



Hoyle Cohen
WEALTH MANAGEMENT



Pathfinder Partners Update

August 24, 2021

Confidential

August 2021

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The Net Internal Rate of Return ("IRR") and Net Equity Multiple returns do not represent actual results. All IRR values included in this presentation represent annualized returns. An IRR calculation takes into account the length of time from the initial investment to ultimate realization and, for a given dollar amount realized, the IRR will generally decrease as the investment holding period increases.

The IRR calculations included herein are intended to approximate the "internal rate of return to the investor" as if: (1) the individual properties had been purchased and owned by the Fund, (2) fees paid to Pathfinder during the holding period included a 1.25% Fund management fee and no other fees, (3) Fund-level operating expenses such as professional service fees for audit and tax services, legal services and estimated due diligence costs have been paid and (4) cash distributions of operating cash flow, refinance and sales proceeds were made to the investors pursuant to the Fund cash distribution provisions, including payment of a Carried Interest to Pathfinder. The IRR calculations presented incorporate the actual capital contributions and actual cash distributions of operating cash flow, refinance and sale proceeds with respect to each of the investments sold, as adjusted to reflect the management fees and Carried Interest payments that would have been paid to Pathfinder had the subject properties been acquired by the Fund. The IRR calculations do not take into account the time value of money for the Fund or idle cash.

Pathfinder Partners Update

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Pathfinder Presenters



Mitch Siegler, Co-Founder and Senior Managing Director

- 30+ years of investment, real estate and corporate management experience
- Partner in investment banking/venture capital firm
- Principal investor/financial advisor on 50 mergers, acquisitions and financings
- Founder/CEO of several companies
- B.S., Finance, University of Missouri, Columbia (*honors*); M.B.A., Pepperdine University (*highest honors*)

Oversees corporate strategy and company operations



Brent Rivard, Managing Director and COO/CFO

- 20+ years of real estate, wealth management and business experience
- Executive positions with big four accounting and NYSE-traded firms
- Participated in placement of \$1 billion in debt and equity securities
- Previously COO and CFO for Grubb & Ellis BRE Commercial (now Cushman & Wakefield)
- B.A. in Business Economics, UCLA (*Cum Laude*), CPA

Oversees financial, accounting, banking, compliance, IT

Pathfinder Overview / Investment Strategy



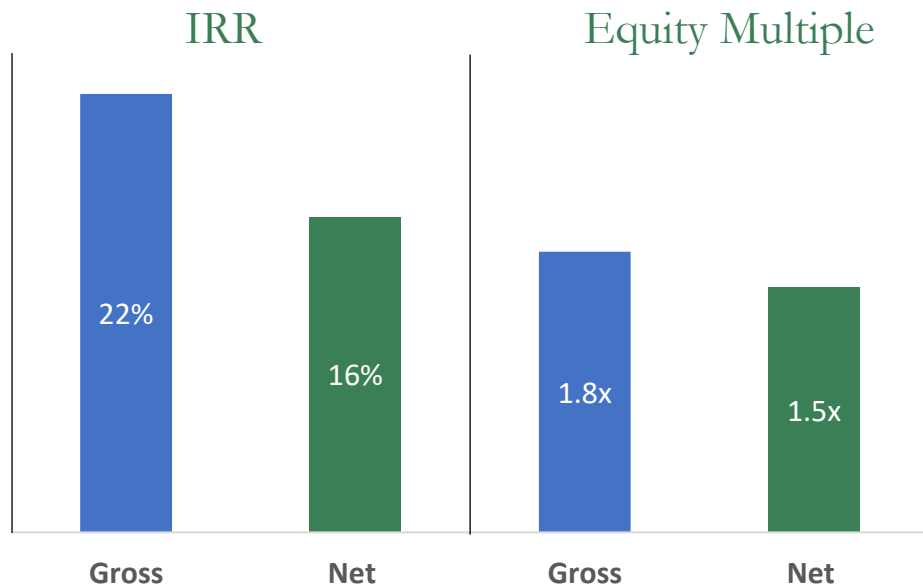
“Success always comes when preparation meets opportunity.”

