

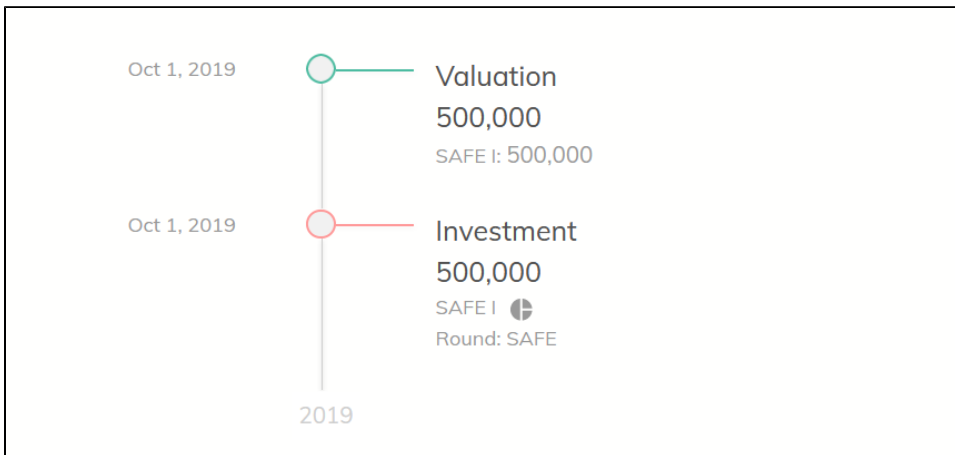
Convert Notes to Equity

Prerequisites:

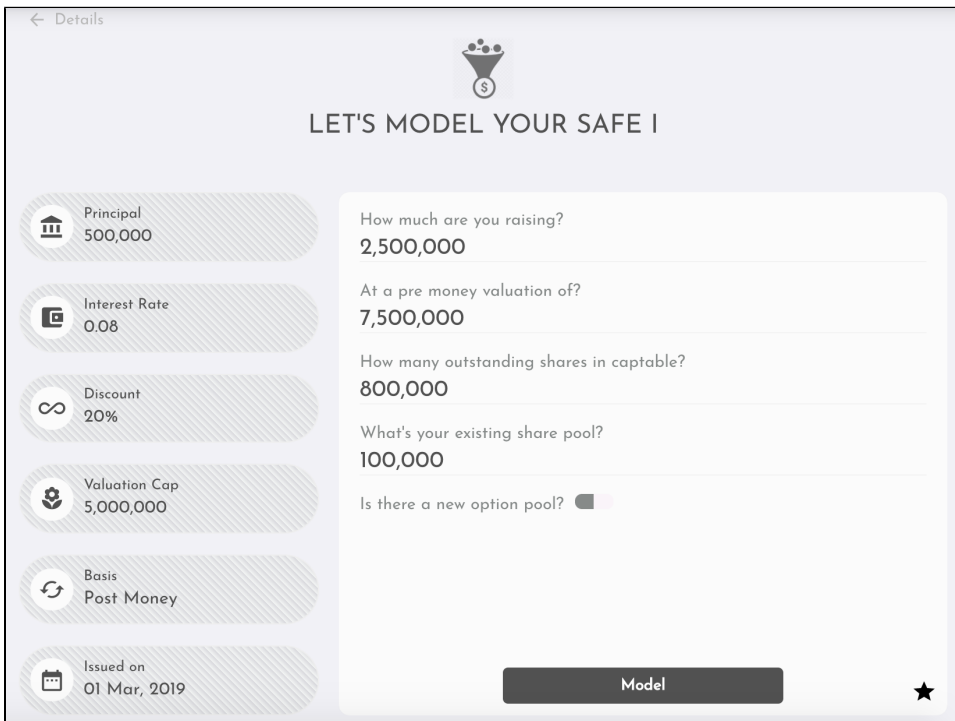
1. [Record an investment](#)

Step-by-step guide

1. Go to the 'Timeline' and tap the 'Model'  icon next to a convertible note.




2. Input the details for the upcoming fundraising round and tap the **Model** button.



The screenshot shows a 'Details' screen titled 'LET'S MODEL YOUR SAFE I'. On the left, there are six input fields for note details: Principal (500,000), Interest Rate (0.08), Discount (20%), Valuation Cap (5,000,000), Basis (Post Money), and Issued on (01 Mar, 2019). On the right, there are four input fields for fundraising details: 'How much are you raising?' (2,500,000), 'At a pre money valuation of?' (7,500,000), 'How many outstanding shares in captable?' (800,000), and 'What's your existing share pool?' (100,000). There is also a toggle for 'Is there a new option pool?' which is currently off. A 'Model' button is at the bottom center, and a star icon is at the bottom right.

Convertible Note Modelling

 Read more on convertible notes modelling [here](#).







3. Tap the convert button at the bottom-right of the screen.




4. Choose the instrument in which to convert the note.

Let's invest in Hooli

Select an instrument type

- Equity 
- Preferred Stock** 
- Debt 
- Convertible Note 
- Custom Stock 
- Custom Loan 


5. Create a new instrument by hitting the  icon. Give your instrument a name.

You Invest

Instruments

Seed **Series A Pref** (+)

Date

12/31/2019 

No. of shares
 100,000 @ USD 5 / share

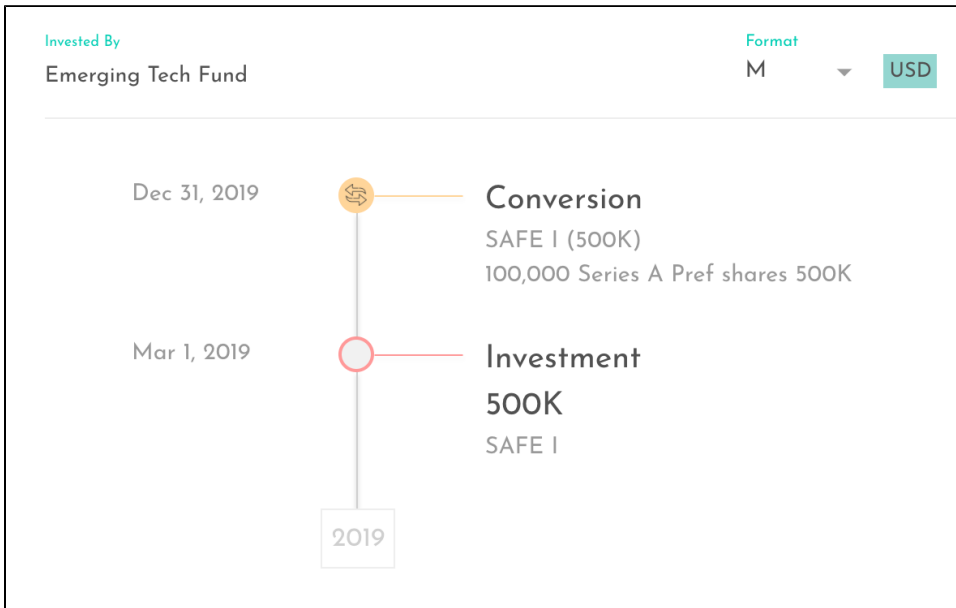
USD 500,000

Advanced ▾


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Invest

The values would be pre-filled based on the modelled scenario. You can modify the values manually, if required.

6. Tap the **invest** button. The timeline will update to show the investment transaction.



Made a convertible note investment via multiple funds?

 Fundwave will automatically calculate the conversion amounts as per the defined investment allocation ratio.

Read more: [how to invest in a company via multiple funds together](#).