



**BREAK OF DAY CAPITAL**  
Real Estate Investing Made Easy

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# CREDIBILITY KIT

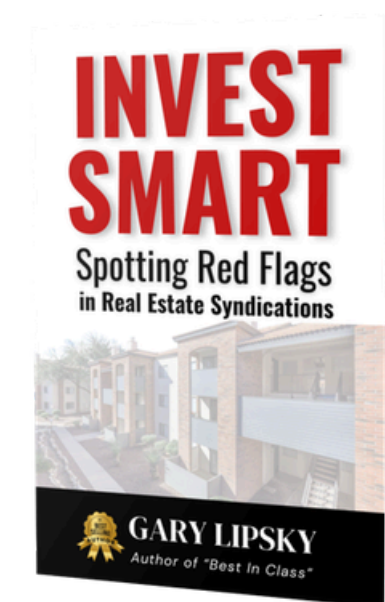
# BODC OVERVIEW

*Break of Day Capital is a multifamily investment and asset-management company focused on acquiring and repositioning underperforming properties in high-growth markets across Arizona and the Southwest.*

*We combine disciplined underwriting, hands-on asset management, and data-driven operations to unlock value and deliver consistent, risk-adjusted returns for investors, while improving the quality of life for our residents.*

## Key Differentiators:

- **Proven Track Record:** 4 full-cycle exits exceeding projections
- **Operational Edge:** Achieved an average NOI increase of 40%+ within the first year across our value-add acquisitions
- **Investor Alignment:** Sponsor co-invests in every deal, and all investor capital is returned before any profit sharing occurs
- **Recognized Leadership:** Featured in Inc. 5000, Yahoo Finance, and named Best Real Estate Syndication Company by the AAOA



# 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

# EXECUTIVE LEADERSHIP



**GARY LIPSKY**  
CEO & Founder

- Real estate investor since 2002
- Over 30+ yrs of operational expertise
- 2X best-selling real estate author
- National speaker



**TIMOTHY CHIU**  
Director of Asset Management

- 10+ years in senior institutional real estate roles with deep multifamily expertise
- Led asset management and redevelopment of \$4B+ in multifamily assets, overseeing 10,000+ units



**JOSEPH FANG**  
Director of Investor Relations

- Actively investing in real estate since 2003
- Passive investor in 50+ commercial real estate syndications
- Specialist in macroeconomics and data analysis



**JACLYN BROMAGEM**  
Operations Manager

- Actively investing in real estate since 2002
- Founder of short-term rental management company in San Felipe, Baja California Mexico
- Led education and training for property managers for a NW property management company



**ANDY HUANG**  
Investor Relations Manager

- 20+ years overseeing institutional and private investment portfolios
- Managed and advised on \$20B+ in assets across pensions, insurance, and private investments
- Holds an MBA from USC, a BA in Economics from UCLA, and the CFA designation

# PORTFOLIO PERFORMANCE SNAPSHOT

## Portfolio Overview

- 2,100+ Units acquired across Arizona
- \$350M+ total transaction value
- \$100M+ equity raised
- \$40M+ distributed to investors

## Full-Cycle Track Record

- 4 full-cycle exits exceeding projections
- Average Equity Multiple: 2.08x actual
- Average IRR: 49.5% actual (16.25% projected)
- Average NOI Growth in Year One: 40%+



# PORTFOLIO

PROPERTY	UNITS	PURCHASE PRICE	EQUITY RAISE	STATUS
Icon on Broadway	300	32.775MM	\$13.5MM	Under Management
Icon on Headley	136	\$22.35MM	\$10.5MM	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>\$107.73MM</b>	

Any performance data shared by Sponsor represents past performance and past performance does not guarantee future results. Neither Sponsor nor any of its investments are required by law to follow any standard methodology when calculating and representing performance data and the performance of any such funds may not be directly comparable to the performance of other private or registered offerings

# FULL CYCLE PERFORMANCE

						PROJECTED		ACTUAL	
PROPERTY	UNITS	PURCHASE PRICE	SALES PRICE	Acquisition Date	Exit Date	EM	IRR	EM	IRR
<b>Midtown on 2nd</b> 3601 E 2nd St, Tucson, AZ	42	\$1.65MM	\$2.82MM	May 2019	May 2021	2.0x	14%	1.7x	31%
<b>East 3434</b> 3434 E McDowell Rd, Phoenix, AZ	128	\$15.3MM	\$27.5MM	Nov 2019	Oct 2021	1.91x	15%	2.0x	50%
<b>Midtown on Seneca</b> 201 E Seneca St, Tucson, AZ	176	\$13.6MM	\$28.0MM	Dec 2020	Aug 2022	2.23x	18%	3.0x	101%
<b>Midtown on 1st</b> 1920 N 1st Ave, Tucson, AZ	94	\$8.0MM	\$13.6MM	Feb 2021	May 2024	1.82x	18%	1.7x	19%
<b>Average</b>						1.99x	16.25%	2.08x	49.5%

