



**BREAK OF DAY CAPITAL**

Real Estate Investing Made Easy

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# **BODC PREFERRED INCOME FUND**

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# FINANCIAL DISCLAIMER

This Business Plan further contains several future financial projections and forecasts. These estimated projections are based on numerous assumptions and hypothetical scenarios and Sponsor(s) explicitly makes no representation or warranty of any kind with respect to any financial projection or forecast delivered in connection with the Offering or any of the assumptions underlying them. This Business plan further contains performance data that represents past performances. Past performance does not guarantee future results. Current performance may be lower or higher than the performance data presented.

All return examples provided are based on assumptions and expectations in light of currently available information, industry trends and comparisons to competitor's financials. Therefore, actual performance may, and most likely will, substantially differ from these projections and no guarantee is presented or implied as to the accuracy of specific forecasts, projections or predictive statements contained in this Business Plan. The Sponsor further makes no representations or warranties that any investor will, or is likely to, achieve profits similar to those shown in the pro-formas or other financial projections.

# BODC OVERVIEW

*Break of Day Capital focuses on acquiring underperforming multifamily properties in high growth markets in the Southwest by implementing strong repositioning strategies and best in class asset management to maximize value for all stakeholders.*

- \$100M+ raised in equity
- \$40M+ distributed to investors
- Recognized as the 25th fastest growing real estate company on the 2023 Inc 5000 list
- Selectively acquired 1800+ units with a total value of \$320M+ in RE transactions

# EXECUTIVE LEADERSHIP



**GARY LIPSKY**  
CEO & Founder

- Real estate investor since 2002
- Over 30+ yrs of operational expertise
- Amazon best-selling author of *Best In Class* and *Invest Smart*
- Founder/Co-President of arc, a company he grew to over \$12MM in revenue and 700 employees while positively affecting over 9,000 students daily
- Founding Board Member of the non-profit CORE Educational Services

# BODC TEAM



**SHAUN KANCHERLA**  
Director of Operations



**JOSEPH FANG**  
Director of Investor Relations



**TIMOTHY CHIU**  
Director of Asset Management



**JACLYN BROMAGEM**  
Operations Manager

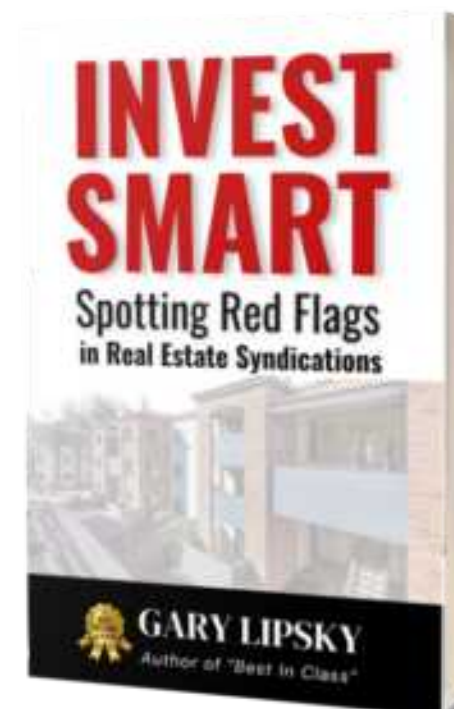


**ANDY HUANG**  
Investor Relations  
Manager

# WE LITERALLY WROTE THE BOOK ON ASSET MANAGEMENT

Our strong focus on asset management drives results—averaging 40%+ NOI growth in year one across our portfolio. From acquisition to disposition, we optimize operations, track KPIs, and continuously improve.

Gary is the best-selling author on the subject!



# MISSION

Our mission is to provide passive investors with superior risk adjusted returns with the highest level of transparency and fiduciary responsibility while improving the quality of life and community for our residents.

## CORE VALUES

- ✓ Integrity
- ✓ Transparency
- ✓ Communication
- ✓ Diligence
- ✓ Kaizen

# PORTFOLIO

PROPERTY	UNITS	PURCHASE PRICE	EQUITY RAISE	STATUS
Icon on Headley	136	\$22.35MM	\$7.7MM	Under Management
Icon on Midvale	136	\$21.1MM	\$10.5MM	Under Management
Icon on Spanish Trail	256	\$33MM	\$17.1MM	Under Management
Icon on Pima	80	\$9.5MM	\$3.7MM	Under Management
Icon on Stella	199	\$37MM	\$13.7MM	Under Management
Mission Antigua	248	\$59MM	\$20MM	Under Management
Icon on Park	176	\$26.4MM	\$9MM	Under Management
Icon	72	\$9.8MM	\$2.68MM	Under Management
Youngtown Flats	104	\$1.9MM	\$1.2MM	Under Management
Midtown on 1st	93	\$8MM	\$4MM	Sold
Midtown on Seneca	176	\$13.6MM	\$8.65MM	Sold
East 3434	128	\$15.3MM	\$5.7MM	Sold
Midtown on 2nd	42	\$1.65MM	\$1MM	Sold
<b>Total</b>	<b>1,846</b>	<b>\$258.6MM</b>	<b>\$104.93MM</b>	

