
the
swell
fund

3 UNIQUE REAL ESTATE FUNDS

DESIGNED TO MEET YOUR INVESTMENT OBJECTIVES



Swell's access to information (most deals are off-market) combined with a coveted design approach and expert local knowledge separate Swell from the competition.

Expanding on our success since 2006, The Swell Fund is currently raising capital with select investors for 3 unique Funds. Investors can invest in 1, 2, or all 3 Funds based on their invetsment objectives.





DIVERSIFIED

A unique investment blend of assets in highly desirable A+ locations spreads risk and provides a stable foundation for long-term success.



92024 HAS BEEN THE NATION'S TOP PERFORMING ZIP CODE AND SWELL HAS BEEN ITS LEADER



1	ENCINITAS, CA	ROI $1,121,600
2	EL SEGUNDO, CA	ROI $967,100
3	WEST HOLLYWOOD, CA	ROI $921,800
4	SAN FRANCISCO, CA	ROI $884,000
5	ANNA MARIA, FL	ROI $866,800
6	SANTA CLARA, CA	ROI $804,900
7	KAILUA, HI	ROI $785,900
8	EAST PALO ALTO, CA	ROI $770,300
9	MILPITAS, CA	ROI $747,800
10	BERKELEY, CA	ROI $720,300

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RECENT OPERATOR PERFORMANCE

The Swell Fund will be a 506(c) Reg D Offering.

Operators have secured multiple single invetsor Funds, incluidng:

- 4 recent Funds ranging between $3M and $12M
- Over $200M raised since 2006

PROPERTY	PURCHASE PRICE	IRR	EQUITY MULTIPLE
607 VULCAN AVE.	$ 2,500,000	**38%**	**1.90**
1445 NEPTUNE	$ 2,350,000	**27%**	**1.57**
544 HYMETTUS AVE.	$ 1,450,000	**33%**	**1.73**
100 5TH ST.	$ 5,800,000	**27%**	**1.61**
701 PASSIFLORA	$ 3,350,000	**23%**	**1.55**
1447 SUMMIT	$ 2,650,000	**40%**	**1.80**
546 HYGEIA AVE	$ 950,000	**22%**	**1.22**



The Swell Fund has 3 unique opportunities in Residential, Hospitality, and Debt.

RESIDENTIAL



Designing and selling properties in coastal neighborhood developments

Our design approach, local knowledge, and entitlement approach distinguishes us from other developers.

HOSPITALITY



Unique hospitality properties in highly desirable destination locations.

Primarily holding long term cash-flow postive assets to generate strong returns while also allowing market appreciation.

DEBT



A Debt Fund generating a 7% return, secured by desirable properties with known operators.

OPPORTUNITY SUMMARY

$30M	$30M	$30M
RESIDENTIAL	HOSPITALITY	DEBT

MINIMUM INVESTMENT SIZE: $250K

TARGETED INVESTMENT: $1M to $30M

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TEAM
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SWELL OPERATORS HAVE TWO DECADES OF UNSURPASSED PERFORMANCE IN UP AND DOWN CYCLES.
Our award-winning design approach, combined with our ability to capture assets in A+ locations at below market prices, differentitates The Swell Fund from other Real Estate Investment Opportunities.
4205
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ERIK GILMER

CO-FOUNDER

WHEATON COLLEGE

Erik has over 20 years of experience in real estate acquisitions, developments, and sales. He's the founder of Swell Property - a real estate brokerage in Encinitas that specializes in San Diego residential real estate. He has a wealth of knowledge in the local real estate market and leads acquisitions, design, and sales. Erik has a passion for design and is Swell's chief curator.

Erik grew up in Minnesota, graduated from Wheaton College (IL) with a B.A., in Business & Economics. Erik was recognized by "Modern Luxury" as the 2018 Boutique Developer of the Year.



SCOTT TRAVASOS

CO-FOUNDER

WHEATON COLLEGE, WAKE FOREST UNIVERSITY

Scott co-founded Swell Property in 2006 and has over 20 years of development experience including residential, commercial, and even stadiums. Scott brings award winning corporate CFO experience and has a passion for all things operations.

