THIRD LAKE PARTNERS
ALTERNATIVE YIELD STRATEGY FUND

PAYS

A DIVERSIFIED STRUCTURED NOTES INTERVAL FUND

September 2026

20260903-5842486

A SIMPLIFIED APPROACH TO STABLE & CONSISTENT INCOME

INVESTMENT THESIS

Third Lake Partners Alternative Yield Strategy Fund ("PAYS" or the "Fund") is a systematically built, diversified, laddered portfolio of 24–30 equity-linked yield notes issued by major global issuers.[1]

These notes are intended to generally offer investors above-market income relative to conventional debt securities of the same maturity with risk mitigation—paying periodic coupons and returning principal to the extent underlying equity indices do not breach pre-defined barrier levels (typically 30–35% below initial levels).

The Fund's strategy combines a disciplined, systematic portfolio construction approach with an active management overlay in an effort to deliver a continuous income stream across market cycles.

$214mm
AUM

$2.2bn+
NOTIONAL TRADED ITD

98.9%
PORTFOLIO COUPONS COLLECTED

5+ Years
STRATEGY TRACK RECORD

20+ Years
LEAD PM'S STRUCTURED DERIVATIVES EXPERIENCE

275+
CUSTOMIZED NOTES ISSUED

~6.7 Months
AVERAGE NOTE LIFE

THE OPPORTUNITY

EQUITIES ARE EXPENSIVE

S&P 500 at ~20x forward P/E — historically linked to 3% to 6% annualized 10-yr returns[2]

YIELD AS A PRIMARY RETURN DRIVER

In high-valuation, volatile markets, the Fund's yield has a sound basis to drive outperformance relative to a traditional equity allocation[3]

STRUCTURED NOTE DEMAND SURGING

U.S. issuance nearly tripled since 2020 — $118bn through May of 2026, +29.8% YoY[4]

DEFINED OUTCOMES ADD VALUE

Recent trends show investors seeking more tailored risk-return frameworks to balance yield potential, downside risk mitigation and liquidity

STOCKS ARE HISTORICALLY OVERVALUED: P/E RATIO NEAR ALL-TIME HIGHS[5]

S&P 500 Index, Cyclically Adjusted P/E Ratio (Shiller CAPE)

20260903-5842486

MANAGED FUND ADVANTAGES

PAYS SEEKS TO OFFER DIVERSIFIED EXPOSURE TO MULTIPLE NOTES, LOWER VOLATILITY AND DELIVER A POTENTIALLY MORE DEFINED AND CONTINUOUS INCOME STREAM

INVESTMENT SPECIALIZATION

Leveraging deep experience and Firm platform infrastructure

PRICING ADVANTAGE

Transact directly with issuers, not brokers

PORTFOLIO CONSTRUCTION

Systematic investment to maintain exposure

DIVERSIFICATION

Diversify across Indices, maturities and Trigger Event levels[6]

ACTIVE MANAGEMENT

Capitalize on market volatility and manage reinvestment

WHY A REGISTERED PRODUCT?

BROADER ACCESS

Opens the strategy beyond accredited / QP limits to a wider investor base.

LOWER BARRIER TO ENTRY[7]

Substantially reduced minimums and improved transparency versus the private fund vehicle.

PLATFORM DISTRIBUTION

Differentiated product access via tech-enabled platforms, RIA networks and UMA / advisory platforms.

1940 ACT GOVERNANCE

Independent board oversight, daily NAV and registered-fund compliance.

1099 TAX REPORTING

Form 1099 simplifies the investor experience versus K-1 reporting.

DEFINED LIQUIDITY

Quarterly repurchase offers provide a structured liquidity mechanism.

