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# EPIC OZ Fund I's Investment Strategy Views Ambitions Through Wide Lens

NICK DECICCO, SENIOR WRITER, NOVOGRADAC

A novel investment strategy underpins EPIC OZ Fund I, a qualified opportunity fund (QOF) unveiled in November 2023 that brings together a pair of entrepreneurs.

The duo—Kelly Ann Winget of private equity firm Alternative Wealth Partners and Rachel Vass, CEO of impact real estate and program development firm Syzygy Cities—seek to build a QOF supporting multiple industries and asset classes to strengthen communities through intermarket stimulation. With EPIC OZ Fund I, the pair hopes to secure \$180 million in commitments. The first of those was anticipated in December 2023.

Vass said the strategy, dubbed “ecosystem investing,” is the difference between simply creating a property and creating a property with a mind toward the businesses inside it and infrastructure around it.

“You can’t just build a building and hope businesses move in,” said Vass, who was introduced to ecosystem investment while working several years in private wealth and finance. “If it happens, it means it was already on its way to happening.”

Winget said it’s treating the economy itself as an asset.

“The reality is you can build a building somewhere and eventually it will go up in value because people move around,” Winget said. “These things have kind of accidentally happened. But if you invest in the infrastructure around those buildings and the businesses and communities that are inside and around those buildings, more people benefit.”

Winget and Vass have identified upward of 10 possibilities for their initial pipeline, from various manufacturing and energy transactions in Arizona and Texas to entertainment and retail developments in Chicago’s Bronzeville neighborhood.

“We started to take this lightning and put it in a bottle and product-ize it,” Vass said.



*Image: Courtesy of EPIC*

Kelly Ann Winget, left, and Rachel Vass step into the street in New York City. The two entrepreneurs have formed the development firm EPIC. In November 2023, the pair launched the firm’s first qualified opportunity fund.

## Follow Your Arrow

Disrupting existing paradigms is apt on several levels for EPIC OZ Fund I and its creators.

It's baked into the core of Alternative Wealth Partners, led by Winget, an openly LGBTQ+ woman whose website reads of breaking the mold of private equity as an "old boys club."

It's a modus operandi that informs the fund's business partners and their investment strategy.

"What we realized together as a collective is if 98% of money in the country is coming from men and going toward men then there's a lot of markets that are being missed and that's an opportunity for us," Vass said.

Vass says women in investing are often labeled as "innovative," a term she repeats with no small amount of sarcasm in her voice.

Winget said it's not just a case of wearing her identity on her sleeve. It also translates into resourceful business acumen. Winget said being a woman and an entrepreneur brings access to deal flow and preferential returns that taps into markets and areas of the economy that have been overlooked or, at a minimum, not had their potential fully realized.

"It's because we've changed the face of the investment community," Winget said. "We go into the opportunity to do due diligence on a deal and the woman-owned company is like, 'Wait. You're who I'm talking to? I'll give you whatever you guys want.' They will turn down money from larger institutional, more experienced investors because of it. I think that that's going to be happening more and more."

Winget, who hails from Texas, and Vass, whose home is in New York, bring different perspectives, something Vass noted as a strength for their collaboration.

"Kelly and I are really different and there's a really beautiful tension around that," Vass said. "We have very different outlooks on a lot of things. But we have a lot of respect for each other, a lot of trust in each other."

EPIC OZ Fund I's ecosystem investing approach is borne, in part, because of Vass' experience. Winget took a similar approach to investing prior to meeting Vass, too. Vass called the approach the opposite of gentrification—she uses the term "interfication."

"The idea is if you create intermarket stimulation, you can catalyze an economy and grow wealth from within," Vass said. "That wealth will actually increase the value of your building much more quickly and much more profitably. There's an actual recipe to the success."

Before the two began working together, Winget was doing at the investment level what Vass was doing at the development level. Vass described Winget's willingness to work with everyone.

"Kelly was unafraid to touch everything from cannabis to oil and gas," Vass said. "She really reached across the aisles and did a diversified investment strategy."

The ultimate goal of the strategy isn't simply multifamily housing, but building a full ecosystem around that housing. This process is faster and more profitable than simply building a structure in a low-income area and hoping the surrounding neighborhood gentrifies, Vass said.

Winget demonstrates intermarket stimulation as having a hand in standalone storage battery technology in East Texas that can be used as an energy generator in urban locales in which the fund is invested.

"[Investors] can see how things that are going on in Chicago connect with things in Texas," Winget said. "They all benefit each other. Manufacturing and infrastructure are really a large piece of what we're doing, the technology

that we're invested in. The OZ fund is focused on those two industries pretty heavily."

Vass describes it as "connecting the brownfields to the redlines." It's also a strategy where, according to Vass, ownership remains approximately 60% local while real estate values spring up as much as 300% in less than 10 years.

"We're trying to collate the divisiveness of our country through capital," Vass said. "I don't think anyone disagrees on the why. I don't think anyone disagrees on what we want. We want healthy communities in a good economy. Nobody in this country disagrees with that. We disagree on how we get there. And that's why we're steering away from investing in the how and we're steering toward investing in the why. We're really trying to collate the how. Different markets have different hows, so we're really listening to the market and understanding what that location believes the hows for the collective and unified whys building healthier economies might be."

It's flipping vertical investing on its side, bringing together multiple asset classes to grow an economy in a way that's tailored to the needs of a location and the community. EPIC's investment in Bronzeville, a majority-minority region of Chicago, includes an entertainment and restaurant venue that has a scarcity of retail options. The facility will have restaurants, food hall, exhibition hall, coding academy and possibly a small music venue. Vass said the first step of the strategy is to drive foot traffic to the area, in this case, to curb the retail leakage out of the Bronzeville neighborhood.

"We view the history of investing as more hunter/gatherer/caveman stage where people are pounding their chests, going, 'We invest in wheat. More wheat, more money. We invest in strawberries. More strawberries, more money,'" Vass said. "Kelly and I are looking at the wheat and looking at the strawberries. We think they're both great investments. But we're making pie. That's the recipe. Sometimes it will take wheat. Sometimes it will take strawberries. Sometimes it will be real estate. Sometimes it will be private equity. But the recipe for pie won't change. We might use different flour and different fruit, but it's all going to come together in a specific order to catalyze depending on what's right for that market."

To its founders, EPIC OZ Fund I is something of a test balloon. Winget said the strategy is not unproven since the duo has done the work before, but attempting it at this scale is novel. If Winget and Vass find continued success with the strategy, they have their eyes on an even more ambitious \$1 billion fund in the future.

### 'It All Has to Work Together'

Winget emphasized that her vision for the investment strategy is bringing together disparate components of the economy and making them work together.

"People like to stay in a lane. And that's OK. Everyone has their own prerogative," Winget said. "But if you want to create real solutions and economic stimulation, it all has to work together. ... I love tax incentives. Why make money if you have to give it away? We can keep more and do more with it and that is the goal of this type of tax-advantaged fund structure." ❖

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**925.949.4232**

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**Christianna Cohen**  
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