

# GBC BLUE CHIP REALTY FOCUS FUND

AN INVESTMENT SUMMARY

## AN EXCEPTIONAL GROWTH OPPORTUNITY

### Long Term Capital Appreciation

The GBC Blue Chip Realty Focus Fund offers an ongoing growth and capital appreciation opportunity by investing in a diversified portfolio of single and multi-family rental properties and commercial properties. These investments are structured as equity and/or debt commitments. Each investment may be in conjunction with local market partners, or developers, that offer the Fund potentially higher yielding investment opportunities.

#### Focus of Investment Activity:

1. Rental Income opportunities
2. Foreclosure/Wholesale Purchasing opportunities
3. Capital Provision to Real estate property development

### OUR UNIQUE **C.A.S.H.** APPROACH:

**Cash Flow** - Our property investments must generate positive cash flow.

**Appreciation** - The investment must appreciate in value, sometimes we are able to buy properties with built in equity.

**Security** - The investment is secured by a tangible hard asset (real property).

**Holdings** - Portfolio holdings are diversified geographically and by asset type to minimize risk and maintain sustainable cash flow.



The **GBC Blue Chip Realty Focus Fund** is designed to provide above average rate of return with a minimum amount of risk through the ownership of a diversified portfolio of real estate assets, targeting three main areas:

1. The Fund focuses on investing in a diversified portfolio of positive cash flow income properties and joint venture development properties including:
  - Rental Income opportunities (Internal Rate of Return ranging between 9% and 12%)
  - Foreclosure/Wholesale Purchasing opportunities (Internal Rate of Return ranging from 15% to 20%+)
2. The Fund also invests in individual mortgage notes and mortgage note portfolios which provide a reliable and consistent stream of monthly cash flow income.
3. The Fund directs investments through joint-ventures with local operating partners that have extensive experience in development projects. Together with our joint venture partners we find, acquire, improve and manage lucrative real estate properties, and offer shared ownership in these assets to other like-minded investor partners.

**Focus on Growth and Stability**

Joint Ventures	The joint ventures formed will allow the Fund to leverage the visionary mindset these developers possess while offering financial expertise that is in high demand in this target market.
High Returns	High returns will be targeted through developments that add-value to small and middle market consumers and mitigate escalating capitalization rates paid into larger and slow growth real estate markets

**THE FUND PROVIDES TWO SERVICES TO INVESTORS:**

**Investment Management:** Alternative investment opportunities in real estate to investors that would not normally be available; for example, the Fund will routinely invest in Mortgage note portfolios and Single family/Multi-family properties for rental income and Foreclosure/Wholesale real estate properties for capital gains. Investors will be able to reap the investment returns from all investments in the portfolio, generating higher returns and mitigating risk factors; and

**Financing Alternatives:** Provide capital to established real estate developers and sellers in the form of equity investment joint-ventures, debt financing, and 100% equity acquisitions.



With interest rates near historic lows and investors stock market investments struggling to maintain their value, investing in high-income properties has never made more sense.



**HOT ZONES**

**REAL ESTATE MORTGAGE NOTES**

The Mortgage Note portfolio helps individuals and/or institutions who want or need access to cash by arranging the purchase of their Privately Held Mortgage Notes and future payment streams in exchange for cash. Many people who hold assets, such as a private mortgage note, or business note, do not realize that they can sell them for cash. Often, these individuals would rather have a lump sum in lieu of their note but do not know how, or where, to liquidate their notes and future payment streams.

These real estate notes are known by various names such as, privately held mortgages, vendor take back mortgages, contracts for deeds, deeds of trust, land sale contracts, real estate contracts, trust indentures, trust deeds and promissory notes, depending on what country the original sale took place in.

**RENTAL INCOME OPPORTUNITIES**

The Fund will focus on making real estate investments that enable it to capitalize on Rental Income development transactions. These types of real estate investments involve properties and/or land that are not performing at their full potential and where the game plan is to bring to bear the talent and experience of an operating partner to increase the properties value and thus investment returns to investors.

