

FAQ: Capital

WHAT IS A SPECIAL PURPOSE VEHICLE OR SPV?

A Special Purpose Vehicle (SPV) is a separate legal entity created and/or sponsored by an organization. The SPV is a distinct company with its own assets and liabilities, as well as its own legal status. Usually, they are created for a specific objective, often to isolate financial risk.

WHERE CAN I SEE INFORMATION ABOUT THE FUND, INVESTMENT DOCUMENTS, AND DILIGENCE MATERIALS?

Solidus creates a Data Room for every Fund or SPV launched where important information is shared with investors. Information includes: documentation from the vehicles created by Solidus, Private Placement Memorandums, teasers & presentations about the investment opportunity and additional information to keep investors up-to-date.

WHAT ARE CAPITAL CALLS?

A capital call represents the legal right of a firm to call, or demand, a portion of the money committed to it by an investor under a previous capital commitment. For example, when a venture capital firm (general partner, or G.P.) has received capital commitments from its limited partner (L.P.) investors for a venture capital fund, and decides to invest in a portfolio company, the VC makes a capital call to its L.P. investors in order to fund the new portfolio investment. The number of capital calls will depend on the funds' strategy and deployment of funds.

WHAT IS NET ASSET VALUE (NAV)?

Net asset value (NAV) represents a fund's per-share value. It is the price at which investors buy shares from (subscription price) a fund company or investment vehicle and sell them (redemption price) to a fund company. It is derived by dividing the total value of all the cash and securities in a fund's portfolio, less any liabilities, by the number of shares outstanding. A NAV computation is undertaken once at the end of each valuation period (daily, weekly, monthly, quarterly, yearly) based on the closing market prices or available values of the portfolio's securities. .

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HOW FREQUENT IS THE NAV CALCULATED/VALIDATED?

Net asset value calculation varies depending on an investment vehicle management, the type of investments, frequency of subscriptions and redemptions, among other factors. NAVs are typically calculated and validated by the administrator & transfer agent.

HOW OFTEN DO I GET REPORTS ABOUT THE STATUS OF THE FUND?

Qualitative and Quantitative investment reports will depend on the conditions of the underlying fund, which are usually at the end of each quarter and an annual audit at the end of the fiscal year. Solidus sends a qualitative report and the managers send the quantitative report.

WHAT IS A PRIVATE PLACEMENT MEMORANDUM (PPM)?

An offering memorandum is a legal document that states the objectives, risks, and terms of an investment involved with a private placement. This document includes items such as a company's financial statements, management biographies, a detailed description of the business operations, and more. It serves to provide buyers with information on the offering and to protect the sellers from the liability associated with selling unregistered securities.

WHAT ARE PRIVATE PLACEMENTS?

As the name suggests, a “private placement” is a private alternative to issuing, or selling, a publicly offered security as a means for raising capital. In a private placement, both the offering and sale of debt or equity securities is made between a business, or issuer, and a select number of investors. There may be as few as one investor for any issue.

FAQ: Onboarding & Subscription

HOW & WHERE SHOULD I UPLOAD MY ID?

The four corners of the submitted documents must be visible with no reflections or shadows. The onboarding page will lead you to the document upload section.

CAN I SUBMIT AN EXPIRED ID?

No, unless different governments have accepted their validity even though these documents have expired.

ON WHOSE NAME SHOULD THE PROOF OF ADDRESS BE ISSUED?

The PoA should be issued in the name of the client. If the Proof of Address is in the name of a family member, an explanation of the address must be submitted. Examples of PoA include:

- Property Tax Receipt;
- Utility Bill;
- Lease Agreement or mortgage statement, or;
- Bank or credit card statement.

IF MY BANK ACCOUNT IS A JOINT ACCOUNT, CAN I USE IT?

Yes, it must come with the ID of the other person whose name is in the account.

CAN I HAVE MORE THAN ONE ACCOUNT AFFILIATED?

Yes, later you can add one or more accounts to our services.

WHY DO I HAVE TO FILL AND SIGN A W8 OR W9 AND WHICH ONE APPLIES?

The W-8 form is used specifically by foreign persons and/or entities, both citizens and organizations, for the purpose of gaining exemption from filing for particular tax withholdings. This form acts as proof of status that the company is conducting business within the US, however, it is primarily based in a foreign country.

W-9 forms are straightforward; they are used to provide a company's federal Taxpayer Identification Number (TIN) to an entity that makes taxable payments to said company. The difference between W-8 and W-9 forms lies in the fact that the W-9 tax form is only required to be used by companies or associations that are created, organized and operating under United States' laws.

AM I AUTOMATICALLY APPROVED TO PARTICIPATE IN EVERY FUND OR SPV LAUNCHED BY SOLIDUS ONCE I BECOME A CLIENT?

Solidus is not in charge of accepting or rejecting LPs in third-party funds or private placements. That responsibility rests on the fund administrator. Solidus will send the respective documents to the administrator and they will let the client know of their decision.