

# Encore Alternative Income Fund, LP

**12% Preferred Return**  
Semi-Annual Distributions<sup>1</sup>

**\$54M+**  
Total Principal<sup>2</sup>

**3 Years**  
Investment Term

**\$200,000**  
Minimum Investment

Encore Alternative Income Fund, LP provides investors with a diversified alternative investment aiming to generate attractive income through a strategically curated portfolio comprising hundreds of merchant cash advances to small-and medium-sized businesses across the United States.

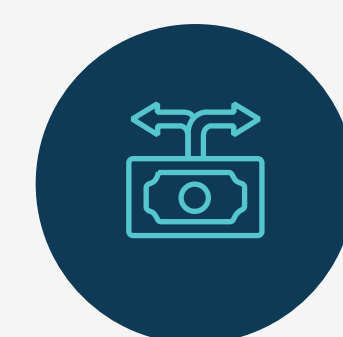
## Encore's Proven Blueprint

Since October 2024, Encore has delivered fast, flexible capital to small and medium-sized businesses while establishing an agile, scalable investment platform that's positioned for long-term growth.



**\$15 Million Encore  
Co-Invest**

Prior to opening the strategy to accredited investors, Encore committed approximately \$15M from its own balance sheet, creating alignment and validating the framework under live-market conditions.



**650+ Transactions  
Executed<sup>2</sup>**

With more than 650 deals funded, Encore has built a robust and diversified portfolio across essential sectors like logistics, healthcare, construction, and marketing.



**Broker Relationships and  
Funding Platform Partnership**

Encore has cultivated a broad network of consultants, brokers and funding platforms—creating scalable distribution channels and strong inbound deal flow.



**Refined Underwriting  
Criteria**

Encore has stress-tested its models and identified key merchant-level indicators (e.g., revenue volatility, cash buffers, industry seasonality) that correlate with performance outcomes.

# Understanding Merchant Cash Advances

MCA's are short-term funding solutions that enable small businesses to meet immediate capital needs. These advances represent the purchase of a business's future receivables at a discount. Repayments are structured as fixed amount, repaid from the merchant's daily or weekly revenue streams.

## Common Industries & Funding Purposes

### Industries Served

Logistics, Healthcare Services, Construction, Automotive Repair

### Typical Uses

Payroll, Inventory Purchases, Equipment Upgrades

## Encore Primarily Invests in Proven Businesses

- ✓ Consistent Cash Flow
- ✓ Recurring Revenues
- ✓ Reliable Transaction Histories

## Here's How it Works

1

### Investor Capital is Pooled

Investors contribute funds into a diversified portfolio managed by Encore.

2

### Opportunities Are Sourced

Encore identifies small businesses in need of funding for working capital through a network of experienced funding platforms and brokers.

3

### Factor Rate Sets Return

The total repayment is determined by a fixed factor rate (e.g., 1.4x) so Encore knows its return potential at the time of funding.

6

### Distributions Are Paid to Investors

Investors receive semi-annual distributions from Encore, targeting a 12% annual preferred return, with investor repayments prioritized ahead of any profit participation.

