Real Estate Investing
For Every Environment

VIRTUS
REAL ESTATE CAPITAL

Investment Strategy Summary: Virtus Real Estate Capital III, LP

Confidential Investment Summary – See disclosures starting on page 40 for important disclosures and explanations of certain information presented below.

July 2019

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Higher Quality Returns Through Thoughtful Investment in Cycle Resilient Property Types

WHAT - Cycle Resilient Property Types

- Senior Living
- Student Housing
- Self-Storage
- Workforce Housing
- Early Education
- Other
- Medical Office
- Charter Schools

WHY - Cycle Resilient Returns

- Higher Yields and Total Returns
- Higher Quality Returns
    - More Resilient Tenancy/More Predictable Cash Flows
    - Downside Protection During Economic Cycles

HOW - Virtus Competitive Advantages

Large, High-Quality Team Investing A Deliberately Moderate AUM Allows For:

I. **Relative Value Investment Approach**
- Focus on Areas with Strongest Fundamentals
- Flexibility to Take Advantage of Best Values

II. **Differentiated Sourcing**
- Includes Off-Market, Grass Roots, and Higher Complexity Deals
- Allows for More Attractive Bases and More Informed Decisions

III. **Better Informed DD and Underwriting Processes**
- Greater Collaboration and Accountability Between Acquisitions and Asset Management Teams
- Leads to Fewer Mistakes and Greater Predictability of Outcomes

IV. **Hybrid Operator/Allocator Model**
- "In the Weeds" Execution at Every Asset
- Creates More Downside Protection and Higher NOI Growth Potential

Virtus Real Estate Capital III

Exclusively Cycle Resilient Property Types

Eighth Value-Add & Opportunistic Fund

$500MM Target Commitments

Targeted Property-Level Returns
- 17% - 20% Gross Projected IRR(1)(2)
- 1.8x - 2.0x Gross Projected Equity Multiple(1)
- 30% - 50% of Returns in Cash-on-Cash Yield

Assumes Moderate Cap Rate Expansion

(1) "Gross Projected IRR" and "Gross Projected Equity Multiple" do not include the fees and expenses incurred by Virtus Real Estate Capital III, LP ("VREC III"), management fees or general partner carried interest. Please see end note 3 for an explanation of the fees and expenses an investor may pay at the VREC III level which will reduce actual returns to investors. "Gross Projected IRR" and "Gross Projected Equity Multiple" represent consolidated property-level cash flows, including sold properties, through projected disposition dates for all VREC III properties. Please see "Important Notices—Forward Looking Statements, Performance Information and Projections" for important considerations.

(2) Virtus base case assumptions include rising cap rates during the holding period and result in a projected 15% - 18% gross IRR. With stable cap rates, the projected returns would be 19% - 22% gross IRR. All property and fund level projected returns herein are quoted on a base case assumption basis.

Large Team of Property Specialists Managing a Moderate Pool of Capital

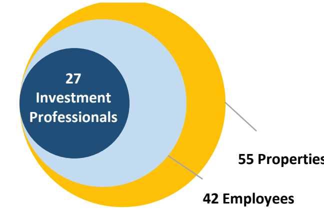
➢ High Quality Senior Team

Senior Team Members

Team Member	Title	Background	Industry Years
Terrell Gates	Chief Executive Officer	Director at Merrill Lynch Private Banking Group 3rd Generation real estate | University of Texas & SMU Law	27
William Strong	Chief Financial Officer	COO and CFO at Forum Partners | Goldman Sachs Security Capital Group | Columbia University	27
Rob Schweizer	Chief Investment Officer	CEO at MPC Properties | Merrill Lynch | JP Morgan Chase Boston College	22
John Sweeny	Acquisitions Managing Director – Healthcare	Director of Real Estate Private Equity at Arcapita Wachovia Securities | University of North Carolina	21
Kevin White	Acquisitions Managing Director – Alt. Multifamily	Director of Acquisitions at Cunat Inc. Realty Capital Corporation | University of Texas	15
Matt Withey	Acquisitions Director – Healthcare	Vice President of Acquisitions at Walton Street Capital Northwestern University	11
Scott Humphreys	Asset Management Managing Director – Alt. Multifamily	Transaction Manager at ARA Newmark Realty Capital Partners | Accenture | University of Texas	12
Michael Casey	Asset Management Managing Director - Healthcare	Director of Portfolio Management at Arcapita Morgan Stanley | Starwood Capital Group	32
Dr. Terry Thompson	Former President and Current EC / IC Member	COO and Director of RE Asset Management at Bank One Officer in US Air Force | University of Texas	43
Craig Davis	General Counsel and Chief Compliance Officer	Senior Counsel at Jackson Walker LLP | Winstead PC University of Texas	18

Advantages

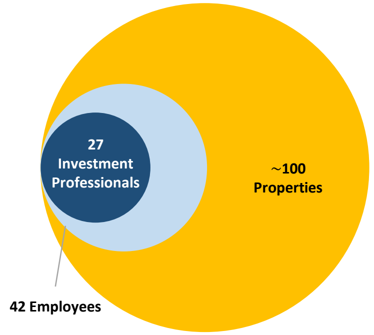
Virtus Today



People to Property
1 : 1.3 Ratio

Investment Professionals to Property
1 : 2.0 Ratio

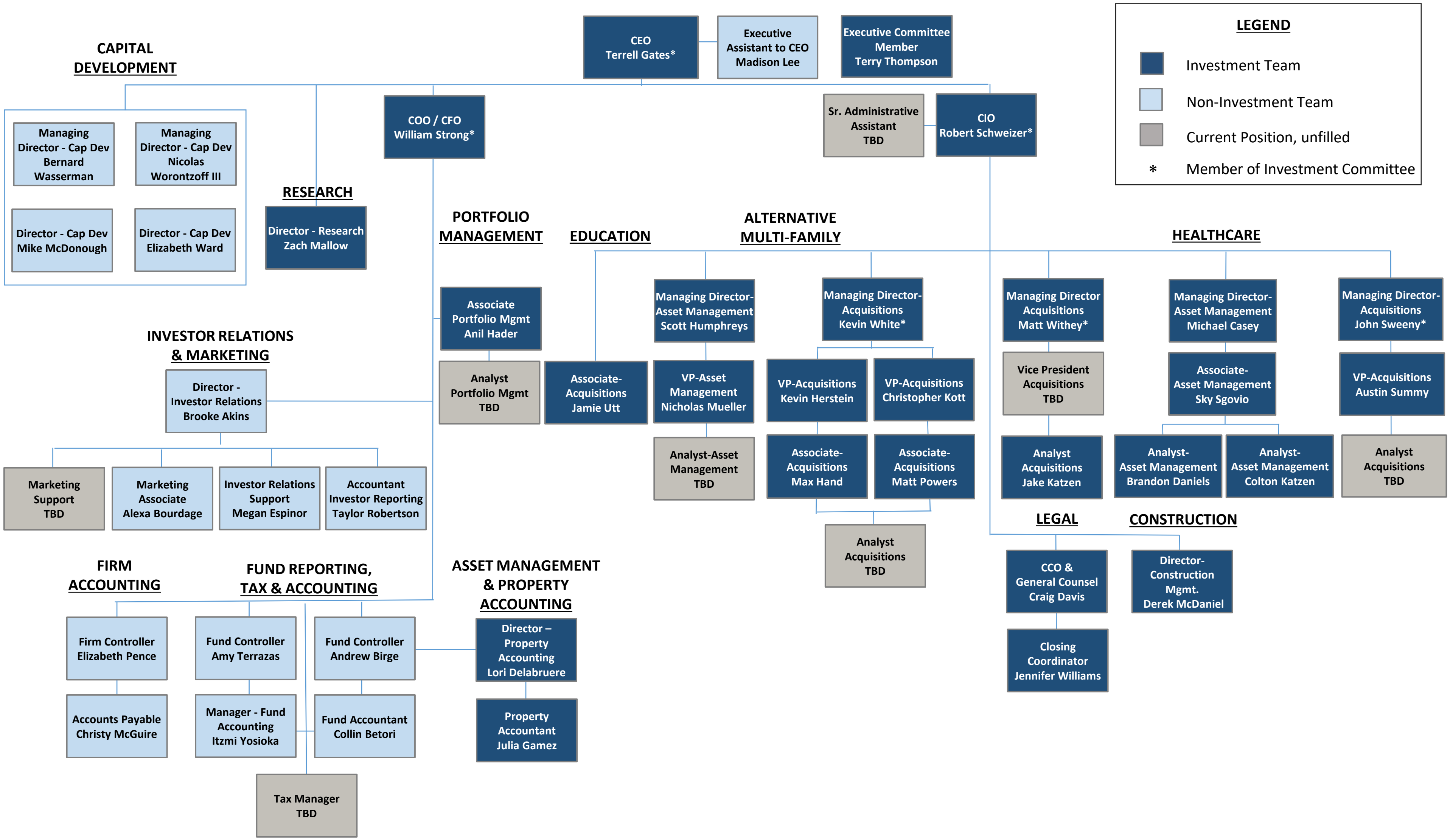
Potential Capacity with Current Team



People to Property
1 : 2.4 Ratio

Investment Professionals to Property
1 : 3.7 Ratio

Virtus Key Differentiator(1)



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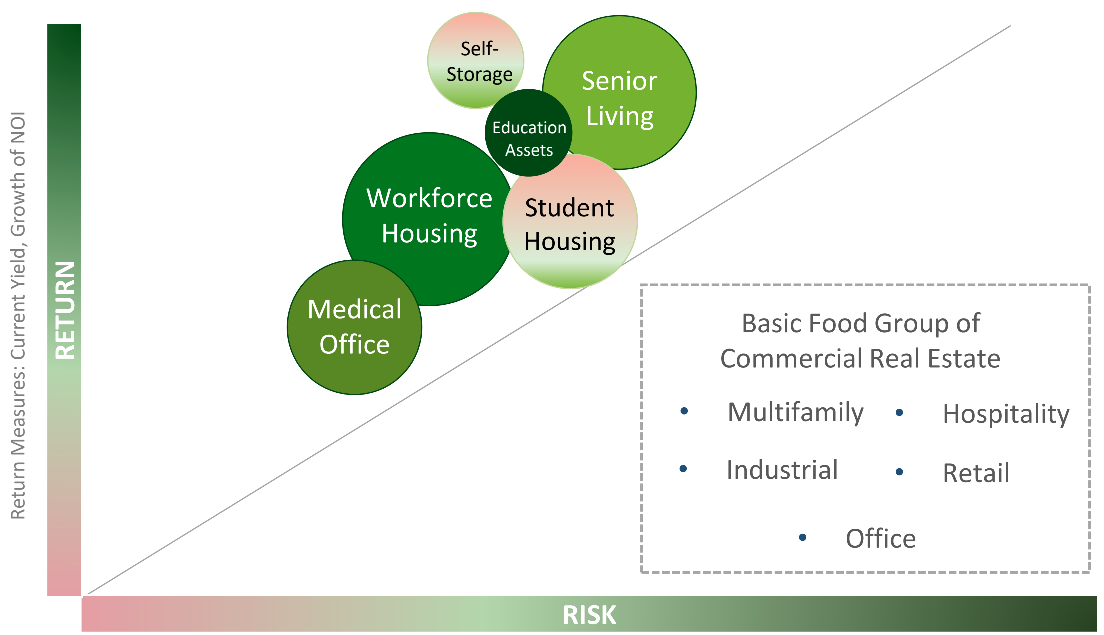
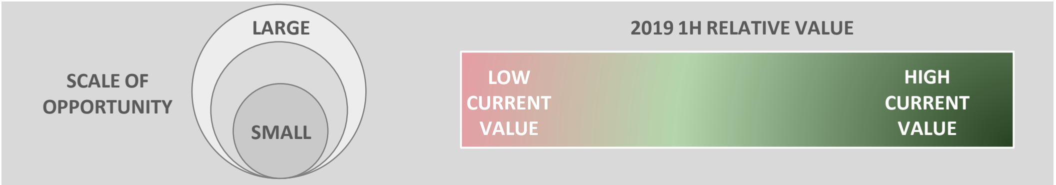
(1) VRE's current organizational chart speaks as of 07/22/2019. There can be no assurance that all of VRE's personnel will remain with the firm, including those whose loss could materially and adversely impact the Fund's performance.

