and needed resources to be able to respond during emergencies.

Industry Honors



FINANCIAL SERVICES REVIEW



ESTATE INNOVATION



MIDWEST REAL ESTATE NEWS

Investment Strategy

A Brief Story About Our Strategy

As the market evolves, so too do our investment strategies as a method to optimize returns. In the lower interest rate environment from 2019 to early 2022, our previous investment strategies were offshoots of the traditional core investment approach as we focused on stabilized properties with credit tenants that were located in primary or secondary markets or possessed shorter lease terms (less than 10 years remaining). This strategy offered opportunities for increased yields, albeit at a slightly elevated risk, with highly accretive debt.

Due to the rapid rise in interest rates, we believe we have a generational opportunity to acquire core assets at historically low pricing and high cap rates. An overly negative view of office holistically has reduced the number of market participants and expanded cap rates faster than other asset types.

The cap rate expansion has allowed us to tighten our underwriting metrics while achieving double-digit cash-on-cash returns secured by long-term leases. This allows us to offer investors nearly a full return of invested capital, if not more, from contractual lease income alone.

ACQUISITION CRITERIA

- Office, Retail, and Industrial*
- Minimum Price: \$7,000,000
- Class A / First & Second-Generation
- 1998 and Newer Construction
- Single-Tenant Preferred,
- Minimum Occupancy: 90%
- Min. Weighted Avg. Lease Term: 8.0 Years
- Top 150 Metro Areas
- Suburban Locations Only
- Acquired Below Replacement Cost

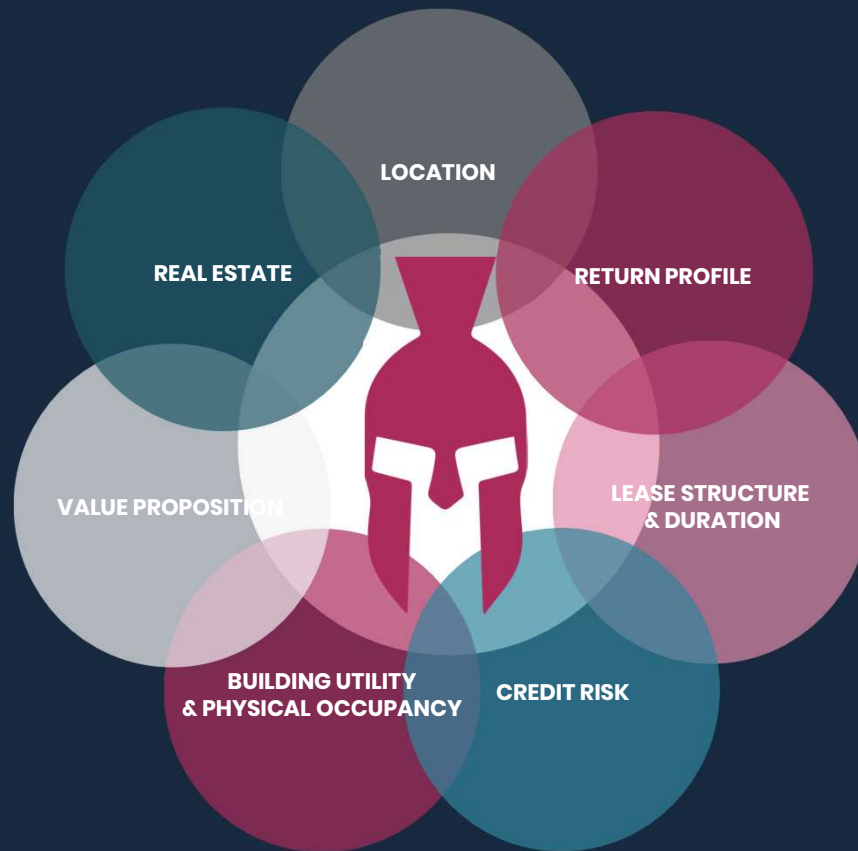
FINANCIAL METRICS

- 8.50% Minimum Cap Rate
- 10%+ Annual Cash-on-Cash Target
- Minimum 80% Return of Capital from Lease
- Annual Rent Increases
- NNN Leases Preferred
- Minimal Deferred Capital Expenditures
- Minimum & Maximum LTV: 50% / 65%
- 30-Year Amortization Preferred
- Non-Recourse Debt Only
- Debt Must Be Accretive



Sentinel Underwriting

A Consistent & Proven Evaluation Framework



LOCATION

Analyze regional and local economic and demographic data to understand market drivers and fundamentals

REAL ESTATE

Assess the physical condition and quality of the building itself, including construction methodology, major systems, and tenant improvements.

