OPPORTUNISTIC FUNDS VS. JOINT VENTURE TRANSACTIONS

	DISCRETION	PROMOTES / PROFITS	INVESTORS	LEVERAGE	CROSSED PROMOTES	REALIZATION TIMELINE
FUND STRUCTURE	A Fund Structure **has discretion** to make investment decisions without approval from investors.	A typical fund promote structure is 1.5% management fee and 20% of the profits after a 9%-10% hurdle.	A fund has a set group of investors.	A fund typically uses leverage, but must put all the assets of the fund up as collateral.	In a Fund Structure, the sponsor promotes (profits) are crossed, meaning that one bad deal can cause a loss of promote on the good transactions.	In a Fund Structure, the manager does not receive its promote until the last asset is liquidated.
JOINT VENTURE STRUCTURE	A Joint Venture **does not have discretion** to make investment decisions without approval from investors.	A Joint Venture promote structure can vary dramatically. A typical Joint Venture structure might be: * 50bps Origination Fee * 1% Management Fee * 20% After a 10% Preferred Return * 30% After a 15% IRR * 40% After a 20% IRR	A Joint Venture will have different investors to each transaction.	A Joint Venture is typically leveraged at the asset level by project debt. In some cases the General Partner (sponsors) may have to guarantee the debt.	In a Joint Venture structure, promotes are not crossed, and each deal stands alone.	In a Joint Venture structure, **the promote is paid out on a deal by deal basis**, when that transaction is sold or refinanced.

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