



AION

LEADERSHIP

SUMMIT



Who We Are



Workforce Housing

Since 2011, AION has focused on building a portfolio of “Workforce Housing” assets in the Mid-Atlantic and midwestern region

Value-Add Investment Strategy

AION targets value-add opportunities which it can execute on via its established operating platform and hands-on management practices

Institutionalize Housing Stock

AION targets properties owned by “legacy owners” who have owned the properties for decades without institutional management

Vertically Integrated

AION leverages its vertically integrated multifamily platform to source transactions and establish institutionalized management practices to deliver value to investors and partners

Operating Partner

AION Partners acts as the Operating Partner on value-add multifamily real estate investments across the U.S.

AION PARTNERS TIMELINE



AION PARTNERS INCEPTION
2,000 UNITS, 5 STATES
10 Employees
2011

AION MANAGEMENT
FORMED
2017

AION VALUE ADD II LAUNCHED
2020

AION VALUE ADD III
20,042¹ UNITS, 7 STATES
400+ Employees

2016
AION CONSTRUCTION
FORMED

2019
AION VALUE ADD I
LAUNCHED

August 2021
Keystone Recap with
Goldman Sachs
1,620 units

November 2024
AION 12 Pack Recap with
GIC & Goldman Sachs
3,962 units
JV I Formed

