

# SORTIS

## INCOME FUND



### 2017 PERFORMANCE

#### Sponsorship

Sortis Income Fund is sponsored by Sortis Holdings Inc. (OTC BB:SOHI). Loans are originated and serviced by our sponsor's wholly owned subsidiary, Sortis Financial, Inc., a nationally licensed servicer, originator and debt collector headquartered in Dallas, Texas. The technology driving our origination affiliate's platform is its newly launched online lending site at [www.sortis.com](http://www.sortis.com) that operates in a strategic partnership with Liquid Logics.

#### Returns

For the fourth quarter of 2017, return for investors in the Sortis Income Fund was 12.30% on an annualized basis, exceeding the 10%-12% target return for investors and consistent with the first three quarters of 2017, each of which exceeded 12% annualized returns.

These positive returns are due to an environment of strong loan demand coupled with a regulatory environment that makes traditional bank financing increasingly difficult for borrowers to navigate. Our origination affiliate assesses real estate collateral quickly and funds loans in as little as one week, whereas a bank may take 3-4 months. With strong demand for financing comes the ability to choose loans that provide strong collateral and mitigate risk; we acquire loans that generally have less than a 70% loan-to-value (LTV) ratio. While we hope to never have a default, we believe our returns may potentially be higher should we find ourselves in that position, given the conservative positions we take.

#### Loans

We acquire real estate-backed bridge loans to experienced real estate investors, contractors, developers and small business owners. A typical acquired loan is 70% real estate LTV, 3% origination fee, 12% or higher annual interest rate, 12-month maturity and interest only payments. Our origination affiliate facilitates getting borrowers funded quickly and efficiently to enable borrowers to execute on their business strategies. This efficiency is what generates loan demand for our origination affiliate. The loans we acquire have high rates and often borrowers will refinance within the loan term or liquidate the collateral. In either scenario, the fund retains the origination fee and interest during the time the loan was outstanding, then redeploys the funds, collecting another origination fee. This re-occurring loan activity enhances yields in the fund. Investors may elect to roll over quarterly earnings as additional investments in the fund or they may be taken as cash distributions.

Our sponsor's broad network, developed over years in banking and finance and deep roots in the Northwest, has earned it a reputation as a high quality private lender that can execute efficiently. As such, our origination affiliate generates more loans than we can acquire. Our origination affiliate is able to place quality loans that do not make our selection process for the fund. Our origination affiliate appreciates loan referrals, as that provides more loans to choose from when deploying the fund's assets.

#### FUND HIGHLIGHTS

2017 Net Return	12.24%
Maximum Fund Size	\$100 million
Target Gross Loan Yields	12%-14%
Target Loan Fees	2%-3%
Target Net Return to Investors	10%-12%
Targeted Leverage Ratio	Up to 70% LTV creating high protective equity
Investment Duration	Open ended with 6-month lock out, exceptions on funds availability
Management Fee	1.75% AUM and 15% net profit
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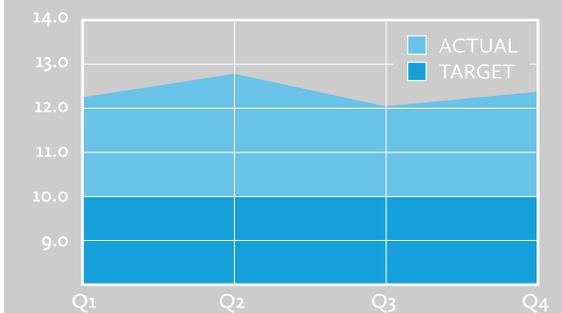
#### QUARTERLY YIELD

2017 Q1	12.21%
2017 Q2	12.79%
2017 Q3	12.03%
2017 Q4	12.30%

#### ANNUAL NET RETURN

2017	12.24%
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#### TARGET VS. ACTUAL YIELD



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