

# SORTIS INCOME FUND

## Q1 2023 INFORMATION & PERFORMANCE



### THE FUND

Sortis Income Fund is an evergreen loan fund offered through private placement to accredited investors. The fund is managed by Sortis, LLC and its wholly-owned subsidiary, Sortis Fund Manager, LLC. The fund primarily focuses on holding real estate loans, but it may have non-real estate commercial loans. Loans are originated and serviced by Sortis entities. 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 2023, the Fund returned 8.3% to investors on an annualized basis. This is a life-to-date net return of 9.66%. 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 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 loans do not default, our net returns in these situations have been historically higher than those of our performing loans, given the conservative positions we take.

### FEATURES

We originate real estate and non-real estate backed bridge loans to experienced borrowers. In addition to remarkable returns on conservative lending practices, primarily 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

Net Investor Return Since Inception	9.66%
Target Fund Size	\$250 million
Target Gross Loan Yields	11%-13%
Target Loan Fee	2%
Target Net Return to Investors	8%-10%
Fund Duration	Open ended w/ 6-month lock out, exceptions on fund availability.
Management Fee	1.75% AUM and 15% net profit
Targeted Loan-to-Value Ratio	Up to 70% LTV creating high productive equity.

### QUARTERLY YIELD

2023 Q1	8.3%
2022 Q4	9.9%
2022 Q3	8.0%
2022 Q2	10.0%

### ANNUAL NET RETURN

2023	8.3%
2022	9.5%
2021	10.3%
2020	9.2%

## FUND INFORMATION & PERFORMANCE

SORTIS

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