



DISCOVER STABLE RETURNS

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# An Investment Strategy Built for Today's Market

**Invest with Confidence in the  
Hearthfire Income Fund**



# Disclaimer

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# Agenda

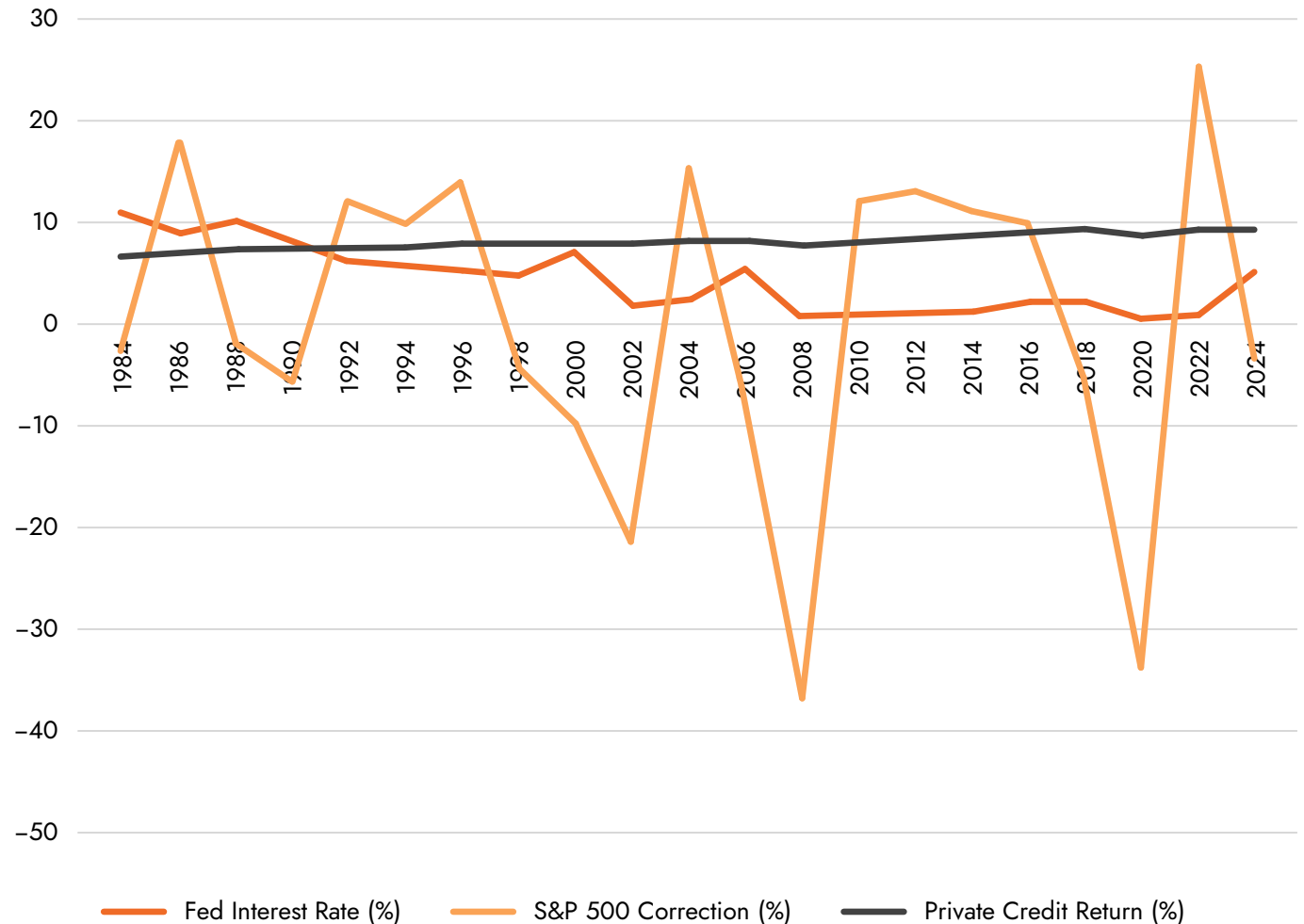
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# The Investment Challenge in Today's Market



- Low Yield
- Low Cash Flow
- Rising Interest Rates
- Market Volatility



Lending:

# A Time-Tested Investment Strategy



Proven Returns



Stable Income and Cash Flow



Downside Protection and Capital Preservation

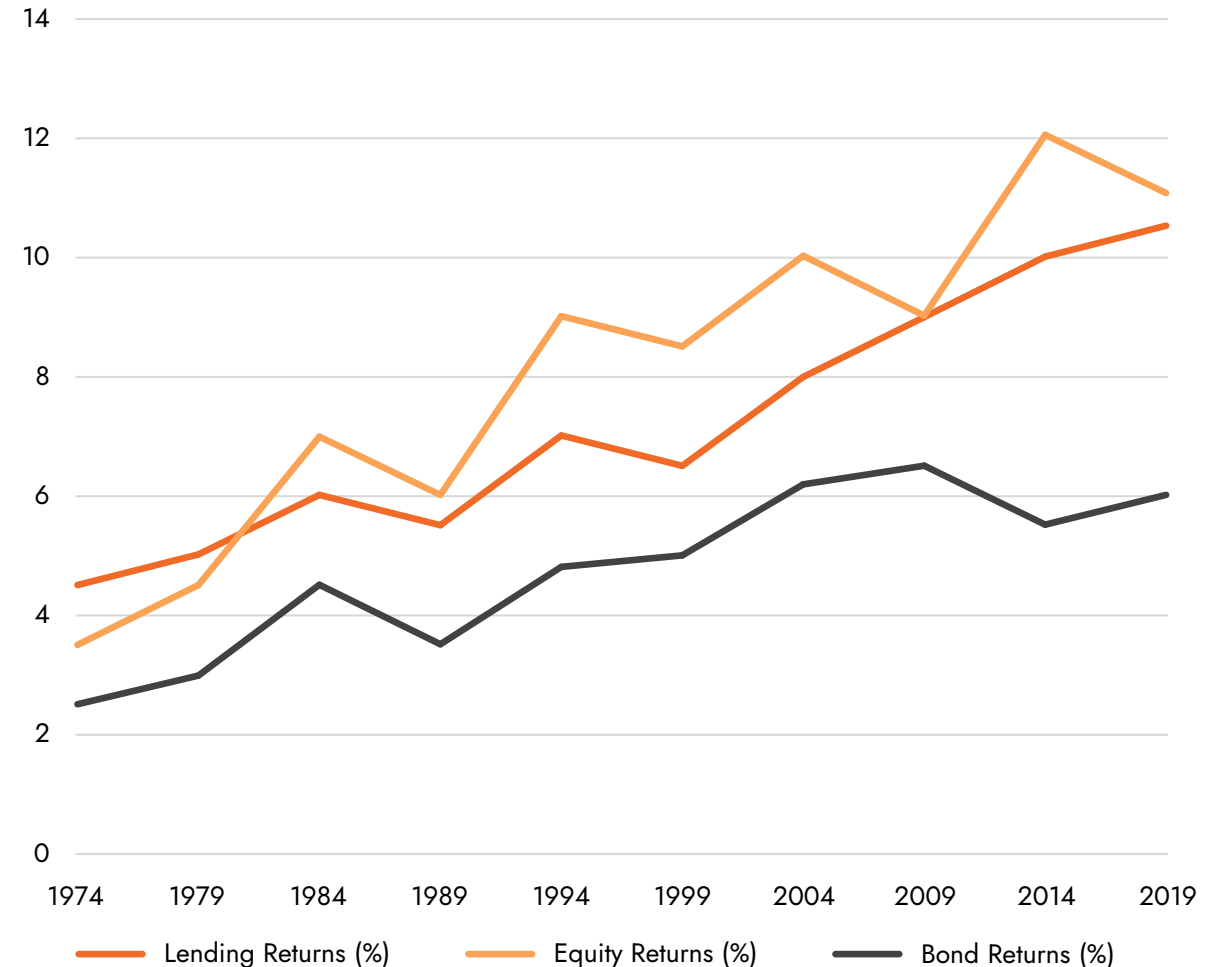


High Yields and Risk-Adjusted Returns



Alternative to Market Volatility

## Returns during after Lending Milestones





# The Emergence of Private Credit Investing

## Private Credit Growth

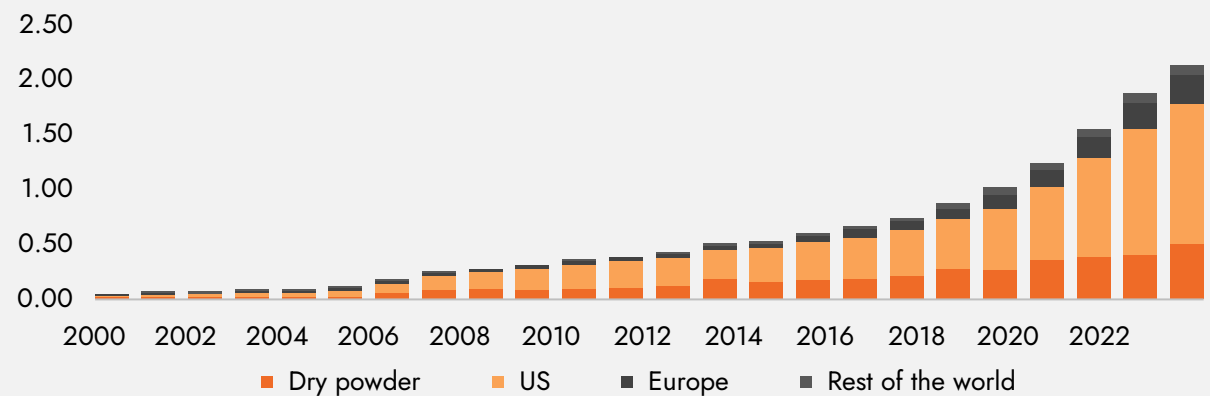
**2008:** \$250 billion  
**2023:** \$1.7 trillion  
**2027 (Projected):** \$2.8 trillion

## JOBS Act of 2012

Opened private credit to accredited investors.

