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MILLENNIUM TRUST'S QUARTERLY ALTERNATIVES NEWSLETTER

FAST FACTS

We are a leading financial services company offering alternative custody solutions to institutions, advisors, and individuals.

\$19.6B **\$10.8B**
Total assets under custody Private fund assets

482K **11K**
Client accounts Unique assets we custody

As of September 30, 2016

PREPARE FOR A WINNING SEASON

I like to spend my time reading about two topics – investing and sports. I'm a huge Chicago sports fan – including the Chicago Cubs. So for those of you who have been waiting your entire life for the Cubs to win a World Series like I have, you understand how exciting and nerve wracking these past weeks have been.

While those two topics may seem very different, they share several similarities – volatility, diversification, and long-term planning.

Volatility - Baseball teams have the longest season of all sports. Over the 162 game season, many things can impact the outcome - injuries, trade deadlines, hitting that's hot, pitching that's cold, even the weather. The US economy is also ever changing, with world events, elections, interest rates, the job market, to name a few causing the U.S. markets to go up and down.

Diversification – You can't win a baseball game with only one player, it takes an entire team to win. Not only do you need players for each position, you need players with different strengths. Some hit better against lefties, some pitchers pitch better to right-handed batters. Teams that have winning seasons, not only have star players, they have a deep bench to round out the team. When investors are building a portfolio for retirement, most won't succeed with only a few "hot" investments. It's important to have diversified holdings which may include both traditional and alternative investments.

Long-term planning – Baseball managers are always focused on the ultimate goal of winning the World Series. The best managers utilize the strengths of existing players, consult batting and pitching coaches, and may have to make a few trades during the season. Most investors' ultimate goal is having a comfortable retirement. Just like coaches, you have to consult with a Financial Planner or Advisor, continuously monitor your investments, and "change the investment line-up" along the way.

As of this writing, the Cubs are still in contention to become the 2016 World Series Champions. While I'll be hoping for a win, I'll also be working on solutions to help clients like you, have greater access to alternative investments to help you meet your ultimate goals.

Thank you for being a client! Please feel free to send questions or comments to us at info@mtrustcompany.com.


Gary Anetsberger, CEO



MILLENNIUM TRUST NAMED 2016 WEALTHMANAGEMENT.COM INDUSTRY AWARD WINNER

Due to our outstanding technology, we were one of the winners at the 2016 WealthManagement.com Industry Awards. Competing in a category recognizing custodians (Emerging - less than \$25 billion) for their technology advancements, the Millennium Alternative Investment Network™ (MAIN)™ outshone its peers.

We created the Millennium Alternative Investment Network for investors looking for an efficient end-to-end solution that would allow them to hold alternatives in IRAs or taxable custody accounts. We are honored to be recognized by the industry, particularly in light of the other innovative firms in our category.

When we launched the Millennium Alternative Investment Network in January 2016, it gave investors an easy way to find and research alternative assets, ranging from private equity and hedge funds to crowdfunding and multi-strategy investments and then purchase and custody those investments in their Millennium accounts.



MAIN UPDATES

We launched MAIN in January with four platforms – we are now up to 13. For more information on the platforms listed below visit our website at www.mtrustcompany.com/main.



*Millennium Trust Company performs the duties of a directed custodian for your IRA or other custodial accounts. As such, Millennium does not undertake any due diligence for you on the Platforms listed or their prospective investments. The information on each Platform was provided by that Platform. Millennium is not recommending or endorsing any Platform or investment accessible through MAIN. Millennium, as a directed custodian, does not sell investments or provide investment, tax or legal advice. Millennium is not affiliated with any Platform, investment or investment sponsor. Investors are advised to evaluate the quality and reliability of their investment choices, and consult their own investment, tax or legal advisors before investing in any alternative asset.

NEW PROCEDURE ANNOUNCED FOR IRA 60-DAY ROLLOVERS

By Jennifer Abernathy, Esq., CAMS; Chief Compliance Officer & Assoc. General Counsel

In August, the Internal Revenue Service provided a new self-certification procedure designed to help recipients of retirement plan distributions who inadvertently miss the 60-day time limit for properly rolling these amounts into another retirement account or individual retirement plan.

