



THE HELP FUND

Personal Finance Worksheet

(Adapted from the [Boston Ujima Project](#) Personal Finance Worksheet)

We are pleased that you are excited about investing in the HELP Fund! The following worksheet is designed to help you think through your financial needs and determine what may be an appropriate investment amount for you to invest.

This worksheet does not constitute investment advice and neither Ujima or the HELP Fund are investment advisors. This worksheet is designed for purely educational purposes to be used as a resource to support investors in making their own decisions about whether to and how much to invest in the HELP Fund.

1. Savings & Location

❖ *Do you have savings in the bank or in investment accounts?*

A cash reserve of three to six months take home income (after taxes and deductions) is generally recommended in case of an emergency (such as unexpected medical bills, car repairs, or loss of income). If you do not have a cash reserve, consider building up a cash reserve before investing in the HELP Fund.

❖ *What type of accounts are your savings in (bank, retirement, taxable brokerage, restricted trusts etc.)?*

If you have assets in bank accounts, taxable brokerage accounts, or Individual Retirement Accounts (IRAs), you have the option of investing those funds in the HELP Fund either by taking out funds directly (from bank accounts or taxable brokerage accounts) or investing from within the account (as with IRAs, using a self-directed IRA custodian, which may be cost prohibitive for small amounts). Most likely you will not have the option of investing in the HELP Fund within other types of accounts such as insurance sub-accounts, annuities, 529 Plans or employer sponsored 401k/403b/457s.

2. Financial Goals & Time Horizon

❖ *What are your financial goals/what will you need this money for in the future?*

Your goals may include retirement, paying down debt, buying a home, raising kids, paying for college or providing care to parents or other family members. Consider what each of these goals will cost and how much you will need to save now or invest now in order to achieve each of these goals.

❖ *In what time frame will you need the funds that you've invested back in order to meet your goals?*

For instance, if you are planning on putting all of your savings towards a downpayment on a house in a year from now, tying up a part of your savings in any of the HELP Fund notes may conflict with you meeting your house goal since the notes' maturity dates are longer than one year. Unlike most public market investments, the HELP Fund notes are highly illiquid. This means that once you sign up for an investment term length (such as 2-years), you will not be able to get your money back before the term has ended.

3. Risk & Diversification

- ❖ *How large is your current portfolio (your savings) and what level of investment in the HELP Fund would allow you to still have a diversified portfolio?*

Crowdfunding regulations (**which the HELP Fund is not subject to**) limit the amount that investors can put into crowdfunding opportunities per year. You may find it informative to use these parameters as guidelines in combination with the other factors listed above to consider (Savings, Financial Goals, etc.) and in combination with a full review of the Offering Memorandum to ensure that you are comfortable with the risks of this investment.

For investors with a net worth (assets including home value and savings minus debts including mortgages, credit cards etc.) of less than \$107,000, crowdfunding regulations limit their total crowdfunding investments to the **greater** of \$2,500 or 5% of their net worth or annual income. For investors with net worth higher than \$107,000, the regulations raise the limit to the lessor of 10% of the investor's net worth or annual income.

- ❖ *What does that mean for you?*

- Calculate net worth** by adding up your assets, adding up your liabilities, and then subtracting your liabilities from your assets:

_____ Balance of all bank accounts (savings, checkings, CDs)
_____ Balance of all investment accounts (retirement accounts, taxable brokerage accounts, non-annuitized annuities, and life insurance with cash value)
_____ Estimated market value of your home
+ _____ Estimated market value of other property over \$1000 (vehicles, artwork, equipment)
_____ **TOTAL ASSETS**

_____ Balance of any credit card debt
_____ Balance of any mortgage or home equity related debt
+ _____ Balance of any other types of debt (educational, medical, personal, automobile etc.)
= _____ **TOTAL LIABILITIES**

