



Texas Management Group

PRIVATE EQUITY
IRA INVESTING
GUIDE

Investment earnings from
DJE Texas Management
Group with IRA tax
advantages.



New Direction
TRUST COMPANY



IRA Private Equity

INTRODUCTION

The IRS allows an IRA (Traditional or ROTH, SEP or SIMPLE), Solo 401(k), or HSA to acquire private equity as an investment while keeping the tax benefits associated with that account type. The ability of your IRA or HSA to invest in an DJE Texas Management Group offering gives you the opportunity to make the returns that you want and pay less tax on those returns.

Investing in a privately owned business or entity with your IRA may sound unfamiliar since most IRA providers only allow account holders to purchase publicly traded securities as investments. However, private equity is an allowable asset for your retirement account, as long as your account with an IRA provider that services "alternative" investments. New Direction Trust Company specializes in IRAs and other tax advantaged accounts that invest in alternative assets like private equity.

IRA Investing in private equity can take place with many types of entities:

- Limited Partnership
- Limited Liability Companies
- Pre-IPO Companies
- C-Corps
- Limited Liability Partnership
- Land Trusts

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

ACCOUNT TYPES ELIGIBLE FOR PRIVATE EQUITY INVESTMENT

- Traditional IRA
- Roth IRA
- SEP IRA
- SIMPLE IRA
- Solo 401(K)
- HSA

IRA INVESTMENT SEQUENCE



IRA Private Equity

TITLING INSTRUCTIONS/BUYER INFORMATION

All investment documents must be titled in the name of the IRA, not your name personally.

As the custodian for your IRA account, NDTCO is the authorized signer for your account. NDTCO does need your approval before we can sign on behalf of your IRA, so you will sign in the margins of the signer page with the words "Read and Approved."

For example, if John A. Smith has a Traditional IRA with the account number 123456, the buyer information would be:

NDTCO as custodian FBO *John A. Smith* Trad IRA

**1070 W. Century Drive
Louisville, CO 80027**

Tax ID number: 20-0157510 (Unless you have established a unique tax number for your IRA)

INVESTMENT RETURNS

All earnings from your DJE Texas Management Group investment flow directly back to your IRA. From there, you choose the next move: reinvest, take a distribution, etc.

DUE DILIGENCE

Because neither the IRS nor NDTCO researches nor endorses any investments, the IRA holder is responsible for performing due diligence on all investments.

FAIR MARKET VALUATION

The IRS requires 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 DJE Texas Management Group. It is important for the integrity of your account that your assets have an up to date valuation.

UNRELATED BUSINESS INCOME TAX (UBIT)

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 Trust Company, IRA Tax Services, is available to help at 303.604.6466.