Scott grew up in Boca Raton, Florida, has a B. A from Wheaton College, and a MBA from Wake Forest University. Scott was featured on the cover of "CFO Magazine".

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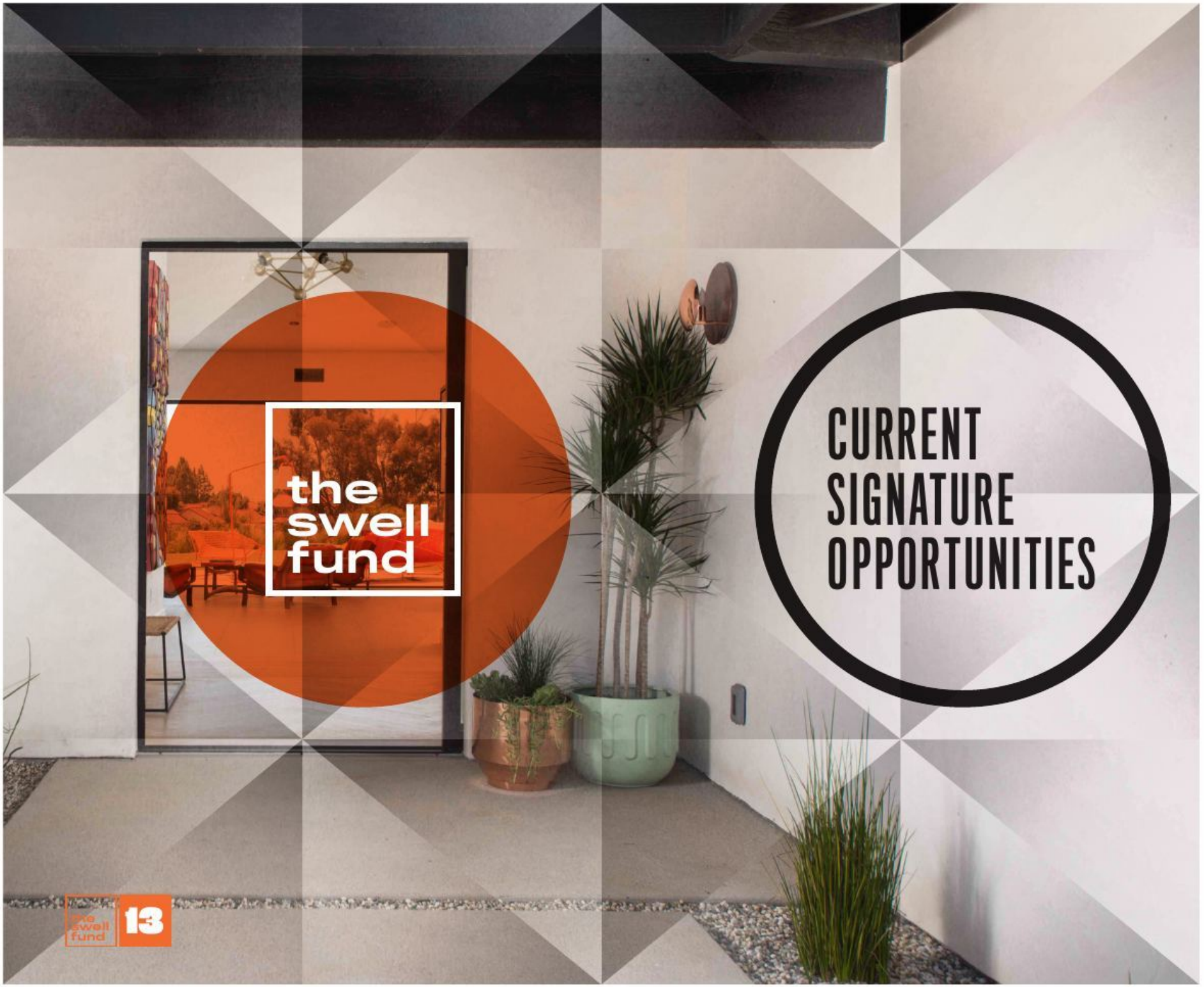
KEN KONECKI

DIRECTOR

NORTHERN ILLINOIS UNIVERSITY

Ken Konecki has an extensive background consulting innovative executives in the fintech, real estate, and sports & entertainment sectors. He enjoys identifying and developing strategic partnerships that accelerate each parties current endeavors in both business and philanthropy.

