QUARTERLY INVESTOR REPORT

Horizon Residential Income Fund I, LLC

April 1, 2025 – June 30, 2025

upright.us
invest@upright.us
646-895-6090

HORIZON RESIDENTIAL INCOME FUND I, LLC

Horizon Fund - Investor Update

Since launching in 2023, the Horizon Fund has consistently delivered strong outcomes, achieving average annual returns above 8%. In 25Q2, the Fund acquired 20 new loans, reinforcing our commitment to disciplined credit selection and portfolio quality. While our investment discipline has been key to delivering steady returns, the current market has presented fewer opportunities for the acquisition of new loans that meet our strict risk and return criteria. The Fund currently holds an outstanding equity balance of $21.7M, however, we have received investor withdrawal requests approaching $10M. This level of withdrawal activity, combined with fewer qualifying investment opportunities, has prompted us to explore the most strategic path forward for the Fund and our investors. Among the options under consideration is a structured wind-down of the Fund.

In alignment with our long-term focus on capital preservation and measured risk adjusted returns for investors, we have proactively elected to pause any new equity admittances and are no longer utilizing our senior credit facility. Additionally, our review of a structured wind-down includes assessing the potential sale of both performing and non-performing loans to generate liquidity, determining if current market conditions support fair trade values that protect investor capital, and establishing a measured, realistic timeline for a return of full investor capital. We are also evaluating necessary expense reserves to ensure a smooth and orderly process should this path be selected.

Any decisions will be made with the clear priority of safeguarding investor capital and upholding the disciplined, transparent approach that has defined the Horizon Fund since inception. We remain committed to keeping investors fully informed and will share updates as our strategic review progresses. We understand that these developments may raise questions, and we want to reassure you that our approach is grounded in a steadfast commitment to protecting your investment. Every decision we make is guided by the principles that have shaped the Horizon Fund since day one—discipline, transparency, and respect for our investors' capital. We appreciate your trust and partnership as we navigate this process together.

ROI OVERVIEW

Financial Performance

In 25Q2, the Fund generated annualized returns of 3.16% for investors with an admittance date on or before April 1st, 2025, 5.72% for investors with an admittance date of May 1st, 2025, and 5.07% for any investors admitted June 1st, 2025.

In 25Q2, the Fund delivered strong revenue performance, driven by strategic loan portfolio management and growing ancillary income streams. The Fund significantly expanded its portfolio with 20 new loan acquisitions, over three times the volume of Q1, while repayments declined from 27 in Q1 to 20 in Q2. This favorable shift in activity significantly narrowed the decline in interest income, reducing a quarter-over-quarter drop of 29% from 24Q4 to 25Q1 to just 11% from 25Q1 to 25Q2. In 25Q2, the Fund generated $602K in interest income, before taking into account adjustments for non-performing loans. Revenue from Penalty Interest, Late Fees, and Extension Fees reached a record $53K, representing the third consecutive quarter of growth and the highest quarterly total to date.

During 25Q2, interest income was negatively impacted by an increase in total delinquencies across the portfolio. As part of our conservative risk management approach, industry standards require us to book a reserve against interest income when a loan becomes 91+ days delinquent. While our primary objective remains to preserve and return all principal and income to our investors, this reserve protects the Fund against the potential of unrecoverable amounts. We are however pleased to announce that one 91+ DQ loan was fully repaid in Q2. This repayment allowed us to revise our Q1 reserve of $191K down by $34K and a final interest income revision of $157K was booked for the quarter.

On the expense side, we continued to manage costs effectively. Total quarterly expenses decreased by $34K from the prior quarter to $61K, primarily due to the Fund carrying no levered capital and therefore incurring no interest expense. In addition, fixed operating expenses declined by $19K from 25Q1. Looking ahead to 25Q3, we expect fixed expenses to remain stable as we strategically reduce portfolio size.

Fund returns were also affected by updated valuations on loans in late-stage delinquency or foreclosure. When a loan passes the 91+ day threshold, our team conducts a current As-Is property valuation. If the adjusted value does not exceed the unpaid principal balance by a defined margin, we prudently reserve for a potential shortfall. In 25Q2, 16 new properties met this criteria, resulting in an additional $180K in unrealized loss reserves for the quarter. These reserves are a precautionary measure and our team remains optimistic that upon eventual disposition, recoveries may exceed these conservative estimates, providing potential upside for investors in future periods.

