

# Quarterly *Asset Report.*

Discover your upside.



## Q2 2021

## Quarterly Update Summary

Dear Valued Investor,

Despite damage to much of the portfolio due to the winter storm back in February, we closed out the second quarter of 2021 with strong performance. Most of our properties have completed repairs related to said storm and, while this may have increased capital expenditures, we are still producing strong dividends. Occupancy remains high and pre-leasing exceptional as management pushes rents and executes renovation plans to units and amenities.

As you may be aware, we are in the process of updating the Net Asset Value (NAV) of the fund. This is due to the sale of the Highland Cross property. This updated NAV will affect the value of your stock at Upside Avenue. This is the first time this is occurring since the inception of the REIT! As many of our properties surpassing net operating income expectations and there is strong annual appreciation of multifamily valuations, we can expect that the update to the NAV will be favorable to your investment value, though nothing is guaranteed. In the future the NAV will be updated more frequently.

Upside Avenue's mission is to help you Discover Your Upside. The results this quarter speak for themselves. If you have any questions about this report, your investment, or anything at all, please reach out and we are happy to work with you on them.

Sincerely,

Upside Avenue Investments Team

## The Jax

Closing Date	Structure	Location	Year Built	Units	Occupancy
September 2019	Common Equity	San Antonio, Texas	1997	322	95.3%

## Property Update

The Jax finished the quarter with 95.3% occupancy (93.1% market average) and is 99% pre-leased, demonstrating the consistent growth and improvement of the property. Average in-place rent was \$1,185 during the quarter compared to market rents of \$1,169. The property is continuing to be improved with ongoing renovations, including interior unit and fitness center upgrades.



Figure 1 - Before



Figure 2 - Work in Progress

### Capitol on 28th

Closing Date	Structure	Location	Year Built	Units	Occupancy
August 2018	Common Equity	Oklahoma City, Oklahoma	1967	231	93.9%

### Property Update

Capitol on 28th finished the quarter with strong occupancy at 93.9%. Furthermore, quarterly Net Operating Income increased by 6% as the property completes capital improvements. This property continues to be a strong performer.



## Highland Cross

Closing Date	Structure	Location	Year Built	Units	Occupancy
June 2018	Preferred Equity	Houston, Texas	1979	236	91.6%

### Property Update

The Property ended the quarter with 91.6% occupancy and 97.4% pre-leased. Despite the damages from the winter storm, repairs and other capital expenditures remain 14% under-budget. Management is focused on continuing to raise rents to market rate while holding high occupancy levels. Average rents sit at \$757 when compared to the \$1,143 market average. This property is now sold.





## Huntington Ridge

Closing Date	Structure	Location	Year Built	Units	Occupancy
February 2020	Equity	DeSoto, Texas	2007	198	97.4%

### Property Update

Huntington Ridge ended the quarter at 97.4% occupancy (94.3% market average) and 99.4% pre-leased. The property also beat market rents with an average rent of \$1,320 and average market rent of \$1,194. Management continues to surpass expectations with year-to-date net operating income 24% above budget. All repairs from the winter storm are completed.



## Mariposa Villas

Closing Date	Structure	Location	Year Built	Units	Occupancy
February 2020	Common Equity	Dallas, Texas	2003	216	99.3%

### Property Update

Mariposa Villas ended the quarter with 99.3% occupancy (91% market average) and 95.3% pre-leased. The property achieved market rents of \$1,227 compared to the market average of \$1,125. Management is focusing their efforts on maintaining high occupancy levels while increasing rents. All winter storm repairs have been completed. Year to date net operating income is 6.7% above budget.

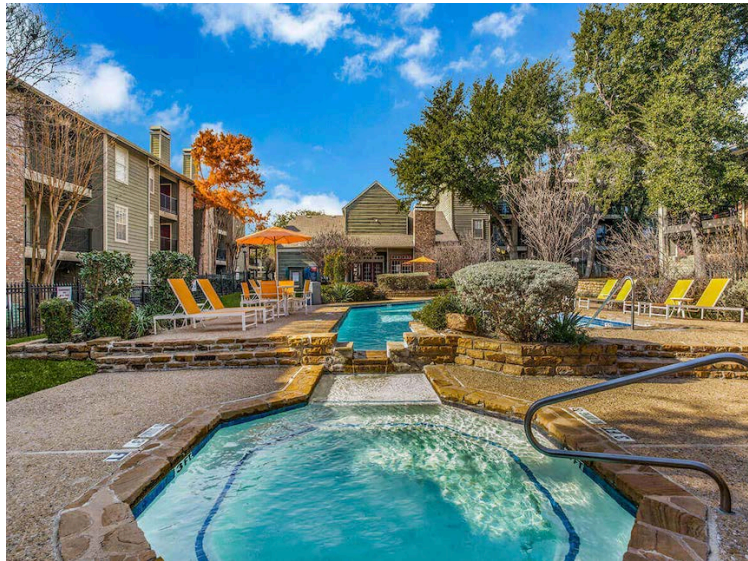


## Newport

Closing Date	Structure	Location	Year Built	Units	Occupancy
September 2015	Common Equity	Irving, Texas	1981	308	94.4%

### Property Update

Newport ended the quarter 94.4% occupied and 98.3% pre-leased. Average rents line up with market averages of \$1,051 and \$1,053, respectively. Year to date Net Operating Income is 6.5% above forecasted budget. Management continues to focus on maintaining occupancy while raising rents. As of the end of the quarter, winter storm repairs were 90% completed.





