SOCOTRACAPITAL™
Fixed Income Secured by Real Estate

Are you considering investing in **mortgage funds** through a private lender?

Learn more about this investment opportunity to see if it's right for you.

What is a mortgage fund?

A mortgage fund, or mortgage REIT, pools capital and invests in real estate debt, sometimes called hard money loans. Key benefits from investing in hard money include:

- Diversifying your portfolio beyond traditional stocks and bonds.
- Mortgage funds are a "yielding asset" meaning it generates cash flow compared to other investments that rely upon appreciation.
- If those loans are underwritten and structured correctly, a mortgage fund can be a durable and resilient investment that will preserve and protect your principal investment.

How is your investment protected?

Unlike the stock market, investing in mortgage funds provides returns because:

- Loans are secured by deeds of trust on the borrower's real estate.
- Borrowers make monthly interest payments that are passed on to the investor.
- When borrowers don't make payments, the investment can be recovered through foreclosure and ultimately selling the property to recoup the capital.

Why would someone use private lending instead of a bank loan?

Conventional banks have strict requirements for debt-to-income limits, property limits, credit requirements, and so on. Private lenders are not subject to the same federal requirements. For real estate professionals and small business owners pursuing real estate investments, private lenders fill the void when a loan can't be secured through a bank.

Private lenders rely on individual investors to fund loans, either one at a time with individual investors or man loans through a mortgage fund.

How Mortgage Funds Work

Investments in loans are secured by real estate. The borrowers on those loans pay investors monthly interest. Investor yields are what is left over after fund expenses. Investors can take the monthly distributions as income or reinvest it

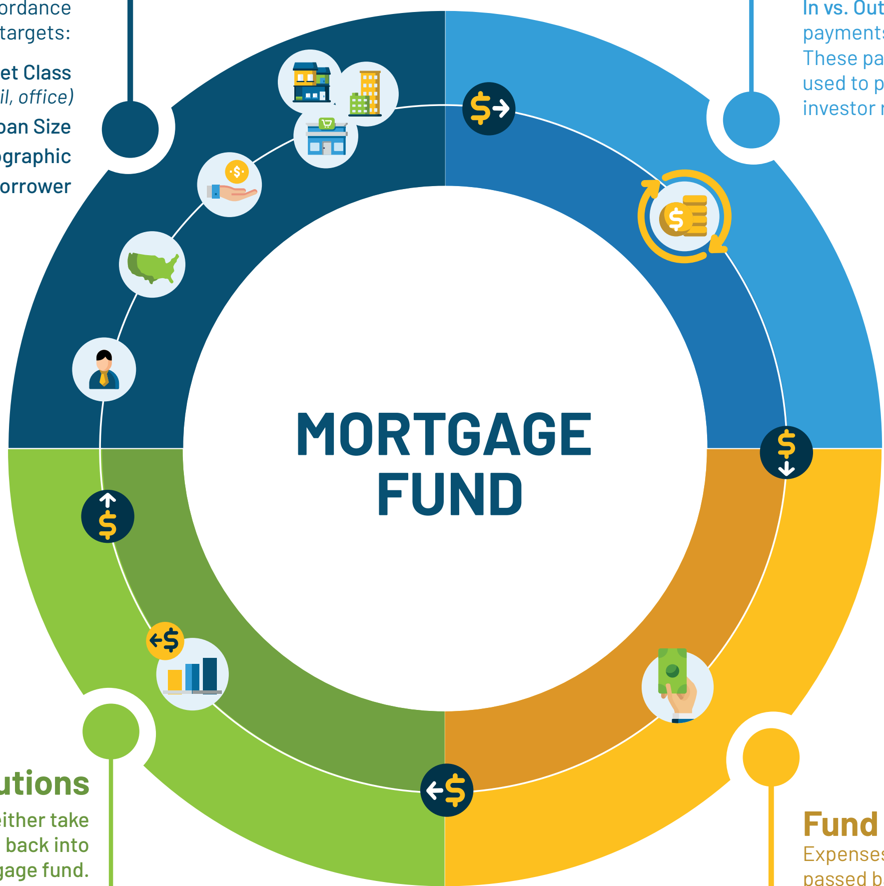
Originate & Invest in Loans

Pooled Investment & Portfolio Diversification: The pooled funds are invested into a diversified portfolio of real estate loans. Each loan is processed through rigorous underwriting and passed through each filter below in accordance with portfolio diversification targets:

Asset Class
(multi, residential, industrial, retail, office)
Loan Size
Geographic
Borrower

Collections on Loans

In vs. Out: The Manager services & collects payments from borrowers every month. These payments are pooled together and used to pay fund expenses and ultimately investor returns.



Investor Distributions

Investors can either take the income or reinvest, back into the mortgage fund.

Fund Expenses

Expenses are deducted and profits are passed back into the pool. Expenses include Loan Servicing Fees, Accounting & Audit, and Loan Loss Reserves. These are payments made to the Manager, independent 3rd parties, and also non-cash expenses, like Reserves.

If you want to learn more, please contact us. **Reach out today!**