

STALLION CAPITAL MANAGEMENT

Stallion Capital Management is proud to celebrate 15 years in business as a private investment firm that offers real estate backed investments.



photos by Todd White

Founded in 2007, the goal of Stallion Capital Management has always been to put accredited investors money to work in Texas real estate. Throughout its lifetime, Stallion has consistently delivered stable and predictable returns for its investors by leveraging valuable Texas real estate.

With its investor capital secured and hard-backed by assets, Stallion's team members continue to put investors' money in good places. In January, the company launched what is arguably its most opportunistic fund, the Stallion Growth Fund.

WHO IS STALLION?

Founder and Chief Investment Officer Vincent Balagia started the company with one investor and one property 15 years ago. Through hard work and strong faith, Stallion persevered through challenges like The Great Recession of 2008 and today, this Austin native and his team are proud to serve more than 500 investors. Most investors and clients live in the Austin area and Stallion is diversifying their portfolio

through Texas real estate-backed investments.

Stallion currently manages more than \$150 million in client assets and is adding to that number on a consistent basis. Beyond their current success, the company has ambitious goals to grow its investor family and deploy capital into its two main investment strategies.

REAL ESTATE DEBT FUNDS

Since 2013, real estate funds have been the backbone for investors looking for reliable income. Stallion Texas Real Estate Fund I and II deploy client capital into short-term real estate loans and generate income from interest paid on those loans. The loans in the STREF funds are collateralized by Texas real estate—a secure choice. Investors in these funds can expect high yield returns (7-8 percent average) and receive quarterly income distributions. Investors who wish to generate long-term yield should consider the STREF funds as they offer a steady stream of income with a stable store of value.

As of June 2022, Stallion Funding, the company's lending counterpart has deployed more than \$600 million dollars into real estate loans across Texas. They continue to experience high demand for these loans locally and across the state.

GROWTH FUND

Their most recent fund, The Stallion Growth Fund, allows clients to diversify their portfolios for long-term capital growth by taking advantage of appreciation in the booming Texas real estate market. Balagia explains, "We do this by investing clients' money in high-quality real estate properties in high-demand areas—Dallas, Houston, San Antonio, and Austin—which enables investors to benefit from income generation from rents in the short term and appreciation in the long term."

"The Stallion Growth Fund allows Stallion's clients to derive all the benefits of direct ownership without the hassle of running and managing a property." -Vincent Balagia

HOW IT WORKS

Stallion generates significant income by purchasing properties in upscale or trendy areas and converting them to short-term rentals (STRs), which have consistently demonstrated superior income potential over long-term rentals (LTRs). Thanks to popular booking apps like AirBNB and VRBO, travelers are already familiar with the short-term rental market and the online partners provide marketing and booking support.

For the investor, short-term rentals provide passive income via rate adjustments designed to keep up with inflation rather than locking in a one-time rate on a 12-month lease. With a good system in place, STRs can typically generate results (income) that are two to three times higher than the traditional LTRs.



As inflation has taken its toll on traditional market and investment options and is showing no signs of slowing, Stallion is encouraging investors to put their hard-earned money into assets, rather than allowing it to sit in the bank and lose its purchasing power.

Stallion Growth Fund allows clients to put money in assets with intrinsic value that will hold their value in times of inflation.

KEY TAKEAWAYS

Not only is Stallion Growth Fund a benefit to investors who wish to own short-term rentals without the attendant and labor-intensive maintenance, it is also a successful hedge against inflation. As previously stated, the rental rate for each property is adjusted daily according to current market conditions and rental demand.

Stallion is partnering with Dallas-operated **Monterno Luxury Stays** for day-to-day management of these units but maintains a *boots-on-the-ground approach* with frequent visits and inspections of their properties.

The team ensures each property is outfitted for a premium stay for everyone—vacationers and business travelers alike. When staying at a property owned by the Stallion Growth Fund, a guest can expect a unique stay

as each property is outfitted with built-in amenities, including rooftop decks, putting greens, and fire pits.