5

### Repayment Flow Back to the Portfolio

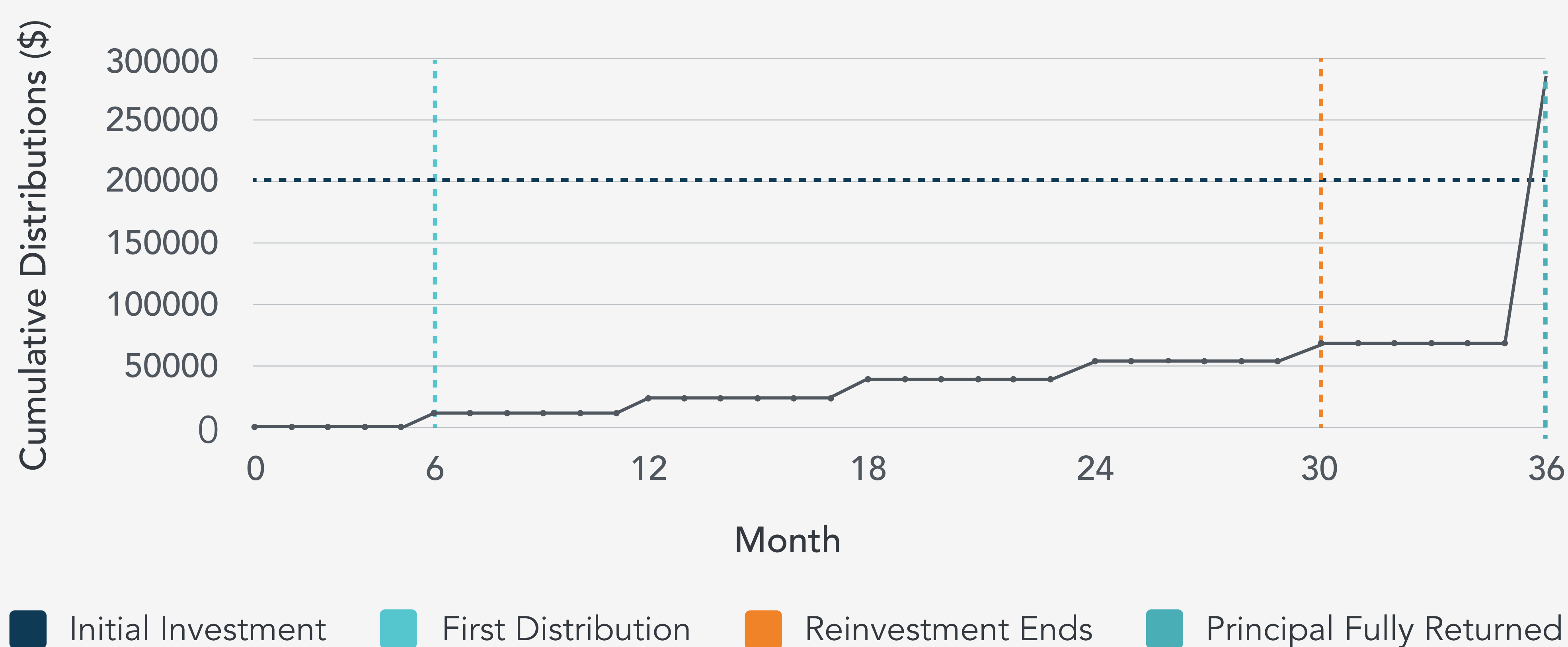
Businesses repay the advance daily or weekly through direct ACH payments, with returns flowing back for reinvestment, and/or distribution.

4

### Advance is Approved & Funded

Once a deal meets underwriting criteria, Encore funds the business with a merchant cash advance—not a loan, but a purchase of future receivables at a discount.

Single Limited Partner Potential Cash Flow<sup>3</sup>



## Potential Investor Return for \$200K Investment

The following chart represents cumulative distributions for a \$200,000 investment earning a 12% annual preferred return, paid bi-annually.

By the end of the Investment Period, total cumulative distributions are projected to reach \$272,000, representing a complete return of principal and \$72,000 in preferred return distributions.

# Frequently Asked Questions



## What is the target return and duration of the investment?

The investment offers a targeted 12% annual preferred return over a three-year term, with semi-annual distributions.<sup>1</sup>



## How is the return generated?

Portfolio returns are earned through the repayments of hundreds of merchant fundings, leveraging a diversified portfolio that reduces exposure to any single business or industry.<sup>4</sup>



## How are returns generated from funding contracts?

Returns are driven by factor-based repayments: a fixed amount is repaid over time, typically at a multiple of the original advance (e.g., 1.3-1.5x), determined prior to contract initiation. These are contractual obligations, not interest accruals.



