



Investor Presentation

Princeton Alternative Income Fund

Princeton Alternative Funding (PAF) is a fund management company and general partner of the Princeton Alternative Income Fund (PAIF).

PAIF is an open-ended, 3(c)7 debt fund that provides credit facilities to select, consumer-facing finance companies in the alternative lending marketplace.

The fund seeks to deliver high, non-correlated returns for sophisticated investors while mitigating risk through an exclusive corporate partnership with MicroBilt, a Consumer Reporting Agency (CRA).



Business Opportunity

A December, 2015 poll suggests roughly two thirds of U.S. adults would not be able to cover a \$500 repair bill.¹ Traditionally, alternative lenders have helped unbanked and underbanked consumers cover these unexpected costs.



Total size of the U.S. consumer credit market is \$901 billion.²



56% of U.S. consumers have a credit score below 640.³



45 million Americans are living without a credit score altogether.³

Recent changes to banking regulations around the globe have made it harder for finance companies to source capital from traditional banks in order to operate in the alternative lending marketplace, ultimately making it harder for millions of U.S. consumers to get access to loans.

Utilizing historical and real-time data analytics, Princeton Alternative Funding seeks to fill that void by providing and managing credit facilities while targeting the highest quality finance companies that face U.S. consumers.

¹Bankrate.com | WSJ.com

²Board of Governors of the Federal Reserve System

³Corporation for Enterprise Development (CFED)



Proprietary Loan Data - Client Default Rate History

Princeton Alternative Funding utilizes proprietary data analytics to understand and anticipate trends in the consumer lending marketplace.

For example, the below chart shows credit inquiries, loan information and sector default rates from 2007-2015*. Two notable trends: default rates reported by alternative lenders were lower during the financial crisis between 2008-2010, and overall loan inquiries dropped off after 2012.

Year	Inquiries	Total Loans Reported	Bad Loans Reported	Default Rate
2007	16,751,779	3,366,589	557,770	16.57
2008	15,549,704	2,883,436	365,585	12.68
2009	14,403,536	4,003,530	504,327	12.60
2010	15,813,314	4,522,870	587,617	12.99
2011	13,692,801	4,212,747	714,351	16.96
2012	12,661,800	4,737,729	773,794	16.33
2013	8,172,734	3,154,662	473,282	15.00
2014	5,087,928	2,536,584	325,090	12.82
2015	8,591,978	2,609,772	362,969	13.91
2016	5,369,688	1,953,081	269,927	13.82

Findings:

- 1) Non-correlated quality of alternative consumer loans
- 2) The effects of Operation Choke Point, initiated by the U.S. Department of Justice in August, 2013 to target suspected fraud and money laundering, resulted in a reduction of loan inquiries, the elimination of many payday lenders and payment processors, and a healthy improvement in overall loan quality.

*Microbilt Corporation.

Advantage

Princeton Alternative Funding's strategic partnership with MicroBilt provides:



World-class analytics and
unmatched lender due-diligence



Historical rankings of best operators
in the alternative lending sector



Clear understanding of all state,
national and international regulations



Best in class monitoring
capabilities with real-time feeds

The ability to provide credit facilities to select consumer-facing finance companies allows these lenders to better serve unbanked and underbanked U.S. consumers.



The Alternative Credit Bureau



Serving roughly 9,000 clients and 4,300 active lenders, MicroBilt has been the leading credit analysis and risk management company in the alternative consumer market for over 35 years.

