



# Your First Alternative Investment Before 30

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**The Step-by-Step Guide to Getting Into Deals Most People Don't Know  
Exist**

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A Practical Guide for the Next Generation of Investors

## INTRODUCTION

## Why This Guide Exists

Gen Z is investing at 6 times the rate of 2015. More than half of Americans aged 18–25 already hold some form of investment. The median age of a first-time investor is now 20 years old.

That's the good news. Here's the problem: nearly everything they're buying is public market—index funds, ETFs, individual stocks, maybe some crypto. Accessible. Liquid. Familiar. And almost entirely in the wrong game if your goal is generational wealth.

The biggest wealth creation in history has happened in private markets. Early investors in Uber, Airbnb, and SpaceX didn't buy shares on a stock exchange. They got in before anyone else could. For most of history, those deals required connections, credentials, and minimum checks of \$250,000 or more.

Then Congress passed the JOBS Act. And in 2016, Regulation Crowdfunding (Reg CF) went live. For the first time, ordinary investors could put money into private companies—legally, transparently, starting with as little as \$50.

Most people under 30 have no idea this door exists.

**This guide shows you how to walk through it.**

*The wealth gap isn't just about income. It's about which game you're playing. This guide gets you into the right game before most people know the rules changed.*

### What You'll Learn

1. What alternative investments actually are — and why they matter
2. The three doors into private markets available to you right now
3. A 7-point framework for evaluating every deal before you invest
4. How to size your first investment without losing sleep
5. Seven red flags that mean walk away, every time
6. A 10-question scoring tool to rate any opportunity in under 10 minutes

7. Five things you can do tonight to get in the game

## FOUNDATION

# What Are Alternative Investments?

## Two Worlds. One Game-Changing Difference.

There are two markets for investing. Most people only know one of them.

Public markets are what you see every day: the NYSE, NASDAQ, S&P 500. Companies listed there have gone through a full regulatory process (an IPO) to be available to any investor. Liquid, transparent, and priced by millions of buyers and sellers every second of the trading day.

Private markets are everything else. Startups raising their first round. Real estate developers funding a project. Growth-stage companies expanding before they're ready to go public. Private credit deals. Impact funds. Revenue-share arrangements. These deals happen between specific parties—not on an exchange—and historically required significant wealth or connections to access.

The Uber example is instructive. Uber's IPO was May 2019 at \$45/share. Early private investors got in at valuations equivalent to pennies per share. By the time ordinary investors could buy Uber stock, the biggest returns were already captured. The same story applies to Airbnb, Robinhood, Palantir, and thousands of less famous companies where private investors made 10x, 50x, or more before a single public share was ever sold.

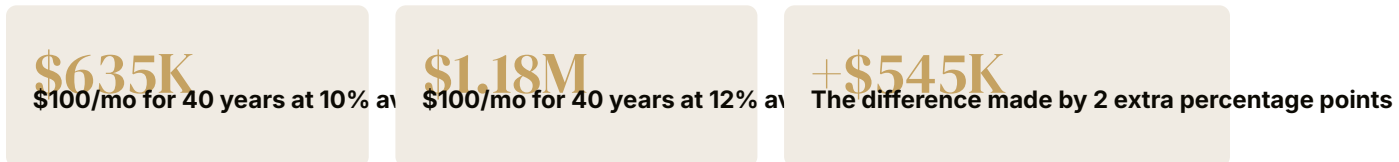
## Six Categories of Alternative Investments

- Startup equity — ownership stakes in early-stage companies via Reg CF or angel networks
- Private real estate — fractional ownership of rental properties, apartment buildings, or development projects
- Revenue-share agreements — loans repaid as a percentage of business revenue, not fixed interest
- Private credit — direct lending to businesses outside the traditional banking system
- Tokenized assets — fractional ownership in high-value assets (art, collectibles, real estate) via blockchain
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Impact investments — profit-generating businesses or funds explicitly designed to create measurable social or environmental outcomes

## Why This Matters Even More When You're Under 30

Compound math is the most powerful force in personal finance—and it works proportionally to both rate of return and time. The younger you start, the more time does the work.