Ken has known and worked with Scott and Erik for over 15 years. He is passionate about the NBA and a proud Chicagoan. He is a graduate of NIU and currently resides in Carlsbad, CA with his wife and two children.


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CURRENT SIGNATURE OPPORTUNITIES

RESIDENTIAL
ANDREW AVE MID-CENTURY 12

OPPORTUNITY
R1









PROPERTY OWNED

3 Flat acres 1/4 mile from the Pacific.

Building 12 high-end residential homs, each selling for over $3-$7M.

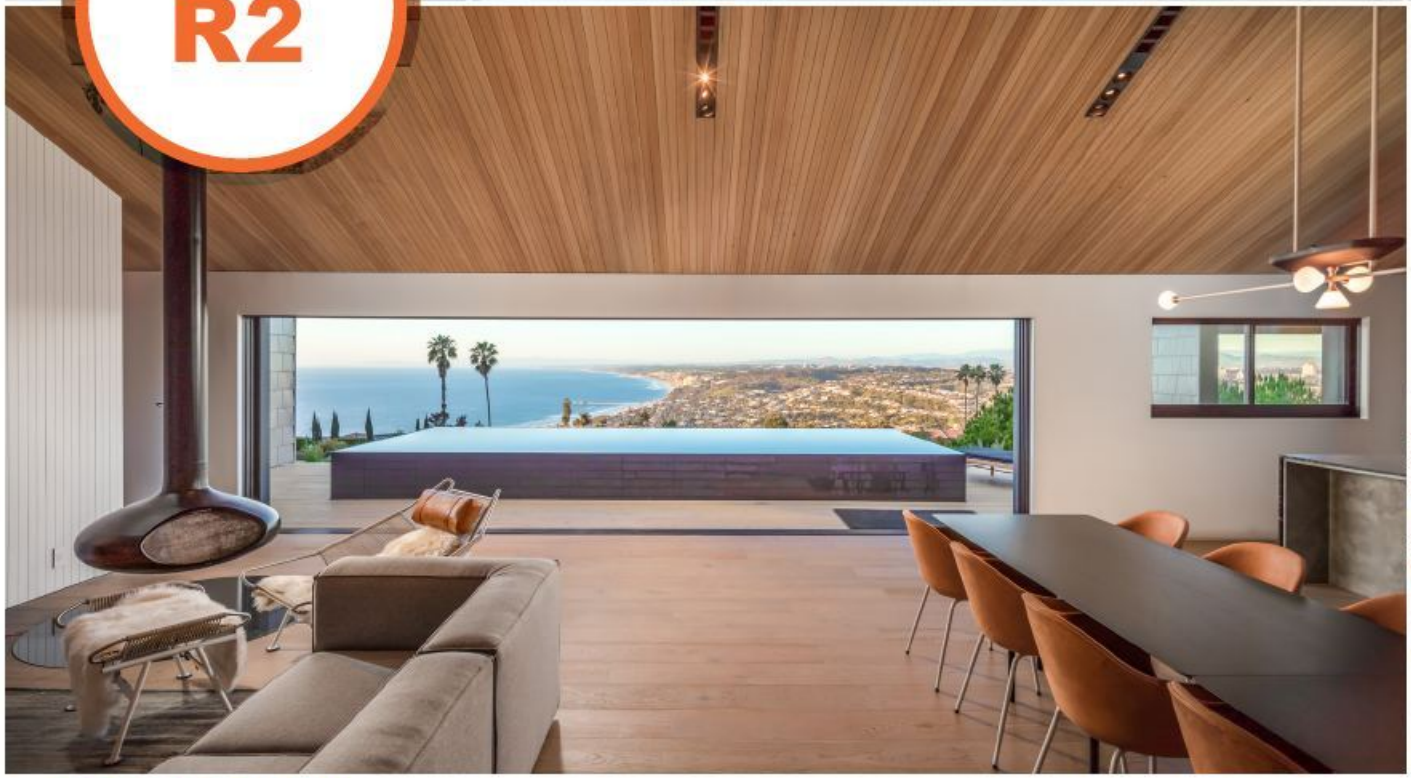
Multiple recent homes sales of $3M+ (of Swell homes) in less desirable locations.