In anticipation of a potential strategic wind-down of the Fund in the coming months, we have allocated an additional $100K reserve to cover expected future expenses, including administration, tax preparation, and legal services. This proactive measure is designed to protect investor value by ensuring the Fund is well-positioned to meet all obligations during the transition. As the Fund's path forward becomes more clear, we will adjust the reserve to reflect the most accurate cost projections.

For 25Q2, the Fund's Manager and Investment Committee waived all Management Fees, allowing for all income earned by the Fund in 25Q2, after expenses and accrued reserves, to be available to its investors. Net income available for distribution to investors for 25Q2 totaled $173K. Please find full details surrounding Horizon's final net income and quarterly returns below.

1. Horizon 25Q2 Financial Performance

Horizon Residential Income Fund I REIT Profit & Loss For Period Ended June 30th, 2025	4/30/2025	5/31/2025	6/30/2025	25Q2
Ordinary Income/Expense				
Income				
Interest Income - Mortgages	173,399	133,537	138,272	445,208
Penalty Interest	6,582	12,180	1,115	19,876
Late Fees	923	1,450	115	2,488
Extension Fees	4,987	15,958	9,357	30,302
Other				
Insured Cash Sweep	9,169	5,237	1,258	15,664
Total Interest Income	195,059	168,362	150,117	513,538
Interest Expense	-	-	-	-
Net Interest Income	195,059	168,362	150,117	513,538
Operating Expense				
Professional Fees				
Tax Prep	3,910	3,910	5,250	13,071
Tax Expense	-	-	1,760	1,760
Legal Fees	96	-	1,798	1,894
Fund Admin Fees	7,500	7,500	7,500	22,500
Reit Funding - Preferred Equity	1,338	1,338	1,338	4,013
Other Professional Fees	1,164	1,171	1,142	3,477
Total Professional Fees	14,009	13,919	18,787	46,715
Loan Servicing - FCI	2,500	970	1,335	4,805
Loan Fees	3,560	3,334	2,488	9,382
Total Operating Expenses	20,069	18,223	22,611	60,903
Management Fee	-	-	-	-
Wind-Down Reserve	(33,333)	(33,333)	(33,333)	(100,000)
Unrealized Gain/Loss	(179,946)	-	-	(179,946)
Net Income	(38,288)	116,806	94,173	172,690
Total Income Available for Distribution	(38,288)	116,806	94,173	172,690
Preferred Return to Investors (8%)	-	-	-	-
Income Available Above Preferred Return	(38,288)	116,806	94,173	172,690
Carried Interest Fee to Fund Manager	-	-	-	-
Additional Income for Distribution to Investors	(38,288)	116,806	94,173	172,690
Total Income Distributed to Investors	(38,288)	116,806	94,173	172,690

2. Horizon 25Q2 Monthly & Quarterly Returns

Horizon Residential Income Fund I REIT	4/30/2025	5/31/2025	6/30/2025	25Q2
Period Return	-0.16%	0.53%	0.42%	0.79%
All Admittance Prior to May 1st, 2025				3.16%
May 1st, 2025 Admittance				5.72%
June 1st, 2025 Admittance				5.07%

*Please note that the above results are Horizon's ACTUAL figures used to calculate each investor's monthly and quarterly returns.

HORIZON RESIDENTIAL INCOME FUND I, LLC

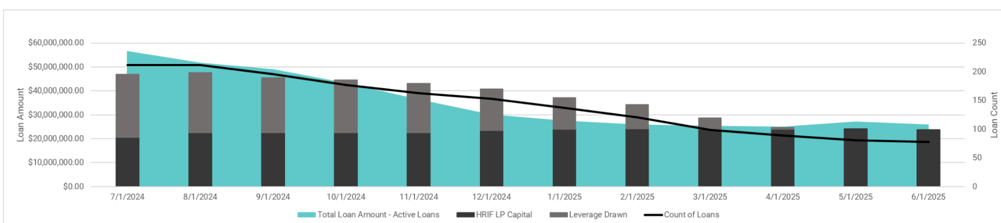
Schedule of Investments

In 25Q2, the Fund successfully acquired 20 new loans totaling $6.8M, which are expected to deliver a weighted average yield of 10.47%. During the quarter, the Fund raised $174K in new equity and processed $2.29M in total investor withdrawals. As of June 30, 2025, the Fund's outstanding equity balance stood at $21.76M.

A further breakdown of Horizon's 25Q2 investment schedule can be found below.