Flexible Mandate Facilitates Best Possible Risk-Adjusted Returns

Focus on Areas with Strongest Fundamentals

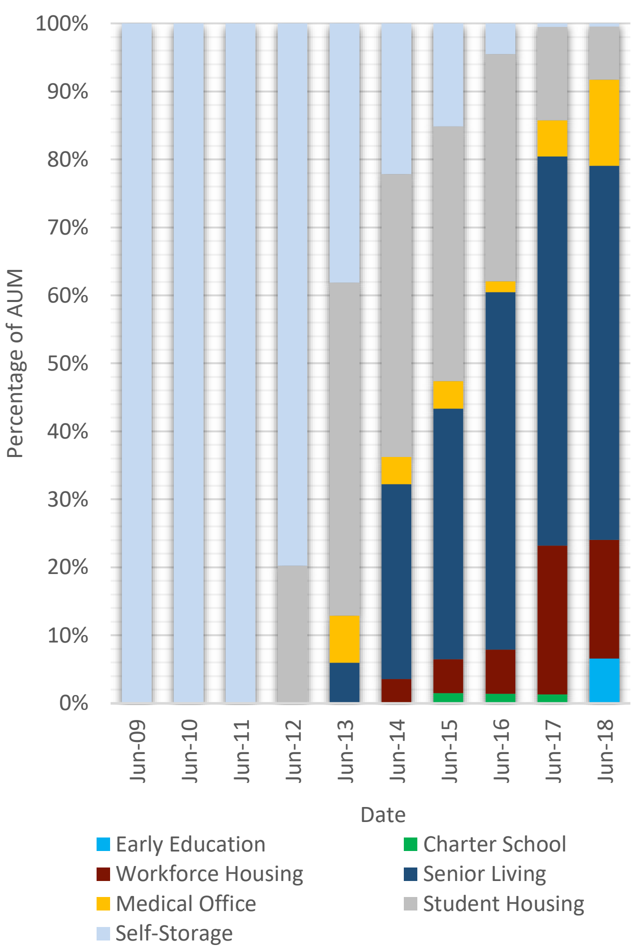


Risk Measures: Beta Sensitivity, Operating Complexity, New Supply Risk, Current Valuations and Drawdown Risk



Reference page 27 in the appendix for more information on property type drivers and Virtus focus

Flexibility to Take Advantage of Best Values



Diverse Network of Sourcing Channels

Grass Roots Sourcing

- **Firm-Wide Commitment to Grass Roots Sourcing**
  - Consistent & Focused Presence in Target Markets
  - Proactively Seeking Out Off-Market Opportunities

Operating Partner Sourcing

- **Broad Collection of Operating Partner Relationships**
  - 80 Operating Partner Relationships, 20 Active Operators
  - Specialists per Property Type & Region

Inbound Opportunistic Deal Flow

- **Consistent & Considerable Stream of Inbound Opportunities**
  - Established Reputation within Targeted Property Types
  - Discretionary Capital with Certainty of Execution

Current Risk Profile Focus
Light Value-Add *(Moderate Focus)*
Value-Add *(Low Focus)*
Distressed/Turnaround *(High Focus)*
Ground-Up Development *(High Focus)*

Two-Tiered Accountability

- Acquisitions & Asset Management Teams Collaborate Throughout the Due Diligence Process

PSA Signed
End of DD Period
Deal Closed

"High Level" Preliminary Review → Initial Market Due Diligence → Initial Investment Committee ("IC") → Deep Dive Market Due Diligence → Operator Due Diligence → Final Investment Committee ("IC") → **Closing Phase**

Acquisitions ("ACQ") Team

Asset Management ("AM") Team

AM Completes Independent:

- Market Study
- Site Evaluation
- Business Plan Review
- Underwriting Review

After Joint Agreement, Team Presents:

- Business Plan
- Final IC Presentation

Legal

CFO, Tax, & Accounting

Outcome: Improved Results

- ✓ More People More Time in Market
- ✓ Joint Layers of Accountability
- ✓ "Trust but Verify"
- ✓ Alignment of Team Interests
- ✓ Collective Agreement in Market, Asset, and Business Plan
- ✓ Seamless Transition from ACQ to AM
- ✓ Shared Responsibility

(compensation of both teams tied to performance)

Hybrid Operator/Allocator Model

- Boots on the Ground
- Work with Local Operators to Execute Business Plan
- Creates Ability to Course Correct Faster

Diverse Relationships

- **Relationships with Municipalities, Universities, Healthcare Systems, etc.**
  - Maintain a Real Time Ongoing Pulse on the Market
  - Information Advantage in Preparing for New Supply Risk

On the Ground

- **Ongoing Site Visits / Secret Shopping of Asset and Surrounding Competition to Provide Real Time Data:**
  - Updated Propriety Market Studies
  - Established Touch Points with On-Site Staff and Competition
  - Real Time Data Allows for Proactive Decision Making

Being Local

- **Thinking "Outside-the-Box" and Putting Ourselves in the Position of Our Tenant Population. For Example, We:**
  - Meet with Experts, Such as Hospital Administrators, to Stay Ahead of Emerging Healthcare Trends
  - Interview Residents and Other Decision Makers at Senior Living Communities
  - Riding Bus Routes at Universities

Dual Accountability

- Carries Through to Business Plan Execution

Asset Management Team Responsibilities and Deliverables

- Regular Site Tours and Market Studies
- Secret Shopping Asset and Competition
- Weekly + Monthly Leasing / Financial Reports
- Quarterly Valuation Process
- Sales Comps Database and Feedback
- 360° Team Asset Review
- YE Budgeting Review / Re-underwriting
- Post Mortems at Deal Conclusion

Continued Acquisitions Team Feedback and Engagement

- Benchmarking: Real Time Feedback From Existing Portfolio
- Regular Status Check on Team Strategy and Goals
- Lessons Learned from Current Deals – How Do We Underwrite Better?

Results: Smarter and More Integrated Teams

- ✓ Greater Collaboration – Teams Involved in Entirety of Business Plan
- ✓ Better Communication – Constant 360° Feedback Loop
- ✓ Layers of Accountability Based on the Full Acceptance of the Entire Team

Competitive Advantage Summary

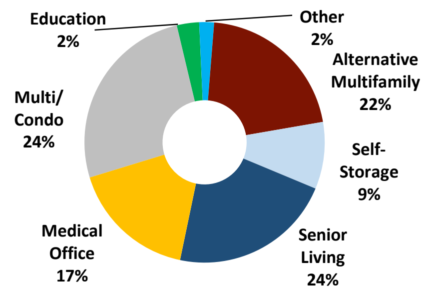
Virtus Advantages	Outcomes for Investors
Team Large team relative to AUM comprised of industry specific specialists with the ability to manage idiosyncratic risks	**Silos of experts singularly focused on each asset class, culminating in fewer mistakes and the ability to maintain and increase NOI**
Relative Value Flexible mandate within targeted asset classes	**Optimal risk adjusted returns, due to ability to adjust allocation and pursue the highest value opportunities**
Deal Sourcing Deep and broad relationships with sellers and operators, and unique sourcing model with combination of opportunistic portfolios and off-market single asset acquisitions	**Thoughtful portfolio construction with scale and diversification resulting in compelling yields and lower risk**
Diligence & Underwriting Acquisitions and Asset Management teams perform independent due diligence on every investment and collaborate heavily during the underwriting processes	**Dual accountability ensures investment in only the highest quality opportunities**
Execution Boots on the ground model with thorough diligence and ability to get “in the weeds” in both the real estate and operations at each property	**More defensive income stream, greater NOI growth potential and inflation protection**

Overall Performance Record is Strong, Diversified, and Substantial

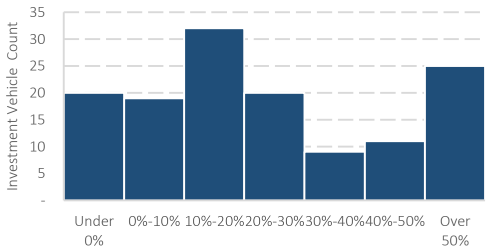
Virtus Track Record Summary

- $3.6 Billion In Total Acquisition Value
- 227 Investments Since 2003
- 40 Investment Partnerships and Funds[1]
- 35 of 40 Funds or Partnerships Completed[1]

Historical Property Type By Equity Invested



Historical Distribution of Gross Returns



Virtus Track Record Summary[1][2]

(*As of March 31, 2019. Does not portray actual or projected returns to investors after fees and expenses)

Investment Vehicles	Vintage	Size (*$ values in MM*)	Total Equity Deployed	Total Capitalization	Total Investments	Gross IRR[3][4] (before expenses)	Gross Multiple[3][4] (before expenses)
Virtus Real Estate Capital II	2015	$308.5	$235.6	$758.8	43	17.2%	2.0x
Realized			1.3	3.4	1	20.4%	1.6x
Unrealized			234.3	755.4	42	17.2%	2.0x
Separate Account (Core/Core-Plus Strategy)	2017	$101.0	$34.5	$92.4	3	11.9%	1.9x
Realized			-	-	-	-	-
Unrealized			34.5	92.4	3	11.9%	1.9x
Virtus Real Estate Capital	2012	$239.1	$241.7	$899.8	49	22.6%	1.9x
Realized			183.3	695.3	41	25.6%	1.9x
Unrealized			58.3	204.5	8	15.4%	2.0x
Single Strategy - Student Housing	2011	$72.4	$57.9	$205.4	10	17.9%	1.7x
Realized			57.9	205.4	10	17.9%	1.7x
Unrealized			-	-	-	-	-
Single Strategy - Self-Storage	Various	$93.9	$85.6	$183.3	55	23.3%	1.9x
Realized	(Invested 2008-2012)		85.6	183.3	55	23.3%	1.9x
Unrealized			-	-	-	-	-
Co-Investment Vehicles	Various	$26.0	$26.0	$307.8	19	25.6%	2.0x
Realized	(Invested 2015-pres.)		21.0	246.5	17	26.3%	1.9x
Unrealized			5.0	61.3	2	22.1%	2.0x
Pre-Fund Investments[5]	Various	$322.9	$322.9	$1,498.9	72	Net performance detail available in Track Record Book	
Realized	(Invested 2003-2007)		314.3	1,471.4	71		
Unrealized			8.6	27.5	1		

VIRTUS REAL ESTATE CAPITAL

(1) Virtus Real Estate's ("VRE") management responsibility varied from vehicle to vehicle. See "Important Notices—Performance Information, and Projections."
(2) Figures shown do not include acquisition fees to simulate the returns an institution invested in the fund would achieve. The fees and expenses an investor would have paid varied considerably. See end note 1.
(3) "Gross IRR" & "Gross Multiple" do not include the vehicle's fees and expenses, management fees, or general partner carried interest. Please see end note 1 for an explanation of the fees and expenses an investor may have paid at the vehicle level which would have reduced actual returns and end note 4 respecting structural differences.
(4) Unrealized returns include actual cash flows until March 31, 2019 and projected cash flows beyond this date. See end note 2 for important information respecting the gross property-level returns the vehicles are projected to achieve.
(5) VRE does not report summary returns across pre-fund investments. Please see the Track Record Book for net performance detail.