\*All return metrics are net to investors

# OUR TRACK RECORD IN ACTION

## Midtown on 1st – Tucson, AZ

- Acquired during COVID at 52% occupancy; stabilized to 90%+ within 6 months
- Converted from student housing to multifamily
- Added solar to reduce electricity costs
- City-approved parking plan enabled 15+ new units for future revenue growth

## Midtown on Seneca – Tucson, AZ

- Enhanced curb appeal through new signage, landscaping, and paint
- Re-piped chiller lines to improve efficiency
- Added dog park and improved tenant base
- Increased RUBS income and implemented rent optimization strategy

## East 3434 – Phoenix, AZ

- Executed major exterior and interior renovation program
- Improved operations and tenant experience
- Delivered a 2.0x equity multiple and 50% IRR to investors



Midtown on 1st



Midtown on Seneca



East 3434

# BOOSTING NOI AT SPANISH TRAIL

Implementation	Result
Replaced toilets (3.5 → 0.8 GPF) and installed low-flow showerheads (2.5 → 1.5 GPM) to reduce water consumption by 50%.	Annual savings of \$138,000 in water expenses and a <b>\$2.76MM</b> increase in property value
Reduced payroll by reducing headcount	Added <b>\$60,000</b> to the bottom line
Pet fees weren't being charged (107 of the 256 units have pets). Fees to be implemented as leases are renewed.	<b>\$30/month</b> charge per pet
Installed privacy walls to first-floor units for more outdoor living space	An estimated <b>\$75/month</b> boost
Since closing on December 19, 2023, the property's value has increased by \$5.1mm, producing a 29% unrealized return to our investors to date.	

# RISK MANAGEMENT PHILOSOPHY

## **Conservative Underwriting**

- Stress-tested assumptions for rent growth, vacancy, and exit cap rates
- Conservative leverage and fixed-rate financing whenever available
- The same professional who underwrites each property is responsible for achieving those projections, ensuring accountability from acquisition through disposition

## **Operational Oversight**

- In-house asset management team actively monitors performance and expenses
- Monthly reporting and direct investor transparency

## **Capital Reserves & Cushioning**

- Robust capital reserve allocations across all assets
- Structured contingency budgets for CapEx and unforeseen expenses

## **Aligned Interests**

- Sponsor co-invests in every deal
- Investors receive full return of capital before sponsor profit participation

## **Risk Mitigation Focus**

- Favor Class B/C workforce housing for stable demand
- Select markets with diversified economies and landlord-friendly regulations

# TUCSON, AZ MULTIFAMILY MARKET OVERVIEW

*(Source: CoStar, Arizona Commerce Authority – Oct 2025)*

- **Measured Supply Growth:** Only 4.5% new inventory growth over the past three years, half the U.S. average.
- **Limited Future Pipeline:** Just 8 projects (1,753 units) under construction, 2.1% of total inventory, reducing oversupply risk.
- **Workforce Housing Stability:** Over the past year, Class B/C assets have maintained stable occupancy and modest rent gains, while luxury rents declined due to new supply pressure
- **Recent Transactions:** Over \$430M in multifamily sales in the past 12 months, with institutional buyers re-entering the market at attractive cap rates (~6%).
- **Business-Friendly Regulatory Environment:** Arizona prohibits rent control at the municipal level and allows landlords to issue 5-day notices for nonpayment and 10-day cure notices for lease violations (A.R.S. Title 33). [LegalClarity.org](https://www.legalclarity.org)



# TUCSON KEY ECONOMIC METRICS

- **Population:** 1.1 million (2nd-largest metro in Arizona)
- **Workforce:** ~515,000 workers
- **Median Household Income:** \$72,600 (+1.9% YoY)
- **Unemployment Rate:** 4.1% (as of Q3 2025)
- **Median Single Family Home Value:** \$333,928
- **GDP:** \$62 Billion (U.S. Bureau of Economic Analysis, 2025)



# TUCSON KEY INDUSTRIES & ECONOMIC ANCHORS

## Economic & Employment Highlights

- Government jobs ~19.5% of total employment in Tucson MSA (notably higher than state average)
- Military employment share ~1.9%, with strong base & defense presence
- Tucson's aerospace manufacturing sector is over 10 times more prevalent than the national average, making it one of the region's dominant industries.
- The American Battery Factory's \$1.2B gigafactory will add 1,000 new jobs and generate \$3.1B in economic impact by 2026

