

FOURTH EDITION. APRIL 2023



Official Newsletter

B.I.G Expansions!

Blacksteel Investment Group closes on 21 acres of a land development project in Celina, Texas.

New development projects present a unique opportunity for investors to benefit from the rapid growth of emerging markets. By investing in new developments, we are not only helping to meet the increasing demand for housing and commercial spaces, but also have the potential to reap the benefits of appreciation and long-term growth. Our team has been diligently researching and analyzing various opportunities in the market, and we are confident that this new direction will not only contribute to the growth of the community but also aligns with our investment strategy and values. As we closed 2022, we announced our plans to expand into New Development by presenting to our investment community an opportunity in Celina, Texas. We are pleased to announce that together with our investors, we have officially closed on this development project! Follow along for more updates!!



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Understanding the correlation between rising Interest rates, Inflation & Investing

BY MARIA COLEMAN

Over the last decade, interest rates have undergone significant changes, which have had an impact on various investment options, including Multifamily syndications. Let's examine the fluctuations in interest rates over the past decade and how they have historically affected investments in Multifamily syndications.

To begin with, it's essential to understand the role that interest rates play in Multifamily syndications. When interest rates are low, it becomes cheaper to borrow money, making it easier for investors to finance their investments. On the other hand, when interest rates are high, borrowing becomes more expensive, which can make investments less attractive.

Interest rates were near historic lows due to the 2008 financial crisis. Then in 2015, the Federal Reserve raised interest rates for the first time in almost a decade, signaling a shift towards tighter monetary policy. Interest rates continued to rise gradually over the next few years, at that time, peaking in 2019 at around 2.42%.



So, how have these changes in interest rates affected investments in Multifamily syndications? Historically, low-interest rates have made Multifamily syndications more attractive to investors, as it becomes easier and cheaper to finance these investments. Low-interest rates can also lead to an increase in demand for rental properties, which can result in higher rental income for Multifamily syndications. However, when interest rates rise, the cost of borrowing increases, making Multifamily syndications less attractive to investors. Higher interest rates can, at times, lead to a decrease in demand for rental properties, which can result in lower rental income and a decrease in the value of Multifamily properties.

Overall, it's clear that changes in interest rates can have a significant impact on investments in Multifamily syndications. However, it's important to note that other factors, such as the state of the economy and the local real estate market, can also play a significant role in determining the success of these investments. As always, investors should carefully evaluate their options and consider a variety of factors before making any investment decisions.

"Real Estate investing, even on a very small scale, remains a tried and true means of building an individual's cash flow and wealth."

ROBERT KIYOSAKI

Let's
talk

Disbursements
&

THE IMPORTANCE OF CASH RESERVES

At Blacksteel Investment Group, we take our responsibilities as stewards of your investments very seriously, which is why we are being diligent in maintaining ample cash reserves.

In light of recent developments in the economy, we wanted to take a moment to discuss the importance of maintaining ample cash reserves in your multifamily syndication investments, particularly as interest rates begin to rise.

As you may know, the Federal Reserve has indicated that it will raise interest rates in response to rising inflation. While this move is intended to keep the economy in check, it can also have an impact on real estate investments, including multifamily syndications. Rising interest rates can increase the cost of borrowing, making it more expensive for syndications to finance new acquisitions or refinance existing properties.

This is why it's crucial for multifamily syndications to maintain adequate cash reserves. These reserves serve as a buffer against additional rising interest rates, allowing us to continue to operate and invest without being overly reliant on debt. With sufficient cash reserves, we can more easily weather periods of economic uncertainty or rising interest rates without disrupting our operations or negatively impacting investor returns.



Disbursements are a key benefit of investing in multifamily syndications that typically provide investors with the opportunity to receive regular cash distributions. These disbursements, also known as cash flow distributions or simply "distributions," are a portion of the profits generated by the syndication and are typically paid out on a quarterly or monthly basis. One of the primary advantages of disbursements is that they can provide investors with a stream of passive income. Unlike other forms of investing where profits may only be realized when an asset is sold, disbursements allow investors to receive income while still maintaining their investment in the syndication.

Due to the unforeseen impact of rapidly increasing interest rates however, it has been necessary to decrease and in most cases halt all disbursements until interest rates stabilize. This is in an effort to manage our investments prudently and responsibly, with a focus on maintaining strong cash reserves and managing risk effectively. Despite current market conditions, including high interest rates and inflation, we believe that multifamily real estate syndication is still a viable source of investing. This is because multifamily real estate has historically proven to be a resilient asset class even during periods of rising interest rates.