Private markets have historically outperformed public markets by 3–5% annually over long periods. That gap, compounded over 40 years starting at age 25, is the difference between comfortable and generational.

## WHERE TO START

# The Three Doors

You don't need to be accredited to start. You don't need \$10,000. You need to know which door matches where you are right now.

## DOOR 1 Regulation Crowdfunding (Reg CF) — Startup Equity

Reg CF platforms allow any U.S. investor—regardless of income or net worth—to invest in SEC-registered startup offerings. The platforms vet companies and handle all regulatory compliance.

- Republic — \$50 minimum, strong curation, impact-forward deals
- Wefunder — \$100 minimum, largest deal flow by volume
- StartEngine — \$100 minimum, secondary market in development

### REALITY CHECK

Roughly 75% of startups fail. These are high-risk, illiquid investments. Reg CF is how you learn the game and get small bets on early companies—not where you put rent money. Start with amounts you'd spend on a dinner out and treat it as tuition until you learn how to evaluate deals properly.

## DOOR 2 Real Estate Crowdfunding — Fractional Property Ownership

Own a piece of income-producing real estate without being a landlord. These platforms pool investor capital to buy, develop, or lend against real property.

- Fundrise — \$10 minimum, diversified eREITs, 8–12% historical returns
- Arrived — \$100 minimum, individual rental homes, quarterly dividends
- Groundfloor — \$10 minimum, short-term real estate loans, 7–14% target yield

### WHY THIS DOOR FIRST

Real estate crowdfunding is the most beginner-friendly door because assets are tangible, returns are more predictable, and the investment thesis is easy to understand. If you're brand new, this is often the best first investment to make while you learn the startup equity landscape.

## DOOR 3 Tokenized & Fractional Assets — Ownership Without Minimums

Blockchain technology and SEC-regulated platforms now allow fractional ownership in assets that were historically inaccessible to most investors.

- Masterworks — Blue-chip art by Basquiat, Banksy, Koons; shares starting under \$500
- Rally — Collectibles, sports memorabilia, classic cars; \$5–\$25 per share
- Landa — Single-family rentals with \$5 minimum shares, rental income distributions

**PRO TIP**

Tokenized assets are best used as diversification, not a primary strategy. Liquidity and exit timelines vary widely. Understand when and how you can sell before you buy.

## EVALUATION FRAMEWORK

## The 7-Point Check

Before you invest a dollar—in any deal, on any platform—run it through these seven checkpoints. A weak answer on any one of them isn't automatically disqualifying. But knowing the weakness going in is the difference between a calculated risk and a blind bet.

### 1 Problem & Market

Does the company solve a real, specific problem for an identifiable market? "We help small businesses grow" is not a problem statement. "We reduce accounts receivable collection time from 47 days to 4 days for medical practices" is.

**GREEN FLAG**

Clear problem. Identifiable customer. Documented pain. Quantified market size.

**RED FLAG**

Vague problem statement. "Everyone" is the customer. No data on market size.

### 2 Business Model

How does the company make money? Can they explain it in two sentences? Does the math work at scale—or do they need exponential growth just to break even?

**GREEN FLAG**

Clear revenue mechanism. Positive unit economics. Realistic path to profitability.

**RED FLAG**

Revenue model depends on becoming a household name. "We'll monetize later." Unit economics never addressed.

### 3 Traction

What evidence exists that real customers want this? Revenue is best. Paying pilots, signed letters of intent, or a significant waitlist are acceptable alternatives for very early-stage companies.

**GREEN FLAG**

**RED FLAG**

Only vanity metrics (social followers, app downloads). No paying customers. Relying on projections.

**4 Team**

Who is running this? Do they have the skills, experience, and resilience to navigate the inevitable hard stretches? Have they built anything before—and what happened?

**GREEN FLAG**

Domain expertise. Previous startup experience (including failures). Complementary co-founders. Advisors with relevant track records.

