SPARTAN INVESTMENT GROUP

IMPROVING LIVES THROUGH OUR VALUES

# Investor's Guide

# *What Happens After You Invest?*

A practical guide to how private real estate is operated, measured, and managed after the capital is raised.

Presented by Passive Income Pilots and Spartan Investment Group

**Important note: This guide is for educational purposes only and is not financial, tax, legal, or investment advice. Private investments involve risk, including the possible loss of principal. Consult your own professional advisors before making an investment decision.**

# The Hidden Variable Most Investors Miss

# What Happens After the Capital Is Invested Matters Just as Much as the Deal Itself

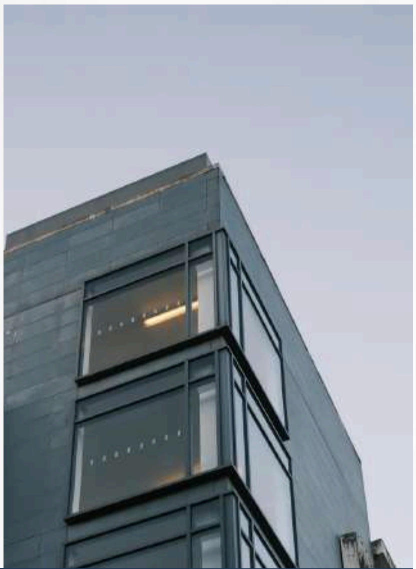
Most investors spend considerable time evaluating the market, the asset class, the projected returns, and the sponsor’s track record.

That work matters.

But it does not answer one of the most important questions in private investing:

***What happens after the capital is deployed?***

That is when the real work begins. Operations, pricing, staffing, debt management, reporting, and day-to-day decision-making start to determine whether the original business plan holds together.



In private real estate, results are often shaped by factors investors do not see directly:

- How well the property is operated
- How quickly problems are identified and addressed
- How carefully debt and cash flow are managed
- How closely incentives are aligned
- How consistently the business plan is measured and communicated

These decisions sit inside the operating platform, but they have a direct effect on investor outcomes.

That is why two investments in the same market and asset class can produce very different results.

The difference is not always the strategy.
Often, it is the execution.

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## Passive Investing Depends on Active Management

Passive investments take many forms: real estate syndications, private equity, credit funds, infrastructure, venture capital, and publicly traded securities.

For the investor, the experience may be passive. There is no day-to-day operating responsibility.
For the operator, however, the work is anything but passive.

The operator is responsible for carrying out the business plan, managing expenses, monitoring debt, responding to market conditions, and making decisions throughout the life of the investment.

In private real estate, those decisions can influence the outcome as much as the property itself.

This guide is not about passive investing in theory.

It is about what happens after the investment closes, why performance can vary, and what investors should understand before placing capital with an operating team.

## Where Passive Income Pilots and Spartan Fit

Passive Income Pilots helps pilots and high-income professionals better understand private investments, evaluate risk, and ask more informed questions.

Spartan Investment Group provides the operating perspective: how real estate is acquired, financed, managed, reported on, and ultimately positioned for a capital event.

Together, this guide connects investor education with the practical work required to execute a real estate business plan.

**Investor takeaway**
The market creates the conditions. The operator determines how well the investment is managed within them.

PASSIVE FOR THE INVESTOR. ACTIVE FOR THE OPERATOR.

# The Real Constraint Behind High Income

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# High Income Creates Options. It Does Not Automatically Create a Strategy.

Most high-income professionals do not have an income problem.

They have a control problem.

Income may be strong. Savings may be consistent. Capital may continue to accumulate. But the outcome still depends on systems the investor does not directly manage.

That may include:

- Public-market volatility
- Returns tied to changing valuations
- Limited visibility into operating decisions
- Limited access to private investment opportunities
- Continued dependence on earned income to build wealth

Over time, the pattern becomes familiar.

More income creates more capital. But without a different framework, that capital often returns to the same investments with the same limitations.

