



SORTIS[®] CAPITAL

INCOME FUND

INTRODUCTION TO SORTIS INCOME FUND V2.3

This sales material does not constitute an offer to sell nor a solicitation of an offer to buy or sell securities. An offering is made only by the offering memorandum. This material must be read in conjunction with the Sortis Income Fund, LLC offering memorandum offering memorandum in order to fully understand all of the implications and risks of the offering of securities to which the offering memorandum relates. A copy of the offering memorandum must be made available to you in connection with any offering.

SUMMARY OF RISK FACTORS

FORWARD-LOOKING STATEMENT DISCLOSURE

This sales material contains forward-looking statements about our business, including, in particular, statements about our plans, strategies and objectives. You can generally identify forward-looking statements by our use of forward-looking terminology such as “may,” “will,” “seek,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “continue” or other similar words. These statements are based on current expectations that involve numerous risks and uncertainties. Although we believe the assumptions underlying the forward-looking statements, and the forward-looking statements themselves, are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that these forward-looking statements will prove to be accurate and our actual results, performance and achievements may be materially different from that expressed or implied by these forward-looking statements. The inclusion of forward looking information should not be regarded as a representation by us or any other person that our objectives and plans, which we consider to be reasonable, will be achieved. Except as otherwise required by federal securities laws, we do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Unless otherwise noted, the information in this document is only as of the date hereof and is subject to change. This communication is confidential and is intended solely for the person to whom it has been delivered. It may not be copied or distributed to the public.

EXECUTIVE SUMMARY

Sortis focuses on providing creative capital solutions as this post-Pandemic market continues to evolve to achieve attractive risk adjusted returns for our investors. We pride ourselves on our 6 year history of net gains from REO and troubled loans life to date for this fund.

FIRM
HIGHLIGHTS

- Sortis Capital is a real estate focused private equity and credit firm based in Portland, Oregon that traces their roots back to the GFC.
- Sortis has three other funds; 1) Sortis Opportunity Fund I, an opportunistic hospitality focused real estate fund, 2) Sortis OZ Fund, an Opportunity Zone fund, 3) Sortis Rescue Fund, a private equity fund, and has done a number of single asset funds over the last four years.
- Historically, we have been western U.S. focused with our previous funds, but we have expanded our footprint in the US so we can be opportunistic geographically going forward.
- Our typical deal size in the credit fund is \$2 million to \$20 million, although the Sortis principals have been involved in transactions as large as \$600 million. We expect the best lending opportunities in this part of the cycle to be \$5 to \$10 million.

INVESTMENT
THESIS

- Real estate bridge lending is a defensive strategy that works in almost any portion of the real estate cycle. The recent Fed hikes in interest rates have caused serious market disruptions in the credit sectors, especially regional banks and leveraged lenders. This dearth of credit should bode exceptionally well for our deal flow and returns in this credit fund for the near and mid-term.
- Rate hikes will also cause special situations to arise that we are well suited to capitalize on. The lending opportunities could come from include bankruptcy, litigation or receivership which play into our expertise in these areas and drive a better risk/reward premium due to fewer participants.
- While rates our causes distress for owners, operating fundamentals remain fairly strong for most product types except for office which will provide excellent lending opportunities.

EXPERIENCE

- The Firm has extensive real estate experience with the principals having a combined 60 plus years of real estate, banking and lending experience.
- Coupling that with our management, construction and development expertise in our affiliated operating platform and we have a very unique combination of talent for a boutique fund.
- Our fund team has extensive experience in distress including having worked out a distressed bank that they acquired in 2013 and sold in 2017, ownership of Sortis Financial (a special servicer sold in 2019), four bankruptcy transactions and several receiverships already in this ‘Pandemic’ cycle, management and disposition of hundreds of millions of distress loans and REO through the GFC.