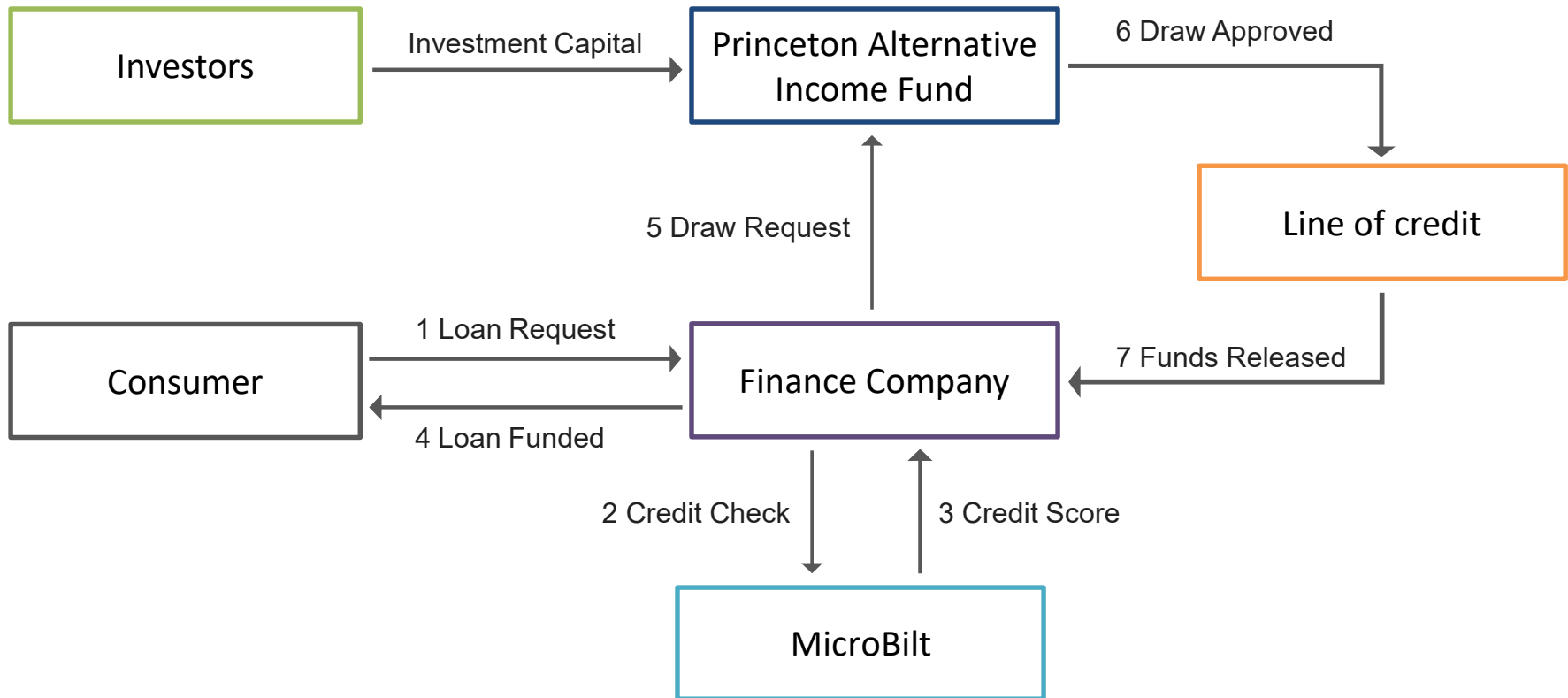
MicroBilt offers business owners cost effective solutions for fraud prevention, world-class analytics and monitoring capabilities.

MicroBilt is a consumer reporting agency (CRA), regulated by the Consumer Financial Protection Bureau (CFPB) and operates under the Fair Credit Reporting Act (FCRA).