Horizon Monthly Equity Admittance & Capital Deployment

	3/31/2025	4/30/2025	5/31/2025	6/30/2025
Fund Equity	$23,878,009.78	$21,916,009.78	$21,961,009.78	$21,761,223.32
Active Loans	78	77	82	78
Total Loan Amount	$25,284,559.37	$24,931,909.37	$27,063,640.84	$25,723,029.71
Funds Disbursed	$21,543,343.64	$20,397,958.57	$22,297,390.60	$21,332,622.94
Construction Holdback Remaining	$3,741,215.73	$4,533,950.80	$4,766,250.24	$4,390,406.77
Loans Repaid In Period	7	8	5	7
Total Loan Amount Repaid in Period	$1,977,000.00	$2,632,000.00	$1,533,000.00	$2,983,300.00



METRICS AND DEEP DIVE INTO OUR PROCESS

Portfolio Composition & Risk Management

When looking at portfolio composition and risk management for Horizon, the main portfolio metrics the Horizon team considers are:

1. Geographic Location

- State and MSA (by gross loan and outstanding principal)

2. Weighted Average Leverage Metrics

- Loan to As-Is Value (LTAIV)

- Loan to Cost (LTC)
- Loan to After Repair Value (LTARV)

3. Project Type

- Rehab
- New Construction
- No Rehab/No Construction

4. Individual Deal Exposure Relative to Total Book Size

5. Individual Developer Exposure Relative to Total Book Size

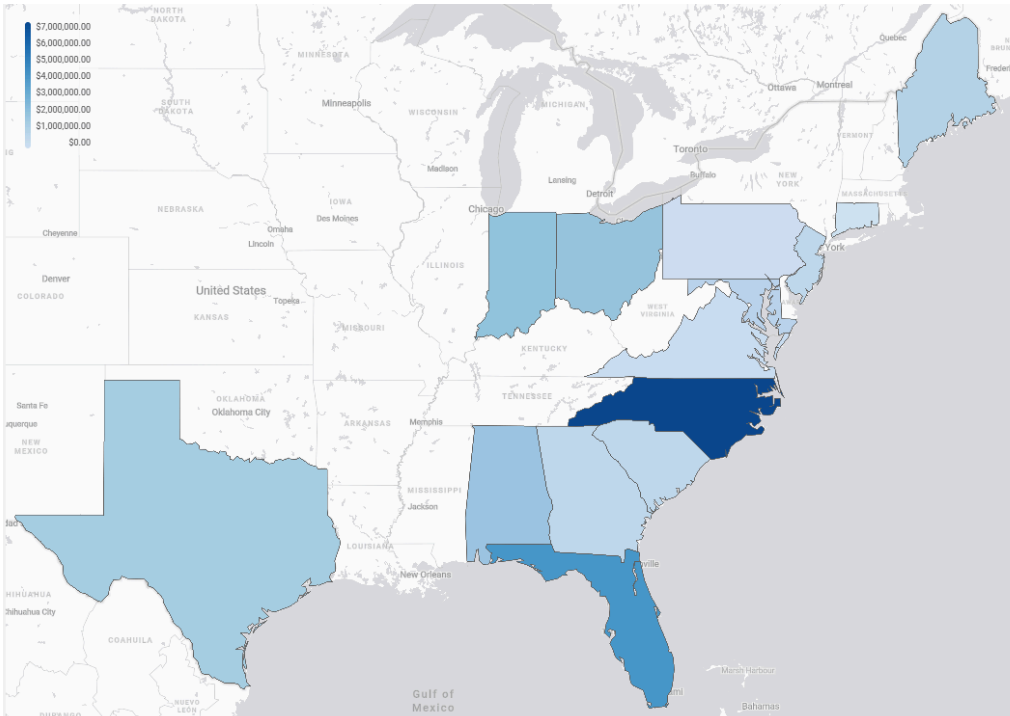
6. Developer Creditworthiness

- Credit score & history
- Current liquidity
- Previous project experience
- Project viability, profitability, and exit strategy

We underwrite and monitor these different metrics to ensure we are maintaining a balanced portfolio that aligns with our overall investment strategies. To help mitigate risk to the Fund as new loans are purchased and previously held assets are repaid, the team is constantly evaluating changes to our weighted portfolio metrics to ensure that our portfolio composition remains aligned with set benchmarks.

