



# X FUND

**A SUPERIOR ALTERNATIVE**  
TO THE 1031 TAX DEFERRED EXCHANGE

**ADVANCED X FUND is an exciting new investment plan allowing property owners to exit their properties “tax-free.”**

With the X Fund, owners contribute their property into the fully managed and diversified fund as limited partners. They then receive quarterly cash distributions while benefiting from the equity growth and tax advantages of real estate ownership.

Advanced Real Estate will assume, replace, or pay off any existing loans while taking over the responsibilities and liabilities of ownership.

Advanced will then trade these smaller properties into large, profitable, Southern California apartments. Each property contributor will then be a partner in those superior large assets for the long term.



The Edison | 156 Units

# X FUND / INVESTOR BENEFITS

## • **Avoid the Pitfalls Related to 1031 Exchanges**

There's no need to 1031 exchange and risk a 45-day identification period.

## • **No Cash Required**

Unlike a 1031 exchange, no cash must be added for prorations, deposits, or closing costs.

## • **Immediate Cash Flow**

Dependable 4% annual cash flow, with projected increases thereafter.

## • **Refinance Distributions**

Periodic refinancing throughout the life of the investment, producing major "tax-free" cash distributions.

## • **Diversification**

With the X Fund, rather than owning one property, investors will own a percentage of a diversified group of properties.

## • **Improved Depreciation Benefits**

Advanced conducts cost segregation studies on properties and anticipates providing improved depreciation schedules to reduce taxable income for X Fund partners.

## • **Simple Reporting**

No matter how many properties the X Fund acquires, there will only be one partnership tax return and accompanying Schedule K-1. That means more ease of reporting by your tax preparer.

## • **Safety and Shelter from Liability**

The X Fund will assume the legal burdens currently borne by the property owner.

## • **No More Management or Renovation Headaches**

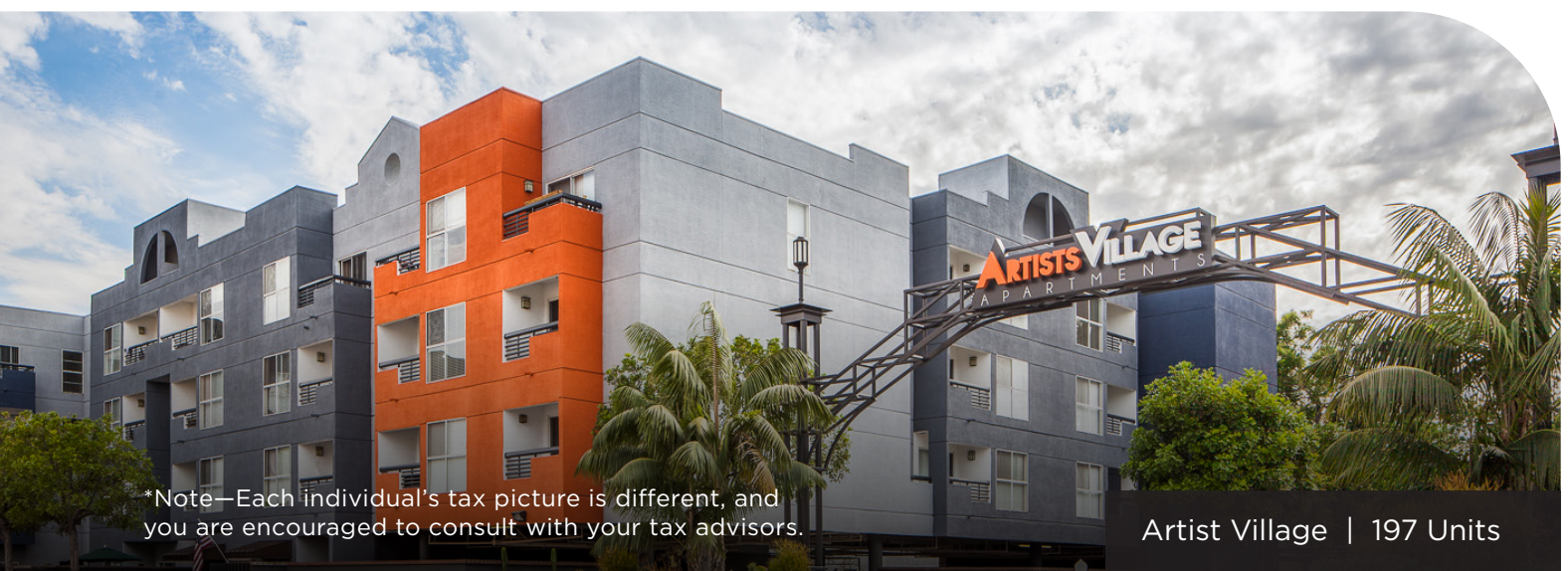
Advanced will professionally manage and renovate X Fund properties.

