

MG CAPITAL MANAGEMENT RESIDENTIAL FUND IV L.P.

405 Park Avenue, Suite 500 • New York, New York 10022

Fund IV Q1 2018 Memorandum

Dear Investor,

As the General Partner of MG Capital Management Residential Fund IV L.P. and on behalf of our global team of professionals, it gives me great pleasure to present our Q1 2018 memorandum.

Through the utilization of our proprietary analytical model *Intra-Building Arbitrage*[®], we acquired more than \$16 million of luxury residential real estate with an estimated market value of \$23.5 million during the first quarter of 2018. Our anticipated gross recurring rent roll on these assets is targeted at 7.5% per annum.

With the launch of our flagship Fund IV – our sixth investment vehicle – we expect to raise \$250 million from a diverse global investor base including more than 700 individual accredited investors. Since launching in September, we have admitted nearly 31% of our expected investor base, which is our fastest rate of admittance for any of our previous funds. This has been achieved in part through our continued focus on ensuring that our investment platform is easy to use, reliable and secure for investors to gain privileged access to an exclusive investment strategy designed to meet their ambitions and grow their wealth with confidence.

In the past months, the MG Capital team has been working to improve our current offering including the launch of MG Capital Preferred Plus™ – a new investment product that enables our investors to open an account beginning at \$50,000. This new addition represents a very exciting time at MG Capital as we have significantly grown and diversified our global investor base, and to help this expansion, we have launched a brand new [web portal](#) for each of you to easily learn about MG Capital's newest offering, download the latest materials, ask questions to the team, complete your investment forms – all online – and easily share these with friends and family. In the recent week alone, more than 50 investors have opened accounts through our web portal.

As we look ahead, over the next 24 months we expect to acquire upwards of 100 additional portfolio residential properties, all of which will be located in Manhattan. We will continue to share quarterly updates as these acquisitions are completed.

Until next quarter, we not only wish you well but also continued successful investing.

Regards,



Eric Malley
Founder & Chief Executive Officer
MG Capital Management L.P.

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This material is provided for information purposes only. In addition, because this communication is only a high-level summary, it does not contain all material terms pertinent to an investment decision, including important disclosures of conflicts and risk factors associated with an investment in the Fund. This summary in and of itself should not form the basis for any investment decision. This summary should be read in conjunction with, and is qualified in its entirety by, information appearing in the confidential Private Placement Memorandum for the Fund and the organizational documents for the Fund (e.g. the Limited Partnership Agreement), which should be carefully reviewed prior to investing.

In considering any prior performance information contained herein, prospective investors should bear in mind that past performance is not indicative of future results. There can be no assurances that the Fund will achieve comparable results, will avoid substantial losses or that its objectives will be achieved. Qualified prospective investors are encouraged to contact the Investment Manager directly to discuss any calculations of projected or anticipated returns discussed herein.

Certain statements contained herein constitute "forward-looking statements" that can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "plan," "estimate," "intend," "target," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements applicable to the Fund.

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Nothing presented herein is intended to constitute investment advice and no investment decision should be made based on any information provided herein. Information provided reflects the Investment Manager's views as of a particular time. Such views are subject to change at any point without notice.

Investments in the Fund are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their respective investments. Investments in the Fund are suitable only for persons who are able to assume the risk of losing their entire investment. Interests in the Fund are expected to be highly illiquid, may have restrictions on transfer and have no secondary market (nor is one expected to develop). The Fund will not offer redemptions. Interests in the Fund will also be subject to a significant number of other risks set forth in the offering materials for the Fund, which should be carefully considered before investing. Investors are urged to consult with their own legal, tax and financial advisors before investing.

Unless otherwise indicated, the information contained herein is current as of the date of distribution by the Investment Manager. Such information is believed to be reliable and has been obtained from sources believed to be reliable, but no representation or warranty is made, expressed or implied, with respect to the fairness, correctness, accuracy, reasonableness or completeness of the information and opinions. Data is not necessarily audited or independently verified. Furthermore, there is no obligation to update, modify or amend this Presentation or to otherwise notify a reader in the event that any matter stated herein, or any opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate. All references in this material to "\$" or "dollar" are to United States dollars.