

- 1 Letter from the CEO
- 2 Real Estate's Role in a Well-Diversified Portfolio
- 3 Real Resources for Real Estate
- 4 Investment Valuations
- 5 Important Tax Dates

## Retirement Matters: Workplace Solutions Can Help Bridge Savings Gap

One of the things I enjoy most is reading. Most often I find myself reading articles and stories about business and finances—not just because I want to stay on top of the latest issues and trends that relate to Millennium Trust's business, but because I truly enjoy the topics.

An issue that I read about more and more these days is the potential for a "retirement crisis" in America. It's an issue that most people I speak with are concerned about, too—88% of Americans according to a 2017 report titled, "Retirement Security 2017: A Roadmap for Policy Makers," published by the National Institute on Retirement Security (NIRS).

When I read these statistics, I'm concerned about retirement, too. But it's not all gloom-and-doom. State government agencies and the private sector are developing retirement savings programs that should help close the gap and provide more American workers with attractive options to save for retirement.

### That same NIRS report cites some other concerning data, including:

- > 52% of American households are "at risk" of not having enough savings to maintain living standards in retirement
- > About half of households age 55 and older have no retirement savings.

There is still much debate about what type of plan is best. Some states are creating and piloting their own auto-IRA programs. Other states are establishing online marketplaces for retirement plans vetted by the state.

There are other options available to small and mid-sized businesses, including Savings Incentive Match Plan for Employees Individual Retirement Accounts (SIMPLE IRAs). These plans are similar to 401(k) plans, but are generally less expensive for businesses to implement and administer.

In SIMPLE IRA plans, participant contributions are not subject to income taxes, and grow tax-deferred until withdrawal, much like a 401(k). Employers benefit with the SIMPLE IRA plan because they generally have no filing requirements, and their contributions—as well as some of the startup and employee education costs—are tax-advantaged.

What I find most encouraging is that a variety of solutions are being implemented to bring retirement savings plans to American workers who previously did not have access to them. Hopefully in the not-too-distant future we'll be reading about how many more Americans are saving for retirement, and any potential retirement crisis will be avoided.

Thank you for being a client! Please feel free to send questions or comments to us at [info@mtrustcompany.com](mailto:info@mtrustcompany.com).



Gary Anetsberger, CEO

"What I find most encouraging is that a variety of solutions are being implemented to bring retirement savings plans to American workers"



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## Real Estate's Role in a Well-Diversified Portfolio

Though investors have been enjoying the current bull market, which has U.S. equities on an eight-year upswing, many are beginning to question just how long this trend can continue. Financial advisors continue to preach diversification to their investors, encouraging them to hedge their equity positions with fixed income securities to better manage risk and return profiles.

But fixed income yields remain well below levels that most investors expect to receive because the Federal Reserve has been slow to raise interest rates over the past decade. Fixed income investors are being forced to take on additional risk to boost yields.

Financial advisors and their investors are increasingly turning to alternatives these days, especially real estate. Real estate can provide investors with steady income and higher yields than traditional fixed income. And while the Great Recession of 2008 is still fresh in the minds of many investors, real estate historically has had low correlation to equity markets. A recent survey by Tiger 21 revealed that high-net-worth investors have been moving more of their assets into real estate. The survey revealed that those surveyed had an average of 33% of their portfolios in real estate.

### Direct Real Estate Offers Potentials for Risk and Reward

Most people think of real estate as investing in an actual property, such as a second home or a rental property. Channel surfers are likely familiar with shows like HGTV's "Income Property" or "Masters of Flip" that portray subjects that are purchasing a rental property or "flipping" a fixer-upper for profit.

Direct investments in real estate may offer attractive returns, but can come with unexpected risks to the investor. With a rental property, there is risk of vacancy or bad tenants. And with a "flip" there's risk that more extensive repairs will be required. And there's always the chance that a property can decline in value, which can be a significant risk to the overall investment.

### Pooled Investment Vehicles Can Provide Layers of Diversification

Pooled investment vehicles, like a real estate investment trust (REIT) or alternative platform, can provide added diversification to investors. These investment vehicles typically consist of a portfolio of properties selected to fit a particular investment strategy.