We understand that investors may be eager to see their money put to work, but maintaining cash reserves is a critical component of responsible real estate investing. We appreciate your understanding and trust in our approach and are available to answer any questions you may have about your particular project. Please do not hesitate to reach out to our team.

In summary, while current market conditions present some challenges, at Blacksteel Investment Group, we believe that multifamily syndication is still a viable source of investing due to its long-term horizon, strong rental demand, our experienced syndication team and asset diversification opportunities. As with any investment, it's important to continue to conduct thorough due diligence and work with a reputable and experienced syndication team to help navigate the current market environment.



PEAK PARTNERSHIP 2023

Dr. Hoa on stage in Orlando, Florida speaking in front of a crowd of over 1,500 people from all walks of life, who were showing up, playing full out, and elevating their life to another level!

ON STAGE AT THE DIGITAL EVOLUTION INSTITUTE

Dr. Hoa on stage at the Digital Evolution Institute in New York. DEI was founded to advance thought leadership at the intersection of investment, technology and entrepreneurship and hosts and sponsors various events in different cities to promote interaction amongst participants via white paper distribution and interaction across a broad range of topics.



IMN DALLAS

Dr. Hoa on stage at IMN Dallas speaking to a room full of attendees while she participated in the panel discussion regarding what an investor should be looking at both physically and financially in today's market.



GET CAUGHT UP ON PODCASTS



"BREAKTHROUGH WALLS" WITH KEN WALLS

Our very own Dr. Hoa, CEO And Co-Founder of Blacksteel Investment Group was featured on "Breakthrough Walls" with Ken Walls who has interviewed over 500 celebrities and entrepreneurs. On this episode hear Dr. Hoa speak about overcoming life's challenges and creating an intentional life of purpose. If you missed that episode, click the link to watch it now!

Dr. Hoa on Ken Walls' "Breakthrough Walls" 



AMERICAN DREAM BUILDER & INVESTOR PODCAST

Recently, Dr. Hoa joined Micy Liu on her "American Dream Builder and Investor Podcast" where Dr Hoa participated in a 2 part series with the first being focused on "Entrepreneurial & Family Spirit" and the second on "Successful Investing and Entrepreneurship".

Check out these two short episodes to gain some inspiration and motivation!



Part 1: Entrepreneurial & Family Spirit



Part 2: Successful Investing and Entrepreneurship

CAUTIOUSLY OPTIMISTIC WHILE WE CONTINUE TO INVEST TO IMPACT

It has been a busy start to the year here at Blacksteel Investment Group! We have been on the move, spreading our message about the importance of Investing to Impact across various platforms. We started off strong by taking the stage at several events ranging from Miami and Orlando to New York and back to Dallas.

We were thrilled to have the opportunity to share our knowledge and insights about the power of investing to create positive social and environmental change as well as speaking with both seasoned and new investors alike on how we are navigating the current economic climate.

But we didn't stop there. We also made sure to reach out to a wider audience through podcasts. Our team was featured on various podcasts discussing the benefits of investing in multifamily syndications and educating audiences on how investors can make a positive difference through their investment choices.

Through these engagements, we were able to highlight the importance of taking a holistic approach to investing. We believe that investments should not only provide financial returns, but also not create unwarranted stress while generating positive social and environmental outcomes. We are proud to be leading the way with this growth mindset and are grateful for the opportunity to share our knowledge with others.

Thank you for your continued support, and we look forward to sharing more updates with you in the coming months.



On The Horizon

Blacksteel Investment Group continues to monitor the economic conditions while keeping a pulse on opportunities that meet our extensive criteria for investing. We recently hosted a webinar / dinner to share additional details about the most current opportunity in our pipeline in Taylor, Texas which is open to Accredited Investors.

If you are interested in learning more, please reach out to us using the **LEARN MORE** button below and Maria Coleman with our Investor Relations Team will be in touch!

[LEARN MORE](#)



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Recent & Upcoming Events



Speaker
Dr. Hoa Nguyen



**INVEST TO IMPACT
FOR BUSY
PROFESSIONALS**
Sunday, April 16, 2023

**Top Guns
Real Estate
Mastermind**
ASIA 2023



Dr. Hoa Nguyen and Dr. Jaime Gonzalez will once again be representing Blacksteel Investment Group at Top Guns Real Estate Mastermind - Asia 2023