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# BODC PREFERRED INCOME FUND INVESTMENT HIGHLIGHTS

- Liquidity preference over common equity.
- Consistent above average risk adjusted returns.
- No price volatility risk.
- No fees reduce your preferred return: Unlike most funds, your full 8% return is not reduced by management or performance fees.

	Class A	Class C
Annual Interest	8% annual return, paid monthly	12% annual return, 6% paid monthly, 6% accrued and paid upon redemption
Lock-up Period	90 days, 45 day notice for redemption	36 months, 45 day notice for redemption

Real estate investing involves many risks, variables, and uncertainties. No representations or warranties are made that any investor will, or is likely to, attain the returns shown above since hypothetical or simulated performance is not an indicator or assurance of future results

# FUND DETAILS



## Fund Type:

- Income Fund. Open Ended.
- \$25M, 506(c) Fund open to accredited investors only



## Accepted Funds:

- Cash
- Self Directed IRA (Traditional / Roth IRA, Solo 401K), E-QRP

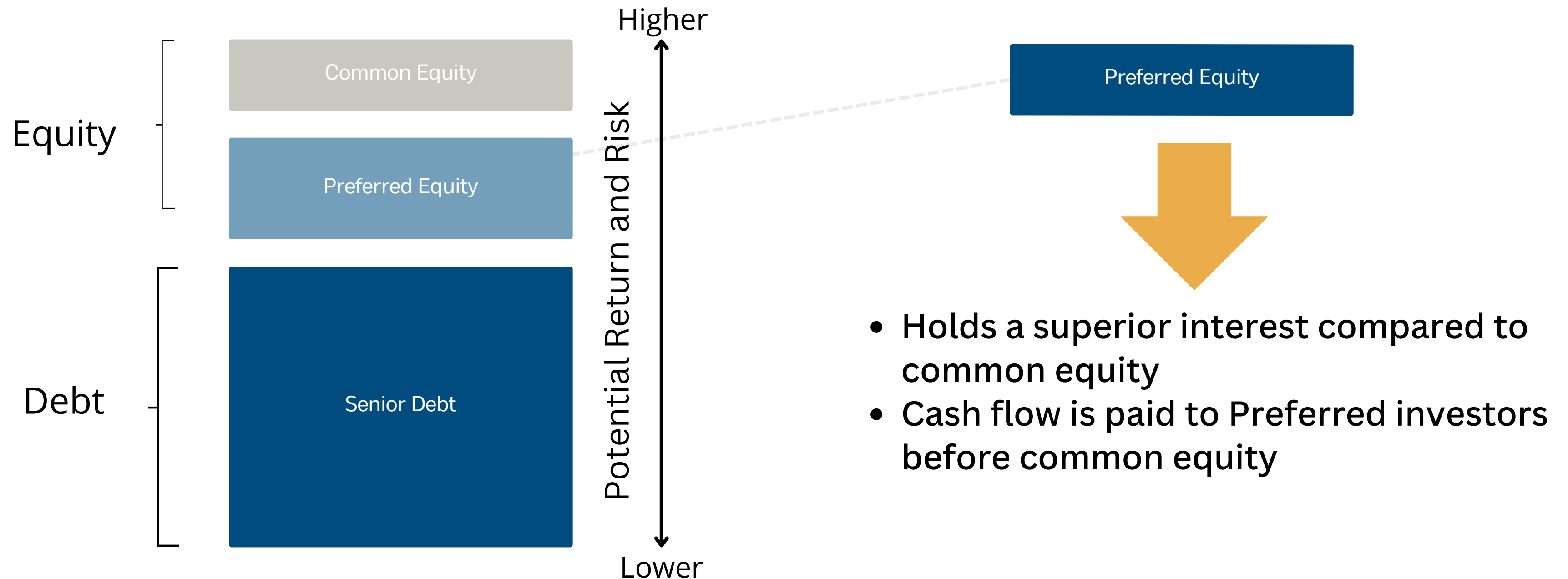


## Investment areas:

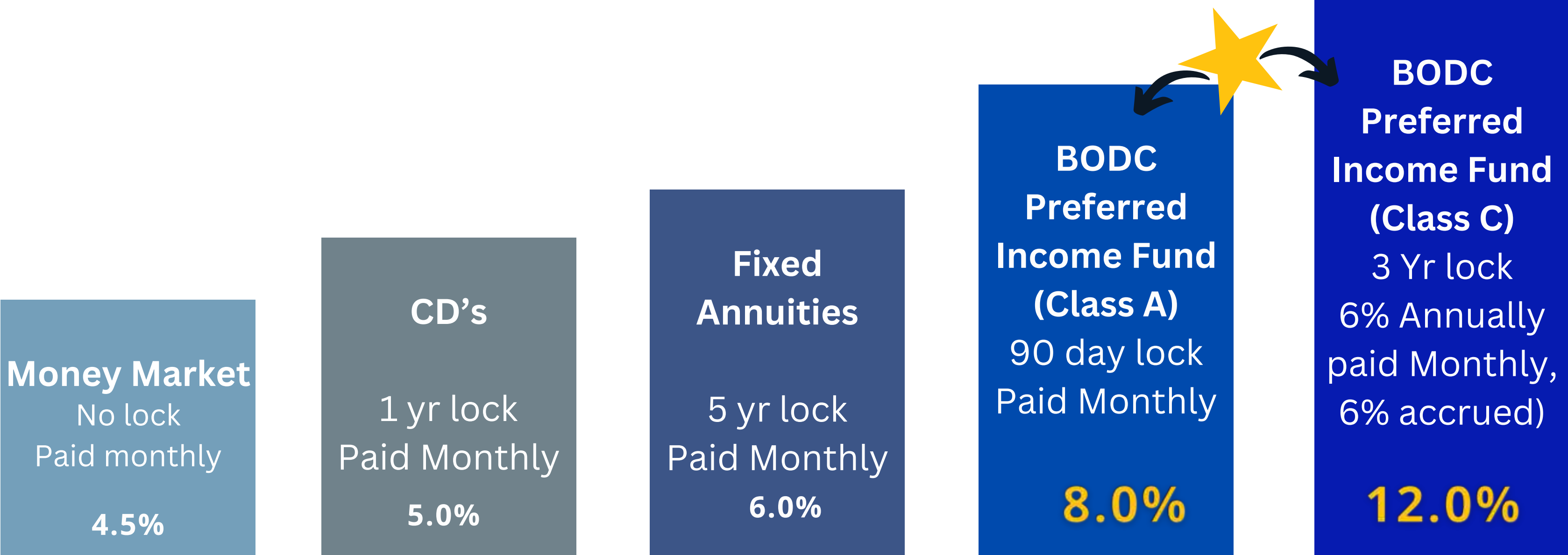
- Preferred equity invested in Multi-family and Commercial assets

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# EQUITY STRUCTURE - WHAT IS PREFERRED EQUITY



# BODC INCOME FUND PROJECTED RETURNS COMPARED TO CURRENT OPTIONS



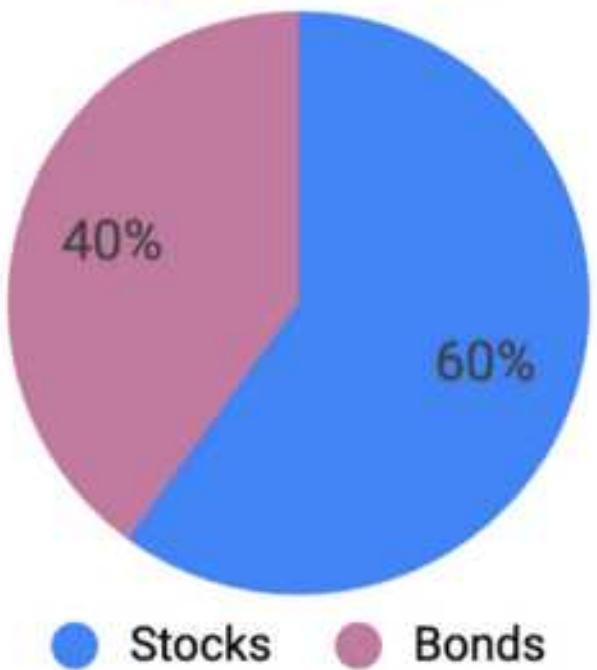
Stock market historical (1928 - 2024) ~9%\* returns assuming dividend reinvestments (not fixed, volatile)

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\*Source: [Tradethatswing](https://www.tradethatswing.com)