$15M	$15M+	$15M	30%+
ACQUISITION COST	DEVELOPMENT COST	NET PROFIT	PROJECT RETURN

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RESIDENTIAL SWELL HOUSING

OPPORTUNITY
R2







PROPERTY OWNED

Entitling, rehabbing, and selling nique homes in North County San Diego.

These predominantly SoCal Modern Housing Opportunites present high IRR returns.

Typical Project to the right - for which we do many

$3M+
ACQUISITION COSTS

$1M+
DEVELOPMENT COST

$1M+
PROJECT PROFIT

18%+
RETURN ON CAPITAL

HOTEL LA COSTA

OPPORTUNITY
H1



PROPERTY ALREADY OWNED.

Sitting on the lagoon and a short walk to the Ocean, Opportunity 1 is a mixed use hospitality and commercial project in Encinitas on La Costa Avenue. Projected IRR of 24%.

$7.5M	$12M	24%+
ACQUISITION COST	DEVELOPMENT COST	PROJECTED IRRL

AIRBNB
CURRENT HOMES IN PORTFOLIO

HOSPITALITY
H2



PROPERTY OWNED

From LaJolla to Carlsbad the Swell Fund and it's partners own some of San Diego's most deisrable homes with hard to obtain Airbnb permits.

LONG TERM HOLD

$5M+
COST

18%+
RETURNS

DEBT

OPPORTUNITY
D1



Swell Regularly is approached for short to medium hold deed of trust opportunities due to its conenctions and place in the market.

The Opportunity to create above 7% retuns on desirable property helps create postive cash flow for the Fund.

$2M+
LOAN

7%+
RETURN ON CAPITAL

DEBT

OPPORTUNITY
D2



This is an example of the type of home that would be in the Fund.

While "take-back" is extremely unlikely (99.9%), the Fund only lends on properties that would fit within the residential portfolio.

