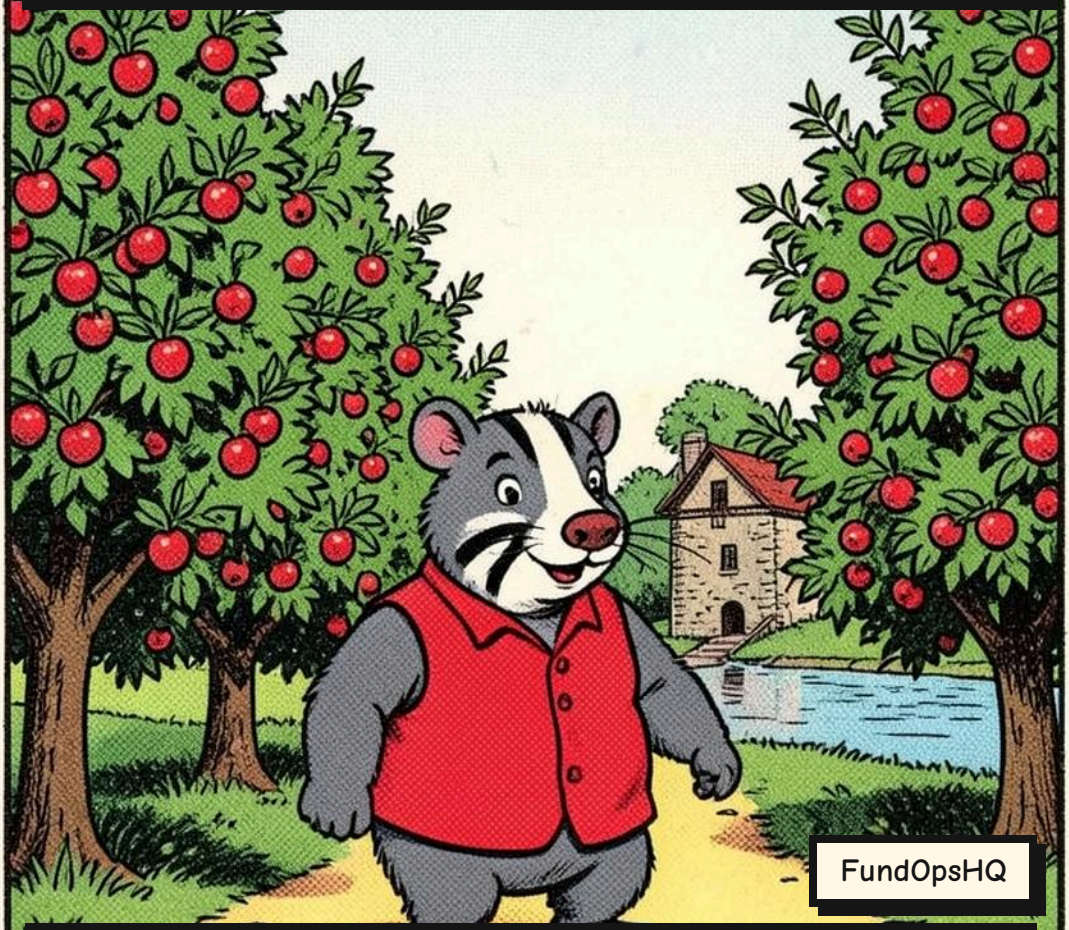
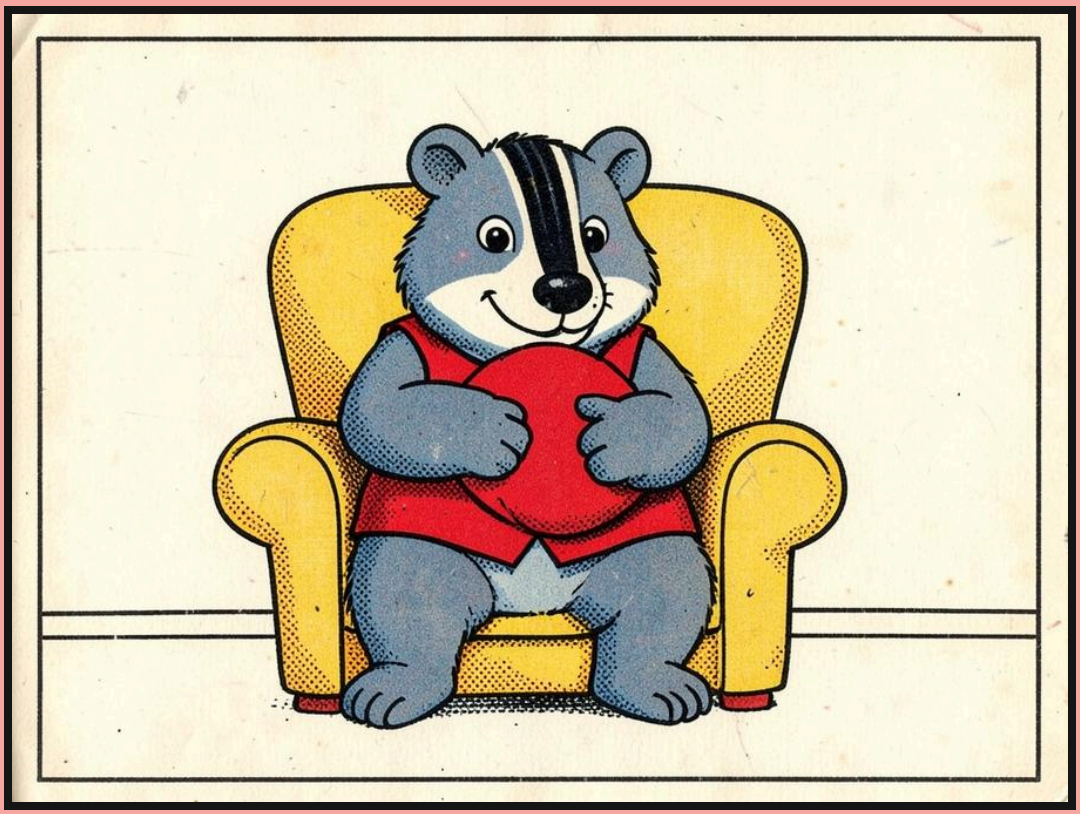
WILFRED SELLS HIS SHARE



