



**Combine IRA Tax advantages
with private real estate fund
investment opportunities.**

Your guide to Private Equity in an IRA

Information is provided by New Direction IRA, Inc.

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Introduction

The IRS allows an IRA, Individual 401(k), HSA, or ESA to acquire private equity (an ownership interest in a private company or fund) as an asset without penalty, and while keeping the tax benefits associated with that account type.

An IRA can purchase many types of private equity, including Limited Partnerships, Limited Liability Companies, Pre-IPO companies, C-Corps, Limited Liability Partnerships, Land Trusts, and much more.

Unlike publicly traded securities, private equity does not have public disclosure laws associated with it. Therefore, the investor can use her or his personal knowledge and experience when investing in private companies or investing in private equity funds through a self-directed IRA.

It has been possible to participate in private equity since the inception of IRAs. What has not always been easy is finding an IRA provider who was willing to service this type of investment. The IRS requires an authorized IRA provider for all IRAs. Not all IRA providers handle this asset type, but New Direction IRA does.

You, the IRA holder, along with your financial professional, select the company or fund of your choice. New Direction IRA makes sure that the paperwork substantiates that the asset is part of your IRA and, thus, deserves the tax benefits associated with the account type.

This report will give you detailed information on private equity IRA investing.





Tax-deferred/Tax-free Plans Eligible for Self-Direction

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- | | |
|--------------------|----------------------------------|
| 1. Traditional IRA | 4. SIMPLE IRA |
| 2. Roth IRA | 5. 401(k) Plan |
| 3. SEP IRA | 6. HSA – Health Savings Accounts |
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What are the Benefits of Having Private Equity in an IRA?

- Private equity is an asset that allows you to put your personal knowledge to work for your IRA.
- Investing in private equity allows true diversification of your retirement account.
- You can apply your personal knowledge and expertise of the private equity
- You can buy, sell, and exchange equity without tax consequence.
- You can choose the companies/entities in which to invest your IRA funds.

Important Things to Know

- An IRA is its own financial and legal entity, separate from your personal finances.
- As a separate legal entity, your IRA has its own name:
New Direction IRA, Inc. FBO client name, IRA
- The IRA is the owner of the equity, not the IRA holder. Therefore, purchase and maintenance costs are paid by the IRA and all income (e.g. dividends) goes back to the IRA.
- All legal documents (subscription/purchase agreement) related to an IRA-owned asset must be in the name of the IRA, not your personal name.
- Documents associated with your IRA's equity acquisition need to be signed by New Direction IRA (as the administrator for that account) to be legal.

Before You Invest

Investing in a privately run business or entity with your IRA is completely legal. This idea may sound unfamiliar though, since most IRA providers only allow stocks, bonds, and other publicly traded securities as investments. New Direction IRA (NDIRA) specializes in IRA administration and recordkeeping for alternative assets like private equity.

Investing in private equity can take many forms. Below are several investment entities commonly used by IRA investors:

- Limited Partnerships
- Limited Liability Companies
- Pre-IPO Companies
- C-Corps
- Limited Liability Partnership
- Land Trusts
- Franchise Businesses
- Start Ups (banks or companies)

(An IRA can't invest in an S-Corp, nor can it be a General Partner in a GP.)