PORTFOLIO CONSTRUCTION

SYSTEMATIC LADDERED APPROACH

ONGOING REINVESTMENT

Principal systematically redeployed as notes mature, supporting continuity & efficiency

REDUCED CONCENTRATION

If one note breaches a barrier, others can continue to perform[6]

CONTINUOUS INCOME

On average, PAYS can receive a coupon payment every **~3 trading days**[8]

TRADING & EXECUTION

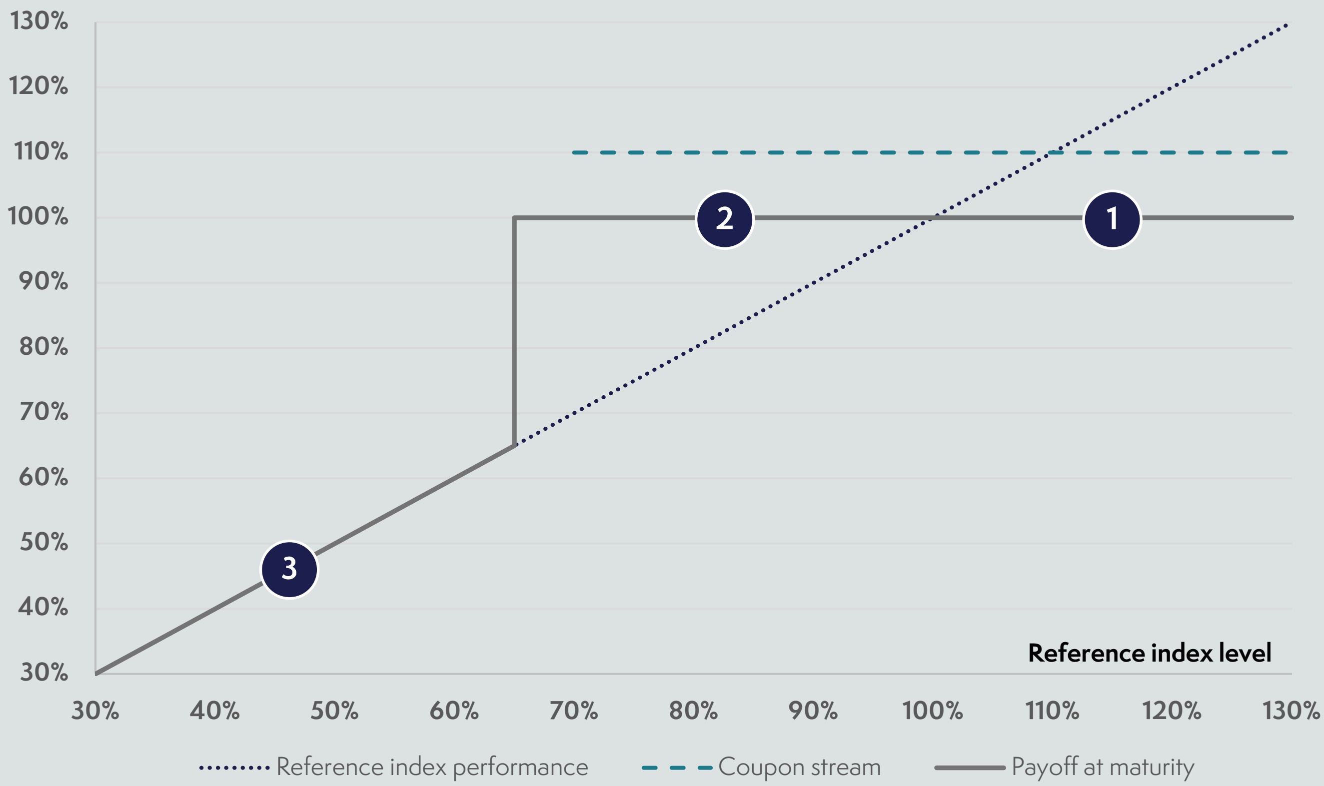
Direct competitive auctions across more than 20 global issuers; no broker intermediary

