THE 3 KEYS TO UNLOCKING YOUR RETIREMENT DREAM

PLAN YOUR “NEST EGG” SO THAT IT DELIVERS!

Is Your Nest Egg Cracked?

- **How many years do you have until retirement?**
- **Will you be ready in time?**
- **Will you have a big enough "nest egg"? Or is it cracked?**
- **Will your investments be able to produce a reliable, growing stream of income to support your dreamed-of retirement lifestyle? Or will you come up short?**

We've been there. Not that many years ago, the three of us hoped we would be able to...

- pay the ongoing bills during retirement
- travel and see some exciting places in the world
- spend time with family as often as we wanted
- contribute in some way to make the world a better place
- and more...

But, like you, we were not confident our investments were on track to achieve this dream.

We dreamed of having our "nest egg" in place to allow us to do what we wanted when we wanted. That was our dream...or was it a pipe dream?

If you are not completely confident that you have an effective plan for your retirement "nest egg", good!

As they say:

The best time to plant a tree was 20 years ago. The second best time to plant it is TODAY.

No doubt you have been saving up for retirement regularly, for years now, just like we did. You might have a very generous 401K plan at work, like we did. You might have funds accumulating in a separate IRA, like we did.

We had been responsible, started early, did our best, like you.

But the results were disappointing.

When the market makes a correction like it did in early 2020 or December 2018, or back in 2007-8 or in 2000-2001, it feels like someone punched you in your gut, doesn't it?

Take fresh action starting today and you can achieve your retirement dream.

Read on and discover the three keys to unlocking your retirement dream.

But, first, allow us to share a bit of our story. It may sound familiar.

Our Story

As we said earlier, there was a point several years ago when we felt anxious about being able to reach our retirement goals.

We remember days when weren't confident that our nest eggs (along with our other income sources) would produce the kind of steady income we knew we needed in retirement. We weren't convinced our traditional investment instruments (stocks, mutual funds, bonds) would actually keep up with inflation.

We realized we needed investments that would grow big enough for us to retire someday. They would also have to keep growing so we could take care of ourselves all the way through retirement and never become a burden on our families.

Sound familiar?

Have you ever worried that you would run out of money in retirement? Have you ever blindly followed your advisor's advice only to face the market's volatility? That is where we were.

It felt like being on an out-of-control roller coaster ride!

We used to believe the stock market is the best viable investment out there. We used to think alternative investments were too risky or too complex for us. We had heard from financial experts that we needed to move more and more of our assets into bonds or annuities as we got older.

AND THEN, we changed our thoughts and took a different course of action with our retirement investments. And it has paid off.

Robert Kiyosaki, in his book, Rich Dad, Poor Dad, describes this as "getting out of the rat race". That is where we are. It took a change in our thinking. It took deliberate action. All three of us, individually, and now as a team, are living our retirement dreams.

We are doing what we want when we want and enjoying life. You can too!

Three Keys for Unlocking Your Dream.

On our way to discovering the secrets for achieving our retirement dreams, we identified the following three keys. These are three important requirements for our retirement "nest egg" to produce the financial results we needed.

We put these into action during the years before we retired and plan to employ them for years to come.

Learn the three keys. Then search with us for an investment that meets all three of these criteria...

#1 Reliable Income

The first key is – our nest egg must produce reliable income.

Perhaps like us, you are counting on several sources of income during retirement. These might include your pensions, social security benefits, continuing business income, 401(k)s and IRAs, along with some other sources.

These multiple streams of income were the foundation of our financial plan for retirement. If one would not perform well, the others would still be flowing.

Then we realized none of these sources were guaranteed.

We have read about several pension funds going bankrupt. According to a recent Wall Street Journal article, prior to the first quarter of 2020, even after the long bull market run, public pensions were still over $4 trillion short of the $8.9 trillion they needed to pay the future benefits they had promised. Perhaps the income from our pensions will dry up. And some companies went bankrupt. Remember Enron? Washington Mutual Bank? Eastern Airlines?

We anticipated the possibility that the Social Security Trust Fund would one day run dry. We couldn't count on Social Security benefits either.

This is when we realized the importance of our “nest egg” being able to produce an adequate and reliable stream of income on its own. We needed something as reliable as “Old Faithful” in Yellowstone Park.

The size of the nest egg is important, of course, but its purpose is to produce income and do so reliably.

We looked at income producing stocks, annuities, bonds and T-bills. Each of these has historically produced a fairly steady stream of income. And these all seemed pretty safe, too. But, the rate of return for these has been pretty low for quite a while. They wouldn’t do.