## Private credit has grown exponentially since the Global Financial Crisis

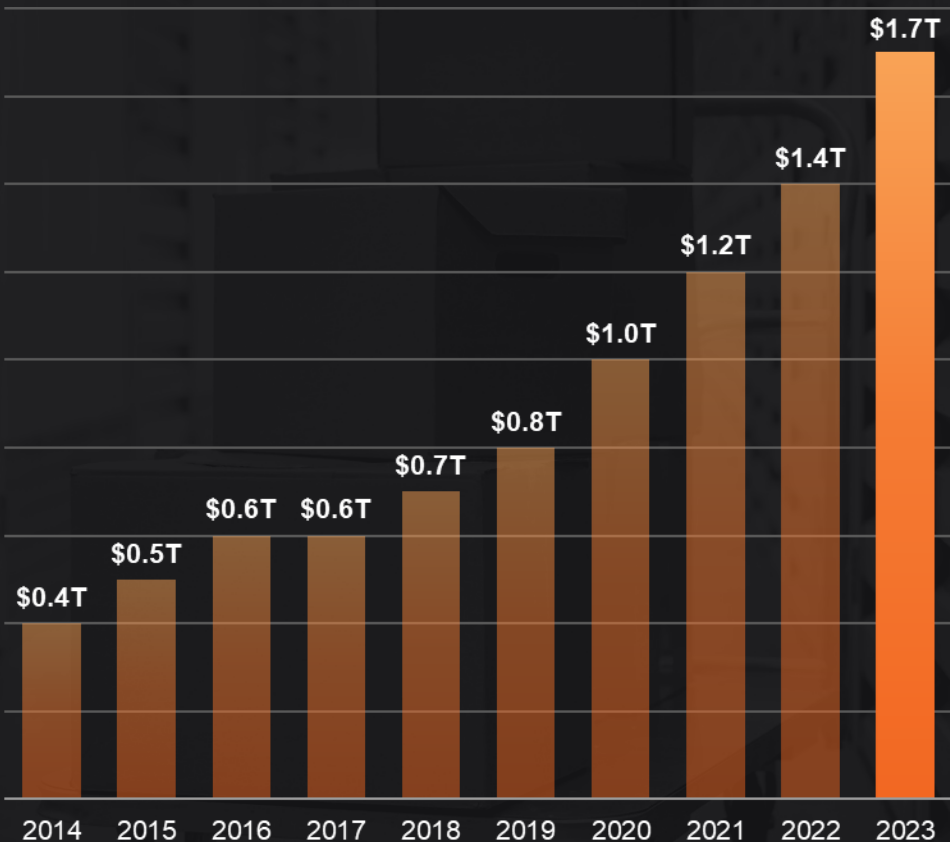
US dollar, trillion



Source: Knight Frank Research, Preqin, IMF

## Private Credit's Gold Rush

Global Private Debt Assets Under Management



Source: Preqin

# Why This is a Unique Moment

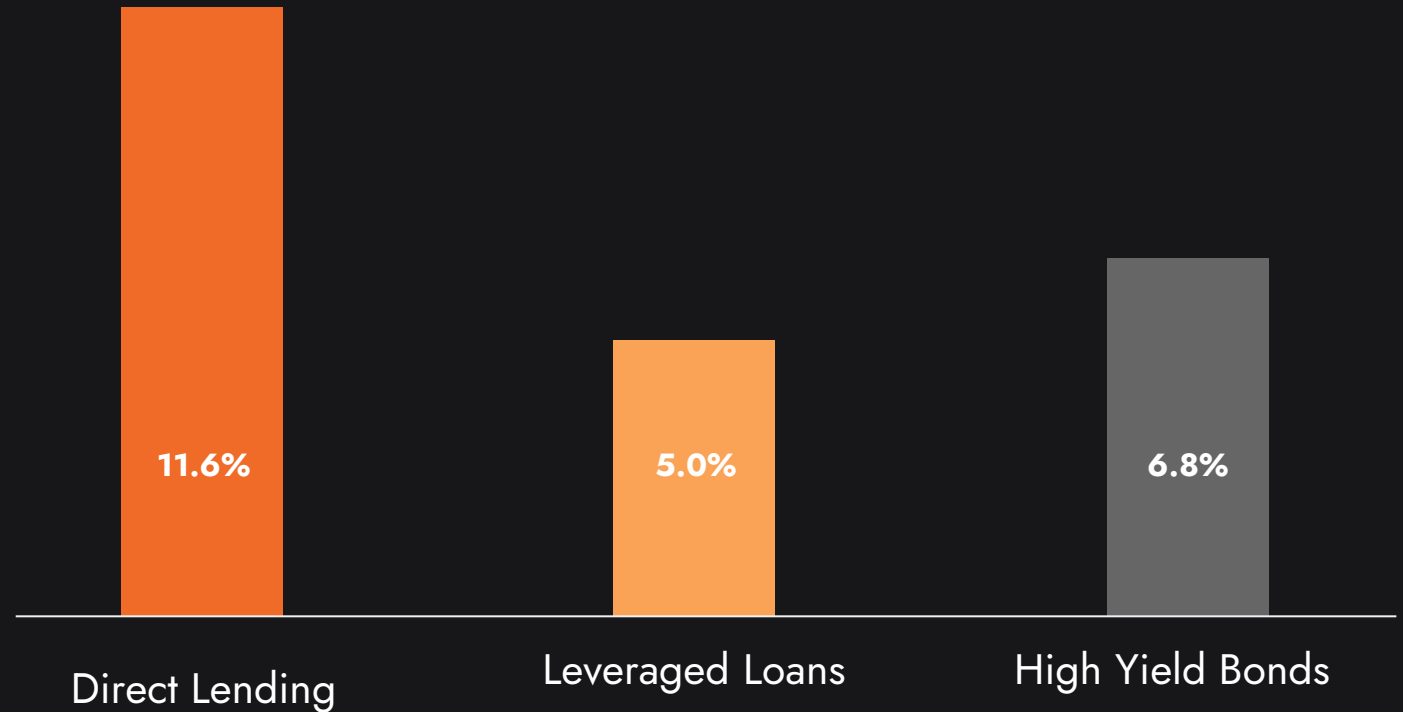


## Interest Rate Peak

We are at the high point in the interest rate cycle, creating a window to lock in high yields.

Still in early stages of Private Credit, so you want to get in early.

## Direct Lending's Outperformance in High Interest Rate Environments



Introducing:

# The Hearthfire Income Fund I

**Hearthfire Income Fund I**

leverages the growth of private credit and the resilience of self-storage to deliver consistent, attractive returns.