At some point, the better question is no longer simply:

**How much can I earn?**

It becomes:

**Where is my capital being allocated, who is responsible for operating it, and what is actually driving the result?**

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# From High-Income Earner to Capital Allocator

High-income professionals often reach a point where earning more is no longer the primary challenge.

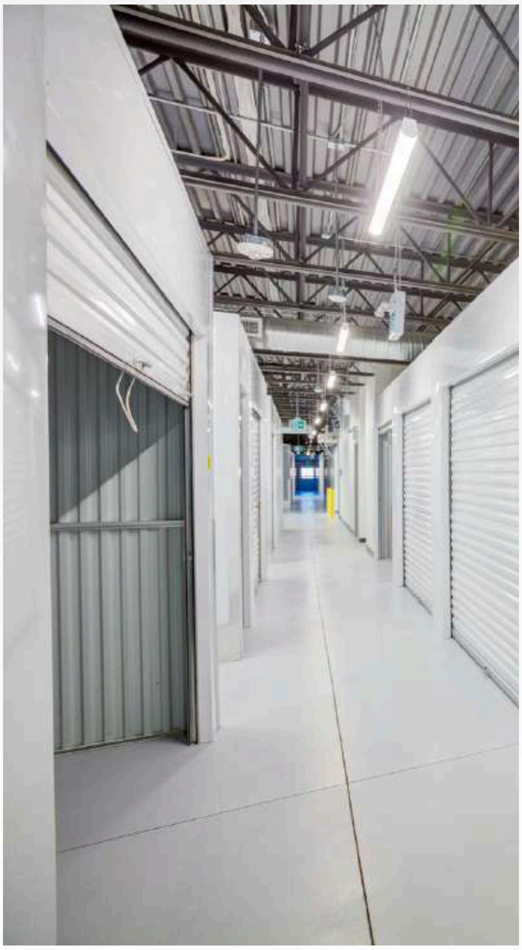
The next question is how that capital should be structured.

That means looking beyond traditional market exposure and asking:

- How is the opportunity sourced?
- Who is responsible once the capital is invested?
- How are decisions made during the hold period?
- How is performance measured?
- How are risks communicated?
- How and when may capital be returned or redeployed?

The risk is not only choosing the wrong investment.

It is also remaining in the same allocation structure for too long without asking whether it still serves the investor's long-term goals.



## From Earner to Capital Allocator

**The shift often looks like this:**

**From:**

A high-income professional whose wealth-building strategy depends primarily on earned income and public-market exposure.

**To:**

An investor who thinks more deliberately about where capital is placed, how the opportunity is structured, and who is accountable for execution after the investment closes.

Passive real estate can become part of that conversation.

Not because it removes risk.

But because it provides another framework for allocating capital, evaluating performance, and participating in professionally managed private-market investments.

**Investor takeaway**

*High income creates options. Long-term outcomes depend on how capital is allocated and who is responsible for managing it.*

# Why Similar Investments Can Produce Very Different Results

In private real estate, performance challenges do not always begin with the investment thesis.

Often, they begin after the capital is invested.

Behind the scenes, results may be affected by:

Third-party operators with different priorities
Disconnected systems and reporting
Inconsistent management from one asset to another
Slow or unclear decision-making
Misaligned incentives between sponsors, operators, and investors

These are not always visible in the offering materials, but they can have a direct effect on performance.

## The Asset Matters. The Operating Platform Matters Too.

Two investments in the same market and asset class can produce very different outcomes.

Not necessarily because one market was better.

Not necessarily because one property was better.

But because execution differed in areas such as:

- Revenue management
- Expense control
- Leasing and marketing
- Debt management
- Portfolio oversight
- Reporting discipline
- Speed of decision-making

A good asset can still underperform when the systems around it are fragmented or the operating plan is not carried out consistently.

THE DIFFERENCE IS OFTEN EXECUTION

## What Investors Often Do Not See

Most investors evaluate:

- The market
- The projected returns
- The asset itself

Those are important, but they do not always reveal how the investment will actually be managed after closing.