INTRODUCTION TO SORTIS INCOME FUND

- Sortis sponsors and manages the Sortis Income Fund ("SIF"), an **un-leveraged, evergreen investment fund** focused on **the acquisition of senior loans collateralized by real estate in the US** with a focus on Western US markets.
- SIF's disciplined approach and rigorous risk management results in a diversified loan portfolio **generating stable, high yielding fixed-income** returns for investors, all without the use of leverage.
- Sortis' real estate and banking expertise allows SIF to **selectively deploy capital in an environment where high demand for financing is not being met by traditional financial institutions.**
- Equity membership units in the fund are offered to Accredited Investors through a Regulation D private placement securities offering.



BALANCING OPPORTUNITY WITH RESILIENCY



- Founders and partners have proven investment management and deep operating experience, positioning us to identify opportunities with excellent risk adjusted returns.
- Unique ability to deal with complexity and diversity.
- Designed with resiliency in mind to handle market challenges.
- Our funds are focused on real estate in the US, with a concentration in Western States, where we have an excellent network and hands on experience in the market.
- Fund Managing Directors are personally invested in our funds and Fund Managers are compensated on the fund performance to align interests with our investors.

WHAT WE DO | INTRO TO SORTIS INCOME FUND

INVESTING PRINCIPLES	<ul style="list-style-type: none">- Diversified mix of commercial, residential, and land real estate collateral- Fully un-leveraged- Strong focus on principal protection
INVESTOR REQUIREMENTS	<ul style="list-style-type: none">- \$50,000 minimum investment- Limited to accredited investors under Regulation D, Rule 506(c)- Liquid after 6-month holding period- Available on Schwab, TDAmeritrade and SDIRA platforms
INVESTOR RETURNS	<ul style="list-style-type: none">- Target of 10% annual investor returns- Quarterly cash payout of earnings or reinvestment

Note: all data as of March 31, 2023

HOW WE DO IT | RISK MANAGEMENT

LEVERAGE RISK

- No leverage is critical in markets where RE values may decrease
- In volatile environments (e.g., COVID), leveraged competitors often freeze lending, enabling SIF to capitalize on loan demand & strong yields

DEFAULT RISK

- Minimize single default impact by holding large number of diversified assets
- Sortis management has significant experience with distressed loans & RE assets



LIQUIDITY RISK

- Shorter loans & high monthly cash flows help minimize need for secondary market liquidity
- Foreclosed real estate poses greater liquidity risk, however, SIF management has long history of working with distressed assets

INTEREST RATE RISK

- Minimize risk of increasing interest rates with short-duration loans that mature generally within 12 months
- Effective July 1, 2021, all new loans are being quoted with floating interest rates

HOW WE DO IT | MARKET AND INVESTMENT STRATEGY

SIF is designed to capitalize on a niche segment of real estate financing under-served by traditional lenders.

MARKET DYNAMICS

- Banks continue to pull back on commercial real estate, creating opportunity for private money lenders
- Banks do not want to finance short-term loans (i.e., bridge loans)
- Due to COVID, securing bank financing has become more challenging, while unexpected cash flow issues have led high quality assets to require re-financing
- Leveraged fund competitors were severely impacted by COVID-19

TARGET BORROWER

- SIF target borrowers require flexibility not offered by traditional financing options due to:
- Highly structured transactions; bankruptcy & receiverships; discounted note payoffs; recapitalizations; fast closings; transitional assets; construction & redevelopment; & complex deal structures

INVESTMENT PHILOSOPHY

- Focus on opportunities with very high-quality real estate or land collateral
- Target situations with unique lending requirements that traditional lenders cannot meet
- Leverage disruptive events/market dislocations (e.g., COVID) to source mispriced opportunities with attractive yields
- Execute on opportunities quickly at a speed other lenders cannot match

KEY ENABLERS

- Management's deep background in real estate lending, distressed assets & workout strategies
- Flexibility to identify unique opportunities & quickly structure deals, particularly if there's an opportunity to take 1st position lien on high quality assets
- Ability to generate differentiated deal flow through broad network of banks, mortgage companies, attorneys, & alternative lenders
- SIF remains unleveraged to minimize risk, especially in volatile environments