$2.5M
LOAN

7%+
RETURN ON CAPITAL

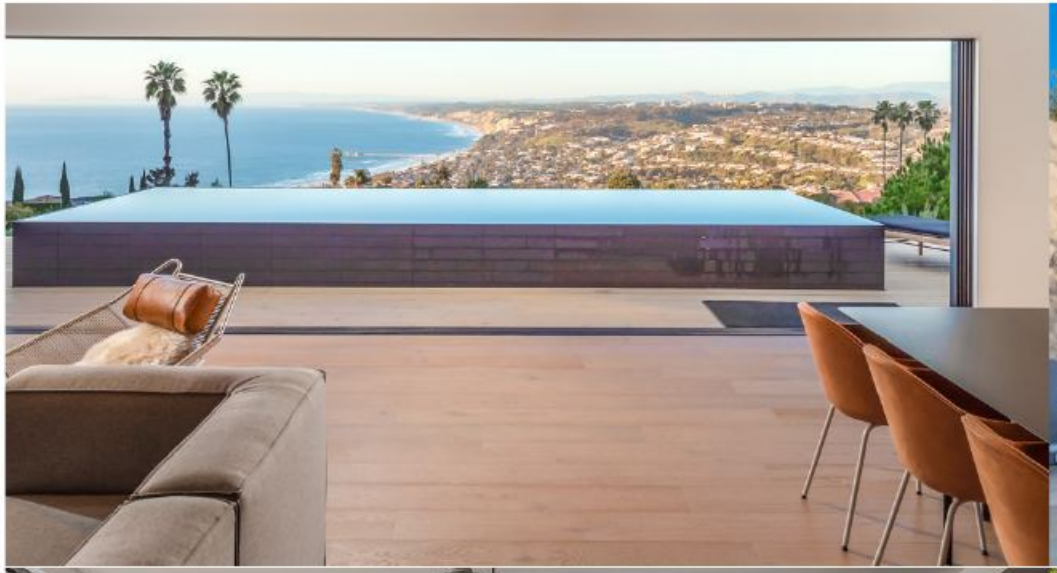


APPENDIX

1. PREVIOUS PROJECTS
2. CURRENT HOLDINGS
3. DEVELOPMENT PROCESS
4. INVESTMENT DOCUMENTS
5. CONTACT

RUE ADRIANE - LA JOLLA

SOLD FOR: 4.5 MIL









HYGEIA - ENCINITAS

SOLD FOR: 4.5 MIL

HYMETTUS - ENCINITAS

SOLD FOR: 4.6 MIL

CLEARVIEW - CARLSBAD

SOLD FOR: 3.5 MIL

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HOTEL 101

LOCATION: ENCINITAS, CA
TYPE: HOSPITALITY, LODGING
ROLE: DESIGNER / ARCHITECT

A 45 room (30,000 SF) hotel on the historic Pacific Coast Highway in Encinitas CA.

City of Encinitas approved plan. We were able to convert the current roadside motel into a full service, plan-in-action modern hotel.



CURRENT HOLDINGS



1	860	PASSIFLORA
2	223	4TH STREET
3	936	EOLUS
4	454	HILLCREST
5	351	UNION
6	2250	GOLDEN HILL
7	145	5TH ST
8	145	SANFORD
9	1447	SUMMIT
10	241	ANDREW
11	1428	CAUDOR
12	546	HYGEIA
13	646	STEVENS
14	15816	VIA DEL ALBA
16	160-172	WEST JASON
17	845	SANTA FE DRIVE
18	516	LACOSTA
19	253	B ST
20	914	NORTH COAST HIGHWAY 101
21	687	2ND ST
22	607	VULCAN AVE
23	526	2ND ST

RESIDENTIAL SINGLE FAMILY VALUE
$48,000,000

MULTI FAMILY RESIDENTIAL VALUE
$15,000,000

COMMERICAL VALUE
$13,900,000

HOSPITALITY VALUE
$7,500,000

$84,400,000

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DEVELOPMENT
PROCESS

WE WORK WITH THE CITY

ENTITLEMENTS THROUGH CONSTRUCTION



SITE ENTITLEMENT & PUBLIC OUTREACH

Lead the outreach and design process and facilitate the evolution of the site planning and engineering in response to design constraints, council direction, project reality and public input.

Through this phase we will discuss initial options with Council and the public. Determine level of Density, establish and initially test project goals, discuss funding mechanisms and structure.

ENGINEERING DOCUMENTATION AND SITE ENVIRONMENTAL IMPACT ANALYSIS



Through the Access Infrastructure Engineering phases of the project, the Civil Engineer along with the design team will develop site options into engineered civil drawings. By the end of this phase, we will have achieved an approved overall site plan that will allow for us to move smoothly through the permitting process.



PLANNING COMMISSION APPROVAL

After vetting our proposal through the various city channels and gaining confidence and support by the community we will present our project in front of planning commission and the community for discussion and approval. If any challenges are presented we will proceed to address and improve the design with a creative and responsible solution.

CONSTRUCTION BIDDING AND NEGOTIATION



As the project progresses through the building permit process, we will start looking at potential contractors and subcontractors to start the estimating and budget process. It is important to start at an early stage to gage the project cost in order to make adjustments before full permit approvals.

START CONSTRUCTION



TIMELINE



CREATE CONCEPT

- Develop concepts that address the different site challenges
- Integrate all necessary ancillary components
- Identify key views and participation with the environment

CITY REVIEW

- Entitlements
- Building Safety
- Fire Department
- Public Outreach
- Staff Review
- Planning Commission Worksession
- Staff Review
- Permit Submittal

COST ESTIMATING

INTERIOR DESIGN



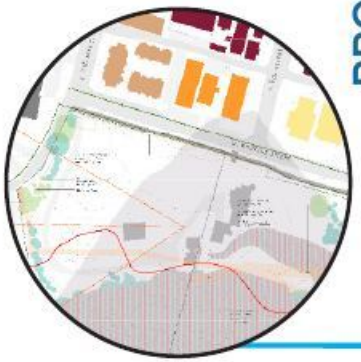
- Fine tune interior look and feel of the space
- Select unique finishes and fixtures to create an intimate environment
- Design smaller scale custom one of a kind elements

TECHNICAL APPROVALS

Address technical criteria and brand-specific standards including building codes, accessibility, durability, and waterproofing.