A story about leaving a fund early



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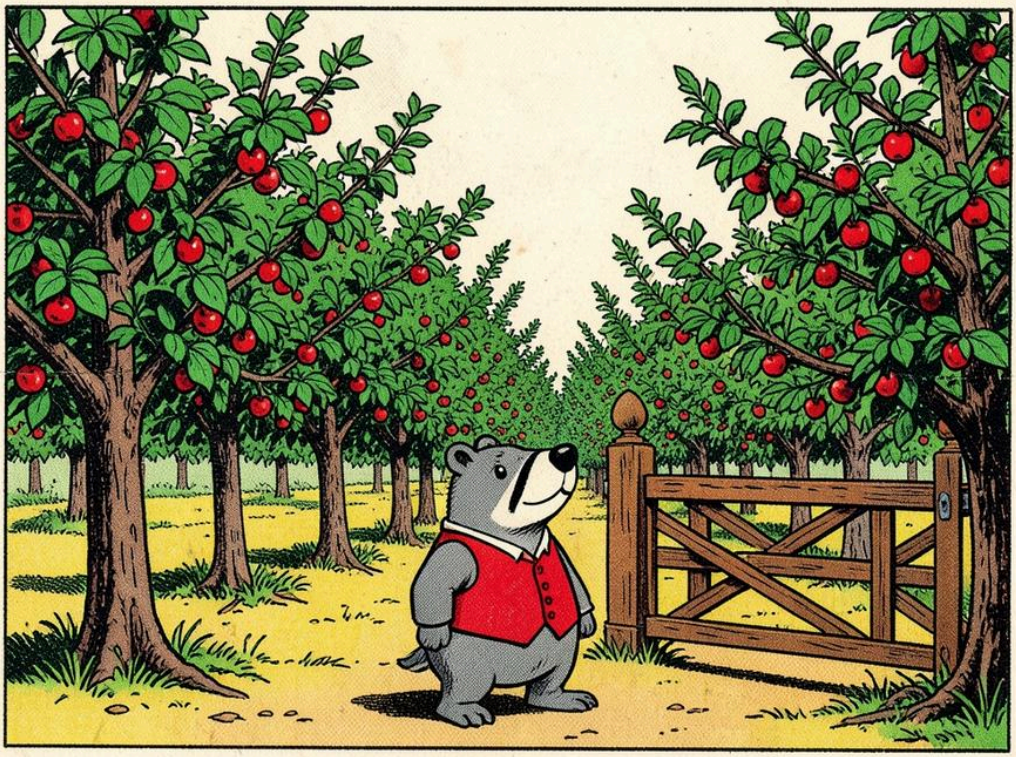


