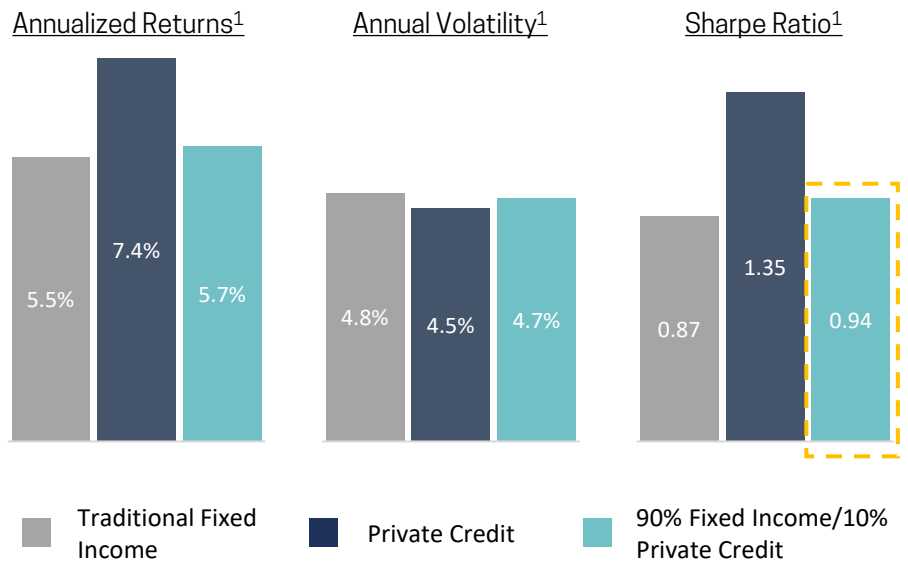


### Firm Overview:

Pennington Alternative Income is an alternative investment firm focused on delivering attractive risk-adjusted returns through differentiated yield-oriented investments for the ultra-high net worth taxable investor and the advisors that serve them.

We approach the alternatives market with a nomadic and opportunistic lens, searching for attractive relative value. Our platform was borne out of our affiliated Multi-Family Office's need for solutions designed to generate attractive after-tax income.

## Private Credit can Reduce a Portfolios Volatility and Increase Yield



## Our Portfolios are Designed Around Tax-Efficiency, Yield & Diversification



Targeting 9-15% gross IRRs and 7-11% net IRRs



Focus on attractive risk/reward with heavy focus on capital preservation and current yield



Tax-sensitive investment style



PAI seeks to originate and/or purchase differentiated debt and debt-like investments across a variety of less correlated investment classes

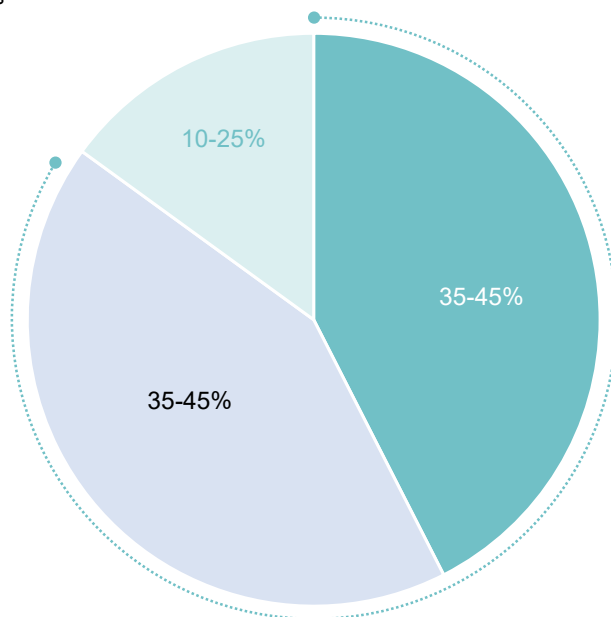
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1) Source: Institutional Investor. Data from 2011 to 2020.

