

HOW TO CHOOSE YOUR **SDIRA PROVIDER**



Now that you've decided to open a self-directed IRA (SDIRA), the next step is to find the right provider for your needs. Understanding the different types of entities that could be involved in maintaining your account is crucial to making an informed decision. These include entities like administrators or custodians, or a combination of the two. They each provide different services and have varying degrees of accountability and oversight. Let's start by breaking down the terminology.



Administrators

Administrators like Entrust, process the paperwork needed to open and maintain IRAs, including submitting reports to the IRS. They typically work in tandem with a custodian, who maintains possession of the account assets. Administrators perform ministerial compliance duties for the IRA program and in many cases also act as recordkeepers for their clients.

Experience counts when choosing an administrator. Look for one whose staff is well trained and current on their knowledge of IRA regulations. One way that you can verify this is by confirming that eligible employees hold the Certified IRA Services Professional (CISP) designation. This indicates that they are experienced and up-to-date on all things IRA.



Custodians

Custodians maintain custody of the assets in an IRA. They are regulated by the IRS and other federal and state authorities. Every self-directed IRA requires a custodian. Custodians specializing in self-directed IRAs will have appropriate staff, expertise, and capacity to maintain custody of the alternative assets typically chosen by investors. In Entrust’s case, we work with The Entrust Trust Company (TETC), an affiliate of Entrust. The purpose of TETC is to provide custodial services for tax-deferred and non-retirement plans as well as satisfy all the legal requirements that Entrust isn’t able to fulfill as an administrator.

Custodians operate under a charter that specifically addresses the custody of non-traditional investments typically held under a self-directed IRA. “Custody” in this context doesn’t necessarily mean physical custody. For instance, if your IRA owns a building at 121 Main Street, the building will continue to stay on Main Street. The custodian safeguards the deeds and related paperwork so the IRA holder can maintain the tax-deferred status of their assets.

Although not all of them are equipped to serve self-directed IRAs, banks, credit unions, or non-depository banks, and brokerage houses, are all examples of custodians.

The Services Custodians Offer

Banks and brokerage firms that act as custodians for mainstream IRA investors typically offer traditional investments like stocks, bonds, and mutual funds. These custodians may not be the best choice for those looking to invest in alternative assets as they generally don't have the infrastructure and experience to do so.

Among self-directed IRA custodians, some have a particular area of expertise such as: real estate, private equity, or precious metals. Depending on your alternative investment needs, choosing a specialized custodian can be limiting if you want to invest in more than one type of asset.

How Administrators and Custodians Make Money

Though no two self-directed IRA providers are exactly alike, there are a few common fees that you are likely to encounter when researching providers. Note that self-directed IRA fees are different from the way fees are assessed in the brokerage world. Let's take a look at how.

Most self-directed IRA providers charge an account establishment fee—which is usually a low one-time fee. After your account has been opened and funded, it's common for providers to charge recordkeeping fees, which are billed monthly, quarterly, or annually. These fees cover the work they do to keep your account compliant, complete IRS reporting, and fulfill the necessary account recordkeeping and administrative work. Providers assess these fees differently, some charge a flat fee, some charge based on the total market value of the account or the number of assets held within it. Lastly, if you make a transaction, like buying or selling an asset, most providers charge an additional one-time fee to do so.

What to Take into Consideration When Evaluating Providers

No matter your investing strategy or asset of choice, there are some characteristics that you should look for. The most important factors to consider when evaluating potential self-directed IRA providers are listed below.

Practical experience. The length of time in business as well as the size of a custodian's business can be a clear indicator of its level of experience and expertise. A custodian should be willing and able to share with you the volume of assets in its custody.



Investing options. Not all self-directed IRA providers have the experience and infrastructure to manage all assets. For example, some providers may not permit cryptocurrencies or LLCs as acceptable assets for their clients. Be sure that any prospective provider has the capacity to hold the asset(s) that you plan to invest in.

Online capabilities. Chances are, you are accustomed to making payments, purchases, and finding entertainment online. You should also be able to manage your retirement savings online—easily and securely. This should take the form of both a secure online client portal and a **mobile app** so that you can manage your account from anywhere.

