



**INVESTING IN INNOVATION:
NAVIGATING **STARTUPS**
& **CROWDFUNDING**
WITH A SELF-DIRECTED IRA**

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.





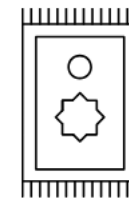
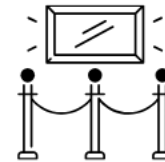
? What Can You Invest in?

- ▶ 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



WHAT IS A STARTUP?

A startup is a company that's typically in the early stages of its operation. These companies generally lack adequate capital to move to the next phase of business.

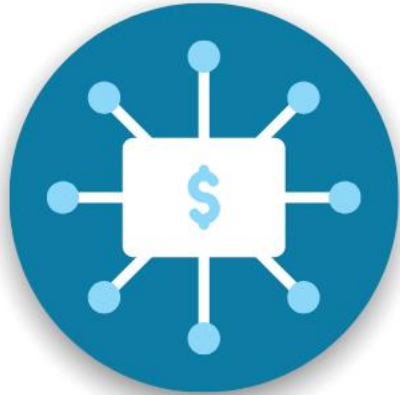


WHAT IS CROWDFUNDING?

Crowdfunding is a popular way to fund a project or company by raising capital from a large number of people.



WHAT ARE THE BENEFITS OF INVESTING IN STARTUPS & CROWDFUNDING WITH A SELF-DIRECTED IRA?



RETIREMENT PORTFOLIO
DIVERSIFICATION



TYPICALLY LOWER
INVESTMENT ENTRY COST



POTENTIAL FOR
HIGH RETURNS



RECEIVE
TAX ADVANTAGES

WHAT TO CONSIDER...

- **Eligibility**

- Certain limitations when it comes to investing in a business owned by immediate family member
- Cannot receive a salary from your business investment
- Cannot be an S-Corporation

- **Due Diligence**

- Consider consulting with a financial professional to determine if the investment is a good fit for you

- **Entity Paperwork**

- When you're ready to invest, provide Madison trust with the necessary paperwork



HOW TO INVEST IN STARTUPS & CROWDFUNDING WITH A SELF-DIRECTED IRA?



OPEN

Complete our quick online application.



FUND YOUR ACCOUNT

Fund your new Self-Directed IRA via transfer, rollover, or contribution.



PLACE YOUR INVESTMENT

Direct Madison Trust to send your IRA funds to the startup or crowdfunding opportunity you believe in.

To invest in a private company, you'll provide Madison Trust with the following:

- Investment Authorization Form
- Private Placement Memorandum (Operating Agreement, Articles of Organization, and Certificate of Good Standing (if applicable)).
- Subscription Agreement showing the IRA's investment amount and ownership



MADISON
TRUST COMPANY

**What questions do you have
about investing in
Startups/Crowdfunding with a
Self-Directed IRA?**



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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