



ORIGIN
INVESTMENTS

121 W Wacker, Suite 1000 P 800 628 8008
Chicago, IL 60601 F 312 337 7380

www.origininvestments.com



Origin Growth Fund IV Calculation of Net Asset Value and Valuation Standards

Jan. 1, 2023

The Fund has adopted valuation procedures, as may be amended from time to time, that contain a comprehensive set of methodologies to be used in connection with the calculation of the Fund's net asset value ("**NAV**"). To calculate NAV, the Fund has adopted a model, as explained below, which adjusts the value of certain of Fund assets from historical cost to fair market value. As a result, the Fund's NAV may differ from the amount reported as equity on the Fund's financial statements. When the fair value of Fund assets and liabilities are calculated for the purposes of determining NAV per Unit, the calculation is done using widely accepted methodologies. However, the Fund's valuation procedures and NAV are not subject to GAAP, and, although the Manager believes that the Fund valuation methodologies are consistent with standard industry principles, there is no established practice among private real estate funds (or public REITs, whether listed or not), for calculating NAV to establish a purchase and redemption price. As a result, other funds may use different methodologies or assumptions to determine NAV.

The real property portfolio valuation, which is the largest component of the Fund's NAV calculation, is completed by the Manager's internal valuation team ("**Valuation Team**") each quarter. The foundation for this valuation is periodic independent appraisals; however, each quarter the valuation team adjusts a real property's valuation, as necessary, based on known events that have a material impact on the most recent value (adjustments for non-material events may also be made). For example, an unexpected termination or renewal of a material lease, a material change in vacancies, an unanticipated structural or environmental event at a property or material capital market events, among others, may cause the value of a property to change materially.

Using information derived from a variety of sources including, but not limited to, a property's most recent independent appraisal, information from management, industry data and other sources, the Valuation Team determines the appropriate adjustment to be made to the estimated value of the property based on material events, which may include a change to underlying property fundamentals or cash flows or a change in overall market conditions. The Valuation Team collects reasonably available material information that it deems relevant in valuing the Fund's real estate portfolio, including, but not limited to (i) historical and projected operating revenues and expenses of the property; (ii) lease agreements on the property; and (iii) information regarding recent or planned capital expenditures; and (iv) transactions of comparable properties. Any adjustment to the valuation of a property is performed as soon as practicable after a determination that a material change with respect to such property has occurred and the financial effects of such change are quantifiable by the Valuation Team. However, rapidly changing market conditions or material events may not be immediately reflected in the Fund's quarterly NAV. Any such adjustments are estimates of the market impact of material events to the value of the property, based on assumptions and judgments that may or may not prove to be correct, and may also be based on limited information readily available at that time.

The primary methodology used to value properties is the income approach, whereby value is derived by determining the present value of an asset's stream of future cash flows (for example, discounted cash flow analysis or direct capitalization of projected Net Operating Income). Consistent with industry practices, the income approach incorporates subjective judgments regarding comparable rental and operating expense data, the capitalization or discount rate, and projections of future rent and expenses based on appropriate evidence. Other methodologies that may also be used to value properties include sales comparisons and replacement cost approaches. Because the property valuations involve significant professional judgment in the application of both observable and unobservable attributes, the calculated value of the Fund's real property assets may differ from their actual realizable value or future appraised value. The Fund's real estate portfolio valuation may not reflect the liquidation value or net realizable value of its properties because the valuations involve subjective judgments and do not reflect any transaction costs

the Fund might incur to dispose of its real estate assets. However, as discussed below, in some circumstances such as when an asset is anticipated to be acquired or disposed, the Valuation Team may apply a probability-weighted analysis to factor in a portion of potential transaction costs in the NAV calculation.

In conducting its investigation and analyses, the Valuation Team considers customary and accepted financial and commercial procedures and considerations as it deems relevant; however, the Valuation Team assumes and relies upon the accuracy and completeness of all information supplied or otherwise made available to it by any third party and does not undertake any duty or responsibility to verify independently any of such information. Operating or financial forecasts are reasonably prepared by the Valuation Team in good faith on bases reflecting the best currently available estimates and judgments of the Valuation Team. In performing its analyses, the Valuation Team makes numerous other assumptions with respect to industry performance, general business, economic and regulatory conditions, and other matters, many of which are beyond the Fund's and its Manager's control, as well as certain factual matters.

