

All Things Investing in Real Estate Syndications: A Peek Under The Hood

Discover the power of high returns coupled with great tax benefits

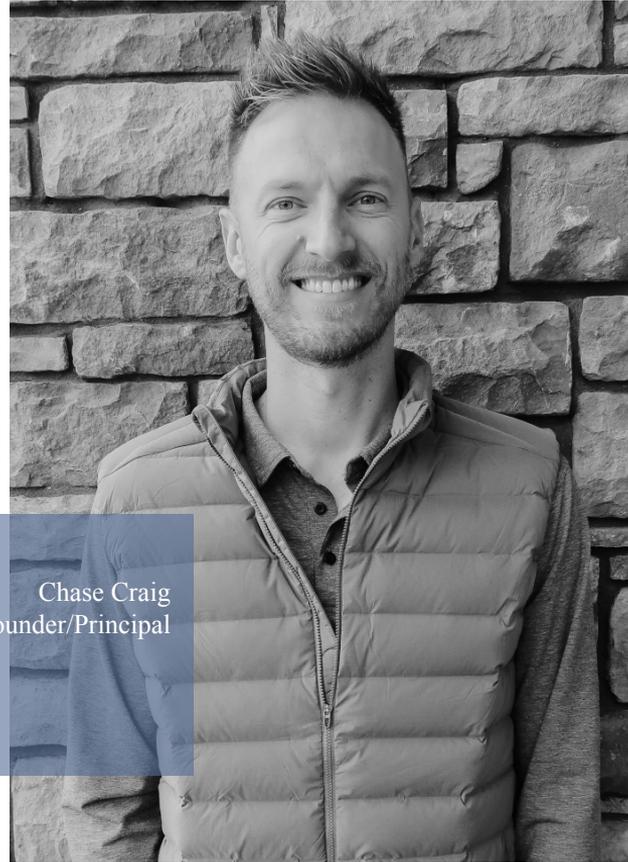


Smart Wealth Equity

OUR TEAM



Chris Miller
Founder/Principal



Chase Craig
Founder/Principal





Smart Wealth Equity

Our Mission: Provide investors with a path to financial freedom through education and thoroughly vetted high-performing investment opportunities

Experience: More than 27 years investing in real estate and over 970 MultiFamily units syndicated currently valued over \$100M

Growth: We are always looking for ways to grow both personally and professionally so that we can continue to bring great opportunities to share with our investor partners



PARTNERSHIP



What is a syndication?

Simply put, an apartment syndication is the pooling of resources (Experience and Capital) that will be used to purchase a Multifamily property and execute the project's business plan



How Real Estate Syndications Work



1. General Partners locate a great property & perform due diligence.



2. GPs share investment opportunity & business plan with potential investors.



3. Investors pool together funds to purchase the property.



4. GPs manage the asset, overseeing the business plan and day-to-day operations.



5. Passive investors receive cashflow, equity, and passthrough tax benefits.



6. Upon disposition, investors receive their initial investment and their split of net sales proceeds.



Why did it take me 15 years to find out what a syndication was?



Advantages



Cash Flow

Tenants pay monthly rent which covers all expenses and provides profit to you, the investor either monthly or quarterly



Great Returns

In addition to cash flow, you will also share in the upside of the resale or refinance at a higher value.



Tax Benefits

Depreciation, bonus depreciation, and cost segregation are just some of the tax benefits you receive



Economic Fluctuations

Historically, Multifamily has weathered economic downturns



Inflation Hedge

Backed by real physical assets that appreciate alongside inflation



Our Investment Criteria

Property Specific

Market & Submarket Specific

- **Very conservative underwriting**
- **Projected 17%-20% Average Annualized Return (85%-100% ROI on 5 year hold)**
- **Minimum 7% Cash on Cash paid monthly or quarterly**

- **High population growth areas**
- **High job growth & low unemployment**
- **Lack of affordable housing**
- **Landlord friendly**



We Prefer Class B & C Apartments

Value-Add

Older properties that offer attractive value-add opportunities

More Inventory

Many class B & C properties meet our investment criteria so we can offer consistent investment opportunities

More renters

Due to the low supply of housing and rapid price appreciation, many families have been priced out of homeownership

High occupancy

Able to maintain high occupancy due to affordability and value

Safety

Conservatively underwritten syndications offer protection to your capital in uncertain times



Investment Calculator

The information displayed on this page is strictly for informational purposes and does not guarantee future results. Select the investment options below to see sample investment returns.



5 Years ?

7% ?

