



some questions

Gerda Laura Liiv <gerdalaura.liiv@crowdestate.eu>

4 de abril de 2018, 22:52

Hello again

While some of our projects have a 8/20 performance fee, we always display net expected return figures, which already take into account the potential performance fee.

Also, all other fees are paid by the Sponsors so it means that there are no fees to be paid by investors.

If you want to look at the project's true profitability, you should approach it bottom-up:

- a) the expected net return is 25%
- b) add Crowdestate's fees (let say they are 5% in total)
- c) the actual profitability of the project is 30%

The same principle can be applied to performance fees:

Let's say you invest 100 EUR into project with estimated 20% gross IRR, term is 1 year. Project ends with 20% return

What we do is:

100 EUR x 8% = 8 EUR (hurdle)

20 EUR - 8 EUR = 12 EUR (carry base)

12 EUR x 20% = 2,40 EUR (carry)

net return = 20 EUR - 2,40 EUR = 17,6 EUR (meaning 17,6% IRR)

We always display the investors with NET 17,6% IRR so you do not have to care about the fee calculations.

Best,
Gerda Laura
Crowdestate

[El texto citado está oculto]