



Understanding Real Estate Sponsors

THE EXPERTS WHO FIND, MANAGE, AND PROTECT YOUR INVESTMENT

A real estate sponsor is the company that sources, acquires, finances, manages, and ultimately sells the properties held within a DST or other private real estate investment. They handle the complex work behind the scenes—so investors can benefit from institutional-quality real estate without the day-to-day responsibilities.



WHAT DOES A SPONSOR DO?

Sponsors oversee the entire investment lifecycle to help deliver strong, risk-adjusted returns for investors.



Identify
Opportunities



Conduct
Due Diligence



Acquire &
Finance



Manage
Operations



Distribute
Income



Execute
Exit Strategy



WHY SPONSOR SELECTION MATTERS

Investors aren't just buying real estate—they're partnering with a team whose experience, discipline, and integrity shape the outcome.

The right sponsor can make the difference between simply owning real estate and creating lasting value.



At Breakwater Capital, sponsor quality is one of the most important factors we evaluate when recommending any investment.



How Breakwater Evaluates Sponsors

OUR EVALUATION PROCESS

We take a thorough and disciplined approach to sponsor evaluation because the right partner makes all the difference. Our process focuses on long-term alignment, proven performance, and the ability to protect and grow investor capital through every market cycle.



01

TRACK RECORD

Proven history of acquiring, operating, and exiting quality real estate investments.



02

FINANCIAL STRENGTH

Strong balance sheet and access to capital to support operations and growth.



03

ASSET MANAGEMENT

Experienced teams and infrastructure to effectively manage properties.



04

UNDERWRITING DISCIPLINE

Conservative assumptions focused on long-term value creation.



05

INVESTOR COMMUNICATION

Transparent reporting and consistent communication.



06

ALIGNMENT OF INTERESTS

Sponsors with meaningful skin in the game and a long-term commitment to investors.



WHAT WE LOOK FOR

- ✓ Institutional track record
- ✓ Experience across market cycles

- ✓ Disciplined investment strategy
- ✓ Strong tenant and property focus

- ✓ Robust due diligence process
- ✓ Operational excellence

- ✓ Clear investor reporting
- ✓ Integrity and transparency

Sponsors We Work With

EXPERIENCED PARTNERS.
SHARED DISCIPLINE. STRONGER OUTCOMES.

At Breakwater Capital, our role is simple yet critical:
match the right investor with the right sponsor.

We partner with experienced, institutional-quality sponsors who demonstrate a strong track record, financial discipline, and a shared commitment to conservative underwriting and long-term value creation.

The logos shown represent a sample of our sponsor relationships. There are many more we work with across a wide range of strategies, geographies, and asset classes.

EXCHANGERIGHT



BLUEROCK
— REAL ESTATE —

CANTOR
Fitzgerald

NEXPOINT

 **NET LEASE**
CAPITAL

MADISON
REALTY CAPITAL

LUMENT

 **CRESCENT**
COMMUNITIES

This is a sample of sponsors we work with. There are many more.

Why We Use Multiple Sponsors



MORE PROPERTY TYPES

Access to a broader range of real estate sectors and opportunities.



MORE GEOGRAPHIC DIVERSIFICATION

Reduce concentration risk by investing across multiple markets.



MORE TENANT EXPOSURE

Gain exposure to a wide range of credit profiles and lease structures.



MORE INVESTMENT STRATEGIES

Utilize complementary strategies to enhance risk-adjusted returns.



MORE FLEXIBILITY FOR CLIENT OBJECTIVES

Better alignment with your investment goals and time horizons.



Right sponsor. Right property. Right strategy.
Building stronger real estate portfolios.



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.