



Executive Summary

	Aurora Real Estate Equity Fund / Solara Holdings	Key Fund Details
Strategy	Non-correlated Capital and Inflation Protection, Tax-Efficient RE	Target IRR: 11% - 13% (net fees)
Asset Class	Core Class A Multifamily (<100 units) & Medical Office	Target Equity Multiple: 2.0x
Fund Term	5 Years	Preferred Return: 6% Annualized
Structure	Reg D 506(c) 3c5 (Accredited Only)	Minimum Commitment: \$100,000

I. Executive Summary and Investment Thesis

The Aurora Real Estate Equity Fund is a private investment fund focused on providing tax-efficient, risk-adjusted real estate investments in core (Class A) urban multifamily and medical offices in core urban markets in the US. Solara Holdings, a family-centered and vertically integrated asset management firm with over 30 years of experience in medical and rental real estate, manages the fund and is open to accredited investors through a Reg D 506c 3c5 exemption.

Investment Thesis

Reliance on the traditional 60/40 investment portfolio is increasingly insufficient for sustained capital preservation due to persistent global market volatility. Solara Holdings' research validates that allocating a non-correlated 20% to Class A real estate delivers superior, tax-efficient total returns and significantly reduces overall portfolio volatility. The Fund's core objective is to provide a gateway to institutional-quality real estate, capitalizing on the current economic cycle to acquire 6-8 boutique, core, urban assets at attractive valuations as new supply delivery normalizes over the next two years.

II. Investment Strategy & Market Outlook

A. Buy Box Criteria and Target Markets

The Fund targets **Core Class A** properties built **after 2023** or in the lease-up phase.

	Criteria	Target Markets (Sun Belt / Mid-West Focus)
Multifamily	Boutique assets (<100 units); High walkability (>70); Rent-by-Choice (high-income professionals).	NC, SC, AL, TN, TX, UT, FL, PA
Medical Office (MOB)	Multi-disciplinary practices with modern amenities; Consistent, non-cyclical demand from aging population and shift to outpatient care.	Philadelphia Region (high concentration of "Meds and Eds")

B. Market Trends and Normalization

The Fund is positioned to enter markets where new supply is peaking, anticipating a path to stabilization.

	Current Cap Rate Range	Key Trend
Multifamily	5.40%-5.70%	High vacancies in select markets (e.g., DFW @ 15.0%) projected to normalize to the 5%-7% stabilization range by 2026-2029 as new construction slows, concessions decline, and demand continues.
Medical Office	7.1%-7.3%	Strong and stable occupancy (89%-94%) supported by long-term demographic and structural outpatient healthcare trends.

C. Financial & Deal Terms

	Detail	Notes
Acquisition Strategy	Target 6-8 boutique assets over 12-14 months.	Capital calls made per acquisition
Debt Structure	Average 75% LTV. No second loans utilized.	Conservative leverage to maximize cash flow protection.
Waterfall	6% Pref / 80% Net Profits	80% of profits (net fees) allocated to LPs after 6% preferred return is met.
Exit Strategy	Full Sale, Refinance, or Condo Conversion.	5-year target term.

III. Risk Mitigation & Due Diligence

A. Four-Pillar Risk Control Framework

Solara Holdings utilizes a proprietary framework focused on capital preservation:

- Market: Diversification** across 7+ core markets with varied economic drivers, mitigating regional economic contraction risk.
- Asset Class:** Focus on **newer Class A** assets, minimizing CapEx/OpEx and long-term repair costs.
- Tenant Quality:** Targeting **high-income, "Rent-by-Choice" professionals** (D.I.N.K. renter class) historical higher cash flow stability compared to "Renter-by-Necessity" tenants.
- Leverage: Conservative LTV (Avg. 75%)** and cash reserves to manage debt rates and maintain adequate cash flow.

B. Team, Track Record, and Governance

	Solara Holdings Edge	Governance and Compliance
Experience	30+ years in real estate investment, successfully navigating multiple economic cycles (Great Recession, COVID-19).	Fund Administrator: Opus Fund Services (Independent)
AUM/Units	Over \$80M in AUM across 500+ units in three states	Auditor: PKF O'Connor Davies (Independent Annual Audits)
Model	Vertically integrated, "hands-on" asset management (Solara Living) for proactive property operations.	Security: ISO 27001-SOC 1, Type II Certification, AML/KYC
Case Study	Lexington Park (NC): Sold EOY 3 (2021); achieved 5-year exit valuation in 3 years with a 2.1x Equity Multiple .	Reporting: Daily NAV calculation, Quarterly Distributions, On-Demand Reporting.

The Aurora Real Estate Equity Fund offers a well-defined, non-correlation investment strategy with superior governance and a conservative risk profile, perfectly timed to capitalize on the next phase of the core multifamily real estate market growth.

Team



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