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**OAK INSTITUTIONAL CREDIT SOLUTIONS, LLC**  
A NATIONAL BRIDGE LENDING PLATFORM FOR INSTITUTIONAL INVESTORS

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# SECTION 1 | Executive Summary

## SECTION 1

### Executive Summary



Oak Real Estate Partners (the “Company” or “Oak RE Partners”) manages a vertically integrated, small-balance real estate credit solutions strategy that targets short-duration (12 - 18 months) commercial mortgage assets that are senior secured, first-lien and fully collateralized by high-quality income producing properties. These loans are typically provided on assets that are transitional or opportunistic in nature and used for the acquisition, renovation, or repositioning of commercial real estate. The Company utilizes institutional standards in all facets of the business which includes comprehensive credit underwriting and analysis of the sponsor, asset, market, and borrower’s business plan.

Oak RE Partners' leadership has extensive lending, asset management, servicing and workout experience. Over the past three decades, the management team has navigated through eight market cycles and successfully raised, deployed and exited more than \$10 billion in capital investments encompassing numerous debt structures and transactions.

## SECTION 1

### About Oak Real Estate Partners & Oak Institutional Credit Solutions, LLC

- **Industry Leader:** Oak RE Partners is evolving to become a leader in the national small-balance commercial real estate lending sector which is large, inefficient, highly fragmented and underpenetrated.
- **Seasoned Manager:** The Oak RE Partners' management team is comprised of senior capital markets and finance experts with extensive lending, asset management, servicing and workout experience. Our principals have completed more than \$25 billion worth of real estate financings over the past 35 years and successfully navigated eight market cycles.
- **Asset Overview:** Oak RE Partners selectively pursues senior position lending opportunities on income producing commercial real estate. We lend on core property types in primary markets, avoiding special use properties, and to seasoned real estate sponsors with significant equity contributions in each asset. We will consider single-tenant properties that have a long-term lease in place backed by solid financials — effectively, triple-net leases with contractual rent increases. These assets must be critical to the day-to-day lives of the communities we lend and the companies that operate within them.
- **Private Funds:** Oak RE Partners has successfully launched eight (8) private investment programs since 2017 with 23 assets going full cycle and achieving a weighted-average IRR (Internal Rate of Return) of approximately 25%+.\*
- **Current Offering:** Oak RE Partners seeks to raise capital for the \$500-million Oak Institutional Credit Solutions, LLC fund (\$200 million in equity with up to 60% leverage).
- **Investment Strategy:** The Oak Institutional Credit Solutions, LLC fund's strategy is designed to produce attractive current income and superior risk-adjusted total returns that exhibit low volatility and low correlation to traditional financial markets. Overall, investors benefit from a fully diversified real estate portfolio featuring high-quality loans, minimal historic default rates and long-term stability backed by real property as collateral.

\*Via Red Oak Capital Holdings, an Oak Real Estate Partners controlled affiliate company

## SECTION 2 | Asset Overview

## SECTION 2

### Lending Portfolio Characteristics

Oak RE Partners loan assets are structured to provide secure ownership and feature compelling characteristics for lenders and equity investors:

High Credit Quality	Primary Markets	High-Quality Assets	Strong Fund Financial Profile	Active Secondary Market
Primarily high credit quality tenants	Diversified area economic drivers	Triple-net leases	Five years of escalating AUM	Potential third-party loan buyers include institutional investment firms, pension plans, infrastructure funds and insurance companies.
Minimal historic losses and cancellations	Expansive potential tenancy base	Little to no operating expenses	Diversification across industries, property types, tenants and geography	Loan assets amenable to securitization
Critical to tenants' businesses	High barriers to entry for potential competing properties	Strong lender protection rights	GP / LP Alignment with considerable GP contributions	Broad base of senior refinance lenders
Strong sponsorship financials and experience	Substantial up-front costs for tenants	Strong ability to increase property NOI	Exit options starting in year 3	Multiple loan asset exit strategies

## CLOSED TRANSACTION

### Festival Village Shopping Center



<b>Loan Amount:</b>	\$9,650,000
<b>Loan Term:</b>	24 Months
<b>Primary Rate:</b>	8.50%
<b>Accrual Rate:</b>	3.00%
<b>LTV/Stabilized Value:</b>	57.96%

#### Description:

Loan collateralized by a neighborhood shopping center containing 56,921 sq. ft. of rentable area and situated on 6.99 acres in Roswell, GA.