SIF BY THE NUMBERS

SCALED
INVESTOR
BASE

\$164M
ASSETS UNDER
MANAGEMENT

747
UNIQUE
INVESTORS

~\$219K
AVERAGE
INVESTMENT

ATTRACTIVE
RETURNS¹

\$33.9M+
DISTRIBUTED TO
INVESTORS

9.66%
ANNUALIZED NET
INVESTOR
YIELD*

24
STRAIGHT PROFITABLE
QUARTERS SINCE
INCEPTION

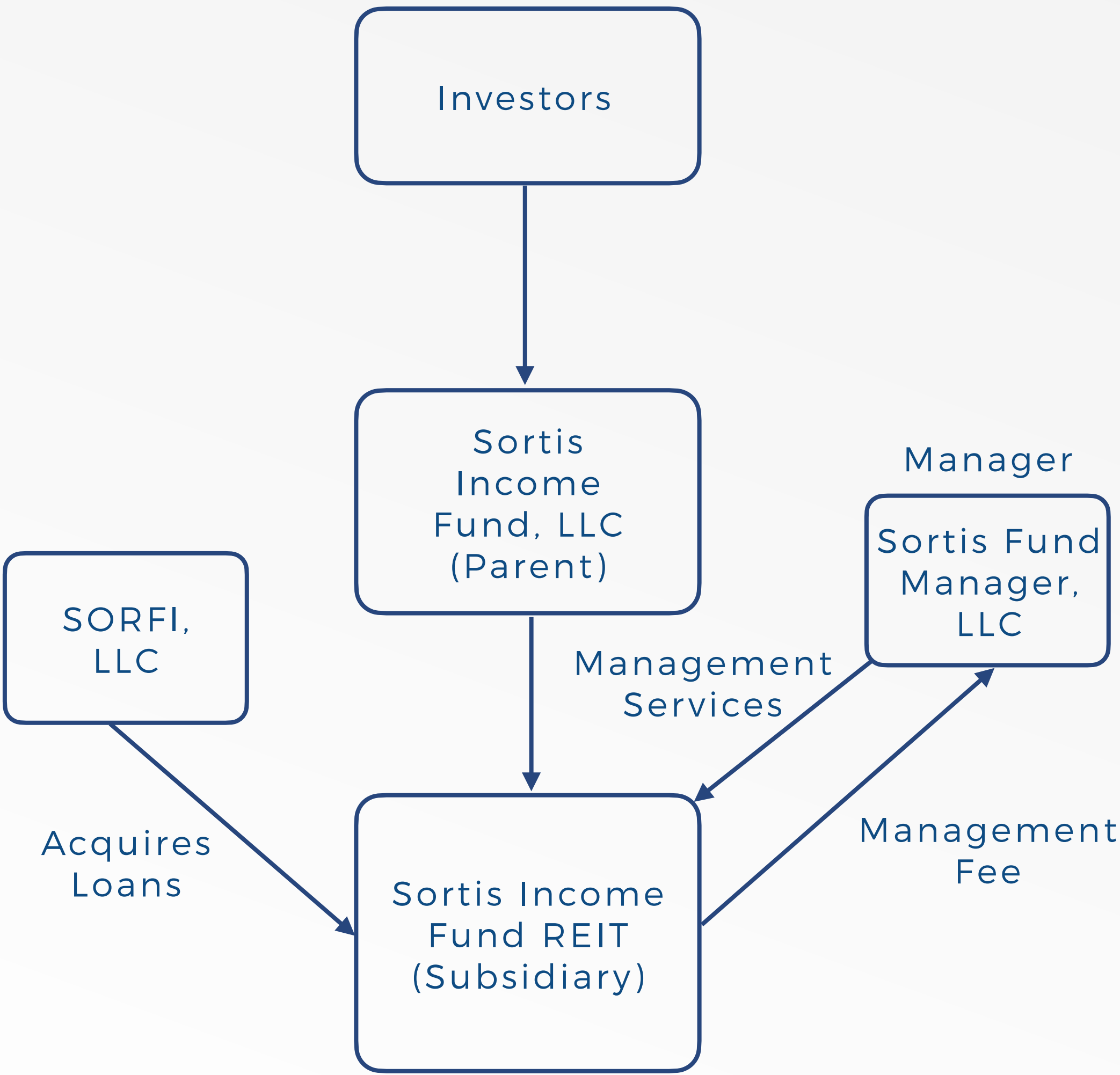
CONSERVATIVE
RISK
MANAGEMENT¹

\$0
PRINCIPAL
LOSSES

\$0
LEVERAGE
USED

*10.59% Life to Date
Note: all data as of November 22, 2022

FUND STRUCTURE & INVESTMENT TERMS



INVESTMENT MINIMUM

\$50,000

ACCREDITED INVESTOR REQUIREMENTS

Limited to accredited investors under Regulation D. Rule 506(c)

MINIMUM HOLDING PERIOD

Liquid after 6-month holding period

TARGET RETURN

10% annual investor returns

DISTRIBUTIONS

Quarterly cash payout of earnings or reinvestments

TAX REPORTING STRUCTURE

Sortis REIT issues a single 1099 to its parent, Sortis Income Fund, LLC. Sortis Income Fund, LLC issues a single K-1 to investors. This structure qualifies investors for the 20% QBI deduction for federally taxable income and only requires investors to file state tax returns in their home state

FUND MANAGEMENT TEAM



Paul Brenneke

Founding Partner

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With over 30 years of experience in the commercial real estate industry, Paul has been involved in acquisition and development of over \$2 billion of properties of all types in the Western US. As a consummate entrepreneur, Paul started a loan acquisition/disposition platform in 2008 as a counter cyclical complement to his real estate development activities. A lending and servicing business were added to the platform with the financial services businesses merged into Sortis Holdings in 2017 to become the foundation for the Sortis family of funds. Paul also leads Third & Pine, his Seattle based development company that recently completed the redevelopment of 300 Pine, the conversion of the former downtown Seattle Macy's into 700,000 SF of Amazon lease and 100,000 SF of retail which was exited in 2021 for \$600 million. He is responsible for overseeing all investment activity and strategy for Sortis Capital as well as executive Chairman at Sortis Holdings.