At the end of 25Q2, the Fund's largest market exposures were North Carolina (31.47%), Florida (18.27%), and Indiana (8.97%), with the full state concentration breakdown (by gross loan amount) shown below as of June 30, 2025. Over the past 90 days, the Fund received 20 loan payoffs, led by Florida (8), North Carolina (3), New Jersey (2), South Carolina (2), and Ohio (2). During the same period, 20 new loans were originated across 11 states, including strategic geographic expansion with new borrowers in Maine and Connecticut. Looking ahead, portfolio composition changes will primarily result from scheduled repayments. Notably, we anticipate receiving over $500K in principal repayments from North Carolina loans within the next 2–3 weeks, which will meaningfully reduce exposure in our largest market and further diversify geographic risk.

Horizon State Exposure – % of Total Portfolio as of 6/30/2025



North Carolina	*31.47%*	*Maine*	*4.22%*
Florida	*18.27%*	*Maryland*	*3.88%*
Indiana	*8.97%*	*Georgia*	*3.02%*
Ohio	*8.56%*	*South Carolina*	*2.96%*
Alabama	*8.13%*	*Other*	*4.11%*
Texas	*6.42%*		

Horizon's loan leverage metrics are also a vital piece to the portfolio's overall health. These leverage ratios are what protect each loan against any potential downside risk. Below is a quick breakdown of the importance of each:

1. Loan to As-Is Value (LTAIV): LTAIV looks at Horizon's day-one exposure to any given loan and ensures each developer has substantial equity in each property from day one. We have set a maximum LTAIV constraint per loan of 70%, and are targeting a portfolio below 65% LTAIV.

2. Loan to Cost (LTC): LTC looks at the total costs of the project (Purchase price + construction costs) relative to the total loan amount. Horizon wants to see that the total costs of the project exceed the total loan amount by at least 10% to ensure the developer has equity in the project and aligned interests. We have set a maximum LTC constraint for any loan within the portfolio at 90%, while targeting a weighted portfolio makeup below 85%.

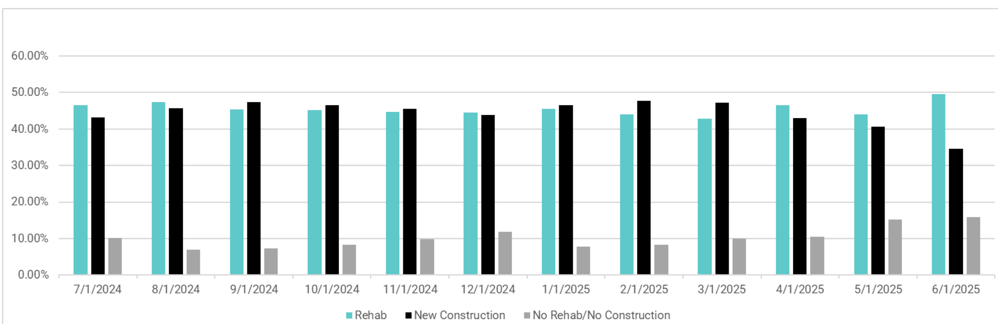
3. Loan to After Repair Value (LTARV): LTARV compares the total loan amount to the final expected value of the property after all renovations have been completed. If a developer sells a completed property below market value, or if there is any home price depreciation during the time to complete the project, Horizon wants to ensure there is enough margin at a lower price to still return full principal from sale or refinance proceeds. The Horizon team has set a 70% maximum LTARV constraint for each loan and for the entire portfolio.

In the below table, Horizon's month-over-month changes in WAVG loan leverage metrics are presented. Throughout 25Q2, the portfolio's LTAIV and LTARV have both remained below at or below target marks, and while the weighted average LTC has increased, it has still remained below the maximum constraint of 90%.

Weighted Average Loan Leverage Metrics	3/31/2025	4/30/2025	5/31/2025	6/30/2025
Loan to As-Is Value	57.70%	57.50%	53.72%	53.12%
Loan to Cost	88.96%	88.98%	89.66%	89.61%
Loan to After Repair Value	64.27%	65.47%	64.96%	64.72%

Additional Horizon Portfolio Composition

Project Type – % of Total Book (6/30/2025)



Largest 10 Loans – % of Total Book (6/30/2025)

State	Total Loan Amount	% of Total Book
NC	$1,260,000.00	4.90%
NC	$985,125.00	3.83%
TX	$909,889.62	3.54%
FL	$905,000.00	3.52%
IN	$873,000.00	3.39%
NC	$854,000.00	3.32%
NC	$821,000.00	3.19%
FL	$681,138.24	2.65%
SC	$676,000.00	2.63%
FL	$656,000.00	2.55%

Top 10 Developers – % of Total Book (6/30/2025)