The loan proceeds were used to re-tenant the center after vacancies incurred during the pandemic.

*\* Via Red Oak Capital Holdings, an Oak Real Estate Partners controlled affiliate company*



## CLOSED TRANSACTION

### GM-UAW Building



<b>Loan Amount:</b>	\$21,928,571
<b>Loan Term:</b>	24 Months
<b>Primary Rate:</b>	8.00%
<b>Accrual Rate:</b>	0.00%
<b>LTV/Stabilized Value:</b>	29.24%

#### Description:

Loan collateralized by an eight-story and a single-story Class "A" office compound containing 420,000 sq. ft. of rentable area situated on 19.69 acres, located in Detroit, MI.

The loan proceeds were used to acquire the property for \$34,000,000.

*\*Via Red Oak Capital Holdings, an Oak Real Estate Partners controlled affiliate company*

## CLOSED TRANSACTION

### Centennial Office



<b>Loan Amount:</b>	\$8,400,000
<b>Loan Term:</b>	12 Months
<b>Rate:</b>	11.25%
<b>LTV/Stabilized Value:</b>	68.86%

#### Project Description:

Loan collateralized by a two building, two-story multi-tenant office complex containing 59,549 sq. ft. of rentable area, located in Las Vegas, NV.

Loan proceeds were used to retire a maturing loan and provide the borrower time to pursue permanent financing.

*\*Via Red Oak Capital Holdings, an Oak Real Estate Partners controlled affiliate company*

## CLOSED TRANSACTION

### Panda Biotech Industrial



**Loan Amount:** \$8,160,000

**Loan Term:** 12 Months

**Primary Rate:** 8.00%

**Accrual Rate:** 2.00%

**LTV/Stabilized Value:** 48.00%

#### **Project Description:**

Loan collateralized by a two-building industrial complex containing 472,903 sq. ft. of rentable area situated on 91.10 acres, located in Wichita Falls, TX.

The loan proceeds were used to acquire and renovate the property for the borrower's company.

*\*Via Red Oak Capital Holdings, an Oak Real Estate Partners controlled affiliate company*

## SECTION 3 | Industry Overview



## SECTION 3

### Unique Market Opportunities | CREATING SUSTAINABLE EFFICIENCY

The small balance bridge lending industry presents a significant opportunity due to the market's high fragmentation and historic operating inefficiencies.

**The industry is challenged by:**

- Lack of best practices by management teams
- Lack of institutional level loan analysis and underwriting
- Lack of national lending platforms and experience
- Inability to execute on a cost-effective basis

#### Small Loan Balances



#### Highly Inefficient



#### Regional | Fragmentation



#### = Opportunity



*One way to hedge against inflation is to invest in commercial real estate.  
The small- to mid-balance CRE lending market in the U.S.  
presents a large, growing and underpenetrated market opportunity.*