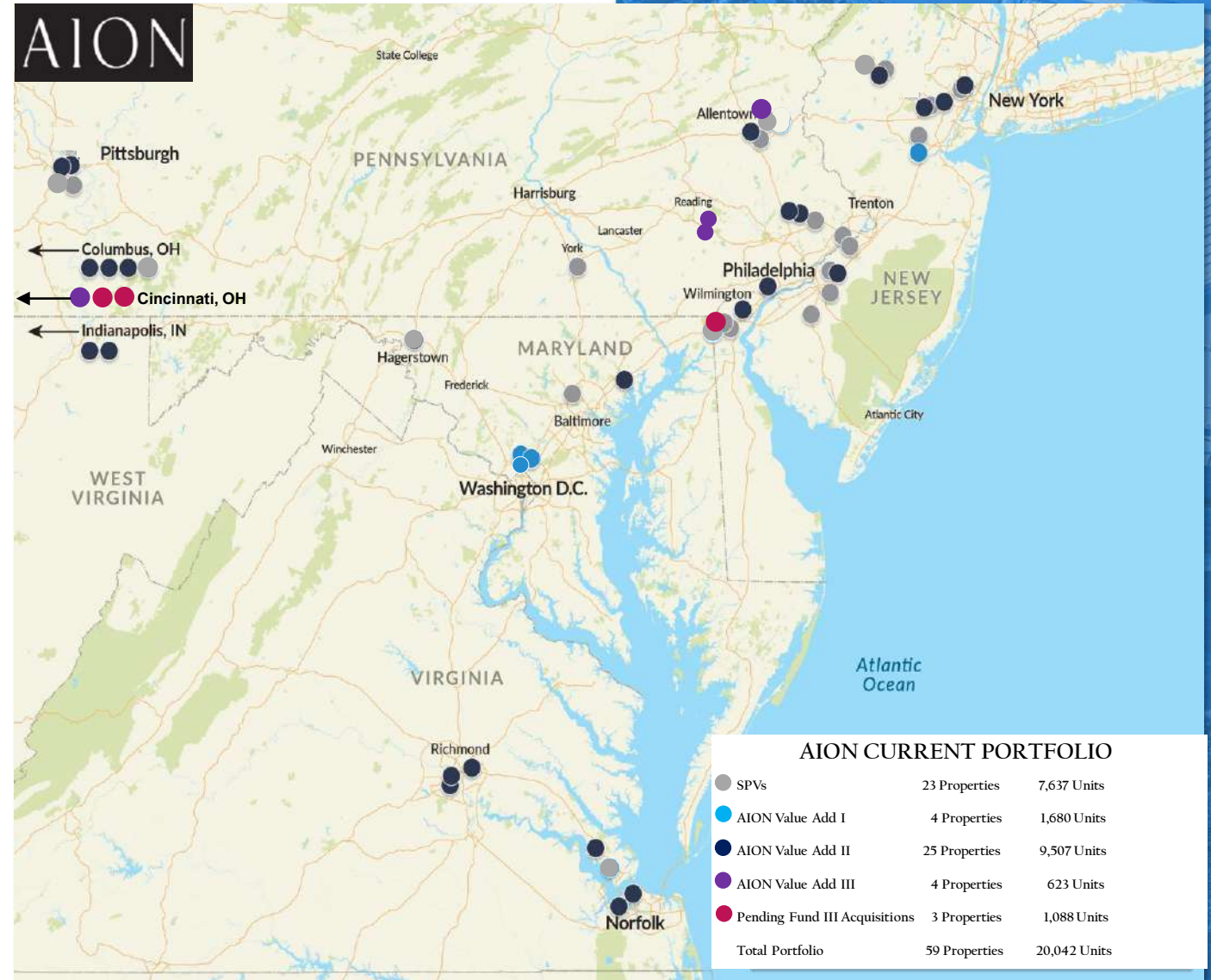
2026



¹Inclusive of recapitalizations and pending acquisitions

AION PARTNERS AT-A-GLANCE

Active Portfolio ¹		
59 Properties	20,042 Units	\$3.0B Purchase Price
\$1.1B Investor Equity	7 States	5Y Target Hold Period
Realized Portfolio		
59 Properties	15,241 Units	\$1.6B Purchase Price
\$2.3B Sale Price	22.2% Gross IRR	2.07x Gross Equity Multiple



¹Inclusive of recapitalizations and pending acquisitions

WHAT IS VALUE ADD INVESTING

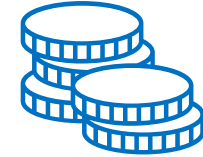
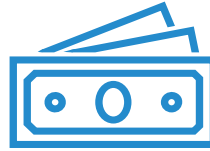
Buy



Improve



Sell



Institutionalize Management

- » Implement AION's in-house property management team
- » Benefit from cost synergies across AION's portfolio
- » Hands-on asset management with a focus on driving property-level performance

Interior Unit Renovations

- » Enhance the quality of unit finishes to compete with new construction builds
- » Leverage AION's network of vendors and contractors
- » Target an ROI of greater than 15%

Revenue Enhancement

- » Use rent optimization software to mark rents to market
- » Billback tenants for utilities (water, sewer, electric, gas) and recover 60-80% of the associated expenses
- » Implement fees for pets, renter's insurance, parking, and other items

Property Improvements

- » Address various deferred maintenance items to maximize property appeal and enhance the tenant experience
- » Upgrade HVAC systems to modern standards

Expense Reductions

- » Implement LED lighting and water conservation projects, resulting in cost savings of 10%+
- » Eliminate unwarranted payroll and entertainment expenses incurred by family-run organizations

Revenue Opportunities

1. **Mark – to – Market:** adjusting rental rates to compete with market more accurately (LRO!)
2. **Utility Rebill:** RUBs or submeters to have tenants cover their utility consumption
3. **Ancillary Revenue:** implement pet fees, cable, antenna, laundry contracts, late fees, applications fees, etc.
4. **Institutionalize Marketing** to enhance occupancy and maximize rent potential
5. **Enforce Collections Strategy:** to improve delinquency and limit bad debt
6. **Offensive Capital Investment:** Interior unit renovations, amenity upgrades, curb appeal improvements to boost demand



Expense Savings Opportunities

1. **Staffing Strategy** – utilize **scale** to benefit from portfolio concentration
2. **Contracts / R&M** – utilize depth of AION relationships to **optimize** pricing by bidding the best vendors and achieve **efficiencies**
3. **Utilities**
 - a) Water Conservation – replace toilets and shower heads with “low flow” alternatives (usually a 10%+ savings)
 - b) LED Lighting – replace all sitewide lighting (usually a 10%+ savings)
 - c) Boiler Replacements – replace dated systems with high-efficiency, modern equipment to drive savings on natural gas



Capital Investment Strategy

Offensive:

- Interior Unit Renovations, Washer/Dryer Installations, Amenity Addition or Improvements, Clubhouse and Leasing Office Renovations, Curb Appeal, Signage, Exterior Improvements (Façade, Entryways), Corridors, Doorway replacements

Defensive:

- Roofs, HVAC, Paving, Structural, Fire Safety, Elevators, etc.

What is Return on Investment (“ROI”):

- Basic ROI = Monthly Rental Premium X 12 months Divided by Construction Cost
- We typically target 15-20%
- True ROI would account for Vacancy
- Premium Over Prior Unit, Premium Over Classic Equivalent



AM Role in Management Day to Day

Pre-Acquisition:

- Formulating business plan with input from VP and Regional management level
- Year 1 Budget
- Transition items with broader management team (Marketing, IT, Service Operations, Property Operations, etc.)
- Determine re-branding opportunities, if necessary

Post-Acquisition:

- Financial Reviews
- Operational calls to check on key business plan metrics
- Interfacing with investors to update on business plan initiatives and other goings on at properties discussed on operational calls
- Interfacing with lenders for various requirements under loan docs
 - Difference between lender immediate repairs and other lender repair requests
- Annual budgeting process and capital planning (DM vs. Enhancement)

Misc./Special Situations:

- Re-allocating capital budgets to address unforeseen circumstances or implement new value-add initiatives identified by site team
- Assistance in paying down longstanding AP when operations cannot support via capital call or capital re-allocation
- Listening to YOU for new ideas or adjustments to business plan/on site operations.