Outside of real estate and finance, he is also an active board member at medZERO and Aspiria and remains an active investor in the start-up community. Paul graduated summa cum laude and Phi Beta Kappa from the University of Portland with a major in Business Administration and a minor in Computer Science.



JEF BAKER

Partner

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Jef Baker oversees the administration of the Sortis family of Funds, serving as the designated fund officer. In this capacity, he ensures compliance with regulations related to the funds, manages the online investment platform, and reviews the financial performance of the funds. He also plays a key role in fundraising activities focused on the RIA channels.

Before joining Sortis, Jef served as CEO of MBank, a commercial bank with \$300 million in assets based in Portland, Oregon. In this role, he oversaw a wide range of functions including compliance, lending, investor relations, human resources, IT, and operations. Jef chaired the bank's lending committee, where he reviewed and approved commercial loans, and managed the bank's investment portfolio. Prior to his work at MBank, Jef was a senior manager in public accounting at KPMG and held a CPA license.

FUND MANAGEMENT TEAM



MICHAEL SANDER

Partner

michael.sander@sortis.com

As Head of Investor Relations and Business Development for Sortis, Michael brings over 30 years of leadership experience in the financial, real estate, and technology industries. In this role, he is responsible for overseeing all aspects of the organization's investor relations objectives, initiatives, and execution, and supporting the direction of the firm's funds and investments. With a focus on creativity and insight, Michael works closely with Sortis' real estate, finance, and investment teams to insure positive outcomes for the Sortis investors. Michael heads our family office fundraising team using his extensive relationships across the country to facilitate both Sortis fund and direct investments into Sortis related opportunities. He graduated from Oregon State University, where he majored in Business.



