

Equus Announces New Generation of Leadership into Firm Partnership

As Equus Capital Partners, Ltd. ("Equus") plans for its future, it is pleased to announce a new generation of leaders into its partnership.



Andrew J. Brookman, Esq.
Partner and Chief Compliance Officer



Daniel M. DiLella, Jr.
Partner and Senior Vice President – Development



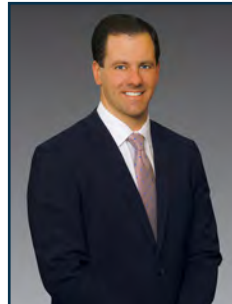
George Haines
Partner and Senior Vice President - Acquisitions & Development



Christopher J. Locatelli
Partner and Senior Vice President - Dispositions



Howard L. Patent
Partner and Senior Vice President – Tax

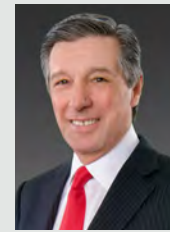


Kyle W. Turner
Partner and Senior Vice President, Director of Investments

With the addition of these six (6) individuals, Equus now has eleven (11) owners. These six (6) individuals have been with Equus a combined average of 19 years, a number having started their careers at Equus. Their expertise includes acquisitions, development, capital markets, finance, tax, and law.

The Firm is well-positioned for continued growth with these new additions to ownership. ■

The Year Ahead



Daniel M. DiLella
President and CEO

2019 ended with several significant accomplishments for Equus Capital Partners. As of yearend, the firm's 13th Value Add Closed End Fund, Equus Investment Partnership XI, L.P., had closed on \$381.8 million of equity

capital or approximately 109% of its target raise. Ten investments, including the acquisition of 9 commercial properties and 1 multi-family community have been made, committing 46% of the Fund's capital across the office, industrial multi-family sectors. The Fund markets thus far include Seattle, Dallas, Denver, Kansas City, Washington, D.C., and Philadelphia. Entering 2020, the Fund has dry powder of approximately \$200 million of equity with a number of commercial and multi-family opportunities in its pipeline.

Equus Investment Partnership X, L.P. a \$361 million Value Add Closed End Fund continued its repositioning activity and began dispositions. Since its initial closing in Q3 2015, Equus Fund X has committed over \$345 million to 18 investments in the office, multi-family and industrial sectors across the U.S. One-third or 6 of the Fund's 18 investments have already been sold. The remaining assets are

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Equus Sells Bay Colony Executive Park in Wayne, Pennsylvania

In December, affiliates of Equus completed the sale of Bay Colony Executive Park, a four-building Class A office park totaling 250,367 square-feet located in Wayne, PA. The property, which was 94% occupied at the time of sale, was sold for \$58,300,000 on behalf of BPG Investment Partnership IX, L.P. a discretionary fund managed by Equus.

Doug Rodio, Brett Segal, and Brett Grifo of Jones Lang LaSalle represented Equus in the transaction.

Bay Colony Executive Park was built between 1984 and 1988 and is a highly recognizable office campus within suburban Philadelphia's Swedesford Road micro market. Though well occupied at the time of Equus' purchase in 2015, Equus realized that, with meaningful renovation dollars, Bay Colony could capitalize upon the burgeoning demand for modern office space along Swedesford Road. After acquiring the property, Equus extensively renovated the campus by investing more than \$7 million, in adding a full-service café, conference center, communal patio area, all new interior common areas/restrooms and expansive glass

entry atriums. As a result, Bay Colony experienced more than 120,000 square feet of leasing activity over the last 3 years, growing rents by more than 35% along the way.

The property is conveniently located thirty minutes from the Philadelphia International Airport, twenty-five minutes from Center City Philadelphia, and is just minutes from both the King of Prussia Mall and Town Center. With immediate access to Routes 202, 402, 1-76, and the PA turnpike, Bay Colony Executive Park is located in a prime area with easy access for all.

In 2017, Bay Colony Executive Park was awarded The Building of the Year (TOBY) Award in the renovated category. This award was granted by the Building Owners and Managers Association of Philadelphia (BOMA).

"The successful repositioning of Bay Colony was a collaborative effort that required contributions from the entire Equus roster. Equus' honed expertise in land development, construction management, property management, and leasing were all utilized to achieve a favorable outcome for our investors," commented Christopher Locatelli, Senior

A Year In Review



Arthur P. Pasquarella, COO

We are pleased to report that during 2019 our commercial asset management staff completed 232 leases totaling in excess of 2 million square-feet within our portfolio

representing an aggregate lease value in excess of \$210 million (with new leasing representing 39% of the total volume). We thank the many leasing agents from around the country who work closely with us in achieving this sizable activity.

