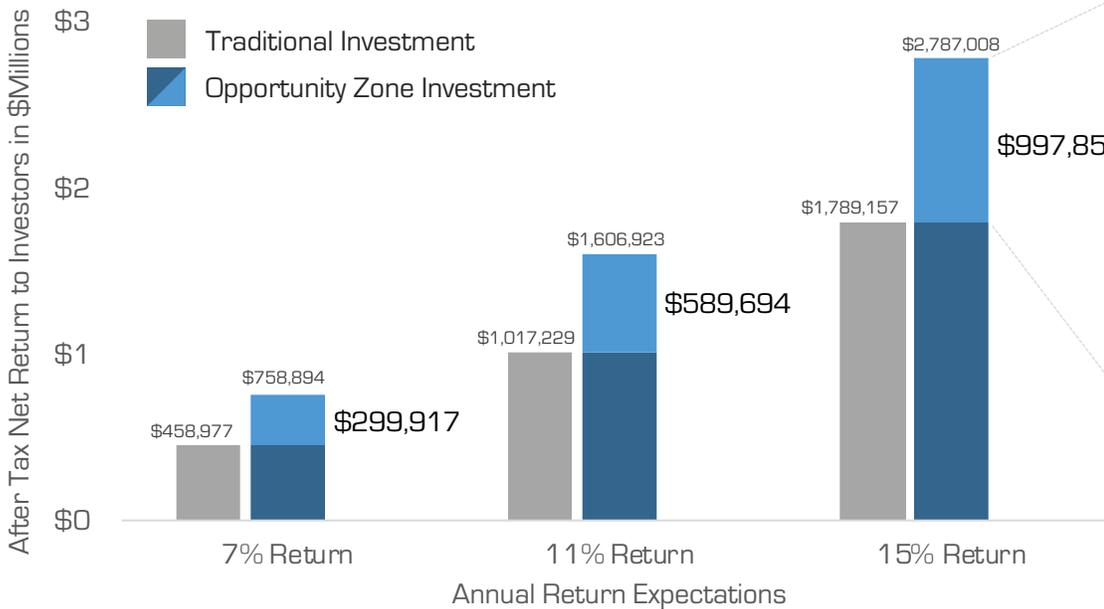




How Much Do Opportunity Zones Boost Returns?

If you invest in an Opportunity Zone Fund, the gains have the potential to grow tax free for 10 years, and can substantially outpace a traditional investment of the same return when the tax benefit is considered. The below case study shows the potential advantages compared to a traditional investment with the same return.

After Tax Net Return to Investors, at \$1M Investment*



At an annual growth of 15%, an Opportunity Zone investment would return an additional \$997,852 to investors, solely off the tax benefit of the program.

How Do The Tax Savings Work?



DEFER

Temporary deferral (until 2026) of taxable income for capital gains reinvested into an Opportunity Zone Fund.



REDUCE

Reduce your taxable capital gains by 10% for holding the investment for 5 years, and an additional 5% reduction (total 15%) if held for 7 years.



TAX-FREE GAINS

Hold your investment in an Opportunity Zone Fund for 10 years, and all appreciation since initial investment is TAX FREE.



Who Is This Program For?

Anyone with capital gains, short-term or long-term, can take advantage of this program. If you have a significant liquidity event, or would like to defer capital gains taxes for seven years, this program is also a good fit.

To learn more about Opportunity Zones, contact us at IR@TheStrategicGroup.com, or visit TheStrategicGroup.com

Show Me the Math!

Below is the year-by-year returns of Opportunity Zones at a hypothetical **11% annual return**.*

TRADITIONAL INVESTMENT

Gain	Taxed (2019)	Investable		
\$1,000,000	(\$200,000)	\$800,000		
	Non OZ	1 Year Gain	Tax Paid	
2019	\$1,000,000		(\$200,000)	
2020	\$888,000	\$88,000		
2021	\$985,680	\$97,680		
2022	\$1,094,105	\$108,425		
2023	\$1,214,456	\$120,352		
2024	\$1,348,047	\$133,590		
2025	\$1,496,332	\$148,285		
2026	\$1,660,928	\$164,596		
2027	\$1,843,630	\$182,702		
2028	\$2,046,430	\$202,799		
2029	\$2,271,537	\$225,107		
EXIT	\$2,271,537			
Gain on Sale	\$1,271,537		(\$254,307)	
Net Proceeds	\$1,017,229			

OPPORTUNITY ZONE INVESTMENT

Gain	Taxed (2019)	Investable		
\$1,000,000	\$0	\$1,000,000		
	OZ Investment	1 Year Gain	Tax Paid	
2019	\$1,000,000			
2020	\$1,110,000	\$110,000		
2021	\$1,232,100	\$122,100		
2022	\$1,367,631	\$135,531		
2023	\$1,518,070	\$150,439		
2024	\$1,685,058	\$166,988		
2025	\$1,870,415	\$185,356		
2026	\$1,906,160	\$205,746	(\$170,000)	
2027	\$2,115,838	\$209,678		
2028	\$2,348,580	\$232,742		
2029	\$2,606,924	\$258,344		
EXIT	\$2,606,924			
Gain on Sale	\$1,606,924			\$0
Net Proceeds	\$1,606,923			

*\$1 Million investment assuming a hypothetical **7%, 11%, and 15%** annual appreciation, and a **hold period of 10 years**, when compared to a traditional portfolio **with the same return**.

The example assumes the current **20% long-term capital gains rate**, and **no state taxes**. It also assumes, **in year seven**, the OZ tax was reduced to **85%** of the deferred tax owed at the current **20% long-term capital gains rate**.

This hypothetical example is not indicative of any Fund's return, and there are no assurances that a Fund will meet the example above. **Past performance is not indicative of future results. Future returns are not guaranteed and a loss of principal may occur.**