CALCULATING INTEREST

Your first month of interest will vary depending on when the interest clock starts. When it starts depends on the status of the loan. The Status will either be (1) you are part of an original loan funding where the loan has not yet closed, or (2) the loan has already been funded and closed, and you are being placed on "assignment".

1 The clock for original loan funding interest starts on the day the loan closes. The original loan closing date may affect the number of days of interest accrued for the month.

Example - $50,000 principal investment on a loan with a 10% interest rate

$50,000 loan funding X 10% interest rate. = $5,000 annualized return

$5,000 annualized return / 360 days in year = $13.888889 per day

Scenario 1: Loan closed April 1st	**Scenario 2: Loan closed April 11th**
30 days in the month of April = 30 days of accrued interest	30 days in the month of April - 10 days before closing = 20 days of accrued interest
$13.888889 per day X 30 days = $416.67 interest payment for April	$13.888889 per day X 20 days = $277.78 interest payment for April
$416.67 interest payment for April disbursed May 15th	**$277.78 interest payment for April disbursed May 15th**

2 Clients are officially "assigned" onto a loan when all investment documents and funds have been checked in. The interest clock then starts **the next business day.**

Please Note: Ignite Funding monthly statements reflect the date you were assigned to the loan, **NOT** the date you start earning interest.

Example - $50,000 principal investment on a loan with a 10% interest rate

$50,000 loan funding X 10% interest rate. = $5,000 annualized return

$5,000 annualized return/ 360 days in year = $13.888889 per day

> **Scenario 1: Client assigned to the loan April 1st. Interest clock starts April 2nd.**
>
> 30 days in the month of April - 1 day before the interest clock starts = 29 days of accrued interest
>
> $13.888889 per day X 29 days of accrued interest = $402.78 interest payment for April
>
> **$402.78 interest payment for April disbursed May 15th**

After the first month, your following monthly interest payments will be calculated based on **30 days** of accrued interest, regardless of the number of calendar days in the month.

Example - $50,000 principal investment on a loan with 10% interest rate

$50,000 loan funding X 10% interest rate. = $5,000 annualized return

$5,000 annualized return / 360 days in year = $13.888889 per day

> **Scenario 1: May interest payment**
>
> 31 calendar days in May
>
> $13.888889 per day X 30 days (1st-30th) = $416.67 interest payment for May
>
> **$416.67 interest payment for May disbursed June 15th**

Calculate Your Annualized Return

Depending on the loans you are invested on, you are earning anywhere between 10% to 12% in interest annually on your investments. For example, if you invest $10,000 on a loan earning 10% annually and the loan runs through a full cycle of 12 months; you will have earned $1,000 in a years' worth of accumulated interest ($10,000 x 10% = $1,000).

Please Note: Trust Deed investments are short-term by nature which means that loans can be paid off before a year has passed. That is why it is important to reinvest your funds quickly to help mitigate interest downtime and continue to realize a 10% to 12% annualized rate of return.

If you have further questions, please contact your Investment Representative for assistance.