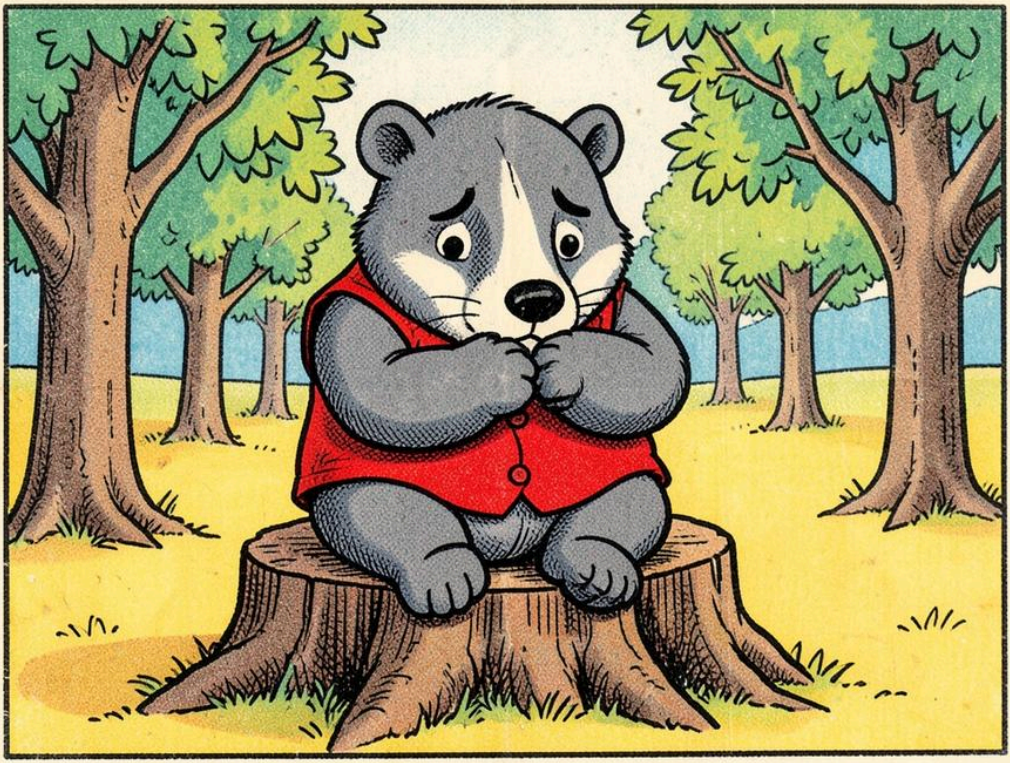
Wilfred the badger looked after his family's savings. Six years ago he promised 100 coins to an orchard fund run by Holly the hedgehog.



So far the fund had called, or asked for, 70 of his coins. It planted fine orchards, but the fund would not end for six more years.



