

DIRECT TITLE SECURITIES

Direct Ownership. Professional Management.

INSTITUTIONAL REAL ESTATE.
DIRECT OWNERSHIP. PASSIVE MANAGEMENT.

Can I keep direct ownership without becoming a landlord again?

Direct Title Securities (DTS) are designed for investors who want the benefits of direct real estate ownership without the responsibilities of day-to-day property management.

Unlike many passive real estate structures, investors maintain ownership of the underlying property through a single-member LLC while a professional sponsor oversees leasing, operations, and asset management through a long-term master lease.

For investors seeking predictable income, ownership flexibility, and a more hands-off investment experience, DTS can provide a compelling alternative that combines institutional-quality real estate with the familiarity of direct property ownership.



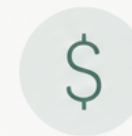
DIRECT OWNERSHIP

Own the property
through your LLC.



PROFESSIONAL MANAGEMENT

Sponsor handles
day-to-day operations.



PASSIVE INCOME

Designed to generate
recurring cash flow.



1031 ELIGIBLE

Structured for tax-
deferred exchanges.

DIRECT TITLE SECURITIES

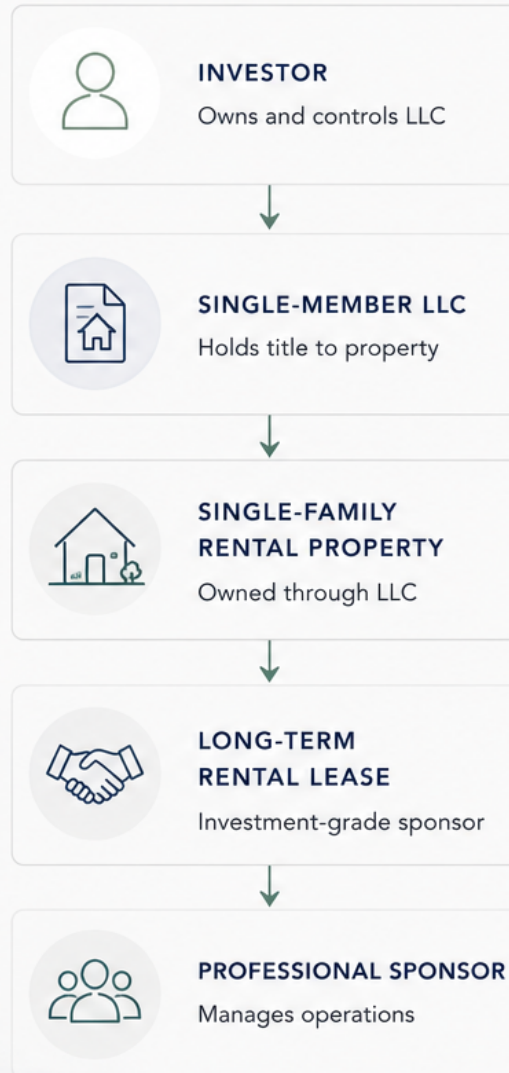
Direct Ownership. Professional Management.

Direct Title Securities allow investors to own individual single-family rental properties through a single-member LLC while an investment-grade sponsor serves as the long-term master tenant.

Rather than owning an interest in a trust or partnership, investors maintain direct ownership of the underlying property while receiving the benefits of professional management and a long-term lease structure.

For investors seeking passive income, ownership flexibility, and a more familiar real estate ownership experience, DTS can provide a unique alternative within a 1031 exchange strategy.

OWNERSHIP STRUCTURE



THE INVESTOR ADVANTAGE

- MAINTAIN DIRECT OWNERSHIP**
Own the property through your LLC. (Icon: House)
- INVESTMENT-GRADE MASTER TENANT**
Long-term lease with a professional sponsor. (Icon: Shield with checkmark)
- PASSIVE INCOME**
Receive income without day-to-day management. (Icon: Dollar sign)
- CONTROL EXIT TIMING**
Determine when and how you sell. (Icon: Calendar)
- 1031 ELIGIBLE**
Structured to support future exchanges. (Icon: Circular arrows)

Similar Ownership. *Different* Experience.