RETURN PROFILE

Perform thorough financial modeling combined with other underwriting pillars to arrive at strong risk-adjusted return profile

CREDIT RISK

Thorough review of corporate financials to analyze the financial strength and credit quality of tenants

VALUE PROPOSITION

Focus on underlying real estate prices and rents that are below market and replacement cost

LEASE STRUCTURE & DURATION

Ensure lease structure and duration provide for consistent, durable cash flow to investors

BUILDING UTILITY & PHYSICAL OCCUPANCY

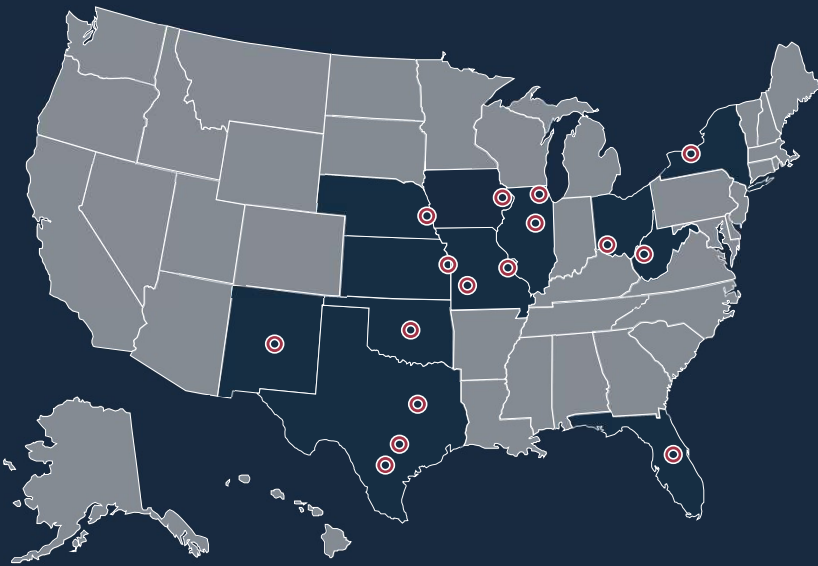
Confirm the building's mission-critical utility for the tenant and ensure the physical occupancy is at or above 85%.

"It's not easy to find assets that check off all the boxes, but we believe a thoughtful approach in sourcing the right opportunities while conducting extensive due diligence and market analysis on each property allows us to build on our foundation as an intelligent investor in order to create real value for our investors."

Fred Lewis, Chief Executive Officer

Our Portfolio

The current portfolio of assets of Sentinel Net Lease consists of 18 properties totaling more than 1.8 million square feet of retail and office space. The vast majority of the properties in the portfolio are single- or dual-tenant buildings with primarily net leases. More than 60% of the portfolio is leased to credit-rated and/or Fortune 500 firms. 90%+ of the tenant roster have annual revenue exceeding \$1 billion. The current occupancy of the portfolio is approximately 99%. Geographically, our concentration is focused on value-oriented markets in the Midwest and South including Chicago, Kansas City, Omaha, Oklahoma City, San Antonio, and Orlando.



