BREAKWATER

CAPITAL

BREAKWATER CAPITAL:
FIRM OVERVIEW

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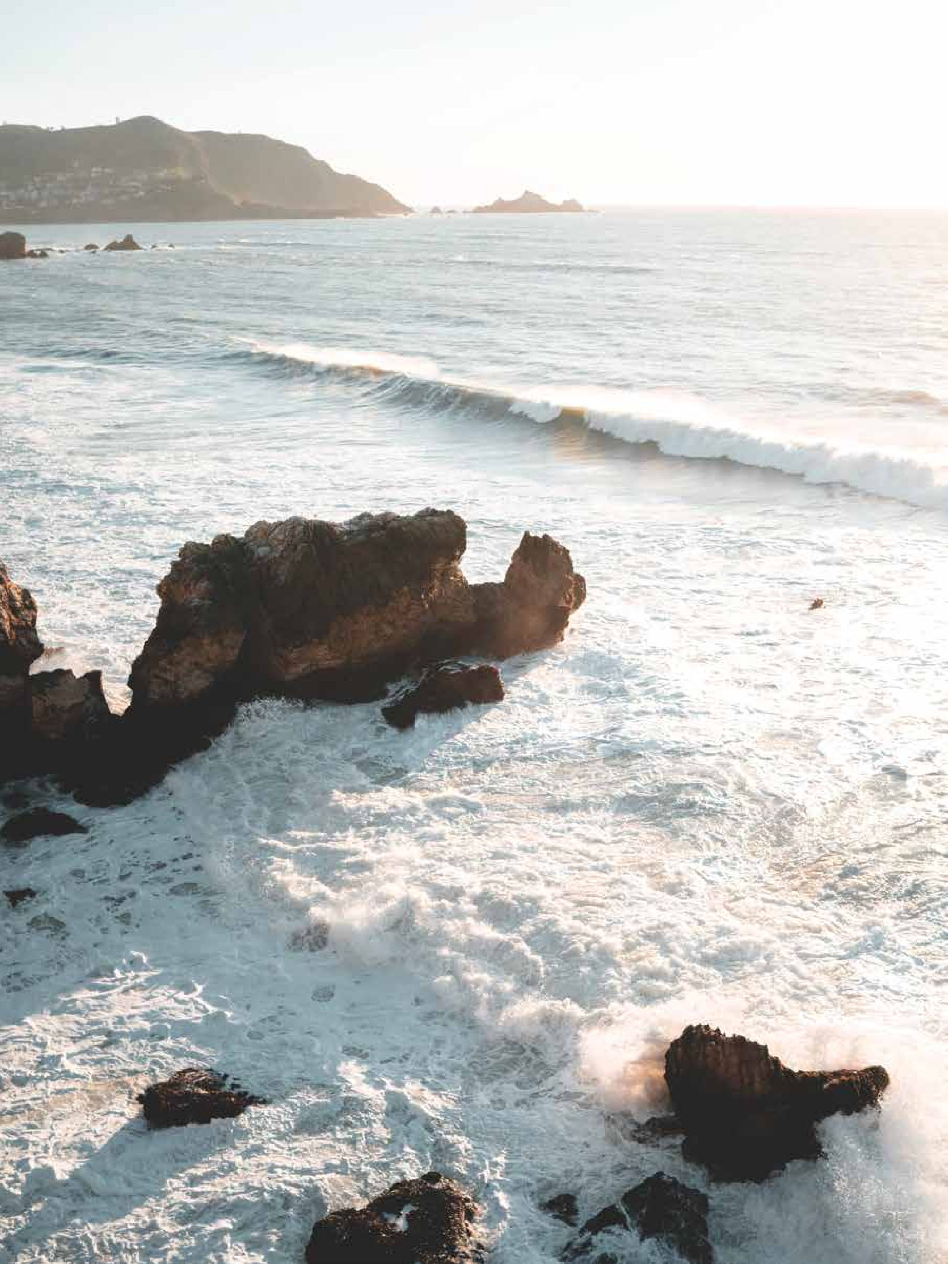


BREAKWATER CAPITAL

If you approach a wealth manager and an insurance agent with the same investment question, you'll likely get a market driven answer from one and an insurance-based solution from the other. But in reality, you have many needs and require a multi-faceted approach. As an independent firm, we've built our service around the ability to pick and choose the right financial strategies from all available sources, specifically for each individual client.

We also believe that most investors are lacking exposure to a key investment class that other brokers may not have access to, alternative investments. In our experience a majority of people are not taking advantage of these vehicles that institutional investors and wealthy families have for generations. Breakwater Capital was founded to open this world to our clients, as we believe this asset class is crucial to a truly diversified portfolio.