## SECTION 3

### Financial Market Backdrop, Volatility Remains Elevated

#### Buckle Up

S&P 500 is off to its wildest start to a year since 2008

■ Percentage of days the S&P 500 has traded in a daily range of at least 1%



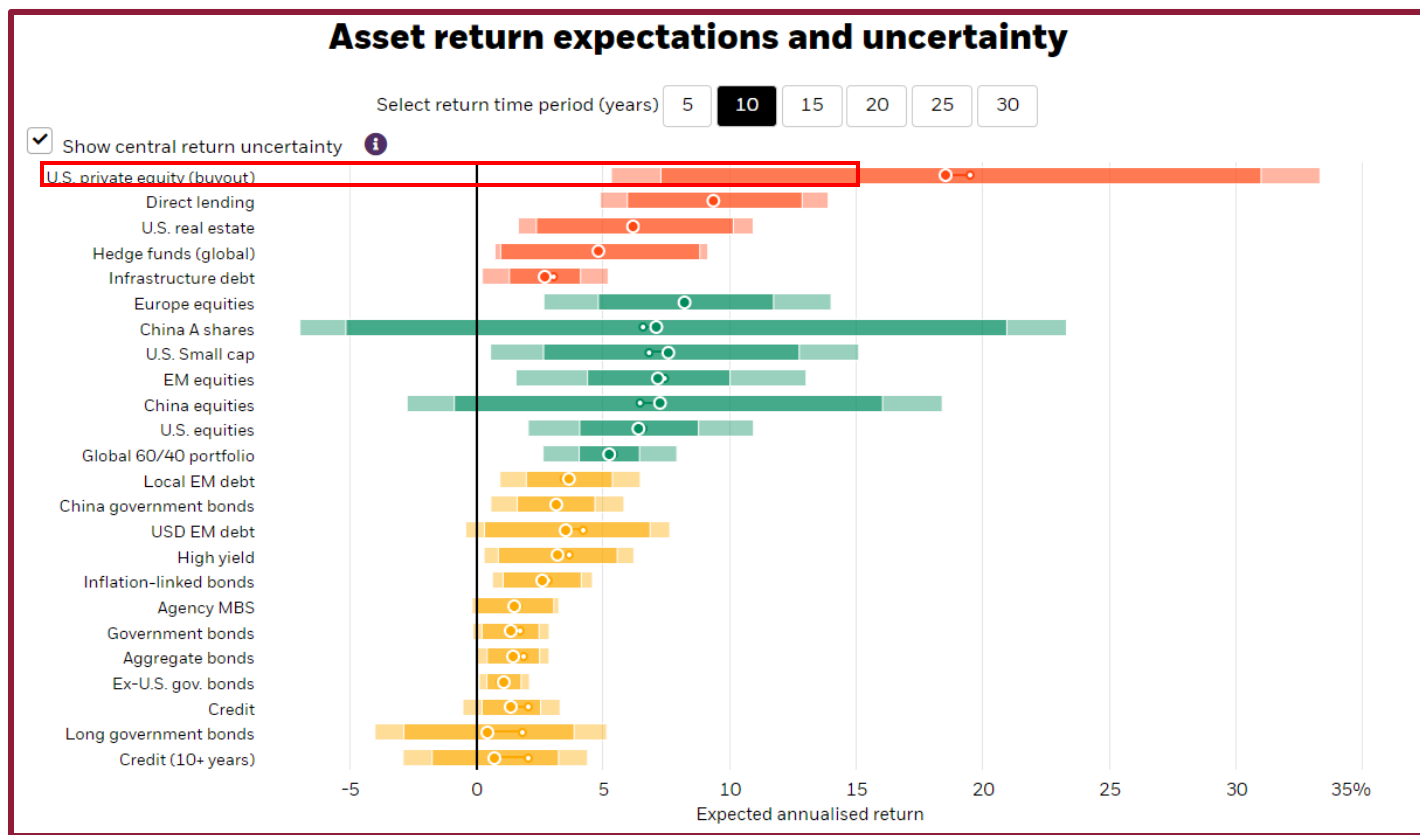
Source: Strategas Securities, LLC

Bloomberg

- Volatility will continue to be a theme for 2022 and into 2023
- Financial markets lack stability and certainty
- Volatility marked by large intra-day and day-over-day market moves.
  - In nearly 90% of the trading days this year, we have experienced a range of at least a 1.0% market move (**this figure hasn't been seen since the 2008 financial crisis**)

## SECTION 3

### Financial Market Backdrop, Capital Market Assumptions & Return Expectations



- Consensus reflects lower return expectations across various asset classes
- Some firms are anticipating negative real returns for certain asset classes
- It's widely anticipated that private debt will be among the best performing asset classes
- Alternative assets are expected to enhance diversification while delivering alternative sources of return