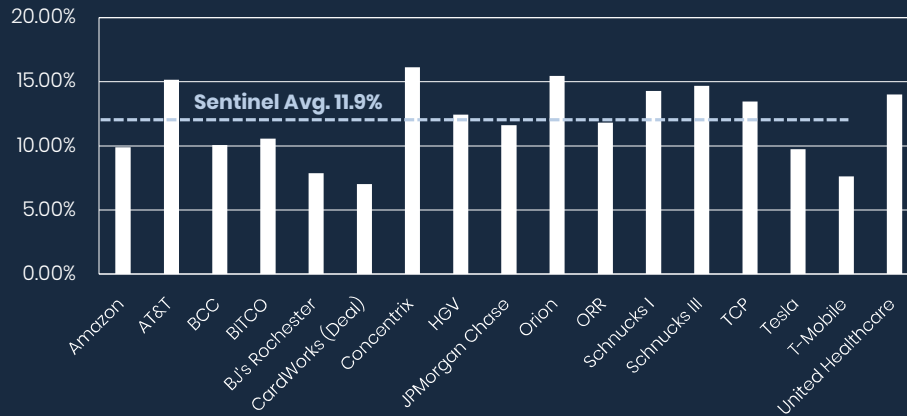
Our Tenants

We focus on underwriting the strength of our tenants just as much as we do the real estate they occupy. As such, we are landlords to some of the largest publicly-traded institutions in the world as well of a host of financially stable private companies.



Performance Dashboard

Annualized Cash-on-Cash Return by Asset*



11.9%

WTD. AVG.
CASH-ON-CASH
FROM LEASE INCOME

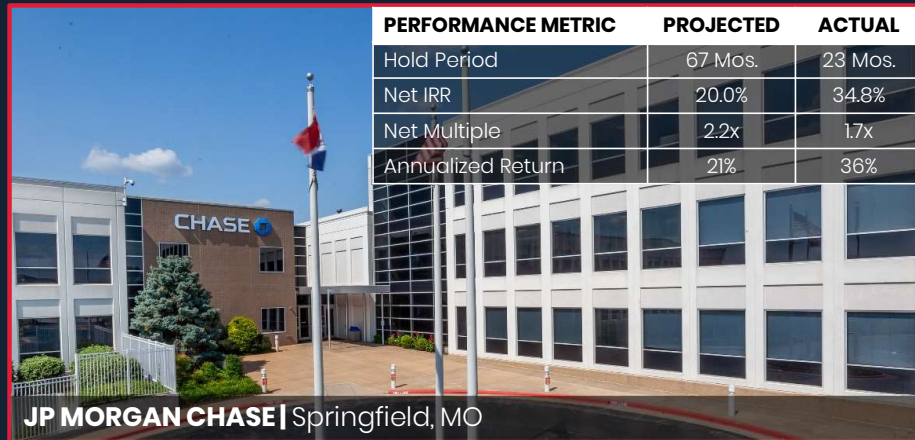
99%

ACTUAL CASH-ON-
CASH RETURN VS.
PROJECTED

35%

AVG. NET IRR
COMPLETED
INVESTMENTS

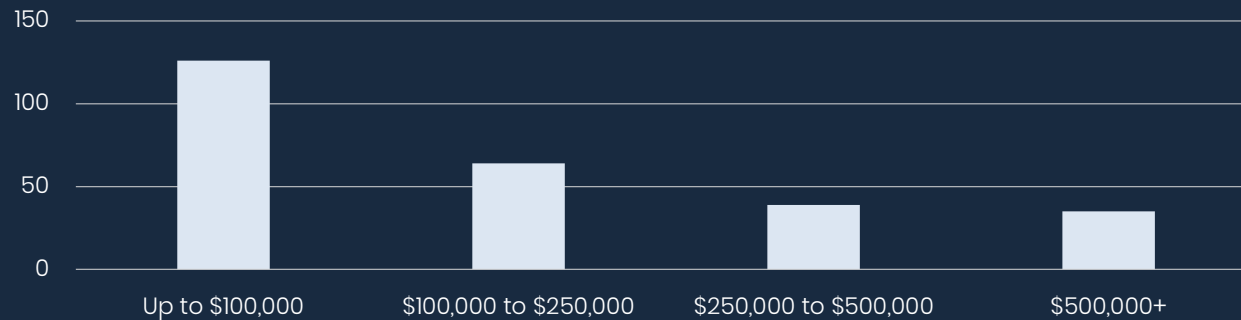
Completed Investments



Sentinel Capitalization

Equity: Sentinel Net Lease syndicates its Limited Partner (LP) equity from a wide variety of accredited investors including individuals, wealth management firms, family offices, and private investment funds. Each property acquired is owned by a Special Purpose Entity that allows our investors to pick and choose which opportunities fit their investment goals. Currently, we have over 310 different investors that have deployed capital in at least one Sentinel property. As the General Partner (GP), Sentinel invests 5% to 10% of the required equity into each acquisition, creating further alignment with our limited partners. We utilize modern technology to oversee the capital raising process, electronically marketing new opportunities to our database of over 180,000 investors and are typically oversubscribed. Since our first closing in March of 2020, we have deployed approximately \$92MM of equity.

