

Merchant Banking Income Fund

Investment Summary


This presentation does not constitute an offer to sell an interest, or a solicitation of an offer to make an investment, in the proposed investment fund described herein. No such offer or solicitation will be made prior to the delivery of definitive documentation relating to the Fund. The Presentation does not purport to be complete and is qualified in its entirety by reference to the more detailed discussion contained in the actual text of the offering documents. Neither the U.S. Securities and Exchange Commission nor any other governmental authority or commission, has approved or disapproved an investment in the Fund.

This Presentation is being provided to each recipient on a confidential basis solely to assist the recipient in deciding whether or not to proceed with a further investigation of an investment in the fund. Each recipient agrees that without written permission, it will not use this presentation for any other purpose or share it with any person other than advisers with whom the recipient is consulting regarding a potential investment in the fund.

An investment in the Fund is suitable only for sophisticated investors for whom the investment constitutes only a small part of such investors' investment program and who fully understand and who have the financial resources necessary to withstand the risks involved in the specialized investment program in which the fund will engage. No assurance can be given that the fund's investment objective will be achieved. Prospective investors should carefully review this presentation and the offering documents, understand the risks set forth in the presentation and the offering documents, and make such investigations as they deem necessary to arrive at an independent evaluation of an investment in the fund. Prospective investors should consult with legal counsel and financial, accounting, regulatory and tax advisors to determine the consequences of an investment in the fund, and the relationship of such an investment to their overall investment program and financial tax position.

Each prospective investor is invited to meet with a representative of the fund to discuss with, ask questions of and receive answers from such representative concerning the terms and conditions of the fund.

Risk Factors - For a full discussion of all risk factors related to this investments, please refer to the offering's Private Placement Memorandum