Each of us has known a number of people, many in our parent’s generation, who thought they had enough income flowing from their “safe” investments. And it may have been enough on day one of their retirement.

At first they were using the income their investments were producing. In addition, later they were making regular withdrawals of the equity. The size of the nest egg grew smaller and smaller, which meant the income produced by the nest egg grew smaller and smaller too. This resulted in a ever diminishing stream of income. For many, this meant having to reduce their lifestyle. Some even had to move back in with their children.

“It is a terrible inconvenience to be physically alive and financially dead.” *- Peter Fortunato*

If we were to retire well, the first requirement of our investments would be this ability of our nest egg to provide the reliable source of income we needed to pay our retirement expenses, month in and month out, for years and years.

What investments would provide this reliable income? Next we will factor in inflation.

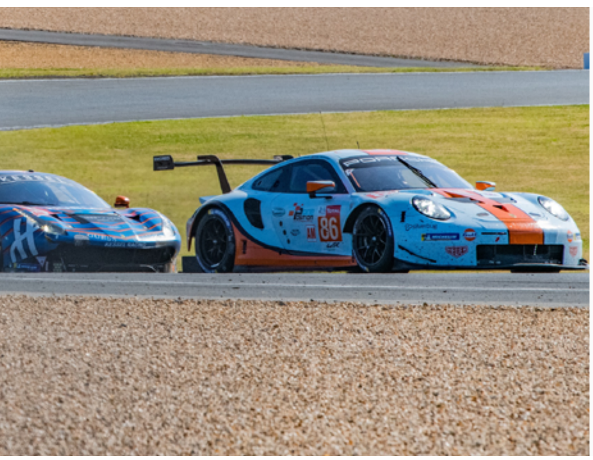
#2 Outpace Inflation

Our investments must at least keep up with inflation. This is the second key. If inflation wins, our retirement dream is at risk.

We set the second requirement even higher than keeping up with inflation. We would look for an investment that would produce an income that outpaces it. **We plan on winning the race against inflation.**

We know from experience what inflation can do to buying power.

One of us is old enough to remember paying $1 for a movie, popcorn, soda, and candy. Try to do that today for $20. Rolling Stones concert tickets were $15 in 1981. How much do you pay today for concert tickets?



You have seen what inflation has done to the price of entertainment, gasoline, and everything else. Medical expenses are a big expense in retirement. Imagine not being able to keep up with medical cost inflation.

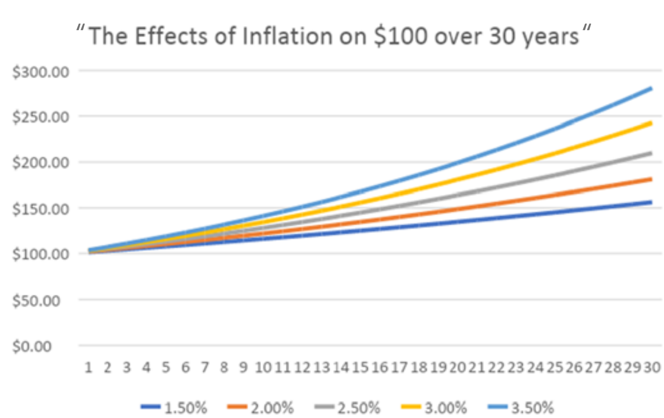
The average annual rate of inflation in the United States from 1913 through 2019 has been 3.22%. We have been quite fortunate over the last 20 years, with annual inflation averaging only 2.14%.

Take a look at this graph "The Effects of Inflation on $100 over 30 years". **The grey line in the middle shows the effect of a 2.5% annual rate of inflation.**

At a 2.5% annual rate of inflation you will need $113.14 to have the same buying power in 5 years, $128.01 in 10 years, $163.86 in 20 years and $209.76 in 30 years.

You nest egg will have to more than double in size over the next 30 years just to keep up with a 2.5% average annual rate of inflation.

That sure gets our attention, doesn't it?



The effect of inflation is like taking a match to that $100 bill.

Our second requirement for our investments going forward is for them to be able to keep up with or outpace inflation. This makes sense to you, doesn't it?

We have heard that stocks go up on average 8% to 10% per year. They might just be the answer. Returns like that should keep up with inflation, shouldn't they?

But, then we were hit with the reality of stock market corrections and bear markets.

One of us had been religiously putting aside 10% of our income into our retirement accounts from the first day we began working.

We had accumulated a pretty sum, and then the bear market hit. In 2000, the markets dropped 50%. In 2008, they dropped 40%. He said "My 401K became a 201K overnight!" Ugggh.