At first glance, owning a rental property with a property manager may seem similar to a Direct Title Security. In both cases, you maintain ownership of the underlying real estate while someone else helps oversee day-to-day operations.

The difference is what happens when challenges arise.



TRADITIONAL RENTAL PROPERTY + PROPERTY MANAGER



Owner remains responsible for vacancies



Rental income may stop if
a tenant moves out



Owner is responsible for repairs
and capital expenses



Leasing and turnover costs
can reduce returns



Cash flow may fluctuate
over time



More involvement when
unexpected issues arise

VS.



DIRECT TITLE SECURITY



Investment-grade sponsor serves as
master tenant



Sponsor is responsible for leasing
and operations



Monthly distributions are not dependent on
a single resident remaining in place



Reduced exposure to turnover
and vacancy risk



Professional management through
a long-term lease structure



Greater simplicity and predictability
for investors



THE KEY DIFFERENCE

A property manager helps manage a property.

A Direct Title Security is designed so the sponsor assumes responsibility for operating the property through a long-term master lease.

For investors seeking direct ownership without the ongoing responsibilities and uncertainties that often come with being a landlord, that distinction can be meaningful.

Why Direct Title Securities?

SAME GOALS. MORE CONTROL.

Direct Title Securities are designed for investors who want the benefits of passive real estate investing—without giving up ownership and flexibility.

Like traditional DSTs, Direct Title Securities can provide passive income potential and 1031 eligibility. The difference is that **you own the property directly** through an LLC, giving you greater control over future decisions and timing.

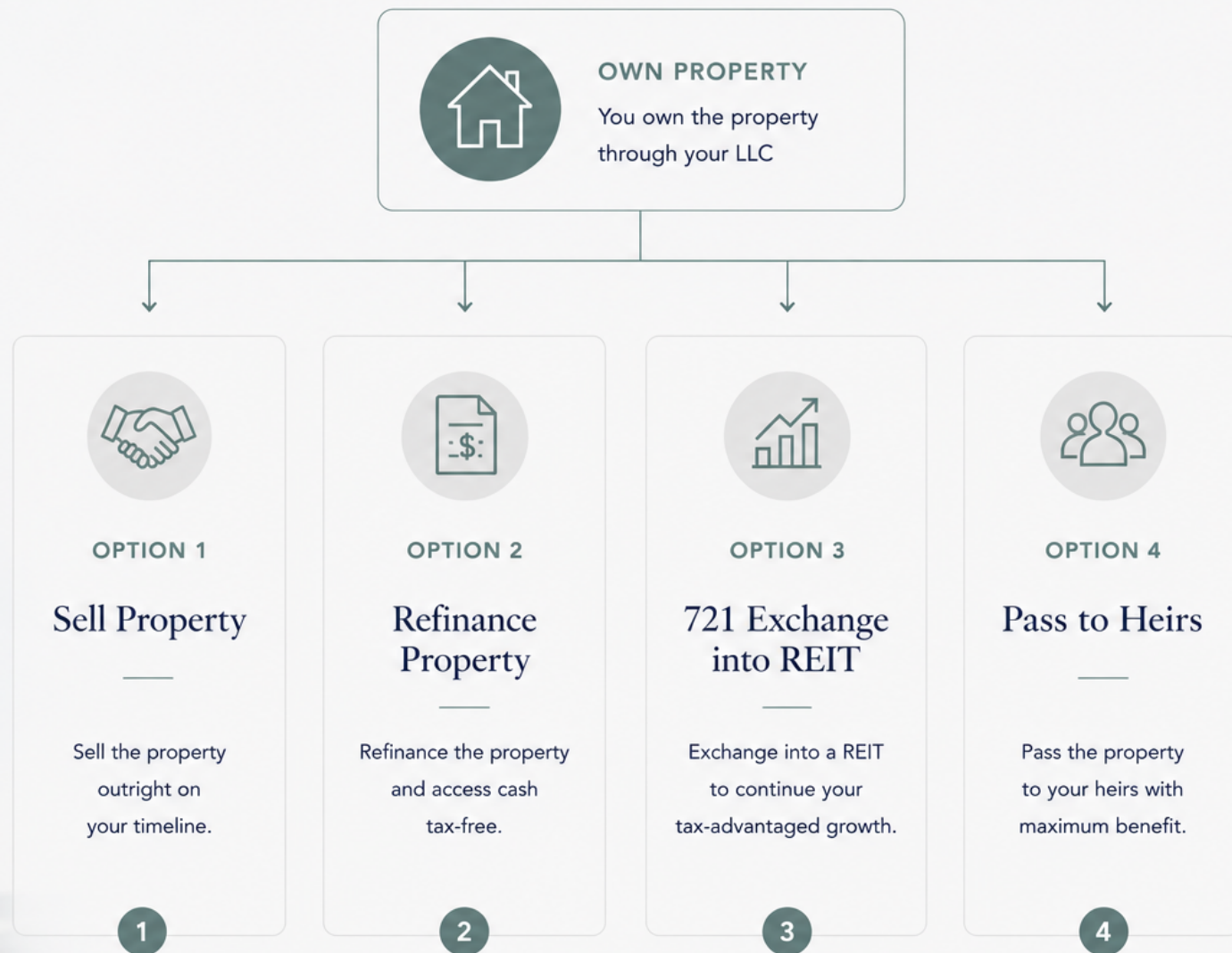
WHAT MATTERS	TRADITIONAL DST	DIRECT TITLE SECURITY
 PASSIVE INCOME	 Passive income potential through lease structure	 Passive income potential through master lease
 1031 ELIGIBLE	 Eligible for 1031 exchange	 Eligible for 1031 exchange
 OWNERSHIP STRUCTURE	 Beneficial interest in a trust	 Direct ownership through your LLC
 PLANNING FLEXIBILITY	 Limited by trust structure	 Greater flexibility for future decisions
 EXIT DECISIONS	 Sponsor determines timing and strategy	 Investor determines timing and how to exit

