



Dave Fazekas
Senior Managing
Director, Co-Chief
Investment Officer –
Industrial & Head of
Eastern Region



J.R. Wetzel
Senior Managing
Director, Co-Chief
Investment Officer –
Industrial & Head of
Western Region

Mr. Fazekas is responsible for the industrial investments throughout the Eastern half of the U.S., while Mr. Wetzel is responsible for the Western half of the U.S. Collectively, they oversee over 40 professionals who acquire, develop and operate industrial real estate assets.

NATIONAL SCOPE WITH A LOCAL PRESENCE

Q&A with Dave Fazekas & J.R. Wetzel

Black Creek Group leverages a national infrastructure with an entrepreneurial, local model via its seven offices throughout the United States. Senior Managing Directors Dave Fazekas and J.R. Wetzel, who oversee the company’s industrial holdings, discuss Black Creek Group’s business model and how the team continues to add value for investors.

Q | HOW HAS THE COMMERCIAL REAL ESTATE INDUSTRY EVOLVED AND HOW HAS BLACK CREEK GROUP RESPONDED?

Dave: The commercial real estate industry has shifted over the past 20 years from one where deals could take months or years to get done, to an environment with decisions being made much faster. Given this shift, we realized that having teams located in our target markets is essential. At Black Creek Group, while our due diligence, finance and legal teams are based out of our headquarters in Denver, we employ a decentralized model with six regional offices. With the majority of our acquisitions and asset management teams sitting in our local offices, we understand market nuances so we can be discerning and focused. Additionally, being local allows us to have deep relationships with

real estate owners and brokers. As a result, we’ve been able to penetrate top-tier markets at a scale where we believe we can create the greatest level of value for our investors.

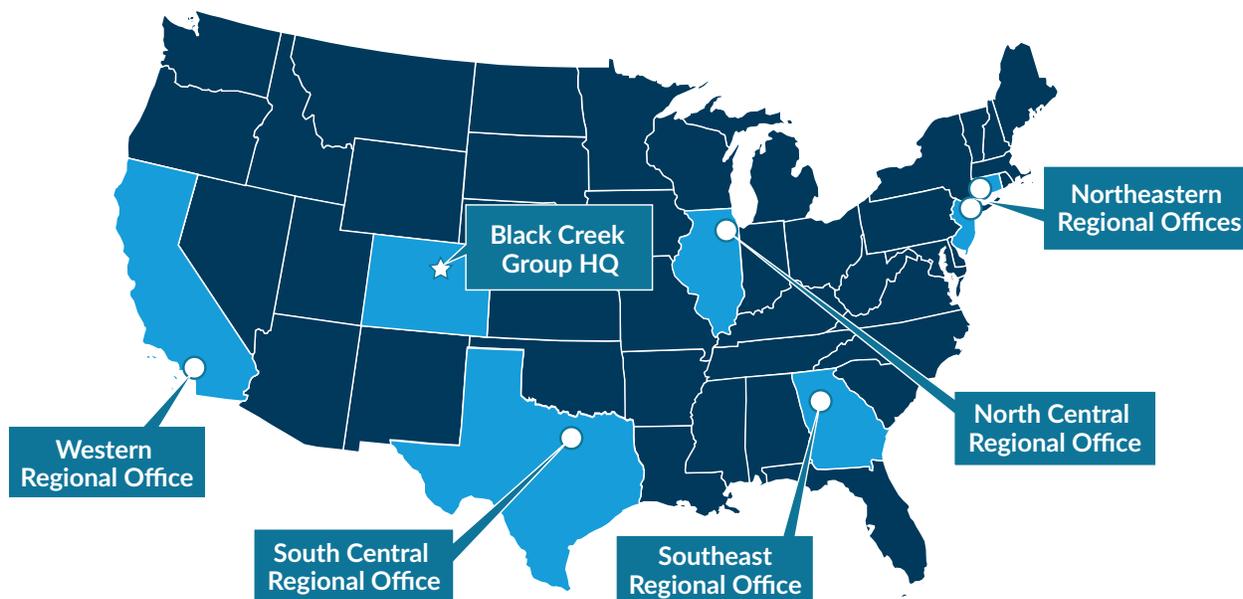
J.R.: As Dave mentioned, the industry has shifted. Today, organizations that aim to build a targeted portfolio effectively need to respond faster than in the past. At Black Creek Group, we know that we need to respond to both brokers and property owners quickly and we can only do that if we have local teams who have a focused strategy and support from our corporate office. Ultimately, it comes down to trust and timely communication.



