

ASSET STRATEGY

Helping You Create, Manage, Protect, & Distribute Wealth®

2026

ROTH CONVERSIONS

ADVANTAGES AND TAX IMPLICATIONS +
THE “J-CURVE” APPROACH

Traditional IRA to Roth IRA Investment Option: *How Does It Work?*



Step 1	An investor uses their Traditional IRA to invest in a fund that participates in a ground-up real estate development project.
Step 2	Construction begins, and an independent third party prepares a valuation report reflecting the project's current stage of development.
Step 3	The IRA custodian receives the third-party valuation report and notifies the investor of the updated fair market value.
Step 4	The investor initiates an IRA to Roth IRA conversion based on the independently determined fair market value. This conversion creates a taxable event and may result in income taxes owed. Penalties and fees may apply depending on individual circumstances.
Step 5	Construction is completed, the project is leased and reaches stabilization, and the asset may be sold. Distributions are made to investors based on the final realized value. Note: Net Asset Value (NAV) is defined as fair market value less any outstanding debt.

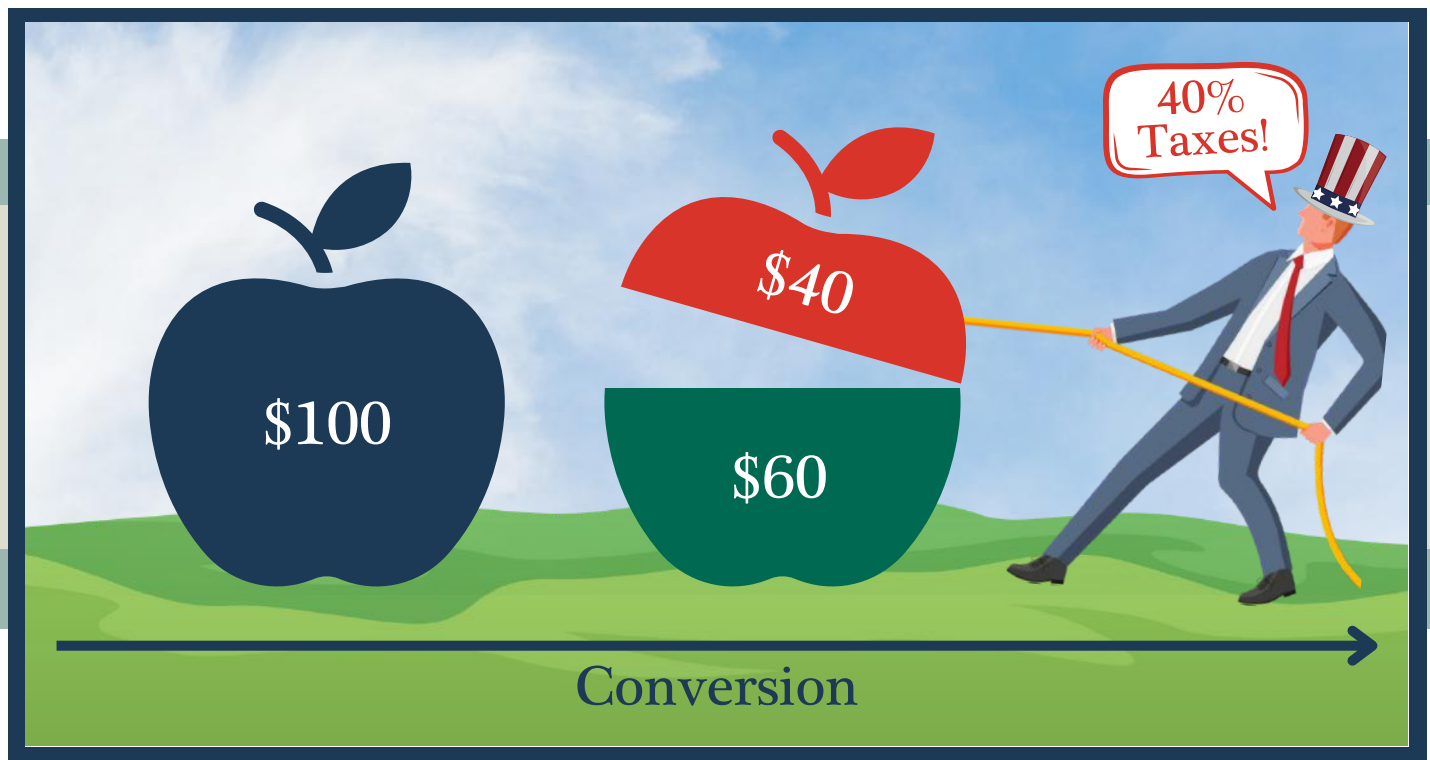
Understanding the Tax Impact of a Roth Conversion

Converting assets from a Traditional IRA to a Roth IRA is a taxable event. The amount converted is generally included in taxable income for the year of conversion and may result in additional taxes owed.