**RED FLAG**

Solo founder with no relevant experience. Team is all friends. No advisors. Defensiveness when questioned.

EVALUATION FRAMEWORK (CONTINUED)

# The 7-Point Check

## 5 Use of Funds

What exactly will your money be used for? Can they give a specific breakdown by category—product, team, marketing, operations? Is the runway it creates (typically 18–24 months) realistic?

**GREEN FLAG**

Specific allocation by category. Runway calculation included. Milestones tied to the capital raise.

**RED FLAG**

"General business expenses." No breakdown. Raise size doesn't match stated goals.

## 6 Valuation

What is the company worth according to this raise—and how was that number determined? Early-stage valuations are inherently subjective, but they shouldn't be arbitrary.

STAGE	TYPICAL VALUATION RANGE	WHAT IT IMPLIES
Pre-revenue	\$500K–\$3M	Pure team & idea bet
Early revenue	\$2M–\$10M	Some proof, high risk
Growing revenue	\$8M–\$30M	Product-market fit emerging
Scaling	\$25M+	Proven model, lower risk

**RED FLAG**

Pre-revenue company valued at \$20M+. No comparables cited. Valuation based only on "potential."

## 7 Terms & Structure

What are you actually buying? Equity, a SAFE (Simple Agreement for Future Equity), a convertible note, or a revenue-share arrangement each have very different risk and return profiles.

**GREEN FLAG**

Clear instrument type. Cap table available. Pro-rata rights or most-favored-nation clauses for larger investors.

**RED FLAG**

Terms buried in 40 pages of legalese. No cap on SAFE conversion. Excessive dilution provisions.

## POSITION SIZING

# How to Size Your First Investment

One of the most common mistakes new investors make is going too big on a first deal out of excitement, or going too small out of fear. Neither serves you. Here's a framework built around four rules.

## The 4 Rules

### 1 Never invest money you need

Alternative investments are illiquid. You will not be able to pull out for months or years. Emergency fund first, investment capital second—always.

### 2 Start with what won't keep you up at night

Your first deal should be sized so that if it goes to zero, you feel the lesson but not the consequence. For most people starting out, that's \$50–\$500. You can increase as you build confidence and deal literacy.

### 3 Diversify from the start

Don't put \$500 in one startup. Put \$100 in five. The math of startup investing requires a portfolio: if 1 in 10 returns 10x, you need 10 bets to capture that return. Concentration is a beginner mistake.

### 4 Set a yearly allocation before you start

Decide in advance how much you're willing to deploy in a 12-month period. This prevents deal-by-deal emotional decisions. If your budget is \$1,200/year, you have \$100/month to deploy deliberately across multiple deals.

## Sizing Framework by Portfolio Stage

STAGE	INVESTABLE ASSETS	ANNUAL ALT BUDGET	PER DEAL SIZE
Just starting	\$1K–\$10K	5–10% (\$50–\$1K)	\$50–\$200
Building	\$10K–\$50K	10–15% (\$1K–\$7.5K)	\$200–\$500
Established	\$50K–\$250K	15–20% (\$7.5K–\$50K)	\$500–\$2,500
Growth-stage	\$250K+	20%+ (\$50K+)	\$2,500–\$25K+

**PRO TIP**

Cambridge Associates data shows that top-quartile venture returns require a portfolio of at least 15–25 investments. Even if you're starting small, build the habit of diversification from your first deal.

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WALK AWAY WHEN YOU SEE THESE

## Red Flags — Every Time

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Deal evaluation is partly about what to look for. It's equally about what to run from. These seven patterns appear repeatedly in deals that end badly. None of them require further analysis. If you see one, walk away.

