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Dear Investor,

We are pleased to present the results of the GenWel Private Lending Fund (the "Fund") for Q1 2024. This quarter Investors received an annualized net return of 11.36%, continuing the predictable results GenWel strives to deliver. Our confidence as Fund Manager remains steady as we carefully watch the real estate market and maintain our tight underwriting standards. During Q1, we underwrote **22 new loans** totaling **$11,569,675,** bringing the Fund's **total loan balance** to **$55,138,660**. As of March 31st, the loan portfolio of the Fund had a **conservative loan-to-value (LTV)** of approximately **60.4%**.

The story for most Investors in 2024 can be summarized with one word: Hope. Hope that the Federal Reserve would start decreasing interest rates and grease the wheels of commerce. January, February, and March were filled with hope, with the Market expecting four to six rate cuts of 25 basis points each in 2024. Equity markets reacted accordingly and were off to the races recording incredible returns. However, in April, hope quickly diminished as the Federal Reserve Chair Powell, along with economic data that suggested inflation remained stubbornly above targets, changed those expectations. The Market very quickly shifted from expecting multiple rate cuts, to wondering if there would be any decreases in 2024.

Nationally, the real estate market is singing a slightly different tune than mostly stable public equity markets. The Market is finally starting to realize the impact of the post-COVID climate. Among many factors, increased financing costs and tightening credit historically create headwinds and have an immense impact on real estate prices. However, headwinds may not be enough to substantially impact values in many real estate sectors. Office space on the other hand is falling victim and leading the downward spiral. We have seen foreclosures that are bringing pennies on the dollar of prior transaction values. This is due in large part to the most significant cultural change coming out of COVID: employers forced flexibility surrounding remote work. Given the strength that remains in the labor market, it's tough to predict when this dynamic will shift, and fears surrounding a fallout within the office space sector continue to smolder.

Amid a tightening credit environment, real estate investors are finding traditional sources of capital to be more restrictive than in the past. Our borrowers are experiencing this firsthand. Many of our borrowers are self-employed and struggle to jump through the more stringent banking covenants. The rise in popularity of funds like GenWel's Private Lending Fund have helped combat this troubling scenario for the housing market. Another element helping to prop up home prices is a continued lack of inventory in the housing market. We believe this is driven in large part by the "golden handcuffs" on owners who have mortgages substantially below current market rates. Many current owners simply cannot move or afford a similar home due to the high current interest rates. Despite the tighter credit environment, GenWel is maintaining strong banking relationships with Needham Bank and Customers Bank. As of the end of Q1, our portfolio was **53% levered**, helping the Fund achieve our desired rate of return.

Despite the uncertainty of what the future may hold, there are a couple factors in our Fund that encourage investor protection: asset location and asset type. Although our transactions are much smaller than the high-rise buildings that present problems nationally, we have been consciously steering clear of office assets. As of the end of Q1, **70%** of the portfolio was collateralized by **1-4 unit residential properties**, and another **21%** was collateralized by **5-20 unit residential** or **mixed-use** buildings with a residential bias. Only 9% of our portfolio is secured with commercial assets, none of which are offices. Our second layer of protection is driven by asset location. Greater Boston remains resilient, and 89% of our portfolio is collateralized in Massachusetts. Simply put, demand in these sectors are still vastly stronger than supply.

Finally, we have been diligently working toward the completion of our audited financial statements with Citrin Cooperman and are happy to report positive results. While it comes as no surprise to us, we are proud to have been issued a clean opinion letter from such a prestigious firm, building on the foundation of trust we have been working to create since the Fund's inception.

The Fund is currently open to new investors, and additional investment from current subscribers, as we push forward with intent and optimism. Our growth will reduce the impact of fixed overhead expenses as a percentage of assets under management, with the goal of enhancing your returns.

Thank you for your partnership.

Rob Napolitano
Fund Manager