The illustration below is hypothetical and assumes a combined federal and state tax rate of 40 percent, excluding any potential penalties or additional fees. Actual tax outcomes vary based on individual circumstances.

In certain investment structures, such as ground-up real estate development projects, the fair market value of an investment may be lower during construction. A Roth conversion completed during this phase would be based on the independently determined value at that time.

This example is for educational purposes only and does not represent a recommendation or guarantee of tax outcomes.



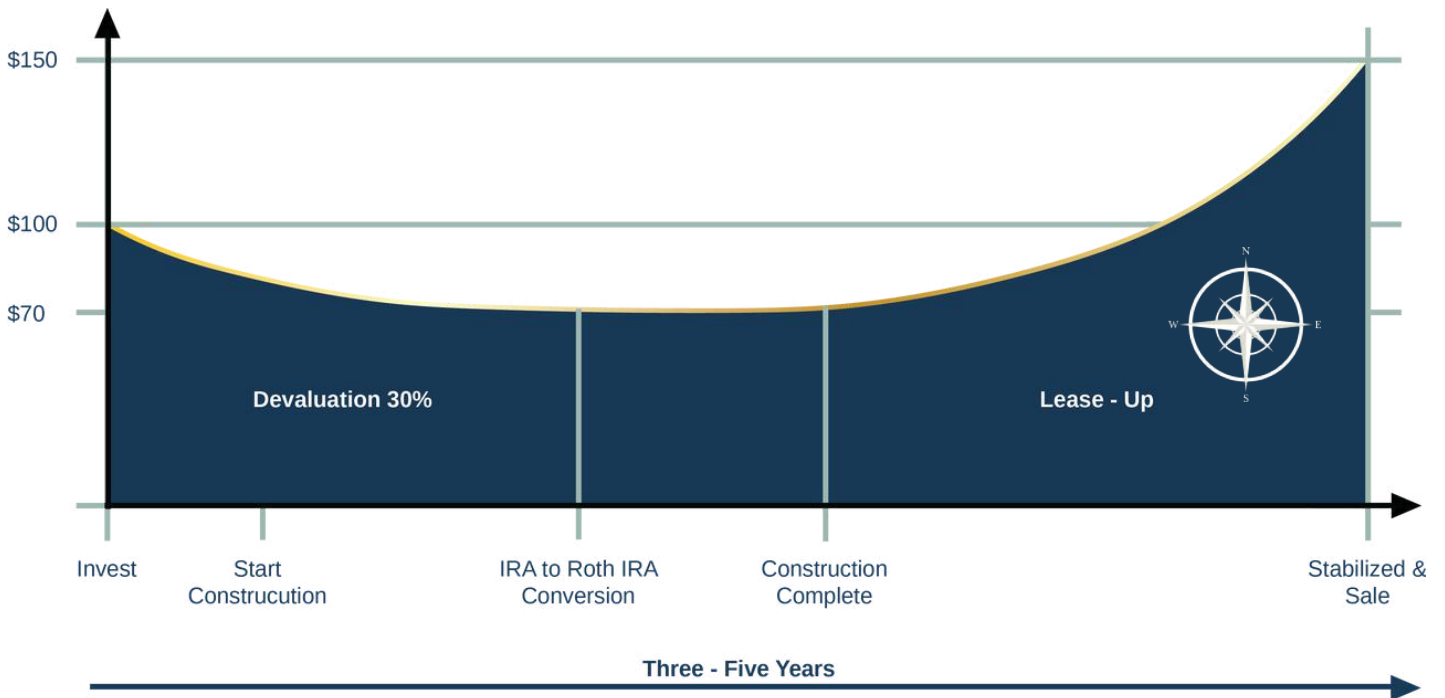
Example of the “J-Curve” Concept

Some ground-up real estate development projects exhibit what is commonly referred to as a “J-curve” pattern in net asset value. During early construction, the fair market value of an investment may decline due to factors such as illiquidity, development risk, sponsor fees, and fundraising costs.