## SECTION 4 | Investment Strategy



## SECTION 4

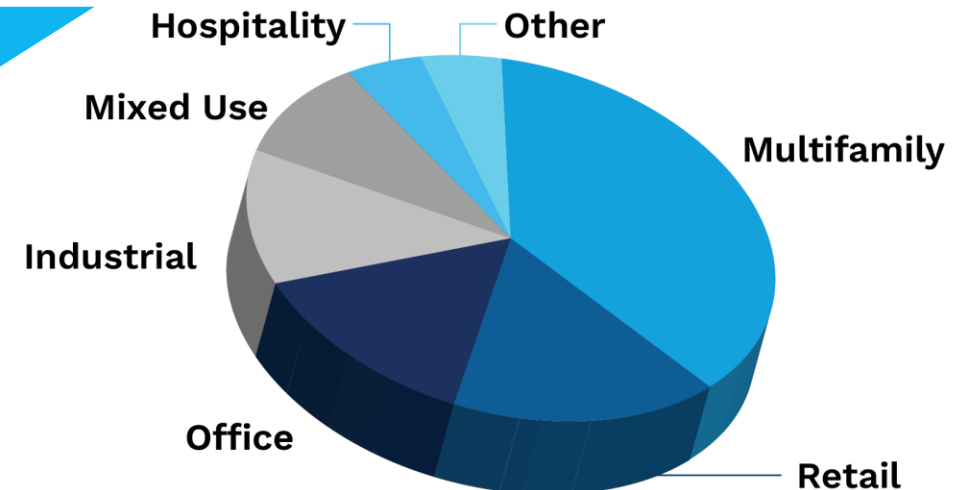
### Investment Strategy

<b>Asset Acquisition</b>	Oak RE Partners annually reviews more than \$4 billion of new lending opportunities, engages on over \$500 million worth of separate transactions and closes between \$100 million and \$200 million in lending opportunities on an annual basis.
<b>Fund Fulfillment</b>	The Fund will acquire approximately 50 to 75 loans on an annual basis. Investors benefit from the current property income, contractual loan term and extensions, warrants/exit fees, leverage and the aggregation premium from the resulting diversified portfolio.
<b>Exit Strategy</b>	The Fund can achieve its targeted returns through a variety of exit alternatives. There are a significant number of buyers/participants including, institutions and strategic hedge funds and insurance companies.

**Conversion Process Pipeline (annual)**



**Target Portfolio Composition**



## SECTION 5

### Risk Mitigation

- The volume of high-quality deal flow allows us to be extremely selective in the lending opportunities and assets we bring into the portfolio.
- The structuring and low loan-to-value (LTV) of 65%-75% provides a high margin of safety against the potential of capital impairment.
- The strategy is effectively diversified across geographical regions, industries and sectors, and property types (i.e., medical and commercial office, multi-family housing, self-storage, retail, industrial, multi-use, etc.).
- We hold interest and cash reserves of between six to 12 months in order to provide adequate debt servicing coverage protection.
- The short-duration of the loans mitigates risk across market cycles and serves to protect against the effects of inflation.

## SECTION 4

### Exit Strategy Alternatives

Fund assets are acquired and structured to be eligible for multiple exit opportunities

#### **Balance Sheet**

- Oak Real Estate Partners is structured as a balance sheet lender that can deliver a predictable income stream with significant upside potential.
- We actively participate (wholly or in part) and/or sell our loans when yield spreads can be achieved. When implemented, this process drives profits while taking advantage of our robust origination pipeline.
- Closed \$4 billion-plus worth of reviewed lending opportunities in 2021. On track to exceed \$5 billion in by year-end 2022.

#### **Participation / Asset & Portfolio Sales / Securitization**

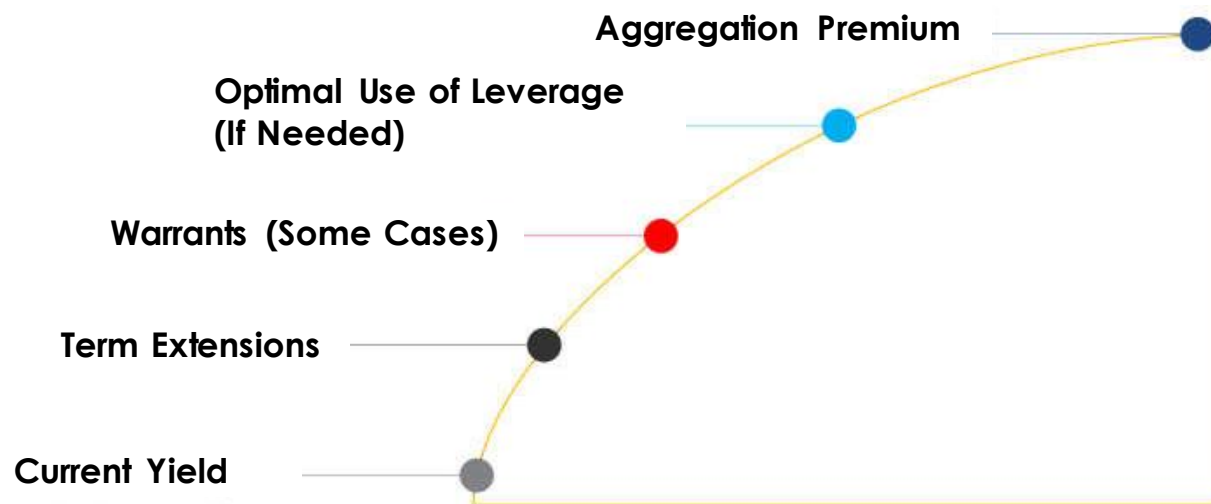
- Potential third-party buyers include institutional investment firms, pension plans, infrastructure funds, insurance companies.
- Over \$11 billion of Collateralized Loan Obligation ("CLO") securitizations have closed over the last 6 years.

