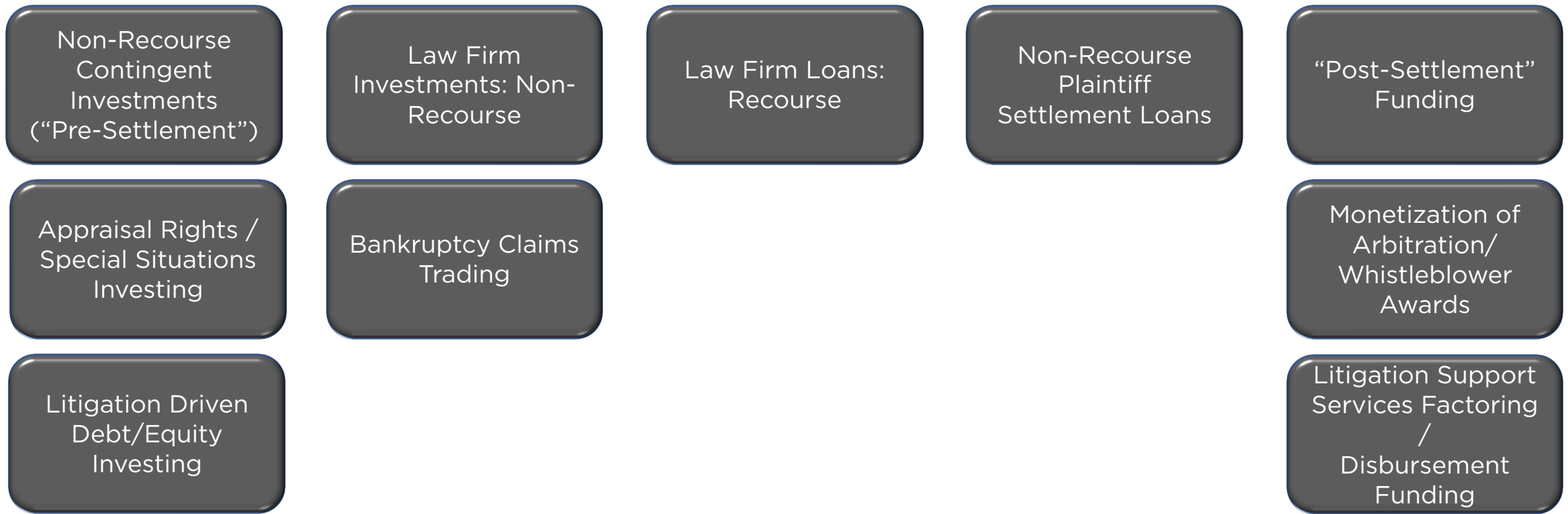


Slingshot's Taxonomy of Legal Finance Investing



Investment Attribute Spectrum



Higher Risk
 Higher Reward
 Cap Gain / End of period liquidity
 More Portfolio concentration
 Larger individual investments
 Tends to be longer duration
 Tends to be more commercial type cases / complex cases / higher litigation risk

Lower Risk
 Lower Reward
 Yield Income
 Highly diverse portfolios
 Smaller individual investments
 Tends to be shorter duration
 Tends to be more consumer type cases / less complex / low litigation risk

Footnotes

- The above is an attempt to segment the litigation finance industry into separate subsectors. The analysis generally attempts to distinguish between Commercial finance activities from Consumer finance activities, but there tends to be cross-over depending on the size of the financing. Accordingly, many commercial litigation funders invest in large consumer, non-commercial or government claims as well (e.g. Consumer class actions, international arbitration and bankruptcy) as they are attracted to the size of the claims and the ability to invest substantial sums of capital.
- Within the above segmentation, the concept of portfolio finance (the aggregation of a portfolio of cases) could apply to any given segment and so it has not been addressed as a separate segment in and of itself.
- The Specialty finance segment in the middle column is a reference to the fact that many of these subsectors would traditionally have been financed by banks or other commercial lenders, but for reasons related to recent regulatory changes the banks can no longer classify the investments as part of their regulatory capital calculations and so they are financed by specialty finance companies, including litigation finance firms.
- While this is an attempt to classify the litigation finance industry, there are many subsegments in each of the categories, each of which have their own risk/reward profiles, which may move them in different directions along the risk/reward spectrum presented at the bottom of the chart
- For more information contact Edward Truant at Slingshot (etruant@slingshotcap.com).