

Double Your Money in 6 Years Using Short Term Mortgage Investments

At Pro Funds Mortgages we provide a variety of 1st and 2nd mortgage investments that offer some of the most competitive returns in the industry ranging from 10-16% annually. These returns are fixed (not contingent on project success) and are secured on real estate.

Our mortgage investment terms typically range between 1-3 years. These are some of the industry’s shortest terms and offer a significant advantage to our investors over other real estate investment products that may have term durations between 5 and 7 years. This is because in the majority of longer term investments, you only receive what is known as a simple interest return. In a simple interest return, your interest will be computed on your original investment only. Ex. \$100,000 investment paid a simple interest return of 14% at the end of 6 years.

An important factor to consider with shorter-term investments on the other hand, is the “magic” of compounded interest that you will earn when re-investing your principal plus interest after a term has ended. Compound interest is interest that is added to the principal of an investment so that the added interest also earns interest from then on.

With that being said, the majority of our client’s will re-invest their principal and interest earned from a paid out investment into a new short term mortgage investment in order to make their money work for them in the highest capacity.

Please see the examples below outlining how re-investing your principal investment + interest can generate some great compounded returns for you over a 6 year time span.

Example One:

\$100,000 principal investment, 1 year terms, 14% annual interest. (rounded to the nearest dollar)

<p>Year 1</p> <p>Invest: \$100,000</p> <p>Earn 14%: \$14,000</p> <p>Total After Year 1: \$114,000</p>	<p>Year 2</p> <p>Re-Invest: \$114,000</p> <p>Earn 14%: \$15,960</p> <p>Total After Year 2: \$129,960</p>	<p>Year 3</p> <p>Re-Invest: \$129,960</p> <p>Earn 14%: \$18,194</p> <p>Total After Year 3: \$148,154</p>
<p>Year 4</p> <p>Re-Invest: \$148,154</p> <p>Earn 14%: \$20,742</p> <p>Total After Year 4: \$168,896</p>	<p>Year 5</p> <p>Re-Invest: \$168,896</p> <p>Earn 14%: \$23,645</p> <p>Total After Year 5: \$192,541</p>	<p>Year 6</p> <p>Re-Invest: \$192,541</p> <p>Earn 14%: \$26,956</p> <p>Total After Year 6: \$219,497</p>

Return on Investment:

= Return over 6 Years ÷ Principal Investment
= \$119,497 ÷ \$100,000
= **120% over 6 years and 20% FIXED return on an annualized basis.**

This example demonstrates that you can more than double your money in 6 years!

After 6 years, investors will receive a total payout of **\$219,497** from an original \$100,000 investment by simply re-investing their principal plus interest. This works out to a **20%** return per annum on investor funds that is **FIXED** and secured on real estate!

Now we can compare our compounded return with simple interest over a 6 year term.

Example Two:

\$100,000 principal investment, 6 year term, 14% annual interest.

Year 1 - 6

Invest: \$100,000
Earn 14% * 6 Years: \$84,000
Total After Year 6: \$184,000

Return on Investment:

= Return over 6 Years ÷ Principal Investment
= \$84,000 ÷ \$100,000
= **84% over 6 years and a simple 14% on an annualized basis.**

By Investing in 1 year terms and then re-investing your principal plus interest you are earning an extra \$35,497 in income and are increasing your rate of return by an extra 6% per year!

This is a large benefit of shorter investment terms, which allow our investors to re-invest their interest plus principal to generate higher compounded annual returns. Finally, our investments also feature monthly cash flow and/or upfront interest payment options!

Please contact Pro Funds Mortgages if you are interested in learning more about the investment process.

Sincerely,

Jordan Campagnaro

Director of Investment Operations