Summary of Terms (I-Class)

Key Terms[1]	
Investment Objective	Build a Diversified Portfolio of Cycle Resilient Real Estate Assets, including Senior Living, Workforce Housing, Medical Office, Education, and Self-Storage, to Provide Investors with Strong Returns and Low Relative Risk / Volatility.
The General Partner & Manager	Virtus Real Estate Capital III Management GP, LLC (the "**General Partner**" or "**GP**"). The GP is an affiliate of Virtus Real Estate, LLC ("**VRE**" or the "**Manager**"), which will serve as the Fund's manager.
GP Co-Investment	2% of total Institutional Commitments, subject to a maximum of $6.0 million.
Target Commitments	$500,000,000
Target Returns	17-20% Gross Projected IRR[2] | 1.8x-2.0x Gross Projected Equity Multiple[2] | 30 – 50% of returns in Cash-on-Cash Yield
Minimum Class Commitment	The minimum Commitment by each LP will be $10,000,000, although the GP reserves the right to accept Commitments of lesser amounts.
Distributions	Distributions are generally expected to be made on a quarterly basis as cash is available at the discretion of the GP. The Fund does not intend to make in-kind distributions.
Investment Period	Three years from Final Close, unless extended for an additional six months with Advisory Board approval.
Disposition Period	Five years from end of Investment Period unless extended with Limited Partner consent.
Profit Participation	First: 9% Preferred Return on Contributions Second: 100% of Cumulative Capital Contributions Returned Third: 50%/50% to GP/LPs Fund Until GP Receives 20% of Cumulative Distributions Thereafter: 20%/80% GP/LPs
Leverage	Target leverage of 60% – 70% at the property level with 75% cap.
Management Fees	Annual Management Fee of 1.75% payable to Manager monthly in arrears; calculated on Committed Capital during the Investment Period and on Invested Capital thereafter.

(1) See end note 6.
(2) "Gross Projected IRR" and "Gross Projected Equity Multiple" do not include the fees and expenses incurred by Virtus Real Estate Capital III, LP ("VREC III"), management fees or general partner carried interest. Please see end note 3 for an explanation of the fees and expenses an investor may pay at the VREC III level which will reduce actual returns to investors. "Gross Projected IRR" and "Gross Projected Equity Multiple" represent consolidated property-level cash flows, including sold properties, through projected disposition dates for all VREC III properties. Please see "Important Notices—Forward Looking Statements, Performance Information and Projections" for important considerations.

Appendix

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Case Study: Southwind Village

Relative Value

Differentiated Sourcing

More Informed Due Diligence & Underwriting

"In the Weeds" Execution

Acquisition Info

Acquired:	July 17, 2019		
Source:	Partner		
Price:	$53.5 MM	**Vintage:**	1989
Fund Equity:	$9.9 MM (65%)	**Units:**	320
LTV:	75.3%	**Occupancy:**	97.0%
Debt:	10-Year Fixed	**Cap Rate:**	6.1%

Underwriting

Risk/Return Profile:	Light Value-Add (Preferred Equity)
Expected Hold Period:	60 Months
Average COC Yield:	10.7% (8.0% Year 1)
Projected Return (before expenses) – Base Case(1)(2):	13.0% Gross IRR 1.7x Gross Multiple
Projected Return (before expenses) – Upside(1)(2):	17.0% Gross IRR 2.0x Gross Multiple

Workforce Housing – Minneapolis, MN MSA

Virtus Real Estate Capital III ("VREC III")

Asset and Market Summary

- Virtus acquired a 320 unit workforce housing project in Minneapolis, MN, a Virtus targeted workforce housing market. The property was acquired in a joint venture with Birge & Held ("B&H"), an experienced workforce housing operator and one of Virtus' existing partners.
- The property is located in the Burnsville submarket of Minneapolis. The Burnsville submarket has averaged strong rental rate growth of 5.5% over the past five years with an average occupancy over 96%. The property is conveniently located along I-35 providing quick and easy access across the Minneapolis MSA.
- There are 3.3 MM people living in the Minneapolis – St. Paul MSA. The Minneapolis economy has a strong unemployment rate of 2.7% in 2018 compared to 3.9% nationally. With 18 Fortune 500 companies headquartered in Minneapolis – St. Paul, the economy is anchored by a large healthcare, finance and pharmaceutical employment base.

Business Plan

- The business plan includes (1) renovating 54% of the units at the property and (2) correcting deferred maintenance (3) updating the exterior of the property.
- Interior renovations include: smart thermostats, stone countertops in kitchen and bathrooms, tile backsplash, baseboard trim and framed mirrors. In the buildings which will be renovated, the partnership will be improving the common access hallways that connect the units to the below grade heated parking garage. These hallways will receive vinyl flooring, new railings, LED lighting and a modern two-tone paint scheme. An additional $1.1MM will be spent correcting deferred maintenance and enhancing the exterior of the property.
- Utilizing long-term fixed rate debt at a 3.72% interest rate, the Virtus preferred equity is forecasted to earn 82% of its return through cash flow generated by the property.
- Virtus contributed $9.9MM of preferred equity which will provide downside protection with upside participation. Throughout the hold period, Virtus will receive a minimum preferred cash-on-cash starting with 6% in Year 1 and increasing to 10% by Year 4. Virtus' equity will receive a 13% preferred return at sale before the common equity receives any sale proceeds. Virtus also has upside beyond the 13% IRR once the common equity receives an ROI catch up.

(1) Please see "Important Notices—Forward Looking Statements, Performance Information and Projections" for important considerations. Any projections of VREC III's potential returns are speculative, and while based on VRE's assessment of VREC III's preliminary unaudited performance metrics extrapolated over time in good faith by VRE, recipients should not view such projections as VRE's assurance that VREC III's actual returns (and by extension, the I-Class Fund's results) will compare favorably.

(2) "Gross IRR" and "Gross Multiple" do not include VREC III fees and expenses, management fees or general partner carried interest. Please see end note 1 for an explanation of the fees and expenses an investor may have paid at the VREC III level which would have reduced actual returns.

Case Study: Legacy Brooks

Relative Value

Differentiated Sourcing

More Informed Due Diligence & Underwriting

"In the Weeds" Execution

Acquisition Info

Acquired:	April 17, 2019		
Source:	Partner		
Price:	$47.8 MM	**Vintage:**	2015
Fund Equity:	$8.9 MM (60%)	**Units:**	412
LTV:	69.8%	**Occupancy:**	95.0%
Debt:	10-Year Fixed	**Cap Rate:**	5.2%

Underwriting

Risk/Return Profile:	Light Value-Add
Expected Hold Period:	60 Months
Average COC Yield:	9.5% (7.2% Year 1)
Projected Return (before expenses) – Base Case[1][2]:	14.1% Gross IRR 1.8x Gross Multiple
Projected Return (before expenses) – Upside[1][2]:	20.2% Gross IRR 2.3x Gross Multiple

Workforce Housing – San Antonio, TX MSA

Virtus Real Estate Capital III ("VREC III")

Asset and Market Summary

- Virtus acquired a 412 unit workforce housing project in San Antonio, TX, the seventh largest city and one of the fastest growing major metros in the U.S. The property was acquired in a joint venture with Commerce Capital Partners ("ComCapp"), a highly experienced San Antonio workforce housing operator.
- The property is located in what is now the fastest growing submarket of south San Antonio adjacent to Brooks City Base ("Brooks"). The former 1,308-acre air force base was converted to a mixed-use development with major tax incentives.
- Built in 2015, the property is fully equipped with top of the market finish outs. With average rental rates of $1.37 PSF, Legacy Brooks provides a strong relative value compared to competitors in the submarket with average rental rates of $1.46 PSF for inferior quality.

Business Plan

- The business plan includes (1) making additional physical improvements to the property to enhance the relative value; (2) capitalizing on the employment growth of Brooks; and (3) generating strong cash flow through maintaining occupancy above 94%.
- It is unusual to acquire stabilized recent vintage class "A" properties that meet the affordability requirements of the Virtus workforce housing strategy, but due to the unique nature of this property and the fact that the Brooks submarket pricing has not yet fully reflected the growth of the area, the rental rates will remain affordable to the average renter in San Antonio as well as those making 80% of the Area Median Income.
- The property serves the grey collar workforce throughout San Antonio as well as those employed at Brooks. Given the recent development and job growth in the submarket, there is a lack of quality housing and zero new construction in the pipeline which will continue to drive demand to the property.
- The base case assumes a 28% increase of Net Operating Income ("NOI") to a 6.8% reversionary yield.

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Case Study: Woodlake Centre

Relative Value

Differentiated Sourcing

More Informed Due Diligence & Underwriting

"In the Weeds" Execution

Acquisition Info

Acquired:	March 11, 2019		
Source:	Partner (marketed as traditional office to local buyers)		
Price:	$33.0 MM	**Vintage:**	Various
Fund Equity:	$10.1 MM (92%)	**Sq. Ft.**	190,714
LTV:	64.5%	**Occupancy:**	82.5%
Debt:	4-Year Floating	**Cap Rate:**	8.2%

Underwriting

Risk/Return Profile:	Value-Add
Expected Hold Period:	59 Months
Average COC Yield:	9.0% (10.8% Year 1)
Projected Return (before expenses) – Base Case(1)(2):	17.0% Gross IRR 1.7x Gross Multiple
Projected Return (before expenses) – Upside(1)(2):	19.2% Gross IRR 1.8x Gross Multiple

Medical Office – Minneapolis, MN MSA

Virtus Real Estate Capital III ("VREC III")

Asset and Market Summary

- Woodlake Centre ("Woodlake") is a unique property with both medical (53%) and traditional office tenants (47%), consisting of three connected buildings and adjacent parking structure in Richfield, MN, a dense suburb of Minneapolis. The 190,714 NRSF property is 82.5% occupied and has a blended WALT of 6.6 years.
- Richfield is a rapidly gentrifying micro-market of south Minneapolis (16th largest Metro in the U.S.), surrounded by affluent residential areas and close to one of the top hospitals, Fairview Southdale. The submarket has high medical office demand, averaging 95% occupancy over the last ten years.
- Virtus is acquiring Woodlake for a blended cap rate of 8.20% or $30.2 MM ($159 PSF). The acquisition price is estimated to be approximately a 47% discount to replacement cost. In addition, Virtus acquired a Tax Increment Revenue Note for an additional $2.8MM in the transaction that is accretive to returns.

Business Plan

- Virtus intends on (1) making additional physical improvements to Woodlake; (2) separating the oldest building with traditional office/retail tenants; (3) marketing the two newer buildings to medical tenants to increase occupancy, WALT, credit quality and tenant durability; and (4) ultimately selling the newer buildings to an institutional healthcare buyer in order to maximize value upon sale.
- Virtus is partnering with Ryan Companies, a nationally recognized healthcare developer based in Minneapolis. Ryan Companies is intimately familiar with the local healthcare market and has a strong relationship with the largest tenant and top Minneapolis health system: Allina Health (Moody's: Aa3).
- Planned capex includes $2.9 MM to address deferred maintenance, legally separate the office building from the medical buildings, incorporate cosmetic renovations geared toward healthcare tenants and spend $3.2 MM in TI and leasing costs to renew tenants and lease four suites totaling 17,647 SF to reach a blended occupancy of 92.0%.
- The going-in cap rate reflects the hybrid office/medical nature of the asset. Since the non-medical tenants are clustered in one building, Virtus plans to legally separate the project into a medical and an office df component. This will increase liquidity at sale and yield higher exit pricing for the healthcare buildings.

