

THE ALTERNATIVE ASSET PLAYBOOK

How High-Income Earners Are Using Real Estate + Bitcoin to Build Long-Term Wealth and Reduce Tax Exposure

Most professionals earning \$200K+ have their capital trapped in the same places: savings accounts losing purchasing power, index funds they can't differentiate from anyone else's, and a financial advisor who puts them in the same portfolio as everyone else.

This guide breaks down why a growing number of physicians, business owners, and high-income earners are shifting capital into alternative assets—and how the combination of real estate and Bitcoin creates a compounding advantage that traditional portfolios can't replicate.

THE PROBLEM WITH TRADITIONAL PORTFOLIOS

If you earn \$300K, \$500K, or more, you've probably noticed something frustrating: the more you earn, the harder it becomes to keep what you make. Your tax burden grows faster than your investment returns. Your financial advisor puts you in the same mix of stocks and bonds as everyone else. And the "safe" path—index funds and savings accounts—quietly loses purchasing power year after year.

Here's what the numbers actually look like for a typical high-income professional:

| | | |
|------------------------|-------------------------|--|
| Savings Account | 3–4% yield | After inflation, you're breaking even or losing |
| Index Funds | ~10% historical | After taxes at your bracket, closer to 6–7% |
| Traditional RE | Quarterly distributions | Checks deposited into a savings account losing value |

The core issue isn't that these are bad investments. It's that they don't compound efficiently for high-income earners. You need a strategy that does three things simultaneously: grows capital at a rate that outpaces inflation and taxes, provides tax advantages that reduce your effective burden, and removes the need for constant decision-making.

WHY ALTERNATIVE ASSETS ARE DIFFERENT

Alternative assets—specifically real estate and Bitcoin—offer structural advantages that traditional portfolios cannot replicate:

- **Tax Efficiency.** Real estate offers depreciation deductions, cost segregation, and the ability to offset rental income against your tax bill. These aren't loopholes—they're built into the tax code to incentivize real estate investment. For a physician earning \$400K+, the tax savings alone can represent a meaningful return.
- **Inflation Protection.** Both real estate and Bitcoin are supply-constrained assets. You can't print more land within walking distance of a university, and Bitcoin's supply is permanently capped at 21 million coins. When the money supply expands, scarce assets appreciate.
- **Compounding Without Eroding.** Instead of receiving quarterly distribution checks that sit in a savings account losing value, your capital can be reinvested into appreciating assets automatically—creating a compounding effect that traditional distributions cannot match.
- **Asymmetric Upside.** A blended allocation to real estate and Bitcoin creates a structure where the real estate protects your downside while Bitcoin captures disproportionate upside. You're not choosing between safety and growth—you're getting both.

THE DUAL-ASSET COMPOUNDING STRATEGY

The most sophisticated family offices and endowments don't distribute cash flow—they reinvest it. They ask a simple question: *How do we turn this year's income into next decade's capital base?*

The same principle applies at the individual level. Instead of treating rental income as spending money, you can use it as fuel for a second appreciating asset. Here's how the model works:

| STEP 1 | STEP 2 | STEP 3 |
|--|--|---|
| Acquire income-producing real estate in supply-constrained locations | Instead of distributing cash flow, convert it monthly into Bitcoin | Over 6+ years, you own two appreciating assets compounding together |

The key insight is this: **you're not speculating on Bitcoin with your investment capital.** You're using the predictable income from real estate to systematically build a Bitcoin position over years. Even if Bitcoin underperforms expectations, you still own the properties. But historically, Bitcoin has significantly outperformed cash sitting in a bank account over multi-year periods.

