

ForEx, Commodities, & Futures IRA's Made Easy



Entrust
freedom
Self-Directed IRAs & 1031 Exchanges



Entrust Freedom, LLC
Toll Free: (866) 839-0429
www.EntrustFreedom.com

What is a Self-Directed IRA?

Many people hear the term “Self-Directed” IRA and think that it is a special type of IRA. However, in reality, the IRS does not recognize a “Self-Directed” IRA as a type of IRA. Any IRA, whether it be a Traditional, Roth, SEP, or SIMPLE IRA can be “Self-Directed”. We use the term “Self-Directed” because our clients are making 100% of the investment decisions. Entrust does not sell any investment products. The client directs Entrust Freedom, LLC (custodian) to make legal investments on behalf of their IRA.



Why do you need Entrust’s services to invest in ForEx, Commodities, or Futures?

Our role in the process is to act as a third-party administrator for the retirement plan. When dealing with retirement funds, the Internal Revenue Service requires an independent third party to handle the IRA administration and cash flow of the account. If you have your funds with traditional securities brokers (i.e. Charles Schwab, Fidelity, Vanguard), they can handle both the purchase of stocks/mutual funds as well as the IRA administration. In general, ForEx Commodities, and Futures Trading firms can handle the trading, but lack the ability to handle the IRA administration.



The Advantages of Investing With IRA Funds

There Are Three Primary Reasons People Put Money in an IRA.



Building For Retirement

According to CNN Money (5/2006), Social Security will run out of money by 2040. Regardless of whether or not you believe that, I think it is safe to assume that most Americans do not want to rely on Social Security as their only income in retirement. Boomers only have \$35,000 in median retirement savings and 69% will rely on at least working part-time for income in retirement. Hope is not a strategy.



All Earnings Grow Tax Free (Time Value of Money)

For you non-economists out there, the Time Value of Money simply states that at the present time, money is worth more than the same amount in the future. So why would you want to pay the IRS capital gain taxes after each investment sale, when you have the ability, through an IRA, to pay them later? The money you save in taxes can be invested to create even higher wealth. This is the primary reason clients use IRA accounts to fund their investments to build for retirement.



Tax Deductions For Contributions

Most IRA accounts give individuals the ability to write-off any contributions as a tax deduction. So in essence, Uncle Sam is funding part of your retirement savings. For example, if an individual is in the 25% income tax bracket, and contributes \$4,000 to their IRA they save \$1,000 in income taxes, meaning that they really only contributed \$3,000 to their IRA and Uncle Sam contributed \$1,000.



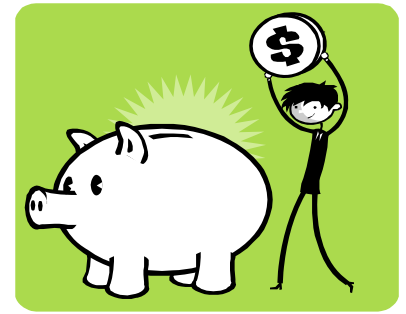
What IRA Plans are Available For Self-Direction?

- **Traditional IRA** - A traditional IRA is a tax-deferred retirement savings plan for individuals. Once the individual starts making withdrawals, the contributions and earnings are taxed.
- **ROTH IRA** - A Roth IRA is a retirement savings plan for individuals but it isn't tax-deferred. Once the individual starts making withdrawals, the earnings are tax free.
- **SEP IRA** - A provision that allows an employer (typically a small business or self-employed individual) to make retirement plan contributions into a Traditional IRA established in the employee's name, instead of to a pension fund account in the company's name.
- **SIMPLE IRA** - A simplified employee pension plan that allows both employer and employee contributions, similar to a 401(k) plan, but with lower contribution limits and simpler (and thus less costly) administration. Although it is termed an IRA, it is treated separately



What Other Savings Plans are Available For Self-Direction?

- **Qualified Plans** - Qualified plans, such as employer 401(k), 403(b), profit sharing plans or Individual 401(k)'s for the self employed can also be self-directed in many cases.
- **HSA (Health Savings Account)**- A HSA is the ONLY type of savings plan that has three tax advantages; A deduction for contributions, tax-free earnings, and tax-free withdrawals (assuming the withdrawals are used for qualified medical expenses).
- **ESA (Educational Savings Account)** ESA's are savings accounts for your child's higher education. The money you put into this IRA is taxed but the earnings are not taxed as long as the student withdraws the money to pay for qualified education expenses. The student is designated as the beneficiary and can make withdrawals at any time.



