

PREP Securities is registered with the Securities and Exchange Commission as a broker-dealer. This Customer Relationship Summary or CRS is designed to help you understand the services that we offer. The services (and fees) that we offer are different than traditional brokerage or investment advisory services and it is important for you, the retail investor, to understand the differences.

In addition to what you find herein, free and simple tools are available to research firms and financial professionals at www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

PREP Securities is the broker-dealer affiliate of PREP Property Group, a sponsor of real estate investment programs. PREP Securities does not offer traditional brokerage services or investment advisory services. At this time, PREP Securities only serves as an outlet for securities sponsored by its affiliate, e.g., real estate investment programs or private placements. PREP Securities does not offer or provide recommendations for your typical stocks, bonds or mutual funds and does not offer financial planning, investment advisory or monitoring services.

If we believe that an investment in a PREP-sponsored program is appropriate for you, we will make that recommendation. However, you should understand that PREP-sponsored investment programs are all that PREP Securities offers. You must seek out full-service financial planning, investment advisory, investment monitoring or traditional brokerage services from another source.

When we do make a recommendation to you, we must act in your best interest at the time the recommendation is made, without placing our financial or other interest ahead of your interests. You can find additional information about Regulation Best Interest (Reg. BI) on the SEC's website at www.sec.gov/info/smallbus/secg/regulation-best-interest.

The securities offered by PREP Securities are generally private placement offerings that are unregistered or exempt from registration under federal and state securities laws. Each investment program will have a Private Placement Memorandum or PPM disclosure document that goes into detail about the particular investment offering, including its risks, suitability and investment minimums. There is a risk that you may lose some or all of your investment and you must understand that private placement investments are generally illiquid, meaning that you cannot sell the investment or withdraw your money. You must generally be an "Accredited Investor" in order to qualify to invest in private placement offerings sponsored by PREP. You should always receive, read and understand the PPM and other offering materials and also understand the investment you are making. If you do not understand, do not make the investment.

Conversation Starters:

How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

What fees will I pay?

PREP Securities does not charge separate fees to its retail customers. However, each investment program has a multitude of fees and expenses associated with the investment that are earned by affiliates of PREP Securities. Those fees and expenses are explained in detail in the PPM for each investment and present a natural conflict of interest between PREP and you.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Please refer to the MANAGEMENT COMPENSATION section of the PPM for the investment that you are considering.

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Conversation Starter:

Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when providing recommendations? How else does your firm make money and what conflicts of interest do you have?

When we provide you with a recommendation, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations we provide you. Here are some examples to help you understand what this means: *Our salespersons earn commissions on sales. We offer only proprietary products, i.e., those created and advised by our affiliates. Our affiliates earn substantial fees as the sponsor and manager of the investment programs offered by PREP Securities.*

Conversation Starter:

How might your conflicts of interest affect me, and how will you address them?

Your salesperson's interest in earning a commission is a conspicuous conflict that may cause the salesperson to make a recommendation that is not in your best interest. PREP Securities only offers proprietary products, i.e., products sponsored by its affiliates, for which its affiliates earn substantial fees that are paid from your investment and necessarily diminish your investment return. The firm does not offer any additional services such as investment monitoring or comprehensive financial planning, which services may be in your best interest to obtain. Because we believe that conflicts such as these are unavoidable and at the core of our relationship with you, we address them by this disclosure and invite your inquiry. Moreover, we urge you to carefully read the PPM and other offering materials and assure yourself that the investment is in your best interest and suits your investment objectives and that you understand the risks, liquidity limitations and investment time horizon.

How do your financial professionals make money?

PREP Securities' retail customers generally purchase share classes with no up-front commission included in the investment offering. However, some share classes do have a distribution fee that is subtracted from distribution payments to investors. PREP Securities may also receive payments from affiliates that are used to provide your salesperson transaction-based compensation. This sales commission presents a direct conflict of interest; your salesperson gets paid a cash incentive when you make a purchase. PREP Securities employees and financial professionals also receive salaries and bonuses that are derived from the larger PREP organization, which necessarily includes revenue related to the proprietary investment products that are recommended to you.

Conversation Starter:

As a financial professional, do you have any disciplinary history? For what type of conduct?

Do you or your financial professionals have legal or disciplinary history?

No for our firm. Yes for certain financial professionals. We encourage you to visit www.investor.gov/CRS for a free and simple search tool to research your financial professionals and their firms.

Conversation Starters:

Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?

Information about a particular investment and its fees can be found in the PPM or offering materials for that investment. Please read and understand the PPM before making an investment. You can request up-to-date information and a copy of this relationship summary by calling our office at 833-696-7737.