The potential for reward when investing includes a commitment of time and/or risk. We have identified strategies that aim to limit the negatives and amplify the positives as much as possible. Our role is to match clients with investments that target the best risk-adjusted return with the least amount of time commitment, making sure they fit into an individual's overall portfolio and goals.

We would like the opportunity to prove to you that working with a professional can be one of the most important financial decisions that you will ever make, and just a little bit of time and effort has the potential to make a huge positive impact on your life. Our main goal is to have successful, happy clients that rave about us to their inner circle. That's how our company grows and flourishes.

Our Competitive Advantage

Breakwater Capital is a unique group of investment specialists with a wide range of expertise encompassing investment analysis, portfolio management, real estate, and advanced insurance application. This collective enables us to find what we believe to be attractive alternative investment opportunities as well as creative tax strategies that others may overlook. We believe clients should be aware of all of their available options and have seen over the years that they are often not getting this information through traditional channels.

Our Advantages can be Summed up through the Following:

INDEPENDENCE Our main focus is to offer investment services and solutions that are hyper-competitive. Instead of tethering ourselves to a handful of providers, we branched out to find what we believe to be the optimal ones in each category. At the same time, we wanted to offer services that went above and beyond the typical advisor and industry standard.

CLIENT-CENTRIC We do not represent a company, we work directly for our clients. Even though our partners have generally done tremendously well in the past, there is nothing obligating us to continue to work with them in the future. If another provider comes along and invents a better wheel, we will be moving on with them. Whoever we feel does it best is who we are going to use in any situation.

EXPERTISE Over the years we have vetted and evaluated countless products have been quite proficient in combining those best suited to each client.

UNIQUE OPPORTUNITIES We constantly strive to develop relationships with alternative investment managers that offer new and exciting opportunities for our clients. These are not available to the public through traditional avenues and most of our clients are unaware that these investments and strategies even exist. We aim to educate them on these topics and fully explain the potential benefits of integrating them into their financial plans.

CONTINUITY Our practice is designed in a way that enables us to be in the position to work to ensure our clients' assets are transitioned to heirs in the most efficient manner possible. We strive to help bridge their wealth as well as be a source of advice and direction to future generations.

In the end, we provide more options, greater customization and full transparency.

BREAKWATER CAPITAL STATS

Since 2011 Breakwater Capital has Achieved the Following Milestones

$20M+

IN SAVED TAXES FOR OUR CLIENTS

100+

SEMINARS ON A VARIETY OF FINANCIAL CONCEPTS & STRATEGIES

$100M+

RAISED CAPITAL

200

CLIENTS AND COUNTING

98%

CLIENT RETENTION

100%

NEVER LOST ANY CLIENT FUNDS

$3 Million+

GENERATED ANNUALLY IN TAX-SHELTERED INCOME

Billions

UNDER MANAGEMENT BY OUR PARTNERS

OUR TYPICAL CLIENT

Since we are not limited to a specific product or investment, our clients come from all walks of life. However, our specialties tend to cater themselves to a specific demographic of people that are either in the latter stage of wealth accumulation or have reached the top of that mountain and want to enjoy what they have earned. These individuals typically have a similar set of goals, concerns, values and needs. If we were to summarize, our typical client would check several of these boxes:

- **Most have accumulated significant assets and considered high-net worth ($2,000,000-$50,000,000)**
- **Conservative to moderate risk tolerance**
- **Main goals include preservation of capital, income and tax reduction/elimination**
- **Age usually between Mid-Fifties to early Seventies**
- **Business owner, entrepreneur or high-level professional**

Our clients have already done a great job, we just seek to help them maximize what they have and take advantage of strategies they may not be aware of.

OUR SPECIALTIES

Investing in the stock market, single-family rentals, annuities, life insurance... These things are essential and all have their virtues, but most investors have heard about them ad nauseam. They are valid and have their place in a sound financial plan, but not exciting and nothing new. These concepts are established and will unlikely be able to move the needle for many of our clients. Advisors working in these fields often are not providing much value to clients these days, most often just acting as a middle man in the transaction. We believe the traditional advisor or wealth manager is becoming irrelevant.

At Breakwater Capital, we want to introduce concepts and investments that clients have not heard of before and have the potential to be extremely powerful when used properly in the right circumstances. We specialize in high-level investment and financial planning concepts that most other advisors do not, and most clients are unaware of. They are designed to target maximizing income and return and minimizing tax exposure and risk.

1031 EXCHANGES

A 1031 exchange is the process of selling a piece of real estate and reinvesting the proceeds into another property. If done properly the capital gains tax can be deferred and potentially eliminated over time. Historically, this is a technique only the very wealthy would employ, but we aim to provide our clients with a turn-key solution that streamlines the process, takes out the exchange risk and provides access to institutional real estate traditionally unavailable to individual investors. We accomplish this through specific ownership structures called DSTs and Opportunity Zones that for most investors are far superior options. Furthermore, our clients are not getting this advice from their real estate broker. Most of these professionals have never heard of these options, not to mention they do not possess the necessary licenses to work with them.