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Case Study: Early Education Stabilized Portfolio

Relative Value

Differentiated Sourcing

More Informed Due Diligence & Underwriting

"In the Weeds" Execution

Acquisition Info

Acquired:	May 9, 2018		
Source:	Off-market by Partner		
Price:	$57.0 MM	**Vintage:**	2001 (avg)
Fund Equity:	$19.5 MM (90%)	**Sq. Ft.:**	228,002
LTV:	64.0%	**Occupancy:**	100.0%
Debt:	10-Year Fixed	**Cap Rate:**	7.3%

Underwriting

Risk/Return Profile:	Light Value-Add
Expected Hold Period:	77 Months
Projected Return (before expenses)(1)(2):	16.9% Gross IRR 2.4x Gross Multiple

Early Education – NC, SC, CO

Virtus Real Estate Capital II ("VREC II")

Assets and Markets Summary

- The Early Education Portfolio is comprised of 21 early education ("early-ed") schools throughout Colorado, North Carolina, and South Carolina, located primarily in high growth larger MSAs, such as Denver, Charleston and Charlotte
- The in-place cap rate is 7.3% on purchase price and increasing to an unlevered yield of 8.2% by year 6. The year 1 cash-on-cash yield for the asset is 8.1% with an average yield of 9.4% over the 6.5 year hold
- Leased to Cadence Education, the 7th largest early education operator in the U.S., backed by Morgan Stanley Private Equity, operating 170 schools in 21 states

Business Plan

- The properties were originally under contract at a below market price due to a relatively short remaining lease term and existing debt that would expire one year before 17 of the 21 leases expired
- Prior to closing, Virtus and its joint venture partner, Charter Stone Capital, renegotiated the lease, extending the term through December 31, 2034
- Cadence will receive $2,500,000 in rent concessions to be split evenly across 20 of the 21 assets over the first 72 months of the lease term. Cadence will also reinvest $500,000 back into the properties

Case for Early Education

Education related real estate is one of the cornerstones of the Virtus cycle-resilient investment strategy, as education is both demographically driven and an inuring social need, whose demand does not wane during economic disruptions. Virtus invests in opportunities along the education continuum, from early education (pre-K), to primary education with its charter school strategy (k-12th grade) to university related investments, such as student housing. For a number of years, Virtus has been researching the early-education space and looking for an opportunity to enter the market. Although birth rates have been only moderately above the population replacement rate in the U.S., the number of women in the workforce, dual-income households and non-traditional households in the U.S. has grown precipitously, creating greater long-term demand for quality early-education.

(1) Please see "Important Notices—Forward Looking Statements, Performance Information and Projections" for important considerations. Any projections of VREC II's potential returns are speculative, and while based on VRE's assessment of VREC II's preliminary unaudited performance metrics extrapolated over time in good faith by VRE, recipients should not view such projections as VRE's assurance that VREC II's actual returns (and by extension, the I-Class Fund's results) will compare favorably.

(2) "Gross IRR" and "Gross Multiple" do not include VREC II fees and expenses, management fees or general partner carried interest. Please see end note 1 for an explanation of the fees and expenses an investor may have paid at the VREC II level which would have reduced actual returns.

Case Study: Webster

Relative Value

Differentiated Sourcing

More Informed Due Diligence & Underwriting

"In the Weeds" Execution

Acquisition Info

Acquired:	March 22, 2018		
Source:	Broken Marketing Process on Larger Portfolio		
Price:	$13.9 MM	**Vintage:**	2006/2008
Fund Equity:	$6.2 MM (90%)	**Sq. Ft.:**	94,245
LTV:	67.8%	**Occupancy:**	33.5%
Debt:	3-Year Floating	**Cap Rate:**	0.7%

Underwriting

Risk/Return Profile:	Distressed/Turnaround
Expected Hold Period:	48 Months
Projected Return (before expenses)(1)(2):	18.5% Gross IRR 1.9x Gross Multiple

Medical Office – Webster (Houston), TX

Virtus Real Estate Capital II ("VREC II")

Asset and Market Summary

- 251 and 253 Medical Center ("Webster MOBs") are two class "A" MOBs located in Webster, TX, a high-growth upper middle income submarket of Houston that serves as the central business and medical hub for the region. Virtus acquired the properties for $146 PSF, approximately 50.0% of replacement cost
- Located across the street from Hospital Corporation of America's Clear Lake Regional Medical Center and one block from Bay Area Regional Medical Center
- The Properties are a combined 33.5% leased, suffering over the past two years from poor management and a large tenant moving operations out of state. Both Properties were 100% leased as recently as 4Q15

Business Plan

- The properties were acquired with the intent of leveraging the low basis to employ an aggressive leasing strategy and bring the Properties' occupancies back in line with both market occupancy, 96%+, and their historical performance
- Virtus has partnered with Lincoln Harris, a nationally recognized medical office operator, who has extensive experience operating MOBs in this submarket, and has an existing relationship with HCA's Clear Lake Regional Medical Center. Additionally, CBRE has been engaged to lead the leasing efforts with Lincoln Harris providing additional support
- The submarket is currently 91.5% occupied (96.4% excluding the Properties)
- The Properties will offer a very compelling value proposition to prospective tenants, providing top tier quality and location, along with the lowest all-in costs (rate, TI, opex) among the class "A" buildings in the submarket
- Virtus projects the total cost to stabilize the Properties to be $19.5MM or $207 PSF, which includes general and "offensive" capital improvements in addition to all tenant improvement allowances and leasing commissions to lease-up over a conservative period of 36 months. Upon stabilizing the Properties, the resulting unlevered yield on cost is projected to be 9.3%, generating a projected unlevered IRR of 13.1 % (assumes rising cap rates)

VIRTUS REAL ESTATE CAPITAL

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Case Study: The Residence at Selleck's Woods

Relative Value

Differentiated Sourcing

More Informed Due Diligence & Underwriting

"In the Weeds" Execution

Development Info

Close Date:	March 15, 2017
Source:	Off-market by Partner
Project Cost:	$52.4 MM
Fund Equity:	$16.1 MM (85%)
Vintage:	December 2018 Delivery
Units | Beds:	105 Units | 106 Beds
Debt:	5-Year Floating

Underwriting

Expected Hold Period:	56 Months
Projected Return (before expenses)(1)(2):	20.5% Gross IRR 2.3x Gross Multiple

Senior Living – Darien, CT (NYC MSA)

Virtus Real Estate Capital II ("VREC II")

Asset and Market Summary

- 106 bed IL/AL/MC senior living development located in Darien, CT, a highly affluent suburb of New York City with high barriers to entry and median home values of $1M and median incomes of $167K.
- The Residence at Selleck's Woods will contain 23 IL beds / 55 AL beds / 28 MC beds, larger floor plan types than the competitors, concierge service, 24 hour nursing, town car transportation (in addition to a community shuttle), a beauty salon, library, and anytime dining.
- All three of the property's primary stabilized competitors are 100% full with a waitlist, demonstrating excess demand for the Class A, IL/AL/MC asset type.

Business Plan

- Develop the highest quality IL/AL/MC property in the highly desirable Darien, CT market at an attractive 10.2% unlevered yield on cost, stabilize the property at 93% occupancy and sell in conjunction with its sister property, The Residence at Stoney Ford in Stamford, CT, to a REIT, pension fund, sovereign wealth fund, private equity fund, or similar.
- Virtus has partnered for the 6th time with LCB Senior Living ("LCB"), a well-established vertically integrated senior living developer/owner/operator focused on high barrier to entry markets in the Northeastern U.S., to execute the project.
- Construction will begin in April 2017 with all units anticipated to be completed by October 2018. LCB will begin preleasing and marketing efforts 12 months before the project opens. The Virtus underwritten business plan contemplates 93% of the beds leased at rates lower than the existing Class A competitors in the market thus leaving room for potential upside.
- The property possess several relative value advantages over its competitors in terms of location, quality, pricing, and operations, facilitating the property's ability to be a market leader rather than a market taker.

(1) Please see "Important Notices—Forward Looking Statements, Performance Information and Projections" for important considerations. Any projections of VREC II's potential returns are speculative, and while based on VRE's assessment of VREC II's preliminary unaudited performance metrics extrapolated over time in good faith by VRE, recipients should not view such projections as VRE's assurance that VREC II's actual returns (and by extension, the I-Class Fund's results) will compare favorably.

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Case Study: The Upton at Longhorn Quarry

REALIZED

Relative Value

Differentiated Sourcing

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"In the Weeds" Execution

PPP Development & Disposition Info

Close Date:	March 2016
Source:	Off-market by Partner
Project Cost:	$38.2 MM
Fund Equity:	$3.0 MM Common Equity $5.9MM Preferred Equity
Vintage:	Delivered November 2017
Property Size:	306 Units
Sale Price:	$52.5 MM

Underwriting & Realized Returns

Development Yield:	7.6% (Year 1 Proforma)
Expected Hold Period:	36 Months
Projected Fund Returns (before expenses)(1)(2):	23.1% Gross IRR 1.7x Gross Multiple
Actual Hold Period:	39 Months
Realized Fund Returns (before expenses)(1)(2):	27.6% Gross IRR 2.1x Gross Multiple

Workforce Housing – San Antonio, TX

Virtus Real Estate Capital II ("VREC II")

Asset and Market Summary

- 306 unit class "A" multi-family project in San Antonio, TX, which will have affordable rental rates due to a unique Public-Private Partnership ("P3") with the municipality
- San Antonio is the 7th largest and fastest growing MSA in the United States
- San Antonio benefits from strong employment (3.6% unemployment 9/15) and despite the significant economic growth, the city suffers from a lack of quality affordable housing. Longhorn will meet that need

Business Plan

- The project utilizes a Public Facility Corp ("PFC") to provide affordable housing in return for a 100% tax abatement for 75 years, which is an annual savings of $1.25 MM per year
- Longhorn will be less expensive than class "A" product in adjacent sub-markets, yet only modestly more expensive than nearby lower quality class "B" competitors. This should support a superior relative value to the market
- Virtus is investing both common equity and preferred equity, which provides significant downside protection with upside participation
- Virtus expects to exit the property in early 2019 upon stabilization

Status at Disposition (June 2019)

- Construction of the site was delivered on schedule and $1.1MM under budget in November of 2017.
- Top line rental rates at the time of disposition were $1.37 PSF, outperforming UW assumptions of $1.27 PSF.
- The Upton reached 95% stabilized occupancy in less than 11 months, and has remained >94% for the duration of the hold period.
- Trailing six months revenue (+7.5% over underwriting) and NOI (+17.0% over underwriting) at sale outperformed expectations
- Given the success of the lease up and significant interest in the PFC program and long-term tax abatement, the property was widely marketed and sold at a 10% premium over underwritten sale assumptions.

VIRTUS REAL ESTATE CAPITAL

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(2) "Gross IRR" and "Gross Multiple" do not include VREC II fees and expenses, management fees or general partner carried interest. Please see end note 1 for an explanation of the fees and expenses an investor may have paid at the VREC II level which would have reduced actual returns.