## Anchor Employers & Institutions

- University of Arizona
- Raytheon / RTX / Defense Contractors
- Davis-Monthan AFB
- State / Local Government & School Districts
- Medical / Healthcare systems
- Photonics & electronics firms



# PHOENIX, AZ MULTIFAMILY MARKET OVERVIEW

*(Source: CoStar, Greater Phoenix Economic Council, Arizona Commerce Authority – Oct 2025)*

## **Sustained Population & Job Growth:**

- Metro population of 5.1M+, among the fastest-growing in the U.S.
- Ranked #3 nationally for net in-migration since 2020
- Over 100,000 new jobs added annually in advanced manufacturing, tech, and logistics

## **Healthy Multifamily Fundamentals:**

- **Vacancy:** ~8.4%, expected to stabilize through 2026
- **Rent Growth:** +1% YoY, outperforming U.S. average
- **Limited New Starts:** Construction slowdowns and higher costs have tempered new supply



# PHOENIX KEY ECONOMIC METRICS

- **Population:** 5.1 million
- **Workforce:** 2.6 million workers
- **Median Household Income:** \$84,000 (+3.5% YoY)
- **Unemployment Rate:** 3.2% (as of Q3 2025)
- **Median Single Family Home Value:** \$448,000
- **GDP:** \$320 Billion (Arizona Commerce Authority, 2025)



# PHOENIX KEY INDUSTRIES & ECONOMIC ANCHORS

## Economic & Employment Highlights

- Phoenix nonfarm employment ~2.46M
- 2023–2024 job growth: +2.6%
- Healthcare share of total employment has expanded from ~8% → ~14% over past decade
- Ongoing investment in semiconductor and logistics industries exceeding \$60B

## Anchor Employers & Institutions

- Banner Health (~46,600 employees)
- ASU (research & institutional anchor)
- Amazon, Walmart, major retail / logistics players
- Growing semiconductor investment (TSMC expansion)



~55,000



~ 41,500



~40,000



~37,600



~37,400



~28,500



~23,400



~14,800



~13,000

# ACQUISITIONS CRITERIA

## Asset Profile:

- 100+ units, 1970s and newer
- Class B & C multifamily assets
- Located in high-growth Southwest markets (primarily Arizona)

## What We Look For:

- Underperforming or mismanaged assets with operational inefficiencies
- Limited new supply or barriers to entry
- Value-add potential via renovation, RUBS implementation, and expense optimization

## Underwriting Targets

- 1.7–2.0x equity multiple over 3–5 years
- 15%+ internal rate of return (IRR) based on conservative underwriting



# TYPICAL INVESTMENT STRUCTURE

<b>INVESTMENT OPTIONS</b>	<b>Class A Preferred Equity</b>	<b>Class B Common Equity</b>	<b>Class C Institutional Class</b>
<b>Minimum Investment</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$1,000,000</b>
<b>Preferred Return</b>	<b>10%</b>	<b>7%</b>	<b>8%</b>
<b>Waterfall</b>	<b>N/A</b>	<b>70/30 to 15% IRR, 50/50 thereafter</b>	<b>80/20</b>
<b>Distribution Frequency</b>	<b>Monthly</b>	<b>Quarterly</b>	<b>Quarterly</b>
<b>Bonus Depreciation*</b>	<b>N/A</b>	<b>80%+/-</b>	<b>80%+/-</b>
<b>IRR*</b>	<b>10%</b>	<b>15%</b>	<b>17%</b>

*Investors receive their full return of capital before any profit splits occur.*

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

\*\*Please check with your tax and legal professional as Sponsor does not provide tax or legal advice and the above is not intended to nor should be construed as such advice. Your specific circumstances may, and likely will, vary

# INVESTOR COMMUNICATIONS

## ICON ON MIDVALE



## PERFORMANCE UPDATES

Hi Gary,  
Midvale remains one of the most consistent performers in 1Q2026. March revenue reached its highest level since acquisition, reflecting strong overall performance.

