



PRIVATE INVESTING AND THE POWER OF POOLED INVESTMENTS

Until recently, many investors believed that their IRA investment options were limited to only bank CDs, mutual funds, bonds or stocks. Not true! Today, IRA investors have the option to pool their investments in a variety of non-publicly traded private investments..

HOW POOLED INVESTING WORKS

Mutual funds, real estate investment trusts and other investment vehicles have given Wall Street the ability to collect smaller amounts of money from many individual investors (shareholders) and pool these investments into a single fund. These pooled funds are then used to buy investments on behalf of the shareholders in hopes of producing greater returns, while at the same time reducing volatility. Today many successful real estate investors are adopting a similar strategy by pooling and investing funds in private investments.

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WHAT IS A PRIVATE INVESTMENT?

A private investment is any type of asset that is not publicly traded on a listed exchange, such as NASDAQ or the New York Stock Exchange (NYSE). These assets include limited partnerships (LPs), limited liability companies (LLCs), limited liability partnerships (LLPs), C-Corporation/Private Stocks or Land Trusts. Regardless of the structure of the underlying investment entity, they have one goal in common: to pool investor funds in order to maximize investment opportunities and returns.

Historically, private investments have contributed significantly to economic growth in the United States. Companies such as Dell Computer and Berkshire Hathaway were once private investments that went on to become mainstays in the thriving US marketplace. While private investments have traditionally been available only to high-net worth individuals, this is no longer the case.

Today baby boomers control the greatest share of investment dollars nationwide. It is projected that over the next several years, as these baby boomers retire and take distribution from their 401(k) plans, IRA deposits will increase by more than tentrillion dollars. As these investors come to understand the exciting opportunities available through private investments, it is expected that the amount of funds being allocated to these investments will also increase dramatically. Many will choose to combine their financial resources and create their own limited partnership or limited liability company in order to expand their IRA investment portfolios.

FIND OUT MORE

If you have questions about the availability of private investments and the rules and regulations that pertain to them, please contact your investment advisor. Once you decide that private investing is the right choice for your IRA investment objectives, as your self-directed IRA custodian we at TRUST will be happy to assist in facilitating that decision.

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For further information on how you can secure your future with TRUST, call us today to learn about the investment options available to you.