SAM ROSS

Partner

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Sam started his career in 2010 as an analyst and asset manager at JDI Realty in Chicago. There he executed and underwrote high-yield commercial loans, managed whole loans and loan portfolios, structured and oversaw real estate joint venture partnerships, and analyzed equity and debt investments in a wide range of product types, such as senior housing, hospitality, condominiums, mixed-use commercial/residential buildings, apartments, parking structures, warehouses, and residential subdivisions. Currently, Sam is involved in various capacities for all of Sortis' family of funds, utilizing his expertise to underwrite, analyze, execute, and asset manage Sortis' various portfolios and assets. He graduated from Tufts University, where he majored in Economics and minored in Entrepreneurial Leadership.



KRISTINA ROSLING

Chief of Staff

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Kristina Rosling serves as the Chief of Staff for Sortis Capital, responsible for accounting, financial management, and reporting for the Sortis family of funds. In addition, she manages day-to-day accounting operations, investor relations, platform management, and loan servicing for the Sortis Income Fund. Kristina earned her degree in Entrepreneurship and Innovation Management with a focus on financial analytics from the University of Portland. Her expertise and knowledge in financial analytics ensure that Sortis Capital maintains optimal financial performance and management.

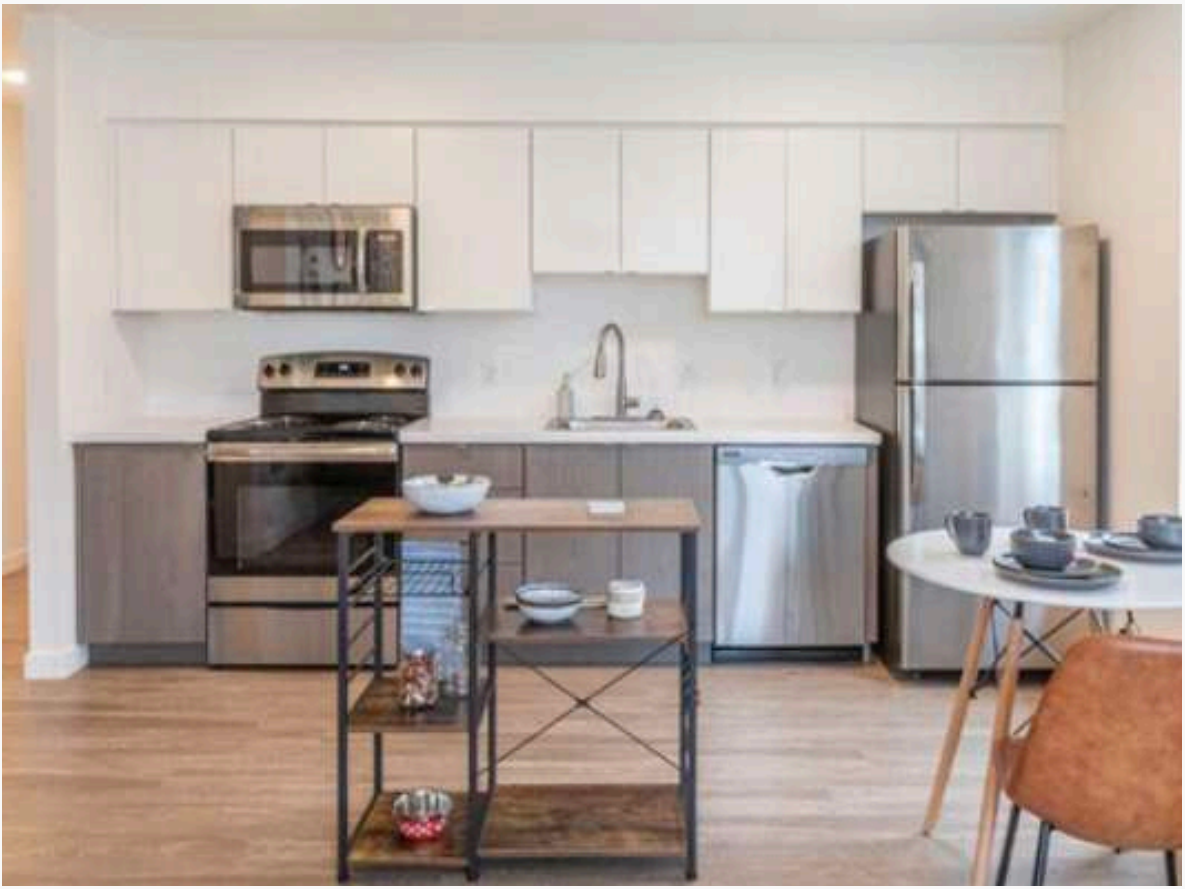
SIF CASE STUDIES

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459 ROCK -
BRIDGE TO PERMANENT
FINANCING

Portland, OR

ASSET TYPE:	Multi-Family
LOAN AMOUNT:	\$14,150,000
LTV:	83.5% at Q1 2023
DESCRIPTION:	Bridge loan on a 44-unit apartment complex with ground floor retail and adjacent development land for another 100 units. Sponsor needed to finish stabilizing the property and acquire permanent financing on the building as well as construction financing on the adjacent parcel.



WHITNEY HOTEL - ACQUISITION FINANCING

New Orleans, LA

ASSET TYPE: Hotel/Hospitality

LOAN AMOUNT: \$11,500,000

LTV: 63.9% at Q1 2023

DESCRIPTION: Borrower was on a compressed timeline to acquire the Whitney Hotel at a heavily discounted price during the pandemic. Borrower had \$7M of complex but creative equity through a historic facade and air rights transaction and Sortis was able to underwrite and close in less than 10 days.