ILLUSTRATIVE PORTFOLIO COMPOSITION

Strategy Tranche	Securities Included	Security Tenors	Underlying Indices	Strategy Allocation (%)
1	4 Structured Notes	1 - 2 Years	Basket 1	15.8%
2	4 Structured Notes	1 - 2 Years	Basket 2	15.8%
3	4 Structured Notes	1 - 2 Years	Basket 3	15.8%
4	4 Structured Notes	1 - 2 Years	Basket 4	15.8%
5	4 Structured Notes	1 - 2 Years	Basket 5	15.8%
6	4 Structured Notes	1 - 2 Years	Basket 6	15.8%
7	Cash	-	-	5%
Total	**24 Structured Notes**	**1 – 2 Years**	**6 Baskets**	**100%**

EQUITY-LINKED YIELD NOTES OVERVIEW

POTENTIAL RETURNS



1 REFERENCE INDICES RISE

- Investor receives quarterly income until note is called
- If called prior to maturity, investor receives 100% principal back

2 REFERENCE INDICES REMAIN FLAT OR DECLINE (STAYS ABOVE COUPON BARRIER)

- Investor receives quarterly income throughout full term of note
- Investor receives 100% principal back at maturity

3 ANY REFERENCE INDEX DROPS SEVERELY (REMAINS BELOW PRINCIPAL BARRIER)

- Coupon payments cease
- If worst performing reference index recovers above ~30% coupon barrier, coupon payments resume
- If any reference index declines ~35% or more at maturity, investor experiences principal loss proportional to that decline

20260903-5842486

IMPLEMENTATION & PORTFOLIO FIT

RISK CONTINUUM

FIXED INCOME

- Includes corporate bonds, treasury notes, commercial paper and money market investments
- Senior to equity in the case of insolvency, and sometimes collateral-backed to improve recovery

EQUITY-LINKED YIELD NOTES

- Potentially higher yield than other debt securities with similar maturities[9]
- Risk mitigation that may keep principal and yield intact through moderate market declines and volatility

EQUITY

- Includes single equities, stocks, equity mutual funds and ETFs, options and ownership stakes in private companies
- Typically, no protection on downside and higher volatility

STRATEGY BENEFITS FROM THIRD LAKE PARTNERS' BROADER INVESTMENT, TRADING AND RISK INFRASTRUCTURE

INCOME-ORIENTED ALLOCATION

Objective: Seek consistent income with a focus on capital preservation.

Execution: Consider allocating to PAYS within an income sleeve alongside traditional fixed income and alternative yield strategies.

YIELD ENHANCEMENT & DIVERSIFICATION

Objective: Introduce a differentiated income source with return drivers distinct from traditional credit.

Execution: Consider reallocating a portion of high yield or bank loan exposure to PAYS to enhance income potential and diversify risk sources.

EQUITY-RISK MITIGATION

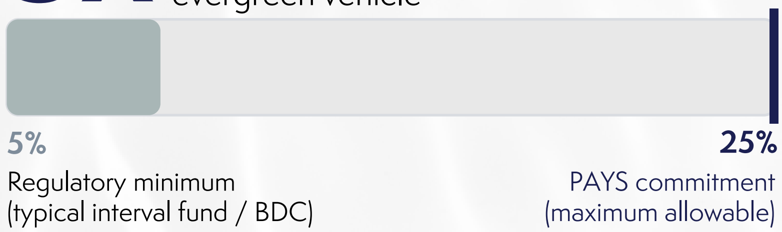
Objective: Generate income while reducing reliance on full equity beta.

Execution: Consider funding PAYS from equity exposure to introduce structured downside barriers and income generation within a growth portfolio.

LIQUIDITY BY DESIGN

Managers of BDCs and private credit interval funds face a structural mismatch: illiquid assets are difficult to sell at fair value on a time-sensitive basis, leading some sponsors to limit repurchases to the 5% regulatory minimum (i.e., gate). PAYS is not subject to the same illiquidity mismatch. The Fund's notes reference broad, highly liquid equity indices, are marked daily from observable inputs, and are issued by counterparties that quote them on a two-way basis.

