

5 Questions to Ask Before Any Investment Decision

A short checklist for the moment before you sign, wire funds, or say yes. Five questions that separate a considered decision from a rushed one.

QUESTION 01

What are the actual terms, not the summary I was given?

Read the full term sheet or agreement yourself — liquidation preference, anti-dilution, board composition, vesting. Verbal summaries omit the details that matter most.

QUESTION 02

What happens in the downside scenario, specifically?

Not "it could go wrong" — model an actual number. If the company exits at half the current valuation, or doesn't exit at all, what do I actually walk away with?

QUESTION 03

What information am I missing that I'm treating as known?

Valuation, burn rate, other investors' terms, competitive position. If I can't state these as hard numbers, I'm operating on assumption, not fact.

QUESTION 04

Who else has reviewed this, and what's their incentive?

A lawyer, a co-founder, another investor. Check whether their interests are aligned with mine or with the other side of the table.

QUESTION 05

What would have to be true for this to be a mistake?

State the specific conditions that would make this decision look bad in hindsight. If I can't name any, I likely haven't stress-tested it enough.

None of these questions require special tools — just discipline to ask them before, not after. If you want a structured second opinion on a real decision, Ascendra will walk through this same kind of analysis automatically: facts, risks, scenarios, and a clear recommendation, generated in under a minute.

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