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OFFICE NEWS

Introducing Our Equity Ownership Plan: As we reflect on another year of growth and progress, we’re excited to announce a significant milestone for our firm: the launch of our equity ownership plan. For the first time in our history, we’ve begun to equitize the business, providing all full-time employees with the opportunity to become stakeholders in the future of our firm.

This initiative is more than just a financial structure—it’s a long-term succession plan designed to foster a new generation of leaders within our organization. By empowering our team to share in the enterprise value they help create, we’re strengthening the alignment of incentives across employees, the firm, and most importantly, our clients.

We’ve always sought to build deep, multigenerational relationships with our client families, and this step reflects that same commitment to continuity and sustainability within our firm. By sharing ownership, we’re ensuring that our values and mission endure not just through the next chapter of our firm’s growth, but across generations to come.

Employment Opportunity: Currently looking to hire a new junior analyst to join the team in 2025. Job description has been posted on LinkedIn. Please let us know if you have any viable candidates!

TEAM



Michael Rose, CFP®

Managing Partner | Senior Wealth Advisor

Michael Rose is the Founder and Managing Partner of Rose Capital Advisors, and has been providing strategic investment advice and wealth management services for over 27 years. He started the firm to create a culture unlike the typical financial advisor tradition. Michael prioritizes core values above all: a collaborative team-based approach, a client-first focus, and a commitment to a work / life balance, including taking part in high-impact community projects that benefit both the people around him and the clients he serves.



Gareth Evans

Senior Wealth Advisor



Mitch Romano

Director of Client Operations



Ashley Kulju

Wealth Advisor | Dir. of Client Relations



Jonathan Binns

Portfolio Manager



Jamel Gordon

Wealth Advisor



Mike Reardon

Senior Wealth Advisor | Dir. of Client Solutions



Donovan Ford

Business Development – Sports & Entertainment



Jodi Rose

Executive Assistant | Office Manager

A Review of Our 2024 INVESTMENT OUTLOOK

We conducted an informal straw poll of Investment Committee and Investments Team members, and asked them for their highest conviction “calls” for 2024.

2024 TOP 10 THEMES VS WHAT HAPPENED :

1. The US Federal Reserve and central banks begin to slow the degree and forcefulness of their quantitative tightening; however, actions will be data dependent. The Fed reduced its balance sheet by a similar figure in 2024 compared to 2023, however, mid-way through the year the pace was significantly reduced as evidenced by the reduction of redemption caps. The Federal Funds Rate was cut in 2024 by the same degree of increases in 2023. Fed dot plot revisions reflected a slower expectation than previously projected for go forward rate cuts.
2. Inflation to continue to moderate and stabilize, although remain elevated above the Fed’s 2% target. CPI moderated to 2.9% in 2024 vs 3.4% in 2023. Services & shelter inflation were notably above target while energy & food at home were below to in-line.
3. Despite a hawkish Fed, major geopolitical events, and a regional banking crisis, 2023 volatility remained low. Volatility is set to make a comeback in 2024. 2024 claimed the second and third spots for greatest daily percentage move up in the VIX in the index’s history. These moves were driven primarily by growth and interest rate concerns.
4. Go forward expected equity returns to fall on slower growth, extended multiples, and higher costs of capital. Consensus capital market long term return expectations for global equities fall in the mid-single digit range on average. Rates and valuations force continued multiple expansion to drive outsized returns for equities.
5. Potential upside risk in yields with the bond market in late 2023 pricing in aggressive rate cuts and a potential recession in 2024; the 10-year yield at 4% presents room for upside considering inflation expectations and real rates. Yields ran to start the year and finished notably higher at ~4.6% on the 10-year. Long term yields remained decoupled, even in the face of 100bps of rate cuts on the short end.
6. Private credit in aggregate to continue to provide strong risk adjusted returns. However, lenders with poor credit selection will begin to show, especially those with high leverage and tight equity cushions. Trailing 1 year for private credit as reflected by the CDLI is +11.73%. There was a divergence between non-accrual trends in the lower middle market, upper middle market, and CDLI as well as % of PIK.
7. Stresses in broader commercial real estate market to remain. Delinquencies and defaults in CMBS to pick up. Aggregate CMBS delinquencies surged by over 200 bps in the year. Office delinquencies reached over 11%, the highest on record.
8. IPO, SPAC, and private equity deal volume rise as capital markets begin to open from the muted activity of 2022 and 2023. The IPO market raised 50% more proceeds than in 2023. Private equity deal value was ~+25% over 2023 and value ~+20% in volume from 2023. The SPAC market had its largest quarterly proceeds in Q4 2024 in the last two years; activity rebounded from very muted activity the last few years

ALTERNATIVE INVESTMENTS

Real Estate

CASTELLAN REAL ESTATE PARTNERS

Over **\$2.9 Billion** of equity and debt across **1,215 transactions** since 2009.