#### Real Estate Investment Trust

- REITS are essentially mutual funds that invest in income-producing real estate, and each follows its own investment strategy. Most REITS are traded publicly on stock exchanges, but some are accessible privately.

#### Real Estate Investment Platforms

- Sometimes referred to as crowdfunding, these companies allow you to access a wide variety of investment assets. Several of these platforms that invest in real estate are all accessible to you through the Millennium Alternative Investment Network® (MAIN®) (see [mtrustcompany.com/MAIN](http://mtrustcompany.com/MAIN) for more information).

### Self-Directed IRAs Offer Tax Advantages

The strategy of investing in real estate through a Self-Directed IRA is not well-known, but can help you diversify your retirement portfolio, allowing the potential for tax-deferred growth. Self-Directed IRAs give you the control and flexibility you need to manage your own portfolio, while accessing retirement funds for alternative opportunities.

Investing in real estate with an IRA is complex, so you should always work with your financial advisor, accountant and legal team to avoid potential pitfalls. Millennium Trust has the knowledge and expertise to provide account custody if you decide to invest a portion of your IRA funds in real estate, and can work with you and your advisor to help provide access to different investment vehicles.

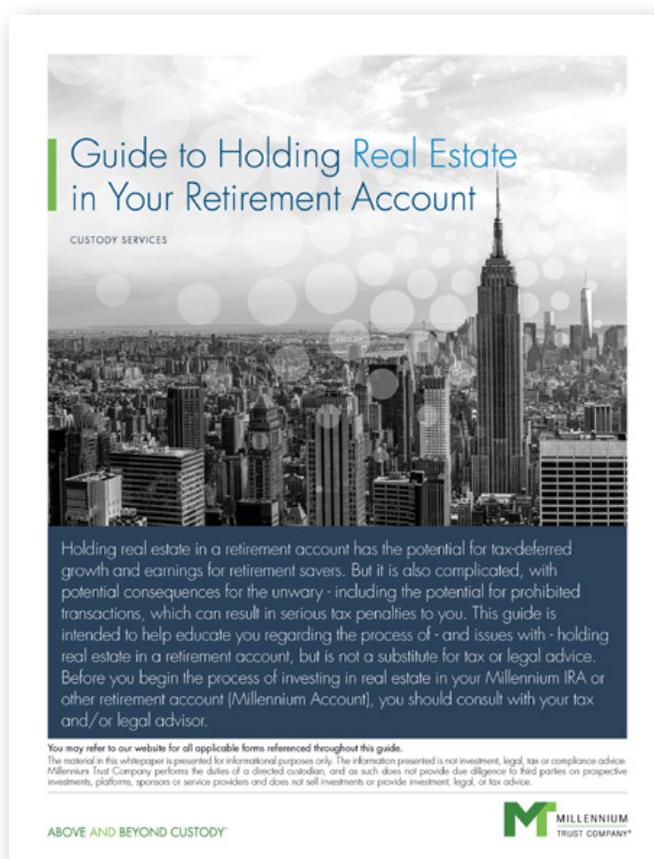


## Real Resources for Real Estate

It's important to make informed decisions when you direct your investments, and you should work with your team of advisors for guidance and advice. Millennium Trust has the expertise to walk you through the sometimes complex processes, and provide excellent service. We also provide investors access to an array of resources for investing in real estate through a Self-Directed IRA. Visit our Learning Center at [mtrustcompany.com](http://mtrustcompany.com), or call our client service representatives with questions.

### Available resources include:

- [Guide to Holding Real Estate in Your Retirement Account](#) – This guide provides helpful information about the process of investing in real estate in an IRA, and also helps you understand the potential issues. Use this when you speak to your accountant, lawyer or financial advisor before you begin the process.
- [Frequently Asked Questions](#) – This provides answers to some of the most common questions we receive about investing in real estate through a Self-Directed IRA.
- [Real Estate Investment Timeline](#) – This illustrates the steps and general timelines involved with investing in direct real estate with a Self-Directed IRA.



## Going Above and Beyond for Your Security

Data breaches are occurring with alarming frequency these days. Recently Equifax, one of the three largest credit reporting agencies in the U.S., announced a cybersecurity incident potentially involving the personal information of 143 million American consumers.

