



How to Find More Money for Self-Directed Investments

Raise Capital with Self-Directed IRAs

How to use Private Funding Sources and Your Self-Directed IRA

Are you tired of not having enough money for potentially profitable investments? With a self-directed IRA, you can take control of your financial future and potentially raise capital to make formerly out-of-reach deals possible.

It's conceivable to use your self-directed IRA and other people's retirement plans to fund your deals. Recent estimates place over \$7.3 trillion* within IRAs, 401(k)s and other qualified programs across the country. These funds could potentially be used to invest in a variety of alternative investments, such as real estate, private entities, start-up businesses, notes, plus much more.

Often, the first step is to make others aware of the possibilities of their own retirement plans – such as the ability to be in control and invest in alternatives to the market.

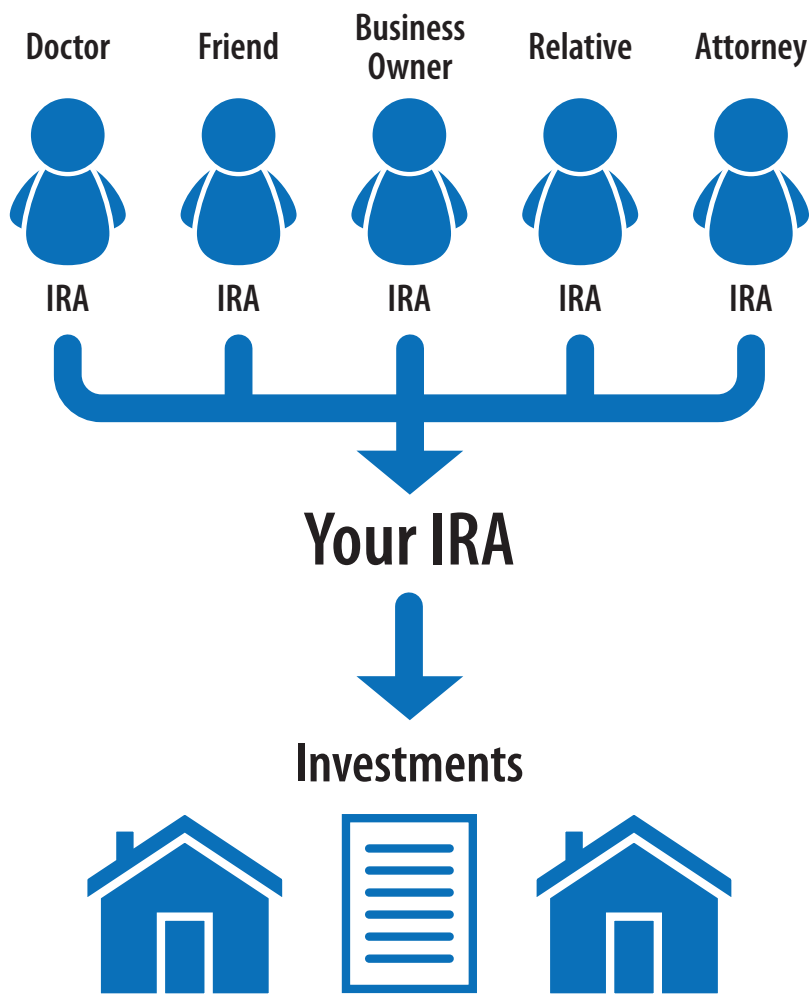
What are the Benefits to You and the Private Sources?

By using their existing IRAs and pension funds, other investors can potentially earn returns on alternative investments, plus benefit from the tax advantages of their retirement plans.

What benefit does your self-directed IRA receive? The possibility of building your assets quicker by multiplying the potential number of investments you can make in the tax-advantaged environment of a self-directed IRA.

Benefits of Using Private Funding Sources

- Allows you to participate in more deals
- More deals may equal more profits
- Avoid using your own money



*2015 Investment Company Institute Research Perspective www.ici.org

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Two Case Studies of Capital Raising:

Case Study 1: A case study from our files illustrates how one of our clients - Bill - an investor/rehabber raised capital for an investment he couldn't fund on his own.

A few years ago, Bill found a great house that he could buy for \$25,000, all cash. The home only needed about \$5,000 in repairs, but Bill had run out of money for any additional investments.

Bill went to some friends and relatives and borrowed money from their IRAs to purchase the house. He paid them 15% interest (\$2,250) for the six months it took to finish the rehab and resell the house. He sold the house for \$52,000. After paying back his investors, he had a net profit of \$19,750! Here's a closer look:

Bill started with	\$0	House sold	\$52,000
House cost	\$25,000	Loan	(\$30,000)
Repair	\$5,000	Interest owed	(\$2,250)
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Total amount borrowed	\$30,000	Bill finished with	\$19,750

Bill's friends were so pleased with their returns that he had no trouble borrowing more money. Now he has access to more than \$600,000.

Case Study 2: Bob is a real estate investor and had the opportunity to acquire a property for \$100,000. He knew this property was easily worth \$150,000. Mary was unhappy with the low fixed-income investment restrictions under her current IRA custodian.

Bob told Mary about the property he wanted to buy and Mary agreed to loan Bob \$105,000 from her IRA (\$100,000 for the house and \$5,000 for the repairs). Bob and Mary agreed that he would pay her IRA back in one year with 10% interest, all due at the time of payment. After receiving Mary's IRA investment, Bob purchased the house for \$100,000, put new carpet in the living room and planted flowers in the front yard.

A year later, Bob put the house up for sale and sold it for \$150,000, just as he thought he would. He paid Mary back the \$105,000 plus the \$10,500 in interest he owed her. Mary made 10% on her money, tax-free in her Roth IRA, just by letting Bob borrow funds for one year. In addition, Bob made \$34,500 on the deal and didn't use any of his own funds.



Case studies provided are for illustrative purposes only. Past performance is not indicative of future results. Investing involves risk, including loss of principal.

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Find an IRA custodian that allows IRA investments in real estate and other alternative assets.

- It's in your best interest to find a custodian that allows you to invest in what you're already familiar with inside your IRA.
- Remember, contrary to what some brokers or bankers might say, alternative assets are allowed in an IRA. If an IRA custodian tells you that you cannot invest in real estate or other alternative assets, what they really mean is, "you can't do that here." In that case, keep looking for the right IRA custodian.

Not all self-directed IRA custodians are the same.



You should start by asking these basic questions:

- How long have you been in business?
- What are your financial resources?
- How are you regulated?
- What happens if a mistake is made with my account?
- How are you insured? Do you have error-and-omissions insurance?

For more information on IRA investments and plans, visit Equity Trust's website at www.TrustETC.com or call **888-ETC-IRAS (382-4727)**.

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