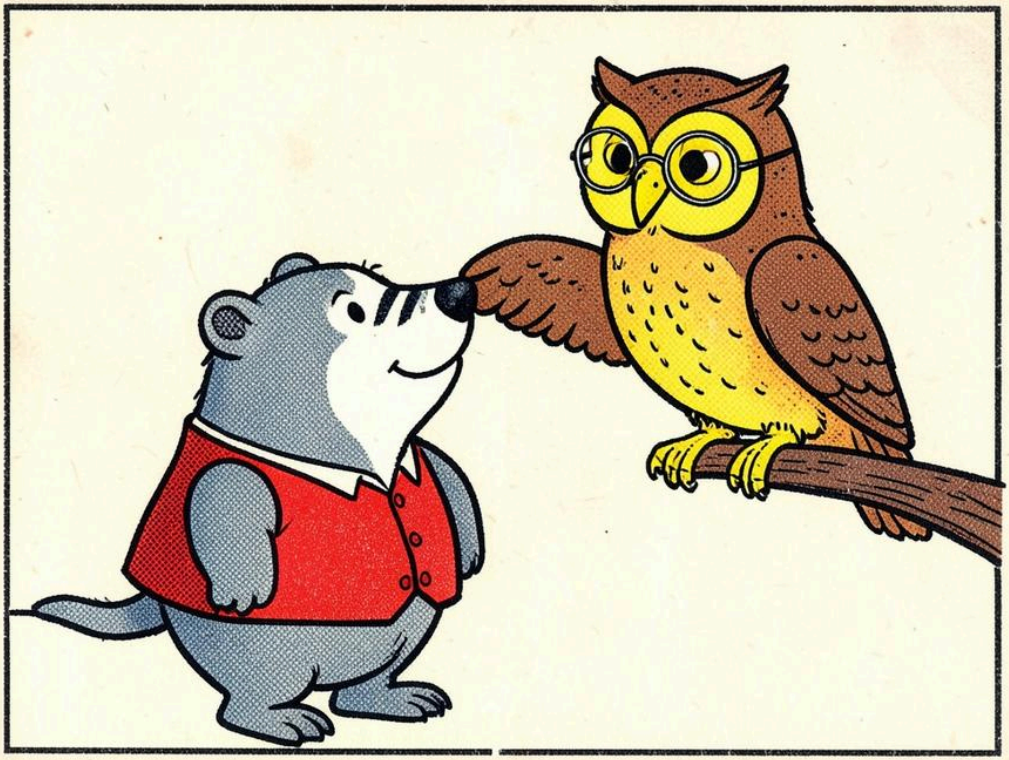
One stormy night, the wind tore the roof off the family's old mill. The mill fed the whole family, and a new roof would cost a lot of coins.



"A fund like this has no way to cash out early," Wilfred sighed. "The money is in the trees, and the trees take years to grow."



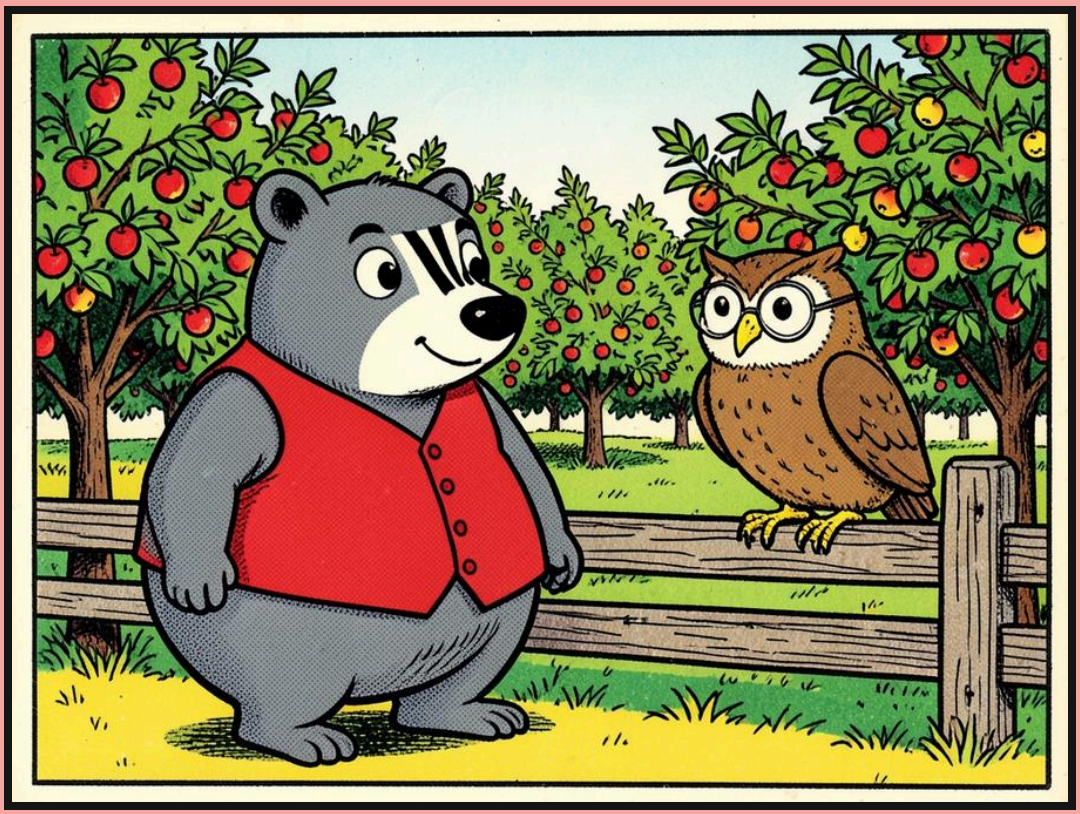
His old friend Ottilie the owl had an idea. "I buy shares in funds from investors who need cash now," she said. "It is called a secondary sale."



