



S.A.F.E. Investing

REDUCE YOUR RISK AND ACHIEVE YOUR INVESTMENT GOALS



“ Risk comes from not knowing what you are doing.

”

Warren Buffett

- When evaluating an alternative investment, you need a framework to perform your due diligence and gain knowledge.

Alternative Investing

- ▶ Public markets are volatile and dominated by massive investors who make the rules
- ▶ Inflation is destroying “savers”
- ▶ Investing in things you know and understand helps individual investors achieve their goals and sleep well at night
- ▶ As a high-net worth investor since 2006, I have learned the hard way how to evaluate and de-risk alternative investments

Alternative Investing

- ▶ What are your investing goals?
 - ▶ Security
 - ▶ Income
 - ▶ Growth
- ▶ How do you decide if it's a good investment?
 - ▶ Due diligence



LOST

CONFUSED

UNSURE

UNCLEAR

PERPLEXED

DISORIENTED

BEWILDERED

Philadelphia Inquirer 6/19/2011



*This rate is out
of this world.*

A photograph of a rusted, abandoned car in a forest. The car is heavily damaged, with a crushed front end and a shattered windshield. The text "PARKED CASH" is overlaid on the image in a white and green font. The car is surrounded by trees and a thick layer of pine needles on the ground.

PARKED CASH

What Are Alternative Investments?

- ▶ Private Offerings of Ownership Interests in an LLC
 - ▶ Funds
 - ▶ Direct
- ▶ Real Estate
- ▶ Lending
- ▶ Precious Metals
- ▶ Investments outside of publicly traded stocks, bonds and mutual funds

How Do I Analyze Alternative Investments?

- ▶ Due Diligence
 - ▶ Questions
 - ▶ If **at any point** you feel uncomfortable, unsure, **STOP** and find another
- ▶ Match your investing goals with the investment
 - ▶ Security
 - ▶ Income
 - ▶ Growth

- ▶ The S.A.F.E. Method

The S.A.F.E. Method

▶ **S**

▶ **Sponsor**

▶ **A**

▶ **Asset**

▶ **F**

▶ **Financials**

▶ **E**

▶ **Exit**

“S” is for Sponsor

- ▶ Who are you investing in/with? Who are you lending to?
- ▶ Have you invested with them before? Do you know anyone who has?
- ▶ How did you hear about the sponsor/investment opportunity?
- ▶ Will they provide references?
- ▶ Is the sponsor a company or individual?
- ▶ Is the sponsor investing in the opportunity?
- ▶ Will they personally guarantee your investment?
- ▶ What is their background? Track record? Net worth?
- ▶ What did you find out when you Googled the sponsor?
- ▶ ***Can you sleep well at night knowing that this sponsor has your hard-earned money?***

“A” is for Asset

- ▶ What are you investing in? Lending against?
- ▶ Are you lending against the asset or are you an owner of the asset?
- ▶ What is your collateral, if any? A hard asset? A concept? Idea?
- ▶ Do you understand the asset? Can you explain it to someone else?
- ▶ What factors impact the value of the asset?
- ▶ Does the asset align with your goal of security, income and/or growth?
- ▶ Where is it? Is the asset local to you? Do you care?
- ▶ What role do you have in the management of the asset?
- ▶ What are the risks associated with the asset? Can you get insurance?
- ▶ ***Can you sleep well at night knowing that your hard-earned money is tied-up in this asset?***

“F” is for Financials

- ▶ How much are you investing? What % of your net worth?
- ▶ Can you afford to lose all this money?
- ▶ Where is the money coming from? Sell securities? Self-directed IRA?
- ▶ Are there different “classes” of investors? Are you “senior” or “junior”?
- ▶ What are the important financial metrics for this investment?
- ▶ Are recent financial statements available? Provided periodically?
- ▶ Are the financial projections reasonable? Sensitivity analysis?
- ▶ How does the sponsor intend to create a return on your investment?
- ▶ What are the tax implications of the investment?
- ▶ ***Can you sleep well at night with a solid understanding of the financial elements of this investment opportunity?***