If you have highly appreciated real estate, want more tax benefits and are fed up with the hassles of management this could be a very valuable tool.

ESTATE PLANNING

We understand that taxes are a given but that does not mean our clients and their families should pay more than they have to. Creating wealth is not a trivial accomplishment and giving it to the government is something we want to avoid whenever possible. Estate Planning is the process of planning for the future now so future generations can retain as much wealth as possible. Many compelling techniques exist that aim to accomplish this very effectively for the right clients and we intend to utilize them.

Keep your money in the family and discover if you are eligible for these powerful tax strategies.

ALTERNATIVE INVESTMENTS

Most savvy investors have a balanced mix of different assets in the form of marketable securities, real estate and cash. However, there is another asset class that is often overlooked that we believe is a vital component to any investment portfolio: Alternative Investments. These are investments that are historically less correlated to the economy and stock market, therefore providing an extra layer of diversification in an overall portfolio. We see this as a great opportunity for most of our clients because they typically do not know they exist and are not getting this advice elsewhere. Big investment firms often do not have a platform to trade them, or their advisers may not have the necessary licenses.

Alternative investments are typically private and retail investors cannot get access to them unless they work with a licensed financial professional. They can include, but are not limited to:

- **Institutional Real Estate**
- **Oil & Gas**
- **Private Equity**
- **Private Lending**

Learn how to put yourself in a position to be more diversified and potentially earn better risk-adjusted returns with alternatives.

ADVANCED BUSINESS PLANNING

We believe that being an expert in all areas of finance is not possible, nor do we try to. This is why we leverage our relationships with other industry professionals, and under the right circumstances bring in strategic partners if the situation is appropriate. Breakwater Capital is a member of an exclusive group of industry specialists that are experts in niche areas intended to save clients hard earned money through various high-level tax strategies (we are the 1031 Exchange component). These are techniques and strategies that are not well known. Even many CPAs are unaware of their existence or simply do not have the time to learn about them and implement them into their practice.

These concepts are designed to target the following:

- **Attract & retain key employees: executive bonus plans, profit sharing, deferred compensation, key-man insurance**
- **Optimize business operations: cost segregation & remediation, captive insurance, business financing**
- **Protect the business: asset protection**
- **Exit the business successfully: business valuation, buy-sell planning, premium financing, ESOPs**

This is a no cost, no commitment offer that we provide in order to add value to our clients however we can. Just because we cannot profit does not mean we are going to keep our clients from other professionals who can make a major difference for them. Access our network of niche specialists and discover how we can take your business to the next level.

Investment Philosophies

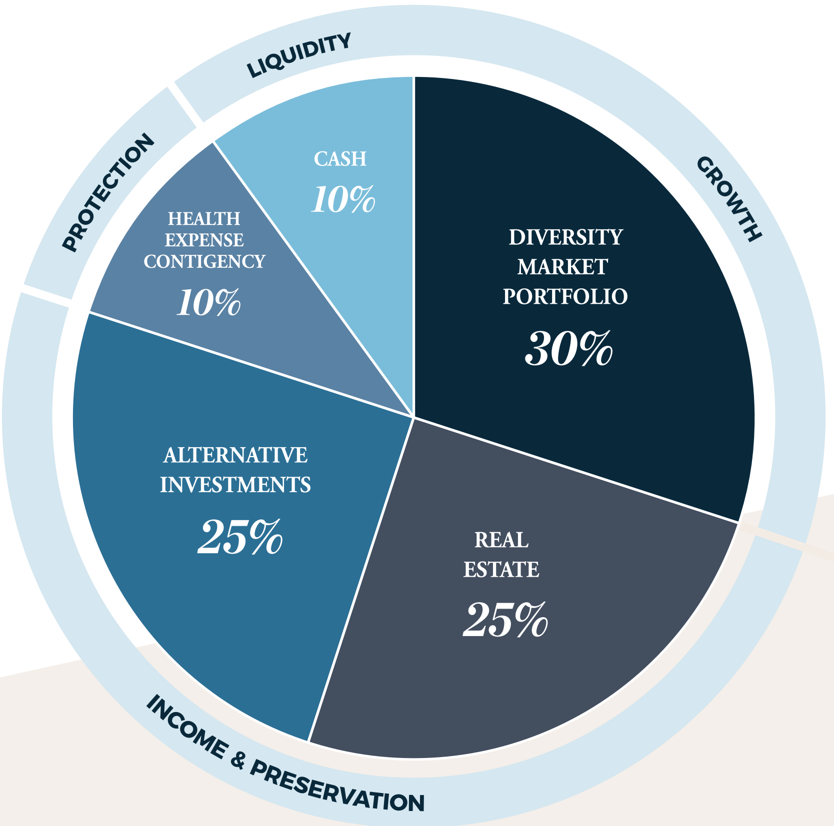
Each type of investment was designed with a certain client in mind and inherently has its own set of potential benefits and drawbacks. There is no simple "one size fits all" solution. Our belief is that you need the proper balance and every investor has a unique mix based on their individual situations. That is why we do not pigeonhole ourselves into only working with one type of asset class like most other advisors do.