Multiple Exit Options. You Choose What's Next.

YOU STAY IN CONTROL.
YOU CHOOSE WHAT'S NEXT.

Direct Title Securities give you the freedom to decide how and when to exit—based on your goals, your timeline, and market conditions.

Unlike traditional structures, you maintain ownership and control, giving you the flexibility to pursue the best outcome for you and your legacy.



Consult your tax and legal advisors regarding your individual situation.

Direct Title Security

INVEST WHERE IT MAKES SENSE FOR YOU

Direct Title Securities give you the flexibility to choose the markets and property types that best align with your investment goals.

Whether you're focused on growth, income, affordability, or long-term appreciation, you have the freedom to invest where you see the greatest opportunity.

From high-growth Sunbelt markets to established metropolitan areas with strong economic fundamentals, you're in control of building a portfolio that reflects your strategy—not a one-size-fits-all approach.



YOU CHOOSE THE MARKET

Invest where you see
the greatest
opportunity.



YOU CHOOSE THE PROPERTY

Select the property
type that fits
your strategy.



WE HANDLE OPERATIONS

Professional management
through a long-term
master lease.



YOU CONTROL THE OUTCOME

Maintain flexibility over
future decisions and
exit timing.

MARKET EVALUATION

How We Evaluate Markets

STRONG REAL ESTATE BEGINS WITH STRONG FUNDAMENTALS.

Successful real estate investing often starts long before a property is acquired. Market selection plays a critical role in long-term performance, influencing demand, occupancy, rental growth, and future appreciation potential.

Our approach focuses on identifying markets supported by durable economic and demographic trends rather than short-term market cycles. By evaluating a range of indicators, we seek opportunities where long-term demand is supported by population growth, employment strength, and quality-of-life factors.

MARKET CHARACTERISTICS WE PRIORITIZE



EMPLOYMENT GROWTH

Markets supported by diverse employers and expanding job opportunities.



POPULATION GROWTH

Areas experiencing sustained in-migration and household formation.



QUALITY EDUCATION

Strong school districts and educational infrastructure that support long-term housing demand.



TRANSPORTATION ACCESS

Connectivity through major highways, airports, and employment corridors.



HOUSEHOLD FORMATION

Growing demand for housing driven by demographic trends.



BUSINESS-FRIENDLY ENVIRONMENT

Markets that support economic expansion and private investment.