2009 Contribution Limits

- **Traditional / ROTH IRA**
Under age 50: \$5,000
Over age 50: \$6,000
- **SEP IRA**
25% of Earnings
Max of \$49,000
- **SIMPLE IRA**
\$11,500; \$14,000 if over age 50
- **401(k)**
\$16,500; \$22,000 if over age 50
Plus 25% of Earnings.
Max of \$49,000
- **HSA**
Individual: \$3,000 Family: \$5,950
Over age 55, add \$1,000 catch-up
- **ESA**
\$2,000 per child

So What Next? Steps For a Self-Directed IRA Transaction

In the case of a ForEx or Futures account, the client is directing Entrust to open an account in the name of their IRA (Entrust Freedom, LLC FBO Client Name, IRA #12345). The client will actually be filling out two applications... One for the IRA at Entrust and one for the Trading account at the institution of their choice. Per client instruction, we then fund the account and then grant the client access to make trades on the account.

In order to open a ForEx or Futures account, the client must fill out the trading company application and submit it to Entrust along with our “buy-direction” form. Entrust makes sure the IRA is properly set up as the owner and we add our tax ID number so that any gains in the account are not reported under client Social Security number and can remain tax deferred. Entrust then signs the application and submits it to the Trading company. **IMPORTANT: DO NOT SEND THE TRADING FIRM’S APPLICATION DIRECTLY TO THE TRADING FIRM. THE APPLICATION NEEDS TO BE MAILED TO ENTRUST FIRST.**

Frequently Asked Questions

1) How quickly can Entrust fund the Futures, Commodities, or ForEx account?

Most of our clients have to transfer funds from their current IRA custodian, which generally takes about 2 weeks. If it is a newly established IRA, a transfer might not be necessary as the client is simply writing a check to Entrust as an IRA contribution. As long as Entrust has cleared funds, there is no delay.

2) What are my fees?

Entrust has a one-time IRA set-up fee of \$50, a one-time \$95 fee to open the trading account, and annual administration fees of between \$125-\$250 (see application fee disclosure for determination)

3) How much can be invested?

Entrust has a required minimum balance of \$250 to be left in the client’s money market account. All other funds can be sent to the brokerage for trading.

Feel free to contact us with any questions.

Entrust Freedom, LLC

Specializing in the Administration of Commodities, Futures, and Forex IRA’s

866-839-0429

Important Information for Opening a Trading Account in a Self-Directed Individual Retirement Account or Rollover 401k

Individuals with various investment objectives and levels of desired risk may include Forex, Futures and Commodities in their self-directed *Traditional, Roth, SEP, SIMPLE* Individual Retirement Accounts. Entrust clients may invest 100% of the balance of their account in Futures and Commodities. A minimum cash balance of \$300 is required. \$100 if a credit card is on file at our office. With offices throughout Florida, Entrust Freedom has been administering IRAs since 1981 and hold over \$3 billion in assets nationwide.

Step 1: Complete Your Organization's Trading Account Paperwork

-Originals Not Required

Step 2: Complete Entrust IRA Administration Account Paperwork

-Application

-Fee Disclosure

-Transfer Form (for funds coming from an existing IRA)

-Rollover Form (for funds coming from a 401(k) or employer plan)

-Identification (DL or Passport, Unexpired) – Must have in order to open account

-Buy Direction Letter to Open Trading Account

-Commodities Acknowledgement Letter

Step 3: Send both Sets of Documents to Entrust

-An Entrust Account Number is assigned to the Individual (24-48 Hours)

-Entrust Requests the transfer of funds from current custodian (Approx. 2 weeks)

-Entrust Funds Futures Account (within 48 hours of receipt of funds and investment paperwork)

Entrust Fees

One Time:

Open Entrust Account : \$50

Fund Trading Account: \$95

Wire Fee: \$25

Annual Fees:

Annual Asset Fee: \$125 - \$250

Entrust Contacts

Business Development/Sales Questions

Austin Hardy

(239) 333-1031 x212

austin@entrustfreedom.com

New Accounts/Account Transfers

Amanda Ringler

(239) 333-1031 x225

amanda@entrustfreedom.com

Investment Funding/Questions

Doug Robertson

(239) 333-1031

doug@entrustfreedom.com