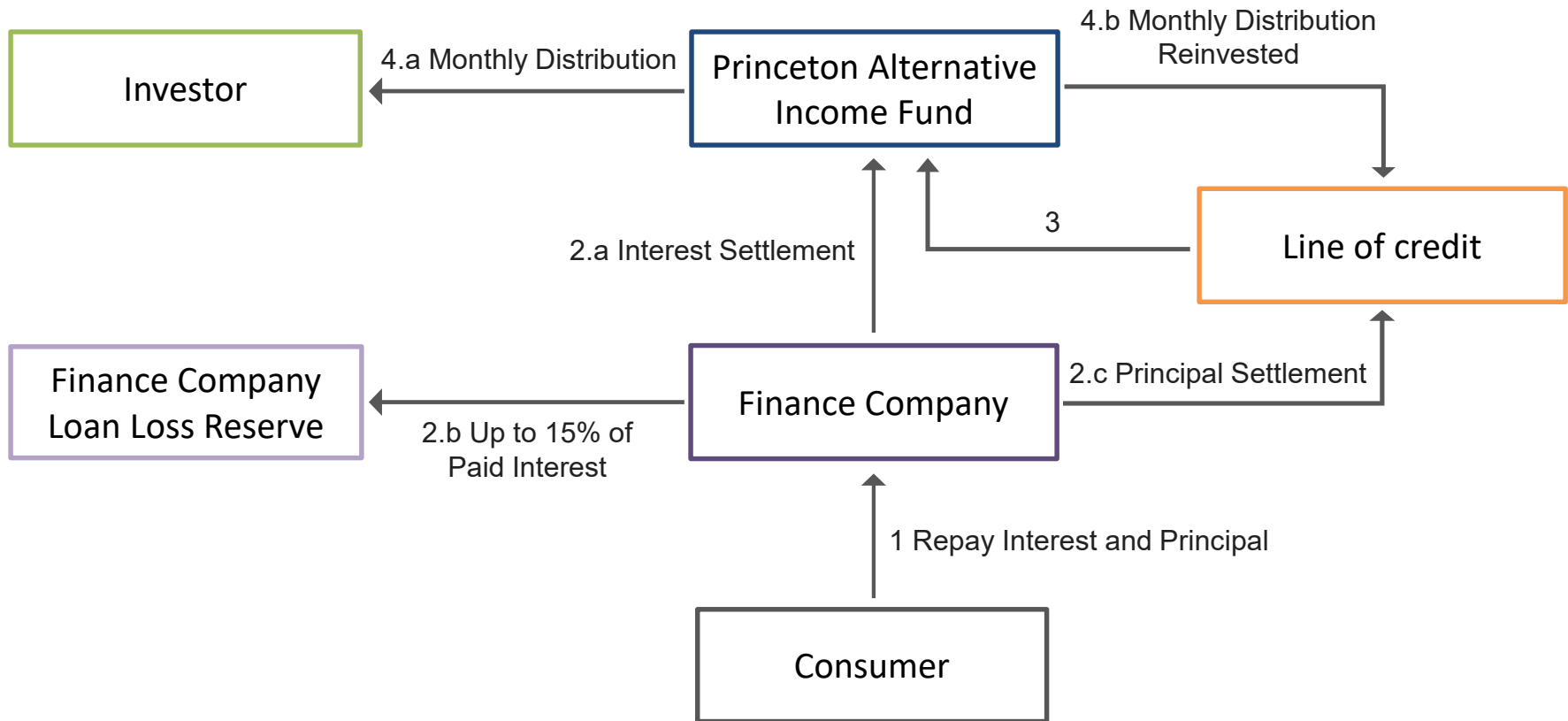
Security compliant with Payment Card Industry Data Security Standard (PCI DSS) 3.0 and Statements on Standards for Attestation Engagements Organization Controls (SSAE SOC) Type II.



Flow of Funds



Settlement and Distribution





PRINCETON

ALTERNATIVE FUNDING

Founded for the purpose of providing credit facilities to select finance companies making short-term, consumer loans while achieving consistent, risk-adjusted returns.