The Valuation Team's valuations are based upon market, economic, financial, and other circumstances and conditions existing at or prior to the valuation, and any material change in such circumstances and conditions may affect the analysis, opinions, and conclusions of the team. Additionally, the Valuation Team's reports may contain other assumptions, qualifications and limitations that qualify the analysis, opinions and conclusions set forth therein. The prices at which the Fund's real estate properties may be sold could differ from the Valuation Team's analyses. The Valuation Team's valuation reports are not addressed to the public and may not be relied upon by any other person to establish an estimated value of the Fund's NAV and will not constitute a recommendation to any person to purchase or sell any interest in the Fund.

Please also refer to the Valuation Methodology of Fully Entitled Developments within the attached appendix for additional information.

Property Appraisals

Periodic real property appraisals serve as the foundation of the Valuation Team's quarterly real property portfolio valuation. The overarching principle of these appraisals is to produce valuations that represent fair and accurate estimates of the unencumbered values of the Fund's real estate or the prices that would be received for the Fund's real properties in arm's-length transactions between market participants before considering underlying debt. The valuation determined by the Valuation Team may not always reflect the value at which the Fund would agree to buy or sell such assets and the value at which the Fund would buy or sell such assets could materially differ from the Valuation Team's estimate of fair value.

Each individual appraisal report for Fund assets is addressed solely to the Fund and its Manager to assist the Valuation Team in providing its real property portfolio valuation. The Fund obtains ongoing appraisals pursuant to schedules prepared by the Valuation Team. To provide a smooth and orderly appraisal process, the Fund seeks to have approximately 1/3rd of the portfolio independently appraised by a third party each year.

Appraisals are reviewed, approved, and signed by an individual with the professional designation of MAI (Member of the Appraisal Institute). The Valuation Team is involved with the appraisal process, but other independent valuation firms ("Appraisal Firms") are engaged to provide appraisals for the Fund's properties. The Valuation Team confirms the reasonableness of the appraisal before reflecting any valuation change in its valuation of the Fund's real property portfolio. Real estate appraisals are reported on a free-and-clear basis (for example, no mortgage), irrespective of any property-level financing that may be in place. Such property-level financings ultimately are factored in and do reduce the Fund NAV in a manner described in detail below.

Joint Ventures

Investments in joint ventures that hold properties are valued by the Valuation Team in a manner that is consistent with the procedures described above, considering the size of the Fund's investment in the joint venture, the assets owned by the joint venture, the terms of the joint venture including any promotional interests, and other relevant factors.

Valuation of Other Assets

Other assets include cash and cash equivalents and accounts receivable. Estimates of the fair values of other assets are determined using widely accepted methodologies and, where available, based on publicly available information.

Valuation of Liabilities

The Fund will include an estimate of the fair value of its liabilities as part of the NAV calculation. These liabilities will include, but may not be limited to, fees and reimbursements payable to the Manager and its affiliates, accounts payable and accrued expenses, property-level mortgages, Fund-level credit facilities and other liabilities. Estimates of fair value for property-level mortgages and corporate-level credit facilities, will be prepared by the Valuation Team. Costs and expenses incurred to secure such financings at the fund level are amortized over the life of the applicable loan.

NAV and NAV per Share Calculation

The Fund's NAV per Unit is calculated as of the last calendar day of each quarter and is available generally within 25 calendar days after the end of the applicable month. The number of outstanding units used to determine the NAV per Unit is calculated by a third-party fund administrator. Changes in the Fund NAV reflect factors including, but not limited to, unrealized/realized gains (losses) on the value of the Fund's real property portfolio, real estate-related assets and liabilities, and quarterly accruals for income and expenses (including accruals for performance-based fees, if any, asset management fees and acquisition fees) and distributions to investors. The Fund's most significant source of net income is property income. For purposes of determining the NAV, the Fund includes all property and fund-level income and expenses for the applicable quarter. Inherent in these amounts is the use of estimates, and such estimates are reconciled against actual results when available, with any variances incorporated into the following quarter's NAV. For the purpose of calculating the Fund NAV, all organization and offering costs reduce NAV as part of the fund-level expenses. Following the calculation and allocation of changes in the Fund NAV as described above, the NAV is adjusted for accrued dividends that are currently payable, to determine the quarterly NAV. The NAV per Unit is calculated by dividing the NAV at the end of each quarter by the number of Units outstanding on such day.