Case Study: Rockoff Hall

REALIZED

Relative Value

Differentiated Sourcing

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"In the Weeds" Execution

Acquisition & Disposition Info

Acquired:	January 2013		
Source:	Off-market by Partner		
Project Cost:	$59.4 MM	**Vintage:**	2005
Fund Equity:	$17.1 MM (90%)	**Size:**	674 Units
LTV:	73.5%	**Occupancy:**	91.3%
Debt:	5-Year Fixed	**Cap Rate:**	5.7%
Sale Price:	$69.5 MM		

Underwriting & Realized Returns

Risk/Return Profile:	Value-Add
Expected Hold Period:	57 Months
Projected Fund Returns (before expenses)(1)(2):	20.7% Gross IRR 2.2x Gross Multiple
Actual Hold Period:	60 Months
Realized Fund Returns (before expenses)(1)(2):	22.3% Gross IRR 2.1x Gross Multiple

Student Housing – New Brunswick, NJ (Rutgers)

Virtus Student Housing ("VSH")

Asset and Market Summary

- Rutgers is one of the largest Tier I public universities in the country
- Rockoff Hall was the only privately owned class "A" purpose-built student housing asset in the market
- High density urban setting with good barriers to new supply
- The asset was acquired in partnership with McKinney Properties, an established regional operator with two decades of experience operating student assets
- Purchased in an off-market transaction, based on a pre-existing relationship with the university and the developer

Business Plan

- At closing, the university master-leased c. 1/3 of the property via an Inducement Agreement, which allowed for the beds to be leased as part of lottery system, carry university branding and benefit from a tax abatement
- The original business plan was to participate in the high cash-on-cash yield and either expand and extend the master lease with the University, or let the agreement expire and remove the property from the lottery system so ownership could set its own rental rates and lower operating expenses at the property
- Virtus underwrote a 95% occupancy throughout the 5 year hold, and to reconfigure and upgrade Rockoff's common areas and amenities, to support a 3% annual increase in rental rates and generate a 2.2x ROI and 20.7% IRR

Status at Disposition (January 2018)

- Property improvements were made, and the property maintained an average occupancy of 96% and increased rental rates during each academic year
- The university was only willing to extend the Inducement Agreement for one year at a time, so Virtus elected to remove Rockoff from the lottery system. This allowed ownership to set its own rental rates and decrease property operating expenses to grow NOI and cash-on-cash yield
- The property was under contract for sale during the 2016-2017 academic year at a higher price point, but the buyer failed to capitalize the deal. Virtus put it back under contract and sold it achieving the original investment return expectations

(1) "Gross IRR" and "Gross Multiple" do not include VSH fees and expenses, management fees or general partner carried interest. Please see end note 1 for an explanation of the fees and expenses an investor may have paid at the VSH level which would have reduced actual returns.
(2) Realized returns are preliminary and include cash distributions at closing and potential recapture of holdback proceeds in the future, but do not include potential cash receivable upon reconciliation of all outstanding expenses and balance sheet items.

Case Study: Pecan Square & Bayou Bend

REALIZED

Relative Value

Differentiated Sourcing

More Informed Due Diligence & Underwriting

"In the Weeds" Execution

Acquisition & Disposition Info

Acquired:	May 2014		
Source:	Off-market by Partner		
Project Cost:	$33.0 MM	**Vintage:**	1981/1982
Fund Equity:	$8.4 MM (85%)	**Size:**	748 Units
LTV:	75.0%	**Occupancy:**	97.2%
Debt:	10-Year Fixed	**Cap Rate:**	8.5%
Sale Price:	$55.6 MM		

Underwriting & Realized Returns

Risk/Return Profile:	Value-Add
Expected Hold Period:	60 Months
Projected Fund Returns (before expenses)[(1)(2)]:	21.5% Gross IRR 2.2x Gross Multiple
Actual Hold Period:	37 Months
Realized Fund Returns (before expenses)[(1)(2)]:	43.5% Gross IRR 2.7x Gross Multiple

Workforce Housing – Dallas-Fort Worth, TX

Virtus Real Estate Capital ("VREC")

Assets and Market Summary

- Virtus acquired an off-market two property portfolio consisting of 748 units located in Bachman Lake, a predominantly blue and grey collar infill sub-market just northwest of downtown Dallas, TX
- The properties were class B- assets located in a predominantly Latino area
- The subjects are the best located properties in the sub-market with high traffic counts and adjacent to the bus stop and a sizable retail offering
- Although the previous ownership had done a light renovation to 43% of the units the property was ready for its next level of refresh and a real focus on marketing, operating and managing with the Hispanic consumer in mind

Business Plan

- The primary business plan was to benefit from the in-place yield and high physical occupancy, and meaningfully increase NOI by increasing rents as a result of property improvements and enhancements to the marketing and tenant acquisition efforts
- Investing $905,000 in exterior capital improvements
- The main crux was a $1.3MM interior renovations program with two levels of upgrade packages, in order to achieve a $40/month rent premium on the partial upgrades and $75/month premium for the full upgrades

Status at Disposition (June 2017)

- Over the investment period, the portfolio maintained an average occupancy of 95%
- After the renovation package, the properties were able to achieve an average of $125/month rent premium for the partial upgrades, and $160/month for the full upgrades, significantly outperforming original underwriting
- During just a 3.1 year hold period, the investment averaged an attractive cash-on-cash yield of 17% and experienced cumulative NOI growth of 81% over in place T12 NOI at acquisition
- The Partnership was able to increase the portfolio's value 86%, ultimately yielding outsized returns to our investors

(1) "Gross IRR" and "Gross Multiple" do not include VREC fees and expenses, management fees or general partner carried interest. Please see end note 1 for an explanation of the fees and expenses an investor may have paid at the VREC level which would have reduced actual returns.

(2) Realized returns are preliminary and include cash distributions at closing and potential recapture of holdback proceeds in the future, but do not include potential cash receivable upon reconciliation of all outstanding expenses and balance sheet items.

Case Study: Spacebox Portfolio

REALIZED

Relative Value

Differentiated Sourcing

More Informed Due Diligence & Underwriting

"In the Weeds" Execution

Acquisition & Disposition Info

Acquired:	December 2012		
Source:	Off-market by Virtus		
Project Cost:	$17.1 MM	**Vintage:**	Various
Fund Equity:	$6.9 MM	**Units:**	3,437
LTV:	XX.X%	**Occupancy:**	XX.X%
Debt:		**Cap Rate:**	X.X%
Sale Price:	$39.4 MM		

Underwriting & Realized Returns

Risk/Return Profile:	Distressed/Turnaround
Expected Hold Period:	48 Months
Projected Fund Returns (before expenses)[(1)(2)]:	(N/A) property returns underwritten separately
Actual Hold Period:	36 Months
Realized Fund Returns (before expenses)[(1)(2)]:	61.7% Gross IRR 3.9x Gross Multiple

Self Storage – 3 Stores in Florida and Tennessee

Virtus Real Estate Capital ("VREC"), Virtus Storage Investment IV ("V4")

Assets and Markets Summary

- VREC / VSI-IV purchased three class "A" assets in an off-market transaction from a distressed seller and lender at an attractive basis with the intent of growing physical occupancy from a combined 52% to 80% over a 5 year hold
- The original developer/operator built too many units at one-time, over-improved the facilities and utilized too much leverage, while at the same time self-managing the properties with sub-optimal infrastructure and capabilities

Business Plan

- The protracted and complex workout of the simultaneous note purchases from the lender and deed in lieu of foreclosure with cooperation from the developer, unlocked a great deal of value
- Virtus chose to install two of its REIT operators, Extra Space Management (NYSE: EXR) and Life Storage (LSI) to operate the properties as third party managers, given their superior infrastructure, marketing techniques, customer acquisition capabilities and revenue management systems
- Once the properties became stabilized, the intent was to sell the properties to the REIT's or other institutional buyers

Status at Disposition (December 2015)

- As of disposition, physical occupancy had eclipsed 90% and rates had increased beyond expectations leading to total NOI growth of 230% in less than a three year time frame
- Given the substantial growth in NOI combined with stronger than expected storage valuations, Virtus chose to test the sales market well ahead of the original projected hold period
- Virtus combined the assets with nine additional storage properties, and sold the 12-asset portfolio to garner a substantial portfolio premium. Returns for these three assets were 61.7% Gross IRR and 3.9x Gross Multiple

VIRTUS REAL ESTATE CAPITAL

(1) "Gross IRR" and "Gross Multiple" do not include VREC / VSI-IV fees and expenses, management fees or general partner carried interest. Please see end note 1 for an explanation of the fees and expenses an investor may have paid at the VREC / VSI-IV level which would have reduced actual returns.

(2) Realized returns are preliminary and include cash distributions at closing and potential recapture of holdback proceeds in the future, but do not include potential cash receivable upon reconciliation of all outstanding expenses and balance sheet items.

Case Study: Treeo at Orem

REALIZED

Relative Value

Differentiated Sourcing

More Informed Due Diligence & Underwriting

"In the Weeds" Execution

Development & Disposition Info

Close Date:	May 2013
Source:	Off-market by Partner
Project Cost:	\$23.0 MM
Fund Equity:	\$5.2 MM (80% of equity)
Vintage:	2014
Property Size:	143 Units
Sale Price:	\$26.0 MM

Underwriting & Realized Returns

Expected Hold Period:	60 Months
Projected Fund Returns (before expenses)(1)(2):	20.0% Gross IRR 2.2x Gross Multiple
Actual Hold Period:	27 Months
Realized Fund Returns (before expenses)(1)(2):	19.2% Gross IRR 1.4x Gross Multiple

Senior Living – Provo-Orem, UT MSA

Virtus Real Estate Capital ("VREC")

Asset and Market Summary

- Virtus partnered with Leisure Care ("LC"), a successful owner and operator of senior living facilities in the Western U.S., on a new Independent Living building prototype and program model priced for lower acuity middle America senior budgets
- The Orem site in particular is ideally positioned in a high growth market with great visibility, high traffic counts, proximity to a senior center, restaurants, churches, and retail, making it an ideal location for a senior living community

Business Plan

- LC went through a comprehensive four-year, bottoms-up market identification process utilizing demographics and psychographics to tailor ideal location, amenities, programming, and care
- The strategy was to offer a similar priced product but with a superior facility to the older competition
- Virtus Healthcare Team ("VHT") structured an investment with LC to roll out this program in certain targeted high growth markets with a cross-promote and minimum return threshold to Virtus

Status at Disposition (August 2015)

- As it happened, this new prototype was not accepted in the Orem market as anticipated and lease-up was slower than projected. Virtus completed an in-depth assessment and made numerous recommendations to turn around performance, which included improvements in staffing, marketing and providing the higher level of care the sub-market was demanding. LC had a different view, and they preferred to give their original model more time
- As a result of lease up and operational difficulties as well as philosophical disagreements, rather than removing LC as the operator, VHT elected to offer a buy-out option to LC, which provided downside protection and realized positive returns for our investors despite the property lagging underwriting

VIRTUS REAL ESTATE CAPITAL

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(2) Realized returns are preliminary and include cash distributions at closing and potential recapture of holdback proceeds in the future, but do not include potential cash receivable upon reconciliation of all outstanding expenses and balance sheet items.

Focus by Property Type

Thoughtful Deployment in Recession Resilient Property Types

Medical Office

Investment Drivers	Virtus Focus
• Most defensive of all real estate • "Silver Tsunami"-10,000 boomers turn 65 every day for next 10 years • 65+ spend 3 - 5x more on healthcare • Coordinated care model and increased outpatient procedures • Long leases / Low default • M&A driving greater CRE outsourcing	• On or adjacent to major hospital system campuses or high traffic retail locations in top 50 MSA's • **V-A:** Distressed turnarounds and / or light V-A to common area and TI improvements • **DEV:** Only with breakeven pre-leasing in place

Senior Living

Investment Drivers	Virtus Focus
• 75+ cohort growing 4x rate of U.S. population • Defensive demand of "Needs Based" product • Penetration rates are increasing as senior housing quality goes up and becomes more culturally acceptable • Operational barriers to entry	• Private pay "Needs Based" IL, AL, & MC primarily in top 30 MSA's • **V-A:** Enhance operations, physical plant expansion, and / or convert unit types plus operationally distressed turnarounds • **DEV:** Primarily high barrier markets with 300-500 bps yield on cash premium

Workforce Housing

Investment Drivers	Virtus Focus
• Widening wealth and income gap in the U.S. has led to lack of quality affordable housing options • Most resilient and highest rental rate growth category of residential • Most institutions are focused on class A or B to A upgrades (not affordable by most renters) • Barriers to entry are high due to skyrocketing construction costs and entitlement barriers	• Primarily Tier 1 high population growth or stable markets with diverse economic drivers • **V-A:** Class C+/B- to class B upgrades with rental rate increases; Purchased at 50 – 70% of replacement cost • **DEV:** Public / Private Partnerships with leasing and / or tax incentives or high density and lower cost construction

