WHICH IS THE BETTER INVESTMENT?

STOCKS
VS
REAL ESTATE

Has your retirement account taken a hit as a result of the latest stock market crash?

You aren't the only one. Millions of Americans are wondering how they can develop a plan for their financial future when they are constantly being subject to the volatility of the stock market.

Have you been considering alternative investments, but aren't sure where to turn?

In this special report, we are going to explain the pros and cons of investing in the stock market, and suggest an alternative that will make you wonder why you haven't started.

I know that we just took a hit, but it will recover. Is the stock market really that bad?

Over the last 15 years, **the average return of the stock market was 7.04%** (2004 – 2018) and it jumps to 9.06% when averaged over the last 30 years (1989 to 2018).

So if you invested $100,000 in 2004, it would be worth $277,454 in 2018. That doesn't sound too bad does it?

But the stock market simply won't let your retirement account be great

What you may not have considered, is that the volatility of the stock market causes peaks and valleys and so you aren't getting that steady 7.04%. When adjusted, that same $100,000 is only worth about $224,425. That brings it down to a mere 5.6% when compounded annually. Nowhere near what you were expecting, but still not terrible.

Not So Fast - Your Returns are still on the chopping block

You didn't take into consideration the broker fees that you would be paying for your money to be managed. The average cost of actively managed mutual funds is typically 0.5 – 1% and may go as high as 2.5% or more. ETFs have a lower cost at approx 0.2%.

Diversification is the name of the game, so you likely have a little of both. We can average it out to say, 1%. When considering that annual 1% fee, you've brought your returns down to $193,879 which works out to be a paltry 4.5%.

Not that impressive afterall...

And don't forget that Uncle Sam wants his cut

Wait, there's more! If you make more than $77,201, and are filing jointly, your long term capital gains tax will be 15%. When considering your entire nest egg, that would bring the returns down even further to approximately 4.0%

This is getting scary...

Inflation

The Sneaky Assassin

The annual inflation target is 2% according to the Federal Reserve Website.

The Fed is constantly working to improve and has done a good job of maintaining an average rate of 1.6% inflation for the past 10 years, but it doesn't erase the effects of inflation on your investment portfolio. Inflation reduces your buying power over time, eating away at your pockets without you even realizing it.

At a conservative 1.6% inflation, your return is even further reduced to just 2.5%

Unbelievable! I'm sure your financial advisor never bothered to explain these "minute" details.

So what's in the pot of gold at the end of the rainbow?

Not much! As you can see, if you invested $100,000 in 2004, your ACTUAL return (The amount of money that winds up in your bank account and is available for you to spend in 2018) is just $144,382. That's a return of $44,382 or 2.5% in 14 years! So you didn't even get a chance to double your money. You likely will be contributing additional funds along the way and you likely won't be removing your money all at once, so there is a chance to continue to grow the account, but at that rate, it's unlikely you will ever achieve returns achievable with real estate.

That same $100,000 re-invested over 14 yrs in real estate could yield well over 5x that considering taxes and fees and using conservative projections.

If you've never been taught to look at the big picture, you would never know. You would go your whole life believing that you were making more money than you actually are. What an unpleasant surprise it would be when it comes time to retire and you grossly underestimated the amount of money you would have.

So after saving $100,000 and keeping it invested for a very long time, you find that you've actually made very little money and you still have to pay the government and by the way, your money doesn't go quite as far anymore. I would understand if this makes you upset. It sure made me upset to realize that I was following the recommendations of my advisor and I still wouldn't reach my goals if I continued on that path without taking matters into my hands and looking at alternative investments.

So what's the secret to getting predictable returns that will show-up the stock market on it's best day?

I'm sure you are thinking, ok, I get it, the stock market sucks, but what should I be doing with my money?

Keep reading to learn about this alternative to investing in the stock market that provides higher returns, lower taxes, less volatility, lower risk, and a hedge against inflation.

