



MADISON

TRUST COMPANY

**Navigating Private Placements with a Self-Directed IRA:
What You Should Know**



What Is A Standard IRA?

A **Standard IRA**, also known as an Individual Retirement Account, is a type of investment account that enables you to invest in stocks, bonds, and mutual funds, with the goal of increasing your savings for retirement.

What Is a Self-Directed IRA?

A **Self-Directed IRA** is a type of Individual Retirement Account that allows you to invest in alternative assets beyond stocks, bonds, and mutual funds through a custodian. The account holder directs the custodian to perform transactions.



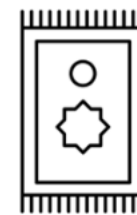
? What Can You Invest in?

- Self-Directed IRA investment options are nearly endless.



? What Can't You Invest in?

- There are only a few assets that you cannot invest in:
 - Life Insurance
 - Collectibles (such as artwork, rugs, antiques, etc.)
 - S-Corporation Stock



***Please note, Madison Trust is a passive custodian and therefore, does not give legal, tax, or financial advice.
Please consult with your tax advisor before making any investment decisions.***



What Are Private Placements?

A **private placement** is a general catchphrase for investing in a privately held company, private equity fund, private stock, hedge fund, startup, small business, etc.

Examples of Private Placements

Crowdfunding

LPs
(Limited Partnerships)

Startups

Private Equity

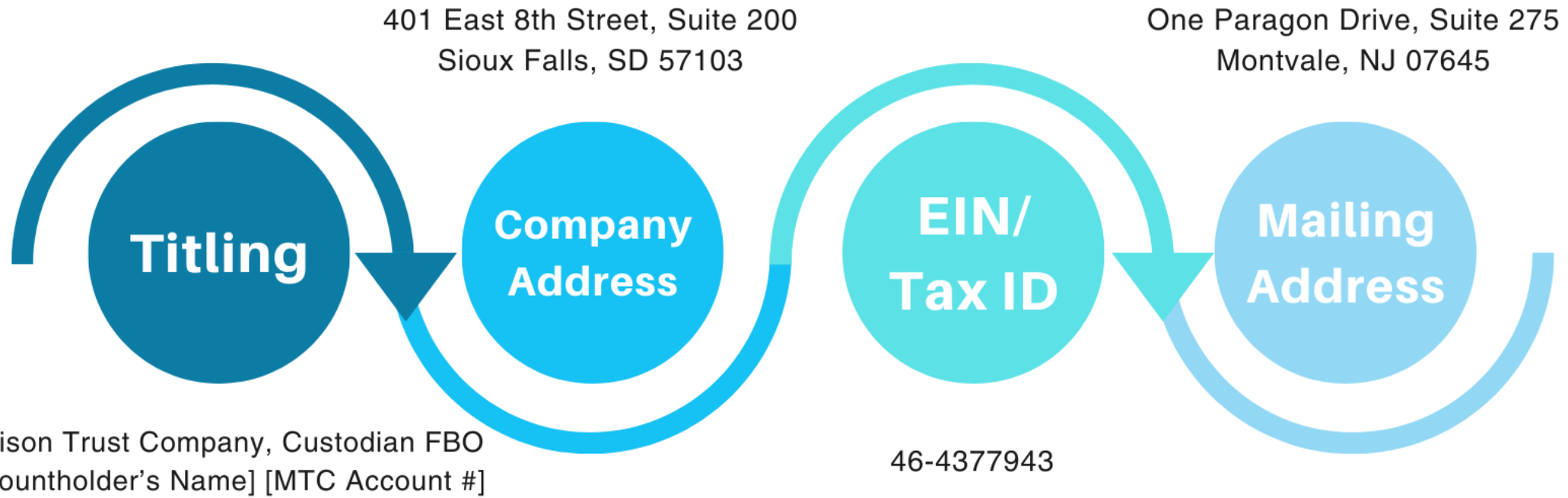
Hedge Funds

PPMs
(Private
Placement Memorandums)

LLCs
(Limited Liability
Companies)

TECHNICAL INFORMATION

(required on all docs)





What Is a Regulation D Investment?

Regulation D (Reg D) investments refer to investments that are governed by the rules and exemptions provided by Regulation D of the U.S. Securities and Exchange Commission (SEC).

Regulation D is a set of rules that allow companies to raise capital by selling securities (such as stocks) without having to go through the process of registering those securities with the SEC. Instead, they can rely on certain exemptions from registration requirements, making it easier for them to raise funds from investors.