Finding a way to maintain the value of our investments became our third quest. We realized our nest egg needed to produce a steady stream of income, a large enough stream to outpace inflation. But if we couldn't protect the dollar value of our investments from these big market swings, that income stream would be in jeopardy. Thus the third key.

#3 Protect and Grow Your Principal

Warren Buffet famously said, "Rule No. 1: Never lose money. Rule No. 2: Never forget rule No.1".

Our third requirement — we needed a way to **protect** our "nest egg". We also want to **keep it growing.** Between now and our retirement starting and then throughout our retirement years, we need an investment that will do both – protect our principal and grow it.

We went through some very painful market corrections in which our investment values took a big hit. Fortunately we didn't need to withdraw or sell any of them during those down-turns.

Imagine what would happen if you have to make withdrawals during your retirement years in the midst of a market correction. Or if a bear market strikes when you are only a year or two into retirement? What would that do to the size and stability of your nest egg?

We searched even harder for an investment instrument that would be more stable than stocks and provide a steady growing income, like bonds, but with a much greater potential for growing as we grew older.

After this brief summary, discover what the ideal investment might be.

Summary of The 3 Keys

So here are our three requirements, each one building on and supporting the other.

- First, create a reliable source of income.
- Second, outpace inflation.
- Third, protect and keep your nest egg growing until retirement and on through retirement as well.

What investment would meet all three of these requirements?

The I.D.E.A.L. Investment

Just like you, we did our research. We explored various stocks, mutual funds, stock options, gold, bitcoin, forex, annuities and a variety of ways of trading them – technical analysis, fundamental analysis, tea leaves.

We sought out and studied the top fund managers and so-called financial experts.

We consulted with trained and certified financial advisors.

Like you, we discovered that each investment instrument or approach has its own strengths and weaknesses.

- Some provide steady income streams, just not very big ones.
- Some protect against inflation, or so they say.
- Some produce growth, except when they don't.
- Some of the fund managers can beat the market averages, for a while.

You have likely considered and even tried some of these more common approaches.

Our in-depth study and then our own experience led us to an investment vehicle that has been used by people to create wealth for thousands of years.

It is what is called "The I.D.E.A.L. Investment".

What is an I.D.E.A.L. Investment you may ask?

Well, it needs to have these five components:

I Produce **Income**,

D Ability to use **Depreciation** as a tax reduction strategy,

E Significant potential to grow **Equity**,

A Able to use some of the income to **Amortize** or pay down the debt,

L Ability to use appropriate debt to provide the multiplying power of **Leverage** to our return.

With these five components, our investment is able to satisfy the 3 keys we outlined above.

1. It produces regular, reliable income and provides tax advantages with the use of depreciation.
2. It outpaces inflation with cash flow, equity growth and amortization of underlying debt.
3. It grows over time with relatively low volatility and a high degree of safety.

So what is the investment vehicle that fits this I.D.E.A.L. Model?

Real Estate!

Now, in a bit you will see we are not talking about typical real estate investing.

All three of us moved some of our investments from traditional stocks and mutual funds to real estate decades ago. We have tried the typical sort of real estate investing you have heard about.

We have 73 years of combined real estate investing experience among us.

We started out with the normal sort of real estate investments. We joined local real estate investor groups to learn and network. We built a typical portfolio of single-family rental houses, did some flips, partnered up in some joint ventures. We learned about the challenges of financing, working with contractors, and being single-family house landlords.

We went down that typical road. There is certainly money to made there. We made money there, too.

Single-family real estate investing, when done correctly, satisfied all three of our requirements, the 3 keys outlined above – provided a steady stream of income, kept up with inflation, and grew in value.

Single-family investments are an I.D.E.A.L. investment, but they miss one important factor.

They are hard to "scale". Here is what we mean...

- Our single-family homes were spread out miles apart from each other.
- Our handyman wasted a lot of time traveling from one to the other.
- We couldn't keep an eye on things across that distance.

So - we sought out a better investment vehicle, so we could overcome this last issue of scale.

What we found was Apartment or Multi-Family Investments.

Multi-Family Gave us Economies of Scale

Here is what "economies of scale" means in practical terms.

- Fewer roofs to replace
- One insurance policy instead of multiple policies
- One closing, one financing package, one title policy, ...
- On-site property management and maintenance staff
- Maintenance staff efficiencies being in one campus location
- Leasing agent on-site, model apartment to see any time
- Purchasing in bulk
- ...

These "economies of scale" help us achieve a higher return on investment.

We began finding and purchasing apartment complexes. We have pulled together the financing for these, including gathering investors like you to partner with us in the purchase and ownership.

Together, with our investment partners, we have benefited from the income and growth our multi-family investments are producing.

