

ZINC INCOME FUND DETAILS

ZINC Income Fund II, LLC has been organized to make, purchase, originate, fund, acquire and/or otherwise sell loans secured by interests in real estate located across the United States to deliver attractive, risk-adjusted monthly cash returns to investors.

PRIVATE LENDING OPPORTUNITY

THE OPPORTUNITY FOR PRIVATE LENDING in the real estate market has continued to grow over the past decade, driven by factors such as tightened regulations on traditional banks, increasing demand for flexible and timely financing solutions, and the attractive risk-return profile of loans for fix and flip housing investments at or below the median price. This has created a unique market niche where private lenders can effectively serve the needs of borrowers while delivering a compelling risk-adjusted yield to fund investors.

FUND INVESTMENT OBJECTIVES

▶ **PROTECT AND PRESERVE INVESTOR CAPITAL**

▶ **PROVIDE MONTHLY CASH DISTRIBUTIONS**

▶ **MITIGATE AND MANAGE INVESTMENT RISK**

▶ **PROVIDE FAVORABLE TAX BENEFITS**

ZINC FINANCIAL OVERVIEW

Founded in 2006, ZINC Financial ("ZINC") is a California-based specialty lender that originates private money loans to individuals in the real estate rehab and resale business. ZINC is the investment manager of the ZINC Income Fund II, LLC.

▶ **ANNUALIZED RETURN NET OF FEES**
8.01%

▶ **TOTAL INVESTOR DISTRIBUTIONS**
\$9,508,714

▶ **TOTAL INVESTOR LOSSES**
\$0

▶ **AVERAGE LOAN SIZE**
\$330,690

▶ **TOTAL FUND BALANCE**
\$36,648,687

▶ **TOTAL LOANS FUNDED**
\$201,390,155

OFFERING TERMS

Fund Type	Open-Ended
Minimum Investment	\$50,000
Target Investor Yield	8-9% Net to Investor
Restrictions	Accredited Investors Only
Assets Under Management	\$50MM
Management and Servicing Fees	1.5% Combined
Distributions	Monthly
Average Note Coupon Rate	11.04%
Average Loan Term	7-9 Months

FUND HIGHLIGHTS

PROTECTION OF PRINCIPAL

- 1st position liens on underlying collateral.
- Fund Manager will absorb up to the first \$500,000 in any loss applied to the capital accounts for the life of the Fund, pro-rated to all members' capital accounts.

HIGH NET RETURNS

- Average 8-9% cash distributions paid to investors monthly.
- Rates to borrowers range from 10.5-13%.

RISK MITIGATION

- ZINC Principal invested alongside fund investors.
- Loan durations average 7-9 months.
- Average borrower FICO score over 700.
- Fund's investment is spread across portfolio of loans for increased diversification.
- Average Loan to Value ratio ~67%.

TAX BENEFITS

- Non retirement funds may be eligible for a 20% federal tax deduction on distributions.
- Investors are only taxed in state of residence, not in the state the Fund operates.
- Retirement funds may avoid Unrelated Business Income Tax (UBIT).

FUND INVESTMENT STRATEGY

TARGET SHORT TERM LOANS FOR REAL ESTATE INVESTMENT

- Provide short term loans in a niche real estate market, with an average duration of 7-9 months.

LEND ON HISTORICALLY STABLE REAL ESTATE

- Focus on lending exclusively in California, with an emphasis on the Central Valley.

SEEK PRIME BORROWERS

- Target borrowers with a FICO Score over 700.

SERVICE ALL LOANS IN-HOUSE

- Service all loans in-house to ensure timely payments. Average default rate is less than 3% historically.

ADHERE TO UNDERWRITING GUIDELINES

- By adhering to ZINC's strict underwriting guidelines, loans in Fund meet the correct risk profile.

MAINTAIN MINIMUM FEES AND EXPENSES TO THE FUND IN ORDER TO DELIVER AN ATTRACTIVE MONTHLY RETURN TO INVESTORS.

DISCLAIMER

Note: Please see the Fund's confidential private placement memorandum for all the terms and conditions of the offering



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