Our capital markets department was very busy again during 2019 closing 26 loans totaling more than \$1.1 billion. We also sold 17 investments during the year from our Fund and Development portfolios for a total consideration of approximately \$1.2 billion.

Our development teams were also particularly busy with the completion of a 182-unit apartment community known as Madison Lansdale Station, 1,100,000 SF of industrial space along the I-81 corridor in Shippensburg, PA; and the completion of 514,000 SF of office space in Wyomissing, PA.

On behalf of our latest fund, Equus Investment Partnership XI, L.P. ("Fund XI"), we purchased five value-add properties (office, flex and multi-family) in four metro areas across the country with purchase prices totaling more than \$232 million and have already made significant physical and leasing improvements therein. As we start 2020, we have an active pipeline of pending and potential acquisitions from across the country.

Best wishes for a Happy and Healthy New Year. ■

Vice President for Equus, who along with George Haines, Senior Vice President, Mark Ledger, Vice President, and Andrew Peabody, Asset Manager, oversaw the transaction for the firm. "Through this transaction, the buyer was provided with a unique opportunity to acquire a stable asset due to the high demand for modern office space in the highly amenitized Greater Philadelphia Area." ■

Development Update



Drexel University College of Medicine at Tower Health

In June 2019, affiliates of Equus Capital Partners, Ltd. (“Equus”), began construction on The Drexel University College of Medicine at Tower Health medical education building, a 180,000 square-foot state-of-the-art facility located in Wyomissing, PA.

Designed by Glastonbury, Connecticut-based S/L/A/M Collaborative, the six-story building will be adjacent to Equus’ recently-delivered Research and Development facility for Teleflex Incorporated and immediately North of Equus’ recent Knitting Mills redevelopment, which now serves as home to UGI Energy Services, Tower Health, Sly Fox, and others.

The building is set to deliver in 3Q’2021 and The College of Medicine will host its first students in the 2021-2022 academic year. The building will feature state-of-the-art technology, as well as traditional classrooms, learning communities and lecture halls. The facility will include traditional and nontraditional instructional venues where students will advance their medical skills and education via simulated patient rooms, anatomy laboratories and simulation labs to promote interdisciplinary education with residents, physicians and nurses.

In addition, the building’s design will enhance student life, promote health and wellness, and encourage an immersive learning experience. Students will have access to a fitness center with indoor and outdoor recreation space, Information Commons (Library), lounge areas, a game room and café.

Sitework activities during the 4th quarter included grading, stormwater facility installation, and building pad preparation and installation. Footers and foundations will be completed during the 1st quarter 2020, with steel erection beginning in March. ■



95 Inland Port Logistics Center

In December, Equus broke ground on the construction of a 373,100 square-foot speculative warehouse facility in Dillon County, SC. The project, named 95 Inland Port Logistics Center, is located along I-95, approximately 5 miles south of the North Carolina/South Carolina state line.

The motivation for spec development at this location is the new Inland Port Dillon (IPD), a \$50 million project completed by the South Carolina Ports Authority in April 2018.

“The Inland Port Dillon is an extremely strategic and important project for the State of South Carolina and the Ports Authority,” commented Dan DiLella Jr., Sr. Vice President of Equus. “The development of the Inland Port Dillon has already gained considerable traction among users located in northeast South Carolina. Equus has experience developing logistics space in proximity to other inland ports along the east coast and we believe that the IPD will attract many new companies to the Dillon County region.”

95 Inland Port Logistics Center will be constructed of tilt-up concrete panels and will possess the following Class A specifications: 32’ clear height, energy efficient LED interior lighting, 7” concrete floors, 50’ x 50’ column spacing and an ESFR sprinkler system. The warehouse will be a 410’ deep, single-side loaded building with a 180’ deep truck court which will include excess trailer parking away from the loading docks.

Equus’ project will be the largest available block of Class A space along the I-95 corridor from the intersection of I-20 and I-95 near Florence, SC to the NC/SC state-line.

The facility is currently available for pre-lease with an anticipated completion of October 2020. Equus has launched an aggressive marketing and leasing program and anticipates the building will be partially or fully leased before its scheduled delivery. ■



Graystone 81 Logistics Center

During the fourth quarter, Equus broke ground on the Graystone 81 Logistics Center (“Graystone”), a 350,000 square-foot class-A speculative industrial project located in Winchester (Frederick County), VA.