24 bridge loans were paid off in 2024, representing a total value of **\$162.4 million**.

Funded **25 bridge loans** in 2024, representing **\$188 million** with a **44.6%** weighted average loan to value (LTV).

Affordable Housing Fund

Robust pipeline of **23 properties**, representing **2,566 units** and approximately **\$1.58 Billion** in total project costs. Successfully sold **1 land** parcel and syndicated **3 properties** in 2024 where construction commenced. Secured federal tax credits and bonds for **6 properties**.

Private Credit



Rose Capital Advisors has been investing in the private credit asset class for over a decade. Coming out of the great financial crisis lows, risk assets (particularly growth equity) produced double-digit returns with muted volatility. Private credit during this same timeframe, as represented by the Cliffwater Direct Lending Index (CDLI), produced strong non-correlated returns in the high single/low double-digit range, but more times than not, served as a performance drag for investors when compared to risk-on assets. Markets can be extremely sobering, and it is during environments like 2022 investors are reminded it is important to implement a top-down portfolio construction framework that has components able to perform in various cycles and market characteristics. This all-weather framework is what Rose Capital Advisors seeks to implement on behalf of clients and private credit was an allocation in 2022 that outperformed nearly every asset class both on an absolute and relative basis.

- Private Credit (CDLI) is expected to produce double digit returns in 2024
- Floating rate nature neutralized duration risk
- EBITDA and asset value inflation provide more security for lenders
- Unwinding of unrealized losses and work through of higher rates into loans should provide a tailwind to returns

- Private Credit (CDLI) unlevered 10-year annualized expected return¹ (7%) / risk (<5%)
- Manager selection and portfolio composition are paramount
- Focus on senior, covenant heavy, low EBITDA leverage loans
- Expect higher than historical reference rates and wider spreads

¹ Cliffwater 2025 Asset Allocation Report

Private Equity | Venture Capital Multi-Manager Vintage Series Sleeve

Since we first introduced the **Rose Capital Advisors Vintage Fund (RCAVF-I)** last year, a lot has transpired. Much of our original design plans for the fund have become a reality. Given the added transparency we now have on the managers, their transactions, and early results in the Fund, it's a great time for an update:

- We have committed to all four managers in the Fund and completed our first close on Feb 28, 2024
- We have closed investor commitments for 65% of our target AUM of \$24 Million.
- The Fund has remaining capacity of approximately \$8M
- The final close date for Rose Capital Vintage Fund I is projected for early summer of 2025.

Manager Updates:

- **Hunter Point Capital (HPC)**, GP Stakes Manager, distributed 25% of called capital for 2023
 - Also distributed 30% of called capital in Q4 '24, and as of year-end '24 financials, has successfully eliminated the j-curve on a TVPI basis after eight acquisitions and one exit since inception.
 - Provides highly diverse exposure to GPs in private markets. Positions have included stakes in Private Equity (L-Catterton, Vistria, Inflexion), Private Credit (SLR, MidOcean), PE & Credit Secondaries (Coller), & Private Real Estate (Pretium, Vistria)
- **Saints Capital**, Venture Secondaries Manager, made several 2024 acquisitions, currently carrying a mark-up of 2.1x on TVPI.
- **Inflexion Partners**, UK PE Buyout Manager, has already committed 17% of the Partnership Fund III across three primary acquisitions and numerous secondary acquisitions in areas such as Healthcare Tech and Financial Services. The Fund should end the year with a mark-up.
- **Pathway Capital Management**, PE Buyout Co-Investments Manager, has made three investments in our current fund. The co-investments to date have focused on precision manufacturing (energy, semi-conductors, etc.), financial services and digital media.

To join an upcoming webinar or receive access to our data room, please inquire.