The Best Investment You Could Make

The best investment, by far, is investing passively in real estate syndications.

What is a multifamily real estate syndication?

A multifamily real estate syndication is the purchase of large commercial apartment buildings by pooling together money from a group of people interested in purchasing something like this, but don't have the ability to do so on their own. You can syndicate almost anything - parking, storage, senior housing, etc. While they all have their pros and cons, multifamily is our asset class of choice because of all of it's benefits.

There is a group of managing partners that find, analyze, purchase, manage and eventually sell the building. The managing partners are sometimes also called general partners, operators, sponsors or syndicators. The group of people outside of the managing partners that bring money to the project are called limited partners or passive investors. When they bring money, they do so passively, meaning they don't have to partake in the process of finding, analyzing, managing, or selling the building.

They simply receive a share of the profits. In return for the money they invest, they receive a portion of the income of the property, along with an equity share in the appreciation. There are no additional fees that would be taken from potential returns. The deal is structured in a way that everyone receives their "piece of the pie" directly from the cashflow of the apartment. You would have an estimate of your projected returns prior to agreeing to take part in the opportunity.

The 5 Major Advantages of Multifamily Syndications

There are 5 major benefits of investing passively in multifamily syndications over any other investment

- Above average returns
- Below average risk
- Passive income
- Incredible tax benefits
- Hedge against inflation

Above average returns

As demonstrated above, your average return over 15 years would be only 7.05%, but all things considered, it works out to be closer to a mere 2.5%. Now when you consider multifamily syndications, the average annual return well exceeds 10% even when accounting for taxes, fees, inflation, etc.

Below average risk

One of the biggest advantages of investing in multifamily syndications is that it is low on the risk profile scale. Multifamily has shown itself to be less volatile than the stock market, cryptocurrency, and other asset classes in real estate, such as single family homes.

In 2008, when the housing market crashed, the delinquency rate on single family homes climbed steadily, reaching as high as 4%. In comparison, delinquency rates on multifamily were less than 0.5%

With the stock market, you have no way to prevent losses. The stock market has no ceiling, so theoretically, you can receive infinite returns. However in a recession, there's also no basement to protect you. There is a good change you will lose a portion of your original investment. There is also no way to predict what will happen. You have to roll with the punches and see where the chips fall and then wait for it to recover. It could take years just to get back to where you started, never mind any returns that you could have realized in that time

In multifamily, there are tactics used when purchasing a building to mitigate risk if a recession were to arise. And in the case of an imminent recession, we can pivot and revise our business plan to minimize losses, and develop a recovery plan that will not only preserve your initial capital but allow you to achieve reasonable returns.

Unlike the stock market or cryptocurrency, multifamily syndications purchase real property that doesn’t just disappear into thin air. While it’s understood that returns may be less than originally projected had a recession not arose, those returns are often higher than you would have achieved in the stock market when all was right with the world.

So if you are looking for an investment that will perform even during a recession, there is no better option than investing in multifamily real estate syndications.

Passive income

Income from multifamily real estate syndications is generated by the cashflow (income) from the property. So when tenants pay their rent, that money is used to pay the expenses of the property and to give the investors a return.

Multifamily also appreciates over time and can result in significant gains. In addition to natural appreciation, you can “force appreciation” by increasing the income and reducing the expenses, thus increasing the value of the property.

For example, if you were to Increase the rent just $25 per month on a 250 unit building, you could increase the value of the building by over $1 Million depending on the market cap rate. How’s that for having control of your investment!

This is one of the few truly passive investing opportunities, meaning that you make money while you sleep. You invest, then sit back and wait for your returns. This allows you to spend time with family, pursue other passions or continue to work without fear of losing your paycheck.

This is the kind of income that allows financial freedom, freedom of time, and generational wealth. You may even be able to retire early!

Incredible tax benefits

When comparing the tax benefits of investment opportunities such as real estate, stocks, precious metals, etc real estate comes out on top. The IRS allows what's called depreciation. This allows multifamily investors to write off 3.6% of the value of the building each year.