- High Yield Returns
- Capital Preservation
- Flexible Terms
- Tax Advantages
- Equity Conversion Option

**Class A**

Highest Yield

Minimum Purchase  
**\$200,000**

Preferred Return  
**10%**

Lockup Period  
**2 years**

**Class B**

Balanced Yield and Liquidity

Minimum Purchase  
**\$100,000**

Preferred Return  
**8.5%**

Lockup Period  
**1 year**

**Class C**

Yield + Liquidity

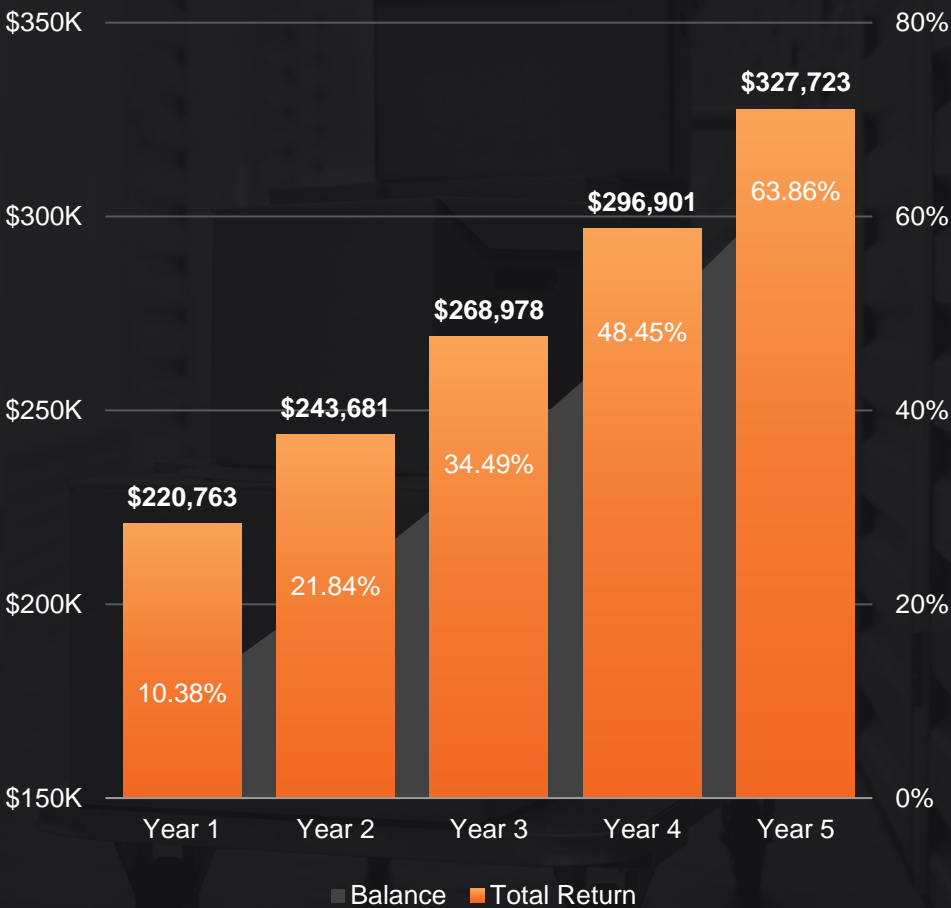
Minimum Purchase  
**\$50,000**

Preferred Return  
**7%**

Lockup Period  
**6 months**

**Class A**

Growth of \$200k with Compounding





# Enhance Returns with Unique Tax Benefits

**Ideal for Solo 401Ks and retirement accounts for tax-efficient income.**

- **Boosts After-Tax Returns**

Especially valuable for real estate investments, including self-storage.

- **Available Until 2025**

Time-sensitive benefit under the Tax Cuts and Jobs Act.