### 7 Non-Negotiable Walk-Away Signals

- **Guaranteed returns.** No legitimate investment guarantees returns. "You'll earn 12% per year, guaranteed" is either fraud or an illegal securities offering. Leave immediately.
- **Pressure tactics.** "This offer closes tomorrow." "We're almost full." "I can't hold your spot." Legitimate deals do not require you to skip due diligence. Manufactured urgency is a manipulation technique.
- **No financials available.** Any company raising money via Reg CF must file financials with the SEC. If a company won't show you their numbers—or hasn't filed them—do not invest.
- **Unrealistic projections.** "We'll be at \$100M revenue in year 3." If the path from current state to those numbers isn't clearly explained with credible assumptions, the projections are fiction.
- **Celebrity-only marketing.** Celebrity endorsement of an investment offering is a known fraud vector (see: numerous SEC enforcement actions). A celebrity attached to a deal is not a green light. It's a reason to dig deeper.
- **No clear return path.** You should be able to answer "how do I get my money back and potentially profit?" before you invest. If the exit mechanism is vague, the investment is a donation with paperwork.
- **Founder won't answer questions.** Good founders welcome diligence. If the founder gets defensive, evasive, or dismissive when you ask direct questions, that behavior will only get worse once they have your money.

**SCORE BEFORE YOU INVEST**

# 10-Question Decision Framework

Rate each question from 1 (weak) to 5 (strong). A total score of 30 or above means the opportunity deserves serious consideration. Below 20 means walk away.

#	QUESTION	SCORE (1-5)
1	Can I explain the business model in __ / 5 one sentence?	
2	Does the company have real, paying __ / 5 customers (not just projections)?	
3	Does the founding team have relevant experience for this problem? __ / 5	
4	Is the valuation reasonable compared to stage and traction? __ / 5	
5	Is the use of funds specific and tied __ / 5 to clear milestones?	
6	Do I understand how and when I get __ / 5 my money back (exit path)?	
7	Does this deal match my personal investment thesis? __ / 5	
8	Am I comfortable with this investment going to zero? __ / 5	
9	Are the deal terms clear and investor-friendly? __ / 5	
10	Have I checked for any red flags from the previous section? __ / 5	
	Total Score (50 possible)	__ / 50

## Scoring Guide

SCORE	INTERPRETATION	RECOMMENDATION
40-50	Strong opportunity	Invest at your planned size
30-39	Decent, with gaps	Invest smaller; note the weak areas

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20–29	Weak on too many dimensions	Pass unless you have a specific reason
Below 20	Significant problems	Walk away

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**60-SECOND VERSION (3 NON-NEGOTIABLES)**

If you only have time for three questions, use these: (1) Do they have paying customers? (2) Can I explain how I get my money back? (3) Is the team credible? A "no" on any one is usually enough to pass.

## YOUR ACTION PLAN

## Do This Tonight

The biggest mistake new investors make is reading a guide like this and doing nothing. Here are five actions you can take tonight—total time: under an hour.

### 1 **Open an account on one platform (10 minutes)**

Pick Republic, Fundrise, or Groundfloor. Create a free account. You're not investing yet—just getting in. Republic and Fundrise are the easiest starting points for first-timers.

### 2 **Browse without buying (20 minutes)**

Click through 3–5 active deals on the platform. Read the pitch decks. Run each one through the 7-Point Check mentally. Notice what feels strong and what feels vague. You're building pattern recognition—the most valuable skill in investing.

### 3 **Set your annual alt investment budget (5 minutes)**

Look at your monthly budget. Find one expense you can redirect—or a savings amount you can allocate. Even \$50/month across 12 months gives you \$600 to spread across 6–12 deals and build a real portfolio.

### 4 **Make your first investment (10 minutes)**

Find one deal that scored 35+ on the Decision Framework. Invest your minimum amount. The first one breaks the psychological barrier that stops most people from ever starting. After the first, the second is easy.

### 5 **Set a 30-day calendar reminder (30 seconds)**

Come back in 30 days. Evaluate one new deal. Browse the platform again. This is how you build the habit. Consistent attention over time, not a one-time event.

THE MATH THAT CHANGES EVERYTHING

# What Starting Early Actually Means

These numbers are for a single monthly contribution, compounded annually. They assume no additional lump-sum investments—just consistency over time.