ONLY PREMIUM LOCATIONS ARE SELECTED FOR THE STR PORTFOLIO—BASED ON THEIR DISTANCE TO DOWNTOWNS OR ENTERTAINMENT DISTRICTS.

As of June 2022, the Growth Fund owns 13 properties with three more under contract. Properties within the SGF are listed on Airbnb, VRBO, and others. They show consistent high-occupancy rates and are receiving excellent reviews from guests. Balagia adds, “We are very excited about providing this class of investment to our clients. We want to provide the right investment vehicles for people who are as bullish on Texas as we are.”

While Stallion has experienced significant growth in the past 15 years, its focus remains: offering the best possible investments for clients by utilizing the growing Texas real estate market. Stallion is always looking to add like-minded accredited investors to the family and to help them achieve their investment goals.

When you are ready for a conversation with a professional who combines a passion for real estate with service-driven relationships, contact Director of Business Development Brian Outlaw (see p. 9) about investing in the thriving Texas real estate market.



MEET THE STALLION TEAM

“AS AN INVESTOR WITH STALLION, I APPRECIATE THE POSITIVE RETURNS OFFERED TO MY PORTFOLIO OVER THE YEARS. HOWEVER, THERE ARE MANY MORE FACTORS INVOLVED THAT KEEP ME INVESTING WITH THEM. I PERSONALLY KNOW LEADERS WITHIN STALLION WHO OPERATE WITH HIGH INTEGRITY, TRANSPARENCY, AND ARE STRONG FINANCIAL STEWARDS FOR ME AND ALL THEIR INVESTORS.”

-DAVID LERMA



FOUNDER AND CHIEF INVESTMENT OFFICER VINCENT BALAGIA

Vincent began his career working with banks, investment brokerage firms, and gradually made his way into non-traditional asset management. In 2005, he joined the origination department of a private lending firm where he conceived the idea for a new type of private lending fund. Thus in 2007, Stallion was founded.

Vincent believes passionately in the transformative power of entrepreneurship and is involved in the C12 Group, a Christian business leadership development organization. He is also an active member of the American Association of Private Lenders, in which members dedicate themselves to excellence, ethics, and education in the private lending industry. When Vincent isn't working, he is spending time with his wife, Katie, and their three wild children.

DIRECTOR, FUND OPERATIONS JUSTIN VOLLMER

Justin came to Stallion with more than 10 years of real estate marketing and operation experience, making him an excellent liaison between the fund's accounting and day-to-day operations. He works directly with our Business Development team on fund-raising and in our servicing department, which services our debt fund portfolios.

Justin is a passionate process guy and ensures our funds are operating efficiently. He also enjoys connecting the dots and helping find creative solutions for our team and clients, never settling for the first or easiest solution. When Justin isn't in the office, you'll find him smoking an early morning brisket and working on his homemade BBQ sauces.



**DIRECTOR, INVESTOR RELATIONS
JEREMY JUNGBAUER**

Jeremy Jungbauer joined the Stallion team in 2020 to oversee client management and is a key liaison for current and past investors.

He brings years of Senior Management experience and financial expertise to the table. His skill sets empower him to evaluate client investment needs, determine the best path forward, and achieve desired outcomes.

Jeremy works side by side with the Director of Business Development, Brian Outlaw (facing page), as liaison between investors and the Stallion team—keeping each informed and up-to-date on client needs and optimum strategies to serve clients. When Jeremy is not on the phone with investors, he is enjoying the many lakes around Austin with his wife Vanessa and their two children.