The site is located at the I-81 interchange with U.S. Route 11 and is uniquely positioned to offer access to the major Mid-Atlantic population centers. Neighboring industrial occupiers include Home Depot (250,000 SF), Amazon (1,000,000 SF), McKesson (450,000 SF) and Fiat-Chrysler (400,000 SF).

Graystone is in a “Pad Ready” condition, with footers and foundations having commenced in January. The Pre-Cast concrete wall panels are scheduled to arrive in February with Structural Steel to follow shortly thereafter.

The facility will boast 32’ clear ceiling height, 50’x50’ column spacing, 180’ truck court, 48 loading docks, 62 trailer spaces/143 auto spaces, ESFR sprinkler system, and LED energy-efficient lighting. Graystone is progressing toward completion in 3Q 2020.

Graystone 81 Logistics Center is the 4th industrial building that Equus has built in Winchester since 2016. ■

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well into their repositioning phase and dispositions will continue in 2020 and 2021 as the Fund looks to wind down its activity consistent with its initial strategy.

BPG Investment Partnership IX, L.P. a \$310 million Value Add Closed End Fund, anticipates selling its remaining two investments during 2020.

Also during 2019, Equus completed dispositions of the remaining properties in BPG Investment Partnership VIII.

Total distributions to our investors during 2019 from all Equus Funds totaled approximately \$475 million. An additional \$115 million was distributed from our Joint Venture and Development activities.

2019 saw the expansion of our Joint Venture activity with the acquisition of industrial parks and development land in Norfolk, Virginia and Nashville, Tennessee, as well as a 2,615-unit Multi-family portfolio located in markets throughout the southeastern US. These transactions totaled \$563 million and each was with a foreign institutional partner. We are excited about the confidence our financial partners have placed in us and we look forward to continued growth in these relationships.

For 2020, Equus' development activities will continue to expand with plans to commence new office and industrial developments totaling \$125 million in build out value across four states. Our projects currently under construction include 528,000 SF of office space in the Ellis Preserve in Newtown Square, PA and the Knitting Mills in Wyomissing, PA, as well as 775,000 SF of industrial space in Raleigh, NC, Winchester, VA and Dillon, SC. Properties completed during the year include 1,100,000 SF of industrial space along the I-81 corridor in Shippensburg, PA and a 182-unit apartment community in Lansdale, PA.

Market conditions and real estate fundamentals remain favorable for investment activity. Continued positive job creation, economic expansion and accommodative Federal Reserve monetary policy each contributes to steady demand for commercial space. Historically low unemployment bodes well for residential demand. Migration trends, job creation and manageable supply additions in our targeted markets result in positive absorption and rental



Gateway at Legacy, Plano, TX

rate growth.

Notwithstanding the positive, certain risk factors exist. First, the length of the current business cycle raises questions about its duration and affects investor behavior. Second, 2020 being an election year will likely add uncertainty. When combined, these forces may impact owner and investor decisions as the year unfolds. We are confident, however, that Equus' investment strategy is structured to mitigate these risks through its focus on investing in urban in-fill, 18-24-hour cities with diversified and growing economies and amenity rich locations. Investments in these locales provide us with diversification and long-term value.

Please join me in welcoming and congratulating our six (6) new Partners. I am confident our succession plan positions Equus well for future growth.

Overall, Equus, under its tenured leadership and utilizing its direct operator model, remains well-positioned to capitalize on activity in the investment markets and manage the many risks associated with real estate investing.

As always, thank you for your support and best wishes for a Happy and prosperous New Year. ■

Equus Executes a 27,000 Square-Foot Lease Expansion with Splunk, Inc.

During the quarter, Equus Capital Partners, Ltd. ("Equus"), expanded a lease agreement with Splunk, Inc., a multi-national firm that produces software for searching, monitoring, and analyzing machine-generated big data, for an additional 26,988 square-feet of office space at Gateway at Legacy in Plano, TX. Splunk now occupies over 110,000 square-feet in the building.

Tyler Howarth and Jim Graham of Newmark Knight Frank negotiated the new lease along with Trey Smith and Lauren Napper of Cushman & Wakefield.

Since acquiring the property in December 2018, Equus quickly mobilized on its multi-million-dollar repositioning program and in just one year has brought the property from 40% occupancy at acquisition up to 95% as of year-end 2019.

