



Aiden Pattison's Guide to the

10 DO'S & DONT'S for raising **FINANCE**

Raising angel investor finance for property investment projects can be a smart strategy to obtain the necessary capital.

Here's a guide of the 10 Do's and Don'ts when raising it...



10 DO'S ✓ for raising FINANCE

1

DEVELOP A SOLID BUSINESS PLAN

Your business plan should outline your investment strategy, target properties, expected returns, and exit strategies. It's crucial to demonstrate to potential investors that you have a clear vision and a viable plan for generating profits.



2

IDENTIFY POTENTIAL ANGEL INVESTORS

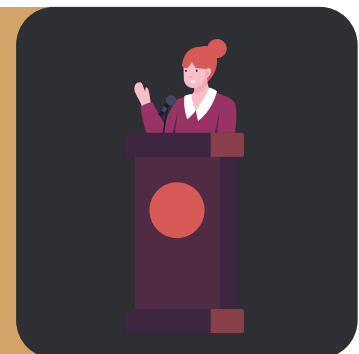
Look for individuals who have an interest in real estate investment or who have previously invested in property ventures. Attend networking events, join real estate investment groups, and use online platforms to connect with potential investors.



3

CRAFT A COMPELLING PITCH

Develop a concise and persuasive pitch that highlights the potential returns and the unique aspects of your investment approach. Clearly articulate how investors will benefit from partnering with you and why your project is worth their investment.



4

BUILD RELATIONSHIPS

Building trust and rapport with potential investors is crucial. Take the time to understand their investment preferences, concerns, and risk tolerance. Tailor your pitch accordingly and be transparent about the potential risks involved.



5

OFFER EQUITY OR PROFIT-SHARING OPPORTUNITIES

Consider structuring your investment offering in a way that provides investors with an equity stake in the properties or a share of the profits generated. This aligns their interests with yours and can incentivize them to invest.



to be continued...

10 DO'S ✓ for raising FINANCE continued...

6

PROVIDE DUE DILIGENCE AND TRANSPARENCY

Investors will want to conduct due diligence before committing their capital. Be prepared to provide detailed financial projections, market analysis, property evaluations, et cetera. Transparency and honesty are key to building trust.



7

NEGOTIATE TERMS

Once you've garnered interest from potential investors, negotiate the terms of the investment agreement. This includes factors such as the amount of capital invested, ownership structure, profit-sharing arrangements, and exit strategies.



8

LEGAL DOCUMENTATION

Work with legal professionals to draft comprehensive investment agreements that protect both parties' interests. Ensure that all terms and conditions are clearly outlined to mitigate any potential misunderstandings or disputes in the future.



9

MAINTAIN COMMUNICATION

Keep your investors informed about the progress of your projects, any significant developments, and the performance of their investments. Regular communication helps foster trust and confidence in your abilities as a property investment manager.



10

DELIVER RESULTS

Ultimately, the success of your property investment projects will determine your reputation as a trustworthy and capable investment manager. Focus on executing your business plan effectively, delivering returns to your investors, and cultivating long-term relationships.



10 DONT'S for raising FINANCE

1

MISREPRESENTATION

Do not provide false or misleading information about your investment projects, potential returns, risks involved, or your track record. Misrepresenting facts can lead to legal consequences and damage your credibility.



2

BREACH OF FCA REGULATIONS

In the UK, if you're involved in activities that fall under the Financial Conduct Authority's (FCA) regulatory purview, ensure compliance with all relevant regulations. This includes obtaining necessary licenses or permissions for activities such as offering securities or providing investment advice.



3

SOLICITATION OF INVESTMENTS FROM UNAUTHORIZED INVESTORS

Avoid soliciting investments from individuals who are not accredited or authorized to invest in the type of securities you're offering. In the UK, there are regulations regarding who can invest in certain types of securities, and soliciting investments from unauthorized investors can lead to legal issues.



4

FAILURE TO CONDUCT DUE DILIGENCE

Don't neglect conducting thorough due diligence on potential investors. Verify their identities, financial capabilities, and investment backgrounds to ensure they're legitimate and suitable partners for your projects.



5

NON-DISCLOSURE OF RISKS

Failing to adequately disclose the risks associated with your investment projects is a serious offense. Investors have the right to be informed about potential downsides, uncertainties, and challenges that could affect the success of their investments.



to be continued...

10 DONT'S for raising FINANCE

continued...

6

CONFLICT OF INTEREST

Avoid situations where your personal interests conflict with those of your investors. Disclose any potential conflicts of interest and implement measures to mitigate them, such as establishing independent oversight or recusing yourself from decision-making processes where conflicts arise.



7

NON-COMPLIANCE WITH ANTI-MONEY LAUNDERING (AML) REGULATIONS

Ensure compliance with AML regulations by implementing robust procedures for verifying the source of funds from investors. Failure to comply with AML requirements can result in legal penalties and reputational damage.



8

FAILURE TO PROVIDE LEGAL DOCUMENTATION

Always provide investors with comprehensive legal documentation outlining the terms of their investment, rights, and obligations. Failure to provide legally sound agreements can lead to misunderstandings, disputes, and legal liabilities.



9

ADVERTISE GUARANTEED RETURNS

Avoid making unrealistic promises or guarantees of investment returns. Investments inherently carry risks, and advertise guaranteed returns can be misleading and potentially fraudulent.



10

ENGAGE IN UNETHICAL PRACTICES

Maintain ethical standards in all your dealings with investors and stakeholders. Engaging in unethical practices such as bribery, insider trading, or deceptive marketing can have severe legal and reputational consequences.