Investors should also understand:

- How pricing decisions are made
- How occupancy is managed
- How operating expenses are controlled
- How performance is tracked and reported
- How incentives are aligned
- How consistently the business plan is carried out

These behind-the-scenes systems are easy to overlook, but they often have a meaningful effect on long-term performance.

## Spartan's Perspective

Spartan believes value is created after acquisition, not only at acquisition.

That is why the operating platform is built around:

Integrated operations
Standardized management systems
Portfolio-wide visibility
Consistent operating practices
Alignment between the operator and investors

Buying the right property matters.

So does managing it well once the investment closes.

**Investor takeaway:** Passive investors may not manage the property directly, but they should understand who does, how decisions are made, and whether the operating platform is built to execute the plan.


# How Spartan Manages an Investment After Closing

## How Spartan's Investment Platform Works

At a high level, the process follows four steps:

1. **Spartan identifies and evaluates an investment opportunity.**
2. **Investors choose whether to participate and commit capital.**
3. **Spartan acquires the asset and carries out the business plan.**
4. **Capital may be returned through operating cash flow, refinancing, or an eventual sale.**

For the investor, the experience is intended to be passive.

For Spartan, the work begins at closing.

## What Spartan Manages

Once an asset is acquired, Spartan is responsible for the operating and financial decisions that shape the investment over time.

That work may include:

- **Revenue and pricing strategy**
- **Occupancy and leasing performance**
- **Expense management**
- **Debt and liquidity planning**
- **Vendor and property-level oversight**
- **Financial reporting**
- **Asset-management reviews**
- **Portfolio-wide performance monitoring**

The objective is not simply to own the property.

It is to create a consistent operating framework, identify problems early, make informed decisions, and keep the business plan moving forward.

## What Investors Receive and What They Still Need to Understand

Investors may receive:

- Passive ownership in a private real estate investment
- A defined business plan and expected hold period
- Periodic distributions when supported by performance
- Ongoing financial reporting and portfolio updates
- Access to investor communications and tax documents

The investor is not responsible for day-to-day property management. That responsibility sits with the operator.

The investor is therefore relying on the operator's systems, judgment, and discipline to manage the investment over time.

## How the Investment Lifecycle Works

**Acquisition**

Spartan identifies and evaluates opportunities based on the market, the asset, the financing, and the operating plan.

**Operations and Stabilization**

The team manages leasing, pricing, expenses, reporting, and property-level execution.

**Portfolio Management**

Performance is monitored throughout the hold period. The business plan may be adjusted as market conditions, financing, and asset performance change.

**Capital Event**

Investors may receive distributions from operating cash flow, while invested capital may be returned through refinancing, recapitalization, or an eventual sale.

## The Important Distinction

Passive investing does not eliminate complexity.