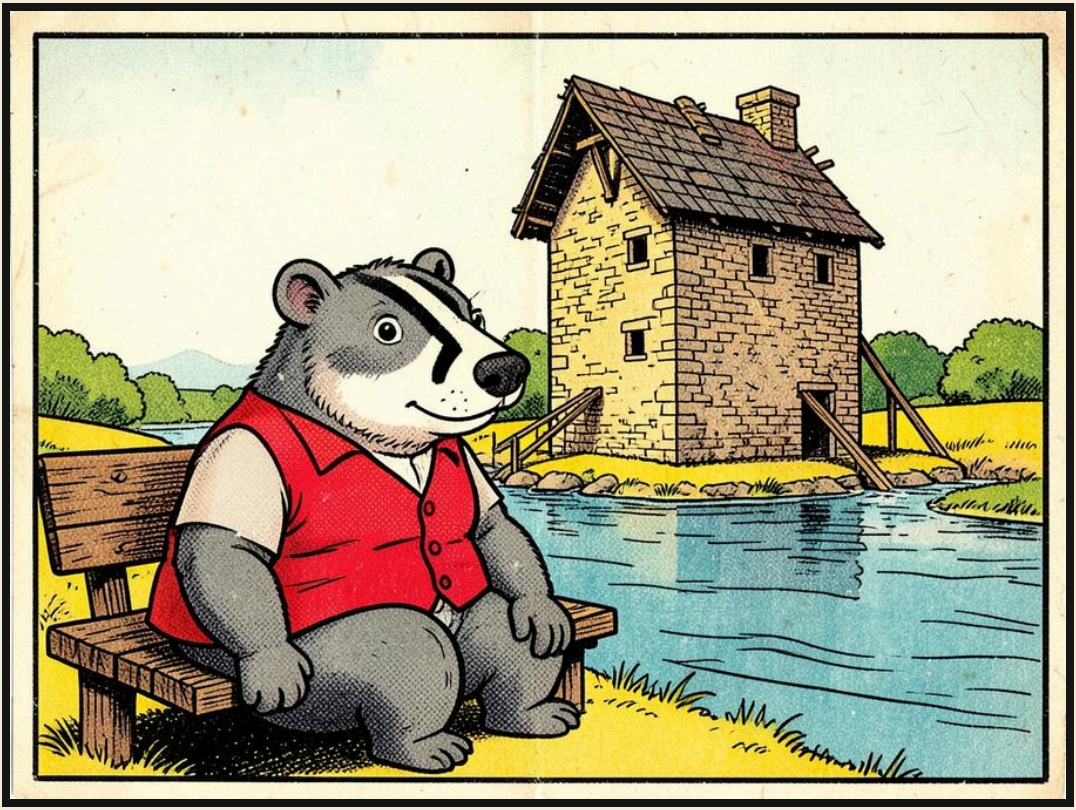
"If you sell me your share, I step into your place. I get the apples to come, and I keep your promise of the last 30 coins too."