Student Housing

Investment Drivers	Virtus Focus
• 21 MM + university students • Increasing enrollment during last six recessions • Peak student demand in 2023 • Sustainable enrollment • University budget constraints leading to greater rate of outsourcing real estate needs • Modernization of functionally obsolete properties	• Tier 1 flagship universities or high growth public schools • **V-A**: Class B to class A rehab and enhanced tenant acquisition or light value-add with high rental rate growth potential • **DEV:** Disruptive product type, high barrier markets and / or irreplaceable "Fall out of Bed" location

Gross (unaudited) Track Record as of March 31, 2019

Virtus Real Estate Capital II ("VREC II") (Does not portray actual or projected returns to investors after fees and expenses)								
($ in Millions) Property Name	Asset Class	Acquisition Date	Months Held	Total Assets	Peak Capitalization(1)	Peak Equity(2)	Gross IRR(3)(4) (before expenses)	Gross Multiple(3)(4) (before expenses)
Unrealized Investments								
Store Space Humble	Self-Storage	3/8/2019		1	$8.7	$3.4	15.9%	2.0x
Broadway Jones	Workforce Housing	12/28/2018		1	51.6	10.0	21.8%	1.8x
Store Space Sugar Land	Self-Storage	12/19/2018		1	12.7	4.9	15.6%	2.0x
Grandbrier at Prospect Heights	Senior Living	9/13/2018		1	43.3	15.9	15.5%	1.9x
Greenhouse Medical Plaza	Medical Office	8/24/2018		1	21.8	9.1	18.3%	1.9x
Dunwoody Glen	Workforce Housing	7/11/2018		1	66.3	15.3	16.1%	1.9x
La Grange	Senior Living	7/11/2018		1	33.5	13.0	22.6%	2.2x
Early Education Portfolio	Education	5/9/2018		21	57.7	19.3	18.0%	2.4x
Webster	Medical Office	3/22/2018		1	15.7	6.0	21.7%	2.6x
Clearwater at Sonoma Hills	Senior Living	1/24/2018		1	18.2	12.8	19.1%	1.9x
Hialeah Medical Plaza	Medical Office	8/15/2017		1	8.7	3.7	15.9%	1.9x
Lake Castleton	Workforce Housing	6/19/2017		1	100.4	19.8	17.4%	2.0x
DFW Workforce Portfolio	Workforce Housing	3/6/2017		2	70.0	18.8	17.3%	1.9x
Connecticut Senior Living Portfolio	Senior Living	12/21/2016		2	90.0	28.4	25.2%	2.5x
Longhorn Quarry	Workforce Housing	3/1/2016		1	36.7	8.5	30.1%	2.2x
Living Well Lodges Portfolio	Senior Living	12/31/2015		3	96.9	29.8	13.0%	1.8x
Oklahoma Senior Living Portfolio †	Senior Living	12/23/2015		2	23.2	15.7	(0.4%)	1.0x
Unrealized Investments				**42**	**$755.4**	**$234.3**	**17.2%**	**2.0x**
Realized Investments								
Grand Oaks	Self-Storage	2/1/2016	30	1	$3.4	$1.3	20.4%	1.6x
Realized Investments (before expenses)			**30**	**1**	**$3.4**	**$1.3**	**20.4%**	**1.6x**
Consolidated Projected Returns(5)				**43**	**$758.8**	**$235.6**	**17.2%**	**2.0x**

Note: Figures above do not include acquisition fees to simulate the returns an institution invested in the fund would achieve
(1) Peak capitalization, including all VREC II and third party costs, other than miscellaneous costs incurred by joint venture partner, if any.
(2) After refinancing and co-investment activity.
(3) "Gross IRR" and "Gross Multiple" do not include VREC II's fees and expenses, management fees, or general partner carried interest. Please see end note 1 for an explanation of the fees and expenses an investor may have paid at the VREC II level which would have reduced actual returns.
(4) Unrealized returns include actual cash flows until March 31, 2019 and projected cash flows beyond this date. Please see end note 3 for an explanation of unrealized return information.
(5) Projected returns do not include VREC II's fees and expenses, management fees or general partner carried interest. Please see end note 1 for an explanation of the fees and expenses an investor may have paid at the vehicle-level which will reduce actual returns. See end note 3 for a general explanation of return projections.

Gross (unaudited) Track Record as of March 31, 2019

Virtus Real Estate Capital ("VREC")
(Does not portray actual or projected returns to investors after fees and expenses)

($ in Millions) Property Name	Asset Class	Acquisition Date	Months Held	Total Assets	Peak Capitalization[1]	Peak Equity[2]	Gross IRR[3][4] (before expenses)	Gross Multiple[3][4] (before expenses)
Unrealized Investments								
Pathway Portfolio	Senior Living	10/14/2015		2	$60.5	$17.0	21.0%	2.2x
Thunderbird	Medical Office	10/14/2015		1	16.3	3.9	14.6%	1.5x
Silver Creek Apartments	Workforce Housing	4/17/2015		1	12.0	3.3	19.9%	1.9x
Residence at Quarry Hill	Senior Living	12/17/2014		1	28.6	8.6	17.7%	2.4x
Vermont Senior Living Portfolio	Senior Living	8/7/2014		3	87.2	25.6	11.2%	1.7x
Unrealized Investments				**8**	**$204.5**	**$58.3**	**15.4%**	**2.0x**
Realized Investments								
AH Roseville Villas	Senior Living	11/16/2017	13	1	$6.1	$1.9	29.4%	1.3x
Memory Care Development Portfolio	Senior Living	11/19/2015	37	2	20.4	3.4	21.9%	1.8x
Michigan 13 Portfolio	Senior Living	12/18/2013	60	13	171.1	46.0	20.4%	2.4x
Aspen Heights Student Housing Portfolio	Student Housing	8/8/2014	52	2	61.2	13.4	26.0%	1.6x
University West	Student Housing	10/30/2015	37	1	56.2	8.9	(0.8%)	1.0x
Gateway on Cullen	Student Housing	1/15/2016	32	1	44.3	11.9	21.0%	1.8x
Mesquite Charter School	Charter School	1/28/2015	37	1	11.4	3.4	24.6%	1.9x
Residence at Pearl Street	Senior Living	4/30/2014	41	1	20.7	6.1	23.0%	2.0x
StorMart	Self-Storage	5/20/2015	18	1	5.3	1.9	67.7%	2.0x
Audubon Point	Self-Storage	11/21/2014	24	1	5.2	2.0	48.9%	2.1x
Pro Storage	Self-Storage	7/3/2014	17	1	4.9	1.6	41.3%	1.6x
Dallas Alternative Multifamily Portfolio	Workforce Housing	5/21/2014	37	2	34.2	8.0	43.2%	2.7x
Treeo - Orem	Senior Living	11/12/2013	23	1	22.3	5.1	21.0%	1.4x
TSG Housing Portfolio †	Student Housing	7/9/2013	42	3	107.4	30.2	19.8%	1.6x
Woodstock	Self-Storage	5/30/2013	23	1	1.9	1.9	38.3%	1.8x
Curry Ford	Self-Storage	5/30/2013	43	1	4.9	4.2	55.7%	5.8x
Professional Medical Center	Medical Office	5/24/2013	26	1	13.9	4.8	28.5%	1.7x
Loker Medical Arts Pavilion	Medical Office	5/16/2013	34	1	18.1	4.5	21.1%	1.7x
Sterling Woods	Senior Living	4/30/2013	31	1	8.2	2.5	38.0%	2.0x
Park Place at Heritage Village	Senior Living	12/31/2012	35	1	22.1	5.6	34.8%	2.2x
Palmetto †	Self-Storage	12/31/2012	36	1	3.2	1.3	77.6%	4.6x
Olive Branch †	Self-Storage	12/31/2012	36	1	3.7	1.1	60.8%	4.2x
Pensacola †	Self-Storage	12/31/2012	36	1	1.9	1.0	47.3%	3.1x
ONE Illinois	Student Housing	11/14/2012	41	1	46.8	12.5	27.6%	1.7x
Realized Investments (before expenses)			**34**	**41**	**$695.3**	**$183.3**	**25.6%**	**1.9x**
Consolidated Projected Returns[5]				**49**	**$899.8**	**$241.7**	**22.6%**	**1.9x**

Note: Figures above do not include acquisition fees to simulate the returns an institution invested in the fund would achieve
† Total acquisition cost is allocated to VREC based on its pro rata ownership percentage of the investments.
(1) Peak capitalization, including all VREC and third party costs, other than miscellaneous costs incurred by joint venture partner, if any.
(2) After refinancing and co-investment activity.
(3) "Gross IRR" and "Gross Multiple" do not include VREC's fees and expenses, management fees, or general partner carried interest. Please see end note 1 for an explanation of the fees and expenses an investor may have paid at the VREC level which would have reduced actual returns.
(4) Unrealized returns include actual cash flows until March 31, 2019 and projected cash flows beyond this date. Please see end note 3 for an explanation of unrealized return information, and see end note 4 for an explanation of VREC-specific considerations.
(5) Please see end note 2 for a general explanation of return projections.

Gross (unaudited) Track Record as of March 31, 2019

Virtus Student Housing ("VSH") (Does not portray actual or projected returns to investors after fees and expenses)								
($ in Millions) Property Name	Asset Class	Acquisition Date	Months Held	Total Assets	Peak Capitalization(1)	Peak Equity(2)	Gross IRR(3) (before expenses)	Gross Multiple(3) (before expenses)
Realized Investments								
Rockoff Hall	Student Housing	1/31/2013	60	1	$58.8	$13.1	23.6%	2.3x
TSG Housing Portfolio †	Student Housing	7/9/2013	42	3	20.6	5.9	19.8%	1.6x
Crimson Park	Student Housing	12/31/2012	49	1	35.0	10.8	9.8%	1.3x
Reserve on Third	Student Housing	12/5/2012	49	1	18.9	5.8	15.9%	1.7x
Tobin Lofts	Student Housing	8/8/2012	26	1	6.4	6.4	50.4%	2.1x
33 East	Student Housing	4/26/2012	48	1	30.0	7.0	16.5%	1.8x
2900 Place Apartments	Student Housing	2/15/2012	33	1	12.1	4.3	27.3%	1.7x
Cambridge at Southern (The Palms)	Student Housing	10/27/2011	63	1	23.4	4.6	(59.5%)	0.3x
Consolidated Returns (before expenses)			**46**	**10**	**$205.4**	**$57.9**	**17.9%**	**1.7x**

Note: Figures above do not include acquisition fees to simulate the returns an institution invested in the fund would achieve
† Total acquisition cost is allocated to VSH based on its pro rata ownership percentage of the investments.
(1) Peak capitalization, including all VSH and third party costs, other than miscellaneous costs incurred by joint venture partner, if any.
(2) After refinancing and co-investment activity.
(3) "Gross IRR" and "Gross Multiple" do not include VSH's fees and expenses, management fees, or general partner carried interest. Please see end note 1 for an explanation of the fees and expenses an investor may have paid at the VSH level which would have reduced actual returns.

