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[TD AMERITRADE.com](http://TDAMERITRADE.com)

TD AMERITRADE Approves KPP Distressed Fund as Non- Standard Asset (NSA) which may be purchased through their platform into investor IRA accounts

Investors now wishing to invest their retirement funds into KPP Distressed Fund, LLC may now do so via TD Ameritrade. TD Ameritrade provides IRA custodian services for those wishing to invest in non-standard assets such as private equity funds that invest in real estate.

For more information on this service provided by TD Ameritrade please visit their website.

Some benefits of owning private equity real estate funds as part of any well-diversified retirement portfolio are:

- **Income that is predictable and consistent has a stabilizing effect on portfolio performance:** Rental income is typically predictable thus earnings on real estate are rather stable and safe over the long-term.
- **Long-term real estate appreciation depends on location:** Return on real estate comes from value growth over time, due mainly to location

location, location!

- **Real Estate as an inflation hedge:** Real estate usually rises in value along with inflation. Real Estate provides partial protection against rising prices.
- **Properties must be appraised:** Given the illiquid nature and unique aspect of real estate assets, investments in real estate must be assessed by experts on a periodic basis.
- **Interest rates play a crucial role:** When interest rates are low financing for real estate acquisitions are cheap, and above-average returns can be generated. When the rates go up, earnings go down. Real estate may thus react to changes in interest rates the same way bonds do.



KPP Realizes over a 20% IRR on a Recent NYC Transaction.

One of KPP's affiliates closed on a residential property held at the Trump Place at 120 Riverside Blvd in New York City. KPP has been repositioning assets away from the luxury real estate housing segment to NYC rent-stabilized units. Rent-stabilized units provide downside protection against falling rental prices, low vacancy rates of under 3%, and predictable stable annual increases in rental income.

This unit was sold in mid-December, 2009 for \$1,650,000 to realize a 21.2% IRR over a 3-and-a-half year holding period. Michael Mikelic, the Fund Manager of KPP Distressed Fund, also served as Treasurer at 120 Riverside Blvd and now plans to sell-off all remaining assets in the building as he will resign from his position effective year end 2009.



KPP's Affiliate Under Contract To Sell NYC Self- Storage Space

KPP owns most of the storage in the basement of the Trump Place building at 120 Riverside Blvd in New York City. These units were purchased from the building sponsor at the end of 2006. KPP was able to leverage their good relationship with the developer to purchase these units at a large bulk discount to current asking market rates. KPP now in agreement to sell these units for over \$700,000. KPP expects to close on this transaction in early 2010 to realize over a 10% IRR. KPP used no leverage on this transaction and plans to invest the proceeds into NYC based rent-stabilized units.

KPP Monitored Transaction - Harlem Package Deal



This Harlem package deal located on the west side of Harlem contains 42 rent-stabilized residential units and 5 commercial retail units.

KPP would purchase this package deal from another buyer already under contract for \$3,750,000 but unable to close on this attractive opportunity. Such a purchase would represent well over an 8% cap rate and under a 7x GRM on actual income.

KPP also believes that this trade area of Manhattan offers great upside and will appreciate in market value much stronger over the next 6 year period vs. other areas in the 5 boroughs of NYC.

**Sincerely,
HAPPY HOLIDAYS!**

**From The Management Team
King Penguin Properties**