You can borrow funds from your individual retirement account (IRA) free of taxes and penalties as long as you meet the rollover requirements and get your funds back into an IRA within 60 days. If you don't return your funds to an IRA within the 60-day timeframe, you have two options: 1) you can keep the payout as an IRA distribution and pay the taxes and penalties, or 2) if a waiver applies, you can still put the funds back in the IRA after 60 days free of taxes and penalties.

Waivers to the 60-day rollover rule have been available since 2003. IRS Rev. Proc. 2003-16 allowed taxpayers to apply to the IRS for a fee for a waiver under a hardship exception. The IRS would waive the 60-day requirement in cases where it would be against equity or good conscience, including casualty, disaster or other events beyond the reasonable control of the taxpayer.

That procedure also provided for automatic approval for a waiver in certain circumstances where the rollover funds were received timely but were not made timely due to a financial institution's error. This automatic waiver was free and did not require application to the IRS.

The new self-certification waiver under IRS Rev. Proc. 2016-47 became effective as of August 24, 2016. You may self-certify in writing that you've met certain specific conditions that prohibited you from completing a 60-day rollover within 60-days. Doing this may allow the IRA custodian to process your rollover after the 60-day rollover period has expired, assuming all other rollover requirements appear to be met. In the near future, rollovers beyond the 60-day mark will all be reported on IRS Form 5498.

CAUTION: The IRS giveth and the IRS may taketh away. Although this new waiver may get your funds back into a retirement account beyond the 60-day limit, it is

no guarantee that your rollover is valid. The IRS may determine that the requirements for a waiver were not met because of a material misstatement in the self-certification, the reason(s) you claimed for missing the 60-day deadline did not prevent you from completing the rollover within 60 days following receipt, or you didn't make the contribution as soon as practicable after the reason(s) no longer prevented you from making the contribution. If the IRS denies the waiver, you may be subject to income, excise taxes, interest, and penalties.

CONDITIONS OF THE WAIVER

- Self-certification by taxpayer in writing
- No prior denial by the IRS
- Reason for missing the 60-day window:
 - Financial institution error
 - Distribution check misplaced and never cashed
 - Distribution deposited into and remained in account the taxpayer mistakenly thought was an eligible retirement plan
 - Taxpayer's principal residence severely damaged
 - Family member died
 - Taxpayer or member of family seriously ill
 - Taxpayer incarcerated
 - Restrictions imposed by foreign country
 - Postal error
 - Distribution was due to levy and the proceeds of the levy have been returned to the taxpayer
 - Party making distribution delayed providing info that the receiving plan/IRA required to complete the rollover despite the taxpayer's reasonable efforts to obtain the information
- Contribution as soon as practicable: 30-day safe harbor

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 IRA DATES

DEADLINE FORMS AND ACTIONS

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| 12/1/16 | <ul style="list-style-type: none">• RMD Paperwork Due (after first year)• Roth Conversion Form Due• Account holders must have completed form(s) to Millennium Trust by this date to allow for processing by 12/31* |
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| 12/31/16 | <p>Last day deadlines for account holders to do the following:**</p> <ul style="list-style-type: none">• Establish individual 401(k) accounts for the current year• Establish Profit Sharing and Money Purchase accounts for the current year• Take the entire RMD amount for the current year required by the IRS to avoid a 50% penalty fee (if turning 70½ in 2016 you have until 4/1/17 to take your first RMD payment)• Complete your traditional IRA to a Roth IRA conversion to meet IRS deadline |
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| 1/20/17 | <p>Real Estate Valuations Due</p> <ul style="list-style-type: none">• 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.• Refer to Millennium's 'Real Estate Valuation' form for complete details. This form must accompany the CMA or appraisal submission. |
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| 1/24/17 | <p>Alternative Asset Valuations Due</p> <ul style="list-style-type: none">• 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. |
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* Alternative investments may be illiquid or may take significantly longer to liquidate or re-register. Review the liquidation/re-registration terms of your alternative investment(s) and submit directions early enough to allow adequate time. Millennium Trust is not responsible for the timing or for its receipt of proceeds on any liquidations for alternative assets.

**Prior to this date, Millennium Trust must have received written directions in good order with sufficient time allowed for processing.



Have questions? Contact us at **1.800.258.7878**

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Millennium Trust does not endorse any platform or investment, including platforms and investments accessible through MAIN and/or accepted for custody at Millennium Trust. Millennium Trust Company performs the duties of a custodian and, as such, does not provide any investment, tax or legal advice, or perform any due diligence on behalf of account holders or any third party.

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