Gross (unaudited) Track Record as of March 31, 2019

Virtus Storage Investment IV ("VSI IV") (Does not portray actual or projected returns to investors after fees and expenses)								
($ in Millions) Property Name	Asset Class	Acquisition Date	Months Held	Total Assets	Peak Capitalization[1]	Peak Equity[2]	Gross IRR[3] (before expenses)	Gross Multiple[3] (before expenses)
Realized Investments								
Northwest Arkansas Storage Portfolio	Self-Storage	3/21/2014	32	3	$7.6	$2.6	50.9%	2.6x
Nichols Hills	Self-Storage	11/6/2013	25	1	4.7	1.1	57.6%	2.3x
Horn Lake	Self-Storage	11/5/2013	36	1	9.7	5.6	50.8%	3.6x
Cypress	Self-Storage	10/31/2013	26	1	3.6	1.4	69.5%	2.9x
Gatekeeper	Self-Storage	3/7/2013	33	1	2.9	1.0	54.7%	3.0x
Pensacola †	Self-Storage	12/31/2012	36	1	1.9	1.0	47.3%	3.1x
Palmetto †	Self-Storage	12/31/2012	36	1	3.2	1.3	77.6%	4.6x
Olive Branch †	Self-Storage	12/31/2012	36	1	3.7	1.1	60.8%	4.2x
A-1 Mini Storage	Self-Storage	6/25/2012	42	1	4.4	1.1	24.1%	1.8x
Rite Place	Self-Storage	6/25/2012	42	1	3.3	1.0	51.5%	3.0x
Ardmore	Self-Storage	6/7/2012	42	1	1.8	0.5	3.5%	1.1x
Amazing Space	Self-Storage	6/7/2012	42	1	4.5	1.4	54.9%	3.8x
Brandon	Self-Storage	3/26/2012	42	1	2.7	0.9	33.2%	2.4x
Hawn Freeway	Self-Storage	3/8/2012	19	1	1.5	0.2	(58.8%)	0.3x
Stateline	Self-Storage	3/8/2012	33	1	2.9	1.8	7.9%	1.1x
McKinney Allens	Self-Storage	3/8/2012	56	1	3.6	3.5	48.3%	2.5x
Reynoldsburg	Self-Storage	2/21/2012	43	1	3.4	1.3	35.2%	2.6x
Lakeland	Self-Storage	10/10/2011	47	1	3.1	3.1	27.3%	1.8x
Preakness	Self-Storage	9/28/2011	43	1	3.3	3.2	23.8%	1.7x
Sutherland	Self-Storage	8/15/2011	21	1	6.5	3.7	13.0%	1.2x
McKinney Safeway	Self-Storage	8/1/2011	63	1	1.9	1.8	39.6%	2.9x
Omni	Self-Storage	3/28/2011	57	1	10.9	3.4	20.3%	2.3x
Chattanooga	Self-Storage	2/25/2011	49	1	3.3	1.1	34.8%	2.9x
Marietta	Self-Storage	2/23/2011	51	1	1.7	1.0	13.2%	1.4x
Decatur	Self-Storage	2/23/2011	51	1	5.0	3.1	0.6%	1.0x
Consolidated Returns (before expenses)			**40**	**27**	**$101.0**	**$47.1**	**31.9%**	**2.3x**

Note: Figures above do not include acquisition fees to simulate the returns an institution invested in the fund would achieve
† Total acquisition cost is allocated to VSI IV based on its pro rata ownership percentage of the investments.
(1) Peak capitalization, including all VSI IV and third party costs, other than miscellaneous costs incurred by joint venture partner, if any.
(2) After refinancing and co-investment activity.
(3) "Gross IRR" and "Gross Multiple" do not include VSI IV's fees and expenses, management fees, or general partner carried interest. Please see end note 1 for an explanation of the fees and expenses an investor may have paid at the VSI IV level which would have reduced actual returns.

Gross (unaudited) Track Record as of March 31, 2019

Virtus Storage Investment III ("VSI III")
(Does not portray actual or projected returns to investors after fees and expenses)

($ in Millions) Property Name	Asset Class	Acquisition Date	Months Held	Total Assets	Peak Capitalization[1]	Peak Equity[2]	Gross IRR[3] (before expenses)	Gross Multiple[3] (before expenses)
Realized Investments								
Virtus SPM Portfolio	Self-Storage	11/16/2011	49	3	$10.3	$2.9	46.2%	2.8x
Bay Colony Business Park	Self-Storage	12/23/2010	48	1	6.9	2.6	26.2%	2.0x
Winchester Pointe	Self-Storage	12/22/2010	47	1	3.9	2.4	(0.5%)	1.0x
Collierville	Self-Storage	12/22/2010	47	1	1.7	0.6	33.4%	2.2x
Curry Ford Road	Self-Storage	11/3/2010	23	1	5.7	3.2	25.3%	1.5x
St. Petersburg	Self-Storage	10/5/2010	24	1	1.4	0.5	(98.0%)	0.3x
Assured	Self-Storage	9/29/2010	55	1	5.8	1.9	8.8%	1.3x
Cherokee 92	Self-Storage	9/10/2010	25	1	2.9	1.8	8.4%	1.1x
Kirby Raines	Self-Storage	8/6/2010	52	1	2.1	0.9	10.1%	1.4x
Southern	Self-Storage	7/30/2010	52	1	1.6	0.6	10.7%	1.4x
Northwest	Self-Storage	7/30/2010	52	1	1.7	0.5	2.5%	1.1x
Personal Storage 2	Self-Storage	6/25/2010	50	1	1.0	0.3	14.6%	1.4x
Papermill	Self-Storage	5/28/2010	35	1	2.2	0.6	32.5%	1.8x
Oak Grove	Self-Storage	4/15/2010	65	1	3.1	1.2	23.0%	2.2x
Amesbury	Self-Storage	3/8/2010	29	1	1.4	0.9	(12.3%)	0.8x
Southaven	Self-Storage	2/5/2010	58	1	3.1	1.0	22.8%	2.2x
Highway 98	Self-Storage	1/21/2010	19	1	1.8	0.7	12.1%	1.2x
All About 2	Self-Storage	12/28/2009	20	1	1.5	0.6	1.4%	1.0x
Storage Depot Annex	Self-Storage	12/14/2009	70	1	1.7	0.6	(13.3%)	0.7x
Shreveport	Self-Storage	12/11/2009	47	1	1.5	0.4	N/A	0.4x
Goodlettsville †	Self-Storage	11/2/2009	42	1	1.9	1.9	(14.1%)	0.9x
Rivergate †	Self-Storage	11/2/2009	42	1	4.4	3.1	0.4%	1.0x
Consolidated Returns (before expenses)			**43**	**24**	**$67.8**	**$29.4**	**15.8%**	**1.5x**

Note: Figures above do not include acquisition fees to simulate the returns an institution invested in the fund would achieve
† Total acquisition cost is allocated to VSI III based on its pro rata ownership percentage of the investments.
(1) Peak capitalization, including all VSI III and third party costs, other than miscellaneous costs incurred by joint venture partner, if any.
(2) After refinancing and co-investment activity.
(3) "Gross IRR" and "Gross Multiple" do not include VSI III's fees and expenses, management fees, or general partner carried interest. Please see end note 1 for an explanation of the fees and expenses an investor may have paid at the VSI III level which would have reduced actual returns

Gross (unaudited) Track Record as of March 31, 2019

Virtus Tellus Storage Investment II ("VTSI II")
(Does not portray actual or projected returns to investors after fees and expenses)

($ in Millions) Property Name	Asset Class	Acquisition Date	Months Held	Total Assets	Peak Capitalization[1]	Peak Equity[2]	Gross IRR[3] (before expenses)	Gross Multiple[3] (before expenses)
Realized Investments								
Goodlettsville †	Self-Storage	11/2/2009	42	1	$0.5	$0.5	(14.1%)	0.9x
Rivergate †	Self-Storage	11/2/2009	42	1	1.2	0.9	0.4%	1.0x
West Tupelo	Self-Storage	10/26/2009	34	1	1.7	0.6	4.4%	1.1x
Storage Depot	Self-Storage	10/14/2009	72	1	2.0	0.9	21.3%	2.2x
All About	Self-Storage	8/25/2009	24	1	1.8	1.8	4.5%	1.1x
Gordon Highway	Self-Storage	6/9/2009	71	1	4.4	2.1	(10.0%)	0.7x
Consolidated Returns (before expenses)			**47**	**6**	**$11.7**	**$6.7**	**4.4%**	**1.1x**

Note: Figures above do not include acquisition fees to simulate the returns an institution invested in the fund would achieve
† Total acquisition cost is allocated to VTSI II based on its pro rata ownership percentage of the investments.
(1) Peak capitalization, including all VTSI II and third party costs, other than miscellaneous costs incurred by joint venture partner, if any.
(2) After refinancing and co-investment activity.
(3) "Gross IRR" and "Gross Multiple" do not include VTSI II's fees and expenses, management fees, or general partner carried interest. Please see end note 1 for an explanation of the fees and expenses an investor may have paid at the VTSI II level which would have reduced actual returns.

Gross (unaudited) Track Record as of March 31, 2019

Separate Account (Core/Core Plus)

Virtus Myers Co-Investment Fund ("VMCF") (Does not portray actual or projected returns to investors after fees and expenses)								
($ in Millions) Property Name	Asset Class	Acquisition Date	Months Held	Total Assets	Peak Capitalization[(1)]	Peak Equity[(2)]	Gross IRR[(3)(4)] (before expenses)	Gross Multiple[(3)(4)] (before expenses)
Unrealized Investments								
Nashville MOB	Medical Office	11/1/2018		3	$30.3	$11.0	12.5%	1.6x
Parkway Medical Plaza	Medical Office	2/2/2018		1	33.0	13.0	11.4%	1.9x
Torrey Hills Medical Plaza	Medical Office	6/13/2017		1	29.0	10.5	11.6%	2.1x
Consolidated Projected Returns[(5)]				**5**	**$92.4**	**$34.5**	**11.9%**	**1.9x**

(1) Peak capitalization, including all VMCF and third party costs, other than miscellaneous costs incurred by joint venture partner, if any.
(2) After refinancing activity.
(3) "Gross IRR" and "Gross Multiple" do not include VMCF's fees and expenses, management fees, or general partner carried interest. Please see end note 1 for an explanation of the fees and expenses an investor may have paid at the VMCF level which would have reduced actual returns.
(4) Unrealized returns include actual cash flows until March 31, 2019 and projected cash flows beyond this date. Please see end note 2 for an explanation of unrealized return information.
(5) Please see end note 3 for a general explanation of return projections.

Gross (unaudited) Track Record as of March 31, 2019

Co-Investment Vehicles

Virtus Memorial WLZ ("VMWZ")
(Does not portray actual or projected returns to investors after fees and expenses)

($ in Millions)	Asset Class	Acquisition Date	Total Assets	Total Capitalization[1]	Equity Deployed[2]	Gross IRR[3][4] (before expenses)	Gross Multiple[3][4] (before expenses)
Pathway Portfolio	Senior Living	10/14/2015	2	$61.9	$5.0	22.2%	2.0x
Unrealized Investments			**2**	**$61.9**	**$5.0**	**22.2%**	**2.0x**

Virtus Memorial Gateway ("VMGY")
(Does not portray actual or projected returns to investors after fees and expenses)

($ in Millions)	Acquired	Disposed	Total Capitalization[1]	Equity Deployed[2]	Net Sales Proceeds	Gross IRR[3] (before expenses)	Gross Multiple[3] (before expenses)
Gateway on Cullen	Jan-16	Sep-18	$44.7	$4.4	$6.3	27.8%	1.5x
Realized Return to Date (before expenses)			**$44.7**	**$4.4**	**$6.3**	**27.8%**	**1.5x**

Virtus StepStone Secondary ("VSSS")
(Does not portray actual or projected returns to investors after fees and expenses)

($ in Millions)	Acquired	Disposed	Total Capitalization[1]	Equity Deployed[2]	Net Sales Proceeds	Gross IRR[3] (before expenses)	Gross Multiple[3] (before expenses)
Michigan 13 Portfolio	Dec-13	Dec-18	$167.9	$14.3	$23.0	25.2%	2.1x
Memory Care Development Portfolio	Nov-15	Dec-18	20.7	1.4	2.3	23.1%	1.9x
Sterling Woods	Apr-13	Nov-15	8.3	0.9	1.5	139.1%	1.7x
Realized Return to Date (before expenses)			**$197.0**	**$16.7**	**$26.8**	**26.3%**	**2.1x**

(1) Peak capitalization, including all vehicle and third party costs, other than miscellaneous costs incurred by joint venture partner, if any.
(2) After refinancing activity.
(3) "Gross IRR" and "Gross Multiple" do not include vehicle's fees and expenses, management fees, or general partner carried interest. Please see end note 1 for an explanation of the fees and expenses an investor may have paid at the vehicle-level which would have reduced actual returns.
(4) Unrealized returns include actual cash flows until March 31, 2019 and projected cash flows beyond this date. Please see end note 2 for an explanation of unrealized return information.
(5) Please see end note 3 for a general explanation of return projections.
(6) Does not include the vehicle's investment into Virtus Real Estate Capital ("VREC")

Executive Bios

Terrell Gates, CEO

As founder and CEO of Virtus Real Estate, Terrell Gates is ultimately responsible for all strategic decisions. Mr. Gates is a third generation commercial real estate investor and developer, who began his career in the student housing industry in 1992. Since then, Mr. Gates has held numerous principal level positions in real estate, law and finance, including private equity, portfolio management, investment banking and lending. Prior to founding Virtus, Mr. Gates was Director of the GGS Private Banking group at Merrill Lynch. Since establishing Virtus in 2003, Mr. Gates has been ultimately responsible for the execution of the Virtus investment strategy, which has totaled over $3.6 billion in property acquisitions. An active philanthropist, Mr. Gates invests his time, treasure and talents in organizations, such as the Boys and Girls Club of the Austin Area, Mobile Loaves & Fishes, UMCOR, and Central Texas Food Bank, to name a few. After receiving BA's in Economics and Spanish from the University of Texas at Austin, Mr. Gates earned a law degree from Southern Methodist University Law School and is a licensed attorney.

