



CYRUS
OPPORTUNITY ZONE FUND

Case Study

LEARN HOW TO DEFER YOUR LATEST CAPITAL GAINS UNTIL 2027,
AND HOW CYRUS COULD GIVE YOU 10 YEARS OF TAX-FREE
GAINS ON YOUR INVESTMENT

Case Study

BOB'S OPPORTUNITY FUND ROLLOVER

Bob Smith bought a property for \$500,000 ten years ago and today that property is worth \$1,000,000. Bob would not buy that same property today for the income he is receiving. He thinks this is a good time to exit and wants to sell. The challenge for Bob is that selling will cause Bob to realize \$500,000 in capital gain and trigger a significant tax bill.

Before Opportunity Funds, there were only two other traditional choices: (1) Do a 1031 exchange into another property. (This often will not solve the initial issue of feeling like it is a good time to sell and have a satisfactory next-leg option to buy given the 1031 exchange time constraints and exchange rules.) or (2) sell and pay approximately \$120,000 in capital gains tax.

Now there is a third choice – CYRUS: Opportunity Zone Fund.

If Bob sells his property for \$1,000,000 and reinvests the \$500,000 gain in an Opportunity Fund, he gets to take possession and pocket his original investment of \$500,000 and pay no taxes. This is unique to a Qualified Investment Fund like CYRUS (*see illustration on the next page*). *

And there is another benefit...

If Bob leaves his \$500,000 in the Opportunity Fund for 10 years and it triples in value to \$1,500,000, he gets to cash out the entire \$1,500,000 at year 10 - entirely tax free.

Here is the unique part... the Opportunity Fund Rollover applies to all assets that have a capital gain. You can use the Opportunity Fund Rollover if you sell stocks, real estate, precious metals, your business, or any other appreciated property.

**The deferral of tax on Bob's \$500,000 gain is good for approximately 7 years and then the gain must be recognized, but with certain advantages explained in detail to follow. .*

Bob



\$500K
GAIN

01

OPTION ONE:
1031 exchange
into another
property, tax-free

02

OPTION TWO:
Sell and pay
\$120k in capital
gains tax

03

OPTION THREE:
Cyrus OZ Fund

Sell and invest \$500k in CYRUS, a
QOF, and pay no taxes until 2027

BENEFIT #1

BEFORE 2026

Capital gains
tax deferral

+

BENEFIT #2

7+ YEARS

10% step-up
in basis

+

BENEFIT #3

10+ YEARS

100% capital
gains exclusion

Splitting Basis and Gains

HOW TO USE QUALIFIED OPPORTUNITY FUNDS TO SPLIT BASIS AND GAINS



BOB'S BENEFIT NUMBER ONE



Capital Gains Tax Deferral

BEFORE 2026

Because he rolls the gain into a QOF, Bob does not pay the tax due on the \$500,000 gain today. He does not pay the tax until Dec 31, 2026, but in the meantime his \$500,000 has been invested and earns returns on the entire amount rather than the after-tax amount. The alternative is to pay approximately \$120,000 in tax and invest the remaining \$380,000. Compare the difference of having three times \$500k after 10 years tax free vs investing \$380k while paying tax each year on the earnings.

BOB'S BENEFIT NUMBER TWO



10% Capital Gains Exclusion

5+ YEARS

Not only does Bob keep his \$500,000 invested and earning returns on this entire investment until 2026, the gain that he pays tax on in 2027 is reduced by 10%. Rather than paying tax on \$500,000, he will pay tax on only \$450,000.

BOB'S BENEFIT NUMBER THREE



100% Capital Gains Exclusion

10+ YEARS

If Bob leaves his \$500,000 invested in the Opportunity Fund for 10 years, all of his investment gains on the \$500,000 will be tax free. In our example, Bob's Opportunity Fund investment appreciates at 7% per year, then in year 10 Bob would receive back his \$500,000 initial investment, plus an additional \$500,000 +/- in tax-free capital gains. If the Opportunity Fund investment appreciates at 11% per year, then in year 10, Bob's Opportunity Fund investment would return back to him his initial \$500,000 plus an additional \$1,000,000 in tax-free capital gains.

WANT YOUR OWN CUSTOM CALCULATION BASED ON YOUR SITUATION?
CONTACT US FOR A 30-MINUTE COMPLIMENTARY CONSULTATION TO BETTER
UNDERSTAND HOW THIS COULD IMPACT YOU.

Get in Touch With Us

WANT TO TALK WITH SOMEONE ON OUR TEAM ABOUT HOW TO
MAKE CYRUS PART OF YOUR INVESTMENT PORTFOLIO?

CONTACT US TODAY!



Calculate Your Investment Opportunity

Reach out to us for a 30-minute
complimentary consultation to better
understand how this opportunity could
impact your investment portfolio

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