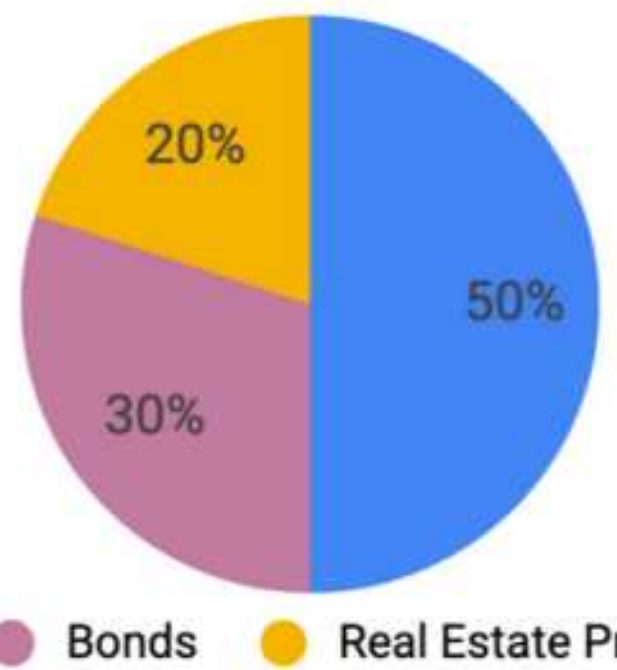
# DIVERSIFYING IN THE INCOME FUND OPTIMIZES FOR BETTER OVERALL RETURNS, LOWER RISK

Typical Allocation



The Sharpe Ratio comparison is a much higher % with the BODC Preferred Income Fund Allocation compared to a Typical Allocation

Hypothetical Allocation w/ Alternative Investments



	Expected Average Historical Returns	Sharpe Ratio (Weighted Avg)	Annual Returns	Yield
Stocks	9%	2.04	\$54,000	
Bonds	5%	1.18	\$17,000	
<b>Total</b>		<b>1.7</b>	<b>\$71,000</b>	<b>7.10%</b>

	Expected Average Historical Returns	Sharpe Ratio (Weighted Avg)	Returns	Yield
Stocks	9%	2.04	\$45,000	
Bonds	5%	1.18	\$12,750	
Preferred Equity	8%	4	\$16,000	
		<b>2.2</b>	<b>\$73,750</b>	<b>7.35%</b>



## Key Takeaways

- Sharpe ratio is a calculation of risk adjusted returns. The higher it is, the lower the risk.
- By adding BODC Preferred Equity to a portfolio it reduces overall risk significantly.

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\*Source: Tradethatswing

# BODC'S VALUE PROPOSITION

## **Best In Class Asset Management**

- Operational expertise with years of hands on experience driving performance
- Proven execution that resulted in 40% NOI bump in first 12 months across portfolio!

## **Razor Focus on Southwest Markets Only**

- With thousands of data points accumulated over the years, it enables fast & informed decision making to identify the best deals in each market.

## **Strong Relationships Across the Industry**

- Years of successful operating has developed trust and credibility with brokers and lenders which enables better opportunities.
- We attract the best deals and acquire assets even during down markets.

# BODC'S VALUE PROPOSITION

## **Realistic Underwriting**

- By focusing on a few markets for many years, we're able to underwrite more proficiently.
- We promote realistic returns because we build in buffers that others frequently do not. When things don't go as planned, we're able to take a punch and hold a stronger position than most.

## **We Care About Community**

- We create win win opportunities for our investors and our residents.
- We donate a portion of our proceeds to charities.

## **Skin in the Game**

- Gary is not only one of the largest investors in our deals—our team invests alongside you!

# IS THIS FUND RIGHT FOR YOU?

## Take This Short Assessment

**Accredited Investor?**



**Cash Flow Focused - Seeking consistent monthly contributions?**



**Liquidity Important? (Class A option)**



**Seeking to diversify away from single asset risk?**



**Looking for experienced team with proven results?**



# GIVING BACK TO OUR COMMUNITY

We are proud to share that a portion of Break of Day Capital corporate profits will be donated to charities that we support.





**ANDY HUANG**  
*Investor Relations Manager*

Andy@breakofdaycapital.com

# YOUR NEXT STEPS

- ✓ Sign up to our portal, which can be found through our website or with the QR code below
- ✓ Read all of the documents, then follow the e-sign instructions to sign the documents
- ✓ Wire funds within 3 days of approval notification



Scan the QR Code to Access  
The BODC Investor Portal

<https://bit.ly/BODCportal>