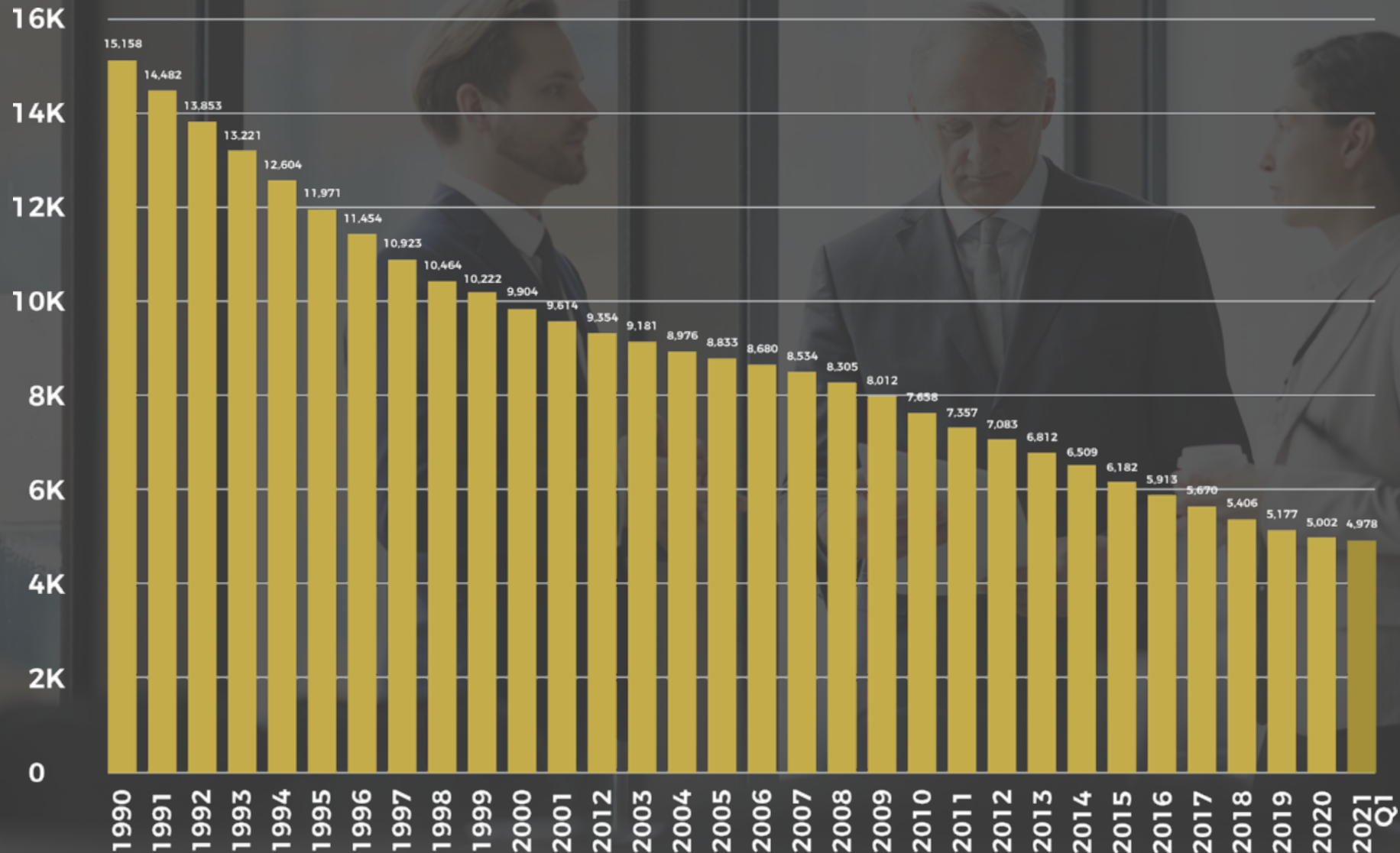


“ A banker is someone who gives you an umbrella
when it’s sunny and asks for it back when it’s raining”
- Robert Frost

“There has been a **46% decrease** in the number of FDIC insured institutions **since 2000**”

Source – FDIC 2021 Report

BANK CLOSURES AND CONSOLIDATION



“The demand for alternative capital is at an all-time high”



Source – 2019 PitchBook Report



OAKTREE

(AUM - \$125B)



APOLLO

(AUM - \$410B)



Blackstone

(AUM - \$564B)

KKR

(AUM - \$220B)

THE CARLYLE GROUP

(AUM - \$215B)



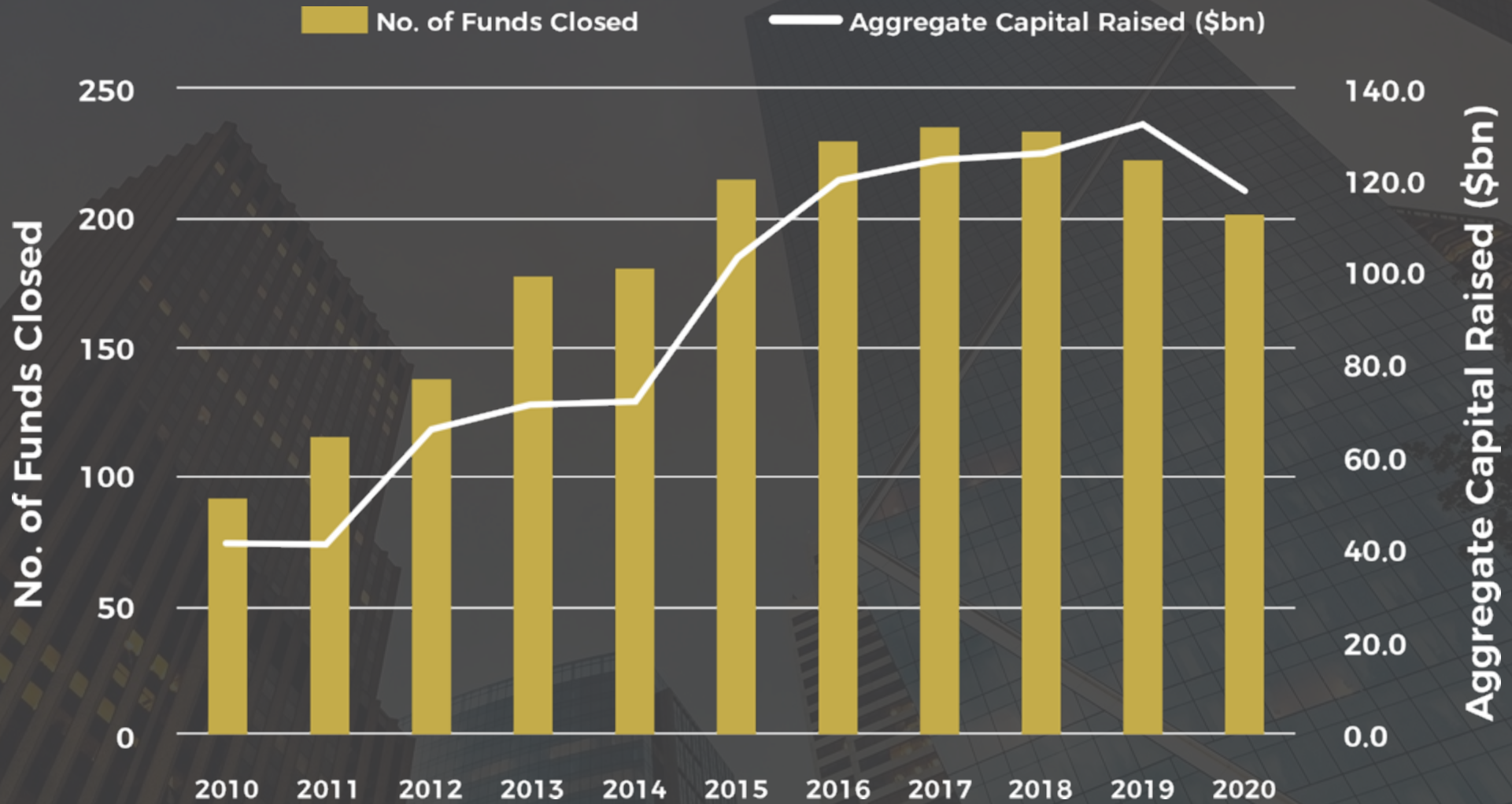
(AUM - \$180B)

