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It's time to change your retirement outlook

Give yourself the broadest possible investment options
with a Preferred Trust Self-Directed IRA



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Are You Prepared for Retirement?

Everyday, 6,100 people celebrate their 65th birthday and enter their golden years of retirement. When people envision retirement, they see images of white sandy beaches, lush green golf courses, and a lot of travel. Unfortunately, most people are unprepared when it comes time to put down the briefcase and pick up the golf clubs. In fact, 38% of Americans don't save anything at all.

To calculate the savings you will need for retirement take a look at your monthly expenses and multiply that amount times 12 (for the 12 months in a year). For example, if you have \$5,000 per month in expenses, you will need \$60,000 per year.

Sadly 63% of Americans 65 or older are dependent upon Social Security, charity, or relatives to make ends meet. When taking into consideration the rising cost of living expenses, and that the average 50 year old has only \$42,797 in savings, it becomes clear that a majority of our population is unprepared for retirement.



The Preferred Trust Advantage

Preferred Trust was founded upon the idea that saving for retirement doesn't have to be so black and white. As our economy and public market changes, so too must our retirement investment strategies. We believe in educating our clients on how to maximize retirement investments and build lasting wealth for their future.

By establishing an account with Preferred Trust, you are taking the first step towards securing your livelihood in retirement. Our highest priority as your retirement custodian/trustee is to first and foremost provide you with outstanding individualized service. At Preferred Trust we will know you by name, not your account number.

Understanding the Basics of a Self-Directed IRA

A self-directed IRA account is the premier way for you to secure your retirement's financial future. With a self-directed IRA you will directly navigate the investments of your savings, and have the opportunity to invest beyond the stock market. You will be able to invest in assets such as real estate, mortgages, precious metals, private placements, and more.

Our priority at Preferred Trust is to provide outstanding service to each of our clients. With over 2,500 contented clients and more than \$250 million currently held in assets, we strive to provide you with the education you need to grow your future wealth while maintaining extensive experience in keeping your IRA compliant.

Contact us | 1.888.990.7892

Understanding the Self-Directed IRA

The IRA first became available in 1975. They are the direct result of the Employee Retirement Income Security Act of 1974. Since the beginning, there has been a common misconception that the only investments allowed for retirement accounts are stocks, bonds, CDs, and mutual funds. All IRAs are required to have a third party administrator known as a trustee, custodian, or broker. If a bank or brokerage firm is being used as your administrator for a Traditional or Roth IRA, the investment offerings are most likely limited to certain products, stocks, or mutual funds.

When you are the owner of a self-directed IRA, you establish your account with a custodian, such as Preferred Trust. The custodian is responsible for ensuring you are IRS compliant, but does not direct or promote what you invest in. You control that as long as you steer clear of life insurance and collectibles. IRAs were created to provide Americans with a tax-deferred (through a traditional IRA) or tax-free (through a Roth IRA) way to earn enough for retirement years. Plus you get to reduce your taxable income annually for any contributions made to your IRA. One of the few gifts from the IRS that many do not fully take advantage of.



Having a self-directed IRA means that you have absolute control over where your IRA funds are being invested. As a self-directed IRA owner you can buy gold, commodities, real estate, limited partnerships, commercial paper, livestock, and several other types of assets. A fully self-directed retirement plan affords you the freedom to diversely invest in anything that is not prohibited by the Internal Revenue code. Diversification provides you greater security to overcome market adjustments and grow your retirement over the long-term. Once purchased, your IRA owns these assets and all of the income they generate accrues in your account tax-free or tax deferred. Growth occurs over time through the magic of compounded interest.

Authorized Investments

Listed below are some investment opportunities available to self-directed IRA owners:

- Trust Deeds and Mortgage Notes, Single-Family and Multi-Unit Homes
- Gold Bullion
- Securities, CDs, Stocks, Bonds, Mutual Funds
- U.S. Treasury Gold and Silver Coins
- Private Placements
- Tax Lien Certificates
- Limited Liability Companies
- Leases
- Building Bonds
- Commercial Property
- Contracts of Sale
- Accounts Receivable Funding
- Tangible Asset Deeds
- Shopping Centers
- Joint Ventures
- Private businesses

Prohibited Investments

There are three types of investments that are not permitted for an IRA; collectibles (except for most coins and precious metals), S corporations, and insurance. Although you can invest in just about anything with a self-directed IRA, there are regulations outlined by the IRS that you must adhere to.