WHY REAL ESTATE + BITCOIN SPECIFICALLY

| | REAL ESTATE | BITCOIN |
|-------------------------|---------------------------------------|------------------------------------|
| Scarcity | Fixed land supply near universities | Capped at 21 million coins forever |
| Income | Monthly rental cash flow | No yield; pure appreciation |
| Tax Benefits | Depreciation, cost segregation, 1031 | No taxable event until sale |
| Volatility | Low; stable, predictable | High short-term; strong long-term |
| Role in Strategy | Capital protection + cash flow engine | Growth engine + compounding upside |

Each asset mitigates the weakness of the other. Real estate provides the stable, predictable foundation that makes Bitcoin's volatility manageable. Bitcoin provides the growth potential that prevents real estate returns from being eroded by inflation. Together, they create a structure that is greater than the sum of its parts.

WHAT TO LOOK FOR IN AN ALTERNATIVE INVESTMENT

Not all alternative investments are created equal. If you're evaluating opportunities, here are the characteristics that matter most for building long-term wealth:

- **Supply-Constrained Assets.** The best long-term investments are in things that can't be easily replicated. Fixed land near institutions, finite digital assets, irreplaceable locations. Scarcity drives appreciation.
- **Predictable Cash Flow.** Growth potential means nothing if you can't weather the hold period. Look for investments with recurring, dependable income that doesn't rely on market timing or economic cycles.
- **Structural Tax Advantages.** Depreciation, deferral, and pass-through structures let high-income earners keep more of what they make. The tax code rewards real estate investors—make sure your strategy takes full advantage.
- **GP Alignment.** Does the operator have personal capital at risk alongside yours? Skin in the game changes decision-making. Look for managers who invest their own money and only profit after your preferred return is met.
- **Defined Exit Options.** Illiquidity is the trade-off for higher returns. But you should have clear, defined exit points—not open-ended commitments with no visibility into when or how you'll get your capital back.
- **Passive Structure.** You already have a demanding career. Your investments shouldn't be a second job. Look for fully managed strategies where the operator handles every decision and you receive regular reporting.

The campus housing market near flagship universities is one of the most overlooked opportunities in real estate. Demand resets every academic year. Supply is permanently constrained—you can't build more land within four blocks of a university. And the market is highly fragmented, with the majority of properties owned by individual landlords with no professional systems. For an operator with the right model, this fragmentation is the opportunity.

ABOUT NORTHBASE CAPITAL

NorthBase Capital was built to solve the exact problem described in this guide: high-income professionals need a better path for their capital than savings accounts and index funds, but they don't have the time or infrastructure to build it themselves.

NorthBase acquires single-family homes within walking distance of flagship universities, starting with Colorado State University and the University of Colorado Boulder. Instead of distributing rental income, we convert it monthly into Bitcoin—building a capital reserve that compounds alongside the real estate.

The result is a single investment that produces two appreciating assets: income-producing campus properties (physical scarcity) and a growing Bitcoin capital reserve (digital scarcity).

| PARTNERSHIP HIGHLIGHTS | |
|------------------------|---|
| Strategy | 80% Campus Housing 20% Bitcoin Treasury |
| Preferred Return | 9% annual cumulative, paid before GP earns carry |
| Target Return | 14% annualized CAGR (gross) |
| Profit Split | 80% LP / 20% GP above preferred |
| GP Co-Investment | \$200,000+ personal capital alongside investors |
| GP Bitcoin Reserve | 2 BTC funded personally to protect preferred return |
| Liquidity Option | December 2028 — Exit at full NAV |
| Target Exit | December 2032 |
| Minimum Investment | \$50,000 Accredited investors only (506c) |

THE GENERAL PARTNER

Jason Hoff spent twenty years advising business owners on mergers and acquisitions, specializing in rollups and platform consolidations. He helped owners structure deals that maximized exit value through professional management, standardized systems, and portfolio scale. NorthBase applies that same playbook to campus housing.

Jason lives in Fort Collins, invests personal capital in every partnership, has personally funded a 2 Bitcoin reserve to protect investor returns, and answers when you call. When you partner with NorthBase, you're partnering with someone who has real money at risk alongside yours.

READY TO LEARN MORE?

Schedule a confidential conversation with Jason to discuss whether NorthBase is the right fit for your capital goals.

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