Examples of Rental Income investments include:

- Renovation of older properties to increase rents; and
- New income property construction and development

**FORECLOSURE PURCHASING OPPORTUNITIES**

The Fund will also focus on making Foreclosure/Wholesale Purchasing real estate investments to boost returns. Foreclosure/Wholesale Purchasing investments are available through real estate market inefficiencies.

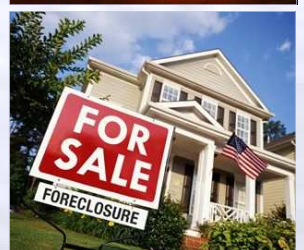
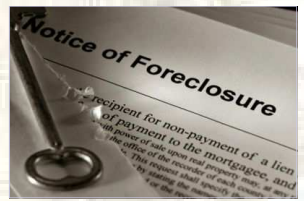
Foreclosure/Wholesale Purchasing investments will include:

- Purchasing single and multi-family homes at below market prices and;
- Providing capital for property upgrades or improvements that increase the asset value over historical averages.

These types of investments require an experienced operating partner that we will joint venture with. The Fund Manager will ensure that it thoroughly understands each target market and capitalize on the experience of each operating partner. The Fund plans to execute Foreclosure/Wholesale Purchasing investments that reward it for higher risk investments. Typical returns on foreclosure/Wholesale Purchasing investments range above 20%.



It is no secret that the greatest wealth builder throughout history has always been investment in real estate.



**OVERVIEW OF THE OFFERING**

**Incorporation** GBC Blue Chip Realty Focus Fund is organized under the laws of the Commonwealth of The Bahamas as a Standard Investment Fund. The Investment Manager is organized under the laws of the Commonwealth of The Bahamas.

**The Offering** This offering (“Offering”) consists of a maximum of 499,000 Preference Shares (the “Shares”) of GBC Blue Chip Realty Focus Fund (the “Fund”) at an initial offering price of US \$10,000 per Share (the “Purchase Price”). The minimum initial subscription for Units is US \$10,000, with further subscriptions in increments of a minimum of US \$10,000.

**Closing Date** The Offering is a continuous offering and will be open until the maximum amount is completed. There is no minimum offering amount. Subscriptions will be closed and registered as received and accepted.

**Use of Proceeds** The net proceeds of the Offering, after the payment of the expenses of the Offering, will be utilized to execute the Fund’s acquisition of a diversified portfolio of real estate assets, including mortgages and mortgage note portfolios with a maximum loan to value ratio (LTV) of 80%.

**Investment Manager** GBC Blue Chip Fund Management acts as the Investment Manager and as the Investment Advisor of the GBC Blue Chip Realty Focus Fund, responsible for the allocation and the management of the Fund’s assets.

**Shares Outstanding** The Fund presently has 499,000 Preference Shares (“Units”) each with an initial value of US \$10,000. Upon completion of the Offering, the Fund will have a maximum of 499,000 Units, with a value calculated by adding all the holdings of the Fund, less the Fund’s liabilities.

**Price Per Share** Upon completion of the Offering, the value of the Preference Shares will be equal to the assets less liabilities, determined in accordance with International Accounting Standards.



The next 24 to 36 months represents a once-in-a-lifetime buying opportunity for discounted, distressed, and bank-owned real estate.



**THE BOTTOM LINE**

- **Small Investment - you get to invest in real estate without large upfront capital.**
- **Capital Appreciation - due to increases in property values.**
- **Steady Income Stream - structured to generate steady, high-yield cash flows; distributions to investors are intended to remain steady or increase over time.**
- **Investment is backed by tangible assets - secured by insured, tangible assets as collateral.**
- **Personal Liability protection - investors receive the further advantage of having absolutely none of the personal liability risks associated with personal ownership of real estate**

If you wish to invest, please visit our website at [GBCBlueChip.com](http://GBCBlueChip.com) or contact us at 268-480-2240.

**GBC BLUE CHIP GROUP OF FUNDS**

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