



## FUND INFORMATION AND PERFORMANCE

### The Fund

Sortis Income Fund is an evergreen real estate loan fund offered through private placement to accredited investors. The fund is managed by Sortis Holdings, Inc., and its wholly-owned subsidiary, Sortis Financial, Inc. The fund conservatively focuses on holding real estate loans. Loans are originated and serviced by Sortis Financial, a nationally licensed servicer, originator and debt collector. Sortis has developed a broad network over years in banking and finance with deep roots in the Northwest and has earned a reputation as a high-quality private lender that can execute efficiently.

### Returns

In Quarter One 2019, the fund returned 11.33% to investors on an annualized basis. This makes the ninth consecutive quarter in which fund returns have exceeded estimated targets of 10% - 11%. These positive returns are due to an environment of strong loan demand coupled with a regulatory environment that makes traditional bank financing difficult for borrowers to navigate. We assess real estate collateral quickly and fund loans in as little as one week, whereas a bank may take three or four months. With strong demand for financing comes the ability to choose loans that provide strong collateral and mitigate risk; a typical loan is 65% loan-to-value, 2% origination fee, 12% annual interest rate, 12-month maturity and interest only. 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.

### Features

We acquire real estate-backed bridge loans to experienced real estate investors. In addition to remarkable returns on conservative lending practices, fully collateralized by real estate, the fund offers diversification from the stock market in a time where volatility and significant corrections are valid concerns. After a six-month investment period, funds are available for withdrawal on a quarterly basis, subject to availability. Given the short-term nature of loans in the fund, past cash flows have been consistently available to meet the liquidity needs of our investors. We offer a quarterly distribution of earnings to investors, or they may elect to reinvest those earnings in the fund. Self-directed IRA funds may invest in the Sortis Income Fund and we are able to assist with the set-up of these accounts.

### FUND HIGHLIGHTS

Annual Net Return 2019	11.33%
Maximum Fund Size	\$100 million
Target Gross Loan Yields	12%-14%
Target Loan Fees	2%
Target Net Return to Investors	10%-12%
Fund Duration	Open ended with 6-month lock out, exceptions on funds availability
Management Fee	1.75% AUM and 15% net profit
Targeted Leverage Ratio	Up to 65% LTV creating high protective equity
Lien Position	1st Liens

### QUARTERLY YIELD

2018 Q2	11.23%
2018 Q3	10.93%
2018 Q4	11.27%
2019 Q1	11.33%

### ANNUAL NET RETURN

2019	11.33%
2018	11.12%
2017	12.24%

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