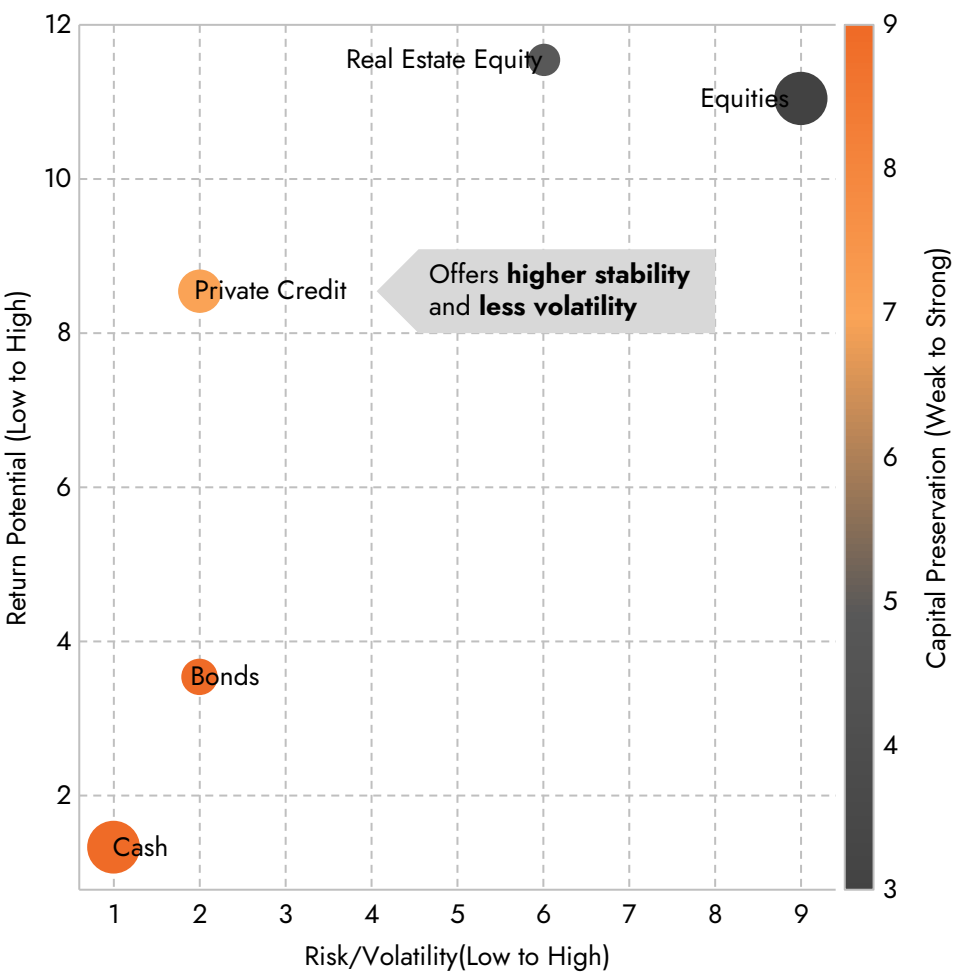


# How Private Credit Stacks Up Against Other Investments

Feature	Private Credit	Equities	Bonds	Real Estate Equity	Cash
Return Potential	7-10%	7-15%+	2-5%	8-15%+	0.5-2%
Volatility	Low	High	Low	Medium	Very Low
Liquidity	Medium (6-12 months)	High (daily tradeable)	Low (long-term)	Low (5-10 years)	High (instant)
Capital Preservation	Strong	Weak (market risk)	Strong	Moderate	Strong
Access	Accredited Investors	Open Market	Open Market	Accredited Investors	Open Market
Holding Period	6-24 months	Varies	10+ years	5-10+ years	Immediate
Alignment of Interest	Strong (debt-secured)	Moderate (ownership risk)	Strong (fixed interest)	High (ownership)	Weak (no interest alignment)
Cost/Fees	Low	Medium-High	Low	Medium	High

## Investment Comparison

Return Potential vs. Risk/Volatility



# Self-Storage: Lowest Distress, Least Risk

- ➔ Historical Outperformance
- ➔ Low Default Rates
- ➔ Recession Resilience



## CRED iQ Overall Distressed Rates by Property Type

Delinquent and/or Specially Serviced Loans

