INVESTING IN THE ZONE

Discover a new tax-advantaged investment strategy

The Qualified Opportunity Zone Program ("QOZ Program"), created by the Tax Cuts and Jobs Act of 2017, is a tax-incentive program designed to encourage long-term private sector investments in designated communities known as Qualified Opportunity Zones by delivering certain tax benefits to investors through investment vehicles called Qualified Opportunity Funds.

- Qualified Opportunity Zones are **designated census tracts throughout the United States** that have been selected by state governors for inclusion in the program.
- Qualified Opportunity Funds are **investment vehicles that invest at least 90% of their assets** in qualified businesses or real property located within these Qualified Opportunity Zones.
- **Taxpayers with capital gains** from the sale of a prior investment **may invest those gains within a 180-day period in a Qualified Opportunity Fund** and achieve potential tax benefits.
- Investments in Qualified Opportunity Funds are intended to **help drive real estate development, job creation** and overall **economic growth** in lower income communities**.**

The Qualified Opportunity Zone rules are new and the U.S. Department of Treasury and the Internal Revenue Service have issued proposed regulations, but many questions remain unanswered and changes to the QOZ Program could impact investments in Quality Opportunity Zones in unintended ways or potentially reverse the tax benefits provided thereunder.

OPPORTUNITY ZONE FUNDS: A TRIO OF POTENTIAL TAX ADVANTAGES

DEFER

the inclusion of capital gains invested in a Qualified Opportunity Fund as taxable income until December 31, 2026

(or the date you sell your investment, whichever is earlier)

REDUCE

the taxable capital gain amount through step-up in basis by:

10%	15%
if held at least **5 years prior** to Dec. 31, 2026	if held at least **7 years prior** to Dec. 31, 2026

ELIMINATE

any capital gains taxes[1] on the appreciation of your investment in the Qualified Opportunity Fund if held at least 10 years

[1] Assumes that the investor is a resident of a state that conforms with the federal Opportunity Zone provisions.

All investments involve risk and the realization of the benefits is dependent on proper structuring and the structure and performance of the future investments selected. Not all investments will provide all of these benefits.

A 10-YEAR TIMELINE

YEAR 1 — 2019
Invest capital gains from prior investment into a Qualified Opportunity Fund and begin deferring tax

YEAR 5 — 2024
Tax basis increases from $0 to 10% of the invested capital gains, reducing future tax liability

YEAR 7 — 2026
Tax basis increases by additional 5%, for a 15% total increase, further decreasing future tax liability

YEAR 8 — 2027
Pay taxes on original capital gain (less 15% reduction)

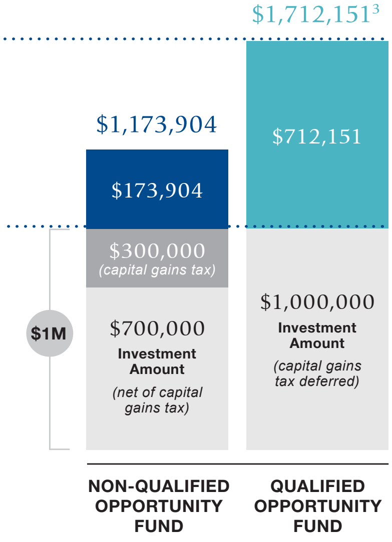
YEAR 10+ — 2029 - 2047
Pay no federal capital gains taxes on the appreciation of the Qualified Opportunity Fund investment once sold

AN OPPORTUNITY FOR INCREASED AFTER-TAX RETURN POTENTIAL

SCENARIO: HYPOTHETICAL AFTER-TAX GROWTH[2]
$1,000,000 INVESTMENT OVER 10-YEAR HOLD
(assuming hypothetical 7% compounded rate of return in both investments)

Additional **$538,247** in after-tax appreciation

4X increase over traditional portfolio



Two investors each sell an asset that generates a $1,000,000 long-term gain. Investor A pays capital gains taxes and invests the remaining money in a product that generates a 7% compounded annual return over the next decade and then liquidates the investment. Investor B invests the gain in a Qualified Opportunity Fund, which generates the same return over the same time period. Both investors are residents of a state that conforms with the QOZ Program and are subject to the top marginal U.S. federal income tax rate of 20% on long-term capital gains for individuals, the net investment income tax of 3.8% and a state tax of 6.2%, for a total tax liability of 30%.

