

10 TAX ADVANTAGES OF INVESTING IN A PML FUND

1. PASS-THROUGH TAXATION

- Funds structured as LLCs or LPs pass income and expenses directly to investors, avoiding double taxation.

2. STEADY, PREDICTABLE TAXABLE INCOME

- Interest payments are consistent and not subject to market volatility, making tax planning easier with predictable cash flow.

3. CONSISTENT INTEREST INCOME REPORTING

- You'll receive clear tax documents (1099-INT or K-1), making it easy to plan and file taxes annually.

4. INVEST VIA A SELF-DIRECTED IRA OR 401(K)


- Use tax-advantaged accounts to grow returns tax-deferred (traditional) or tax-free (Roth).

5. NO SELF-EMPLOYMENT TAX


- Interest income is passive and not subject to self-employment tax, unlike income from flipping or rental operations.



6. INCOME SPLITTING ACROSS ENTITIES


- Invest via trusts, LLCs, or family partnerships to spread income, manage liabilities, and optimize taxation.
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7. DEFERRAL OPPORTUNITIES THROUGH NOTE STRUCTURING

- Some funds offer deferred interest payment options, allowing you to delay income recognition (and taxes) until maturity or exit.
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8. FAVORABLE TAX TREATMENT FOR NON-U.S. INVESTORS

- Foreign investors in lending funds may benefit from U.S. tax treaties or blocker entities that reduce or defer withholding obligations.
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9. CAPITAL PRESERVATION WITH TAX EFFICIENCY

- You earn steady income without triggering taxable capital gains, and principal is typically returned at term-end.
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10. ESTATE PLANNING BENEFITS

- Fund shares can be held in a trust or transferred with potential step-up in basis, aiding generational wealth transfer.

Disclaimer: This is not tax, legal, or investment advice – consult your financial advisor or CPA before making any investment decisions.

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