

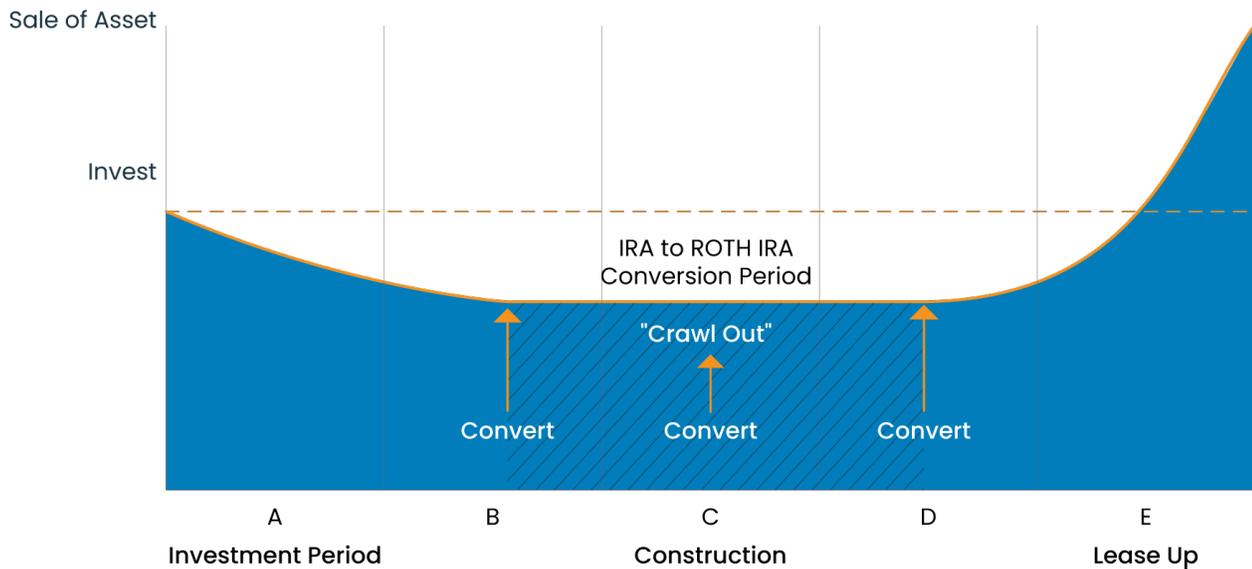
IRA TO ROTH IRA CONVERSION

EXAMPLE OF "ROTH CRAWL OUT" ^{1,2}

Converting from a traditional IRA to a Roth IRA requires investors to pay taxes on the full conversion amount.

A traditional IRA that is invested in a private equity fund focused on a ground-up 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.

The diagram below depicts how a Roth conversion could be spread over multiple calendar years, referred to as a "Roth Crawl Out" strategy.



A: Invest from your IRA into a fund that accepts qualified dollars.

B: Once the custodian has been provided a lowered NAV valuation, you can then choose to start the conversion process. Remember that you don't have to convert the entire investment amount in a single calendar year.

C: The devaluation will potentially remain low throughout the construction process. The construction of a building usually takes 18-36 months. You can convert another portion of the investment during that time.

D: You can convert the remaining unconverted portion of your investment to a Roth throughout the construction period.

E: Once the building is nearly fully leased, the process to sell the building will begin. Any profits from the sale of the building will now remain in the Roth IRA, tax-free.

1. The above information is for discussion purposes only, all figures are hypothetical, and are not intended to be reflective of any actual figures or estimates associated with this offering.
2. The "Crawl Out" curve is not a precise mathematical formula or prediction of investment outcomes, and investment results will vary. It is an illustrative concept that helps depict the general pattern of returns over time. The actual shape and timing of the curve can vary depending on various factors such as the industry, market conditions, economic trends, and specific investment characteristics.

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Real Estate Risk Disclosure.

- There is no guarantee that investment objectives will be successful or achieved, including, among other things, profits, returns, distributions, tax benefits, or exit strategy.
- Real estate investments may lose value during the life of the investment.
- Tax treatment and any stated tax benefits may change, are not guaranteed, and may negatively impact returns and result in unexpected tax liabilities.
- Financed real estate investments have potential for foreclosure.
- These assets are typically illiquid private placements with no secondary market.
- Cash flow distributions may be reduced or suspended due to vacancies, property damage, or operating shortfalls.
- Fees, expenses, and transaction costs may reduce returns and may outweigh anticipated tax benefits.
- Speak to your tax professional prior to investing.

General Risks of Investment.

- Performance depends on the successful operations of the multifamily real estate asset.
- Fluctuations in occupancy rates, rent, and operating expenses may adversely affect operating results, cash flow, and property value.
- Market conditions may make sale or refinancing difficult.
- Results may be affected by local economic and social conditions, population trends, neighborhood values, and competition. Key factors include vacancy rates, tenant financial stability, rent and sales levels, supply and demand for comparable properties, interest rates, taxes, government regulations, inflation, zoning or environmental laws, and hazardous material issues.
- Properties may be subject to uninsured or under insured losses.

General Risks Associated with the Construction and Development of Commercial Property.

Commercial real estate development is cyclical and sensitive to economic conditions, interest rates, financing availability, and property demand.

- Project performance may be affected by local market trends, supply and demand, natural disasters, availability of materials and labor, and regulatory or tax changes.
- Rising costs, including tariffs, government fees, or inflation, may adversely affect project economics.
- Construction may face delays due to weather, strikes, energy shortages, regulatory requirements, or unforeseen contingencies.
- Cost overruns may exceed available funding, requiring additional capital from sponsors or third-party sources, which may not be available.
- Use of third-party equity, mezzanine debt, or preferred equity may subordinate investor interests.
- Construction delays or higher costs may reduce cash flow and long-term project performance.

Leverage.

- The project will likely use debt financing, increasing investment risk.
- Loan terms, availability, and future refinancing are uncertain.
- Cash flow may be insufficient to cover debt service and operating expenses.
- Failure to meet debt obligations could result in foreclosure and total loss of investment.
- High leverage may reduce operational flexibility and limit cash available for distributions or future business needs.