## FINANCIALS

	Month			Inception to Date		
	Actual	Pro forma	Variance	ITD Actual	ITD Pro forma	ITD Variance
Rental Income	\$145,111	\$165,821	\$ (20,709)	\$ 1,974,623	\$ 2,470,496	\$ (495,873)
RUBS	\$7,104	\$7,593	\$ (490)	\$ 93,690	\$ 111,215	\$ (17,525)
Other Income	\$18,885	\$16,368	\$ 2,517	\$ 121,719	\$ 123,140	\$ (1,421)
Total Income	\$171,100	\$189,782	\$ (18,682)	\$ 2,190,032	\$ 2,704,851	\$ (514,818)
Operating Expenses	\$69,513	\$60,151	\$ (9,362)	\$ 917,547	\$ 923,770	\$ 6,222
<b>Net Operating Income</b>	<b>\$101,587</b>	<b>\$129,631</b>	<b>\$ (28,044)</b>	<b>\$ 1,272,485</b>	<b>\$ 1,781,081</b>	<b>\$ (508,596)</b>

## OCCUPANCY

	Current Month	Previous Month
Current Occupancy	93%	93.1%
Pre-Leased Occupancy	93.8%	95.2%

## DISTRIBUTIONS

- Class A distributions continue to be issued monthly on the 1st of every month.
- Class B & C Q1 2026 distribution is scheduled for July 1st, 2026.

## HOUSEKEEPING

- K-1s are now available in your investor portal
- FMV letters for IRA investments are now available in your investor portal
- Q1 2026 financial statements are now available for review in your investor portal

# INVESTOR COMMUNICATIONS

## Icon on Midvale



## Performance Updates

Hi Reginald Reggie,

Midvale remains one of the most consistent performers in 1Q2026. March revenue reached its highest level since acquisition, reflecting strong overall performance.

## Financials

	Month			Inception to Date		
	Actual	Pro forma	Variance	IID Actual	IID Pro forma	IID Variance
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Other Income	\$18,883	\$16,368	\$ 2,517	\$ 121,719	\$ 123,140	\$ (1,421)
<b>Total Income</b>	<b>\$171,100</b>	<b>\$189,782</b>	<b>\$ (18,682)</b>	<b>\$ 2,190,032</b>	<b>\$ 2,704,851</b>	<b>\$ (514,818)</b>
Operating Expenses	\$69,513	\$61,151	\$ (8,362)	\$ 917,547	\$ 903,779	\$ 13,768
<b>Net Operating Income</b>	<b>\$101,587</b>	<b>\$129,631</b>	<b>\$ (28,044)</b>	<b>\$ 1,272,485</b>	<b>\$ 1,781,081</b>	<b>\$ (508,596)</b>

## Occupancy

	Current Month	Previous Month
Current Occupancy	93%	93.1%
Pre-Leased Occupancy	93.8%	93.2%

## Distributions

- Class A distributions continue to be issued monthly on the 1st of every month.
- Class B & C Q1 2026 distribution is scheduled for July 1st, 2026.

# OUR TESTIMONIALS



I sleep well at night knowing my money is safe and handled with great care when investing with Gary at Break of Day Capital. They really look out for the investors' best interests and communicate often and well about the status of the investment. I have invested five times with them and will continue to do so in the future.

-Bojan



I've invested in 7 of Break of Day Capital's deals and have been very happy with the results. I can always rely on Gary and the team to respond quickly and provide me with all of the information I need. I have complete confidence that Gary and the Break of Day Capital team will continue to provide me with the information, diligence and returns that I have experienced!

-Stephen



I have known Gary for over 20 years. Began investing with him about 5 years ago. No regrets. He has been transparent and diligent about keeping his investors in the loop, and to date, returns have been consistently at or above projections.

-Michael



I highly recommend Break of Day Capital for anyone looking to invest in the RE syndication space. They have an outstanding business and asset acquisition plan, which they execute very well.

In addition, the team is deliberate and thoughtful in communicating and updating clients on what is happening with their investments. It makes you feel as if you are on the journey with them without having to do any of the heavy lifting. I am thrilled with my partnership with them. Wonderful team!


-Paul

# LET'S CONNECT

We welcome the opportunity to discuss how Break of Day Capital can help you achieve your investment goals through disciplined acquisitions, operational excellence, and investor-first alignment.

Contact:

Andy Huang, Investor Relations Manager

 424-400-8979

 [andy@breakofdaycapital.com](mailto:andy@breakofdaycapital.com)

 [www.breakofdaycapital.com](http://www.breakofdaycapital.com)

Follow us for market insights and updates:



# GIVING BACK TO OUR COMMUNITY

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



OPERATION UNDERGROUND RAILROAD



Resident Relief  
Foundation

VETERANS  
COMMUNITY PROJECT

MBLF

# TO LEARN MORE:

## [WWW.BREAKOFDAYCAPITAL.COM](http://WWW.BREAKOFDAYCAPITAL.COM)



Access to our investor tools



Educational videos



Investor portal and so much more!



[Schedule a call!](#)