Probability-Weighted Adjustments

In certain circumstances, such as in an acquisition or disposition process, there may be a contingency or contingencies that could impact the value of the Fund's assets, liabilities, income, or expenses for purposes of the NAV calculation. For example, the Fund or one of its subsidiaries may be a party to an agreement to sell a property at a value different from that used in the current NAV calculation. The same agreement may require the buyer to assume a related mortgage loan with a fair value that is different from that used in the current NAV calculation. The transaction may also involve costs for brokers, transfer taxes, and other items upon a successful closing. To the extent such contingencies may affect the value of a property, the Valuation Team may take such contingencies into account when determining the value of such property for purposes of the NAV calculation. Similarly, other components of the NAV (such as the carrying value of Fund liabilities or expense accruals) may be adjusted for purposes of the NAV calculation. These adjustments may be made either in whole or in part over a period of time, and the Valuation Team may consider (a) the estimated probability of the contingencies occurring and (b) the estimated impact to NAV if the contingencies were to occur when determining the timing and magnitude of any adjustments to NAV.

Review of and Changes to Our Valuation Procedures

At least once each calendar year the Manager reviews the appropriateness of the Fund's valuation procedures. From time to time the Manager may adopt changes to the valuation procedures if it (1) determines that such changes are likely to result in a more accurate reflection of NAV or a more efficient or less costly procedure for the determination of NAV without having a material adverse effect on the accuracy of such determination or (2) otherwise reasonably believes a change is appropriate for the determination of NAV.

Limitations on the Calculation of NAV

The largest component of NAV consists of real property investments and, as with any real estate valuation protocol, each property valuation is based on a number of judgments, assumptions or opinions about future events that may or may not prove to be correct. The use of different judgments, assumptions or opinions would likely result in a different estimate of the value of the Fund's real property investments. Although the methodologies contained in the valuation procedures are designed to operate reliably within a wide variety of circumstances, it is possible that in certain unanticipated situations or after the occurrence of certain extraordinary events, the Fund's ability to implement and coordinate the NAV procedures may be impaired or delayed, including in circumstances where there is a delay in accessing or receiving information from vendors or other reporting agents. The Manager may suspend the Fund's offering and the Unit repurchase program if it determines that the calculation of NAV may be materially incorrect or there is a condition that restricts the valuation of a material portion of Fund assets.

VALUATION METHODOLOGY FOR FULLY ENTITLED DEVELOPMENTS

The process of periodically determining the value of assets within the portfolio is essentially the same process we perform in our initial evaluation of the opportunity.

The primary methodology used to value properties is the income approach, whereby value is derived by determining the present value of an asset's stream of future cash flows (for example, discounted cash flow analysis or direct capitalization of projected Net Operating Income). Consistent with industry practices, the income approach incorporates subjective judgments regarding comparable rental and operating expense data, the capitalization or discount rate, and projections of future rent and expenses based on appropriate evidence.

For assets that are not currently stabilized, we are projecting out future cash flows, including residual value, to stabilization and applying a discount rate to determine current value.

Other methodologies used to value properties include sales comparisons and replacement cost approaches. Data from similar asset sales and the cost for new competitors to enter provide a cross-check against the value of the Fund's assets upon stabilization / full occupancy.

We actively monitor submarket fundamentals (rents, concessions, occupancy, absorption trends) and transactions (sale prices, capitalization rate trends, debt markets) to develop our assumptions of future cash flow and stabilized residual value.

Our current investments were made via joint ventures with a development partner. These investments are valued in a manner that is consistent with the procedures described above, considering the size of the Fund's investment in the joint venture, and the terms of the joint venture including any promotional interests, and development partner put rights (sell its interest to the Fund).

The value of an un-improved land site is primarily a function of the future cash flow and residual value of a completed and stabilized property. Changes in market fundamentals, which serve as inputs to the discounted cash flow analysis, could support appreciation in the land value prior to the completion of construction. Where transactions for developable land with similar profiles to our projects can be determined, we may decide to make conservative upward adjustments to land value.

The costs of securing construction and permanent financing, inclusive of the periodic payment of interest and repayment of principal, is considered in the valuation of property level net asset values. As such the discounted cash flow analysis utilizes discount rates which reference levered discount rate / IRRs observed on numerous similar transactions in the marketplace.

Differential rates to discount different elements of the cash flow according to their risk profile is considered. As a project progresses through the development process, the investment risk is mitigated, as such, the discount rate applied to future cash flows will compress over time. The discount rate (IRR) is at its highest at the commencement of construction, but as uncertainty around both completion schedule and cost are removed, the discount rate will decline as the investment de-risks.

The discount rate will decline further as the project advances through lease-up to stabilization. We track numerous transaction data points around discount rates/IRRs for both development risk and stabilized assets; however, there is a more subjectivity applied to the phases between the start of construction through leasing to stabilization.