Staff training. As a knowledgeable investor, you want the people handling your self-directed accounts to be capable and committed to customer service. Service has multiple facets: knowledge, response time, the ability to adapt and resolve issues, and accurate documentation are essential. Asking about the training afforded to the staff of a potential self-directed IRA provider can be an effective way to evaluate this.



WHAT TO EXPECT FROM WORKING WITH ENTRUST



Entrust pioneered self-directed, tax-advantaged investment accounts over 40 years ago. We provide account administration and recordkeeping services, education, and tools to people who want control over their retirement investments.

Today, we administer over \$4 billion in assets and have over 22,000 clients.

We empower investors to use their retirement funds to purchase alternative assets typically unavailable through banks and brokerage firms. These assets include residential and commercial real estate, notes, limited liability companies, precious metals, private equities, cryptocurrencies and more.



Custody and Administration

The Entrust Group is an administrator and recordkeeper. We're serious about our mission to educate investors. Check out our [Learning Center](#) to access an extensive library of free articles, webinars, how-to guides, and other resources.

The Entrust Group works with The Entrust Trust Company (TETC) to custody alternative assets our clients hold. TETC and The Entrust Group have the same owner.

All cash assets in your IRA, HSA, ESA, or qualified plans are held in banks insured by the Federal Deposit Insurance Corporation (FDIC). The FDIC is a United States government agency that insures bank depositors' cash up to \$250,000 per depositor, per ownership category, per insured bank. The FDIC insures only cash deposits. It does not insure securities, mutual funds, or other alternative investments. Cash deposits within your Entrust account are insured up to \$5 million. Learn more at [fdic.gov](https://www.fdic.gov).

We Administer Investments For:

- Traditional IRAs
- Roth IRAs
- Health Savings Accounts (HSAs)
- Coverdell Education Savings Accounts (ESAs)
- Simplified Employee Pension Plans (SEP IRAs)
- Savings Incentive Match Plan for Employees (SIMPLE IRAs)
- Individual 401(k)s





Services

Entrust's mission is to provide personal, professional services that educate and empower clients to control their tax-advantaged accounts.

We pride ourselves on being the best self-directed IRA educators in our industry. Educating investors and professionals has been a part of our company culture since its inception.

Our Entrust Client Portal is the most advanced account management portal in our industry. You can use it to [open an account](#) with us, fund your account, buy assets, request distributions, review your statements, and manage things like beneficiaries and third-party access. You can also use it to check out opportunities other Entrust clients have already invested in via [Entrust Connect](#), our online investment marketplace.

The [myDirection Card](#)[®] is a prepaid Visa[®] card that provides immediate access to the funds in your Entrust account. Rather than writing a check and waiting for it to process, this asset management card lets you use the cash in your account to pay for your real estate investment expenses anywhere Visa[®] is accepted.



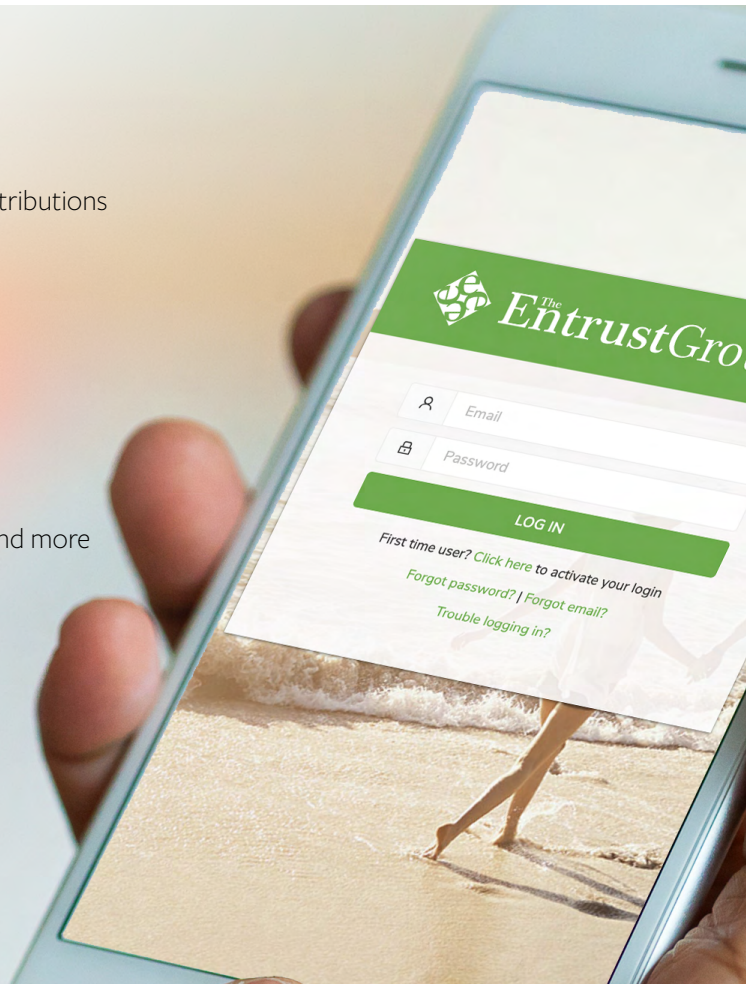
Services We Offer:

- **Account Administration**
Purchase and sale of assets; account contributions and distributions
- **Recordkeeping**
IRS Reporting; account compliance; annual statements
- **24/7 Account Access**
Online via the Entrust Client Portal
On-the-go via the Entrust Mobile app
- **Asset Management Card: myDirection Card[®]**
- **Client Education**
Online library of articles, webinars, videos, how-to guides, and more
- **Personal Client Services**
- **Highly Trained Staff**



Services We Don't Offer:

- Investments
- Investment Advice
- Product, Investment, or Company Endorsements
- Legal or Financial Guidance





Our Team

Staff at Entrust are expertly trained and tested regularly on their knowledge of the industry. We share a single purpose: to make the self-direction process easy and streamlined. All eligible Entrust employees hold the Certified IRA Services Professionals (CISP) designation awarded by the American Bankers Association's Institute of Certified Bankers. Internal audits and continuous education programs ensure that they have the most current and accurate information to share with clients. We hold ourselves to high standards for accuracy, timeliness, and friendly rapport.



Our Fees

The IRS requires self-directed accounts to be administered by a custodian to ensure that the recordkeeping is done in accordance with IRS guidelines.

The fees at Entrust allow us to do the recordkeeping and account administration for your self-directed account.

We believe in transparent and simple pricing. There are four fee categories that make up our pricing structure:

- The account establishment fee of \$50 is a one-time fee that covers the cost to open each account.
- The annual recordkeeping fee, starting at \$199, covers the work we do to keep your account compliant, complete the IRS reporting, and fulfill the necessary account recordkeeping and administrative work. This fee is based on the number of assets you hold and the account market value (MV).
- The purchase and sale of asset fees are one-time fees that take care of the paperwork required to execute the purchase or sale of an asset.
- Transaction fees are only charged for specific transactions and may not apply to every account. When necessary, these fees cover items such as paper checks, stopped checks, rushed processing, and account termination. They depend on the nature of the transaction and range from \$10 to \$250 per transaction. You will always be notified prior to any transaction fees being charged.

For more information and a detailed breakdown, visit our [fees page](#).



Investments

We pride ourselves on allowing every investment permitted by the IRS to be held in an Entrust account.

We consider it our job to help you understand your investment choices, but **we do not recommend, offer, or sell investments.**



How We're Regulated and Audited

Entrust is guided by multiple layers of regulation and oversight:

Federal

Because our clients hold securities in their plans, we are regulated by the Securities and Exchange Commission (SEC). We are also regulated by the Commodity Futures Trading Commission (CFTC). We abide by IRS rules and regulations and are subject to Department of Labor regulations for the employee benefit plans we offer.

State

Due to our relationship with The Entrust Trust Company, which is chartered in the state of Tennessee, Entrust must meet or exceed the standards set by the state of Tennessee, as well as those set by the state of California.

Internal

The firm of Stovall Grandey and Allen, LLP (SGA) audits our financial statements annually.

Entrust is also regulated by the Financial Crimes Enforcement Network (FinCEN). We comply with all regulations related to financial accounts held in foreign countries and to regulations and laws intended to prevent fraud, money laundering, terrorist financing, tax evasion, and other financial crimes. These include Foreign Bank and Financial Activity reporting and Bank Secrecy Act policies.



Our Liability Insurance

The Entrust Group has an extensive set of policies and procedures, a rigorous audit program, and strict risk management practices.