APPRECIATION POTENTIAL

Locations with favorable long-term supply and demand dynamics.



QUALITY OF LIFE

Communities that continue attracting residents and employers.



Is Direct Title Security Right for You?

DESIGNED FOR INVESTORS SEEKING INCOME, FLEXIBILITY, AND OWNERSHIP.

Direct Title Securities may be a fit if you're looking for the benefits of owning real estate—without the day-to-day responsibilities.

It offers a way to generate passive income, pursue long-term appreciation, and stay in control of key decisions.

THIS STRATEGY MAY BE APPROPRIATE FOR INVESTORS WHO:



VALUE PASSIVE INCOME

Seeking recurring cash flow without the responsibilities of active property management.



WANT LONG-TERM APPRECIATION

Seeking exposure to high-quality residential real estate in growing markets.



PREFER CONTROL OVER TIMING

Want the flexibility to determine when and how to exit an investment.



APPRECIATE TAX BENEFITS

Interested in depreciation and other tax-efficient real estate characteristics.



MAY NEED FUTURE LIQUIDITY OPTIONS

Value the ability to pursue a future sale, refinance, or 1031 exchange.



PREFER OWNERSHIP WITHOUT MANAGEMENT

Want direct ownership while a professional sponsor handles day-to-day operations.

CASE STUDY

Maintaining Investment Control While Going Passive

A real-world example of how strategic structuring provided passive income, diversification, and future flexibility—without giving up control.



CLIENT BACKGROUND

The client owned a fully paid-off rental property that had appreciated significantly. After years of managing the property himself, he wanted to reduce day-to-day responsibilities and complete a 1031 exchange while staying invested in real estate.



THE CHALLENGE

He wanted to preserve income, maintain future flexibility, and continue benefiting from real estate ownership—without giving up control over future decisions or access to capital if needed.



THE STRATEGY

We identified institutional-quality Direct Title opportunities across two landlord-friendly states and structured the exchange into properties that aligned with the client's income needs and long-term objectives.

The properties provided passive ownership through professional management while allowing the client to retain title ownership and future flexibility through his own LLC.



THE OUTCOME

The exchange closed successfully, allowing the client to transition from a single actively managed property into a diversified portfolio of professionally managed real estate with long-term leases and high-quality tenants.

The structure reduced day-to-day responsibilities while maintaining monthly income and ownership continuity.



THE RESULT



Reduced
management
responsibilities



Continued
monthly
income



Greater
diversification



Long-term
flexibility



Retained
direct
ownership



KEY TAKEAWAY

Passive ownership does not necessarily mean giving up control.

For some investors, Direct Title structures can provide professional management, recurring income, and long-term flexibility while preserving ownership and future decision-making authority.



GENERAL DISCLOSURE:

All investing involves risk of loss of some or all principal invested. Past performance is not indicative of future performance. There can be no guarantee that any investment or strategy will achieve its stated objectives. Speak to your tax and/or financial professional prior to investing. Securities and advisory services through Emerson Equity LLC, member FINRA and SIPC and a registered investment adviser. Emerson is not affiliated with any other entity identified herein.



REAL ESTATE / 1031 RISK DISCLOSURE:

- **There is no guarantee** — that any strategy will be successful or achieve investment objectives.
- **Potential for property value loss** — All real estate investments have the potential to lose value during the life of the investments.
- **Change of tax status** — The income stream and depreciation schedule for any investment property may affect the property owner's income bracket and/or tax status. An unfavorable tax ruling may cancel deferral of capital gains and result in immediate tax liabilities.
- **Potential for foreclosure** — All financed real estate investments have potential for foreclosure.
- **Illiquidity** — These assets are commonly offered through private placement offerings and are illiquid securities. There is no secondary market for these investments.
- **Reduction or Elimination of Monthly Cash Flow Distributions** — Like any investment in real estate, if a property unexpectedly loses tenants or sustains substantial damage, there is potential for suspension of cash flow distributions.
- **Impact of fees/expenses** — Costs associated with the transaction may impact investors' returns and may outweigh the tax benefits.
- **Stated tax benefits** — Any stated tax benefits are not guaranteed and are subject to changes in the tax code. Speak to your tax professional prior to investing.