- Henry Hartman, 20th century American artist

Pathfinder Overview

Pathfinder Track Record

We have fully-cycled 100 investments, generating the following project-level returns:



[See Disclosures]

Overview of Pathfinder

- ✓ Seasoned fund manager with excellent track record
- ✓ Outstanding brand/reputation, deep relationships and strong prior fund portfolio drive robust deal flow pipeline
- ✓ Conservative underwriting approach; institutional level asset management
- ✓ Disciplined and thoughtful use of debt leverage

Investment Strategy

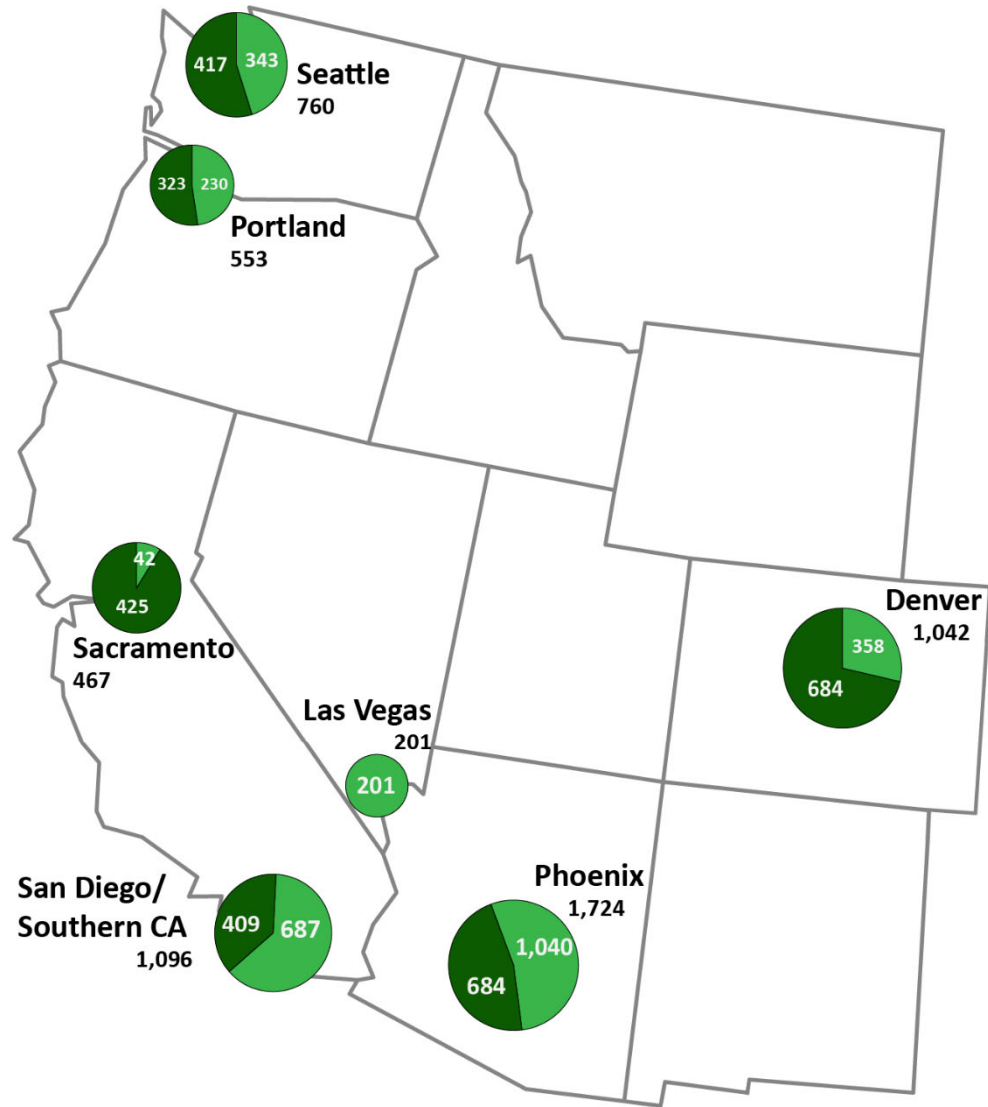
- ✓ Stabilized, well-located, Class-B apartments
- ✓ Smaller multifamily properties that are “below the radar” of larger investors
- ✓ Primary target markets: San Diego/ Southern California, Phoenix, Seattle, Portland, Denver and Sacramento

Pathfinder Multifamily Assets

5,800 Units Acquired in Seven Cities in Western U.S.