5x the quarterly liquidity of a standard evergreen vehicle



SHORT, SELF-LIQUIDATING BOOK

A ~6.7-month average note life and ~1.9x annual turnover means the portfolio continuously matures into cash. Liquidity is generated, not borrowed.[10]

CONTINUOUS, OBSERVABLE PRICING

Each note is model-priced intraday from observable inputs and marked daily at the mid, so positions sell at fair value, never a distressed discount.

CONSISTENT CASHFLOW

Designed to generate a continuous and repeatable cash flow stream, with the fund historically receiving a coupon payment every ~3 trading days.[11]

HIGHLY LIQUID UNDERLIERS

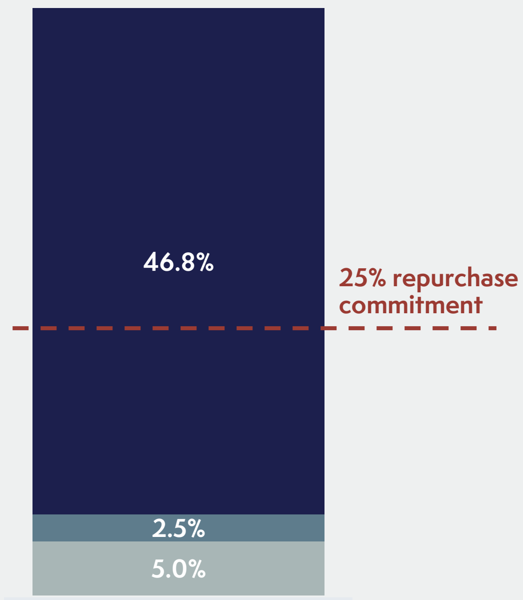
Notes reference the world's deepest equity indices (S&P 500, Russell 2000, Nasdaq 100 etc.). The hedges behind them unwind with minimal slippage.

NATURAL CASH FLOWS DESIGNED TO COVER REDEMPTIONS BEFORE ANY NOTE IS SOLD

In most quarters the Fund meets a full 25% repurchase entirely from cash it already generates: maturing or called notes, coupon income, and its standing cash balance. Discretionary selling is a backstop, not the de facto plan.[12]

Available Liquidity[13]
vs 25% Commitment
(% of NAV/quarter)

~54% Available



~2.2x coverage, **before inflows**

Maturities & Early Calls **46.8%/qtr**

~1.9x avg turnover, 6.7-month avg note life[14]

Coupon income **2.5%/qtr**

9-11% p.a. contingent coupons (~2.5%/qtr)

Cash buffer **5%/qtr**

~5% of NAV in interest-bearing money market or other cash equivalents

All figures assume zero new subscriptions; the Fund is open daily to take in new investor capital, providing additional cushion without introducing cash drag.

POSITIONS ARE SOLD AT FAIR MARKET VALUE RATHER THAN DISTRESSED PRICES, ADDING VALUE FOR THE SHAREHOLDERS WHO REMAIN IN THE FUND.

MANAGEMENT

Third Lake Partners, LLC ("TLP" or the "Firm") manages over $5.97 billion in assets, and its principals have participated in the investment of more than $13 billion of transaction value across a diverse set of investment verticals. The firm was founded in 2019 by its principals and their co-founding family office and is based out of Tampa, FL. Third Lake Partners has an expansive global network to offer clients a range of alternative investments across a variety of asset classes to help maximize investor returns through what it believes to be the most attractive opportunities in the marketplace.[15]

NATHAN P. SHELDON, CFA

PARTNER & HEAD OF STRUCTURED PRODUCTS

Nathan Sheldon is a partner and head of structured products for Third Lake Partners. Nathan joined The Firm in November 2024 and serves as lead portfolio manager for several alternative equity strategies managed by Third Lake Partners. Nathan has been the portfolio manager since the Fund's inception. Nathan is responsible for investment decision making and daily oversight as well as future growth of these strategies.

Prior to this, Nathan worked at Morgan Stanley where he gained over 20 years of industry experience. He most recently worked at Morgan Stanley Investment Management ("MSIM") where he served as co-head of the Managed Solutions Group and was lead portfolio manager for multiple successful structured notes strategies that he helped to create and bring to market beginning in 2019.