As of December 31, 2024

Month	Multifamily	Office	Retail	Industrial	Hotel	Self Storage
Dec-22	2.7%	3.8%	11.3%	0.2%	6.1%	0.0%
Jan-23	2.8%	4.4%	11.3%	0.4%	5.5%	0.0%
Feb-23	2.6%	4.3%	10.9%	0.4%	6.0%	0.0%
Mar-23	3.8%	5.0%	11.5%	0.4%	6.3%	0.1%
Apr-23	4.1%	5.8%	11.5%	0.4%	6.4%	0.1%
May-23	4.0%	6.5%	10.6%	0.4%	6.4%	0.0%
Jun-23	4.5%	8.4%	11.2%	0.5%	6.5%	0.0%
Jul-23	4.7%	7.9%	10.7%	0.5%	7.7%	0.0%
Aug-23	5.0%	9.4%	10.7%	0.4%	7.7%	0.0%
Sep-23	4.7%	10.8%	11.2%	0.7%	8.3%	0.1%
Oct-23	5.1%	10.5%	9.5%	1.8%	8.9%	1.3%
Nov-23	2.9%	6.8%	6.6%	4.4%	6.4%	1.3%
Dec-23	4.0%	9.9%	8.4%	0.6%	8.0%	1.1%
Jan-24	2.6%	10.5%	8.0%	0.3%	6.7%	14.4%
Feb-24	3.4%	11.0%	8.4%	1.3%	6.9%	0.1%
Mar-24	3.7%	11.4%	9.5%	0.6%	7.7%	0.1%
Apr-24	7.2%	11.7%	11.9%	0.4%	8.7%	0.1%
May-24	7.1%	11.1%	11.3%	0.5%	9.4%	0.1%
Jun-24	7.4%	11.5%	11.7%	1.0%	8.1%	0.1%
Jul-24	8.4%	12.2%	11.8%	0.8%	7.8%	0.2%
Aug-24	11.0%	13.0%	10.6%	4.6%	8.4%	0.1%
Sep-24	11.2%	14.8%	11.4%	0.6%	8.6%	2.4%
Oct-24	11.0%	14.8%	11.7%	1.2%	9.0%	3.6%
Nov-24	11.2%	15.5%	11.5%	0.6%	8.6%	1.7%
Dec-24	12.5%	17.2%	10.9%	0.8%	9.9%	1.6%



