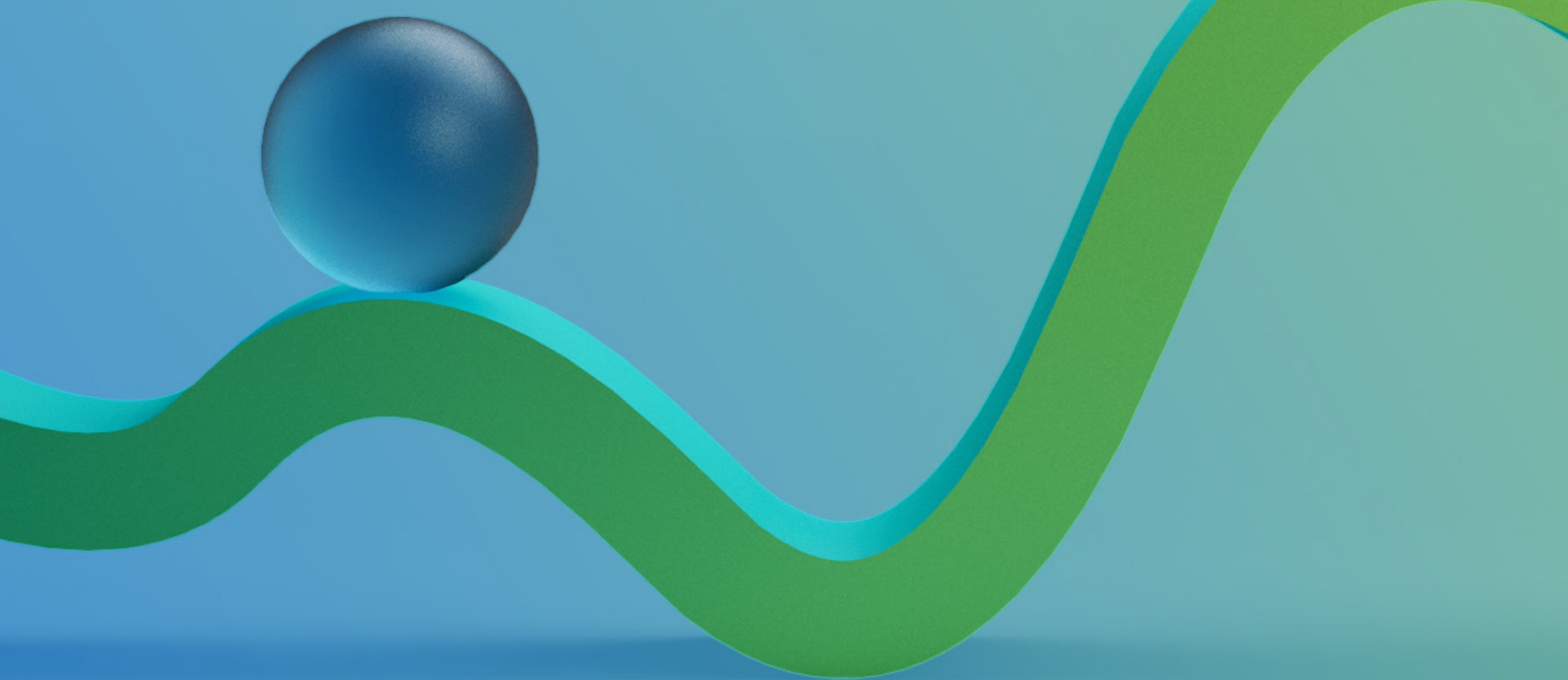
Yieldstreet

2023 Outlook



Strength amid uncertainty

Insights from our investment professionals
on private market alternatives in the year ahead.

Introduction

2022 marked one of the most volatile and worst performing years for public market investors. The historic drawdown was fueled by investors' fears of an upcoming recession driven by inflation levels not seen since the 1980s, the Fed's hawkish monetary policy decisions, growth concerns, and increased geopolitical tensions.

