

Why OwnEZ Fund V?

Consistent Yields

**~9% Net
Annual Yield**

Capital Preservation

**First-lien Secured
With 81% ITV**

Non-Correlated

**Diversification From
Public Markets**

Proven Performance

**Zero Investor
Losses**

The Case for Diversification Within Private Credit

Concentrating private credit exposure in a single strategy—even a high-yielding one—introduces concentration risk that extends beyond traditional asset class diversification. Hard money lending, bridge lending, and other higher-yield strategies often share similar stress dynamics: they perform well in stable conditions but face correlated losses when borrower credit deteriorates or property values compress.

Adding a more conservative, first-lien residential credit strategy with disciplined underwriting creates genuine diversification within private credit itself. The two strategies have different risk triggers, loss severity profiles, and return drivers—allowing you to maintain yield while reducing portfolio-level downside volatility.

Portfolio Construction Within Private Credit

Most private credit strategies—including hard money lending—achieve higher yields by accepting elevated risk parameters: higher LTVs, more aggressive borrower profiles, and greater loss severity exposure in downturns. These strategies serve a purpose in portfolio construction, but concentrating exclusively in higher-yield/higher-risk credit introduces uncompensated volatility.

The portfolio construction case is straightforward: blending a concentrated allocation to higher-yield private credit strategies with a more conservative, income-focused credit sleeve can improve overall risk-adjusted returns. The objective is not to reduce yield, but to dampen drawdowns and loss severity across cycles while preserving durable cash flow.

The distinction becomes most meaningful in stressed environments. Even when both structures are secured by first-lien positions, outcomes are driven less by headline leverage and more by collateral stability, underwriting discipline, and exit liquidity. Strategies tied to transitional assets or refinance-dependent repayment profiles are more sensitive to market dislocation, particularly when exit timing becomes constrained during periods of reduced liquidity. By contrast, first-lien residential credit with conservative origination standards and stabilized collateral profiles tends to exhibit more predictable performance through cycles.

Importantly, seasoning of loans and the ability to access secondary loan trading markets can introduce an additional layer of optional liquidity. While not a substitute for underlying credit performance, this flexibility can support portfolio management during stressed periods by enabling selective balance sheet optimization, risk reduction, and capital recycling—often under tighter operational constraints than holding-to-maturity-only strategies.

The real question: Does adding a more disciplined, capital-preservation-focused allocation improve how your overall private credit portfolio performs—not just in favorable conditions, but across cycles?

Why This Strategy Works as a Portfolio Complement

From a macro perspective, residential private credit is supported by a favorable alignment of structural forces. Elevated interest rates continue to sustain higher origination yields, while regulatory pressure and balance sheet constraints have driven bank retrenchment, creating a persistent supply-demand imbalance in residential lending. At the same time, demand from non-traditional but financially viable borrowers remains resilient, reinforcing consistent deal flow. Relative to more cyclical segments such as commercial real estate or speculative strategies, residential collateral has exhibited greater stability through changing market conditions. Within this context, a disciplined, first-lien, income-oriented approach offers a differentiated return stream—complementing higher-yield, higher-risk exposures by enhancing portfolio balance and improving consistency across cycles.

Typical OwnEZ Borrower Profile & Underwriting Approach

Underwriting Discipline	Risk Management & Quality Control
Minimum 2-year employment or income history	Multi-step application review and verification process
Full income verification (tax returns, W-2s, or business financials for self-employed borrowers)	Built-in fraud detection protocols and document validation
Identity and eligibility verification (SSN/ITIN, government-issued ID)	Pre-funding and post-closing audits, plus ongoing quality control reviews
Credit review and authorization, evaluated within a broader underwriting framework	Continuous guideline refinement based on performance data
Rental history and payment behavior analysis	
Proprietary underwriting system to assess borrower strength beyond standard metrics	

This approach reflects borrowers who may be underserved by traditional lenders but are financially capable and verifiable, supported by both documented income and strong collateral. The combination of disciplined underwriting, first-lien seniority, and conservative leverage creates protection driven by process and structure—not assumptions about borrower credit alone.

Ready to Diversify Your Portfolio?

Join a community of qualified investors in this unique asset-backed securities opportunity.



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