At Breakwater Capital We Can Help

- Educate you on the nuances within investments and how they should be properly utilized
- Create an overall plan or provide advice with a more limited scope
- Manage your expectations
- Create a lifetime relationship and be a resource for any future needs

BREAKWATER ALLOCATION

(SAMPLE)



TARGETED OBJECTIVES

- Cover fixed expenses with fixed or predictable income, reducing performance pressure on your investment portfolio
- Introduce "hard assets" and alternative investments into your portfolio that help diversify overall risk & volatility
- Reduce investment costs inside stock portfolio by utilizing ETFs and index funds
- Use the "bucket technique" to segment investments by risk and time horizon to match corresponding life needs and goals
- Take advantage of certain lesser known techniques to reduce tax exposure
- Have a plan that address the expenses associated with long term care and other medical needs
- Maintain sufficient liquidity for other investment opportunities, variable costs and emergencies
- Establish an estate plan to minimize tax implications during wealth transfer to heirs

OUR PROCESS

1 **LET'S CHAT**
Schedule a FREE Consultation so we can get to know each other. During our meeting we will discuss your finances at length to determine if Breakwater Capital is right for you.

2 **BUILD A PLAN**
Based on our initial meeting, we will work together to formulate a plan based on your unique goals, needs, and the scope of our advisory relationship. We do the hard work so you don't have to.

3 **STAY ACCOUNTABLE**
Discuss the components of your plan and determine who will handle the actionable items and guide you each step of the way.

4 **BREATHE EASY**
Increase your clarity and reduce financial worries. We guarantee that by the end of this experience you will not be left without gaining something of great value even if it is simply additional knowledge and perspective.

5 **MONITOR PROCESS**
Financial Planning is an ongoing process, not a one time event. The numerous issues that surround us - tax, risk, investments, health, legislation, family - are ever changing. We will meet on a regular basis to stay ahead of the game and make sure the plan stays on target. Also, with our client portal and organizational binder you will be able to manage your financial life much more effectively in one easy, accessible destination.

Outcomes

UNDERSTANDING

At the end of this process, we promise that you will have a clearer picture of your financial life. We provide a visual of your current financial plan by utilizing powerful financial planning software. This include, but is not limited to, estate and income projections, various risks and any gaps in planning.

EDUCATION

We will explore what specific knowledge will be needed for you to succeed by first thoroughly understanding your situation, then providing the necessary resources to facilitate your decisions and explaining the options and risks associated with each choice.

OBJECTIVITY

We bring insight from the outside to help you avoid emotionally driven decisions in important money matters by being available to consult with you at key life stages. We do the research necessary to ensure you have all the information to make an informed decision in the best interest for you and your family.

ACCESS

Due to our independence, licensing and expertise, we can grant you access to powerful investments and concepts that many advisors cannot or do not offer. The time and knowledge it takes to stay abreast of the complex financial world that we live in is a full time commitment and unrealistic for an individual to perform. Let us take care of these tasks for you and inform you on the things that make sense for you.

ORGANIZATION

We will help make better sense of your financial life by assisting you in getting your financial house in order. We do this at both the macro level (investments, insurance, estate, taxes, etc.) and the micro level (household cash flow, expenses, etc.).

ACCOUNTABILITY

We will help you follow through on financial commitments by working with you to prioritize your goals, show you the steps you need to take and regularly reviewing your progress towards achieving them.

POTENTIAL CLIENT BENEFITS

Exceeding the expectations of all our clients is our primary goal. Therefore, we provide the following services to all clients:

- **Expert analysis and stress test of your current financial plan**
- **Investment and Insurance Review**
- **Concept and Product Education**
- **Written Recommendations and Actionable steps**

ESTABLISHED CLIENT BENEFITS

As a potential client of Breakwater Capital, you will receive the following free of charge:

- **Ongoing financial planning advice and support — Feel free to contact us at any time with questions or for guidance at no additional charge**
- **Access to our Network of other Financial Professionals to meet your unique needs**
- **Annual Face-to-Face Progress Meetings**
- **Invitations to Client Events**
- **Personal Client Portal**
- **Financial Organization Binder**

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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 – Because 1031 exchanges 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

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. Insurance policy guarantees are subject to the claims paying ability of the issuing company.

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