2022 returns

-18.11%
S&P 500

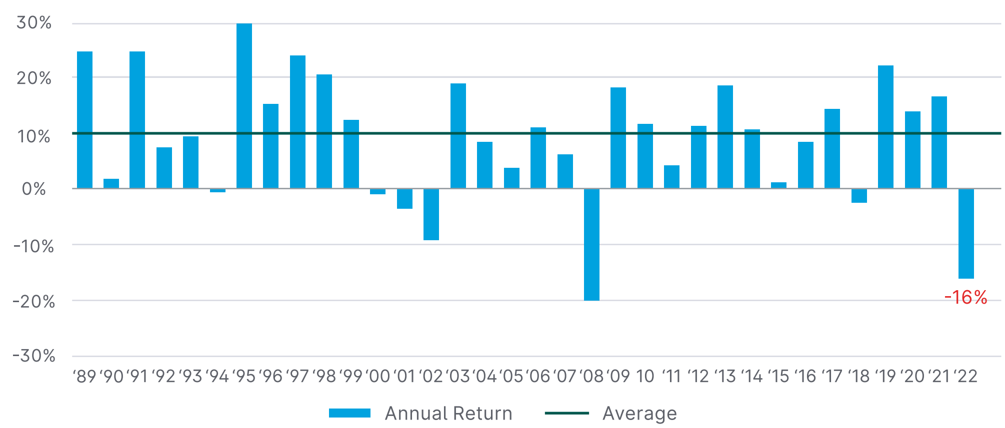
-13.01%
Bloomberg U.S. Aggregate Bond Index

-16.00%
Traditional portfolio of 60% stocks, 40% bonds

See page 14 for additional details.

Historically, fixed income has provided investors a safe haven during equity sell-offs. However, the last two years have been an exception. While bonds have historically exhibited a negative correlation to stocks and provided protection to investors during equity sell-offs, the current rising rate environment has led to falling bond prices (bond prices have an inverse relationship with interest rates).

Performance of a traditional 60/40 portfolio



A traditional 60/40 portfolio represents a blend of 60% stocks (S&P 500 Index) and 40% bonds (Bloomberg U.S. Aggregate Bond Index). See page 14 for additional details.

A new market paradigm

Amid these challenges, investors saw the benefits of private markets shine through. Long coveted by institutions, the diversification and drawdown protection advantages of alternative assets in individual portfolios are becoming more important than ever. As public markets continue to waiver, we believe private markets are poised to take advantage of dislocation.

To help you plan for the year ahead, we have distilled the top trends our investment teams are seeing in each of our asset classes. Read on to explore our thinking for 2023.

Table of contents

Real Estate

2022 returns

+5.5%
Private real estate[1]

-25.0%
Public REITS[2]

Real estate came under pressure in 2022 from higher interest rates which led to capital market volatility, a slowdown in transaction volume, and tighter credit. On the flip side, investors are sitting on billions of dollars in capital earmarked to be deployed in real estate, which should help spur economic activity as markets show signs of stability.

Despite the near-term headwinds, we believe in real estate's long-term ability to serve as the foundation of a private market portfolio. Here is where we see promise in the year ahead.

Insights for 2023

Opportunities in each property sector

While we believe there is a stronger case in the multifamily and industrial, opportunities may present themselves across all sectors.

Multifamily
The days of 20%-30% annual rent growth are likely behind us. However, high mortgage rates are expected to push individuals and families to multi-family developments, creating an opportunity for investors.

Industrial
Industrial continues to be a favored property type as a result of the rise of e-commerce. In particular, manufacturing, data centers, and logistics facilities are favored as we expect continuous demand growth.

Office
We expect tenants will continue to shed underutilized office space this year, adding to the already high amount of available supply. Demand for the best buildings in attractive locations will support rent growth in top-tier office towers.

Retail
Grocery-anchored retail and experiential retail continue to be the favored sectors within retail. Large shopping malls or big box retail continue to face challenges as a result of the rise of e-commerce.

High quality properties in high demand locations

We believe the following markets are best positioned to thrive in 2023.

- Fast-growing and popular Sun Belt markets like Austin, Dallas, Miami and Nashville
- New/luxury properties in high-demand markets like New York City and Los Angeles

[1] NCREIF Property Index
[2] FTSE ALL REIT Index

Real Estate

Capitalizing on distressed opportunities

We have seen lower-than-expected distress across markets and property types. Last year, given muted capital markets activity and limited buyer pools, lenders often worked with borrowers to avoid foreclosure or loss of property. In the second half of 2023, we expect the volume of distress situations to increase, though not to the levels seen during the Great Financial Crisis. This could present compelling equity investment opportunities as some owners may not have the means to sustain their property.