The "AHA! moment" in our retirement planning happened when we found and took action in this I.D.E.A.L. Investment with the added benefit of economies of scale.

We have moved well beyond those days when we were not sure if we would have the finances in place to be able to live our retirement dreams. We are now living them.

We Have Achieved Our Retirement Dreams

We have been able to buy apartment complexes right, finance them right, and manage them right. We are able to bring clean, safe, affordable housing to our residents and good, appropriate returns to our investor partners.

An apartment complex is a business that receives income from the residents in the form of rent payments, pays all the expenses of running the apartment complex, and generates net income which both pays down the loan and is distributed to our investors.

The income produced is greater than what the stock market or many other investments would typically be producing and does outpace inflation.

And, apartment complex values are quite stable, protecting the underlying invested dollars. As a bonus, because of the way apartment complexes are valued, we can actually "force" the appreciation of our complex with good management of the asset.

We and our investors are able to check off all three key requirements and more with our multifamily investments.

And so can you

You have time. You can take effective action. You can achieve your dreams, too.

We found an investment instrument that has allowed all three of us to get out of the "rat race", so we can do what we want to do when we want to do it. Two of us have retired already from 30+ years of work. All three of us continue to live a most enjoyable lifestyle, primarily because of our discovery of real estate as an investment vehicle.

How many years until you plan on retiring? Will you be ready?

What are your retirement dreams? Travel, spending time with family, volunteering in your community, new hobbies...

If your current investment approach will get you to a place where your nest egg will produce the kind of steady income you will need, good for you. We would love the opportunity to learn from you.

If your "nest egg" is cracked, you can do something about it. If you are concerned that you are not on track, then now is the time to do some research and take action.

Your Next Steps

Take a good hard look at your retirement investment plan. Learn about and make an investment in the kind of instruments that will provide that steady, reliable income for you in retirement.

Continue to grow your nest egg as rapidly as possible in the years you have remaining until your planned retirement date. Then prepare to grow that nest egg throughout retirement so it will keep up with inflation and help you achieve your retirement dreams.

Get in touch with us to learn more about ways to easily participate in a real estate partnership.

We do enjoy seeing the smiles on our investors faces when they realize they are achieving their personal financial objectives.

We Invite You to Join Our Investment Club

If you'd like to find out more about how we and others are investing for maximum growth and consistent income then join our investor club. In the investor club you will learn which investments we are using to get the desired growth and income to achieve our retirement goals.

Join our investor club, schedule a phone call with one of us, and start taking action to achieve your retirement dreams.

JOIN NOW

MIKE BOCANEGRA

Lead Partner, Project Manager

Mike is a seasoned investor with over 15 years of active experience in finding, negotiating and repositioning residential and multifamily properties. He has invested in real estate throughout Michigan, Illinois, and Florida and has had extensive experience in commercial property renovation, property management, cash flow and budget analysis.

Mike is married to Amy. They operate the property management company which manages our Tallahassee properties. They also enjoy traveling and seeing the country in their motor home.

HARLAND MERRIAM

Steering Executive & Investor Relations

Harland Merriam brings a unique perspective to multi-family investing, four decades of wisdom and experience as an Army Chaplain (Colonel) and Pastor of large congregations. His life has given him the ability to provide skilled leadership, an ever-present smile, unquestioned integrity, a listening ear, vision and energy.

He has extensive experience in real estate investing — owning and operating a mobile home community and currently holding a portfolio of eleven doors of single family and small apartments over the past 40+ years.

He is a member of Central Florida Realty Investors and serves as a Coach and Chaplain with the PACT Real Estate Investors Mastermind.

Harland is married to Barbara. They have two grown sons and two grandchildren.

MIKE JACOBSON

Executive and Finance

Mike is a retired aerospace engineer with a passion for real estate investing. He and his wife started investing in 2006. Their investments have included flips but they prefer to buy and hold, both inside and outside of IRAs.

Present and past holdings include single family homes, a student housing rental, a beach condo and partnership in a 42-pad mobile home park.
Mike started the Self-Directed IRA sub-group at Georgia Real Estate Investors Association, GaREIA, in 2009. This was later merged with the Lease Options sub-group to form the Creative Financing sub-group, which he continued to co-lead. He was also elected to the GaREIA board where he served as Education Director and President. After moving to Orlando in 2016 he joined Central Florida Realty Investors, CFRI, and currently serves on the board as Programs Director.

Mike, a U.S. Navy veteran, holds a bachelor degree in engineering from Georgia Tech and an MBA from Texas Christian University. He and his wife, Barb, have two children who are now married and one grandbaby.