



ASLAN SECURED INCOME FUND I, LLC  
*Creating Value in Real Estate™*

# OVERVIEW



## BUSINESS

Aslan Secured Income Fund I, LLC is an open-ended investment fund that originates loans directly or indirectly to developers who purchase, renovate, and resell homes or small commercial projects primarily in California and Texas. These loans are typically based upon the underlying value of the asset, a method referred to as “Asset-Based Lending.”



## INVESTMENT STRATEGY

Aslan Secured Income Fund I, LLC focuses on market inefficiencies that exist between traditional lenders and borrowers. Efficient execution by Aslan and its partners provides an ideal opportunity to command premiums on loans for borrowers who value timeliness and certainty of execution over the cost of capital.



## LIQUIDITY

Aslan Secured Income Fund I, LLC loans mature within 6-18 months. The majority of loans are 8-9 months in duration before repayment occurs through a project refinance or sale. An investment in Aslan Secured Income Fund I, LLC is diversified in approximately 100 loans at various stages of maturity.



## OPPORTUNITY

When assessing a developer’s “value add” opportunity, the underwriting and funding must often be deliverable within 48 hours for the developer to control the transaction. The combination of relationships, underwriting speed and capital access are paramount for the developer’s success.



## EXPERIENCE

The Principals and partners of Aslan Secured Income Fund I, LLC have been responsible for the underwriting, acquisition, renovation, management, resale, and financing of well over 2000 homes and over \$850 million.



## YIELD

Aslan Secured Income Fund I, LLC invests in mortgage loans, supported by the underlying value of the asset. Aslan targets lending opportunities with a minimum 9% interest rate per annum. This allows Aslan to operate profitably and pay a 7% Preferred Return per annum to investors on a quarterly basis.

# INVESTOR SPECIFICS



## APPROPRIATENESS

Aslan Secured Income Fund I, LLC is an investment opportunity for those seeking an attractive risk-adjusted return in real estate. High net worth individuals and families, registered investment advisors, family offices, and institutional investors are typical Aslan clients.



## PORTFOLIO DIVERSIFICATION

Real estate and real estate debt are often significant components of a well-diversified portfolio. An allocation to first trust deeds may reduce overall portfolio volatility, provide attractive risk-adjusted returns, and are not directly correlated to the stock market.



## LEVERAGE PROTECTION

Aslan Secured Income Fund I, LLC loans are secured directly or indirectly by a first lien on the asset. Professional developers typically provide 10% - 25% of the capital needed to purchase the property. Thereafter, developers enhance the value of the real estate through renovations. This results in lower leverage on the finished asset (typically <70% of BOV) with a greater margin of safety for the investor.



## COMMITMENT

Investors in Aslan Secured Income Fund I, LLC are required to commit capital for 12 months. When a redemption is requested, investor capital is repaid from monthly maturing loans. With many loans maturing each month, investor repayment can generally be completed within 1-3 months depending on investment size and market conditions.

# SUMMARY

Since the “Great Recession” of 2008, private lending has experienced increased demand as traditional banks have tightened standards and left a void in the debt marketplace. An improving real estate climate and more media exposure have increased the number of developers pursuing the “buy and flip” and “buy and rent” business models. The lack of debt options and the increasing number of developers has created a vacuum that private money originators have seized upon to increase their originations to over \$30 billion annually.

The Aslan lending platform was a natural extension of the single-family reposition business, Aslan Residential. Aslan lending provides capital for fix and flip projects, construction loans, and for developers looking to hold a property through project stabilization. A developer often needs quick funding to control the transaction or may not meet the strict requirements of conventional banks. These loans are typically at higher interest rates

than conventional residential or commercial property loans because of the certainty and timeliness of execution and the shorter duration of the loan. This higher interest rate provides Aslan investors an attractive stable return, with greater liquidity, and without the same risk associated with real estate equity investments.

The primary risk mitigation with “Asset-Based Lending” is the relative loan size compared to the liquidation value of the asset. Consequently, Aslan and its partners make every effort to determine the appropriate LTV (loan to value) prior to offering any financing. This underwriting or appraisal process is similar to how over 2000 homes were evaluated at Aslan Residential.

As the comparative chart below demonstrates, private money lending through **Aslan Secured Income Fund I, LLC** provides an excellent risk-adjusted return opportunity.

	PRIVATE MONEY	BONDS	APARTMENTS	INDUSTRIAL	OFFICE	RETAIL	HOTEL	STOCKS
Unleveraged Return %	7%	2%-4%	4%-5%	5%-6%	5%-8%	5%-8%	6%-9%	?
Invested Capital to Asset Value	70%	100%	100%	100%	100%	100%	100%	100%
Liquidity (Days)	100	1	365+	365+	365+	365+	365+	1
Diversification (# of Loans/Assets)	100+	N/A	1-10	1-10	1-10	1-10	1-10	N/A
Cap/Interest Rate Exposure	Low-Moderate	High	High	High	High	High	High	N/A
Market Inefficiency	High	Low	Low	Low	Low	Low	Moderate	Low
Competitive Landscape	Moderate	High	High	High	High	High	High	High
Unleveraged Return % (Ranking)	#2	#7	#6	#5	#3	#3	#1	?
Leverage Return % (Ranking)	#2	#7	#6	#5	#3	#3	#1	?
Lowest Risk Profile (Ranking)	#2	#1	#3	#4	#5	#6	#7	?
Risk / Reward Profile (Ranking)	#1	#2	#3	#4	#5	#6	#7	?

*Note: Rankings are subjective and make assumptions on: future performance, leverage, liquidity, cap rates, and more. The rankings, while intended to be unbiased, have a low-risk emphasis.*



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