# Investment Strategy

- Illustrative Investment Ranges -

- Specialty Finance
- Credit Secondaries
- Opportunistic & Strategic Investments (Tax Efficient)



Mid-Teens Returns

Portfolio Loans & Secondary Purchases

Significant Borrower Diversity

Breadth of Asset Classes

## Funds<sup>1</sup>

	Strategy AUM	Target	Inception Date	1 Year	Since Inception
<b>Alternative Income Fund IDF</b> Insurance dedicated fund focused on tactical / opportunistic investments in private credit	\$86.5mm	\$500.0mm	2018	8.6%	19.2%
<b>Alternative Income Fund</b>			2021	N/A	N/A
<b>Fayette Street Capital SPV for Single-Name Trade</b>	\$47.5mm	N/A	2020	N/A	N/A

## Relative Performance<sup>2</sup>

	YTD	1 Year	Effective Yield <sup>3</sup>
S&P/LSTA U.S. Leveraged Loan Index	3.2%	6.7%	3.7%
ICE BofA US High Yield Index	4.7%	11.5%	4.2%
Pennington Alternative Income Fund, IDF	3.7%	8.6%	8.6%

1) As of August 31, 2021. Fayette Street Capital had \$0 AUM as of August 31, 2021. 2) Sources: S&P/LSTA and FRED. ICE BofA US High Yield Index is a capitalization weighted index composed of US High Yield public debt. The S&P/LSTA U.S. Leveraged Loan 100 Index is a constructed index designed to reflect the performance of the largest facilities in the leveraged loan market. Indices are for illustration only and are not representative of the projected performance of the Fund. 3) Pennington Alternative Income Fund, IDF's 1 year return is used as a proxy for the Fund's effective yield.

# Representative Transactions

## Specialty Finance

**Revolving credit facility for a bank lender that originates commercial loans through a Federal Reserve-administered stimulus program**

## Real Estate

**Structured junior capital into an OpCo/PropCo roll-up of self-storage facilities**

## Corporate

**Secondary purchase of participation in senior-secured loan from family office investor in a co-investment SPV**

## Specialty Finance

**Senior-secured Holdco note for a consumer finance company**

## Real Estate

**Construction loan to finance the development of a multi-family apartment building in Jersey City**

## Corporate

**Secondary purchase of an LP interest in a European direct lending fund**

## About Us

Founded by two entrepreneurial families in 2016, Pennington Partners & Co. is an award winning multi-family office (MFO) whose mission is to elevate the lives of highly successful entrepreneurs and their families. We offer a full suite of modern investment and wealth planning solutions, including three core divisions, household management, investment advisory services, and a tax advantaged investment platform, all intentionally designed to support the complex needs of our partners.

Ready to explore alternative investment opportunities?  
**Speak with our founder**

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Any historical, or assumed historical, data used and shown in PAI Content has no bearing on what the future actual returns might be for the instruments, indices, and strategies that are mentioned in PAI Content; past performance is no guarantee or indication of future performance.

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- Alternative Investment Funds represent speculative investments and involve a high degree of risk. An investor could lose all or a substantial portion of his/her investment. Investors must have the financial ability, sophistication/experience and willingness to bear the risks of an investment in an Alternative Investment Fund.
- Any investment in Alternative Investment Funds should be discretionary capital set aside strictly for speculative purposes.
- An investment in an Alternative Investment Fund is not suitable or desirable for all investors. Only qualified eligible investors may invest in Alternative Investment Funds.
- Alternative Investment Fund offering documents are not reviewed or approved by federal or state regulators.
- Alternative Investment Funds may be leveraged (including highly leveraged) and a Alternative Investment Fund’s performance may be volatile.
- Some Alternative Investment Funds may have little or no operating history or performance and may use hypothetical or pro forma performance which may not reflect actual trading done by the manager or advisor and should be reviewed carefully. Investors should not place undue reliance on hypothetical or pro forma performance.
- An Alternative Investment Fund’s manager or advisor has total trading authority over the Alternative Investment Fund.
- Some Alternative Investment Funds and their advisors rely on the investment expertise and experience of third-party advisors, the identity of which may not be disclosed to investors.
- Some Alternative Investment Funds may involve complex tax structures, which should be reviewed carefully.
- Some Alternative Investment Funds may involve structures or strategies that may cause delays in important tax information being sent to investors.
- Alternative Investment Funds are not required to provide periodic pricing or valuation information to investors.
- Some Alternative Investment Funds may provide no transparency regarding their underlying investments to investors.
- An investment in an Alternative Investment Fund may be illiquid and there may be significant restrictions on transferring interests in an Alternative Investment Fund. There is currently no secondary market for an investor’s investment in an Alternative Investment Fund and none is expected to develop.
- An Alternative Investment Fund’s fees and expenses which may be substantial regardless of any positive return will offset the Alternative Investment Fund’s trading profits.
- Alternative Investment Funds and their managers/advisors may be subject to various conflicts of interest.

This summary of certain risks is not a complete list of the risks and other important disclosures involved in investing in an Alternative Investment Fund and is subject to the more complete disclosures contained in a specific Alternative Investment Fund’s respective offering documents, which must be reviewed carefully. An Alternative Investment Fund’s past performance is no guarantee of its future performance.