Multifamily apartment investors provide a necessary service to Americans, the government wants to see them succeed and provides tax incentives to prove it.

To take a closer look at the power of depreciation, here's an example

PURCHASE PRICE	$500,000
Down Payment (20%)	$100,000
Debet	$400,000
Cash on Cash Return %	10.0%
Cash on Cash Return $	$10,000
Tax Depreciation %	3.6%
Tax Depreciation $	($18,000)
Taxable Loss	($8,000)

If you invest $100,000 and make a 10% cash on cash return ($10,000), you would think that you owe taxes on $10,000.

But the reality is that you are able to take that entire amount tax free. Instead of showing taxable income, your return would show a loss.

Unbelievable, right?

But that's not all. You can use those losses to offset other passive income or you can claim those losses in future years, expanding upon the benefits.

Your stocks can't do that!

All real estate investments qualify for depreciation, but multifamily gives you additional tax benefits called "Bonus depreciation". This allows us to deduct the entire value of the investment from our taxable income.

This creates huge losses that can be applied to other passive income or carried forward, further reducing or even eliminating taxes.

When the building is sold for huge profits, we can do what's called a 1031 exchange, which allows deferral of the taxes.

There's nothing else like it!

Hedge against Inflation

Multifamily real estate syndications are an excellent way to hedge against inflation. The Federal Reserve's inflation target is 2%. So basically the cost of everything (including rents) goes up 2% per year.

As you increase the income of the property, the value of the property increases. The rents rise by 2% but so do the expenses. One would think that results in neither a gain nor a loss. But not so fast.

Take a look at the chart below. Both income and expenses are increasing 2% annually, but check out the Net Operating Income (NOI).

	PURCHASE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Inflation rate		2%	2%	2%	2%	2%
Income	$10,000	$10,200	$10,404	$10,612	$10,824	$11,104
- Expenses	$7,677	$7,820	$7,976	$8,136	$8,298	$8,465
= Net operating income (NOI)	$2,334	$2,380	$2,428	$2,476	$2,526	$2,576

Believe it or not, the Net Operating Income (NOI) is still rising! As NOI increases, the value of the building increases.

That 2% inflation rate will lead to a 10% average annual return on money invested in a multifamily syndication.

As inflation continues to rise, the building continues to appreciate. How's that for beating inflation?

While multifamily real estate syndications may be new to you, you are probably familiar with the concept of purchasing single family homes as rental properties. And you are probably wondering if they have all of the same benefits.

The Advantages and Disadvantages of investing in Single Family Rentals

When thinking about investing in real estate, many people turn to single family homes. It makes sense because many of us own our homes and so the process is easier to understand and replicate.

One option is to purchase single family rental properties and to become a landlord. The thing about this, is you have removed a large portion of the "make money while you sleep" component. As the landlord, it would be up to you to locate a property, secure financing, fix it, and find, screen, and manage tenants.

Better yet, you can purchase a "Turnkey" rental property that has been recently renovated or in good condition and you can put a property manager in place. There are even companies that handle everything from finding and fixing the property before eventually renting it out.

These turnkey rentals are meant to be passive, but very seldom are they actually. Things will arise that will be out of the scope of the property manager. And if an unexpected repair happens, that will come out of your pocket, not the property managers' pocket. And god forbid you purchase out of state and the property manager turns out to a dud. Now you have to become an out of state landlord. Not exactly what you signed up for.

When investing in a multifamily syndication our team hires a property manager, maintenance staff, etc and we oversee them to make sure they are performing as expected. We handle everything from start to finish so you have nothing to worry about. Another major issue with single family homes is that they are more sensitive to market downturns.