## SECTION 4

### Exit Strategy Alternatives

#### Participation / Asset & Portfolio Sales / Securitization

- Potential third-party buyers include institutional investment firms, pension plans, infrastructure funds, insurance companies and tower companies.
- Over \$11 billion of select asset sales and collateral loan obligations have been completed over the last 6 years by some of the largest financial firms in the country.



## SECTION 5 | Investment Highlights

## SECTION 5

### Investment Highlights

The Fund is designed to provide a tax-advantaged, diversified real estate portfolio with attractive current income and superior risk-adjusted returns for investors seeking safety, security and reliable cash flow.

**Exceptional Diversification:** The Fund is expected to provide lending on loans of approximately \$2,000,000 to \$20,000,000 on real property assets that are well-diversified by geography, tenant mix, asset class, structure type, term and yield

**High Overall Returns:** The Fund targets a levered return of 10% to 12%+

**Alignment of Interest with Significant Managing Member Co-Investment:** Oak RE Partners will contribute a minimum of \$2.5MM of the total equity in the Fund.

**Low Volatility and Market Correlation:** The Fund is expected to own a diversified portfolio of senior-position mortgages consisting of stable, cash-flowing real estate properties located in primary and tertiary markets with low volatility and almost no correlation to broader market investments/asset classes

\* The referenced transactions are within ROCH Fund, an Oak RE Partners--controlled affiliate company with common management and shared services.

## SECTION 5

### Performance

Oak RE Partners has a successful 35-year track record of delivering strong returns to investors across 9 private investment vehicles.

23 Private investments have gone full cycle, with weighted average IRR to investors of ~25%+.

[1] "Full-Cycle Deal" means a loan that has been fully paid off or, in the case of foreclosed assets, there has been a complete disposition of the collateral. As a result, the following should not be viewed as an indicator of overall performance of the Sponsored Funds, ROCH or the Company and does not purport to present those loans currently held amongst the Sponsored Funds that are in various stages of workout and/or foreclosure. See "Additional Information" concerning how to obtain further information concerning portfolio assets of the Sponsored Funds.

Full-Cycle Deals <sup>[1] [3]</sup>	Property Type	Deal Size (\$)	Loan Closing	Exit Date	Targeted IRR	Realized IRR <sup>[2]</sup>
6338 West Desert Inn, LLC	Office Building	\$ 585,000	12/5/19	6/29/20	17.92%	26.85%
MCS Touch LLC	Office Building	\$ 1,385,000	8/8/19	11/2/20	17.96%	18.88%
4550 Real Estate LLC	Retail	\$ 1,728,000	4/30/19	8/13/20	16.98%	17.53%
Leveraged, LLC	Office Building	\$ 1,773,750	11/22/19	8/31/20	18.02%	26.43%
4400 Hunt PI NE, LLC	Multifamily	\$ 2,812,500	6/22/30	12/28/20	20.22%	28.85%
400 Chesapeake St SE LLC	Multifamily	\$ 2,918,854	11/6/20	2/1/21	18.95%	72.66%
The Hubbard Group, LLC	Office	\$ 1,550,000	12/27/18	4/8/21	16.67%	17.56%
Campbell Realty Investment Group, LLC	Multifamily	\$ 1,200,000	11/18/19	4/22/21	17.92%	19.69%
Red Oak Capital Fund II, LLC	Multifamily	\$ 2,831,250	3/26/19	4/30/21	18.08%	11.49%
Dynamic Property Holdings, LLC	Office Building	\$ 8,400,000	12/23/20	7/30/21	18.14%	22.29%
Mile High 3, LLC	Multifamily	\$ 3,350,000	7/27/20	7/27/21	18.14%	34.78%
Carpino Investments 2, LLC	Multifamily	\$ 1,500,000	7/22/20	10/18/21	19.31%	26.84%
Tapestry Cooper River, LLC	Senior Housing	\$ 2,500,000	5/29/20	11/9/21	19.30%	19.47%
DE Group Investment, LLC	Multifamily	\$ 1,725,000	6/16/20	12/15/21	23.70%	23.16%
M&M Iconic Venture, LLC	Office Building	\$ 21,928,571	10/29/20	12/21/21	18.25%	27.07%
Hazel Crest 3701, LLC	Senior Housing	\$ 2,700,000	2/28/20	12/27/21	19.44%	22.45%
Willow Run, LLC	Multifamily	\$ 1,730,000	3/19/21	12/31/21	19.64%	25.70%
4303-4313 Wheeler Rd SE, LLC	Multifamily	\$ 9,628,000	4/30/21	2/16/22	19.17%	24.30%
The Legacy Group Properties, LLC	Multifamily	\$ 2,000,000	4/24/20	3/22/22	20.80%	26.66%
4559 Benning Rd SE, LLC	Multifamily	\$ 6,775,000	3/26/21	4/6/22	15.00%	23.44%
Total Full-Cycle Deals		<b>\$ 79,020,925</b>	Weighted Average IRR		<b>18.39%</b>	<b>26.24%</b>

