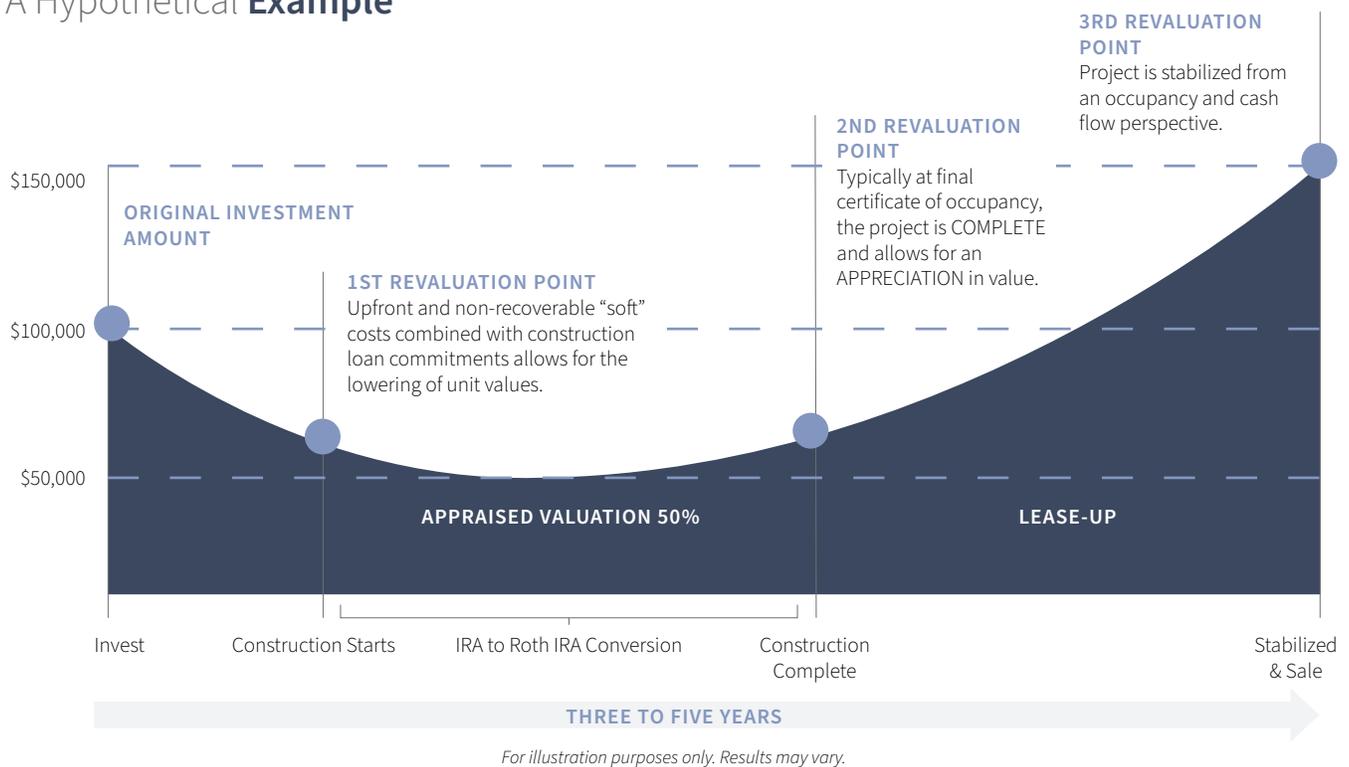


A Roth IRA Conversion is a technique used by high-income earners—who exceed Roth IRA income limits—to convert traditional IRA assets to a Roth IRA.

Using this strategy with investments in real estate under development may lower the amount of tax due at conversion, while also providing tax-free distributions and no required minimum distributions.

A Hypothetical Example



Here is why this strategy can be especially effective with investments in ground-up real estate development LLCs:

- 01 Private placements must receive an annual valuation under ERISA guidelines.
- 02 Due to construction loan commitments and upfront costs, a point-in-time valuation on a partially completed project often values at 50%-75% of the original investment during the construction phase.
- 03 Converting to a Roth IRA during the reduced “fair market value” period triggers a taxable event that allows tax to be paid on the current lower value while taking advantage of a Roth’s main benefit down the road: tax-free withdrawals of contributions and growth.

This illustration is for hypothetical purposes only. It does not represent that any account will or is likely to achieve profits or losses similar to those shown. There may be sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program. This information is not intended to be, nor should it be construed or used as, financial, legal, tax or investment advice or an offer to sell, or a solicitation of any offer to buy or sell an interest in any private placement.

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