Click [here](#) to view our press release detailing our strategic partnership with Allocate who helped us launch!

**There is no guarantee that the investment objectives will be achieved. Moreover, past performance is not a guarantee or indicator of future results.*

STANDARD OF CARE MODEL

In our ongoing commitment to providing you with unparalleled financial guidance, we are excited to share how our innovative approach, inspired by industries renowned for their safety and precision, continues to evolve. Through collaboration and the expertise of **Ken Haman** with Alliance Bernstein's **AB Advisor Institute**, we have embraced a higher **Standard of Care** model which enables us to externalize a professional point of view based on extensive research and experience.

Just as pilots rely on preflight checklists and surgeons rely on pre-op checklists to ensure success, we employ age and wealth specific checklists tailored to your unique life stage. Checklists Include:

1. **New Parents**
2. **Midlife**
3. **Pre-Divorce**
4. **Eldercare**
5. **New Widow(er)**
6. **Inheritance / Sale of Business**
7. **Overall Financial Plan (100+ point checklist)**

Your personal checklist becomes a shared vocabulary, facilitating communication and understanding between us. Whether you're on a standard comprehensive plan, or deviations prompt discussions on new strategies, the checklist becomes a dynamic tool for continuous improvement and alignment with your financial goals.

How You Can Benefit

We encourage you, as well as your friends and family, to reach out to us whenever you encounter any of these significant life or wealth events. Our team is here to serve as your trusted resource and sounding board, providing expert advice and personalized solutions tailored to your specific circumstances. By leveraging our checklists and engaging with us during these pivotal moments, you gain:

Peace of Mind: To navigate life transitions with confidence, knowing you have a comprehensive financial plan in place.

Expert Guidance: Benefitting from our experience and industry insights as we guide you through the complexities of each life event.

Customized Solutions: Receiving personalized strategies that align with your unique goals and aspirations.

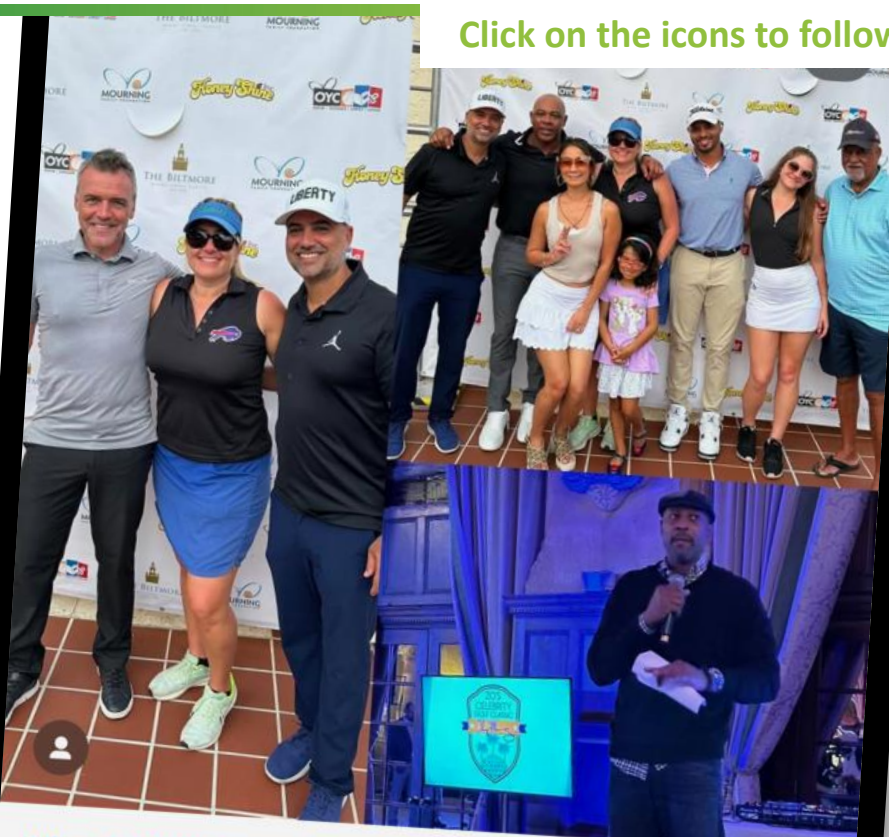
Your financial journey is our top priority, and we are dedicated to ensuring that you have the support and resources needed to thrive at every turn. Reach out to us at any time to explore how our checklists can be tailored to your specific needs or the needs of those close to you. As we embark on another year together, we look forward to continuing our partnership and helping you achieve financial success.