[2] "IRR" is the annual discount rate for which the net present value of all cash invested, and all cash received by the Company are equal to zero, as calculated using the XIRR function in Microsoft Excel. The IRR calculations are unaudited and are subject to change until all periods that include the investments' cash flows have been audited.

[3] The above table is provided for information purposes only. Past performance is not indicative of future returns.

[4] At the time of exit, the underlying property was owned by ROCH II.

# SECTION 6 |

## Oak Institutional Credit Solutions, LLC



## SECTION 6

### Key Terms & Structure Attributes

ISSUER	Oak Institutional Credit Solutions, LLC
OFFERING SIZE TARGET	\$500 million (\$200 million equity with up to 60% leverage). Approximately 100 to 150 assets.
INVESTOR QUALIFICATIONS	Accredited Investors
MINIMUM INVESTMENT	\$100,000 (Series A) / \$1,000,000 (Series B)
SERIES A	6% Preferred Return
SERIES B	6% Preferred Return
INTEREST PAYMENT	Quarterly in arrears: January 25, April 25, July 25, October 25
INVESTMENT PERIOD	Evergreen   Liquidity Starting Year 3
WATERFALL DISTRIBUTION	<p><b>Waterfall Distribution Priority:</b> Return of 100% of investor capital, plus an 8.0% (Series A) 8.5% (Series B) net hurdle rate</p> <p><b>Series A:</b> 60% to investors and 40% to Oak REP until investors have received a 10%+ IRR; thereafter, 40% to investors.</p> <p><b>Series B:</b> 80% to investors and 20% to Oak REP until investors have received a 12% IRR; thereafter, 40% to investors.</p>
AUDITOR / TAX	CohnReznick   K-1   May generate UBTI
REPORTING	Audited annual financials, semi-annual financial reporting, quarterly notices & portfolio snapshots
CREDIT FACILITY	May use credit facility up to \$300M
INVESTING	Existing cash-flowing commercial real estate in US and US Territories
VALUATION	In accordance with US GAAP; fair value will be audited annually
EXIT STRATEGY	Exit loans through third-party take-out financing; CMBS, life insurance company or traditional banking channels.
ANNUAL MANAGEMENT FEE	0.75% of investment capital (paid monthly)



# SECTION 7 | Management & Operations

## SECTION 7

### Sponsor Highlights






- **Industry Leader/Balance Sheet Lender:** Oak RE Partners is an industry leader and pioneer with over 10 years of operating history and 10 Funds going full term.
- **Proprietary Systems:** Oak RE Partners' investment in proprietary technology and systems has enabled demonstrable execution in a highly fragmented and inefficient market.
- **Robust Operating Infrastructure:** Oak RE Partners has seasoned employees and is headquartered in Grand Rapids, MI with offices in Irvine, CA and Charlotte, NC.

Headcount	Origination	Legal & Underwrit ing	Finance & Accounti ng	Asset Management	Closers	Executive	Tech	Other
HQ/Remotely	2	4	3	1	1	5	1	4
21 Total Oak RE Partners Personnel								

## SECTION 7

### Third-Party Partners

Third-party partners promote effective and efficient navigation of end-to-end core processes.

