

## HEIRLOOM INITIATIVE:

- Especially late in the business cycle as we are today, portfolios require diversification of risk exposures. Niche Asian Litigation Finance is an excellent Alternative Investment, in our opinion, with low correlation to other asset classes.
- Litigation Finance involves funding a plaintiff's lawsuit and receiving a portion of the settlement if the suit is successful. There has been huge growth in litigation financing in the US, UK and Australia. Rapid scale-up and consolidation of litigation finance funders has led them to focus on bigger cases in core regions, which do not optimize return potential.
- Our initiative takes advantage of untapped opportunities that have been created by the intersection of two industry trends: the nascent growth of litigation finance in certain countries and the fast-growing AUM of established funds causing them to avoid smaller deal sizes.
- Heirloom is pursuing litigation finance in nascent regions (Asia, Middle East, New Zealand), which offer strong return potential and are considered too small for the mega funds. With the most experienced team in the region, we are focusing on mid-size commercial disputes, the majority of which settle out of court.
- Our initiative is focused on small, discrete pools designed to provide high visibility into investments, with quick drawdown and capital returns.

<p>LEGALIZATION OFFERS OPPORTUNITIES FOR FIRST MOVERS</p>	<ul style="list-style-type: none"> <li>• Third Party financing is being legalized around the world, most recently in the Middle East and non-Australia Asia. These nascent markets offer first mover advantage, particularly because they are too small for the global funds.</li> </ul>
<p>MIDDLE MARKET OPPORTUNITY DUE TO RAPID GROWTH OF EXISTING FUNDS</p>	<ul style="list-style-type: none"> <li>• Mega funds now focus on deal sizes of \$25mm+, which often have lower economics and geographical limitations due to size.</li> <li>• This has left a vacuum for smaller financings, which allow continued outsized returns.</li> </ul>
<p>STRUCTURE PROVIDES HIGH VISIBILITY AND QUICK DRAWDOWN</p>	<ul style="list-style-type: none"> <li>• High visibility of the investments, provides ability to assess most investments vs a blind pool, and a faster drawdown.</li> <li>• Our focus is on the commercial side of litigation which is more rational and has a very high likelihood of settlement (97%+ in US Federal cases) ensures more predictable outcomes.</li> </ul>

## LEARNING MORE:

- This initiative has a degree of illiquidity, and requires specialized expertise to understand and to invest in. Heirloom is undertaking the above strategy, having spent approximately 2-2.5 years researching it. If you would like to discuss or learn more about this alternative strategy, please contact Beth at [info@heirloominvesting.com](mailto:info@heirloominvesting.com).