

# Waterlake Fund Investment Incentive

Ashcroft Capital is offering an incentive to investors based on the equity amount they invest in the Waterlake Fund. **The more you invest, the more upside you participate in.** Ashcroft has historically outperformed our projected returns as evidenced by an LP IRR of 22% and average cash on cash return of 24.7% across the 28 properties that have gone full-cycle\*.

As an example, if the Waterlake fund hypothetically returns a gross IRR of 20.0%, investors who invest more than \$249,999 would receive additional upside. In this hypothetical scenario, an investor who invested in the \$250,000-\$499,999 range would receive a 16.4% IRR and 18.8% annualized cash-on-cash return whereas an investor who invested in the \$500,000 - \$999,999 range would receive a 17.2% IRR and a 20.1% cash-on-cash return.

*Please note the table below is meant to only be used to illustrate the upside benefits for investing more.*

**It is also important to note that the additional upside in the investment tiers comes out of the GP profits. It does not impact any LP returns.** For example, a \$100,000 investor is not making less money when a \$1,000,000 investor receives additional upside.

Investment Tier	Coupon Rate	LP/GP Split	LP IRR	LP Equity Multiple	LP Avg CoC (inc Sale)
\$100,000 to \$249,999	7.0%	<b>75%</b> / 25%	15.5%	1.85x	17.5%
\$250,000 to \$499,999	7.0%	<b>80%</b> / 20%	16.4%	1.91x	18.8%
\$500,000 to \$999,999	7.0%	<b>85%</b> / 15%	17.2%	1.97x	20.1%
\$1,000,000 - \$1,499,999	7.0%	<b>90%</b> / 10%	18.0%	2.04x	21.4%
\$1,500,000+	7.0%	<b>100%</b> / 0%	19.5%	2.16x	23.9%

*\*Past performance is not an indicator of future outcomes, and there can be no guarantee of similar results or distributions at the same rate. Future performance may materially differ.*

*\*\*Sample returns for discussion purposes only*

*\*\*\* Once Limited Partners (LPs) have received a 7% return, the General Partner (GP) will receive any catch-up distributions necessary to achieve a retroactive 70/30 split. This distribution structure applies until the 7% return has been distributed to all LPs.*