## • **Long-Term, Generational Returns**

Ultimately, the X Fund will grow its partners' investments into large apartment communities in Southern California. Increased cash flow, appreciation, and tax benefits are anticipated. The X Fund partnership interests can be passed on generationally.

## • **Clean, Seamless Estate Planning**

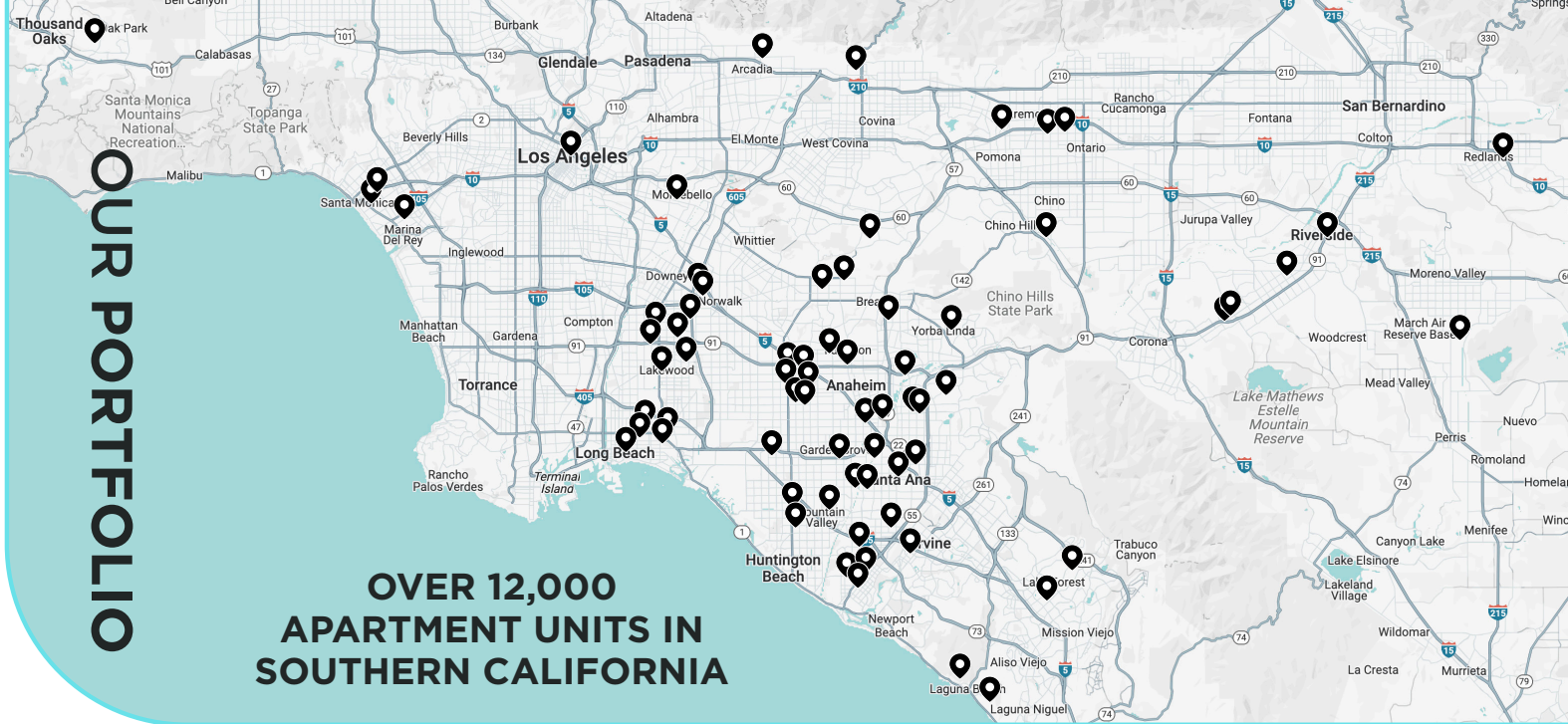
With limited partner ownership, the door is open to several estate-planning options.