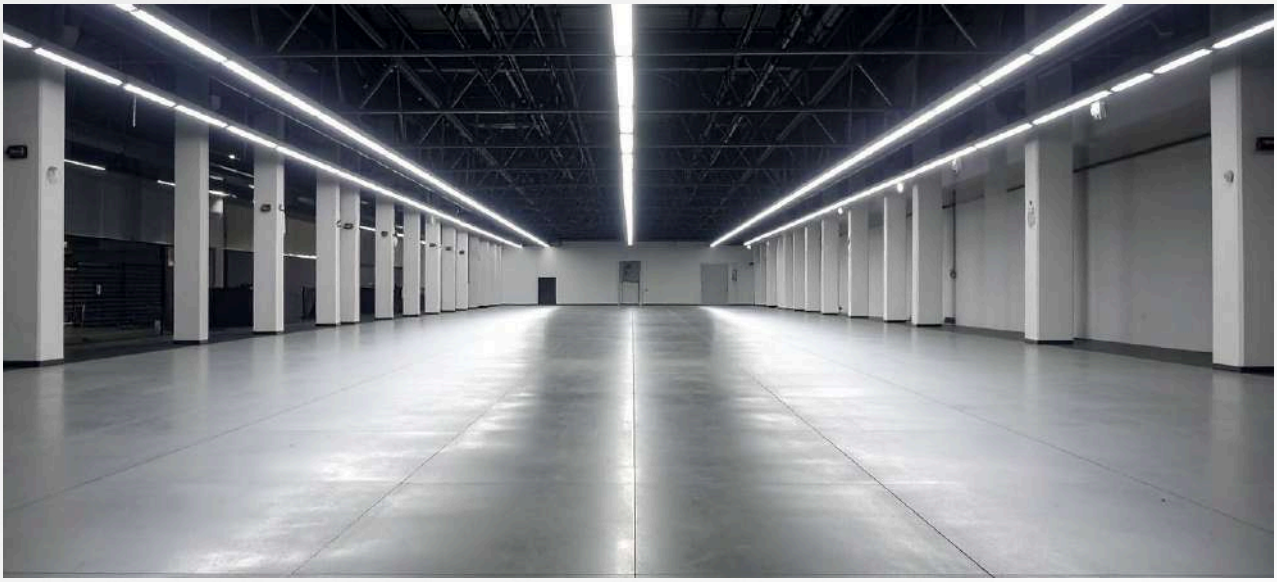
It transfers the day-to-day responsibility to the operating team.

It also does not remove risk.

The investor is still exposed to the quality of the asset, the financing structure, the market, and the operator's ability to execute.

The investment may be passive for the investor.

The responsibility behind it is not.



## Why Spartan Focuses on Self-Storage

Passive real estate can take many forms.

Spartan focuses on self-storage because it is an asset class where disciplined operations can have a direct effect on performance.

Pricing can be adjusted frequently. Occupancy can be measured in real time. Expenses can be managed at the property level. And a consistent operating platform can be applied across a large portfolio.

That does not remove risk.

But it gives the operator more ways to respond when market conditions change.

## The Investment Thesis

Spartan's self-storage strategy is built around several characteristics:

- Demand tied to common life events
- Short-term leases that provide pricing flexibility
- Relatively simple operating requirements
- A fragmented market with room for professional management
- Historical resilience across different economic environments

Storage demand is often created by ordinary events: moving, downsizing, divorce, business transitions, home renovations, military relocation, and the need for additional space.
Because leases are generally short term, operators may be able to adjust pricing more quickly than in many other real estate sectors.

The buildings themselves are also relatively straightforward to operate. That allows more attention to remain on the areas that matter most: occupancy, pricing, collections, expenses, and customer acquisition.

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## Why a Fragmented Market Creates Opportunity

The self-storage industry remains highly fragmented.

Many facilities are still owned by smaller operators that may lack the systems, staffing, technology, reporting, or pricing discipline of a scaled platform.

That does not make every facility a good investment.

But it can create opportunities where better management has room to improve the business.

For Spartan, the opportunity may include:

- Acquiring assets with operational inefficiencies
- Applying more consistent pricing and revenue management
- Improving reporting and property-level oversight
- Creating scale across multiple facilities
- Building a stronger operating platform over time


## Operator Insight

Self-storage is not automatically a better investment simply because the market is fragmented.

The advantage comes from execution:

- How carefully the opportunity is underwritten
- How efficiently the asset is operated
- How consistently systems are applied
- How quickly problems are identified
- How well performance is monitored across the portfolio

A market thesis may identify the opportunity.
The operating platform determines whether that opportunity is captured.

Spartan's strategy is not built on market timing alone.

It is built on buying carefully and operating consistently.

***Investor takeaway:*** Fragmentation creates the opening. Disciplined operations determine whether that opening becomes value.

# How Spartan Operates After Closing

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## What Operating Discipline Looks Like in Practice

Most investors see the result.

They do not always see the daily decisions that produced it.

At Spartan, the operating platform is designed to create greater consistency, faster decision-making, and clearer visibility across the portfolio.