Note: San Diego portfolio includes 208 units owned by Pathfinder Tradewinds



Pathfinder Multifamily

State of the Market

- **Challenging Acquisition Environment**
 - ✓ Pathfinder leverages decades-long relationships, providing key competitive advantage
- **Strategy Emphasizes Downside Protection**
 - ✓ Stabilized, income-producing, Class-B apartments provide a *margin of safety* with rents 25-35% below Class-A properties
 - ✓ Pathfinder has owned these properties and operated in these markets for many years
- **Conservative Approach to Leverage**
 - ✓ Fund leverage <70%; emphasis on fixed-rate loans
 - ✓ Properties firewalled in special-purpose entities; debt at the property (not the Fund) level
- **Emphasis on Renovated Properties**
 - ✓ Rents are higher than for unimproved properties; deferred maintenance generally cured and properties immediately cash-flowing



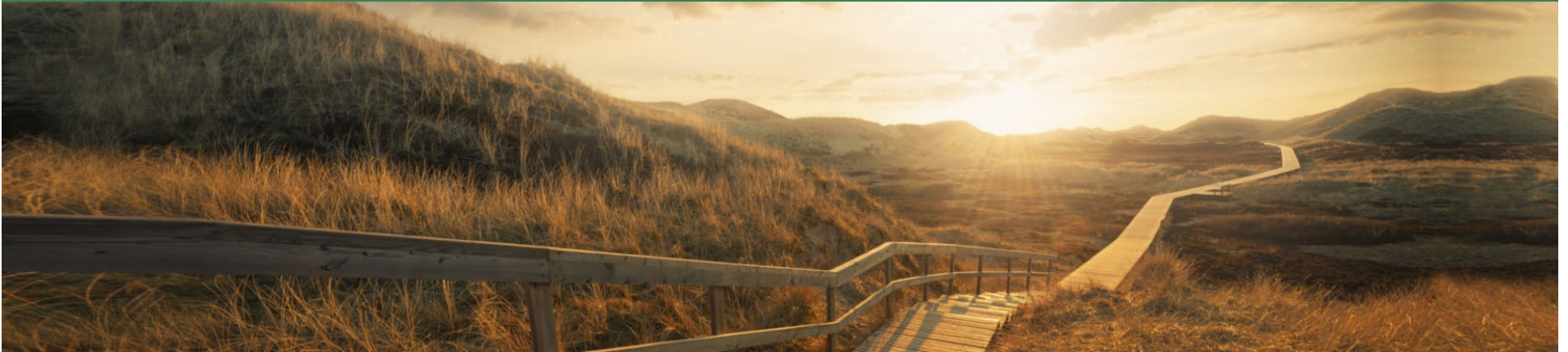
Proper planning, playing it safe and strong management reduce risk

The Case for Apartments

- **Multifamily is a Highly Resilient Asset Class** - Relative to other real estate sectors like hospitality, retail and office, multifamily maintains high occupancies and experiences strong rent collections even in turbulent times
- **Declining Homeownership** - Home ownership rate declined from 69% in 2006 to 65.4% in 2021; millions of former homeowners now renting
- **Favorable Demographics** - The 73 million Millennials, a generation now larger than the Baby Boomers, are delaying marriage/family formation and valuing mobility, driving them to rent much longer than previous generations
- **Alternative to Traditional Fixed Income** - In an environment of ultra-low interest rates, the Fund's 4-5% current yield is considerably above yields from most government/investment-grade bonds and dividend-paying stocks
- **Availability of Low Cost-Debt** - Multifamily is a preferred asset class and debt is widely available from a variety of sources



Pathfinder Fund Update



“In all things, success depends on the previous preparation and without such previous preparation there is sure to be failure.”