[2] This illustration assumes the investor is subject to the top marginal U.S. federal income tax rate of 20% on long-term capital gains for individuals, the net investment income tax of 3.8% and a state tax of 6.2% for a total tax liability of 30%. No brokerage or investment advisory fees are accounted for with respect to the example above.

[3] This illustration assumes that the Qualified Opportunity Zone investor is a resident of a state that conforms with the federal QOZ Program. This example assumes the investor does not pass away during the ten year period. If the investor were to pass away, the heirs receive a step-up in basis in the Non-Qualified Opportunity Fund example and a carryover basis for the Qualified Opportunity Fund example.

RISK FACTORS

Investors in Qualified Opportunity Funds will need to hold their investments for certain time periods in order to receive the full QOZ Tax Benefits afforded by the QOZ Program. A failure to do so may result in the potential tax benefits to the investor being reduced or eliminated.

If a fund fails to meet any of the qualification requirements to be considered a Qualified Opportunity Fund, the anticipated QOZ Tax Benefits may be reduced or eliminated. Furthermore, a fund may fail to qualify as a Qualified Opportunity Fund for non-tax reasons beyond its control, such as financing issues, zoning issues, disputes with co-investors, etc.

Distributions to investors in a Qualified Opportunity Fund may result in a taxable gain to such investors.

The tax treatment of distributions to holders of interests in a Qualified Opportunity Fund are uncertain, including whether distributions impact the aforementioned QOZ Program tax benefits.

A Qualified Opportunity Fund must make investments in Qualified Opportunity Zones, which carries the inherent risk associated with investing in economically depressed areas.

Any additional legislation or administrative guidance may reduce or eliminate the expected potential QOZ Tax Benefits or increase the burden of compliance with the QOZ Program.

Investors in a Qualified Opportunity Fund may not be able to take advantage of the QOZ Program's tax benefits if they do not properly make a deferral election on IRS Form 8949.

Qualified Opportunity Funds may encounter significant opposition from local communities, political groups or unions, which may damage their goodwill and reputation and adversely affect operations.

An investment in a Qualified Opportunity Fund is speculative, illiquid and involves a high degree of risk. This is no guarantee that investors will receive any return.

To Learn More:

INVESTORS: Contact your financial advisor

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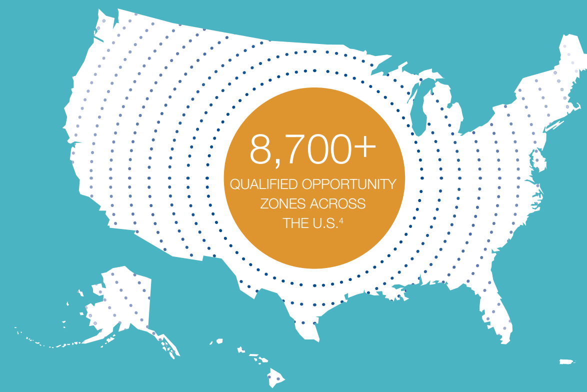
OPPORTUNITY ZONES AT A GLANCE



$6 TRILLION[4]

Estimated unrealized capital gains from both American households and corporations

18.2%[5]

Total Land Area in the U.S. that is represented by QOZs; comprises 5.4% of major metro land area

$52,694[5]

Average household income in Qualified Opportunity Zones

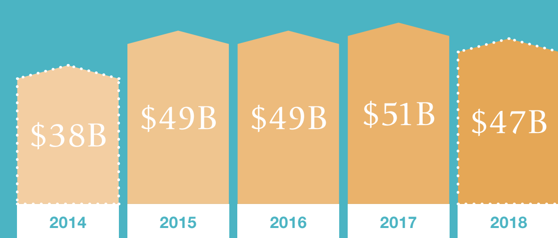
1 MILLION[6]

Properties across all property types nationwide are believed to be located within QOZs

$234 BILLION

Total investments in markets now deemed Qualified Opportunity Zones over the past five years. Even before the current legislation was enacted, Qualified Opportunity Zones attracted significant institutional capital.

U.S. TOTAL SALES VOLUME[7]
ANNUAL TOTALS



[4] Economic Innovation Group, 2018

[5] CoStar, 2019

[6] ESRI, 2018

[7] NKF Research, Real Capital Analytics. Inclusive of activity in areas prior to designation