That work includes pricing, revenue management, collections, reporting, expense control, staffing, and asset-level oversight.

## Dynamic Pricing

Pricing is reviewed using:

Occupancy and leasing trends
Local customer demand
Competitor pricing
Unit availability
Seasonal market conditions

The objective is not simply to raise rents.

It is to find the right balance between occupancy, pricing, and long-term revenue.

## Revenue Management Systems

Performance is monitored through operating data that may include:

- Occupancy
- Net rental activity
- Revenue per occupied unit
- Delinquencies and collections
- Lead conversion
- Market-specific demand

The purpose is straightforward: identify problems early, understand what is changing, and respond with better information.

Consistency Across the Portfolio

## Operational Standardization

Each property is different, but the operating process should not have to start from scratch. Spartan applies common systems across the portfolio, including:

- Financial and operating reporting
- Pricing frameworks
- Performance reviews
- Asset-management workflows
- Property-level operating procedures

The goal is not to make every asset identical.

It is to create a repeatable process for measuring performance and making decisions.

## Expense Discipline

Revenue growth matters.

So does keeping more of that revenue.

Expense management includes:

- Reviewing recurring operating costs
- Managing vendor relationships
- Identifying inefficient processes
- Comparing performance across properties
- Reducing unnecessary spending

## Staffing and Oversight

Portfolio-wide systems can support:

- Faster implementation of decisions
- Better coverage across properties
- More consistent training and accountability
- Less fragmentation between teams and locations

## Portfolio Integration

Assets are not managed in isolation.

Portfolio-level visibility allows Spartan to compare results, share operating practices, and make decisions with more context.

CONSISTENT SYSTEMS. PROPERTY-LEVEL EXECUTION.

# CASE STUDY 1

## IMPROVING AN UNDERMANAGED ASSET

### The Starting Point

At acquisition, the property had a sound physical foundation but several operating areas needed attention.

Those included:

- Pricing that did not fully reflect local demand
- Occupancy that could be managed more effectively
- Inconsistent property-level systems
- Limited operating visibility
- Opportunities to improve revenue management

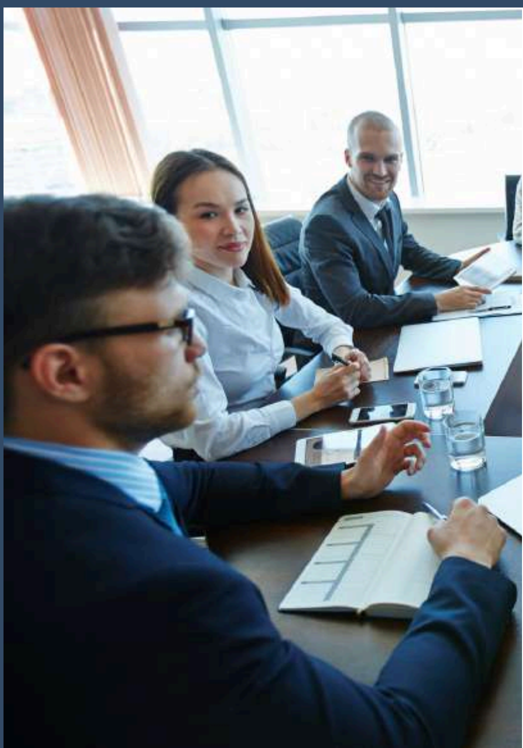
The investment thesis was not based on changing the asset entirely. It was based on operating it more consistently.

# What Changed After Acquisition

Spartan implemented a more disciplined operating approach focused on pricing, occupancy, reporting, and expense management.

That work included:

- More active revenue management
- Pricing decisions tied to local market conditions
- Standardized reporting and operating procedures
- Closer monitoring of occupancy and collections
- Improved property-level and portfolio-level visibility



## Outcome

Over the hold period, the property's operations and market position improved.

