

CAPITAL RAISING

Empowered with Tax-Advantaged Investing

PRIVATE PLACEMENT INVESTMENTS IN SELF-DIRECTED IRAS

Are you raising capital for Reg D, private equity, or debt investment deals from high net worth or accredited investors? Giving investors the option to invest through a Self-Directed Individual Retirement Account (SDIRA) can be smart for you and your investors— you get to tap an often overlooked source of funding for your investment deals, while your investors can leverage the power of tax-advantaged growth in their retirement account.

IRAs Account for One-Third of Total Retirement Market Assets

In the fourth quarter of 2023, IRAs represented \$13.6 trillion or 32% of total assets in the \$38.4 trillion U.S. retirement market.^{1,2} More than seven in 10 had retirement plans through work or IRAs; near-retiree households held more than eight in 10.³ Every year more and more investors are seeking alternative investment IRA options to diversify their portfolios and take control of their retirement.

IRA Marketshare Growth Projections Are Exciting

IRA marketshare is expected to grow from 38% to 41% by 2027.⁴ Fueling the rapid growth are investors who roll over money balances from workplace retirement plans, namely 401(k) plans. Rollovers help workers consolidate and preserve these tax-advantaged balances. By mid-2023, 62% of all U.S. households that owned Traditional IRAs included rollover balances.⁵ Switching jobs is one of the most common reasons that prompts an IRA rollover – and today’s average worker changes jobs 12 times during his or her career. As investors move their savings from workplace retirement plans to IRAs, they will increasingly look to diversify monies into alternative investments.

Benefits of Tax-Advantaged Investing for Investors

How taxes are applied to an investment can make an incredible difference for an investor. IRAs enjoy tax-deferred growth (in a Traditional IRA) or tax-free growth (in a Roth IRA). The decision of whether to invest on a taxable or tax-advantaged basis will often depend on the investor’s personal tax situation. The higher their marginal tax bracket, the more they stand to gain by avoiding investment taxes.



Use our convenient [Taxable vs. Tax-Deferred \(or Tax-Free\) Calculator](#) to help compare a normal taxable investment to the two most common tax advantaged situations: (1) an investment where taxes are deferred until withdrawals are made (Traditional IRA), and (2) an investment where taxes are paid on money that goes into the account, but all withdrawals are tax free (Roth IRA). This calculator is available on our [website](#) and the results may be downloaded and printed for your investors.

^{1,3,5} ICI Research Perspective, [The Role of IRAs in US Households' Saving for Retirement, 2023](#). (February 2024)

²ICI, [Release: Quarterly Retirement Market Data](#). (March 14, 2024)

⁴ Cerulli Associates, [IRA Assets Reach Nearly \\$14 Trillion](#) (January 2023)

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HOW IT WORKS FOR INVESTMENT SPONSORS

STEP 1: Include Language for IRA Investors

Work with your attorneys and tax advisors to ensure that your investment's offering agreement or document has the appropriate language for IRA investors, including suitability statement, leverage and tax implications, prohibited transactions, disqualified persons, administrative responsibilities, and plan asset rules. Consult with your professional advisors to ensure that you understand the tax, legal or investment issues related to the use of IRA funds in private placement investments. You may find it helpful to refer to IRC 4975, Prohibited Transaction and DOL Plan Asset Rules, IRS 590 and IRS 598.

STEP 2: Onboard Your Investment

Onboard your investment to STRATA Trust Company's ("STRATA's") platform through Investment Hub. Select the asset by type, then electronically submit your documents: <https://www.stratatrust.com/resource-center/forms/#financial-professionals-onboard-an-investment>

HOW IT WORKS FOR INVESTORS

Getting Started Is Easy



OPEN

Open an IRA with STRATA's easy online application.



FUND

Fund the IRA (by transfer, rollover, or contribution).



DIRECT

Provide Investment Direction Instructions to STRATA.

ABOUT STRATA

At STRATA, we work with financial advisors, investment platforms, and other professionals nationwide to expand the awareness of using SDIRAs for investing in nontraditional and alternative assets such as real estate, private equity LPs, LLCs, company stock, hedge funds, private debt, investment crowdfunding, structured settlements, and more. By having an established relationship with an IRA custodian like STRATA, you'll have an edge when it comes to capital raising.

- A national leader with over 350 combined years of industry experience
- IRA custodian regulated by the Texas Department of Banking - Texas Trust Charter
- Specializes in the custody of alternative investments and non-exchange traded investments
- Unmatched personalized service and dedication

QUESTIONS?

If you're interested in using our services for your investors or investment platform, connect with one of our self-directed IRA experts today!

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