We carry the insurance required of banks and trust companies providing custodial services for retirement plans:

Errors & Omissions (E&O)

E&O covers potential liability associated with mistakes or omissions during the normal course of business.


Fidelity Insurance

Fidelity insurance protects us and our clients against employee dishonesty, embezzlement, forgery, computer fraud, wire transfer fraud, and other criminal acts.



HOW TO CHOOSE A SELF-DIRECTED IRA PROVIDER

When choosing a Self-Directed IRA provider, you'll want to do your due diligence. Here are the questions you should ask prospective providers:

|  The Entrust Group | | PROVIDER 1: | PROVIDER 2: |
|--|--|-------------|-------------|
| How is your firm regulated? | <p>We are regulated by the Securities and Exchange Commission and the Commodity Futures Trading Commission (CFTC).</p> <p>We also meet the standards set by the states of Tennessee and California, as well as undergoing rigorous internal audits by a 3rd party LLP.</p> | | |
| Are your funds FDIC insured? | Yes. | | |
| How long has your firm been in business? | 40 years (as of 2021). | | |
| What types of accounts do you offer? | <p>We offer traditional and Roth IRAs, Health Savings Accounts (HSA), and Education Savings Accounts (ESA) for individuals.</p> <p>We also offer SEP IRAs, SIMPLE IRAs, and Individual 401(k)s for small businesses.</p> | | |



PROVIDER 1:

PROVIDER 2:

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| <p>How many accounts do you currently service?</p> | <p>Over 22,000 (as of 2021).</p> | | |
| <p>What asset types do you hold custody of?</p> | <p>We hold all assets permitted by the IRS. This includes real estate, private equity, precious metals, and promissory notes, to name a few.</p> | | |
| <p>How much do you have under administration?</p> | <p>We administer over \$4 billion in assets (as of 2021).</p> | | |
| <p>What is the average processing time of a transaction?</p> | <p>Different transactions have varying requirements for processing. Generally, funding an account takes 1-3 business days after your rollover or transfer has been received. Purchasing an asset takes 2-5 business days after receiving all completed documents.</p> | | |
| <p>Do you have a secure client portal where I can manage my account and conduct transactions online?</p> | <p>Yes. Our Entrust Client Portal makes online investing easy, efficient, and secure.</p> | | |
| <p>Do you have a mobile app that allows me to invest and manage my account on-the-go?</p> | <p>Yes. The Entrust Mobile App combines the functionality of our client portal, with the convenience of a mobile app.</p> | | |
| <p>What additional services do you offer to your clients?</p> | <p>MyDirection Card®—a prepaid Visa that provides immediate access to the funds in your Entrust account.</p> <p>Entrust Connect—our online investment marketplace featuring offerings that other Entrust clients have already invested in.</p> <p>Trading—though we aren't a brokerage firm, you can use our platform to place trades while you wait for your next alternative investment.</p> | | |



PROVIDER 1:

PROVIDER 2:

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|---|---|--|--|
| <p>What educational resources do you have to help clients understand self-direction?</p> | <p>We have hundreds of articles, videos, industry insights, webinars, and guides covering a wide range of investing topics.</p> | | |
| <p>How do you protect client information?</p> | <p>We use encrypted connections throughout our website, as well as secure multi-tiered firewalls. We do not sell or rent Personal Information to marketers or unaffiliated third parties.</p> | | |
| <p>What professional designations do your staff hold?</p> | <p>All eligible Entrust staff hold the Certified IRA Services Professional (CISP) designation, the gold standard for retirement professionals.</p> | | |
| <p>Will I have a designated contact for my account?</p> | <p>Yes. After becoming a client, you will have a dedicated account manager to assist you with your Self-Directed IRA.</p> | | |
| <p>What does it cost to open an account?</p> | <p>\$50.</p> | | |
| <p>What is your annual recordkeeping fee?</p> | <p>Our annual recordkeeping fees start at \$199. For a detailed breakdown, please visit our fees page.</p> | | |
| <p>Are there any discounts or promotions that you offer to your clients?</p> | <p>Clients can save up to \$500 per year in recordkeeping fees by referring their friends and family to Entrust.</p> | | |



Ready to take the next step in your investing journey?

Have questions about your specific situation?