**DIRECTOR, ASSET MANAGEMENT
MITCHELL CHAVEZ**

Mitchell Chavez joined the Stallion team in May of 2020. He helped establish and grow the Stallion Growth Fund into what it is today. He continues to manage property acquisitions—including sourcing, analyzing, and working in parallel with our property management company to get our units up and running. Mitchell also keeps his finger on the pulse of growth markets outside of Dallas. He is always looking for new opportunities to grow the fund and learn more about short-term rental strategies around the nation. When Mitchell isn't sourcing new properties he and his wife, Corey, are on the hunt for furnishings for their newly-built house.

**MARKETING COORDINATOR
SYDNEY PANTER**

Austin native Sydney Panter is the latest addition to this dynamic team. She rounds out the company's expertise with her branding, content, and digital marketing experience.

Sydney oversees marketing and communication efforts for Stallion Capital Management and works alongside the business development team to help grow the firm. Sydney uses her marketing and branding experience to get in front of potential new investors and grow the Stallion brand across Texas. On weekends, she spends time on the lake with her husband, Trent, and their friends.



MEET BRIAN OUTLAW

Director of Business Development



SO YOU'RE AN OUTLAW WORKING AT STALLION...IS THAT REALLY YOUR LAST NAME? Yes, that is my real last name. It's a name that's gotten me into and out of trouble over the years. People seem to get a kick out of it—especially here in Texas. I think it's the main reason my wife Kelly wanted to marry me—she thinks it's pretty cool.

YOU'VE LIVED IN WILLIAMSON COUNTY FOR THE LAST 20 YEARS; WHY DID YOU SET DOWN ROOTS HERE? I can't imagine a better place to raise a family and do business. I'm grateful to be a part of this amazing community and it's a wonderful place for our four young kids to grow up. I give back as a volunteer supporter of the YMCA of Central Texas where I serve on the Board of Directors for the CHASCO Y in Round Rock. I also attend Fellowship Church in Round Rock and my faith is my foundation. I feel very fortunate to be working for Vincent Balagia who embodies Christian principles in the way he leads his family, runs our business, serves our clients and supports our community. Vincent is also a life-long resident of Williamson County.

WHAT'S YOUR FAVORITE THING ABOUT WORKING AT STALLION?

We have an incredible team of talented and passionate people who each have specific expertise in real estate, investing and client service. We are truly capital managers, and our top priority is to be good stewards of our investors' money. We all have an entrepreneurial spirit and share in the exciting vision of growing Stallion's real estate portfolio. We are passionate about serving our current clients and excited to bring on new investors

who want to come alongside us as we continue to grow. I truly believe in the firm and our investment strategy—that's why my wife and I are also Stallion investors.

WHAT CAN CLIENTS AND PROSPECTIVE INVESTORS EXPECT WHEN THEY TALK TO YOU?

I really enjoy getting to know people and what's important to them, so clients and prospects can expect me to ask questions and listen. I first want to understand their goals and needs, then we can determine if our investment funds are a good fit. Some of our clients are focused on receiving regular income from their investment, so our Real Estate Debt Funds are a good fit for them. Some of our clients don't need to draw regular income and are looking more for long term growth, so our Stallion Growth Fund is a better fit. We also have many clients who like a combination of these strategies and are invested in both. Really, it just comes down to the individual needs of our clients and we do our best to tailor a best approach to serve them. We also work directly with Financial Advisors, Wealth Managers, and Family Offices who use our funds as part of their investment strategy. Stallion's goal is to be the best combination of risk and return for our investors and you won't find a more caring team of people to do business with.

HOW WOULD I EXPLAIN STALLION TO A FRIEND WHO HASN'T HEARD OF YOU BEFORE?

We offer accredited investors the opportunity to invest in Texas real estate from a passive position. This means they can enjoy the benefits of real estate ownership without the hassles of managing the 3 T's—tenants, toilets, and trash. We may be a great fit for someone looking for real estate-backed alternatives to traditional stocks and bonds. All of our funds provide diversification and are designed to keep up with inflation.

If you (or your friend) are interested and would like to learn more, please reach out to me directly at brian@stallioncap.com or feel free to visit our website StallionCap.com.