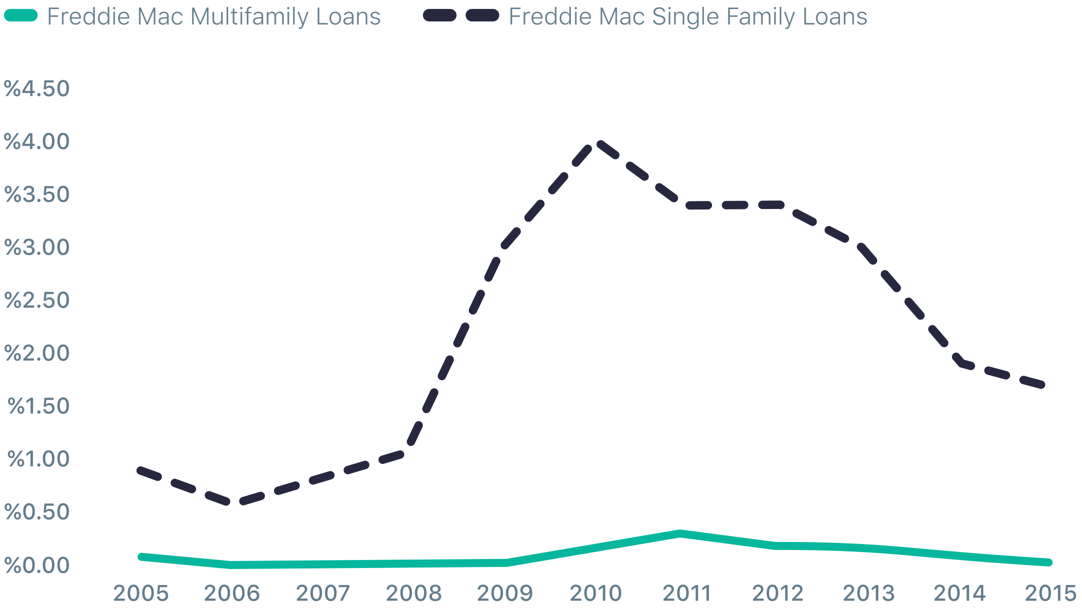
Do you remember the great recession of 2008? Single family homes had high vacancy rates as renters downsized to cheaper apartments (like the ones purchased in multifamily syndications), values dropped drastically, there were foreclosures galore, and major losses to investors and homeowners alike.

As shown before, multifamily is much more recession resilient, and can allow you to weather the storm when necessary, even in the face of increased delinquencies and evictions. With a multifamily, rather than having one tenant, you have multiple tenants providing the income necessary to cover expenses. Because the value of the property is largely dependent on the income and expenses of the property, the value of the property will largely recover as the apartment is stabilized after a major recession.

I think you can now see why multifamily real estate syndications are the best investments you can make!

Serious Delinquency Rates

Multifamily vs. Single-Family Loans, 2005-2015



Source: Fannie Mae, Freddie Mac and Urban Institute
Note: Multifamily serious delinquency rate is the unpaid balance of loans 60 days or morepast due, divided by the total unpaid balance.

Multifamily Investments – An Incredible Opportunity

The majority of us put our hard earned money in the stock market, expecting incredible returns. Can you blame us? That's what we're taught. The minute we get our first professional job, we are encouraged to open a 401k and companies even reward us for doing so. They will typically match a certain amount of money. And if you get a little saavy and hire a financial advisor, 99% of them will tell you to do the same.

As we've shown, the average annual returns result in a mere 2.5% over the last 15 years. How are you supposed to reach your financial goals with that? Add to that the possibility of a downturn months before your retirement that could take years to get back to where you started.

It's no wonder why many of America's wealthiest have turned to real estate. You simply can't afford to put all your eggs in one basket. Particularly not if that basket has such huge holes in it!

Having considered many alternative investments, it has become clearer and clearer that multifamily real estate syndications are the best investment on the planet.

There is not another investment that has held up as well in the last recession, all the while offering above average returns, incredible tax benefits, and a built-in hedge against inflation.