The realized investment produced a **6.77x equity multiple at exit.**

That result should be viewed in the proper context. It reflects one completed investment, during a specific market period, with its own risks and circumstances.

The result was not created by one decision. It came from a series of operating decisions carried out over time.

Disclaimer: Past performance does not guarantee future results. The result shown reflects a single realized investment and may not be representative of other investments or future outcomes.

# CASE STUDY 2

## OPERATING ACROSS A PORTFOLIO

### The Operating Approach

Across multiple investments, Spartan has applied portfolio-level systems intended to create more consistent reporting, decision-making, and operating oversight.

Selected realized investments have produced:

- Equity multiples ranging from approximately **2.03x to 4.58x**
- Reported return outcomes ranging from approximately **27% to 48%.**

These figures represent selected completed investments only.

They should not be interpreted as expected returns or as a forecast of future performance.

# What the Track Record Does and Does Not Tell You

A realized track record can help an investor evaluate:

- Whether the operator has completed full investment cycles
- How the team has managed assets after acquisition
- Whether business plans were carried through to a capital event
- How investors were communicated with over time

But historical results do not answer every question.

## They do not guarantee

- The same market conditions
- The same financing environment
- The same operating result
- The same hold period

## Investor takeaway

Use the track record as evidence of experience, not as a promise of what comes next.

### Disclaimer

Past performance does not guarantee future results. Returns referenced represent fully realized investments only and may not be indicative of future outcomes.

EXPERIENCE MATTERS. EACH INVESTMENT IS DIFFERENT.

# Is Private Real Estate the Right Fit?

# Private Real Estate Requires Patience

Private real estate is not right for everyone.

These investments are generally better suited to investors who understand that capital may be committed for several years and that outcomes are not guaranteed.

## Investment Realities

Before investing, understand:

The expected hold period may change
Liquidity is limited
Distributions may vary or pause
Asset values can rise or fall
Capital may be returned later than expected
Returns are not guaranteed

## Risk Considerations

**I**nvestors should consider:

- Market and economic risk
- Financing and interest-rate risk
- Operating and execution risk
- Illiquidity
- Construction or lease-up risk
- Sponsor and management risk

Private real estate may provide access to professionally operated assets and potential income. It also requires the ability to tolerate uncertainty.

# Who These Investments May Be Designed For

**Eligibility**
Many private offerings are limited to accredited investors or investors who meet other regulatory requirements.

Eligibility is only the first step.

It does not determine whether an investment is appropriate for a particular person.

**Capital Readiness**
Capital should be genuinely available for long-term investment.
It should not be money needed for near-term expenses, emergencies, or planned purchases.

**Time Horizon**
Private real estate is generally better suited to investors who can commit capital for several years and accept that the actual hold period may differ from the original estimate.

## This May Be a Fit for Investors Who:

- Have a long-term perspective
- Are comfortable with limited liquidity
- Understand private-market risk
- Prefer passive ownership
- Value clear reporting and disciplined operations
- Have sufficient diversification outside the investment

## This May Not Be a Fit If:

This may not be the right fit if:

- Near-term liquidity is important
- Direct control is required
- Guaranteed income or returns are expected
- Valuation uncertainty creates discomfort
- The capital may be needed unexpectedly

***Investor takeaway***
Eligibility tells you whether you may invest. Fit tells you whether you should continue evaluating the opportunity.

ELIGIBILITY IS NOT THE SAME AS SUITABILITY

# FROM EDUCATION TO DUE DILIGENCE

Learning the concepts is the first step. Evaluating a specific opportunity requires better questions.

General education can help an investor understand private real estate. A specific investment requires more.

Investors should evaluate:

- The business plan
- The operating team
- The debt structure
- The assumptions
- The risks
- The expected timeline
- The communication process
- The possible exit paths

The investor portal and an introductory conversation can provide additional information.

The next step is not to rush into an investment.

It is to determine whether the opportunity, timeline, risk, and expectations are aligned.