- Confucius

Pathfinder Opportunity Fund Review

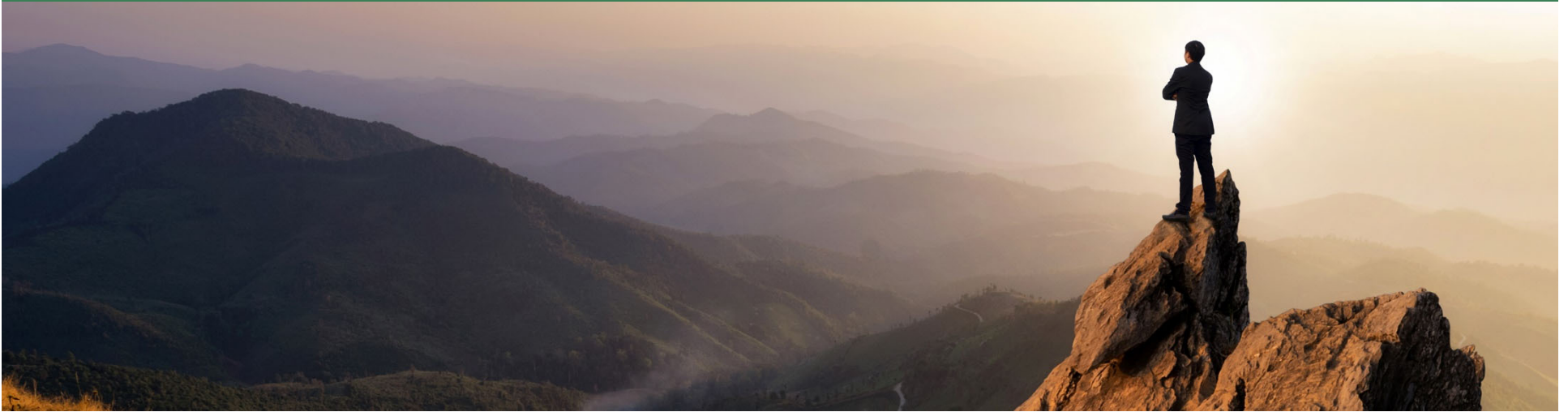
Fund	Investments Remaining	Capital Committed, in millions	Distributions through 7/31/21 (% of capital)	Projected Remainder 2021 Distributions
Fund III ('11-'12)	1	\$38	152%	5%
Fund IV ('12-'13)	3	49	132%	19%
Fund V ('15) / Fund V-A ('15)	3	87	153% / 145%	10% / 10%
2017 Multifamily Fund ('17)	3	45*	130%	58%
Raintree II ('16)	30	14	100%	10%
Fund VII ('18)	8	71*	N/A	20%
Fund VIII ('20)	3	51	N/A	N/A
Tradewinds ('19)	8	20	N/A	0%
Income Fund ('20)	8	110	7.25%**	1.25%

*Capital for the 2017 Multifamily Fund and Fund VII includes additional syndicated capital invested in the Fund portfolio investments.

**Distributions since Fund inception

Pathfinder Income Fund

A Stabilized Multifamily Fund



“A wise man will make more opportunities than he finds.”

- Napoleon Hill, American Author

Pathfinder Income Fund

- **Investment Strategy**

- ✓ Grow platform by acquiring additional stabilized multifamily properties from prior Pathfinder funds (“Prior Funds”) and through additional open market acquisitions
- ✓ Acquired eighth property in June 2021
- ✓ 9 properties totaling 1,086 units owned by Prior Funds are acquisition candidates in ‘22-’25

- **Basis for Strategy**

- ✓ Attractive apartment properties in cities with strong population, job and rent growth
- ✓ Immediate net cash flow distributions to investors expected to be 4-5% per year – and growing
- ✓ Value-add on properties completed, deferred maintenance addressed
- ✓ Our local market knowledge and familiarity with properties reduces risk
- ✓ Very attractive environment for low-cost, long-term borrowing

- **Equity**

- ✓ \$110 million in equity raised to date (August 2021)

- **Fund Term**

- ✓ Term through Dec. 2029 (with two 3-year extension options)