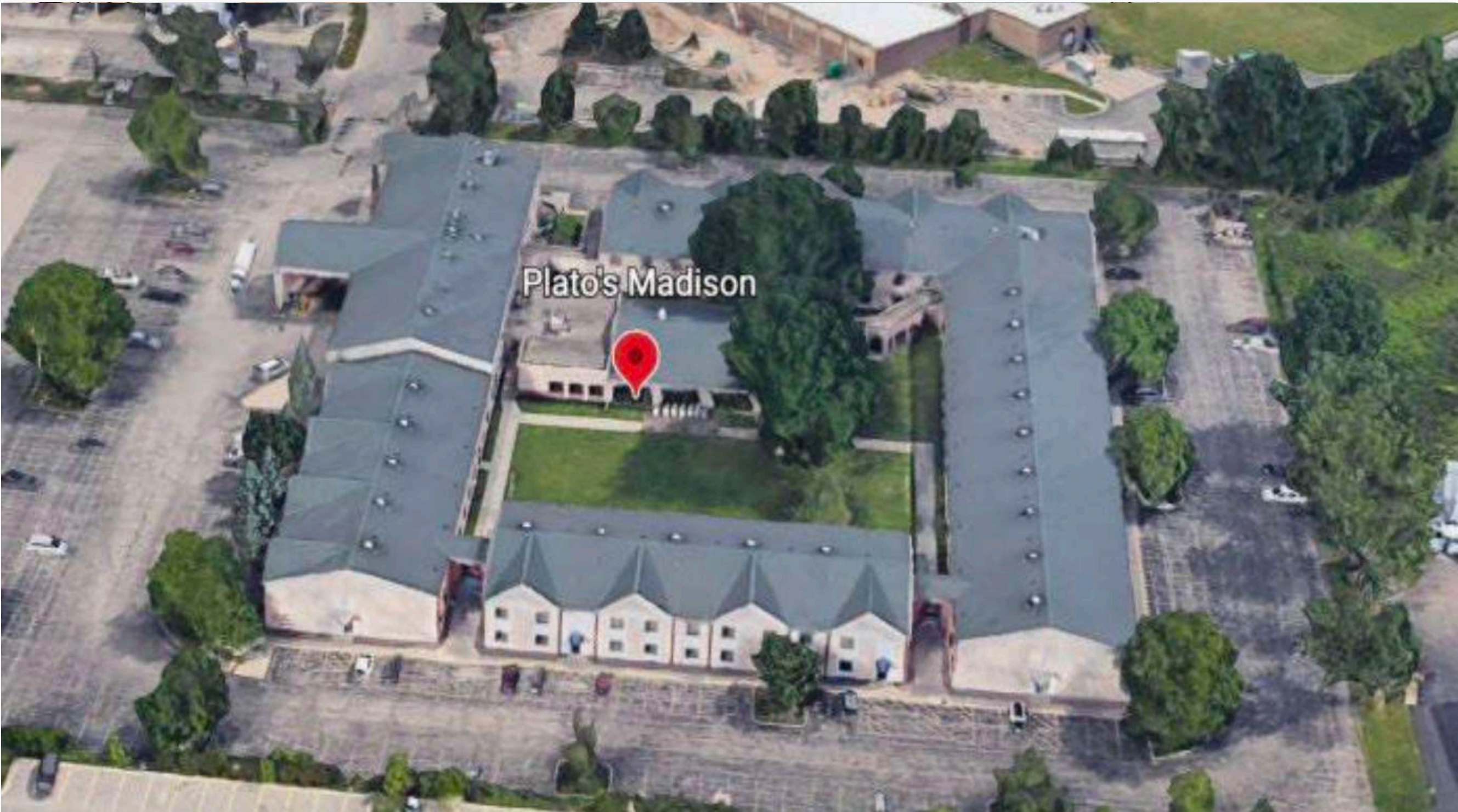


SIF CASE STUDIES

REPUBLIK MADISON -
ACQUISITION/REHAB

Madison, WI

ASSET TYPE:	Multi-Family
LOAN AMOUNT:	\$1,050,000
LTV:	50%
DESCRIPTION:	Bridge loan to a repeat borrower who was on a compressed timeline to acquire this 197-unit hotel property for redevelopment into workforce housing.