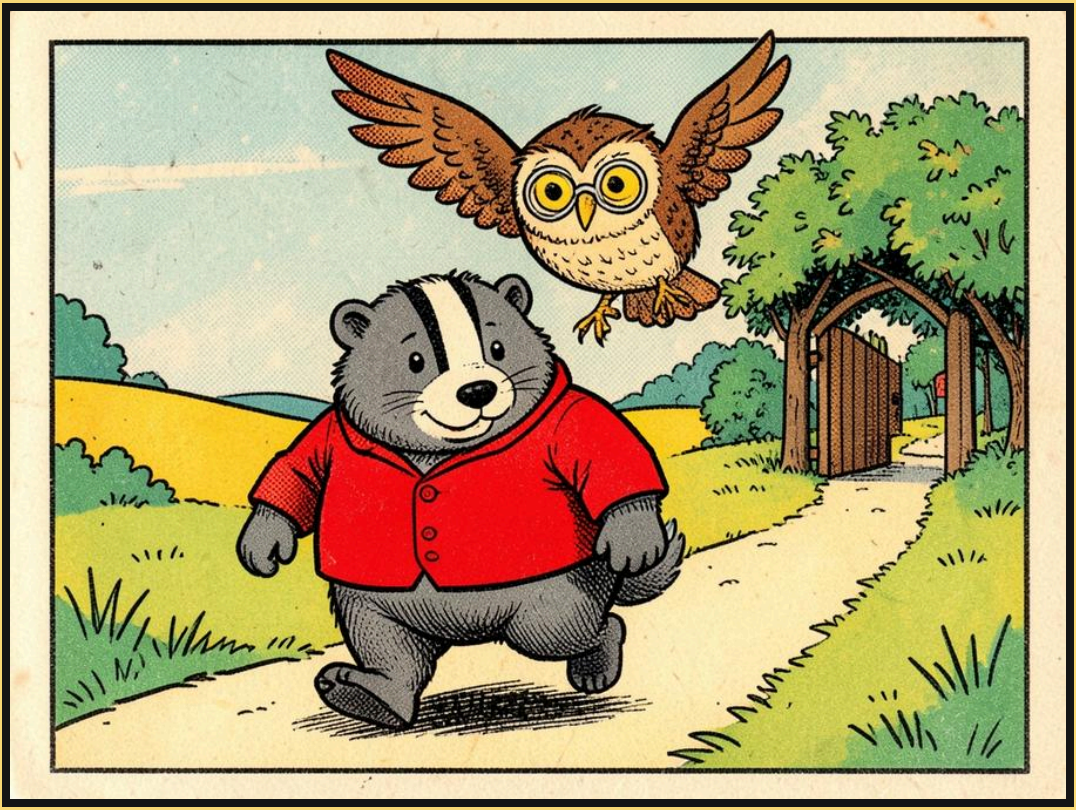
First Ottilie studied the orchards. Holly's fund valued Wilfred's share at 90 coins today. That value is called the NAV, the net asset value.



"I can pay 85 coins," said Ottilie. "A little under 90, because I will wait years for the apples, and I take the risk of a poor harvest."



Wilfred thought hard. He would miss the growth still to come. But 85 coins now would mend the mill this winter, not in six years' time.



They went to see Holly together, because a fund's manager has to agree before anyone's share in the fund can change hands.



Holly checked that Ottilie could keep the promise of the last 30 coins. Then she smiled. "Welcome to the orchard," she said.



Ottilie paid Wilfred 85 coins. By spring the mill had a new roof, and its wheel turned again by the river.



The trees kept growing. One day, when the fund sells the orchards, Ottilie will be paid just where Wilfred would have been.



A NOTE

The words in this book are real ones, explained simply. The animals and examples are made up, and real terms vary from fund to fund. It is not advice. The pictures were drawn with an AI image model and checked by hand.

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