17% ?

Hold Period

Preferred Return

Projected Avg. Annualized Return (AAR)

\$25K

\$50K

\$100K

\$250K

\$1M

	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Cash Flow	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$7,000.00	\$35,000.00
Sales Proceeds					\$150,000.00	\$150,000.00
Total Cash Payout						\$185,000.00
\$100,000			\$85,000			\$185,000



Sample Tax Scenario: \$100,000 Investment 7% Preferred Return 17% Projected AAR

	Year 1	Year 2	Year 3	Year 4	Year 5
Cash Flow	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
Sales Proceeds					\$150,000
Total Cash Payout	\$7,000	\$14,000	\$21,000	\$28,000	\$185,000

Bonus Depreciation	60% (50-100+%)
Potential Year 1 Loss	\$60,000
Blended Tax Rate	35%
Potential Year 1 Tax Savings	\$21,000
Actual Cost of Investment	\$79,000

		Average Over 5 Years
Initial ROI	85%	17%
After Tax ROI	107.59%	21.52%



Let's Peek Under The Hood



How Can You Get Involved in Your Own Syndication?



Invest in a syndication as an LP

- Truly understand how they work
- Review monthly/quarterly updates
- Get plugged in, even though you're passive
- Find out what you like and don't about how they operate

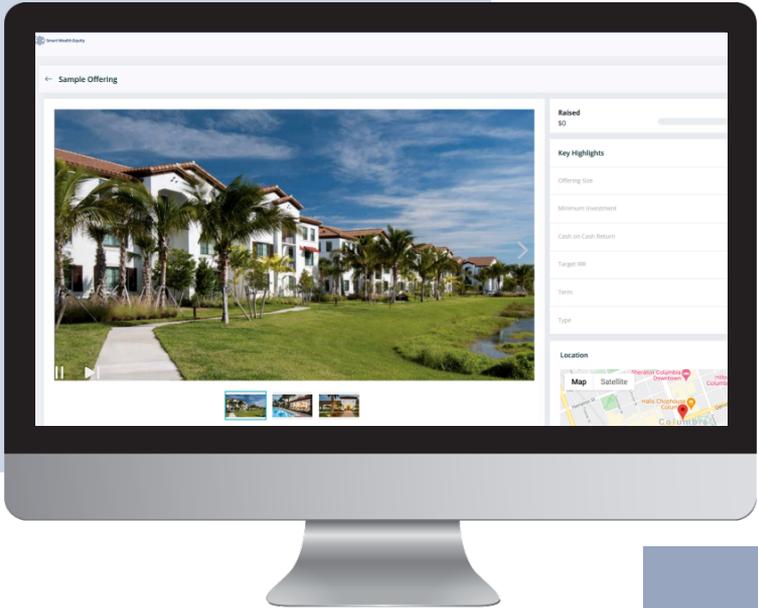


How do you partner to become a GP yourself?

- Finding off market deals
- Bringing equity to the deal (typically \$1MM +)
- Risk/Pursuit Capital
- Key Principal / Loan Guarantor
- Asset Management

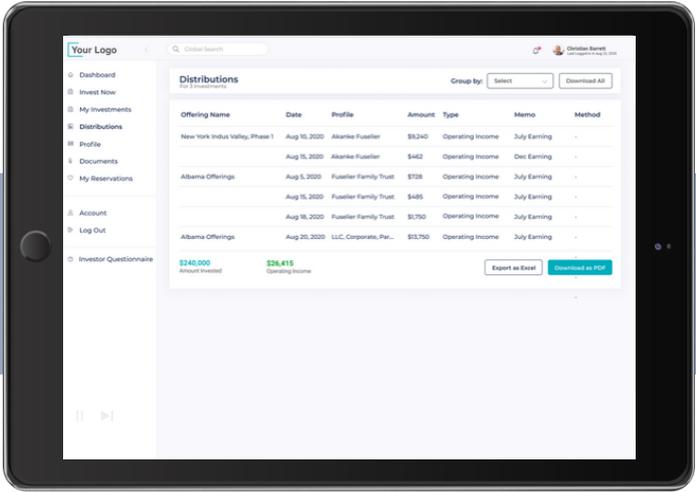


Investor Portal



www.smartwealthequity.com

<https://smartwealthequity.invportal.com/signup>



Everything in one place

- Investment Opportunities
- Investor statements & Updates
- Important Document storage (PPM, K1)
- Security (Encrypted, two-factor auth)

To schedule an investor intake call, please scan the QR code below.



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Questions?