SIF CASE STUDIES

FRENCHMEN ST. - ACQUISITION FINANCING

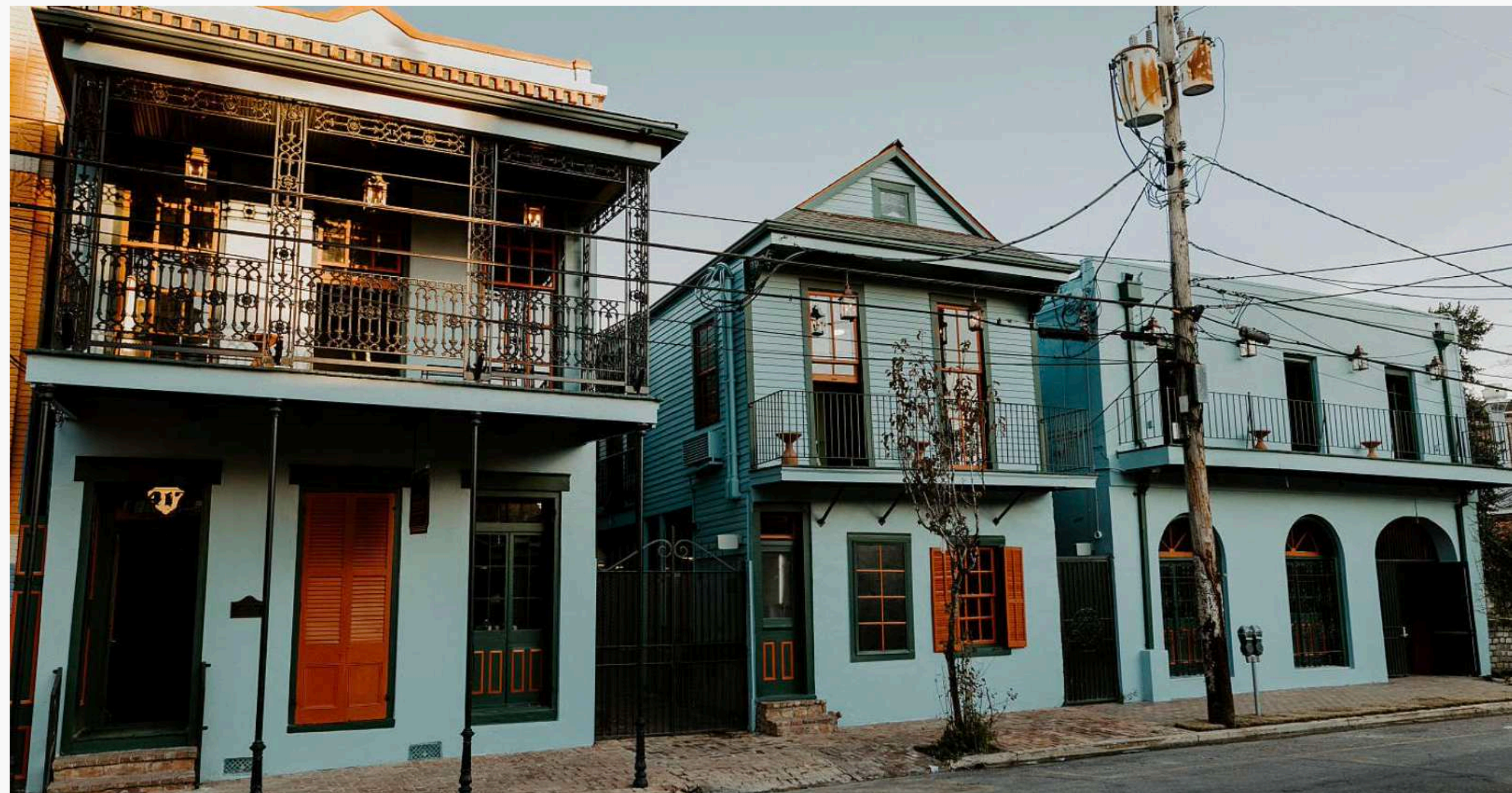
New Orleans, LA

ASSET TYPE: Hotel/Hospitality

LOAN AMOUNT: \$8,000,000

LTV: 69.6% at Q1 2023

DESCRIPTION: Acquisition/re-position loan on a hotel acquired at Pandemic pricing in the New Orleans market. It is a 27-unit historic hotel built in 1860 in an 'A' location on Frenchmen Street on the edge of the French Quarter.



GRAIN ELEVATOR - ACQUISITION FINANCING

Portland, OR

ASSET TYPE:	Industrial
LOAN AMOUNT:	\$3,600,000
LTV:	60% at Q1 2023
DESCRIPTION:	Bridge loan on the historic Louis-Dreyfus Grain Elevator in the epicenter of Portland. State of the art vessel loading facility with premier dock and rail access. NNN Leased to an affiliate of the borrower for a tire recycling facility taking advantage of the rare dock frontage for shipping to China. Additionally, it has one of the largest outdoor signs available in the market that is on a long term credit lease.



SIF CASE STUDIES

CARPENTERIA -
ACQUISITION FINANCING

Carpinteria, CA

ASSET TYPE:	Land
LOAN AMOUNT:	\$16,980,000
LTV:	65.1%
DESCRIPTION:	A bridge loan for the acquisition of a rare 27.5 acre Pacific Ocean frontage site in the City of Carpinteria (10 miles out of Santa Barbara). The property is being entitled for a 99-room resort and 16 residential units. It has a golf driving range and farming/ landscape tenant in place during the entitlements. The principal developer recently exited the Surfrider Hotel in Malibu, CA for over \$1M per key.



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