



	Aurora Real Estate Equity Fund / Solara Holdings	Key Fund Details
<b>Strategy</b>	Non-correlated Capital and Inflation Protection, Tax-Efficient RE	<b>Target IRR:</b> 11% - 13% (net fees)
<b>Asset Class</b>	Class A Multifamily (<100 units) & Medical Office	<b>Target Equity Multiple:</b> 1.8 to 2x
<b>Fund Term</b>	5 Years	<b>Preferred Return:</b> 6% Annualized
<b>Structure</b>	Reg D 506(c) 3c5 (Accredited Only)	<b>Minimum Commitment:</b> \$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 binary 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 pre-existing **Core Class A** boutique (<100 units) multifamily and medical office properties.

	Criteria	Target Markets (Sun Belt / Mid-West Focus)
<b>Multifamily</b>	Boutique assets (<100 units); High walkability (>70); <b>Rent-by-Choice</b> (high-income professionals).	Six Key Urban Markets
<b>Medical Office (MOB)</b>	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
<b>Multifamily</b>	5.70%–6.10%	High vacancies in select markets projected to normalize to the 5%-7% stabilization range by 2026–2029 as new construction slows, concessions decline, and demand continues.
<b>Medical Office</b>	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 <b>70% LTV</b> . No second loans utilized.	Conservative leverage to maximize cash flow protection.
Waterfall	<b>6% Pref / 80% Net Profits</b>	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 6 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. 70%)** 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).	<b>Fund Administrator:</b> Opus Fund Services (Independent)
AUM/Units	Over \$80M in AUM across 500+ units in three states	<b>Auditor:</b> PKF O'Connor Davies (Independent Annual Audits)
Model	Vertically integrated, "hands-on" asset management (Solara Living) for proactive property operations.	<b>Security:</b> ISO 27001-SOC 1, Type II Certification, AML/KYC
Case Study	<b>Lexington Park (NC):</b> Sold EOY 3 (2021); achieved 5-year exit valuation in 3 years with a <b>2x Equity Multiple</b> .	<b>Reporting:</b> 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

Data Room Access



Schedule A Call



Mike Butler, MBA  
Managing Principal



Maria Butler  
COO



John Richards  
Analyst