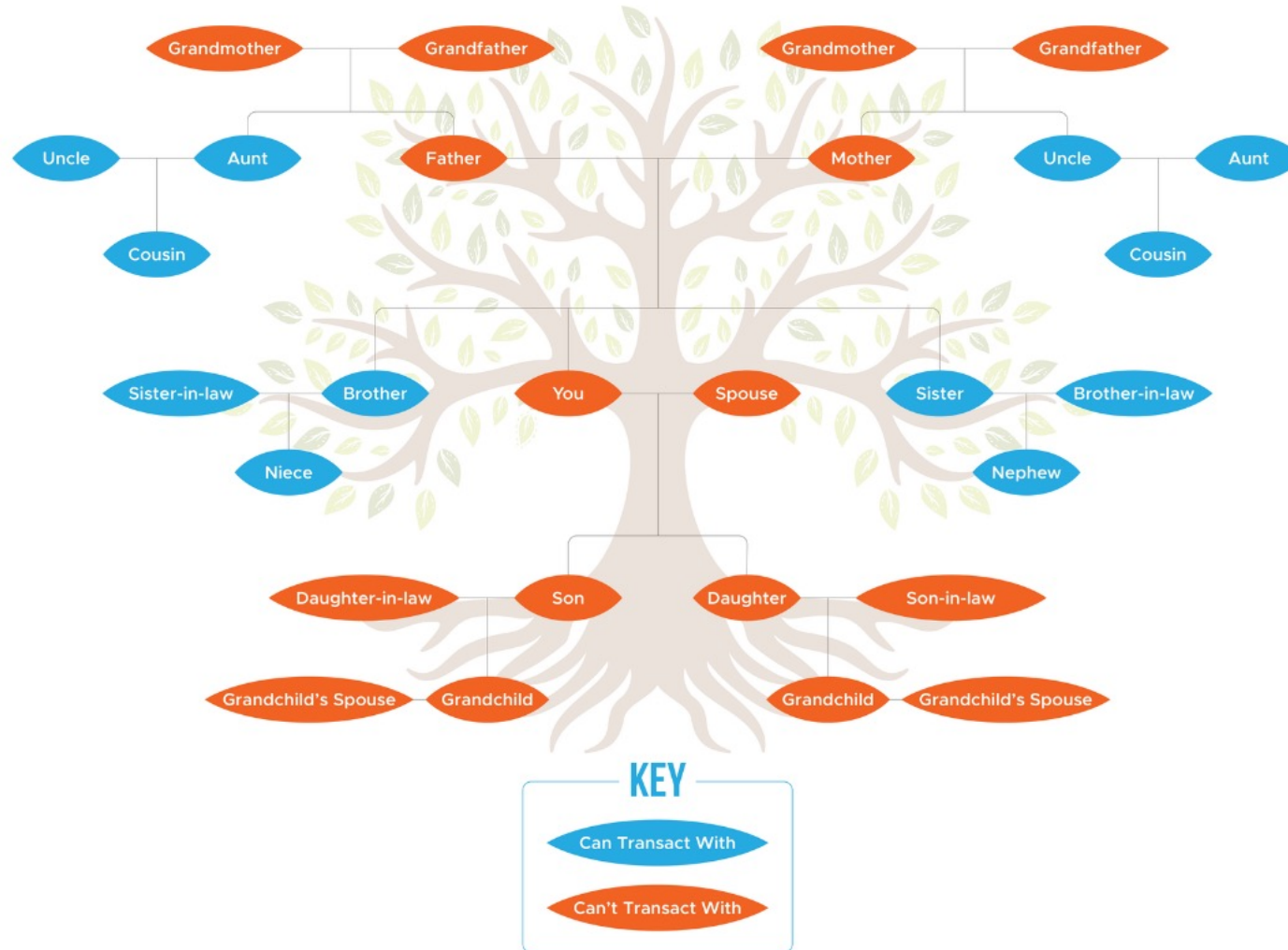
What Is an Accredited Investor?

- An individual with annual income over \$200,000; or \$300,000 in joint income if married, in each of the past 2 years, with the expectation it will continue in the current year OR
- Net worth (alone or joint with spouse) in excess of \$1,000,000, not including equity in investor's personal residence OR
- Holds in good standing Series 7, 65 or 82 license.

Important Considerations



DISQUALIFIED PERSONS FAMILY TREE WHO CAN YOUR SELF-DIRECTED IRA TRANSACT WITH?



Important Considerations



UBIT **(Unrelated Business Income Tax)**

UBIT is a tax that applies to the profits made from an active business owned by a tax-exempt entity, such as a Self-Directed IRA.

*Most alternative assets held within Self-Directed IRAs are “passive” in nature, so UBIT typically doesn’t apply to most SDIRA investments.

The Madison Advantage



Incredible Client Support

Madison Trust was created with one goal: to give retirement investors an amazing financial experience.

Our service-based model is designed so our clients always speak to a live and knowledgeable representative.



Straightfoward Fees

Madison Trust's flat rates are amongst the lowest in the industry; we never charge asset-based holding fees.



Industry Knowledge

Madison Trust Specialists complete rigorous CISP training and have a deep understanding of a variety of alternative asset classes. Our Specialists are equipped to field any questions about Self-Directed IRAs.



**What Questions
Do You Have About
Private Placements?**

Contact Us



Dana Udumulla
Investments Manager

 dudumulla@madisontrust.com



Ian Robertson
Senior Account Executive

 irobertson@madisontrust.com

*Please note, Madison Trust is a passive custodian and therefore, does not give legal, tax, or financial advice.
Please consult with your tax advisor before making any investment decisions.*