Debt: We use long-term non-recourse debt on each property, usually originated from large credit unions and regional banks, with a loan to cost that generally ranges from 50% to 60% and typically has no or minimal prepayment penalties. We only use highly accretive debt on all our acquisitions.

310+Total
Investors**\$106K**Avg. Investment
Per Property**48**Avg. Investors
Per Property**\$92MM**Investor Equity
Deployed**Investors by Amount Invested**

Investor Testimonials

▶ **YANIR RAM | CFO | DRI Holdings**

I own numerous investment properties and being naturally cautious, I rarely participate as a purely passive investor but have invested numerous times with Sentinel Net Lease over the last several years. The return on investment in all cases has been very positive with cash-on-cash returns meeting or exceeding the initial business plans. The team's experience, knowledge, attention to market opportunities, and disciplined underwriting and risk management have been instrumental in Sentinel's success and great performance.

▶ **STEVE JASA | CFO | The Wolff Cos.**

I am a big fan of the Sentinel team. I have been investing with them for several years now and appreciate the thoughtfulness they bring to the net lease space. They continue to identify interesting investments in unique locations that provide tax-efficient cash flow with potential upside. It is a great way for me to diversify with smart people I trust.

▶ **JOEL FLIG | CEO | Mountainside Funding**

Being in the finance business I know how tough it can be juggling investors, lenders, and everyday issues. Sentinel's level of professionalism, transparency, and responsiveness has been outstanding. I have several investments with Sentinel, and they have performed admirably. Whenever I come across an investor looking to place money, Sentinel Net Lease is first on my list.

▶ **LUKE RADLINSKI | COO | Southern Marinas**

The Sentinel Net Lease team are seasoned and savvy investors who tirelessly source niche assets in healthy yet less accustomed markets, producing superior risk-adjusted returns. Their communications with investors are consistently excellent from offering memorandum through asset management to exit. I trust them implicitly with my own capital.

▶ **DAN CARPENTER | Regional Manager | Mutual of Omaha**

When reviewing a real estate partner, I look for excellence as an operator and an asset manager. As an operator, Sentinel Net Lease proves honest, accurate and timely communications that is easy to review and share with my accountant. As an asset manager Sentinel searches the market for opportunistic investments supported by detailed due diligence. As I like to say...think bigger, get better, and own it. Sentinel checks all three of those boxes.

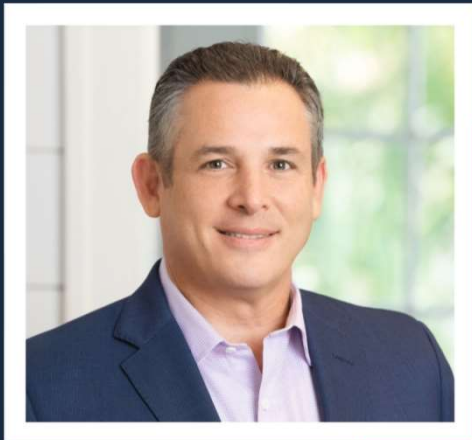


Executive Team

The principals of Sentinel have decades of experience in real estate investment across multiple asset types throughout the United States and Europe, completing nearly \$11 billion dollars of transactions throughout their careers.

