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 active investments each period
Unrealized Investments	Fee is charged based on the total cost basis of unrealized active investments

Examples

Committed Capital

In each period, fee is charged based on the total committed capital to date by LPs only 2.0% Fee

Total Committed Capital in Period 1: \$50mm Total Committed Capital in Period 2: \$100mm

Fee in Period 1: \$50mm x 2.0%

Fee in Period 2: \$100mm x 2.0%

Called Capital

Fee is charged based on the called capital in that period. 2.0% Fee

Called Capital in Period 1: \$1mm

Called Capital in Period 2: \$0mm

Called Capital in Period 3: \$2mm

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

Fee in Period 2: \$0mm x 2.0%

Fee in Period 3: \$2mm x 2.0%

Net Cumulative Called Capital

Fee is charged each period based on the total called capital to date from LP's less capital returned to LP's to date

2.0% Fee

Cume Called Capital in Period 1: \$10mm

Cume Capital Returned to LP's in Period 1: \$0mm

Cume Capital in Period 2: \$20mm

Cume Capital Returned to LP's in Period 2: \$2mm

Fee in Period 1: (\$10mm - \$0mm) x 2.0%

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

Cumulative Invested Capital

Fee is charged based on cumulative invested capital (initial and follow-on investments) to date 2.0% Fee

Cume Invested Capital in Period 1: \$10mm Cume Invested Capital in

Period 2: \$20mm

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

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

Fair Market Value

2.0% Fee

Fee is charged based on the fair market value of *active*

Unrealized FMV in Period 1: \$10mm

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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%

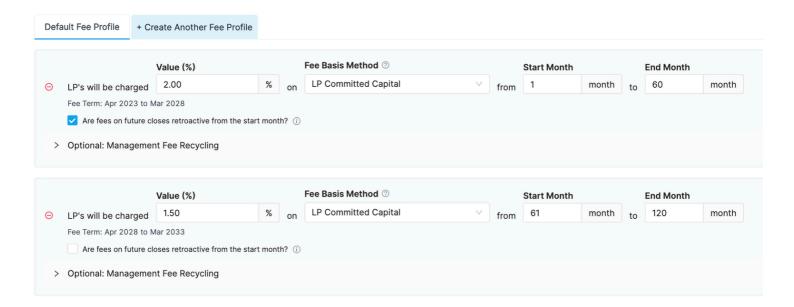
Fee in Period 2: \$20mm x 2.0%

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.

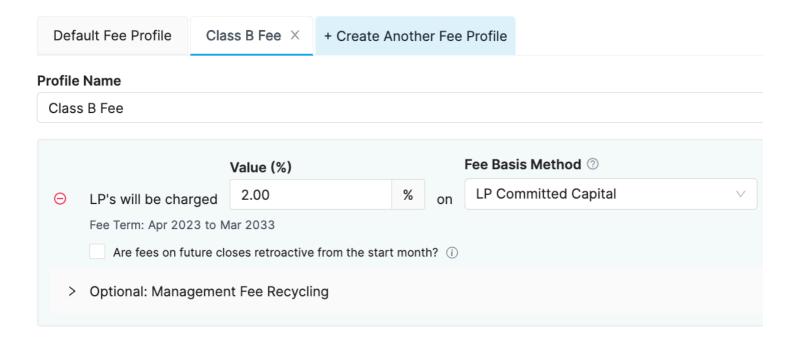


How to model different fees for different LP's?

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,

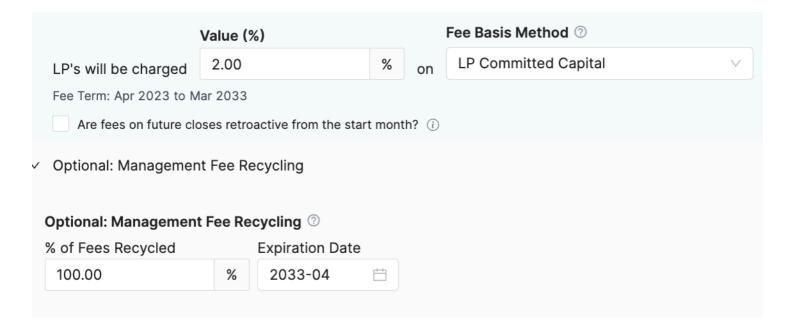
- Click on "+" icon next to Default Fee Profile to create a new fee definition
- Enter a name for this fee profile for e.g. Class B LP Fees and click on Add Fee Tier. This will
 create a new fee profile from scratch.

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



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.



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



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