Lillie Manon

CEO and Founder of Vidente Capital

Lillie Manon, CEO and Founder of Vidente Capital, has been investing in real estate since 2008 starting with house hacking and transitioning to multifamily buy and hold Investing.

She received a Master of Science in Anesthesia and is a Nurse Anesthetist by trade. As she began to explore and implement strategies to grow her wealth, she realized that there were so many others like her who could benefit from alternative real estate investments.

She founded Vidente Capital to help others begin their journey to financial freedom and take back their time.

So What Next?

If you would like to learn more about investing in a real estate syndication, then you've come to the right place! By downloading this special report, you will receive a weekly newsletter from Vidente Capital to help you make better investment decisions.

If you are interested in being notified about investment opportunities, please join the Vidente Capital Investor Club

JOIN NOW

You will need to fill out a quick questionnaire and schedule a call so that we can learn more about you and make sure that this would be a good fit. You will then be first in line to hear about investment opportunities as they become available.

I hope that you found the information helpful as you embark on your journey to financial freedom.

Thank You and We Look Forward To Hearing From You!

APPENDIX I

Based on returns of the S&P 500, $100,000 invested in 2004 would be worth $225,425. This is a 5.6% average annual return compounded or $125,000.

Year	Actual return 5.6%		
	Begin Value	Gain/Loss	End Value
2018	$240,428	-6.24%	$225,425
2017	$201,329	19.42%	$240,428
2016	$183,795	9.54%	$201,329
2015	$185,147	-0.73%	$183,795
2014	$166,215	11.39%	$185,147
2013	$128,252	29.60%	$166,215
2012	$113,087	13.41%	$128.252
2011	$113,087	0.00%	$113,087
2010	$100,272	12.78%	$113,087
2009	$81,225	23.45%	$100,272
2008	$132.052	-38.49%	$81,225
2007	$127,549	3.53%	$132,052
2006	$112,260	13.62%	$127,549
2005	$108,990	3.00%	$112,260
2004	$100,000	8.99%	$108,990

APPENDIX II – EFFECTS OF FEES AND TAXES ON YOUR PORTFOLIO

After taxes and fees, the return is reduced to 4.5% compounded return instead of being worth $225,425 it's only worth $193,879.

RETURN BEFORE FEES				FEES			ADJUST RETUREN AFTER FEES	
Begin value	S&P Return	G/L	End Value	%	$	End Value	Gain/Loss	Return
$208,870	-6.24%	**($13,034)**	$195,837	**1.00%**	$1,958	$193,879	**($14,992)**	-7.18%
$176,671	19.42%	$34,309	$210,980	1.00%	$2,110	$208,870	$32,200	18.23%
$162,913	9.54%	$15,542	$178,455	1.00%	$1,785	$176,671	$13,757	8.44%
$165,769	-0.73%	**($1,210)**	$164,559	1.00%	$1,646	$162,913	**($2,856)**	-1.72%
$150,322	11.39%	$17,122	$167,433	1.00%	$1,674	$165,769	$15,447	10.28%
$117,161	29.60%	$34,680	$151,840	1.00%	$1,518	$150,322	$33,161	28.30%
$104,351	13.41%	$13,993	$118,344	1.00%	$1,518	$150,322	$33,161	28.30%
$105,405	0.00%	$0	$105,405	1.00%	$1,054	$104,351	**($1,054)**	-1.00%
$94,405	12.78%	$12,065	$106,469	1.00%	$1,065	$105,405	$11,000	11.65%
$77,244	23.45%	$18,114	$95,358	1.00%	$954	$94,405	$17,160	22.22%
$126,849	-38,49%	**($48,824)**	$78,025	1.00%	$780	$77,244	**($49,604)**	-39.11%
$123,761	3.53%	$4,369	$128,130	1.00%	$1,281	$126,849	$3,087	2.49%
$110,026	13.62%	$14,986	$125,011	1.00%	$1,250	$123,761	$13,735	12.48%
$107,900	3.00%	$14,986	$125,011	1.00%	$1,111	$110,026	$2,126	1.97%
$100,000	8.99%	$8,990	$108,990	1.00%	$1,090	$107,900	$7,900	7.90%