## \$25/Month

YEARS	AT 8%	AT 10%	AT 12%
10 years	\$4,574	\$5,092	\$5,679
20 years	\$14,726	\$18,983	\$24,500
30 years	\$37,594	\$56,556	\$85,520
40 years	\$87,737	\$158,607	\$293,831
45 years	\$131,711	\$265,004	\$543,714

## \$50/Month

YEARS	AT 8%	AT 10%	AT 12%
10 years	\$9,147	\$10,184	\$11,358
20 years	\$29,451	\$37,967	\$49,000
30 years	\$75,188	\$113,113	\$171,040
40 years	\$175,475	\$317,214	\$587,662
45 years	\$263,422	\$530,007	\$1,087,428

## \$100/Month

YEARS	AT 8%	AT 10%	AT 12%
10 years	\$18,295	\$20,484	\$23,004
20 years	\$58,902	\$75,937	\$96,838
30 years	\$150,377	\$226,049	\$349,496
40 years	\$350,949	\$634,356	\$1,176,477

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45 years	\$526,843	\$1,060,014	\$2,174,856
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*The person who starts at 22 and invests \$100/month at 12% has \$2.17 million at 67. The person who starts at 32 and invests the same amount has \$1.01 million. The 10-year head start is worth more than \$1.1 million in this example. That is the math. Start now.*

### The No-Brainer Guarantee

If this guide doesn't save you at least 10 hours of research in the first week, email us for a full refund. Keep the guide, keep the frameworks, keep the scoring tool. We're that confident in what's here.

YOU ARE HERE: IN THE GAME

## What's Next

This guide got you past the starting line. You know the three doors. You have a 7-point evaluation framework. You have a scoring tool. You've made (or you're about to make) your first investment.

But here's what every investor discovers after their first few deals: knowing how to start is different from knowing how to evaluate properly. The 7-Point Check gives you a surface-level filter. Real due diligence goes deeper — into the financials, the legal structure, the team dynamics, the competitive positioning. That's where the difference between a \$50 learning experience and a \$5,000 mistake gets made.

YOU ARE HERE: IN THE GAME

# You know how to start. Now learn how to evaluate.

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The BS Detector is your due diligence framework — 15 questions across 4 categories (Team, Market, Model, Terms) with a scoring rubric. The same evaluation system professional investors use, translated into language anyone can follow. 30 minutes per deal. No MBA required.

- 15-question framework (\$200 value)
- Scoring rubric with pass/fail thresholds (\$150 value)
- Deal comparison worksheet (\$100 value)

Total value: \$450. Your investment: \$7. The No-Brainer Guarantee applies.

[Get the BS Detector — \\$7](#)

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Alternative investments, including but not limited to startup equity, real estate crowdfunding, tokenized assets, and private credit, involve substantial risks. These risks include, without limitation, loss of the entire principal invested, illiquidity for extended periods (which may range from months to years or longer), speculative business models, limited operating histories, and limited or no public market for resale.

Regulation Crowdfunding (Reg CF) offerings are made pursuant to the JOBS Act and SEC regulations promulgated thereunder. Investment limits apply to non-accredited investors based on income and net worth calculations defined by the SEC. Investors should review applicable SEC rules and the specific offering materials for each investment before committing capital. Historical returns referenced for specific platforms (Fundrise, Groundfloor, Arrived, etc.) are stated returns from public materials and are not guaranteed to repeat.

Compound interest projections in this document are mathematical illustrations assuming constant annual rates of return. Actual investment returns will vary significantly and may be negative. No representation is made that any return scenario depicted will be achieved.

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All platform names, minimum investment amounts, and return figures referenced are based on publicly available information as of the publication date and are subject to change. Always verify current terms directly with each platform before investing.

Always consult with qualified legal, tax, and financial professionals before making any investment decisions.

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*You are already in the image of the Formless  
Substance, and you are in conscious thought activity.  
This is the Certain Way.*

— Wallace D. Wattles

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