### Action Steps to Protect Your Information

While account security is always important, we've outlined additional steps Millennium Trust is taking and suggested actions you can take to help protect your information.

- **Set up an account passphrase** - We are committed to protecting the security of your personal and financial account information. You now have the option to set up a passphrase to verify your identity when contacting us by phone. Simply visit the Create Secure Passphrase page at <https://map.mtrustcompany.com/passphrase> and follow the instructions provided.
- **Regularly review account activity** - We strongly recommend that you review your Millennium Trust account statements and online transaction activity through MTOnline on a regular basis. If you notice fraudulent activity on your account, immediately contact us 1.800.258.7878.
- **Visit the FTC website for more information** - It's important to know that the Equifax incident was NOT a breach of Millennium Trust systems, but one that occurred at Equifax. To find out more information, including suggested steps on identifying if you have been impacted, visit the Federal Trade Commission's website - <https://www.consumer.ftc.gov/blog/2017/09/equifax-data-breach-what-do>

The security and confidentiality of your account data is always and continues to be a priority for everyone at Millennium Trust. For additional information on protecting your personal information, visit [www.mtrustcompany.com](http://www.mtrustcompany.com).

## Investment Valuations

As custodian of your IRA, Millennium is required to report a December 31 value for your IRA and for each asset in the account to the IRS each year. In order for us to fulfill this responsibility, we must collect the December 31 valuations of the assets by the valuation deadlines listed below.

We rely on our account owners to ensure that we receive valuations from the investment sponsor. To help facilitate the process, we send annual reminders to both the investment sponsor and account owner well in advance of the IRS deadline.

Providing the most recent valuation by the deadline ensures that the proper values are reflected on your year-end statements and can be properly reported to the IRS.

## Important Tax and IRA Dates

The following chart is a helpful reminder of the specific documentation to complete and actions to take in order to successfully meet IRS deadlines.

DEADLINE	FORMS AND ACTIONS
<b>DECEMBER 1</b>	<ul style="list-style-type: none"><li>• RMD Paperwork Due (after first year)</li><li>• Roth Conversion Form Due</li><li>• Account holders must have completed form(s) to Millennium Trust by this date to allow for processing by 12/31</li></ul>
<b>DECEMBER 31</b>	<p><b>Last day deadlines for account holders to do the following:</b></p> <ul style="list-style-type: none"><li>• Establish individual 401(k) accounts for the current year</li><li>• Establish Profit Sharing and Money Purchase accounts for the current year</li><li>• Take the entire RMD amount for the current year required by the IRS to avoid a 50% penalty fee (if turning 70½ in 2017 you have until 4/1/18 to take your first RMD payment)</li><li>• Complete your traditional IRA to a Roth IRA conversion to meet IRS deadline</li></ul>
<b>JANUARY 20</b>	<p><b>Real Estate Valuations Due</b></p> <ul style="list-style-type: none"><li>• For account holders submitting a valuation for real estate the valuation can take the form of a Comparative Market Analysis (CMA) or a formal appraisal.</li><li>• Refer to Millennium's 'Real Estate Valuation' form for complete details. This form must accompany the CMA or appraisal submission.</li></ul>
<b>JANUARY 23</b>	<p><b>Alternative Asset Valuations Due</b></p> <ul style="list-style-type: none"><li>• Retirement account holders of non-publicly traded alternative assets are required to ensure that their investment sponsors submit annual valuations, at minimum, to Millennium. Account owners should facilitate this process by instructing their sponsors to submit these valuations to Millennium for proper year-end reporting.</li></ul>

## ABOUT MILLENNIUM TRUST

We are an expert provider of custody solutions, committed to the evolving needs of advisors, financial institutions, businesses, and individual investors.

total assets under custody  
**\$23.9B**

private fund assets  
**\$13.8B**

client accounts  
**623K**

unique assets we custody  
**14K**

Data as of September 30, 2017

2001 Spring Road, Suite 700  
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For more information, visit us at [mtrustcompany.com](http://mtrustcompany.com) or call us at 800.258.7878

Millennium Trust Company performs the duties of a directed custodian, and as such does not provide due diligence to third parties on prospective investments, platforms, sponsors or service providers and does not sell investments or provide investment, legal, or tax advice.  
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