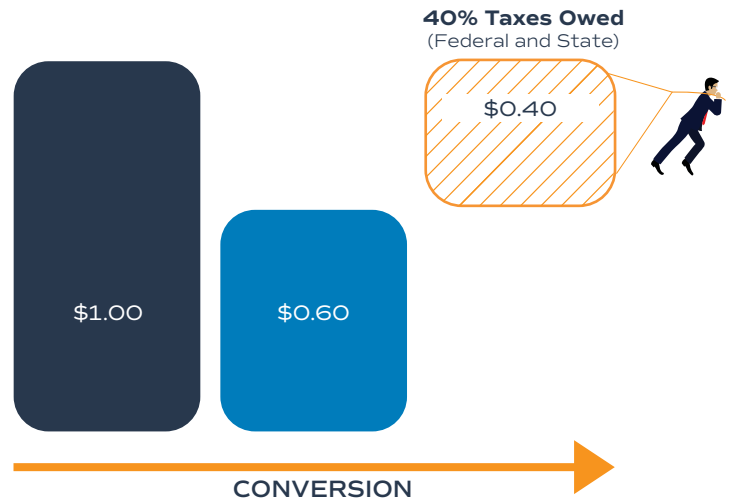


# IRA TO ROTH IRA CONVERSION A PROBLEM & A SOLUTION<sup>1,2</sup>

## A PROBLEM

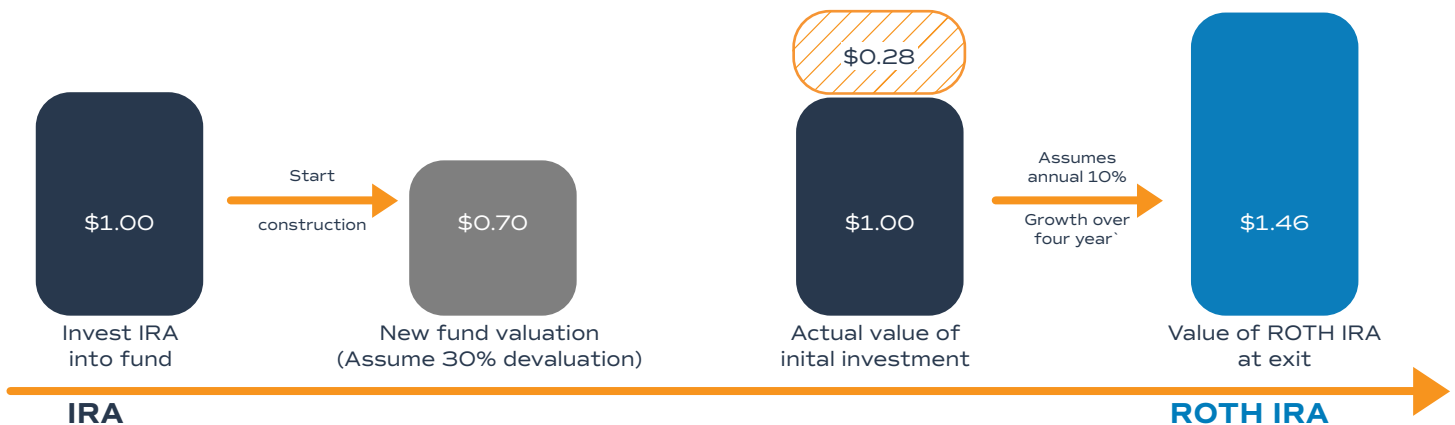
Withdrawing money from a traditional IRA could trigger a taxable event including fees and penalties. The adjacent illustration assumes a total 40% tax rate not including fees or penalties.



## A SOLUTION

A traditional IRA that is invested in private equity fund focused on real estate development may benefit from a reduction in net asset value at the time of an IRA to Roth IRA conversion, thus reducing the taxable amount due.

## EXAMPLE FUND CONVERSION<sup>1</sup>



1. For discussion purposes only, are hypothetical only, and are not intended to be reflective of any actual costs or figures associated with this offering.

This illustration is provided for educational purposes only and is intended to demonstrate the process of converting a Traditional IRA to a Roth IRA, followed by an investment in a real estate fund. It is purely hypothetical and does not represent any specific product, investment strategy, or individual circumstances. It should not be interpreted as a recommendation, endorsement, or prediction of future investment results. The illustration does not account for any fees, expenses, or taxes associated with the conversion or the investment in the real estate fund. Such costs can have a significant impact on the actual results of the strategy.

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There are substantial risks associated with the federal income tax aspects of an investment in the Company. The income tax consequences of an investment in the Company are complex and recent tax legislation has made substantial revisions to the Code. Many of these changes affect the tax benefits generally associated with an investment in real estate. A further discussion of the tax aspects (including other tax risks) of an investment in the Company is set forth in the PPM under "Federal Income Tax Consequences." Because the tax aspects of the Offering are complex, and certain of the tax consequences may differ depending on individual tax circumstances, prospective investors are urged to consult with and rely on their own tax advisor concerning the Offering's tax aspects and their individual situation. **No representation or warranty of any kind is made with respect to the Internal Revenue Service's (the "IRS's") acceptance of the treatment of any item by the Company or an investor.**

It is anticipated that if the Company generates taxable income, such income will be considered UBTI. Tax-exempt entities should consult with their own tax counsel regarding the effect of any UBTI. See the PPM and "Federal Income Tax Consequences – Investment by Qualified Plans, IRAs and Tax-Exempt Entities – Unrelated Business Taxable Income."

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