System Tools	Category	Functionality
	Legal / Securities Counsel	<ul style="list-style-type: none"> <li>• External counsel on securities and general business matters</li> <li>• Drafts and reviews organizational and offering documents</li> <li>• Advises on compliance with legal and regulatory requirements</li> </ul>
	Auditors	<ul style="list-style-type: none"> <li>• Independent auditor for Oak Institutional Credit Solutions and certain management entities</li> <li>• Tax advisor for Oak Institutional Credit Solutions</li> <li>• Advises on GAAP and accounting regulations within the scope of the audit function</li> </ul>
	Fund Administration	<ul style="list-style-type: none"> <li>• Fund administrator for Oak Institutional Credit Solutions</li> <li>• Provides accounting services and distributes investor statements and K-1s</li> <li>• Administers the Allvue online investor portal</li> </ul>
	Investor Portal	<ul style="list-style-type: none"> <li>• Third party online investor portal partnered with Trident</li> <li>• Provides centralized interface for investors to access documents and statements</li> <li>• Independent company backed by Vista Equity Partners</li> </ul>
	Proprietary Origination & Underwriting Platform	<ul style="list-style-type: none"> <li>• In-house proprietary underwriting software platform</li> <li>• Currently utilized as the investor portal for the Red Oak Funds</li> <li>• Will be ex-boarded as a portal beginning in 3Q in favor of the Great Lakes platform</li> </ul>