## What is the average term or structure of a merchant cash advance?

Merchant cash advances typically feature relatively short durations (3-10 months per contract) and high repayment frequency, with payments typically made daily or weekly via direct ACH withdrawals.



## What kind of businesses receive funding?

Funding is provided to established U.S. small businesses, such as medical clinics, trucking companies, general contractors, and other service-based enterprises, with the portfolio expected to be diversified across a range of industries.



## How are deals sourced?

Encore partners with a network of funding platforms and brokers, each of which qualifies deals using its own proprietary underwriting methodologies and due diligence criteria.



## What is Encore's role?

Encore acts as the portfolio manager for the strategy. It conducts a secondary layer of underwriting, funds and monitors the deals, and co-invests alongside investors.



## Is this investment structured as a loan or a debt security?

Investors hold an equity interest in a partnership which invests alongside Encore. The strategy is focused on providing funding to small and medium-sized businesses via merchant cash advances. The Fund nor Encore issue debt, or debt securities.



## How is liquidity managed given the short-term nature of MCA contracts?

Daily and weekly repayments provide a natural cadence of liquidity. Within the portfolio, Encore recycles this capital into new opportunities or allocates it to distribution reserves, balancing reinvestment with capital availability for investor distributions.



## What if a business fails to repay?

Deals are small and diversified limiting a single deal's contribution to overall portfolio performance. Legal recourse will be pursued when necessary. Historically, the strategy has limited overall cash loss to approximately 6%, relative to the industry average of 10%-12%.

<sup>1</sup>Distributions are not guaranteed and may vary based on performance, market conditions, and other factors. <sup>2</sup>As of February 2026. <sup>3</sup>Projected cash flows and other non-historical projections outlined above are based on current expectations, beliefs, assumptions, and estimates, but are not a guaranty of future Partnership performance. Investors should not rely on any forward-looking financial models when making an investment decision regarding the purchase of Interests. Expected returns are subject to change based on unknown risks, uncertainties, and other factors, some of which are beyond the Partnership's control. Actual results may differ materially from forward-looking statements. <sup>4</sup>The Partnership through the Operating Entity intends to diversify its overall Portfolio by investing in diverse businesses. The Portfolio will not be limited to a particular industry, but there is no guarantee that those investments may not be concentrated in one or several industries due to lack of available opportunities. The ability to achieve diversification depends in part upon the size of the Partnership and the market for Merchant Cash Advances. Failure to achieve sufficient diversification could result in the negative performance of one or a few investments having a material adverse effect on the Partnership's returns.

# Disclosures

## Relationship Between Ignite Investments and Encore Enterprises

Ignite Investments, LLC is the exclusive capital-raising platform for Encore Enterprises, Inc. and operates as a wholly-owned subsidiary of Encore. Ignite focuses on offering investment opportunities tied to Encore's real estate and business ventures, allowing investors to participate in projects managed by Encore. Encore Enterprises, Inc. is a diversified commercial real estate investment firm with a track record in developing and managing commercial real estate properties across multiple sectors, including multifamily, retail, and mixed-use developments. The affiliation between Ignite and Encore allows investors to access carefully selected offerings supported by Encore's expertise and operational experience.

### Impact of Affiliation On Investment Decisions

The ownership structure of Ignite as a subsidiary of Encore ensures that the interests of both entities are closely aligned in the success of the investment opportunities presented. However, it is important to consider the following: (1) Potential Conflicts of Interest: Because Ignite is wholly owned by Encore, there may be potential conflicts, such as shared goals that prioritize the success of Encore projects. Investors should assess whether this relationship influences project selection or management decisions. (2) Alignment of Interests: Ignite's primary role as a capital-raising platform for Encore helps ensure that both entities are committed to the long-term success of the projects. This alignment supports the notion that Ignite is focused on raising capital for projects that Encore has a vested interest in succeeding.

## Securities Disclosure

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