\*Note—Each individual's tax picture is different, and you are encouraged to consult with your tax advisors.

Artist Village | 197 Units





## THE X FUND PLANS TO:

- **PHASE 1:** Assemble a broad spectrum of properties that will be professionally managed by Advanced. With a current portfolio of over 12,000 apartment units in Southern California, Advanced is uniquely positioned to manage this process.
- **PHASE 2:** Complete renovations and reposition the entire portfolio, maximizing values over the first two to three years.
- **PHASE 3:** Coordinate a 1031 tax-deferred exchange of the smaller properties in the X Fund into larger and more profitable apartment communities in Southern California. Advanced will tactfully coordinate this multi-property sale by first finding the most profitable large apartment communities, then selling the smaller contributed X Fund properties.

By working with a dedicated network of brokers, lenders, and consultants, Advanced seeks to execute this plan with an eye toward diversification, strong financial performance, and tax efficiency.

**ADVANCED**  
REAL ESTATE

**X FUND**

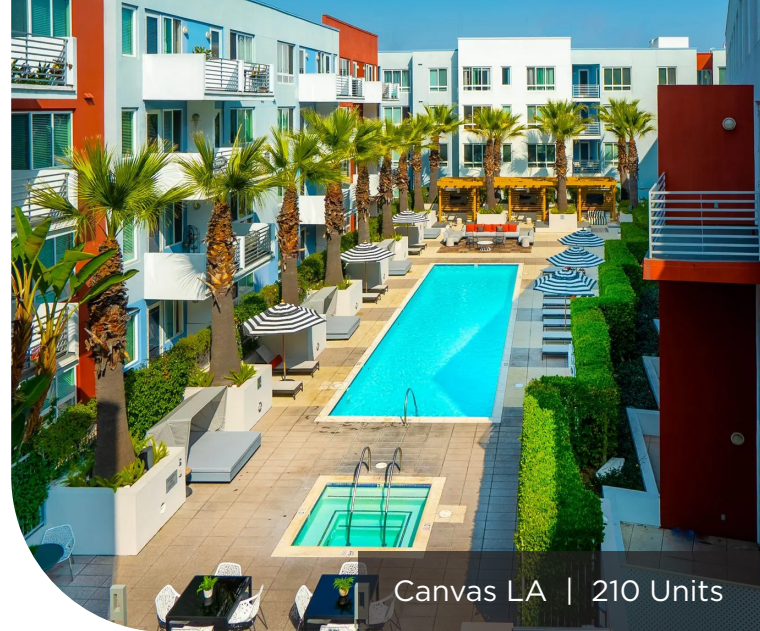
\*Note—Current properties of Advanced Real Estate are for example purposes only and not necessarily indicative of the type of properties that will be acquired by the X Fund.

The Crossings | 346 Units



## AS A NEW X FUND PARTNER

Owners will immediately begin receiving distributions equal to 4% of their net equity. They should enjoy increasing, tax-efficient distributions, throughout the life of the partnership.



The ultimate goal is to return to the partners, in cash, all their equity (tax-free) through a future refinancing of the property.

In the years following contribution, we predict growth in values, cash flow, and tax benefits. This often exceeds what the participants' existing properties produce. This is based on Advanced's unparalleled, 40-plus-year track record of producing consistent results.

X Fund is not a loan, derivative, DST, or UPREIT. It is a superior alternative. Existing owners will become limited partners in the X Fund, which will ultimately own a diversified portfolio of prime real estate in Southern California. As the real estate value grows, so does the partners' equity.

Partners can be confident knowing that Advanced is fully immersed in the market and will handle, with precision, all the heavy lifting. Backed by its financial resources, decades of knowledge, industry relationships, and experience, Advanced has excelled in maximizing returns and navigating tax laws, to provide superior results for its partners.



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