

Fees & Expenses

Define the management fees and expected fund expenses.

Management Fees

By default, Tactyc will start off with as management fee of 2.0% on committed capital for 10 years. You can edit the following:

- **Value:** Fee Percentage (%)
- **Fee Basis Methods:** We support multiple fee-basis methods (see below)
- **Start Month:** the starting month for a fee tier
- **End Month:** the ending month for a free tier.

Supported Fee Basis Methods

Fee Basis	Description
Committed Capital	In each period, fee is charged based on the total committed capital to date by LPs only
Called Capital Each Period	Fee is charged based on the called capital in that period.
Gross Cumulative Called Capital	Fee is charged on cumulative called capital to date.
Net Cumulative Called Capital	Fee is charged each period based on the total called capital to date from LP's <i>less</i> capital returned to LP's to date
Cumulative Invested Capital	Fee is charged based on cumulative invested capital (initial and follow-on investments) to date
Fair Market Value	Fee is charged based on the fair market value of <i>active investments</i> each period
Unrealized Investments	Fee is charged based on the total cost basis of unrealized active investments

Examples

Committed Capital

<p>In each period, fee is charged based on the total committed capital to date by LPs only</p>	<p>2.0% Fee</p> <p>Total Committed Capital in Period 1: \$50mm Total Committed Capital in Period 2: \$100mm</p> <p>Fee in Period 1: \$50mm x 2.0%</p> <p>Fee in Period 2: \$100mm x 2.0%</p>
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Called Capital

<p>Fee is charged based on the called capital in that period.</p>	<p>2.0% Fee</p> <p>Called Capital in Period 1: \$1mm</p> <p>Called Capital in Period 2: \$0mm</p> <p>Called Capital in Period 3: \$2mm</p> <p>Fee in Period 1: \$1mm x 2.0%</p> <p>Fee in Period 2: \$0mm x 2.0%</p> <p>Fee in Period 3: \$2mm x 2.0%</p>
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Net Cumulative Called Capital

<p>Fee is charged each period based on the total called capital to date from LP's /less capital returned to LP's to date</p>	<p>2.0% Fee</p> <p>Cume Called Capital in Period 1: \$10mm</p> <p>Cume Capital Returned to LP's in Period 1: \$0mm</p> <p>Cume Capital in Period 2: \$20mm</p> <p>Cume Capital Returned to LP's in Period 2: \$2mm</p> <p>Fee in Period 1: (\$10mm - \$0mm) x 2.0%</p> <p>Fee in Period 2: (\$20mm - \$2mm) x 2.0%</p>
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Cumulative Invested Capital

<p>Fee is charged based on cumulative invested capital (initial and follow-on investments) to date</p>	<p>2.0% Fee</p> <p>Cume Invested Capital in Period 1: \$10mm Cume Invested Capital in Period 2: \$20mm</p> <p>Fee in Period 1: \$10mm x 2.0%</p> <p>Fee in Period 2: \$20mm x 2.0%</p>
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Fair Market Value

<p>Fee is charged based on the fair market value of <i>active</i></p>	<p>2.0% Fee</p> <p>Unrealized FMV in Period 1: \$10mm</p>
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investments each period

Unrealized FMV in Period 2: \$20mm

Fee in Period 1: \$10mm x 2.0% Fee in Period 2: \$20mm x 2.0%

Unrealized Investments

Fee is charged based on the total cost basis of unrealized active investments

2.0% Fee

Cost basis of unrealized Investments in Period 1: \$10mm

Cost basis of unrealized Investments in Period 2: \$20mm

Fee in Period 1: \$10mm x 2.0%

Fee in Period 2: \$20mm x 2.0%

How to model step-downs in fees?

Let's say your fund's fee structure is:

- 2.0% for first 5 years
- 1.5% thereafter

To model this structure, you will create **2 different fee tiers** as follows. To add a fee tier, click on **Add Fee Tier** at the bottom of the Management Fees section.

Default Fee Profile

+ Create Another Fee Profile

LP's will be charged

Value (%)

2.00

%

on

Fee Basis Method ⓘ

LP Committed Capital

▼

from

Start Month

1

month

to

End Month

60

month

Fee Term: Apr 2023 to Mar 2028

☒ Are fees on future closes retroactive from the start month? ⓘ

> Optional: Management Fee Recycling

LP's will be charged

Value (%)

1.50

%

on

Fee Basis Method ⓘ

LP Committed Capital

▼

from

Start Month

61

month

to

End Month

120

month

Fee Term: Apr 2028 to Mar 2033

☐ Are fees on future closes retroactive from the start month? ⓘ

> Optional: Management Fee Recycling

How to model different fees for different LP's?

You can create multiple fee profiles for each LP and in a later Limited Partners section, point LP's to their specific fee. To create multiple fee profiles,

- Click on **“+”** icon next to **Default Fee Profile** to create a new fee definition
- Enter a name for this fee profile for e.g. Class B LP Fees and click on **Add Fee Tier**. This will create a new fee profile from scratch.

- Later in the wizard, in the Limited Partners section, you can point your Class B LP's to this fee profile.

Default Fee Profile

Class B Fee ×

+ Create Another Fee Profile

Profile Name

Class B Fee

Value (%)

Fee Basis Method ?

LP's will be charged

2.00

%

on

LP Committed Capital

▼

Fee Term: Apr 2023 to Mar 2033

☐

Are fees on future closes retroactive from the start month? i

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Optional: Management Fee Recycling

How to model management fee recycling?

Management fee recycling means the fund can recycle exit proceeds up to the level of management fees earned to date. To turn this on, fore each fee tier, open the **Optional: Management Fee Recycling** section and enter the % of fees that can be recycled from that tier.

Value (%)

Fee Basis Method ?

LP's will be charged

2.00

%

on

LP Committed Capital

▼

Fee Term: Apr 2023 to Mar 2033

☐

Are fees on future closes retroactive from the start month? i

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Optional: Management Fee Recycling

Optional: Management Fee Recycling ?

% of Fees Recycled

Expiration Date

100.00

%

2033-04

Fund Expenses

Similar to management fees, fund expenses can be defined on a line-item basis.

- Click on **Add Expense**
- Enter the **Expense Category**

- Enter the expected **Monthly Amount**
- Enter the **Start Month** and **End Month** i.e. the term of the expected expense



Fund Expenses

These expenses are related to legal and other organizational expenses not covered by management fees.

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Expense Category

Admin Costs

of

Amount

\$

10,000

per month

from

Start Month

1

month

to

End Month

60

month

Expense Term: Jan 2021 to Dec 2025

⊖

Expense Category

Startup Costs

of

Amount

\$

250,000

per month

from

Start Month

1

month

to

End Month

60

month

Expense Term: Jan 2021 to Dec 2025