



JCAP
3151 Airway Ave., Ste Q3
Costa Mesa CA 92626

1st Cast Opportunity Fund

Investment Policy Guideline (IPG)

I. Introduction:

The following Investment Policy Guideline (IPG) outlines the investment parameters and objectives of The 1st Cast Opportunity Fund, effective as of November 1st, 2023. The Fund's primary focus is on real estate debt investments, specifically 1st and 2nd trust deeds, and aims to provide investors with attractive risk-adjusted returns while prudently managing risk.

II. Investment Parameters:

Loan Types: The Fund will primarily invest in 1st trust deeds secured by residential real estate. The funds' secondary focus is low loan-to-value commercial loans and 2nd trust deeds.

Loan-to-Value (LTV) Ratio: The Fund will maintain an average LTV ratio below 65% for all investments. The LTV ratio is calculated based on the appraised value of the properties.

Geographic Focus: The Fund's primary investment focus will be on loans secured by single-family homes in coastal Southern California. Secondary markets of interest include Greater California, Colorado, and Utah. Investments in other locations will be considered on a case-by-case basis and subject to thorough analysis.

Commercial Income-Producing Properties: The Fund may consider loans on commercial income-producing properties, provided they have a low LTV ratio and generate ample cash flow to cover loan payments, including adequate reserves. Such investments will be assessed on a case-by-case basis.

Loan Maturity: Loans held by the Fund will have maturities ranging from 3 to 24 months. This range allows for flexibility while minimizing long-term exposure. Longer maturities are considered on an exception basis only with compensating factors.

Credit Score Requirement: The Funds' credit score floor is 650, and exceptions will be considered with a clear exit strategy, low loan to value, and interest payments withdrawn in escrow.

Clear Exit Strategy: All loans in the Fund's portfolio must have a well-defined exit strategy. Exit strategies may include refinancing, sale of the property, or other appropriate methods. The Fund will assess the viability and feasibility of the exit strategy for each investment.

Loan Holding and Sale: The Fund's loans are intended to be held until maturity. However, loans may be sold if opportunities arise or if a loan is in default or classified as non-performing. The decision to sell loans will be made with careful consideration of the Fund's overall objectives and market conditions.



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Borrower Underwriting: Borrowers will be underwritten with a comprehensive background check, credit history analysis, and an assessment of potential fraud risk. This thorough due diligence is essential to mitigate risks associated with borrower default.

Property Analysis: A thorough analysis will be conducted for each location and property under consideration. This analysis will include a review of market trends, property values, and potential risks. Only investments that meet the Fund's risk-return criteria will be considered.

Compliance and Reporting: The Fund's management will ensure all investments adhere to the stated investment parameters and guidelines. Regular reports will be provided to investors to keep them informed of the Fund's performance and adherence to these guidelines.

Amendment of Guidelines: These Investment Policy Guidelines may be amended occasionally, subject to the approval of the Fund's management and in compliance with applicable regulations. Investors are encouraged to read and understand these guidelines before investing in The 1st Cast Opportunity Fund. These guidelines serve as a framework to achieve the Fund's investment objectives while managing risk prudently.

Date of Adoption: 1/1/24

By: Jevon Perra, President
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