October 27, 2023

rnapolitano@genwelcap.com

GenWel Capital, LLC
30 Braintree Hill Office Park
Suite 201
Braintree, MA 02184

Dear Partners,

We are pleased to present the performance of RF Boston Fund IV as we celebrate our first year of operation. We are proud of the results and are incredibly thankful you have chosen to partner with our fund. For **Q3 2023,** we achieved an annualized rate of return of **11.35%**, bringing our annualized performance **since inception on August 11th, 2022** to **11.43%.** The fund remains consistent and is positioned for continued stability and success.

During the third quarter, we continued to focus on highly collateralized loans with conservative loan-to-value ratios (LTV). Simply put, borrowers are bringing more equity to their transactions. We underwrote **$4.85 million** of **new loans** during the quarter, bringing our **total loan balance** to **$41.65 million**. As of September 30th, the portfolio-wide **LTV** was **57.7%**, continuing our confidence in the security of your funds.

Slowing sales and a lack of inventory have created uncertainty within the real estate market. Tightening efforts of the Federal Reserve (Fed) and our banking system have created a challenging environment for borrowers to secure permanent financing. We have always viewed the borrowers as our partners, and their success is important to us. For that reason, entering an agreement with a lower LTV is imperative to ongoing success. The Fed's actions during 2022-2023 have had a profound impact on the fund. Our cost of leverage has increased substantially while lending rates have increased modestly. When asked about the outlook on future interest rate hikes, Tom Fletcher, the Chief Investment Officer of Napier Financial, had some insightful feedback: "While the Fed has indicated one more rate hike before year end is likely, the market, according to the Fed Funds futures, believes they are done with hikes. We'd note the Fed is data-dependent, so taking a wait and see approach would be best. However, the bottom line is even if there were a hike sometime down the road, the cycle of rate hikes is almost certainly nearing an end. That is a positive. On the other hand, the market has pushed back the possibility of rate cuts until July of 2024, so conditions will remain tight for many months ahead. The next couple of weeks will provide significant clues on the direction of Fed." We are pleased to see that the market is predicting an end to the aggressive cycle of interest rate increases. The predicted period of elevated rates will continue to put downward price pressure on real estate; however, investors can take solace in knowing that change is considered in our underwriting standards.

We are happy to report that as of October 27th, we have officially closed a line of credit with Customers Bank, broadening our banking relationships and diversifying our sources of credit. Needham Bank remains a great partner for us, and we hope to see both relationships flourish as the fund grows. As of September 30th, **bank leverage** made up approximately **58.3%** of the loan portfolio. The addition of Customers Bank has paved the way for healthy growth through the remaining months of 2023, and 2024. Fund growth will be accretive to investor returns as the funds fixed costs become less impactful – to that end, we are happy to report that the fund is open to new investors and additional investment from our current partners.

Leaning into loan integrity, increased borrower capital, and the resilient greater Boston real estate market, our confidence as lenders and fund managers remains unwavering. **Our focus will always be the protection of your capital.**

Thank you for your partnership.

Rob Napolitano
Fund Manager