Fred Lewis

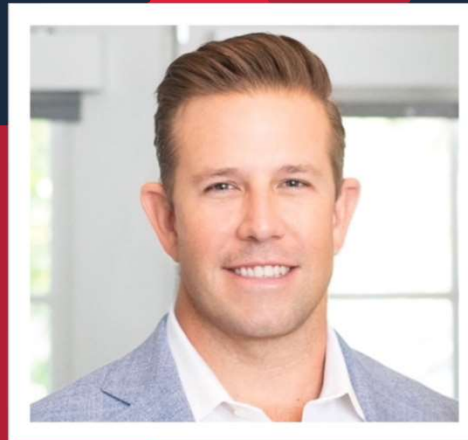
Chief Executive Officer



Mr. Lewis provides strategic guidance and oversight regarding the firm's mission with a focus on capital relationships and building out the platform infrastructure. Previously, he founded the Dominion Group, a vertically integrated real estate platform that has investments in residential real estate, commercial net lease assets, private lending, property management, and insurance. Mr. Lewis is also a Director on the Bank Board of Capital Bank of Maryland. Fred is a graduate of the George Washington University in DC with a B.A. degree in Business Finance.

Dennis Cisterna III

Chief Investment Officer



Mr. Cisterna oversees all investment activity for the firm. He is also the Founder and Chief Executive Officer of Guardian Residential, a privately held residential investment firm. Mr. Cisterna has held a wide variety of management positions within the real estate investment sector including key roles at notable firms such as Cerberus Capital Management, Johnson Capital, Lennar, and Toll Brothers. He is a Licensed Real Estate Broker in California and has a B.A. in Political Science from San Diego State University.

Andrew Broeren

Chief Operating Officer



Mr. Broeren oversees the firm's transaction structuring & execution, and operations. He previously served as the Head of Structured Finance for Southern Europe at HSBC Bank in London, covering origination and structuring for all asset classes in the regions, including mortgage-backed securities. Mr. Broeren is a qualified lawyer and previously practiced Corporate & Insolvency Law, having received degrees in both law (LL.B.) and Economics (B.Ec.) from Monash University.



Key Personnel

Our executive team is supported by a top-notch team of investment and property professionals with a proven track record of success.



Benjamin Black | VP of Asset Management

Benjamin Black is responsible for managing the existing portfolio, driving financial performance, and implementing property-level asset management plans. Prior to Sentinel, Ben was the Managing Director of Asset Management at Dalan Management, a New York City based owner-operator. He began his real estate career on the development team at Janus Property.



Laura Nguyen | Director of IR & Marketing

Laura oversees all investor relations and marketing functions within the firm. With more than 15 years of experience in real estate investment, she has deep experience in all facets of the firm's activity. Mrs. Nguyen was previously with Wheeler Real Estate Investment Trust where she served on the executive team that acquired and managed income-producing retail properties. Laura earned a Bachelor of Science degree in Communications from Old Dominion University.



Daniel Hillman | SVP of Research

Daniel is responsible for overseeing financial analysis, market and project level due diligence for all investment opportunities at Sentinel. He has more than 15 years of experience in finance and investment management, working for notable firms such as UBS, Stanford Capital Management, and Prima Capital. Daniel graduated with a Master in Applied Science from the University of Denver and received a B.S. in Economics from Texas A&M University.



Carlos Gaerlan | Operations Associate

Carlos Gaerlan is responsible for performing day-to-day operational activities with a focus on accounting, investor relations, and compliance. Prior to Sentinel, Carlos was an independent contractor where he provided support to several notable businesses throughout the United States and Australia. Carlos graduated from Philippine Maritime Institute with a Bachelor of Science degree in Customs Administration.



Operational Support Team

Sentinel has a robust network of best-in-class service providers that support our acquisitions, operations, and investor relations that is on par with large institutional investors.

Legal | Insurance | Accounting | Title

Snell & Wilmer	Novogradac
Allen Matkins	Lockton
Greenberg Traurig	First American

Banking & Finance

Ameris Bank	Deutsche Bank
Bellco Credit Union	WesBanco
Capital Bank	Woodforest National

Property Management & Brokerage

CBRE	Cushman & Wakefield
JLL	Marcus & Millichap
Newmark	Transwestern

Technology & Data

Appfolio	Enviroics
CoStar	Oxford Economics
CREXI	Trepp





SENTINEL NET LEASE

FOR MORE INFORMATION

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