When a DST May Not Be the Best Fit

Understanding when other strategies may better align with your goals.

A DST can be an excellent solution for many investors seeking passive ownership, diversification, and tax deferral through a 1031 exchange.

However, no investment strategy is appropriate for everyone.

The right solution depends on liquidity needs, desired level of involvement, risk tolerance, and long-term objectives.

Direct Ownership

Maintain full authority over leasing, financing, improvements, and disposition decisions.

Direct Title Security

Passive management with direct property ownership, preserving control and future flexibility.

Zero DST + Refinance

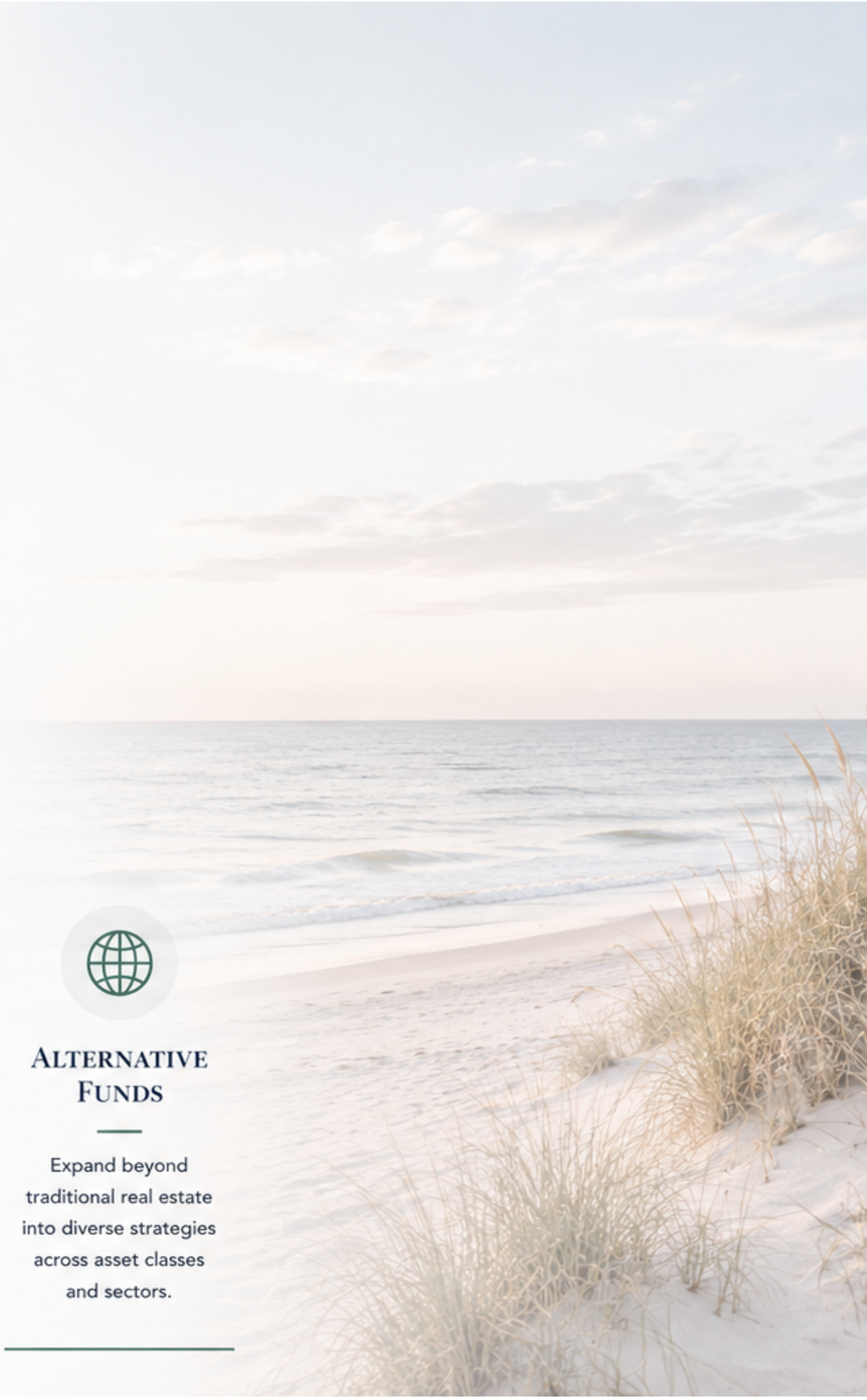
Access a substantial portion of your equity while maintaining real estate exposure.

721 / UPREIT Strategies

Exchange concentrated real estate holdings for broader diversification and potential future liquidity.

Alternative Funds

Expand beyond traditional real estate into diverse strategies across asset classes and sectors.



Questions to Help Determine Fit

- Do I want to actively manage real estate?
- Will I need access to my capital in the near term?
- Is income or growth more important to me?
- How much control do I want over decisions?
- What role does risk play in my decision-making?
- What are my long-term objectives?

At Breakwater Capital, our goal is not to fit every investor into a DST.

Our role is to help evaluate the full range of available solutions and identify the strategy that best aligns with your objectives.

Other Solutions That May Better Fit Your Objectives

Depending on your goals, liquidity needs, and desired level of control,
other real estate strategies may provide greater flexibility and optionality than a traditional DST.

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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.