_____ (TOTAL ASSETS) - _____ (TOTAL LIABILITIES) = _____ **(YOUR NET WORTH)**

- b. Calculate your net income** by subtracting estimated taxes and deductions from your annual salary or wages:
- _____ Annual estimated salary or wages
 - _____ Deductions (such as qualified retirement plan contributions, medical deductions etc)
 - _____ Estimated taxes (including Social Security/Medicare taxes, federal and state taxes)
 - _____ **(YOUR NET INCOME)**
- c. If your net worth is under \$107,000:**
Calculate **5% of your net worth** and **5% of your net income:**
.05 x _____ (NET WORTH) = _____ (NET WORTH BASED LIMIT)
.05 x _____ (NET INCOME) = _____ (NET INCOME BASED LIMIT)
- d. If your net worth is over \$107,000:**
Calculate **10% of your net worth** and **10% of your net income:**
.10 x _____ (NET WORTH) = _____ (NET WORTH BASED LIMIT)
.10 x _____ (NET INCOME) = _____ (NET INCOME BASED LIMIT)

There's no "normal" financial situation, everyone's is very unique and everyone at the HELP Fund knows that there's no shame in having less - that some have less because of systemic oppression and segregation, not because of a lack of responsibility on the part of them or their families.

For the sake of having an example with some tangible numbers, pretend this is your financial situation below. If the HELP Fund were subject to crowdfunding regulations, what would be the maximum you could invest?

- a. Calculate Net Worth**
- \$4,000 Balance of all bank accounts (savings, checkings, CDs)
 - \$0 Balance of all investment accounts (retirement accounts, taxable brokerage accounts, non-annuitized annuities, and life insurance with cash value)
 - \$400,000 Estimated market value of your home
 - + \$2,000 Estimated market value of other property over \$1000 (vehicles, artwork, equipment)
 - = **\$406,000 TOTAL ASSETS**

 - \$1,000 Balance of any credit card debt
 - \$320,000 Balance of any mortgage or home equity related debt
 - + \$20,000 Balance of any other types of debt (educational, medical, personal, automobile etc.)
 - \$341,000 TOTAL LIABILITIES**

\$406,000 (TOTAL ASSETS) - \$341,000 (TOTAL LIABILITIES) = \$65,000 (YOUR NET WORTH)

- b. **Calculate your net income** by subtracting estimated taxes and deductions from your annual salary or wages:
- \$35,000 Annual estimated salary or wages
 - \$0 Deductions (such as qualified retirement plan contributions, medical deductions etc)
 - \$5,000 Estimated taxes (including Social Security/Medicare taxes, federal and state taxes)
 - \$30,000 (YOUR NET INCOME)

Since in this example, your net worth is under \$107,000, we'll go with 3a rather than 3b.

- c. If your net worth is **under** \$107,000:
Calculate **5% of your net worth** and **5% of your net income**:
- .05 x \$65,000 (NET WORTH) = \$3,250 (NET WORTH BASED LIMIT)
 - .05 x \$30,000 (NET INCOME) = \$1,500 (NET INCOME BASED LIMIT)

In our example, the maximum that crowdfunding regulations would allow us to invest is \$3,250 because if your net worth is under \$107k, you can invest the greater of \$2,500 or 5% of your net worth or net income.

Glossary of Terms

Accredited Investor - an individual investor with net worth of at least \$1,000,000, excluding the value of one's primary residence, or have income at least \$200,000 each year for the last two years (or \$300,000 combined income if married) and have the expectation to make the same amount this year or an institution meeting certain other guidelines.

Crowdfunding - generally refers to the use of the Internet by small businesses to raise capital from a large number of investors on an approved platform and here refers to the fundraising described in the JOBS Act that can be done through the platform of a broker dealer or funding portal

Finance - a practice of allocating credit and investments to support economic growth and optimize benefit in the future, often under conditions of risk or uncertainty; fuel for the economy

Fund - an entity engaged in the business of investing the pooled capital of investors in financial securities

Maturity - refers to the final payment date of a loan, at which point the principal (what was originally loaned) and all remaining interest is due to be paid

Non-Accredited Investor - (see *Accredited Investor*)

Note - a debt instrument; a type of loan

Offering Memorandum - a legal document that states the objectives, risks and terms of an investment. This document includes items such as a company's financial statements, management biographies, a detailed description of the business operations and more.