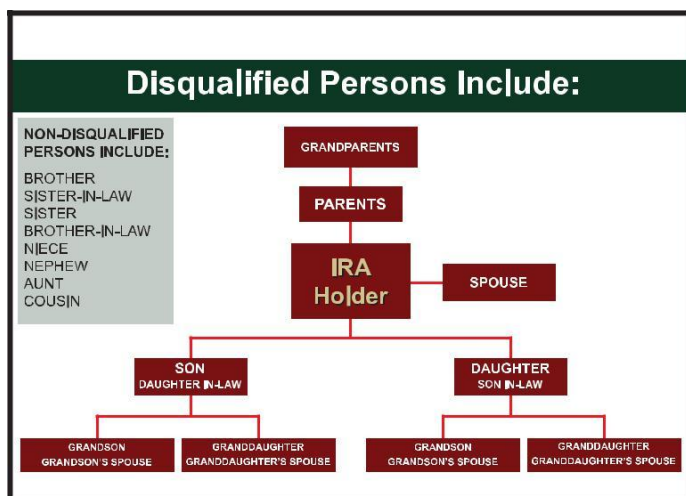


Due Diligence

As the IRA holder, you are responsible for performing due diligence on all investments. Neither the IRS nor NDIRA researches nor endorses the investments. Visit our website for more information on due diligence and ways to protect yourself from investment scams. A competent professional in the legal, financial advice or accounting fields can also be engaged if you need additional help deciding if the investment being considered is legitimate, meets your risk tolerance parameters, and is right for your investment goals.

IRC Section 4975 Considerations

A prohibited transaction is any transaction that takes place between an IRA and any DQP or entity. You cannot invest your IRA in an entity owned, operated, or controlled by you or another Disqualified Person. Your client representative can give you further clarification. Under no circumstances can you pay for or cover an IRA expense or capital call with personal funds.



UBIT Unrelated Business Income Tax

Earnings from certain investments may be subject to Unrelated Business Income Tax or UBIT. The IRA pays this tax, not you personally. Consult with your tax professional to determine if UBIT is owed. If so, you would file a form 990-T with the IRS for your IRA. If your tax professional is unfamiliar with filing form 990-T, a sister company of New Direction IRA, IRA Tax Services, is available to help at 303-604-6466.

Step-by-Step Instructions

Step 1 – Open your self-directed IRA and fund it with a rollover, transfer, and/or contribution.

Step 2 – Choose the private fund of your choice and gather the investment documentation

Required Documents:

- Buy Direction Letter (New Direction IRA Form)
- Private Equity Disclaimer and Indemnity Agreement (New Direction IRA Form)
- Subscription Agreement provided by investment entity or their legal team titled in the name of the IRA, signed as “Read and Approved” below signature lines

INVESTOR *New Direction IRA, Inc. FBO Client Name IRA*

- Payment/Wire instructions

– New Direction IRA can fund the investment within 3 business days of receiving correct and complete paperwork.

Step 3 – After the investment.

- **Fair Market Valuations**

NDIRA’s IRA Plan Agreement and Disclosure (IRS Form 5305) requires that you provide an annual fair market value for each asset. Each year you will request a market value (or a statement as to the value of your asset if sold on the open market today) and supporting documentation from the entity’s manager. It is important for the integrity of your account that your assets have an up to date valuation.

- buy Direction Letter
- Payment/Wire Instructions

- **Selling Your IRA-Owned Private Stock/Equity**

To process a sale of private stock, New Direction IRA will need the following items:

- Sell Direction Letter (New Direction IRA Form)
- Original Document Release Form - This will need to be completed if NDIRA holds the original stock certificate in our vault.



MKG Financial Group Equity Fund Advisors LLC
Private Investment Fund

IRA Investors

Participation in Real Estate Syndication

(866) 675-3933

Real Estate

- *Buy /sell real estate according to your investment strategy*
 - *Residential or commercial*
 - *Rent and profit from sales can grow your IRA*
 - *Use debt leverage or partnership tools*
- <https://mkgfinancialgroup.com/mortgage-note-investing>

Private Equity

- *Buy stock or ownership percentage in a private company*
 - *Utilize your personal expertise and knowledge*
 - *Dividends, profit, or other returns go to your IRA*
- <https://mkgfinancialgroup.com/corporate-bonds>

Private Lending

- *Loan to a person, company, etc.*
 - *Attach collateral to the loan or not, your choice*
 - *Set the terms: interest rate, length of term, etc.*
 - *Loan payments made to your IRA*
- <https://800cashloans.com/ira-non-recourse-loans>

Precious Metals

- *Gold .995+*
 - *Silver .999+*
 - *Platinum .9995+*
 - *Palladium .9995+*
 - *Coins, bars, rounds*
- <https://mkgfinancialgroup.com/precious-metals-ira>

Other Investments

Crowdfunding Portal Reg CF, Reg D

<https://mkgfinancialgroup.com/face-amount-certificates>