Keys to success in PM

- **STRONG PM/SM RELATIONSHIP AND COLLABORATION**
- **COMMUNICATION AMONGST ALL ONSITE TEAM MEMBERS**
- **CONSTANT EVALUATION OF YOUR TEAM AND WHERE THEY NEED ADDITIONAL SUPPORT**
- **KNOW WHAT YOU DON'T KNOW AND LEVERAGE SUPPORT FROM REGIONAL & ASSET MANAGEMENT TEAMS**
- **MAKE YOUR VOICE HEARD!!**
 - Leasing: attention to seasonality and high/low traffic periods
 - Maintenance/Capital: “wish list” items as they pertain to deferred maintenance and cosmetic enhancements



Case Study: Aston Pointe (Aston, PA)

- **Legacy Seller:** Sold by a generational family through a Trust
- **Attractive Delaware County Location:** Limited apartment stock with tons of renter demand. Close to I-95 with Pennel Rd. as a key artery of the surrounding areas.
- **Major Upside Potential:** NOI at closing was \$685k, budgeted for 2026 is \$1.18MM (72% increase in 4 years, if achieved)
- **Mark-to-Market:** Rents up 41% since closing in July 2022
- **Utility Rebill:** Implemented Water, Sewer, Trash, Gas RUBs
- **Amenity Additions:** Constructed a Pavilion, Dog Park, and Playground
- **Interior Unit Renovations:** Completed 59 unit renovations for an average \$11k cost, premium of \$295 = 33.9%
 - Low-Mid Level Renovation to improve ROI
- **Staffing:** Leverage proximity to other Philly MSA sites to drive efficient payroll on a small unit count property



Case Study: Parc at West Point (North Wales, PA)

- **Legacy Seller:** Sold by multi-generational owner with largely non-institutionalized management practices but extreme pride of ownership in maintaining curb appeal and building systems
- **Attractive Montgomery County Location:** Limited workforce apartment stock with tons of renter demand. Directly adjacent to Merck pharmaceutical campus with 10,000+ employees.
- **Major Upside Potential:** Due to long-term ownership, ownership was content keeping rents below market and not charging standard market ancillary fees to operate at or near 100% occupancy.
- **Mark-to-Market:** Rents up 38% since closing in February 2022. Initial mark to market on first 9 months of renewal increases of 20.6% and 65% retention.
- **Ancillary Revenue/Utility Rebill:** Implemented Water, Sewer, Trash, Gas RUBs as well as market ancillary fees. At closing, seller generated \$50K in other income annually, which is now up to \$550K (\$300K in other income and \$250K in utility billback).
- **Amenity Additions:** Built on extension to existing pool house to house leasing office and install a new fitness center (bringing non-revenue leasing office unit back online). Improvement in amenities with playground extension, grilling area installation, and improvements to dog park and pool area.
- **Interior Unit Renovations:** Completed 76 interior unit renovations for an average \$20K cost, premium of \$306 = 18.4% ROI.
- **Results:** Despite purchasing at the top of the market, NOI expansion of **97%** since acquisition enabled team to refinance into long-term fixed rate debt, lowering cost of capital and avoiding any capital calls from investors.



Defining Success: Investment Returns

Internal Rate of Return (“IRR”): annualized return adjusted for TIME – AION targets 15-20%

Equity Multiple (“EM”) – how much you grew your capital investment – we target 1.7-2.0x

Cash on Cash (“Yield”) – quarterly dividends (4-6%+)

AION - WORKFORCE HOUSING MULTIFAMILY INVESTMENT PERFORMANCE						
	# Units	Purchase Price	Total Cap	Investor Equity	Gross IRR	Gross Multiple
Realized ¹	15,241	\$1,581,873,371	\$1,817,218,058	\$517,556,971	22.2%	2.07x
Unrealized Acquisitions	18,954	\$3,049,884,253	\$3,505,199,547	\$1,130,734,496	-	-
TOTAL ^{2,3}	34,195	\$4,631,757,624	\$5,322,417,605	\$1,648,291,467	22.2%	2.07x



THANK YOU FOR BEING AION



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