



**SDS CAPITAL GROUP AND VINTAGE REALTY ANNOUNCE
FIRST CLOSE FOR AMERICAN SOUTH REAL ESTATE FUND II
Southern Economically-Distressed Communities to Benefit
from Round II of Fund Investments**

LOS ANGELES – July 15, 2021 – The management of the American South Real Estate Fund II (ASREF II) Fund, an impact fund focused on revitalizing distressed communities of color throughout the South, today announced the \$28 million close of initial funding to support their launch of the American South Real Estate Fund II (ASREF II). This Fund will invest in ten Southern states: Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee and Texas.

ASREF II seeks to follow the successful impact investment strategy of American South Real Estate Fund I (ASREF I), which was launched by American South Fund Management, LLC (ASFM), a partnership formed six years ago by Los Angeles-based SDS Capital Group and Vintage Realty Company of Shreveport, LA.

The first close of ASREF II, at \$28 million total, includes Bank of the Ozarks, Cadence Bank, and Texas Capital Bank.

“We are proud to invest our capital toward revitalizing emerging, diverse communities in the South,” said Eric Gustafson, Investment Relationship Manager, Bank of the Ozarks.

ASREF II will invest in projects located in emerging urban or secondary markets that demonstrate strong redevelopment and growth potential. ASREF II will finance multifamily, industrial, office, educational, and medical projects in various communities within their 10-state target market locations.

“As investors in ASREF I, we see how these investments are transforming distressed communities throughout the South. The capital infusions are contributing significantly to economic growth and quality of life, creating brighter futures for these communities. Well beyond providing investors with financial benefits, these investments give a deep sense of satisfaction in knowing that Fund capital will bring about change and revitalize communities in need,” added Angela Hudson, Director of Community Responsibility, Bank of the Ozarks.

ASREF II reaches out to project sponsors across the South who need preferred equity or equity for their real estate projects. A key criterion for every investment is that it must achieve strong impacts such as the revitalization of a low-income community, the creation of employment opportunities, development of low-income or workforce housing as well as the provision of health care, education and other services that benefit the local communities. ASREF II's project funding ranges from \$7.5 - \$20 million per project.

"Our initial ASREF I fund has proven that we can invest in underserved communities and achieve both our beneficial impact goals as well as the desired financial returns for our investors. We are grateful to our investors for supporting our efforts to 'make a difference' in emerging, diverse communities," said ASFM Managing Partner Deborah La Franchi, Founder and CEO, SDS Capital Group, which manages a number of impact funds in various markets across the US.

ASREF I financed 15 projects throughout the South, investing in communities with an average demographic of 80% minority (51% African American) and a 36% poverty rate. The provision of housing for low-income families has been another central impact of ASREF-funded projects. ASREF I financed the construction of more than 1,900 housing units -- 84% of which are affordable for residents at or below 60% of Area Median Income. The 15 Fund investments also created 336 permanent jobs (72% of which are accessible to low-income persons/low-income community residents) and revitalized 8 blighted or abandoned buildings, many of which became catalytic redevelopments within historic districts.

A main goal of ASREF I -- and now ASREF II -- has been to support minority developers. Of the 11 total sponsors funded by ASREF I, three are African American-owned projects. Coretta Scott-King created Historic District Development Corp (HDDC), a non-profit to help with the development of the historic Sweet Auburn African American community -- the Atlanta home of the late Martin-Luther King, Jr.'s ministry. ASREF I provided seed financing for HDDC's workforce housing development. ASREF I also funded VPG Enterprise, a New Orleans-based team that is transitioning dilapidated buildings into community-serving workforce and low-income housing.

"ASREF I has been a great financial partner in our Lancaster project in South Dallas. The Fund's team brings a collaborative spirit and engagement to the development and execution process that reflects their deep commitment to the core mission behind their investments" said Emmitt Smith, Founder and Chairman, E Smith Legacy Holdings (parent company to E Smith Communities) and Pro Football Hall of Fame former Dallas Cowboys running back. His development firm focuses on projects located in low-income emerging communities of color. The ASREF I financed development (known as 4315 Innovation Center) is located adjacent to the Veterans Administration Medical Center. This new development will include Dallas County Community College, UNT Dallas, and Guru Financial as tenants whose services will include provision of higher education and financial assistance to the local community.

"While we are very proud of the success of ASREF I and the tremendous impact the Fund is making within investment communities across the South, we are determined to have ASREF II surpass the high impact benchmarks achieved with ASREF I. Our capital can be transformative to the communities we are investing in and we're now looking to further escalate previous efforts with ASREF II," said ASREF Managing Partner, David Alexander, CEO, Vintage Realty Company, the joint managing partner of the Fund.

The Fund Manager's principals, Deborah La Franchi and David Alexander, are nationally recognized for their respective company's investments, developments and funds undertaken across the country -- particularly in the South. ASREF II is positioned to be a key financing source for real estate investors and developers building meaningful, value-add real estate projects throughout the southern United States.



About American South Fund Management, LLC:

ASFM is a real estate impact fund manager focused on investing in transformative projects in 10 states across the Southern U.S. ASREF I and II are managed by ASFM which is owned by Los Angeles-based impact fund manager SDS Capital Group (sdsgroup.com) and Vintage Realty Company, a Shreveport, Louisiana-based property developer/manager (vintagerealty.com). SDS Capital Group operates five different impact funds across the U.S. with over \$1 billion of assets under management. For the past four years, SDS has been selected by Impact Assets, a non-profit that identifies top international impacts investment firms, as an Impact Assets 50 manager. Further distinguishing itself, SDS Capital Group is a woman-owned fund manager, in an industry where only \$3 of every \$1,000 invested in real estate funds is invested with a woman-owned manager¹. Founded in 1988, Vintage Realty Company is a leading multifamily real estate developer with more than 165 team members. Vintage Realty projects are located throughout the South. Both firms partnered to leverage their combined experience and acumen with the common goal of bringing transformative economic impacts within high-poverty communities throughout the South. The first close of ASREF I occurred in June 2016. ASREF II -- like ASREF I -- provides equity and preferred equity to third-party real estate developers. As an impact fund, ASREF seeks to finance projects that positively impact low-income and moderate-income communities in need of economic and community development. For more information, visit asref.com.

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Editor Info:

For photos go to: <https://bit.ly/2Vz7Jvj>

Background information on ASREF II: www.asref.com

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¹ Lerner, Josh, Ann Leamon, Meagan Madden, and Jake Ledbetter. "Diverse asset management project firm assessment: Final report May 2017." *Salem, MA: BELLA Research Group* (2017).