“E” is for Exit

- ▶ How do you get paid back?
- ▶ When do you get paid back? Who determines this?
- ▶ Do you get payments during the investment period and/or at the end?
- ▶ If the investment goes bad, will you still get paid back? How?
- ▶ Can you sell your investment to someone else?
- ▶ If you need cash, can you get your money back? Are there penalties?
- ▶ What has to happen for you to get your money back? Is it feasible?
- ▶ Is it clear how your payment/return is calculated?
- ▶ Do you get paid back before the sponsor?
- ▶ ***Can you sleep well at night with a solid understanding of how you get your hard-earned money out of this investment?***

Case Study – Bluff Road Self Storage

- ✓ Sponsor – Belrose Self Storage
 - ✓ Experienced sponsorship group
 - ✓ Solid track record
- ✓ Asset – Bluff Road Self Storage
 - ✓ Purchasing membership interests in the LLC that owns the property
 - ✓ 161 self storage units, 15,952sf, in Apalachicola, FL
- ✓ Financials –
 - ✓ Target returns are reasonable and backed by sponsor’s track record
 - ✓ No “hockey sticks” - Financial metrics look reasonable
- ✓ Exit –
 - ✓ 2-3 year holding period fits investor comfort level
 - ✓ Investors get paid back when the property is sold



Belrose Storage Group



Joe Downs, Managing Director

An expert in commercial real estate, mortgages and distressed debt, Joe has been advising clients on investments for more than two decades. With a background as a licensed financial advisor with American Express Financial Advisors, Prudential Securities and CapWest Securities, he now specializes in private mortgage investment management, commercial real estate financing and alternative investment opportunities.

Joe's hugely valuable experience, as both an investment real estate specialist and a mortgage expert, allow him to provide valuable insights to Belrose Self Storage investors.

A licensed realtor, Joe attended Villanova University, where he majored in Finance.



Tom Dunkel, Managing Director

With a background in corporate finance and over 25 years of real estate and investment experience, Tom brings extensive experience to Belrose Self Storage. Taking the company from start-up to world-class organization, Tom has specialized in discounted asset opportunities nationwide since 2006. His financial savvy, open communicative manner and integrity have seen him help alternative investors achieve their wealth-building goals.

As a dedicated mentor to investors and entrepreneurs, Tom has also taught classes on real estate and mortgage note investment at the CAMA Academy along with Belrose Asset Management co-founder Joe Downs.

A graduate of the University of Delaware, Tom earned his MBA at the College of William and Mary.

Belrose Storage Group



Tim Kane, Managing Director

With over 10 years of Real estate experience, Tim brings extensive knowledge to the team. Before Tim founded Kane Investment Group, he established two successful companies; Kane Home Designs – a project management and home improvement company, and Home Sellers Solution – a company that specializes in acquiring residential off market properties. Both entities began as a sole member and have grown into seasoned real estate companies.

Tim's diverse experience as a real estate investor, a project manager and a Realtor, allow him to provide unique insights to Kane Investment Group. Tim frequently presents at local Real Estate Investment Meetings serving as a mentor and contributing to the success of new investors.

Tim holds a B.S. in Sociology from Towson University and is a licensed Realtor in Maryland, DC and Virginia.

Belrose Storage Group

- ▶ Contact Us Today To Learn More
- ▶ www.belrosetoragegroup.com
- ▶ (484) 498-8254
- ▶ tom@belroseam.com

Disclaimer

- ▶ The S.A.F.E. Method is a framework for analyzing investment opportunities and does not guarantee results
- ▶ The lists of due diligence questions are not exhaustive
- ▶ Do your own due diligence and consult with your own advisors



S.A.F.E. Investing

REDUCE YOUR RISK AND ACHIEVE YOUR INVESTMENT GOALS