

Private Multifamily Real Estate Investing*

WHY REAL ESTATE?

Cash Flow & Appreciation	Investment real estate may offer a current income component that provides a stable cash flow, while also providing for potential upside from appreciation.
Tax Advantages	Whereas stock dividends are typically taxed when received, real estate distributions often have tax advantages, such as deduction of interest & depreciation expense which can defer taxable income as well as increase the amount of income taxed at capital gains rates (lower than ordinary rates).
Hedge Against Inflation & Other Asset Classes	Over the long-term, rental income may increase to reflect the impact of inflation and therefore may provide investors a inflationary hedge (unlike a bond investment with fixed payments). Also, real estate may not correlate to certain other asset classes, and thus can be a potentially important component of a diversified, balanced investment portfolio.

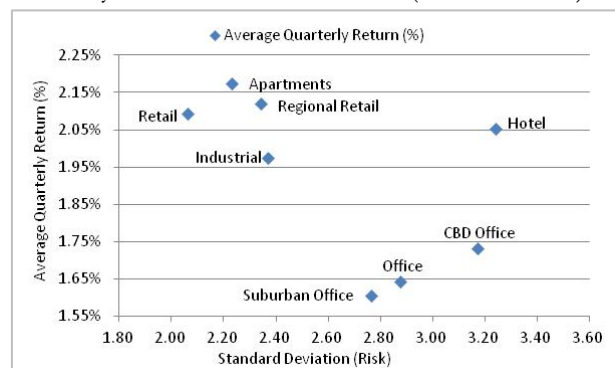
WHY PRIVATE VS. PUBLIC REAL ESTATE?

Reduced Pricing Volatility	Private real estate values may be less correlated to the public markets, whereas public REIT values can be greatly impacted by general stock market fluctuations. For example, if technology stocks are favored, public REIT prices may fall, despite an increase in underlying asset value.
Tax Treatment	A REIT structure can be disadvantageous to US tax payers who wish to take advantage of real estate pass-through income, certain net operating losses ("NOLs"), and/or Sec.1231 losses.
Increased Operating Flexibility	Private operators may be able to take advantage of opportunities as they arise, while public operators may be more constrained (e.g. restricted debt levels, defined holding periods, etc).

WHY MULTIFAMILY APARTMENTS? WHY NOW?

Favorable Fundamentals	Demand expected to grow as economy recovers (given the high correlation between job growth, household formation, and apartment demand). Also, macro drivers include declining homeownership rate, and Echo Boomers (age 18-34) hitting peak apartment renting years.
Buying Opportunities	Current strength in the apartment sector has provided opportunities to acquire assets with the potential to generate attractive risk adjusted returns, including stable current cash yields. Apartments have historically experienced much lower variability with respect to vacancies, market rents and valuations than other property types. Per NCREIF, from 1989 to 2014, apartments had the highest returns of all property types with a relatively low standard deviation/risk (see chart below).

Lower Volatility *Average Annual Risk and Return for Different Property Types: 1989 – 2014*



Available Low-Cost Financing	The multifamily apartment sector benefits from access to relatively low cost available financing via insurance companies and government agencies such as Fannie Mac, Freddie Mac and FHA.
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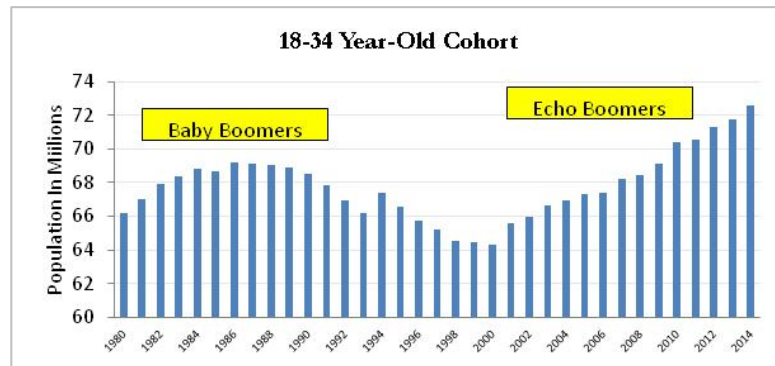
* All investments should be evaluated on an individual basis. This communication is for information purposes only and should not be regarded as an offer to sell any security.

WHY MULTIFAMILY APARTMENTS? WHY NOW? (Favorable Fundamentals - Detail)

Limited Supply

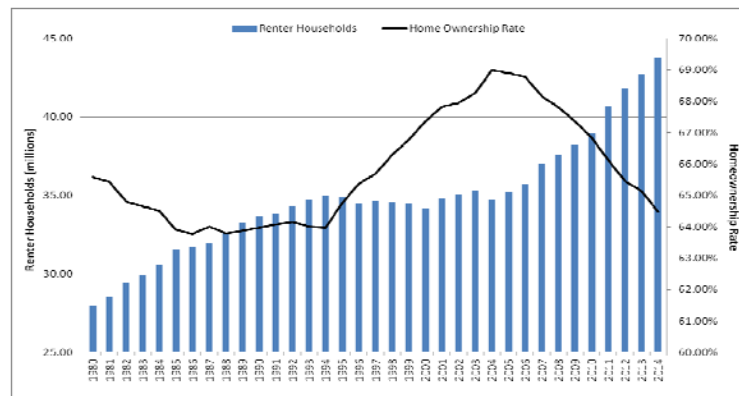
According to the National Association of Home Builders, from 2009 to 2014, annual multifamily starts in the U.S. averaged approximately 206,000 units (approx. 42% below the long-term average); it is estimated that population growth plus obsolescence requires roughly 400,000 added units/year to meet national demand. As such, most markets are readily absorbing new supply.

Favorable Demographic Trends



- Growth in population aged 18-24 (“prime renters”) is resuming after two decades of decline.
- Echo Boomers (children of Baby Boomers) hitting peak apartment renting years. The 18-34 year old population was approximately 72.5 million in 2014, an all time peak for the age group.
- Younger population more likely to rent, 57% of population under 34 are renters.

Changing Home Ownership %



- Home ownership has declined and is projected to continue to do so due to more stringent mortgage underwriting standards and wealth destruction of recent economic cycle.
- The current U.S. homeownership rate is approximately 64%, down from 69% in 2004. Every 1% decline in home ownership equals roughly 1.1 million units of additional demand.

WHY WAYPOINT RESIDENTIAL?

Seasoned Team

Waypoint Residential is a fully integrated Investment Platform; its Senior Management team consists of seasoned professionals with top-tier institutional real estate investing and operating experience.

Flexible Investment Opportunities

Waypoint provides investors access to institutional grade multifamily investments on a national basis, deal-by-deal. Thus, investors have the ability to customize their own diversified income-producing real estate portfolio.

Monthly Distributions /Tax Deferred

Waypoint seeks investments that generate monthly distributions, which are largely tax deferred. (Depreciation expense, a non-cash deduction, typically significantly offsets current taxable income).

Performance Driven Compensation

Waypoint’s compensation is mostly contingent and performance-driven.