

Allurean Fund - Investment Overview

A Structurally Intelligent Approach to Luxury Short-Term Rentals

Designed to convert short-term rental volatility into structural advantage for long-term investors.

What Allurean Is

Allurean acquires and operates **\$3–\$5M luxury estates** in high-demand U.S. markets, positioning them as **premium short-term rentals (STRs)** and lifestyle hospitality assets.

What differentiates Allurean is not simply the assets we buy, but **how the portfolio is structured, capital is deployed, and risk is managed** in a regulatory and rate-sensitive environment.

The result is a platform designed to deliver:

- strong, recurring cash flow
- substantial front-loaded tax advantages
- and long-term equity growth
— while prioritizing investor capital protection.

Why Allurean Exists (The Structural Edge)

Short-term rentals are one of the most profitable segments of real estate — and one of the most volatile.

Regulations change. Markets shift. Financing environments tighten.

Most STR funds are **large, centralized, and slow to adapt**.

Allurean is built for this reality.

The Tranche Model: Designed for Agility

Rather than deploying capital into a single, massive portfolio, Allurean operates through **independent tranches of 8–10 homes**.

Each tranche:

- is diversified across multiple markets
- stands on its own financially
- can pivot independently as local conditions change

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This creates **swarm-like maneuverability** instead of centralized rigidity, while still benefiting from shared systems, branding, and operational expertise.

Smaller vehicles. Faster decisions. Lower concentrated risk.

How Returns Are Generated

Allurean's return profile is driven by four aligned engines:

1. Premium STR Cash Flow

Properties are selected and designed to command **top-tier nightly rates**, outperforming local market averages through:

- prime locations
- luxury design and configuration
- professional revenue optimization

2. Diversified Demand Channels

Revenue is supported through:

- high-end short-term rentals
- direct booking platforms
- corporate and group stays

This reduces reliance on any single channel and stabilizes occupancy.

3. Front-Loaded Tax Efficiency

Every property undergoes a **cost segregation study**, generating accelerated depreciation that flows directly to investors.

Early investors benefit disproportionately, capturing depreciation from initial acquisitions while continuing to receive depreciation from future properties as the tranche grows.

Many investors recover a meaningful portion of their invested capital through tax savings in the first 1–2 years, **while still receiving cash flow**.

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4. Long-Term Appreciation

Properties are modeled conservatively with modest appreciation assumptions and sold at the end of the hold period, creating substantial back-end equity realization.

Investor-First Capital Structure

Allurean is intentionally structured to **prioritize investor protection and alignment**.

Distribution Waterfall

1. Return of Investor Capital
2. 6% Annual Preferred Return
3. Profit participation only after investors are fully repaid

Profits are then split **70% to investors / 30% to management**.

Management participates only after investors have recovered capital and earned their preferred return.

Modeled Returns (Base Case)

While all returns are projections and not guaranteed, the base-case model reflects conservative underwriting.

Illustrative Outcomes (per \$100,000 invested):

- **Annual Cash Flow:** ~10–13% during operations
- **Hold Period:** ~10 years
- **Total Distributions:** ~\$600,000
- **Equity Multiple:** ~6×
- **Projected IRR:** ~25% (pre-tax)

These projections **do not include** the impact of depreciation or tax deferral, which often materially improves after-tax results.

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Tax Advantages (High Level)

Allurean's structure is designed with tax efficiency as a core feature, not an afterthought.

Key benefits may include:

- accelerated depreciation through cost segregation
- rolling depreciation across multiple properties
- partnership debt allocation increasing deductible basis
- potential STR tax treatment advantages for qualifying investors
- optional 1031 exchange participation via TIC structures

Tax outcomes vary by investor and should be reviewed with a qualified CPA.

Risk Management & Downside Protection

Allurean acknowledges that no real estate strategy is risk-free. The portfolio is intentionally built to mitigate common STR risks:

- **Regulatory Flexibility:** Properties are underwritten to operate profitably as mid-term rentals if STR rules change
- **Moderate Leverage:** Conservative LTV assumptions preserve flexibility
- **Seller Participation:** Select acquisitions include seller equity rollovers, lowering leverage and aligning long-term stakeholders
- **Geographic Diversification:** Each tranche spans multiple markets

These measures are designed to preserve cash flow and protect capital through varying market conditions. No single mitigation eliminates risk; Allurean's approach is to layer multiple protections rather than rely on any one assumption.

Who This Investment Is For

Allurean is best suited for investors who:

- seek meaningful cash flow with long-term upside
- value tax efficiency alongside economic returns
- prefer investor-first alignment
- understand that disciplined structures outperform aggressive leverage over time

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This is not a speculative flip strategy.

It is a **deliberate, resilient, long-term platform.**

Next Steps

This overview is a summary only.

Full details are provided in the **Private Placement Memorandum, Operating Agreement, and Subscription Documents**, available to accredited investors upon request.

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