# Access The Investor Portal

Through the investor portal, qualified investors may be able to:

- Review current or upcoming opportunities
- Access offering documents and supporting materials
- Review investment terms and risk disclosures
- Evaluate whether an opportunity fits their objectives

**REQUEST ACCESS TO THE INVESTOR PORTAL** →

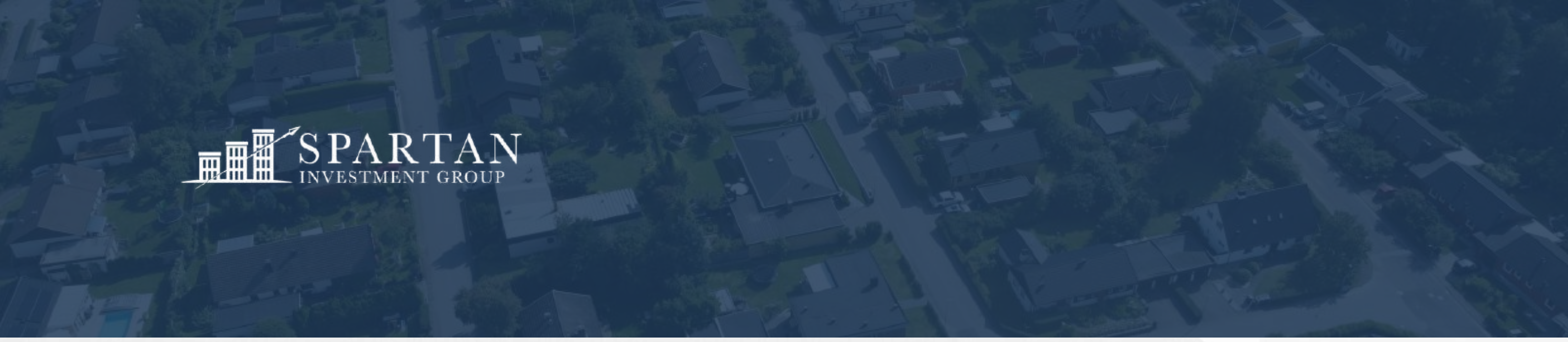
A conversation with the investor-relations team can help clarify:

- Your investment objectives
- Your expected time horizon
- Liquidity considerations
- Current opportunities
- Whether there appears to be an appropriate fit

This is not a commitment to invest.
It is an opportunity to ask better questions before making a decision.

**SPEAK WITH INVESTOR RELATIONS** →

TAKE THE NEXT STEP AT YOUR OWN PACE




# A Deliberate Evaluation Process

The process is designed for investors who:

- Are actively evaluating private-market opportunities
- Meet applicable eligibility requirements
- Have capital available for a long-term allocation
- Understand the limits of liquidity
- Value a disciplined, operator-led approach

Initial conversations are intended to determine whether the opportunity, timeline, risk, and expectations are reasonably aligned.

**The goal is not simply to complete an investment.**

***It is to make an informed decision with the right information and appropriate expectations.***

CLARITY BEFORE COMMITMENT

# What Happens After You Invest Matters

Passive investing is often described simply:

- Commit capital.
- Receive updates.
- Participate in the result.

But the outcome depends on what happens in between.

The quality of the operator matters.

The financing matters.

The systems matter.

The decisions made after acquisition matter.

**For investors moving from education to evaluation, the question is not only:**

**Is this an attractive asset class?**

The stronger questions are:

- **Who is responsible for execution?**
- **How are decisions made?**
- **How is performance measured?**
- **How will management respond when the business plan does not unfold exactly as expected?**

That is where operator-led real estate begins.

**REQUEST ACCESS TO THE INVESTOR PORTAL** →

**SPEAK WITH INVESTOR RELATIONS** →

# Continue the Conversation


**SPARTAN INVESTMENT GROUP**

17301 W. COLFAX AVENUE
GOLDEN, COLORADO 80401

INVESTORS@SPARTAN-INVESTORS.COM

(720) 719-1260

SPARTAN-INVESTORS.COM