

INVESTING IN THE ZONE

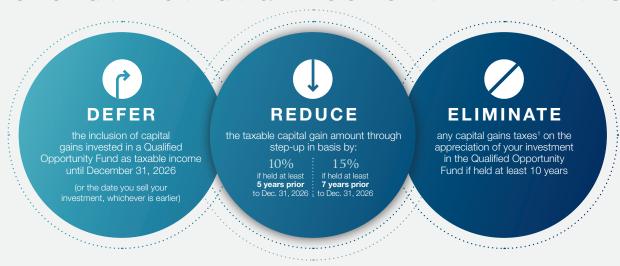
Discover a new tax-advantaged investment strategy

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.

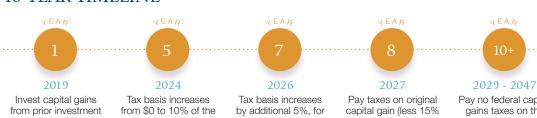
OPPORTUNITY ZONE FUNDS: A TRIO OF POTENTIAL TAX ADVANTAGES



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



into a Qualified Opportunity Fund and begin deferring tax

invested capital gains, reducing future tax liability

a 15% total increase, further decreasing future tax liability

reduction)

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 GROWTH² \$1,000,000 INVESTMENT OVER 10-YEAR HOLD

(assuming hypothetical 7% compounded rate of return in both investments)



- 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

6.2%, for a total tax liability of 30%.

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

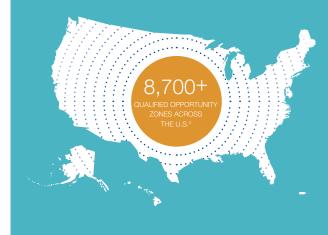
FINANCIAL PROFESSIONALS: Contact Cantor Fitzgerald at (855) 9-CANTOR cfsupport@cantor.com

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110 E. 59th Street, New York, NY 10022

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OPPORTUNITY ZONES AT A GLANCE



\$6 TRILLION⁴

Estimated unrealized capital gains from both American

$18.2\%^{5}$

OPPORTUNITY

FUND

FUND

\$52,694⁵

Average household income in Qualified Opportunity Zones

1 MILLION⁶

\$234 BILLION

Total investments in markets now deemed Qualified

U.S. TOTAL SALES VOLUME⁷ ANNUAL TOTALS