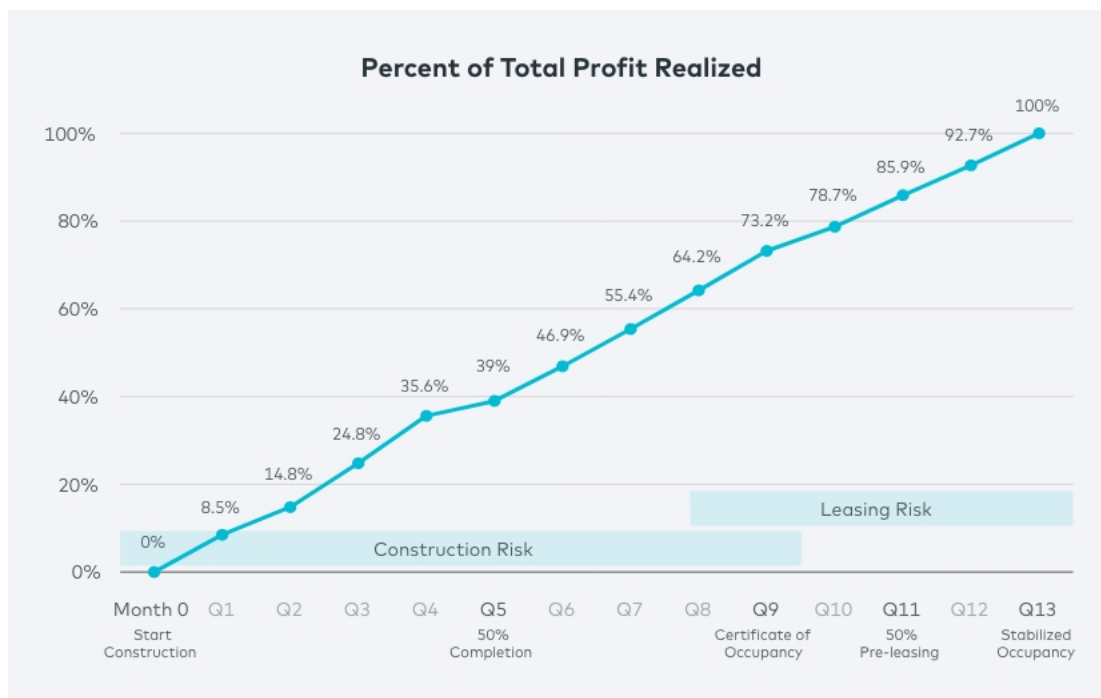
The levered discount rates applied to the different phases of the development life cycle are summarized below:

- **Commencement of Construction through 50% Completion:** 10 percentage point increase over stabilized discount rates; (additional value may be considered based on substantiated land value increases)
- **Fifty Percent Completion to Substantial Completion/Certificate of Occupancy:** 600-800 basis point spread over stabilized discount rates
- **Substantial Completion/Certificate of Occupancy to 50% Pre-Leasing:** 300-500 basis point spread over stabilized discount rates
- **Fifty Percent Pre-leasing to Stabilization:** 100-200 basis point spread over stabilized discount rates.

The chart below provides an illustration of how the projected profit at stabilization is recognized throughout the development process by utilizing this methodology. The amount of gain recognized each quarter will vary by

investment; however, this illustration provides an approximation of how appreciation in value will be recognized prior to stabilization.

Assuming a hypothetical \$10 million equity investment, and a profit of 72% at stabilization, the investment would appreciate to \$12.8 million at 50% construction completion (39% of the total 72% profit is recognized), \$15.3 million upon receipt of the certificate of occupancy, and \$17.2 million at stabilization (recognition of entire projected profit). The investment value will change monthly within these milestones.



The Fund will include an estimate of the fair value of its liabilities as part of the NAV calculation. These liabilities will include, but may not be limited to, fees and reimbursements payable to the manager and its affiliates, including estimated accruals for performance fees that would be due if the Fund were to liquidate at the time of such determination, accounts payable and accrued expenses, property-level mortgages, Fund-level credit facilities and other liabilities. Estimates of fair value for property-level mortgages and corporate-level credit facilities will be prepared by the Valuation Team.

A sensitivity analysis is undertaken to inform the valuation and is used to evaluate how different combinations of inputs, perhaps optimistic and pessimistic views of the economy, market fundamentals, or specific asset performance can affect the valuation. Taking this analysis of risk further, it is possible to assign probabilities to the various scenarios and combine these probabilities over multiple runs. Note that all these risk analysis techniques rely on our informed assumptions concerning the distribution around the best estimate of each input and any relationships or correlations between the inputs.