A decentralized model empowers us to be nimble and act decisively when we find a great opportunity. It would be very difficult, if not impossible, to achieve the volume of quality acquisitions that we have done over the past

decade if we didn't have a local presence. It is also worth mentioning that we like to buy one building at a time, so we look at a lot of individual opportunities, which would be difficult to do if we had a centralized model.

7 OFFICES ACROSS THE UNITED STATES



Q | HOW DO THE LOGISTICS OF A DECENTRALIZED MODEL WORK?

Dave: It's very fluid. Internally our teams know what to expect and how to incorporate the right people at the right time. A large portion of our local teams report to both the regional offices and the corporate office. While dual reports can be challenging, it works well for us because of our people here. We define the rules of engagement and operate as a team versus individual contributors. Dialogue at the highest levels happens regularly and easily so we can identify and mitigate any challenges at any point of a property's lifecycle.

J.R.: Investment strategies are agreed upon between the corporate and regional offices so everyone understands our goals. Then we work together to come up with the best

opportunities for all stakeholders. The responsibility of finding properties to purchase is executed in the regional offices, while due diligence and legal review are conducted at the corporate level, with our help.

The success of our decentralized structure is in part due to the fact that we meet weekly to discuss our pipeline of potential deals. We have as many as 50 people on these weekly calls and each person can weigh in about concerns, questions, and issues; therefore, aligning all teams. I agree with Dave, working as a flat organization and giving everyone access to express their opinion on why each deal does or does not make sense helps the company make better investment decisions.



Q | WHAT ARE SOME COMPETITIVE ADVANTAGES OF HAVING LOCAL MARKET INSIGHTS?

Dave: A local approach is critical, not only for identifying opportunities, but for being able to execute on them. Because we are local, we have relationships with municipalities, townships, local professionals, and owners and brokers. In New Jersey alone, there are 550 municipalities with different land-use and zoning laws. Familiarity with all the differences makes us better buyers of existing product and better developers of new product.



There are all kinds of nuances with local markets. Building an industrial building in the Northeast where there is snow is quite different than building in California with seismic codes. Being local, we have insight into what is working for each individual market which allows us to modify our approach to make it more effective rather than having a one-size fits all model.

Another competitive advantage we have is that we know what things cost to build locally, which makes us better buyers of existing real estate. The cost of construction materials and labor can swing widely from market to market, and understanding these differences is a subtle, but incredibly valuable, advantage. In short, we have the people and the processes to accelerate a closing that might take others much longer to execute or they might shy away from completely.

J.R.: That's exactly right, and the local presence really makes a world of difference with the real estate brokerage community too – we can respond to opportunities rapidly. For example, there are times when you might get a call from a broker who says, "I think I have a deal that might work for you. Can you meet me tomorrow?" We can meet quickly because we are local. You can't do that if you have to say, "I can fly in to see you a week from Monday," at which point the deal may have been scooped up by a competitor. We find deals regularly because we're a part of the local community. We know the players and they know us.

In fact, being local often results in acquisitions coming to us directly. We know the large property owners and tenants and have close ties to the brokerage community. Should one of those owners have a change in their business and they decide to sell a property, they will often contact us directly. This transaction can be a very efficient and valuable process for all parties involved.

Local market insight provides us with familiarity of projects, tenants, and the nuances of different cities – from zoning to approvals and tenant preferences within an area. All these things are constantly changing, and our local focus helps us stay on top of any updates that may either help or dissuade us from doing a new transaction. For instance, even if you have three locations within the same city, there may be very different things the city will approve in certain areas that they will not in other areas.

We execute 50 or 60 transactions per year across the nation and having our finger on the pulse of the trends and pitfalls of locations and opportunities as they arise, help us avoid mistakes.



Q | HOW DO YOU STAY AHEAD OF THE CURVE IN A VERY COMPETITIVE INDUSTRY?

Dave: Black Creek Group operates up and down the risk spectrum – from opportunistic (high risk/high return investments that involve development of raw land) to value-add (renovating or repositioning properties that aim to command higher rents) to core real estate (high quality real estate in high-barrier-to-entry markets). We see a lot of different opportunities and we analyze where the risk premium is the greatest at any moment in time. We see, feel, and sense the demand on the leasing side every day because we are local. This allows us to pivot quickly to where we think the best value resides, often staying one step ahead of our competitors. Given our existing

development projects and activity, we can literally see the leasing velocity, the demand or lack thereof, in the market at any given moment.

J.R.: It’s about being in tune with the markets, the lease rates, and keeping an eye on what our competitors are doing. Always working to anticipate where the puck is going, rather than just simply where it is today. Between our local teams and the corporate team, we have a lot of data points to pull from, which gives us a national focus and important information at the local level.

