VERMILION CAPITAL

Private Investment Due-Diligence Checklist

40 questions to ask before committing capital to any pre-IPO, private equity or pre-launch crypto opportunity.

Why a checklist

Private and pre-launch deals are less regulated and less transparent than public markets. A disciplined checklist protects you from the most common, avoidable mistakes.

1. The opportunity

- What exactly am I buying — equity, a SAFE, a token warrant, a fund interest?
- What is the valuation, and how was it set?
- What has to happen for me to get liquidity, and when?
- What are the realistic downside scenarios?

2. The people

- Who are the founders/managers and what have they actually built before?
- Can I verify their history independently (registries, press, references)?
- How are they paid, and are their incentives aligned with mine?

3. Documents to request

- Subscription agreement and offering memorandum
- Cap table or token allocation table and vesting schedule
- Most recent financial statements; audit if available
- For crypto: smart-contract audit reports and the auditor's identity
- Legal opinion on the instrument's regulatory status in your country

4. Red flags

- Guaranteed or “risk-free” returns
- Pressure to decide quickly or keep the deal secret from advisers
- Payment requested to personal wallets or unrelated accounts
- Testimonials you cannot verify
- No clear custody arrangement for your assets

5. Your own position

- Can I afford to lose this entire amount?
- How does this fit my overall portfolio and time horizon?
- Have I spoken to a licensed adviser in my jurisdiction?

Speak to the Vermilion Capital team

northpointdigitalfund.com/

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