Minimum Investment	\$1,000,000
Interest	Paid monthly or reinvested
Redemptions	Monthly with 180 day advanced notice
Domiciled	US
Offshore	BVI
Management Fee	2%
Performance Fee	20%
Targeted return	13% - 15% annual, net of fees

PAF by the Numbers

PAF Assets Under Management	
2015 Audited Total Assets:	\$57,928,477
2016 Audited Total Assets:	\$61,079,746*
PAIF Performance	
2015 Year-to-date True Time-Weighted Return	14.87%**
2016 Total True Time-Weighted Return	19.88%***
Number of LP's	
2015	2
2016	15

* includes the assets of an investment currently held in a side-pocket as-of March 2016, and being managed by PAF. No new investors can or will be able to participate in the side-pocket. The size of the side-pocket as-of 12/21/2016 was approximately \$23.2 Million per the 2016 Audited financial statement.

** reflects 2015 total return from 3/1/2015 inception to 12/31/2015.

*** 2016 total return in the Class 1 shares reflective of earnings restated from 3/2016 - 12/2016.

THERE CAN BE NO ASSURANCE NOR CAN IT BE ASSUMED THAT FUTURE PERFORMANCE WILL CONFORM TO PAST PERFORMANCE. IN ADDITION, IT SHOULD BE KNOWN THAT AN INVESTMENT IN THE FUND MAY RESULT IN A LOSS.



Management

Howard Davner - Chief Executive Officer

Mr. Davner is extremely accomplished in the financial industry. He was a founder and principal of Terrapin Advisors and Ryett Capital Partners, long and short Hedge Funds with a track record of success. Formerly an Equity Specialist for Goldman Sachs focused on small to mid-cap companies, he built a reputation as an exceptional stock picker and was a New York Stock Exchange seat holder. Howard has a B.A. in Economics from the University of South Florida. Holds FINRA Series 7 and 63 licenses.

Jack Cook - Chief Operating Officer & Chief Compliance Officer

Mr. Cook is recognized for unyielding ethics and expertise in compliance. An experienced bond trader with a deep understanding of market trends and behavior in fixed income, equity and commodity markets. Former founder of Terrapin Advisors and Director at Credit Suisse in the Fixed Income Division. Jack has a B.A. in Economics from St. Lawrence University with a minor in History. Holds FINRA Series 3, 7, 24 and 63 licenses.

Jeff Davner - President

Mr. Davner is an experienced Wall Street manager and recruiter for multiple brokerage firms. Formerly a co-founder of Terrapin Advisors, partner of Bluestone Capital, co-founder of ATL Consulting and Regional Sales Manager for The Legend Group where he oversaw roughly \$1Billion in managed assets. Jeff has a B.S. in Political Science from Tulane University. Holds FINRA series 7, 63 and 24 licenses.

Robert B. Wade - Managing Director

Mr. Wade has extensive experience with domestic and global trading institutions. As head of International Fixed Income at MKI Securities he led the strategic consolidation of the Canadian, International, and World Bank areas, then integrating the New York and London trading operations. Utilizing his institutional relationships at BondNet Trading Systems he helped scale the firms fixed income trading prior to its acquisition by Bank of New York Mellon. Before joining PAF Rob pursued activities in precious metals.

Walt Wojciechowski - Managing Member & Chief Financial Officer

Mr. Wojciechowski has over 30 years of experience in consumer/commercial audit, loan origination, risk mitigation and business solution strategies. Walt has performed the roles of CEO, COO and CFO at the largest TRW/Experian affiliate and served as SVP at one of Experian's U.S. consumer services divisions. He is a current Board Member of the CDIA (Consumer Data Industry Association) and has been elected to multiple terms. Walt holds a B.S. in Accounting from LaSalle University.

Dr. Pat Nanda - Head of Analytics

Dr. Nanda is the head of Analytics at MicroBilt. He manages client studies, scorecard development and default reduction strategies. Pat has been engaged with alternative data sources in the development of credit evaluation systems for the last 25 years and has been credited with building default prediction models in third world countries, including the Philippines and Malaysia. Pat holds a Doctorate of Philosophy (PhD) statistics from The University of Wisconsin – Madison.



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