Returns after fees and long term capital gains taxes

Initial Investment	$100,000
Portfolio Value in 2018	$193,879
Gross Gain	$93,879
Average Annual Return	4.5%
Long Term Capital Gains Tax (%)	15%
Long Term Capital Gains Tax (%)	$14,082
Net Gain	$79,797
Average Anuual Return	4.0%

APPENDIX III

After you add 1.6% inflation rate with taxes and fees, inflation reduces your your returns to just 2.5%.

RETURN BEFORE FEES				FEES			ADJUST RETUREN AFTER FEES	
Begin value	S&P Return	G/L	End Value	%	$	End Value	Gain/Loss	Return
$166,651	-7.18%	($11,962)	$154,690	1.60%	$2,475	$152,215	($14,437)	-8.66%
$143,252	18.23%	$26,109	$169,361	1.60%	$2,710	$166,651	$23,399	16.33%
$134,245	8.44%	$11,336	$145,581	1.60%	$2,329	$143,252	$9,007	6.71%
$138,819	-1.72%	($2,391)	$136,428	1.60%	$2,183	$134,245	($4,574)	-3.30%
$127,930	10.28%	$13,146	$141,076	1.60%	$2,257	$138,819	$10,889	8.51%
$101,330	28.30%	$28,680	$130,010	1.60%	$2,080	$127,930	$26,600	26.25%
$91,718	12.28%	$11,259	$102,978	1.60%	$1,648	$101,330	$9.612	10.48%
$94,151	-1.00%	($942)	$93,210	1.60%	$1,491	$91,718	($2,433)	-2.58%
$85,697	11.65%	$9,986	$95,682	1.60%	$1,531	$94,151	$8,455	9.87%
$71,259	22.22%	$15,831	$87,090	1.60%	$1,393	$85,697	$14,437	20.26%
$118,923	-39.11%	($46,505)	$72,418	1.60%	$1,159	$71,259	($47,664)	-40.08%
$117,915	2.49%	$2,942	$120,857	1.60%	$1,934	$118,923	$1,008	0.85%
$106,533	12.48%	$13,299	$119,832	1.60%	$1,917	$117,915	$11,382	10.68%
$106,174	1.97%	$2,092	$108,265	1.60%	$1,732	$106,533	$359	0.34%
$100,000	7.90%	$7,900	$107,900	1.60%	$1,726	$106,174	$6,174	6.17%

Initial Investment	$100,000
Portfolio Value in 2018	$152,215
Gross Gain	$52,215
Average Annual Return	2.8%
Long Term Capital Gains Tax (%)	15%
Long Term Capital Gains Tax (%)	$7,832
Net Gain	$44,382
Average Anuual Return	2.5%

APPENDIX IV - 2% INFLATION WILL YIELD A 10% RETURN

- Purchase price $400k
- Downpayment (20%) - $80,000
- Inflation Rate - 2%

	PURCHASE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Inflation rate		2%	2%	2%	2%	2%
Income	$10,000	$10,200	$10,404	$10,612	$10,824	$11,104
- Expenses	$7,677	$7,820	$7,976	$8,136	$8,298	$8,465
= Net operating Income (NOI)	$2,334	$2,380	$2,428	$2,476	$2,526	$2,576
Anuualized NOI	$28,002	$28,562	$29,133	$29,716	$30,310	$30,916
Cap Rate	7%	7%	7%	7%	7%	7%
Value	$400,029	$408,029	$416,190	$424,514	$433,004	$441,664
Appreciation	$0	$8,029	$16,190	$24,514	$33,004	$41,664
Return on Equity		10%	20%	31%	41%	52%
Average Annual Return		10%	10%	10%	10%	10%