SOCIAL MEDIA



Click on the icons to follow us on social media



View insights

Boost post

52 4

Liked by gonzaloperezjr and others
rosecapitaladv Had an amazing time at Alonzo Mourning's Celebrity Charity Golf Tournament at the Biltmore Golf Course on MLK Day! Such a... more
vgfoundation Great time guys!!



View insights

Boost post

45 6 5

Liked by michael.j.rose and others
rosecapitaladv Don Ford had the pleasure of speaking at the First Annual NIL Crash Course Summit in Atlanta last weekend. The panel discussed the importance of... more
mrdauidrothman

ROSE CAPITAL ON THE SCENE



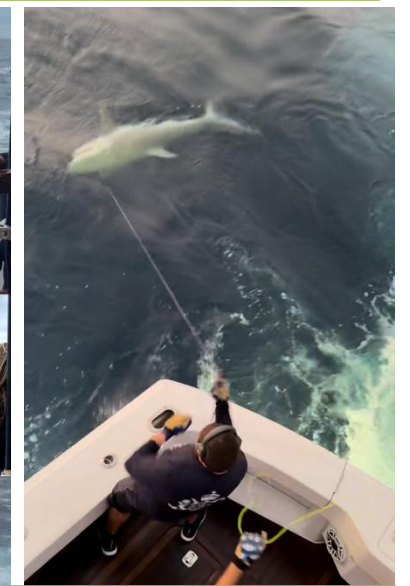
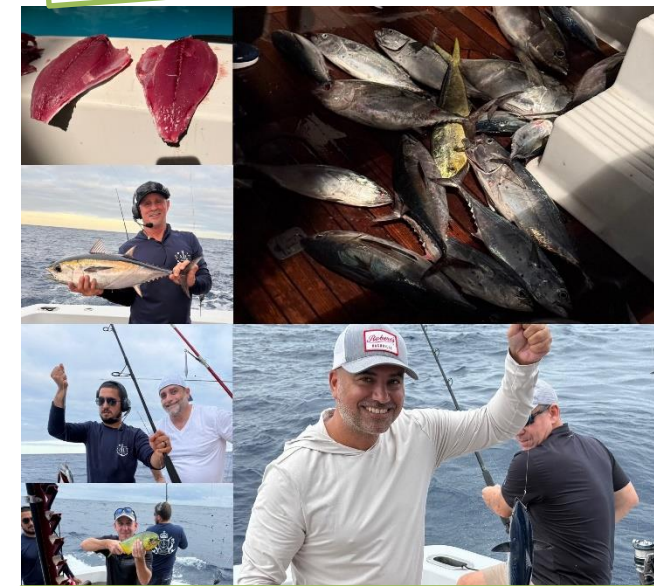
Best Buddies Challenge



**ROSE CAPITAL FINANCIAL LITERACY CLASSROOM
RIBBON CUTTING 6.6.2024**



Rose Capital Financial Literacy Lab Ribbon Cutting @ Overtown Youth Center



Holiday Boat Outing – Skeet Shooting and Deep Sea Fishing



**Spring Team Lunch
Prime 112**



**Dynasty Partners Summit
Napa Valley, CA**



Summer Interns



**Dynasty Advisor to CEO Summit
Dallas Cowboys Stadium**



Wimbledon

2025 INVESTMENT OUTLOOK

The overall outlook continues to suggest that investors and advisors focus on diversification, patience, and an appropriate management of expectations.

We believe our client portfolios are appropriately allocated to take advantage of these themes, while remaining prudently diversified if market conditions take an unexpected path.

Market Commentaries & Outlook

❖ Rose Capital Advisors: 2024 Review 2025 Outlook



2024 Review 2025 Outlook

Additional Commentaries:

❖ J.P.Morgan: Guide to the Markets 1Q245

❖ WisdomTree: 2025 Economic & Market Outlook

❖ Certuity Q1 2025 Economic & Market Chart Book

If you are interested in any other market commentaries, please inquire.