Renovations are expected to be completed in 1Q 2020 on a hospitality style lobby, tenant lounge, the addition of a boutique fitness center, improved building signage, updated common area corridors, and an outdoor lounge area. ■

Dispositions

Knitting Mills' McDonald's Out Parcel,
Wyomissing, PA
Retail | 3,600 SF

Quadrant Willows,
Redmond, WA
Office | 248,041 SF

400 Chesterfield Pkwy,
Malvern, PA
Office | 23,123 SF

Bay Colony Executive Park,
Wayne, PA
Office | 247,294 SF

New Hires

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Christine Lambert, *Senior Paralegal*

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Andrew Slater, *Desktop Support Engineer*

Promotions

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Andrew Brookman, Esq., *Partner & Chief Compliance Officer*

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Daniel DiLella, Jr., *Partner & Senior Vice President*

Equus Capital Partners, Ltd.
Newtown Square, PA Office
George Haines, *Partner & Senior Vice President*

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Christopher Locatell, *Partner & Senior Vice President*

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Howard Patent, *Partner & Senior Vice President*

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Kyle Turner, *Partner & Senior Vice President*

Equus Completes Over \$138.4 Million in Sales During the Quarter

During the third quarter, Equus Capital Partners, Ltd. ("Equus"), completed three (3) office and one (1) retail property dispositions totaling over \$138.4 million.

The office properties sold included Quadrant Willows, a four-building office portfolio totaling 248,041 square-foot located in Redmond, Washington, a submarket of Seattle, 400 Chesterfield Parkway, a one-story, 23,123 square-foot office building located in Malvern, Pennsylvania, and Bay Colony Executive Park, a four-building Class A office park totaling 250,367 square-foot located in Wayne, Pennsylvania.

The retail property sold was the Knitting Mills' McDonald's Out Parcel totaling 3,600 square-foot located in Wyomissing, Pennsylvania. ■

Equus Capital Partners, Ltd.
Newtown Square, PA Office
John Forde, *Senior Vice President*

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Timothy Feron, *Vice President*

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Joseph Croll, *Enterprise Operations Manager*

Equus Capital Partners, Ltd.
Newtown Square, PA Office
Nicoletta DeSimone, *Acquisitions Manager*

Equus Capital Partners, Ltd.
Los Angeles, CA Office
Sammuel Schifman, *Associate*

2019 Awards

Equus Headquarters Building was awarded LEED Gold Certification

The Knitting Mills | Wyomissing, PA
Greater Reading Chamber Alliance's
Albert Boscov Award for Economic Development

The Knitting Mills | Wyomissing, PA
Greater Reading Chamber Alliance's
Building Berks Award for
Office Development of the Year

The Knitting Mills | Wyomissing, PA
Smart Growth Alliance of Berks County
Smart Growth Award

The Ellis Preserve | Newtown Square, PA
Delco Chamber of Commerce
Economic Development Award

AmeriHealth Caritas at Ellis Preserve |
Newtown Square, PA
The Philadelphia Business Journal's
Real Estate Deals of the Year
Best Suburban Lease

Gateway Centre I-III | Aurora, CO
Energy Star Certification

MetroWest | Naperville, IL
2019 Kingsley Excellence Award for Tenant Satisfaction

2019 Pennsylvania Apartment Association's Best of Living Awards:

Madison Providence | Collegeville, PA
Gold in Maintenance Excellence

Madison Ellis Preserve | Newtown Square, PA
Platinum in Leasing, Marketing & Web Engagement Excellence
Platinum in Community Presentation Excellence

Hill House Apartments | Philadelphia, PA
Gold in Maintenance Excellence
Silver in Community Presentation Excellence

Equus would like to thank the following brokers and their firms for helping us lease 452,890 SF in the 4th Quarter 2019:

▶ Arlington Group Real Estate, LLC (PA)	Mike Balitsaris
▶ Avison Young (MN)	Kate Gillette
▶ Avison Young (PA)	Paul French
▶ Benchmark Commercial Realty (TN)	Brian Taylor
▶ Blackacre Advisors, LLC (IL)	Don Wenig
▶ Cary Commercial Partners, LLC (NC)	Brian Patrick Donnelly
▶ CB Richard Ellis Raleigh, LLC (NC)	Joshual Austin Nagy
▶ CBRE (CO)	Melanie Davis and Bob Haines
▶ CBRE (PA)	Tara Buchakjian, Scott Gabrielson and Steve Gersbach
▶ CBRE (TX)	Fletcher Cordell and Jackie Marshall
▶ Colliers International (IL)	Dave Florent and Francis Prock
▶ Colliers International (MN)	Brandon Ciebell, Mike Gelfman, Tom Hoffman, Nat Karrick and Kevin O'Neill
▶ Commercial Associates, Inc. (NC)	Robin Joel Fleming, Jr.
▶ Cresa (GA)	Doug Wise
▶ Cushman & Wakefield (CO)	Nate Bradley
▶ Cushman & Wakefield (GA)	Greg Dickerson
▶ Cushman & Wakefield (MD)	Rick Farren and Megan Williams
▶ Cushman & Wakefield (TN)	John Ward
▶ Cushman & Wakefield (TX)	Natalie Bode, Travis Boothe, Lauren Napper, and Trey Smith
▶ Cushman & Wakefield (VA)	Todd Brinkman and Tom Walsh
▶ First Commercial Real Estate Advisors, LLC (NC)	Robert S. Dumler
▶ Fritsche Anderson Realty Partners (TX)	Margaret Ann Cook
▶ HTR Commercial, LLC (NC)	Robert Earl Ward, IV
▶ Jones Lang LaSalle (CO)	David Shirazi
▶ Jones Lang LaSalle (GA)	Liz Love
▶ Jones Lang LaSalle (MD)	Amanda Rosenthal
▶ Jones Lang LaSalle (NC)	Barry Fabyan, Charley Leavitt, Alexandra Mann and Chase Monroe
▶ Jones Lang LaSalle (PA)	Adam Shute
▶ Jones Lang LaSalle (VA)	Robert Shue
▶ Jones Lang LaSalle Brokerage, Inc. (WA)	Mark Flippo and Brent Jackson
▶ Keller Williams Chattahoochee North (GA)	Cravens Doggett
▶ Kidder Mathews (WA)	Aaron Kraft and Jordan Siek
▶ Kinzer Partners (WA)	Adam Brenneman
▶ NAI Brannen Goddard (GA)	David Beak and Stephen Pond
▶ Newmark Knight Frank (CA)	Armand Tiano
▶ Newmark Knight Frank (CO)	David Hart and Megan Davis
▶ Newmark Knight Frank (PA)	Patrick Nowlan
▶ Newmark Knight Frank (TX)	Jim Graham
▶ Newmark Knight Frank (WA)	Dan Harden and Joe Lynch
▶ RE/MAX Results (MN)	Douglas Harris
▶ Savills (MN)	Adam Mitchell
▶ Scheer Partners (MD)	Matt Brady and Andrew Davis
▶ Stream Realty (GA)	Simon Arpiarian, Steve DeVinney and Kevin Driver
▶ Stream Realty (TX)	Matt Asvestas and Brad Fricks
▶ Tactix (PA)	Kartik Patel
▶ Thad Davis (TX)	Thad Davis
▶ The Simpson Company (GA)	Jason Holland
▶ Trademark Properties, Inc. (NC)	Claiborne Manchester Lord
▶ Universal Realty, LLC (NC)	Mei Yuk Lam

Equus Capital Partners, Ltd.[®] is one of the nation's leading private equity real estate fund managers. Equus' diversified portfolio consists of office, multi-family, R&D, industrial, and retail properties located throughout the United States.

Philadelphia | Chicago | Washington, D.C. | Los Angeles | Raleigh | Atlanta

Acquisition Contacts

COMMERCIAL

East Coast / Texas

George Haines	215.575.2493
Daniel DiLella, Jr.	215.575.2352
Kyle Turner	215.575.2447
Joseph Felici	215.575.2313
Timothy Feron	215.575.2343

Midwest & Mountain States

Joseph Neverauskas	312.427.8740
Brant Glomb	312.673.3593

West Coast

Joseph Neverauskas	312.427.8740
Robert Butchenhart	310.725.8432
Samuel Schiffman	310.725.8433

MULTI-FAMILY – NATIONAL

Joseph Mullen	215.575.2429
Peter Naccarato	215.575.2305
Nicoletta DeSimone	610.355.3216

Disposition Contacts

COMMERCIAL

Christopher Locatell	215.575.2349
Mark Ledger	215.606.1828

MULTI-FAMILY

Peter Naccarato	215.575.2305
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Investor Relations

Joseph Nahas	215.575.2363
Scott Miller	610.355.3213

Capital Formation

Joseph Nahas	215.575.2363
Kyle Turner	215.575.2447

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