## SECTION 7

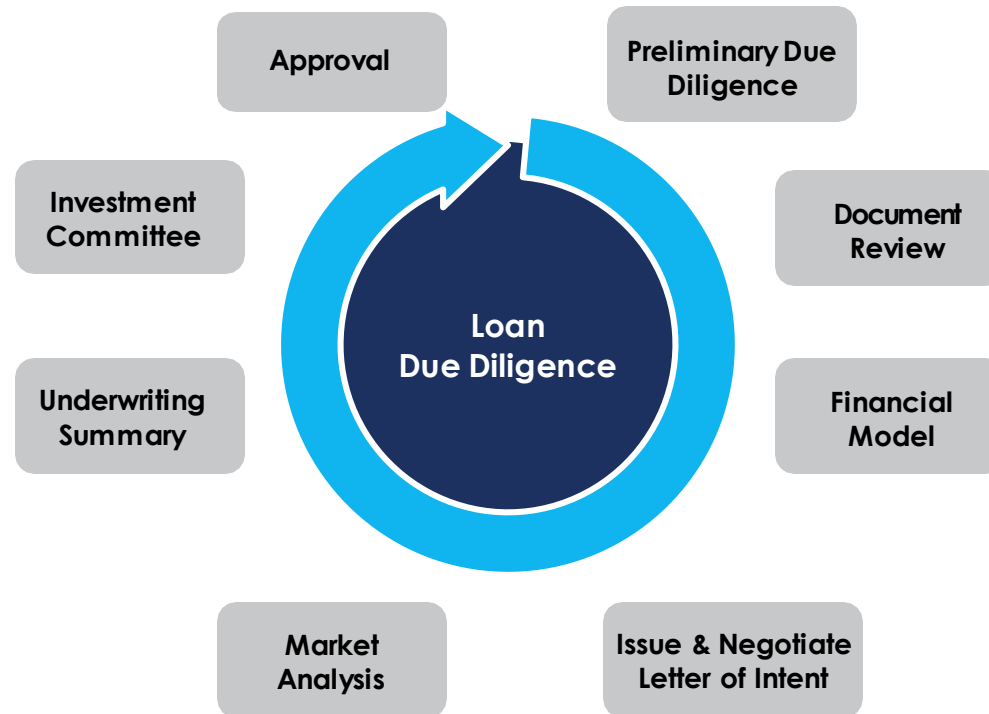
### Investment Process



## SECTION 7

### Underwriting and Due Diligence

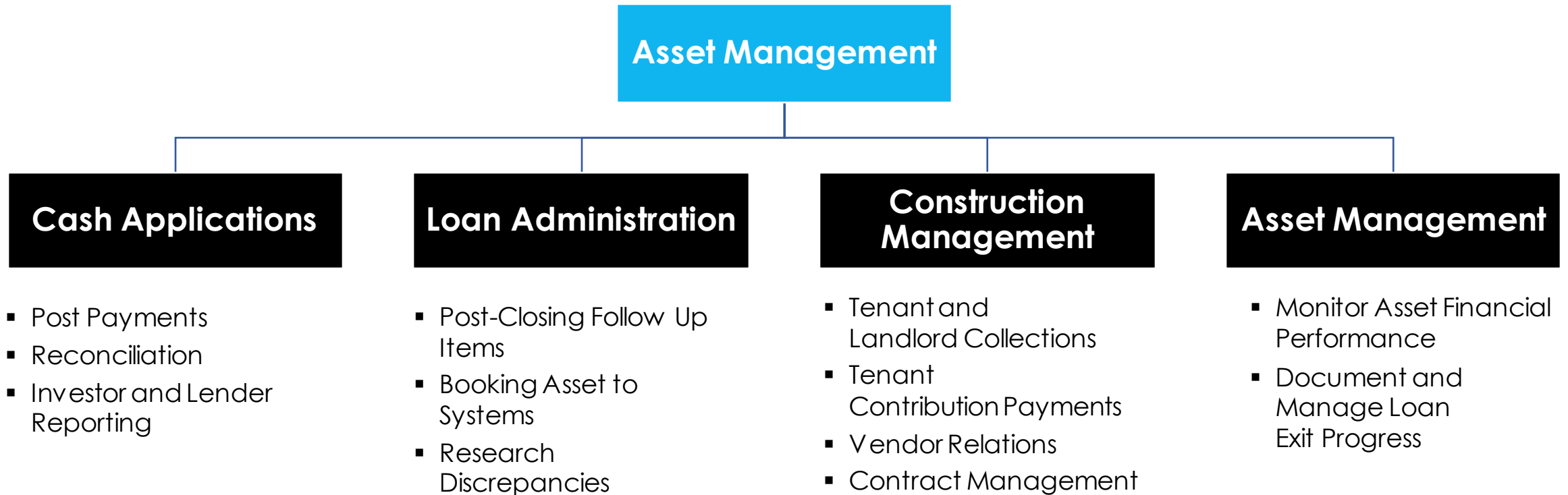
Oak RE Partners utilizes proprietary systems, policies and procedures developed specifically for its business. A deal team, consisting of an analyst, underwriter, processor and closer, is assigned to each transaction. Each deal is underwritten utilizing pre-defined terms and proprietary templates while the closing department begins processing the transaction and conducting due diligence. Each loan is reviewed by the Oak RE Partners Investment Committee on an investment-by-investment basis, requiring unanimous consent to proceed to closing.



## SECTION 7

### Asset Management

With over 25 years of average industry experience, the team has developed tremendous expertise in performing all asset management functions.



## SECTION 7

### Leadership Team

Decades of combined real estate and real property capital markets experience.

Name	Title	Industry Years	Previous Experience Highlights
Gary Bechtel	CEO & Co-Founder	36	<ul style="list-style-type: none"> <li>President, Money360</li> <li>Chief Lending Officer, Business Partners, LLC</li> <li>Senior Vice President, Capital Markets, Grubb &amp; Ellis</li> </ul>
Paul Cleary	President & COO	25	<ul style="list-style-type: none"> <li>Senior Loan Originator, Parkview Financial</li> <li>COO, Money360</li> <li>EVP – Loan Production, Cherrywood Commercial Lending</li> </ul>
Thomas McGovern	CFO	20	<ul style="list-style-type: none"> <li>Interim CFO, Veronica's Insurance</li> <li>Executive Director, Nomura</li> <li>Vice President, Financial Institutions Group, Investment Banking, RBC Capital Markets</li> </ul>
Raymond Davis	Chief Strategy Officer	25	<ul style="list-style-type: none"> <li>Managing Principal, Archon Capital</li> <li>Principal Consultant, Corporate Forensics Advisory</li> <li>Senior Managing Director, Jadda Capital Management</li> </ul>
Brook Scardina	Capital Markets & Investments	22	<ul style="list-style-type: none"> <li>Head of Institutional Consulting, Crescent Wealth Advisory</li> <li>Managing Director - Investment Strategy, Risk &amp; Operations, Georgia Tech Foundation</li> <li>Vice President &amp; Manager, UNC Management Company</li> </ul>



# CONTACT INFORMATION

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