

Forum:[Hack Forums](#)

Thread: [Trust funds // Real estate, investments, lending & saving](#)

Captain P. - November 19, 2017, 6:51 am

Introduction

Everywhere we go, we see money, the economy and opportunities. Majority of the world has a tunnel vision, study, get a job and get a middle class house with two kids and a dog.

I'm not ending up there. I will live life on my terms and with my limits.

Today I'm elaborating trust funds and what functionality they have.

Previous Thread(s) [Compound Interest // Read if you want to become rich](#)

Trust fund

"A fund consisting of assets belonging to a trust, held by the trustees for the beneficiaries." - Google

Basically a trust fund contains assets, which can be real estate, money, shares, bonds or debentures. It is managed by either one or more people, called the trustee(s). They manage the fund for the beneficiaries.

Usually a trust fund is for children and is set up by parents/grandparents. Most common use is to pay for college expenses.

Family savings trust

As the name indicates, it's collaborated saving trust for your family.

Also this trust contains assets, such as, real estate, money, shares, bonds or debentures. It is managed by the family itself but can receive assistance from external attorneys.

The main goal from a Family savings trust is to ensure that property or other assets are secure. Such as a family home.

Commonly it also gets used to invest into more real estate.

(I'm in the process of setting this up with my family).

More trusts: [Eldercarelawjacksonville.com: 37 Types of Trusts Used to Protect Assets from Creditors, the Government, and other Predators](#)

Investments

I'm following the family trust as I'm most knowledgeable on it.

My family and I have agreed to monthly deposit 5% of our income. These are not the exact numbers my family and I are using, this is an example.

We are with 12 people, averagely earning €2,500.00 per month. $€2,500 \times 0.05 \times 12 = €1,500.00$ will be added to our trust monthly. $€1,500.00 \times 12$ (yearly) = \$18,000.00

We intend to invest the money as we do not own any family houses or have small children. Our go to investment is in real estate, which a common friend of us own. The real estate we are going to buy is between two growing cities, which are around 1.5km away from each other. Why this piece of estate? Cities grow, meaning that both cities will grow to each other. We will allow contractors to build upon our real estate as long as we maintain ownership of the land.

The price set for this piece of land is €150,000. Meaning we at least have to save, if we don't lend

our money out, for a minimum of 8 years to reach €144,000

During the time we're saving, we will lend out our money for companies with [compound interest](#).

Small estimated profit calculation: We lend yearly all of our €18,000 out to companies, against 3.5% and run time of five years. €18,000 split by five = €3,600 a year excluding interest. First year:

€3,600 x 1.035 = €3,726 (profit of €126) Second year: (€3,600 + 126) x 1.035 = €3,856.41 (profit of €256.41) Third year: (€3,600 + 126 + 130.41) x 1.035 = €3,991.38 (profit of €391.38) Fourth year: (€3,600 + 126 + 130.41 + 134.97) x 1.035 = €4,131.08 (profit of €531.08) Fifth year: (€3,600 + 126 + 130.41 + 134.97 + 139.70) x 1.035 = €4,275.67 (profit of €675.67)

In the end we've earned from our €18,000 a total sum of €19,980.54

Our profit totals at €1,980.54 for five years.

Coming back to the point that we need 8 years to reach €144,000 - if we lend our money out, we will reach €149,941.62 in eight years if we only loan three years so that all loans are paid back and collected.

[Video: <https://www.youtube.com/watch?v=Oi9cq7tXkmg>]

Never let your money sit idle. Money earns more money if you do it right.

I hope this has given everyone some insight. Trusts are a big subject but I hopefully made the family saving trust a bit more clear.

I'll be doing it personally with my own family.

tee97 - November 21, 2017, 12:38 am

Great thread, its always interesting to read on finance related topics.

Captain P. - January 16, 2018, 4:41 pm

Bumping this back up, this is good stuff.

Woods - January 16, 2018, 4:44 pm

If not willing to speak publically, please PM me.

i'm really interested in some companies you lend to that you gain some decent interest from, as I have a nice amount to lend. :)

Captain P. - January 16, 2018, 4:45 pm

(Jan 16, 2018 05:44 PM)Woods Wrote: [CITE](#) If not willing to speak publically, please PM me.

i'm really interested in some companies you lend to that you gain some decent interest from, as I have a nice amount to lend. :)

I lend to individuals and I started recently.