Q | BLACK CREEK GROUP PRIDES ITSELF ON “BUILDING VALUE ONE PROPERTY AT A TIME” – WHAT DOES THIS MEAN TO YOU?

Dave: Ultimately, I think what makes us unique is our national footprint mixed with a local presence and expertise, so we can acquire and develop high-quality assets building by building. Internal development capabilities make us better buyers and builders. And having all those local relationships really enables us to execute on all of that effectively and efficiently – creating value for our investors.

Being decentralized allows us to navigate market shifts happening daily. I know within my team we’re constantly asking questions. Does this really meet the demand for this market? Can we capture the most volume of users with this design? Will we have a real competitive advantage if we create some car or trailer parking for this site? We examine each property on an individual basis and determine the best way to drive value as a whole. Those are just some of the ways that we add value.

**WE BUY
OR
BUILD**

**WHERE
VALUE CAN
BE REALIZED**

J.R.: Many of our competitors buy larger portfolios. Usually when groups buy portfolios, the sellers will include some of their best assets, but they also include some of their worst. One bad property can hurt two good properties within a portfolio. We will walk away from portfolio purchases if we are forced to buy marginal properties. We only buy or build where we

believe value can be realized or enhanced. We are precise and accurate. We don’t just buy and hope for the best. We find or create value – one property at a time.

ABOUT BLACK CREEK GROUP

Black Creek Group is an experienced real estate investment management and development firm that has bought or built over \$19 billion of investments over its 25-year history. The firm manages diverse investment offerings across the spectrum of commercial real estate—including office, industrial, retail and multifamily providing a range of investment solutions for both institutional and wealth management channels. Black Creek Group has nine offices across North America with more than 300 professionals.

Black Creek Group, your source for commercial real estate knowledge. BlackCreekGroup.com/BuildingValue



INFORMATION AND DISCLOSURES

The material presented in this commentary is intended for informational purposes only and does not constitute investment advice or a recommendation to buy, sell or hold any security, investment strategy or market sector. This commentary does not constitute an offer to sell any securities or the solicitation of an offer to purchase any securities. This material must be preceded or accompanied by a prospectus for the applicable Black Creek Group, LLC (Black Creek Group or BCG) REIT, which contains important information about an investment in such BCG REIT.

The views presented are as of the date published. Opinions and examples are meant as an illustration of broader themes and are subject to change at any time due to changes in market or economic conditions. There is no guarantee that the information supplied is accurate, complete, or timely. Black Creek Group disclaims any and all liability relating to this commentary, including, without limitation, any express or implied representations or warranties for statements or errors contained in, or omissions from, this commentary. Past performance is no guarantee of future results. Investing involves risk, including the possible loss of principal and fluctuation of value.

This commentary includes forward-looking statements regarding Black Creek Group's expectations with respect to its business and operations. Although we believe that the expectations in such forward-looking statements are reasonable, we can give no assurance that any forward-looking statements will prove to be correct. We expressly disclaim any obligation or undertaking to update or revise any forward-looking statement contained herein.

Investing in shares of any BCG REIT involves a high degree of risk, including the risk that payment of distributions is uncertain and cannot be guaranteed, the risk that an investment in any BCG REIT is not liquid, and the risk that stockholders may lose the entire amount of their investment. See the "Risk Factors" section of the applicable prospectus for each BCG REIT for a description of other potential risks of investing in that BCG REIT. The prospectus for each BCG REIT can be found by clicking on the link for the applicable BCG REIT in the Investments section of the Black Creek Group website: <https://blackcreekgroup.com/investments/>. An offer may only be made by means of the applicable BCG REIT prospectus, which would contain, among other things, a description of the applicable risks. This material must be read in conjunction with the applicable BCG REIT prospectus in order to understand fully all of the implications and risks of the offering of securities to which it relates.

Neither the Securities and Exchange Commission nor any other state securities regulator has approved or disapproved of the securities or determined if the prospectuses are truthful or complete. In addition, the Attorney General of the state of New York has not passed on or endorsed the merits of the offerings. Any representation to the contrary is unlawful.

Not a Deposit | Not FDIC Insured | Not Guaranteed by the Bank | May Lose Value | Not Insured by any Federal Government Agency

Black Creek Capital Markets, LLC, Distributor | Member FINRA | 518 17th Street, 17th Floor | Denver, CO 80202
866.324.REIT (7348) | blackcreekgroup.com



BLACK CREEK® GROUP

For Financial Professional Use Only – Not for Use with General Public