



# Self-Directed IRA Quick Facts

## Self-Directed IRA Basics

### What is a self-directed IRA and how is it different from a regular IRA?

- ▶ A self-directed IRA is just like a 'regular IRA' but it gives account owners the ability to use their own knowledge and expertise to choose their own investments from a large variety of alternative assets that can potentially build tax-free or tax-deferred wealth at a faster pace than traditional investment methods.

### Can other plans be self-directed besides a traditional IRA?

- ▶ Yes. Traditional, Roth, SEP, and SIMPLE IRAs, individual 401(k)s, health and education savings plans can all be self-directed.

### How are income and expenses handled in my IRA?

- ▶ Income flows directly into your IRA and expenses must be paid with funds from your IRA. You are not allowed to pay expenses personally and reimburse yourself.
- ▶ If you partnered your IRA funds to invest, income and expenses are received and paid based on the percentage of ownership the account holds.

## Opening and Funding an Account

### What documentation is needed to open an account?

- ▶ You need to complete our General Application, the form specific to your plan, and provide a legible copy of your driver's license.

### How can I fund my Advanta IRA account?

- ▶ There are three different ways to fund your account:
  - ▶ Make an IRA-to-IRA transfer
  - ▶ Roll funds over from an old 401(k) or employer-sponsored plan
  - ▶ By annual contribution



# Self-Directed IRA Quick Facts *Continued*

## Investing

### What are alternative investments options?

- ▶ Alternative investments are those that are not the typical stock, bond, or mutual fund offered by mainstream brokerages or banks. Advanta IRA allows clients to use every alternative asset available to build wealth for retirement.
- ▶ Alternative investments include:
  - ▶ Real estate (residential, multi-family, commercial, raw land, rentals, rehabs, private lending, tax liens/deeds)
  - ▶ Precious metals (gold, silver, platinum, palladium)
  - ▶ Trust deeds (like and unlike exchanges, building bonds, contract options)
  - ▶ LPs and LLCs
  - ▶ Private placements and private stock (certificates of deposit, foreign stock, tangible asset deeds, accounts receivable)
  - ▶ Commercial paper (futures, commodity, and option exchanges)
  - ▶ Cryptocurrency (Bitcoin, Litecoin, Ethereum, and others)

**Note:** *This list is not comprehensive. There are many diverse investments permissible in self-directed plans. Advanta IRA does not promote any particular investment products.*

## IRS Rules and Regulations

### What investments are not permitted in my IRA?

- ▶ There are two types of restrictions with self-directed IRA, prohibited investments and prohibited transactions with disqualified persons. Contact Reneika for more information.