A retirement account is established to support you in your retirement and not a moment prior to that. Any transaction in which you receive an immediate financial gain or a transaction involving a “disqualified person” is prohibited. If any of your transactions violate IRS regulations, your entire account could be distributed and subject to incur taxes and penalties.



Here are examples of a disqualified person:

- The IRA holder and their spouse
- The IRA holder’s lineal descendants, ascendants, and their spouses
- Anyone providing services to the IRA, for example the custodian or trustee
- Any corporation, trust, estate, or partnership in which the IRA holder has a 50% or greater interest

There are often questions surrounding the use of real estate and disqualified persons. For example, you cannot buy a piece of property with your IRA and use it as a vacation home, or allow your children to live there even if you do not charge them rent.

Prohibited Transactions

Your IRA cannot be used for the following transactions or purchases:

- Lend IRA money or extend IRA credit to disqualified persons
- Furnish goods, services, or facilities to disqualified persons
- Sell, exchange, or lease property you already own to your IRA
- Borrow money from the IRA for personal use
- Transfer IRA income or assets to disqualified persons
- Allow fiduciaries to obtain or use the IRA’s income or assets for their own interest.

Transparent Fees

At the time of establishment a one time fee of \$50 is due for all accounts. At Preferred Trust we offer many complimentary account services and a competitive schedule of fees.

Each year on the anniversary of the account establishment an annual account administration fee is assessed based on the current account value. The following are complimentary services included under the annual maintenance fee: Unlimited contribution, distributions and invoice processing, asset evaluation compliance, annual statements, tax filings, online account access and monthly client communications.

Account Value	Annual Fee	Proof of Funds	Free
\$0 – \$50,000	\$300	Notary Service	Free
\$50,001 – \$100,000	\$400	Contributions	Free
\$100,001 – \$200,000	\$500	Distributions	Free
\$200,001 – \$300,000	\$600	Demand/Payoff	Free
\$300,001 – \$400,000	\$700	Invoice Processing	Free
\$400,001 – \$500,000	\$800	Trust Deed Investment	Free
\$500,001 – \$600,000	\$900	<i>**through a licensed mortgage broker**</i>	
\$600,001 and up	\$1000		

If real estate investments are in your IRA:

Real Estate Asset Administration Fee

Each year a \$200 Real Estate Asset Administration Fee is due for each property in the IRA account. It will be charged upon the anniversary month of the property purchase each year. This fee includes but is not limited to the following; confirmation and remittance of property taxes, insurance, receipt of rents and/or other proceeds from investment, processing of property related costs, handling of correspondence related to conditions of property, municipal issues, insurance matters, HOA matters (if applicable), property management inquires, and any compliance matters to ensure identity as an IRA investment.

Transaction Fee

A transaction fee of \$100 will be assessed for transactions that are not real estate holdings, precious metals, or trust deed investments (administered through a licensed mortgage broker).

Additional Administrative Fees

- Precious Metal Account \$200 annual maintenance fee + \$50 transaction processing fee
- Partial Transfer Out Fee \$80
- Full Transfer Out or Account Termination Fee \$300
- Income / Outgoing Wire Fee \$30
- Overnight Delivery Fee \$40
- Stop Payment / Return Check Fee \$30
- Cashier's Check Fee \$50
- Retitling Fee \$50
- IRA Account Conversion Fee \$50
- ACH / Wire Rejection Fee \$30

**A minimum cash balance of \$500 must remain in the account at all times.*

Licensing and Accreditation

As a licensed retail trust company in Nevada, we are legally authorized to facilitate both custodial and administrative support for your self-directed IRA account. Our experience and proven track record has earned us an A rating and accreditation with the Better Business Bureau. Preferred Trust Company is also an active member of RITA, the National association for self-directed IRAs.



Your Funds are Safe

You don't have to invest what you don't feel comfortable with. The beauty of a self-directed IRA is that you are in complete control of where your funds are at all times. Non-invested funds are held in FDIC-insured demand accounts, certificates of deposit, or US government backed securities.

Your financial future is in your hands, allow us to support you every step of the way. By establishing a self-directed IRA account with Preferred Trust you are taking control of your long-term financial security. Call us for a consultation today and get started on the road to financial freedom.

Establishing Your Self-Directed IRA

Here are the three steps you'll need to take to establish your new self-directed IRA

- 1) Open a new account; contact Preferred Trust or apply directly online to get started.
- 2) Add Funds, by transferring funds from another qualified retirement plan.
- 3) Choose an investment. Whether you already have an investment idea in mind or even if you don't, at Preferred Trust we are here to support you as you take control of your investment choices.