Developer	Sum of Total Loan Amount	% of Total Book
1	$1,666,214.41	7.81%
2	$1,395,581.07	6.54%
3	$1,142,280.00	5.35%
4	$883,967.38	4.14%
5	$842,455.36	3.95%
6	$805,435.03	3.78%
7	$749,275.01	3.51%
8	$723,017.72	3.39%
9	$660,219.65	3.09%
10	$654,616.23	3.07%

HORIZON RESIDENTIAL INCOME FUND I, LLC

Loan Performance & Delinquencies

Delinquency management is a core focus at Upright, beginning with rigorous underwriting practices and supported by our Servicing and Asset Management teams, who employ industry-leading strategies for effective recovery. These strategies include relationship-based borrower management, timely issuance of Notices of Default, and loss mitigation evaluations after 61 days of delinquency. Given the short-term nature of our asset class, understanding delinquency rates is crucial, as performing loans typically repay within 10 months on average, while delinquent loans may require longer resolution periods.

Over the past 90 days, the Fund's overall delinquency rate increased modestly, ending 25Q2 at 46%, up 7% from 3/31. While new loan purchases and repayments were balanced during this period, the elevated rate reflects the continued presence of loans in foreclosure—most of which are 91+ days delinquent and advancing toward resolution.

Looking specifically at the 91+ bucket, only one new loan has shifted to 91+ since March. However, the Fund was also able to bring two loans fully current, recovering all past due interest and fees in the process. Of the 28 loans in this bucket at the end of 25Q2, all are currently progressing through the foreclosure process, with several of these loans shifting closer to a final exit. Since May 1st, the Fund has had seven new 91+ loans go to foreclosure auction, but unfortunately no bids were received. With no bids received, all seven properties have since had trustee deeds successfully transferred to the Fund's ownership and these loans are currently held in REO status. Of the eight properties currently held in REO, all are either already listed for sale or are working through the listing process. We are hopeful to have a majority of these exited by the end of 25Q4.

In the 91+ day delinquency segment, portfolio performance remains stable, with only one new loan migrating into this bucket since March. The Fund successfully brought two 91+ loans fully current during the quarter, recovering all accrued interest and fees, with all accrued interest being returned directly to investors. At the close of 25Q2, 28 loans remained in the 91+ DQ category and all are advancing through foreclosure, with several nearing resolution.

Since May 1st, seven additional 91+ loans reached foreclosure auction. While no third-party bids were received, all assets transitioned seamlessly to Fund ownership via trustee deed and are now held in REO status. Of the eight REO properties currently held, every asset is either actively listed for sale or in the final stages of the listing process. Based on current market activity, we anticipate the majority of these dispositions to be completed by the end of 25Q4.

Shorter-term delinquencies have shown meaningful improvement. At Q2 close, five loans were in the 31-60 and 61-90 day buckets. As of 8/15, four of these have been resolved, leaving only one loan in the 31-60 day category.

The Asset Management team remains focused on accelerating resolutions and pursuing value-maximizing strategies for all remaining 91+ delinquencies, with the objective of driving down the delinquency rate and realizing recoveries for investors.

Below is a chart displaying the Fund's delinquency rates month over month from April 2025 through June 2025, presenting both the total count and the percentage of the active book based on the Unpaid Principal Balance of delinquent loans. This detailed transparency reflects our commitment to rigorous reporting standards and aligns with the MBA's approach, while also providing an expanded view of our delinquency performance.

	3/31/2025		4/30/2025		5/31/2025		6/30/2025	
Delinquency Bucket	Loan Count	% of Total Book	Loan Count	% of Total Book	Loan Count	% of Total Book	Loan Count	% of Total Book
Current	46	60.55%	47	60.89%	51	63.09%	45	53.61%
31-60	3	2.98%	0	0.00%	2	2.13%	3	8.93%
61-90	0	0.00%	2	2.48%	0	0.00%	2	2.22%
91+	2	2.89%	1	1.17%	0	0.00%	0	0.00%
Foreclosure	26	30.22%	26	31.92%	25	28.74%	20	25.19%
REO	1	3.36%	1	3.55%	4	6.04%	8	10.05%

Horizon Residential Income Fund I, LLC

Thank you for your continued trust and support in Horizon Residential Income Fund I, LLC. We welcome all questions and suggestions and look forward to producing a successful outcome together.

Sincerely,

Matthew Rodak
Chief Executive Officer

Contact Information:

For any inquiries, additional information, or referrals, please contact our Investor Relations Department:

invest@upright.us

646-895-6090