



CAPITAL GAINS TAX MITIGATION

Selling Something Big? Start with a Plan.

Selling a property, a business, or highly appreciated stock can mean handing a large share of your gain to federal and state taxes, especially in California. Every dollar saved in taxes is a dollar earned; we call that **Tax Alpha**. Helios uses proven strategies to defer and reduce your overall tax bill, so your tax savings can work toward your future. The right response depends on you: your sale, your income, and your goals.

Our Planning Process Comes First

1

Understand You

Your sale, income, timeline, state, and the cash you need to keep in reserve, for a new home or your next business venture.

2

Compare Options

We model multiple strategies separately and as a blend, comparing them side by side for short- and long-term tax savings and liquidity timing.

3

Tailor the Plan

We recommend the mix and amounts that fit your situation, screened for AMT, liquidity, and concentration.

4

Put Savings to Work

Taxes you don't pay stay invested for your future, coordinated with the rest of your wealth plan.

Strategies Your Plan May Use

There is no one-size-fits-all answer. Depending on your income, the size of your gain, your cash needs, and your timeline, the best fit may be one strategy or a combination.

LOWERS INCOME TAX

Direct Drilling Fund

A large first-year deduction against income taxed at the highest rates, with potential ongoing income from oil and gas production.

DEFERS AND REDUCES THE GAIN

Rural Opportunity Zone Fund

Defers federal tax on reinvested gain for up to five years and removes 30% of it from federal tax. Growth held 10 years can be federally tax-free.

EACH WORKS ON A DIFFERENT PART

A Blend of Both

Used together, the two can cut the tax on your income and on your gain, sized so you keep the cash you need.

TAX ALPHA

Tax Savings Are Only the Beginning

Tax Alpha is the value created through thoughtful tax management: timing, structure, and coordinated execution. Every dollar you don't send to taxes can be put to work for your future, compounding toward the goals that matter to you.

Financial moment



Tax opportunity



Investment strategy



After-tax outcome



ILLUSTRATIVE EXAMPLE

One Household's Plan: A \$1 Million Gain in California

A married couple earning **\$750,000 a year** sells a property with a **\$1 million gain** and wants to keep **\$500,000 for a new home**.

We compared four approaches. For this couple, a **blend** of a \$600,000 drilling fund and \$600,000 of the gain reinvested in a rural Opportunity Zone fund fit best. A different household might be best served by one strategy alone.

Tax Alpha at work: invested at a hypothetical 6% a year, the ~\$232,000 saved could grow to about **\$416,000** over 10 years.

Total tax on the sale, federal plus California

No strategy

\$622,000

Rural Opportunity Zone fund only

\$551,000

Drilling fund only

\$433,000

Blend of both (this couple's plan)

\$390,000

Estimated savings: **about \$232,000** (37% less total tax)

Hypothetical illustration, not a projection or guarantee. Assumes 2026 federal and 2025 California joint tax rates, an 85% first-year federal drilling deduction, a 30% federal rural Opportunity Zone step-up with deferred tax paid in year five, and California taxing the full gain in the year of sale. Growth assumes a hypothetical 6% annual return; actual returns vary and may be negative. Excludes AMT. Your results will differ.

Is This Right for You?

- ◆ A recent or upcoming long-term gain of **\$500,000 or more** from a business, property, or stock sale.
- ◆ High ordinary income, a gain you can reinvest for the long term, or both.
- ◆ An accredited investor with a long-term horizon.
- ◆ Comfortable holding private, illiquid investments in the direct energy space with favorable tax rules.
- ◆ Time to plan. Some solutions must be set up before the sale, others in the same calendar year, and others up to 180 days after the sale. Engaging Helios early keeps more tax-saving options open.
- ◆ Plans are built around your liquidity needs, but the underlying investments may have minimums of up to \$100,000.

Is Planning Expensive?

\$0 planning proposal

- Initial plan proposal with estimated tax savings potential

\$2,500 flat planning fee

- A written Tax Savings Recommendation tailored to your sale
- Four approaches compared: no strategy, each strategy alone, and a blend
- Federal and California tax, and a cash flow test
- Alternative minimum tax and concentration screens
- A 10-year cash flow view

Implementation, CPA review, and ongoing management are provided under a Helios asset management agreement.

Know the risks. These investments are private, illiquid, and can lose value, including a total loss; distributions are not guaranteed. We keep energy holdings to a recommended 35% of investable assets, and every plan is reviewed with your CPA.

See the opportunity before the transaction.

Talk with our Tax Smart Investing Team before you sell. Taxsmart@heliospw.com

[Schedule an Appointment →](#)

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