Rob Schweizer, Chief Investment Officer

Robert Schweizer is responsible for leading the Virtus Acquisitions and Asset Management teams in overseeing underwriting, due diligence, closing and ultimately property level operations to assure fund objectives are met. Prior to joining Virtus, Mr. Schweizer served as Chief Executive Officer of MPC Properties, a joint venture between Bank of America/ Merrill Lynch and MPC Holdings, which became one of the largest real estate development companies in Southeastern Europe. From 1999 to September 2010, he worked at Merrill Lynch, where he became Director of the Global Principal Investments Group in London, England in 2002 and was head of all Merrill Lynch real estate investments in Central Europe, Spain and Scandinavia. He began his finance career in New York as an analyst at JP Morgan Chase Securities and then CIBC World Markets. Mr. Schweizer received his degree in Finance from Boston College, where he played on the university soccer team.

Will Strong, Chief Operating Officer and Chief Financial Officer

William Strong as CFO/COO is responsible for oversight of investor relations, the Virtus finance and accounting team, debt sourcing, and Firm management and operations. Mr. Strong began his career in 1992 at Goldman Sachs & Co. in New York as an equity securities analyst in the Asset Management Division. After continuing his career at Security Capital Group Incorporated, a Global Strategic Real Estate Group with $5.1 billion deployed in sixteen (16) portfolio investments, such as Archstone Smith, Prologis and Storage USA, he transitioned to Forum Partners Investment Management, LLC ("Forum"). At Forum, a global real estate private equity fund sponsor, Mr. Strong was Chief Operating Officer and Chief Financial Officer where he and management grew the eight member team to over 50 members worldwide. Forum had $2 billion in assets under management invested in real estate companies throughout Europe and Asia. Mr. Strong received both his B.A. and his M.B.A. degree in Finance from Columbia University, where he was an intercollegiate athlete in swimming.

Executive Bios (cont.)

John Sweeny, Managing Director – Acquisitions

John is responsible for sourcing investments and operators that meet the Virtus acquisition criteria and leading the Virtus Healthcare Team. Prior to joining Virtus, John spent seven years at Arcapita (an international private equity firm) as Managing Director focused on originating, structuring, executing and managing institutional U.S. real estate investments. Prior to Arcapita, John worked in the Real Estate Investment Banking group at Wachovia Securities in New York and Charlotte. Throughout his career, John has advised, structured or arranged financing on over $8.5 billion worth of real estate transactions. John holds a BS in Political Science from the College of Charleston, where he played on the university golf team, and an MBA from the University of North Carolina (at Chapel Hill) Kenan-Flagler Business School. He is a member of the Executive Board of American Seniors Housing Association (ASAH). John is also a member of the Board of Directors of Senior Citizens Services of Atlanta (aka; Meals on Wheels Atlanta).

Kevin White, Managing Director – Acquisitions

Kevin is responsible for sourcing opportunities and operators that meet the Virtus investment criteria and leading the Virtus Alternative Multi-family Team, which includes student housing and workforce housing. Prior to joining Virtus, Mr. White was the Director of Acquisitions for a private equity real estate investment company. He was responsible for leading an acquisitions team that successfully closed $150,000,000 of commercial real estate , with a primary focus on multi-family workforce housing. He has experience with numerous property types in sourcing, underwriting, due diligence, lender management, closing process, asset management and disposition. He holds a B.B.A. in Finance from the Ohio State University and an MBA from the University of Texas at Austin with concentration in Real Estate.

Matt Withey, Director – Acquisitions

Matt Withey is responsible for sourcing investment opportunities and operator relationships and leading the Virtus Alternative Property Type Team (VAPT), which is focused on supporting acquisitions in current property segments, as well as identifying additional sectors and opportunities that meet the Virtus investment strategy. Prior to joining Virtus, Mr. Withey spent eight years in the acquisitions group at Walton Street Capital, a diversified global private equity real estate firm. During this time, he successfully closed acquisitions representing over $600 million of equity invested and $1.4 billion of total real estate value, as well as played an active role in asset management and dispositions. Mr. Withey holds a B.A. in both Economics as well as Mathematical Methods in Social Science from Northwestern University.

Executive Bios (cont.)

Scott Humphreys, Managing Director - Asset Management

Scott is responsible for the oversight and performance of Virtus' alternative multifamily, self-storage, and charter school properties. During his tenure at Virtus, Mr. Humphreys also served as the Firm's Director of Acquisitions for self-storage, and was involved in the acquisition and asset management of Virtus' portfolio of storage-specific funds constituting over $100 million in equity investment across 50 properties. Mr. Humphreys has played an integral role in the strategic disposition of over $250 million of Virtus held properties after successfully implementing Virtus' value-add business plans. Mr. Humphrey's background includes extensive experience in the underwriting, due diligence, financing, and development of HUD subsidized and tax credit/bond financed multifamily product. He holds a BBA in Management Information Systems from Baylor University and an MBA from the University of Texas at Austin with a concentration in Real Estate Finance. Prior to business school, Mr. Humphreys spent four years with Accenture's Communications and High Tech consulting division in both the United States and United Kingdom.

Michael Casey, Managing Director - Asset Management

Michael has worked in commercial real estate for almost 30 years. Prior to joining Virtus, Michael was a Director of Portfolio Management at Arcapita, an international private equity firm focused on originating, structuring, executing and managing institutional U.S. real estate investments, including 80 senior living assets. During his ten years at Arcapita, Michael was responsible for overseeing all aspects of asset management including day to day and strategic supervision of operating partners, loan and Joint Venture restructurings and investment dispositions for Arcapita's $5.0 billion U.S real estate portfolio. Prior to Arcapita, Mr. Casey spent more than five years in senior asset management roles at each of the Morgan Stanley Real Estate Funds and Starwood Capital Group. Throughout his career, Mr. Casey has asset personally managed, financed, refinanced and disposed of over $7 Billion of real estate across all major product types and various geographies. Michael has a BS in Business Administration from The State University of New York at Buffalo with concentrations in accounting and finance.

Executive Bios (cont.)

Terry Thompson, Ph.D., Executive Committee Member

Mr. Thompson's thirty-eight (38) year career in commercial real estate and finance has focused on lending, asset acquisitions, development, asset management, and leasing. He is responsible for overseeing the day-to-day execution of the Virtus investment strategy. Prior to joining Virtus, Dr. Thompson was Chief Operating Officer and Director of Asset Management and Acquisitions at the Kucera Companies. He was also Director of Asset Management at Bank One NH, overseeing internal asset management operations as well as third-party property management. Dr. Thompson received a Bachelor of Arts degree from the University of Wisconsin at Whitewater, specializing in finance, and a Ph.D. from the University of Texas at Austin. He was an officer in the United States Air Force specializing in finance.

Craig Davis, Chief Compliance Officer & General Counsel

Craig Davis, General Counsel, is responsible for oversight of the acquisition and disposition of Virtus assets, corporate structuring, lending transactions, lease negotiations and day to day legal operations. Mr. Davis practiced law at the firms of both Winstead PC and Jackson Walker L.L.P. for 10 years before joining Virtus in 2012 as General Counsel. Mr. Davis is an experienced lawyer who has helped both sellers and purchasers of all types of real estate, including student housing, multifamily apartment buildings, retail centers, senior living facilities and office complexes. He has represented both borrowers and lenders in residential and commercial lending transactions including construction loans, development loans and purchase and sale transactions. Mr. Davis received his B.A. at the University of Texas at San Antonio where he graduated Magna Cum Laude and his J.D. at the University of Texas at Austin where he graduated with Honors. Mr. Davis was admitted to the Texas Bar in 2002.

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End Notes

1) **Projected & Gross Returns:** Unrealized and gross return information is not a prediction of any Vehicle's overall return for any period, or of an investor's net yield on his / her investment in the Vehicle itself after selling fees, management and other fees, general partner profit allocation, and other expenses. There can be no assurance that the Vehicle could actually achieve any projected return for any specific property, or as a whole. The recipient is cautioned to not conclude that investors in VRE-sponsored Vehicles will enjoy comparable net returns on their investment at the fund level. The actual return an investor in the

Important Notices

End Notes (cont.)

"Vehicle may realize over the life of the Vehicle will vary considerably, depending on the following factors: the Vehicle's actual terms and strategies, whether the investor is affiliated with VRE, the amount and timing of capital contributed, the selling or servicing fees incurred, the management fee rate, the investor's share of the Vehicle's organizational and offering expenses, the general partner's profit allocation, and the investor's share of acquisition and financing fees.

2) **Projected Property Returns:** VRE's projected returns for all of a Vehicle's properties are based on numerous assumptions, including that current occupancy and rent rates continue, general economic conditions and those impacting the sector served by the property remain constant, that historical behavior of VRE property types will not change fundamentally, that perception of market opportunities for acquisition and disposition will hold true, that the competitive landscape within which each asset operates will not change fundamentally, and that VRE's diligence prior to acquisition was adequate. As with all projections, there can be no assurance that such returns will be achieved. Furthermore, the success of one property would not mean that a Vehicle's overall returns would be positive. Please see "Important Notices" above for important considerations.

3) **Unrealized Fund Returns:** Unrealized return information is an estimate of the potential yield to the Vehicle from the properties on the vehicle's total cash invested in all of its properties. Please see "Important Notices—Forward Looking Statements, Performance Information and Projections" for important considerations. Unrealized return information is based on VRE's experience and good faith judgments about the potential returns the Vehicle could realize from all properties when sold. The recipient should understand that projections are based on numerous assumptions, including that existing asset performance trends will continue to track business plans, that historical behavior of VRE property types will not change fundamentally, that perception of market opportunities for acquisition and disposition will hold true, and that the competitive landscape within which each asset operates will not change fundamentally. Any number of factors could contribute to results that are materially different. Unrealized return information is not a prediction of any Vehicle's overall return for any period, or of an investor's net yield on his / her investment in the Vehicle after selling fees, management and other fees, general partner profit allocation, and other expenses—many of which vary from class to class. There can be no assurance that a Vehicle will actually achieve any projected return for any specific property or as a whole. The recipient is cautioned to not conclude that investors in VREC III (or other VRE-sponsored vehicles) will enjoy comparable net returns on their investment at the fund level.

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* Advisors / intermediaries may only share this presentation with their clients with whom they have meaningful pre-existing relationships sufficient for the advisor / intermediary to have actual knowledge that the client is both accredited and sophisticated enough to appreciate the risks of the proposed fund and the offering.

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