ENDNOTES & DISCLOSURES

Investors should consider the investment objectives, risks, and charges and expenses of the Fund before investing. The prospectus contains this and other information about the Fund and should be read carefully before investing. The prospectus may be obtained at thirdlakepays.com or (844) 879-7297 (TRY-PAYS). Third Lake Partners Alternative Yield Strategy Fund is distributed by Ultimus Fund Distributors, LLC, Member FINRA/SIPC.

Unless otherwise stated, all performance data reflects inception to date as of 07/31/2026. Fund performance shown for periods prior to 09/04/2026 is that of Third Lake PM Alternative Yield Strategy Fund I, LP, the Fund's predecessor fund, which was reorganized into the Fund on that date.

1. There is no guarantee the Fund will achieve these targets.
2. MacroMicro. S&P 500 – Forward PE Ratio. Accessed 07/21/2026. Bloomberg. S&P 500 Total Return Index (SPXT Index), S&P 500 Index (SPX Index) Bloomberg Estimate Forward Price-to-Earnings Ratio. XLS. Accessed 07/21/2026. Data as of 06/30/2026.
3. There is no guarantee that outperformance will be achieved during volatile periods.
4. Source: Structured Products Intelligence (SPi), part of WSD. Bloomberg.
5. Shiller PE Ratio by month. Source: Robert Shiller, multpl (https://www.multpl.com/shiller-pe). Accessed 07/21/2026. Data as of 07/20/2026.
6. Diversification does not eliminate the risk of loss.
7. Anticipate the launch of the Class I shares (Ticker: PAISX) in Q4 2026 with a minimum investment of $2,500.
8. From the strategy's inception (02/18/2021) through 07/31/2026, the Fund received a coupon payment every ~2.6 trading days, equivalent to every ~3.7 calendar days. From these coupons, the Fund intends to issue quarterly distributions, however, there is no guarantee that the Fund will be able to or actually make any distribution during any calendar quarter. Distributions and their amounts are made at the sole discretion of the Investment Manager.
9. Equity-linked notes are structured to have income potential that exceeds traditional fixed income investments through structured note design.
10. Realized average life of notes called or matured since the strategy's inception. Not the contractual maturity or effective duration of the current portfolio.
11. From the strategy's inception (02/18/2021) through 07/31/2026, the Fund received a coupon payment every ~2.6 trading days, equivalent to every ~3.7 calendar days. There is no guarantee these coupons will continue to be received in this timeframe.
12. Note turnover reflects contractual maturities set at issuance and early calls. Figures reflect actual maturities and early calls as of 07/31/2026 and assume no new subscriptions. There is no guarantee the Fund will meet any repurchase offer from portfolio cash flows.
13. For illustrative purposes only. Coverage is shown before new subscriptions. Maturities and early calls reflect the Fund's actual historical data as of 07/31/2026. Past performance is not indicative of future results. In market environments where notes are not called, portfolio turnover declines and average note life extends, which would reduce the maturities and early calls figure shown.
14. Average note life reflects the realized life of all notes called or matured since the strategy's inception (02/18/2021), calculated as call or maturity date less trade date. It is not the contractual maturity or the effective duration of the Fund's current portfolio
15. Total assets figure comprised of both assets under advisory and assets under management which may be discretionary or non-discretionary. As of 3/31/2026.

DISCLOSURE

Certain of the information contained herein is based on or derived from information provided by or obtained from third-party sources. While Third Lake Partners believes that such information is accurate as of the date it was produced and that the sources from which such information has been obtained are reliable, Third Lake Partners does not guarantee the accuracy or completeness of any such information or the assumptions on which such information is based. This document should only be considered current as of the date of publication without regard to the date on which you may receive or access the information. The Investment Manager maintains the right to delete or modify information without prior notice. Charts, tables and graphs contained in this document are not intended to be used to assist the reader in determining which securities or investments to buy or sell or when to buy or sell securities or investments. The information in this document is general in nature, is not directed to any category of investor and should not be regarded as individualized, a recommendation, investment advice or a suggestion to engage in or refrain from any investment-related course of action. Third Lake Partners is not providing this document in a fiduciary capacity and has a financial interest in the sale of its products and services. Investment decisions and the appropriateness of any of the information, products or services described herein should be made by an investor based on the investor's individual objectives and circumstances and in consultation with the investor's advisors.