## River Oaks

Closing Date	Structure	Location	Year Built	Units	Occupancy
February 2020	Common Equity	Wylie, Texas	2002	180	93.3%

### Property Update

River Oaks achieved an end-of-quarter occupancy of 93.3% (89% market average) and is 97.7% pre-leased. Average in-place rent was slightly below the market average of \$1,383 at \$1,294. All repairs from the winter storm have been completed. Management continues to focus on increasing rents while maintaining high occupancy.



Figure 3 - Before



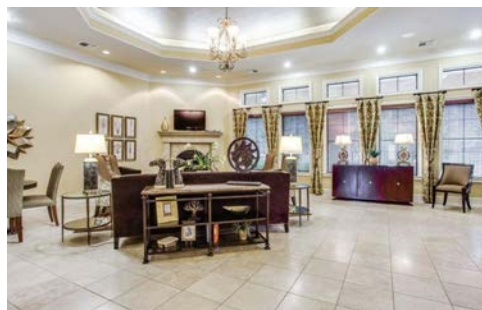
Figure 4 - After

## Savoy of Garland

Closing Date	Structure	Location	Year Built	Units	Occupancy
February 2020	Common Equity	Garland, Texas	2008	144	98.6%

## Property Update

Savoy of Garland finished the quarter with an occupancy of 98.6% (94.7% market average) and is 99.3% pre-leased. Current in-place rents average \$1,201 and market rents average \$1,253. Year to date net operating income exceeded expectations at 17.6% above forecasted budget. All winter storm repairs are complete.



## The Lookout at Comanche Hill

Closing Date	Structure	Location	Year Built	Units	Occupancy
October 2019	Common Equity	San Antonio, Texas	2016	150	91.3%

### Property Update

The Lookout at Comanche Hill finished the quarter 91.3% occupied (93.1% market average) and was 93.3% pre-leased. Average in-place rent was \$1,054 and demonstrates steady rental increases. Market rent averaged \$1,123. Property management continues to focus on maintaining high occupancy while increasing rents. Winter storm renovations and repairs are ongoing.





## The Quinn at Westchase

Closing Date	Structure	Location	Year Built	Units	Occupancy
May 2020	Preferred Equity	Houston, Texas	1978	737	75.5%

### Property Update

The Quinn finished the quarter strong with occupancy at 75.5% and pre-leased at 91.2%. Rent averaged \$883, below the market average of \$1,136, though this is in part due to the property management changes on-site. Year-to-date income surpassed budgeted expectations by 20%. The current business plan for the property is to continue to rebuild occupancy, reclaim down units and work towards stabilization. Although the Quinn has a lower rent than other properties in the portfolio, it is important to note that Upside Avenue has a preferred equity position in this investment. Preferred equity investments provide a distribution each quarter, while sacrificing the opportunity for appreciation. This protects investors from the ups and downs of the property.





## Water Ridge

Closing Date	Structure	Location	Year Built	Units	Occupancy
September 2020	Common Equity	Irving, Texas	1984	476	82.9%

### Property Update

Water Ridge finished the quarter 82.9% occupied and 97.8% pre-leased. The property sustained damage from the February winter storm and repairs continue to be executed. Despite the damage, the property Net Operating Income has passed expectations and is 6.5% above the forecasted budget. In-place rent averages \$1,149 compared to the \$1,053 market average.

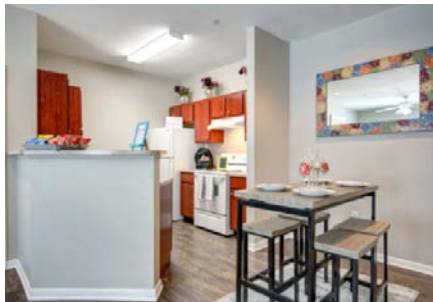


### Vistas at Pinnacle Park

Closing Date	Structure	Location	Year Built	Units	Occupancy
February 2020	Common Equity	Dallas, Texas	2003	332	93.9%

### Property Update

Vistas at Pinnacle Park finished the quarter with an occupancy of 93.9% (91% market average) and is 98.1% pre-leased. Average in-place rent was \$1,119 during the quarter, which is in line with the sub-market average of \$1,125. All repairs from the winter storm have been completed.



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