

**AMERICAN INVESTORS COMPANY
DIRECT PARTICIPATION PROGRAM
FACT SHEET**

OFFERING: Shopoff Fund VII, LP

**SEC
147
REG D X**

SPONSOR: Shopoff Realty Investments

OFFERING SIZE: \$50 million
GREENSHOE AMT.:

MIN.INV.: \$25,000
SUITABILITY: Accredited only

SUITABLE FOR QUALIFIED PLANS: Yes, but may generate UBTI

INVESTMENT SUMMARY: The fund intends to pursue a blended real estate strategy focused on value-add and opportunistic acquisitions through repositioning, rehabilitation, recapitalization, entitlement and repurposing of real property assets that it purchases along with the origination/acquisition of short-term, high-yielding mortgage investments. The partnership will not be involved in the physical construction of any improvements. Average partnership investment size will range from \$1 million to \$10 million. No investment will be greater than 25% of the fund. The fund may seek institutional co-investment up to 95%. The fund may employ leverage under a variety of circumstances as set forth in the PPM.

INVESTMENT OBJECTIVES: capital appreciation through a value-add strategy, as described above, is the fund's principal objective; current income from the acquisition and management of operating commercial real estate assets is a secondary objective.

INVESTMENT PERFORMANCE EXPECTATIONS: Targeted ROI of 18% with an estimated portfolio holding period of 4 to 7 years after the offering closes.

INVESTMENT RISKS: 1. Uncertainties associated with the various value-add strategies expected to be employed by the sponsor. 2. Uncertain market conditions associated with projected property use. 3. General economic risks. 4. Foreclosure risks associated with the use of leverage (if employed). 5. Blind pool, other than assets already specified and/or acquired by the fund.

BROKER-DEALER CONCESSION: 7%

% LEVERAGE USED: up to 25%

TOTAL FRONT-END LOAD: 12% (selling, O&O); plus 2% acq. fee; 2% annual asset mgmt. fee; 2% disposition fee

EST. HOLDING PERIOD: 4 to 7 years from date offering closes

NET \$ INTO ASSET(S): 88% (after selling, O&O)

CASH DIST. FREQ.: if and when available

WORKING CAPITAL RESERVE: as necessary

YRS. SPONSOR IN BUS.: 29 years

LIQUIDITY: none

BACK-END SHARING ARRANGEMENT: 75/25 subordinated to ROC plus 8%; 60/40 after ROC plus 15%

OTHER COMMENTS: 29-year track record includes 277 full-cycle land assets (227 land hard assets and 50 land loan assets) and 755 full-cycle commercial assets (90 full-cycle commercial hard assets and 665 full-cycle commercial loan assets) with a 2.8 year average hold period. Investment objectives and holding periods of prior programs are not necessarily indicative of the expected performance of SF VII. Most of the 29-year track record involves single asset programs and are not reflective of expected holding periods for funds containing multiple assets.

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