- PE Funds are getting larger (2018 - \$1.6B Average Size)
- PE Fund limiting LP commitments
- BDCs and DLOs increasing leverage multiples to 6-8x
- PE Funds are extending investment horizons up to 10 years
- PE Funds are replacing big banks
- SBIC Funds have limited investment structures

Source – 2020 Global Market Intelligence Report

The alternative assets industry is set to expand across all asset classes, with the private debt market set to double in size, reaching \$1.4TN in 2023. In doing so, private debt will overtake the real estate market to become the third largest alternative industry, after private equity and hedge funds.

2020 – S&P Global Market Intelligence Report



Source – 2021 Report by The Lead Left

Growth in private debt fundraising has come from a variety strategies, though the steady expansion in direct lending vehicles is most notable

JB Capital is an alternative asset manager focused on investing in areas of the market underserved by traditional banks and larger institutional investors.

COMPETITIVE LANDSCAPE

\$100M+

 ARES

KKR

Blackstone

APOLLO

 OAKTREE

\$50M

 Antares Capital

OWL ROCK

 ANGELO GORDON

 SOLAR CAPITAL PARTNERS

\$20M

MAINST
CAPITAL CORPORATION

H I G
CAPITAL

 Crestline

\$10M

JB CAPITAL

\$5M

\$2M

0

Self funded

Angel Investor



High Net Worth

Incubators

JB Capital has more than twenty years experience in successfully sourcing, arranging and structuring high yield credit investments.

- ✓ Est. 2003
- ✓ \$500M in Transactions
- ✓ High Quality Assets
- ✓ Direct Origination
- ✓ Established Network / Relationships
- ✓ Active Participation / Asset Management
- ✓ Minimal Competition

INVESTMENT STRUCTURE

- Preferred Equity / Senior Debt
Mezzanine / Uni-Tranche
- Interest 9-14%
- Warrants 5-15%
- Target IRR 14-16%

COMPANY CHARACTERISTICS

- US Based - small to mid market
(\$10-100M)
- Experienced management team
- Parity in risk
- Clearly defined exit

INDUSTRY PROFILE

- Technology / Tech enabled services
- Healthcare
- Business / Business services
- Consumer



INVESTORS - OUR OBJECTIVE

- ✔ Strong current income
- ✔ Capital appreciation through equity / warrants
- ✔ Industry diversification
- ✔ Absolute returns in volatile rate environment
- ✔ Low correlation to traditional equity markets

CLIENTS - OUR VALUE

- ✔ Flexible capital solutions
- ✔ Alternative to private equity
- ✔ Uni-Tranche funding solutions
- ✔ Short diligence process (<6 weeks)
- ✔ Access to network of advisors

The Fund is valued and reported to investors monthly

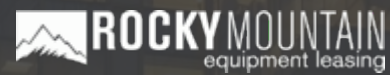
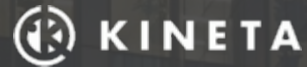
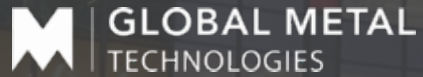
The Fund is audited by **Cohn Reznick**, a leading global accounting firm with extensive experience in the financial services industry.

Client files available for review in our office

INVESTMENT SUMMARY

INVESTMENT OBJECTIVE:	Strong current income with focus on capital preservation. Additional upside yield through warrants or other equity like structures.
MINIMUM INVESTMENT:	\$100,000
PREFERRED RETURN:	6%
TARGET RETURN:	14-16%
ALLOCATIONS:	Investors receive 80% of interest income and 20% of fee income
MANAGEMENT FEE:	None
CASH DISTRIBUTION:	Monthly
FUND TERM:	Evergreen
GEOGRAPHY:	U.S. and Canada
LEGAL:	CairnCross & Hempelmann, P.S.
AUDITOR:	Cohn Reznick. LLP

PREVIOUS CAPITAL & ADVISORY EXPERIENCE



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