Source: CRED-iQ

# How the Fund Operates



## Capital Inflows from Investors

Fund pools capital from accredited investors, offering fixed income returns (7% to 10%).



## Origination of Loans

The fund issues loans secured by self-storage projects, including:

**Primary loans, bridge loans, and mezzanine financing.**



## Capital Deployment

Average loan maturity is **6 to 18 months**, structured to offer **high yields.**



## Coupon Payments

Monthly or quarterly distributions from interest payments.



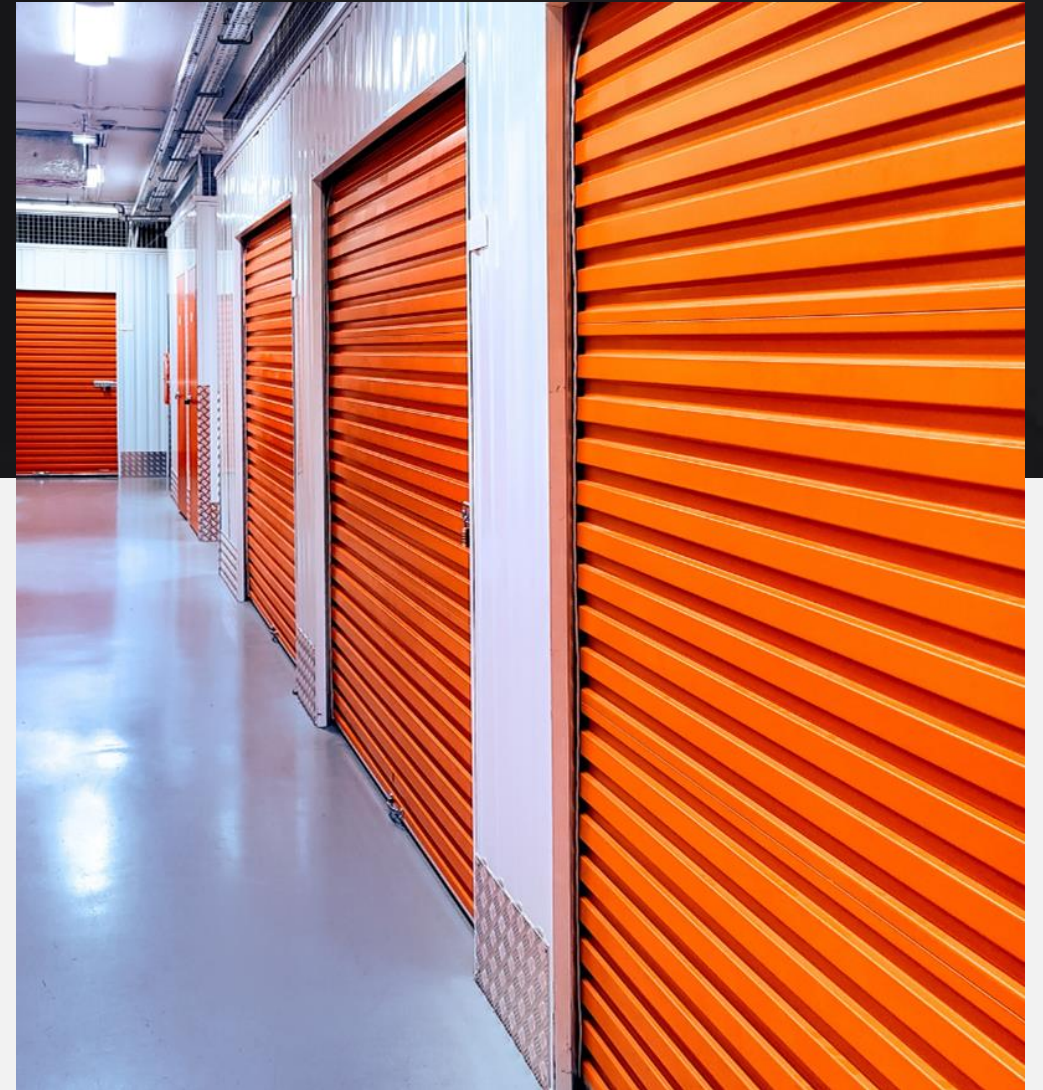
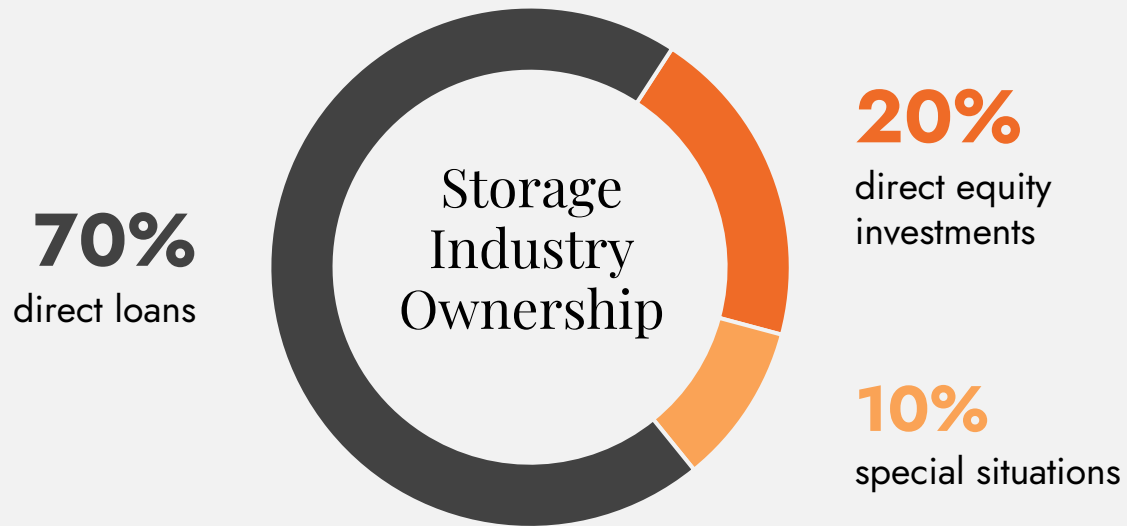
## Risk Management

Loans are secured by **real estate** and **personal guarantees**, ensuring capital preservation.



# Hearthfire Income Fund I Investment Strategy

Focus on capital preservation and  
low-risk, high-yield returns.





# Hearthfire Storage Partners

Your Partner in Building Success,  
Managing Performance, and Maximizing Returns

## SERVICES

- **Development & Capital Improvement Management**  
Feasibility studies, project management, and more.
- **Construction Consulting**  
End-to-end project oversight and vendor selection.
- **Management Advisory**  
Marketing, property auditing, revenue management, and staffing.
- **Investment Advisory**  
Acquisition analysis, debt and equity capitalization, and exit strategies.



## A smarter alternative.

- ➔ **Tailored Services**  
Storage Partner Services offers customizable consulting services that keep you in control while addressing your unique needs.
- ➔ **Cost-effective**  
We eliminate up to 90% of the costs associated with traditional project management services.
- ➔ **Full-cycle Support**  
From feasibility studies to operational optimization, we partner with you at every stage.



# Rigorous Loan and Borrower Due Diligence Process



**Third-Party  
Borrower  
Underwriting**



**Borrower  
Creditworthiness**



**Increased Loan  
Securitization**



**Comprehensive  
Loan Structuring**



**Risk Mitigation**

# Schedule a Meeting



Scan To Schedule a Meeting

A team member will reach out within 24 hours.

# Be Our Investor



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