

# Gatsby Investment Announces Fund of Funds Offerings to Help Existing Funds Diversify Their Portfolios

*Existing funds can now invest in real estate syndication projects to diversify holdings and increase investor returns with Gatsby Investment.*

LOS ANGELES, CALIFORNIA , USA, May 16, 2023 /EINPresswire.com/ -- Gatsby Investment, a leading real estate syndication company, has announced the launch of its Fund of Funds investment option. The new fund of funds offering allows existing funds to invest alongside Gatsby and its investors in residential real estate syndication projects with high return potential. Gatsby's fund of funds opportunity is designed to help funds diversify their holdings, minimize their risk, and maximize their potential yields.

In general terms, fund of funds investing is when one fund (any entity that pools money from multiple investors to purchase assets) invests in another fund. With Gatsby's fund of funds structure, the fund itself acts as an individual investor in a designated real estate project. As an equity investor in one of Gatsby's properties, the fund has an ownership stake in the LLC that owns the property. Gatsby is the manager of the LLC, and the fund is a member of the LLC, sharing the "member" title with



Fund of Funds Investment Concept



Gatsby Investment

the other investors in the project. If the fund chooses to be a debt investor instead, they act as a lender in the deal, rather than an owner.

As manager of the ownership LLC, Gatsby handles each project from start to finish, providing monthly updates on the status of the property through development or renovation, as well as progress photos throughout the course of the project. Once the project is complete, the initial investment plus any profit is disbursed back to all investors, including any fund investors. At that point, the fund investor(s) would distribute their share of the proceeds to the investors in their fund(s).

### The Benefits of Investing As a Fund in Real Estate Syndication

There are several benefits to investing as a fund in a real estate syndication project. One such benefit is the opportunity for funds to diversify their holdings. Funds that invest primarily in traditional securities, for example, could capitalize on the housing market by investing a percentage of their holdings in Gatsby's real estate projects. Similarly, funds that are heavily invested in long-term commercial real estate could balance their portfolios with Gatsby's short-term residential investment opportunities.

Another benefit to fund of funds investing in real estate syndication is the option of short-term real estate investments. Gatsby's short-term options include house flips with ADU (accessory dwelling unit) additions and small multi-family developments. The hold periods for these investment types range from 6-24 months, providing an excellent opportunity for funds that want a more liquid investment option. If, for example, a fund has raised the capital needed for its next project, but doesn't need the full amount of capital immediately, the fund could invest in one of Gatsby's short-term options rather than leaving the money uninvested and potentially eroded by inflation.

A final benefit of investing as a fund in real estate syndication is that it provides a return-generating option for overfunding. In many cases, when a fund raises more money than is needed to finance a project, the fund will simply hold the overfunding in a savings account. These uninvested funds have no means of generating noticeable returns, and they could lose value to inflation. But, by investing the overfunding with Gatsby, the fund can maximize the return potential for the fund's investors. With Gatsby's low minimum investment amounts, funds have an easy and accessible way to put extra capital to work.

### How Gatsby's Unique Investment Strategies and Software Solutions Benefit Funds

Gatsby Investment combines innovative software solutions and strategic investment projects to maximize return potential while minimizing risk potential. This unique combination has resulted in a 100% success rate, with Gatsby having never lost money on a deal. In fact, from 2017 through 2022, Gatsby's average annualized net return was an impressive 25.4%; some projects earned over 30% returns!

On the software side, Gatsby's found a way to reduce overhead through the development of its proprietary online platform, which was designed to streamline and modernize the real estate investment process. By digitizing fundraising, tax documentation, and the disbursements of proceeds, the advanced technological systems create a more efficient experience, saving time and money, which results in higher-than-average returns for investors.

The project selection process further contributes to the track record of high returns. Gatsby's team of experts analyzes over a hundred properties for every property selected for the portfolio. Gatsby's specific strategies change with local housing market conditions, but Gatsby is currently enjoying exceptional success with single-family flips (with ADU additions), small multi-family developments, and multi-family value-add projects in Los Angeles' renter-heavy housing market.

Gatsby is so confident in their ability to complete successful deals that they do not take any upfront fees (which is unlike many real estate syndication firms). Gatsby's only compensation is a share of the profits once the deal closes. If the project is not profitable, Gatsby is not compensated. So they have a vested interest in the success of their investors!

### Gatsby Investments are Open to a Wide Range of Funds

Gatsby is able to accept investments from any fund in which all investors in the fund are accredited investors (based on the Security and Exchange Commission's accredited investor requirements). There is a simple verification process for fund investors to complete online. And, once the investors are confirmed as being accredited, the fund may place its investment.

Funds have the option to invest in either equity or debt. With the equity structure, the fund has an ownership stake in the underlying real estate. With the debt structure, the fund serves as a lender to the deal.

To learn more about fund of funds investing with Gatsby Investment, including current offerings and projected returns, visit [Gatsby Investment's Website](#).

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