Pathfinder Income Fund (cont'd)

- **Debt**

- ✓ Lock in long-term, fixed-rate debt with Freddie Mac/Fannie Mae or banks
- ✓ 7-year to 10-year terms with interest-only component
- ✓ Two additional properties scheduled for acquisition in September 2021

- **Target Returns**

- ✓ Targeting 13% gross average annual returns to Fund, 10%+ net IRR with immediate 4-5% in annual cash flow distributions
- ✓ Targeting 2.3x net equity multiple

- **Economic Terms**

- ✓ 90%/10% for operating income distributions
- ✓ 7% Preferred Return and return of capital to investors; catch-up to general partner, then 85%/15% split on Capital Events (Sales/Refinances)

- **Tax Considerations**

- ✓ Significant cash flow may be sheltered through accelerated depreciation

- **Other Considerations**

- ✓ Ability to add additional properties in the future
- ✓ Redemption provisions beginning in 2023
- ✓ Potential to redeploy cash flow in later years for subsequent value-add

Pathfinder Income Fund Portfolio

Property	City, State	Selling Fund	Number of Units	June 2021 Value	Acquisition Value (in millions)
Aria on Mill Apartments	Tempe (Phoenix), AZ	Fund V	76	\$ 17.5	\$ 15.2
Maddox Apartments	Mesa (Phoenix), AZ	Fund V	224	43.1	37.5
Talavera Condominiums	Tempe (Phoenix), AZ	Syndicate	144	35.3	31.0
Breeze Hill Apartments	Vista (San Diego), CA	Fund IV	88	33.8	33.0
Vista Creekside Apartments	Vista (San Diego), CA	Fund V	41	14.8	14.3
Highlands at Red Hawk Apartments	Castle Rock (Denver), CO	N/A	56	19.3	18.2
Echo Ridge Apartments	Northglenn, CO (Denver)	N/A	168	44.1	44.1
V-Esprit	Aurora (Denver), CO	Fund V	<u>100</u>	<u>36.7</u>	<u>36.7</u>
			897	\$ 244.6	\$ 230.0

Pipeline Opportunities

Strong Transaction Pipeline with Properties in Prior Funds

1,086 Units Owned by Prior Funds are Acquisition Targets

Property	Location	Prior Fund	Units
The Fleetwood	Tempe (Phoenix), AZ	Fund VII	96
Park Paloma	Phoenix, AZ	Fund VII	60
		Phoenix	156
Habitat	Portland, OR	2017 MF Fund	85
Bull Mountain Heights	Tigard (Portland), OR	Fund VII	126
Creekside Village	Vancouver, WA (Portland, OR)	Fund VII	132
		Portland	343

Property	Location	Prior Fund	Units
The Station	Littleton (Denver), CO	Fund VII	97
		Denver	97
Astoria	Fife (Seattle), WA	Fund VII	125
		Seattle	125
Charleston	Sacramento, CA	2017 MF Fund	195
Rosemont Park	Sacramento, CA	Fund VII	170
		Sacramento	365

Pathfinder Income Fund Summary Terms

Capital Committed (as of August, 2021)	\$110,000,000
General Partner's Commitment	\$10,600,000
Minimum Investment	\$100,000
Unit Price	\$1,109.87 (as of June 30, 2021)
Investment Horizon	Fund Term through 2029 (subject to extension)
Target Internal Rates of Return (gross/net)	13% (Gross to fund) / 10% (Net to Investors)
Annual Income Distributions	Initially 4-5%, paid quarterly
Target Equity Multiple (gross/net)	2.7x (Gross to fund) / 2.3x (Net to Investors)
Preferred Return	7%; catch-up to General Partner
Distribution Splits (Limited Partner/General Partner)	90%/10% on Operating Income 85%/15% on Capital Events (Sales and Refinances)
Management Fee	1.25% annually
Acquisition Fee	1.0% (waived for rollover properties)

This is not an offer to sell, or a solicitation to purchase, an interest in the Income Fund which may only be done pursuant to the Private Placement Memorandum, Subscription Agreement and related offering documents.

Thank you!

Questions?