

LOCAL INVESTING

resource center

Your Ideal Deal Worksheet

Whether you are new to local investing or you have a bit of experience, it can be a helpful exercise to take some time to identify the target profile of the businesses you hope to connect your capital with.

If you are working with an investment advisor, it will be best to schedule a meeting with them to fill this worksheet in together so it can be included in your Investment Policy Statement (IPS). If you are managing your own investments, we hope you find this to be a helpful tool as you explore the local capital market landscape around you.

List the **top 3 geographic locations** you would like your capital to support.

- 1.
- 2.
- 3.

List the **top 3 types of founders** you would like your capital to support (ex: women, people of color, LGBTQ).

- 1.
- 2.
- 3.

Referencing the [United Nations Sustainable Development Goals](#), circle the **top 3 challenges** your capital will solve.



Do you want your capital to be aligned with a specific **faith**?

Which scenario **feels most comfortable** to you:

- A. Make a small impact with just one or two companies over a period of years.
- B. Make a small impact with many companies over a period of years.
- C. Make a modest impact with just two or three companies over a period of years.
- D. Make a large impact with multiple investments to one company over a period of years.

When do you need this capital to be **returned** to you?

- A. Less than 2 years
- B. 2-5 years
- C. 5-10 years
- D. More than 10 years

Imagine you finally made an investment with a local company. A year later the company failed, and you **lost your investment**. How do you imagine you would feel?

- A. Angry. I might call the owners to find out what happened and demand my money back.
- B. Jaded. I might hold off on doing anything again for a long time.
- C. Surprised. I might wonder what I could have done to help them succeed.
- D. Not so surprised. I might have known this was coming and tried to help prevent it.

What type of investment, on the surface, **feels most comfortable** for you?

- A. Debt (loans)
- B. Something in-between, like a revenue sharing or royalty agreement
- C. Equity (ownership)

1. Take this to your financial advisor and have a conversation about how they might be able to assist you in finding *Your Ideal Deal*.
2. Take this with you to investment pitches you attend in your community, to keep your targets top of mind.
3. Put this in your investment folder so the next time an opportunity presents itself you can see if it fits *Your Ideal Deal*.

This worksheet is intended to jumpstart your risk tolerance analysis relative to local private market community investments. This worksheet should be part of a larger analysis that considers all aspects of your life to determine your tolerance and ability to accept risk. All investments carry risk. Local investments carry specific risks that market investments often do not, including the risk of losing your entire investment or being unable to sell your investment (also known as default and liquidity risk, respectively). You should consult a qualified financial professional when considering investment options. This worksheet is not intended to provide financial advice and cannot replace a holistic and rigorous financial planning process.

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