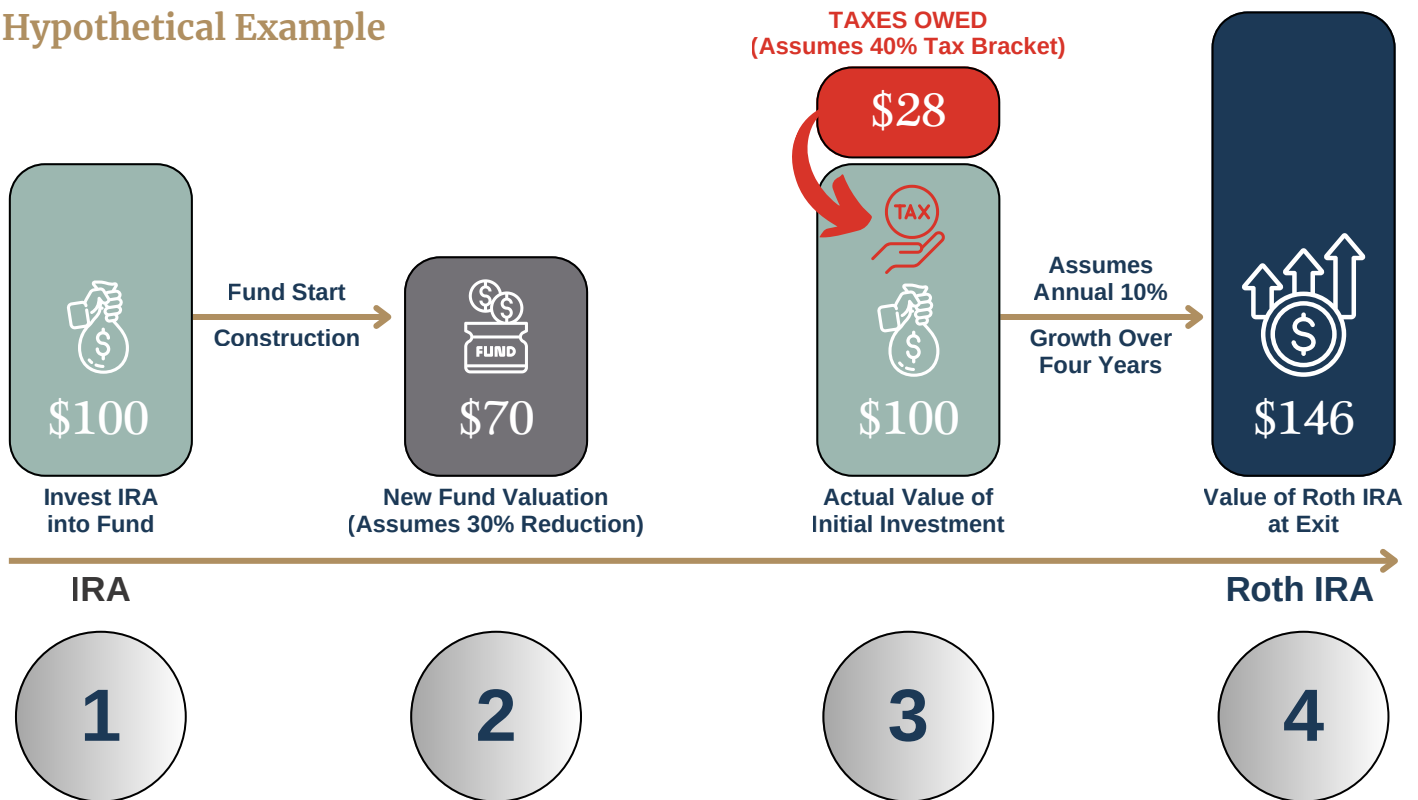
As construction is completed and the project leases up, the fair market value may increase. Developers often seek to stabilize projects before sale, with the expectation that value will be higher at that stage.

The graph shown is hypothetical and for illustrative purposes only. The figures do not represent actual projections or expected results, and actual investment performance may differ significantly.

This 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.



Hypothetical Example



1	An investor uses their IRA to invest \$100 into a ground-up real estate development fund.
2	During construction, the independently determined fair market value is reduced to \$70.
3	The investor converts the IRA to a Roth IRA based on the \$70 valuation. Assuming a hypothetical 40% tax rate, \$28 in taxes would be due at the time of conversion.
4	Assuming a hypothetical 10 percent annual growth rate over four years, the value at stabilization could be \$146. The project is sold, and proceeds are distributed to investors.

- Hypothetical Example for Discussion Purposes Only
- All figures are hypothetical. Tax rates, growth rates, and valuations are assumptions for illustration only and do not reflect actual results.



The Takeaway

In conclusion, the decision to switch from a Traditional IRA to a Roth IRA can have substantial tax benefits, including tax-free withdrawals, increased flexibility, advantageous estate planning options, and tax diversification.

It's essential to consult with a financial advisor or tax professional to assess your individual circumstances and create a plan that aligns with your financial goals. However, the potential long-term advantages of a Roth IRA make it a compelling option for many investors seeking to secure a more tax-efficient retirement.



Because investor situations and objectives vary this information is not intended to indicate suitability for any individual investor.

This is for informational purposes only, does not constitute individual investment advice, and should not be relied upon as tax or legal advice. Please consult the appropriate professional regarding your individual circumstances.

There are retirement account risks that could diminish investor returns, such as, but not limited to: low interest rates, market volatility, withdrawal timing and sequence of returns risk, government policy uncertainty and increased longevity. Prospective investors should perform their own due diligence carefully and review the "Risk Factors" section of any prospectus, private placement memorandum or offering circular before considering any investment.

Roth individual retirement accounts (IRAs) are available for individuals with income under specific amounts and offer lower contribution levels via after-tax money, which do not offer tax deduction in the contribution year. Withdrawals of account earnings must not be made until at least five years have passed since first contribution and earnings can not be withdrawn before age 59 1/2.

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Contact us today for a review of your finances to determine whether Roth IRA strategies align with your overall financial plan.

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