RISKS

The Fund is suitable only for investors who can bear the risks associated with the limited liquidity of the Fund and should be viewed as a long-term investment. The Fund intends to provide limited liquidity through quarterly offers to repurchase a limited amount of the Fund's shares (at least 5% of shares outstanding); however, there is no guarantee that an investor will be able to sell all the shares that the investor desires to sell in the repurchase offer. The Fund will ordinarily declare and pay distributions from its net investment income, if any, once a quarter, and net realized capital gains annually; however, the amount of distributions that the Fund may pay, if any, is uncertain. The Fund may pay distributions in significant part from sources that may not be available in the future and that are unrelated to the Fund's performance, such as borrowings. Such distributions may constitute a return of capital and reduce a shareholder's adjusted tax basis in Fund shares, thereby increasing the shareholder's potential taxable gain or reducing the potential taxable loss on the sale of Fund shares. To the extent such distributions are a return of capital, the distributions should not be considered the dividend yield or total return of an investment in Fund shares. The Fund does not intend to list Fund shares on any securities exchange, and the Fund does not expect a secondary market for Fund shares to develop. You should not expect to be able to sell your shares regardless of how we perform. You should consider that you may not have access to the money you invest in Fund shares for an extended period of time.

DEFINITIONS

Average Note Life – The realized life of notes called or matured, calculated as call or maturity date less trade date and averaged across all such notes since inception. It is not the contractual maturity or the effective duration of a current portfolio. **BDC** – "Business Development Company"; a closed-end investment company that primarily invests in small and middle-market businesses and is required to provide shareholders with periodic liquidity opportunities subject to regulatory requirements. **Coupon Barrier** – The predetermined level of the reference index below which a structured note's coupon payment may not be paid for the applicable observation period. **ITD** – "Inception-to-date"; the period beginning on a strategy's or fund's inception date and ending on the most recent reporting date. **Notional** – The face value or reference amount upon which the payments, returns, or performance of a derivative or structured product are calculated; it is not necessarily the amount invested. The term is commonly used to measure structured note issuance volume. **P.A. Contingent Coupon** – "Per Annum Contingent Coupon"; The annualized coupon rate that a structured note is designed to pay, expressed as a percentage per year and subject to the note's terms and conditions. **P/E Ratio** – "Price-to-earnings Ratio"; a valuation measure calculated by dividing a company's share price by its earnings per share, indicating how much investors are willing to pay for each dollar of earnings. **Principal Barrier** – The predetermined level of the reference index below which an investor may be exposed to a loss of principal at maturity. **Standard Evergreen Vehicle** – An investment vehicle with no fixed termination date that continuously accepts capital and permits periodic redemptions, typically subject to liquidity constraints and fund-specific redemption terms. **Structured Derivatives** – Financial instruments whose value is linked to the performance of an underlying asset, index, rate, or basket of securities and whose payoff is determined by predefined contractual terms. **Structured Notes** – Hybrid securities that combine a debt obligation of an issuer with one or more embedded derivatives, creating customized risk-return characteristics tied to the performance of underlying assets, indices, or benchmarks. **Trigger Event** – A predetermined reference index level that, when reached or breached, alters a structured note's coupon payment, call, or principal repayment terms. **Turnover** – The rate at which portfolio principal is returned and redeployed as notes are called or mature, expressed as a multiple of the portfolio on an annual basis.

GET IN TOUCH

1600 East 8th Avenue, Suite A132-A
Tampa, FL 33605

www.thirdlakepays.com

pays@thirdlake.com

(844) 879-7297 (TRY-PAYS)