

Frequently Asked Questions

About Our Yield Fund I

MAKING AN INVESTMENT

What am I investing in?

You are investing in a limited liability company that purchases oil and gas assets throughout the United States that our team identifies, acquires, and manages on your behalf. We expect the asset base to grow and change over time as we acquire more projects, and as others are sold or paid off. We also intend to invest part of the current fund into off-grid Bitcoin mining, as this produces high returns and is a hedge against oil & gas, and also protects against inflation.

Who can Invest?

At this time, we only accept accredited investors. According to SEC regulations, an accredited investor is someone with a net worth exceeding \$1 million (excluding the value of the person's residence) or someone who has earned an income of \$200,000 (or \$300,000 for a married couple) in each of the prior two years. Licensed financial professionals can also invest, even if they do not meet the income/net worth requirements.

Do I have to prove that I am an accredited investor?

Yes, once you make an investment with us, you will be contacted by our partner, VerifyInvestor.com. They will ask for documentation about your finances that will indicate to us that you qualify as an accredited investor.

How do I earn returns from this investment?

During the early phase of the Partnership, as investments generate cash, we will pay out approximately 10% of net income via monthly distributions. The remaining net income will be retained for reinvestment opportunities. As the Fund approaches our target life of three to five years, we will stop reinvesting and begin distributing 100% of net income. At the end of the Fund life, we may liquidate the remaining investments and distribute proceeds back to investors, net of expenses and fees.

When can I expect a return?

We expect to begin generating regular monthly distributions within six months of the close of each fund.

How long will my money be in this investment fund?

Our Funds have a target life of three to five years. At that time, we will stop reinvesting and begin distributing 100% of net income. As the fund begins nearing the end of its life, we will begin liquidating the remaining investments and distribute proceeds back to investors, net of expenses and fees.

Can I sell my shares in your fund, after I have invested?

We expect to partner with tZERO, an alternative trading system, to offer the potential for liquidity and a continuous trading environment for private market assets, giving investors the ability to buy in and out of funds in a potentially expedited manner. Such partnership has not been finalized, as it is subject to regulatory holding periods and tZERO's internal due diligence.

What are the tax benefits of investing in Oil and Gas?

The US Tax Code is incredibly favorable for consumers who invest in Oil and Gas. The benefits are very lucrative. We suggest reading [THIS BLOG POST](#) where we detail the specifics of each tax benefit.

What are the fees?

Unlike traditional energy funding investments, we do not take a back-end carried interest stake, or other hidden fees. Our transparent fee structure contains only two components: 2% of assets under management annually, plus a one-time origination fee based on the following investment size:

Upfront Capital Charge Schedule	
Investment Amount	Capital Charge
\$5k-\$99k	5%
\$100k-\$249k	3.25%
\$250k-\$499k	2.50%
\$500k-\$999k	1.75%
\$1mm+	1.00%
Annual Management Fee	2%

What is the difference between being a Limited Partner and a General Partner?

EnergyFunders offers the unique opportunity of investing either as a General or Limited Partner. As a General Partner, you can earn deductions against your active income, including regular wages. If you invest as a limited partner, you can only deduct your investment against passive income (i.e. stock dividends or bond interest payments). The minimum investment for Limited Partners is \$5,000, whereas for General Partners it is \$50,000.

Another key difference is on the liability side of the equation. Limited Partners' liability is capped at the members' total investment amount. While the General Partners have no liability cap, the GP fund is structured so that individual members are only liable for their proportionate share of any liabilities. Since the funds purchase working interests in multiple wells, the relative liability should be quite small. Additionally, the well operators and all of EnergyFunders' entities, hold insurance policies. We also partner with operators that have excellent operational track records, further mitigating the risk for General Partner liability.

How is cryptocurrency part of my investment?

Part of our fund's investment will be made into off-grid Bitcoin mining. We have partnered with crypto-mining experts to create mobile Bitcoin mining units at our natural gas well locations. These mobile units convert wellhead natural gas, which is sometimes stranded (no pipeline availability) or flared, into Bitcoins at the wellsite, for efficient and cost-advantage mining.

Will I own Bitcoin directly by being in this fund?

Yes, you will earn your proportionate share of Bitcoins produced from the Bitcoin mining projects that are part of the Yield Fund I. Once you receive your allocated Bitcoin, you will then have the option of whether you wish to hold or sell.

Are joint investment accounts allowed?

Yes, joint investment accounts are allowed as long as both investors are accredited.

Can I invest through a family office, trust, IRA, or financial advisor account?

Yes, you can invest via whatever entity type best suits your needs. We also welcome investments via IRAs.

Can international investors invest?

Yes, we accept international investors.

How do I sign up?

You can get started with your investment today! Just **CLICK THE JOIN BUTTON** on our home page, where you can create an account and investment profile and add your bank account. Once your bank account is verified, you will be able to add your money directly into our funds with the click of a button.

TAX INFORMATION

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What tax documents will I receive?

Investors will be provided with federal and state Schedule K-1 tax documents.

What is a schedule K-1?

A schedule K-1 shows your allotted portion of income, gains/losses, and associated deductions for a chosen investment fund.

When will I receive my tax documents

We will provide your Schedule K-1 tax information by March 31st following each taxable year.

Where do I find and access my tax documents?

Your tax documents can be found in our Investor Platform, once you log into **WWW.ENERGYFUNDERS.COM**. Look for the Documents tab in the left navigation, where you will find all of your tax documents.

ABOUT ENERGYFUNDERS

How long has EnergyFunders been in business?

EnergyFunders was founded in 2013, with an original focus on Wildcat style exploration wells.

In mid-2020, Paleo Resources, Inc. acquired EnergyFunders, and shifted the platform focus towards lower-risk proven reserves investments designed to generate steady yields and capital appreciation.

The company has successfully raised and deployed over \$20 million in capital since its inception.

Does EnergyFunders have an Advisory Board?

Yes, the EnergyFunders Advisory Board contains experienced oil and gas professionals from Paleo Resources, the EnergyFunders parent company, as well as outside strategic advisors. View more about **OUR TEAM HERE**.

Who is on the executive team for EnergyFunders?

The EnergyFunders executive team includes:

- Chief Executive Officer Laura Pommer
- Chief Financial Officer Kim Vo
- Chief Technology Officer Piyush Prakash
- Chief Marketing Officer Jackie Lang
- Director of Business Development Jeff Allen

Together, the team has over 60 years of combined experience in oil and gas and creating/managing digital platforms. CEO Laura Pommer previously founded and served as CEO for private-equity backed Century Natural Resources, LLC.

LEARN MORE ABOUT OUR TEAM HERE.

How can I contact you if I have questions?

If you are considering making an investment with EnergyFunders and have questions, **PLEASE FILL OUT THIS SHORT FORM** and we will get back to you with answers. If you are already an investor, you may also email us at any time at **INFO@ENERGYFUNDERS.COM**. If you would like to discuss partnering with us on a project, **PLEASE FILL OUT THIS FORM**.