ESTABLISH PROJECT SCHEDULE

- Establish project budget and timeline
- Coordinate review and feedback processes across all major stakeholders, including owners, brands, developers and partners
- Document and track progress



PROGRAM ANALYSIS

ITERATE AND EVOLVE DESIGN

STAKEHOLDER REVIEW

We believe in an integrated design approach where the full team of developers, operators and architects are engaged in the review process. This helps provide for a smoother transition at each of the key milestones.

CONSULTANT COORDINATION

CONSTRUCTION DOCUMENTS

BUILDING APPROVALS

FINAL PRICING



CONSTRUCTION

SALES

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INTERIOR DESIGN






INVESTMENT DOCUMENTS
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INVESTOR PROFILE:

Swell will be selective with its investors. The offering will be private and only offered to investors who fit its DNA.

The Swell Fund seeks long-term relationships with like-minded investors.

The goal of the Fund is to have less than 12 investors.

FUND SIZE AND SCALING:

RESIDENTIAL REAL ESTATE: $30M

HOSPITALITY: $30M

DEBT: $30M

FOR THE FIRST $30M, AN INITIAL INVESTOR CHART MAY LOOK AS FOLLOWS:



FINANCIAL DETAILS:

The Residential Real Estate Fund and the Hospitality Fund will have a projected Annual IRR of 14-28%, plus significant long term capital appreciation.

The Debt Fund will have an annual projected IRR of 7%.

Fund Investors receive a Hurdle Rate and 70% of profits above the 7% Hurdle Rate.

Investors will receive 70% of the profits (70/30 split) above the hurdle rate until a waterfall is reached at 14%. The Waterfall results in a 60% (60/40 split) distribution for the remaining profits.

PORTFOLIO:

The Residential Portfolio will be predominantly short term projects (1-3 years) that will be liquidated with high IRR.

The Hospitality Portfolio will be predominantly long term holds, with property sales as needed to ensure desired returns.

The Debt Portfolio will be primarily 6 month to 3 year holds, secured by a deed of trust, while the home is rehabilitated by the owner for traditional debt.

FEE STRUCTURE:

The Fund will receive a 1.75% Management Fee on Fund Capital

All basic fund expenses will be covered by the management fee (fund management compensation, accounting, office rent, travel, tax filings, basic legal, etc..).

Property specific expenses (closing costs, acquisition fee, property management fee, and sale costs, etc.) will be direct project costs.

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Building on the well-known axiom "location, location, location," The Swell Fund will acquire and design undervalued properties in A+ locations that withstand real estate cycles and create a legacy of wealth with features that are timeless.

The Swell Fund focuses on a unique niche and its advantage is the team's historic ability (since 2006) to source undervalued assets, then incorporating Award-winning design.

In any given month, Swell is normally presented with 2-3 off-market opportunities because of its local connection and reputation. People know Swell will make it cool and stand the test of time.

The first "Swell Project" (initiated in 2006 and currently inhabited by 2 sports celebrities) helped officially launch Swell's unique approach.

Numerous Swell projects have set price per square foot pricing records while also being featured in Dwell and other magazines.

Swell's creative eye, relationships, knowledge of this micro market provide the Foundation for minimal risk, stability and above average returns.


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ADDITIONAL INFORMATION:
ERIK GILMER - (619) 823-3408
SCOTT TRAVASOS - SCOTT@THESWELLFUND.COM - (415)-321-0299
KEN KONECKI - KEN@THESWELLFUND.COM - (760)-994-9968
WWW.THESWELLFUND.COM
ENCINITAS, CA 92024
the swell fund 32