Premium lending opportunities

More stringent lending standards have limited traditional funding sources for real estate projects. We believe private real estate debt is well positioned to fill the gap and expect to see an increasing number of quality lending opportunities with high-quality borrowers. While investors may receive a higher interest rate, the level of risk assumed may not proportionately increase.

Spotlight: Resetting rents can provide inflation protection

Real estate has historically proven its ability to effectively combat inflation due to frequently resetting rent rates. In particular, multifamily properties typically require tenants to renew their leases annually, providing an opportunity for landlords to raise rent prices at a rate that keeps pace — or surpasses — inflation.

Our approach in 2023

- We expect to pursue distressed equity investment opportunities as some owners may not have the means to sustain their properties.
- We intend to seek higher yielding debt investments with an equity backing and monthly coupon payments.

About Real Estate on Yieldstreet

Yieldstreet provides direct access to a wide range of highly-vetted real estate investments across the risk-return spectrum. From managed funds to equity ownership in commercial properties to real estate debt, you can build a diversified portfolio of real assets — without the need to manage tenants or renovations.

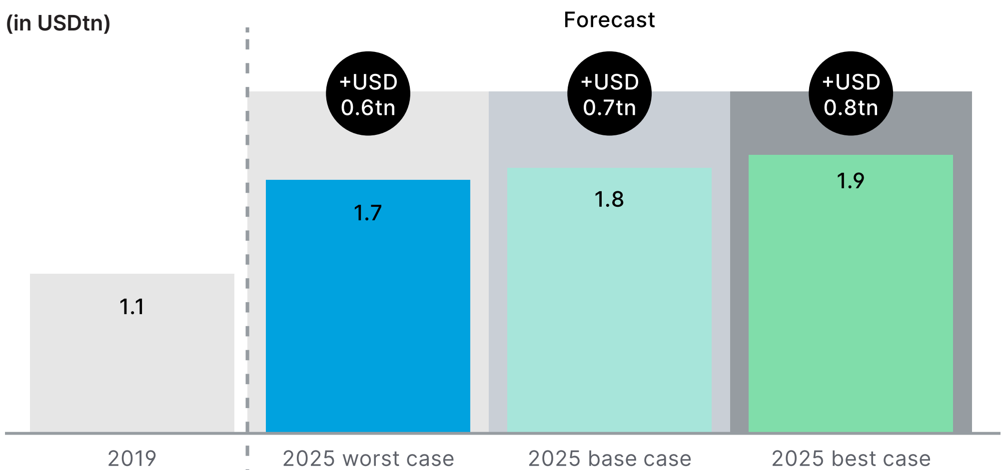
[View investment opportunities]

Private Credit

In 2022, regulatory changes led commercial bank lenders to begin tightening their credit requirements and the syndicated loan market decreased substantially. This provided the opportunity for private credit to fill the void. We also saw the asset class rise in prominence as a way to diversify investments as traditional fixed income as bonds fell more than 12% alongside steep stock declines[3].

As we move into the new year, we believe the ever-expanding role of private credit in finance is here to stay. While we expect economic conditions in 2023 to lead to increased delinquencies and defaults, these will be covered by higher yields and stronger loan structures.

Private credit AuM growth projection



Source: PwC Global Market Research Centre, Preqin, PwC analysis

Insights for 2023

Lender-friendly market with higher yields

It can be a great time to be a private lender from a yield perspective. Rates on new loans will continue to increase throughout the year as the Fed raises rates to fight inflation. The Fed funds rate will likely exceed 5% (4.58% as of Feb. 2) in 2023, pushing the Prime rate above its current 7.75% level.

With this in mind, we believe floating rate debt opportunities that move with a benchmark like the Prime rate, may be advantageous for investors in the short term as the Fed works to reduce inflation to their target. For longer term debt, investors may seek fixed rate opportunities to prolong the benefits of today's rate environment.

[3] Bloomberg U.S. Aggregate Bond Index. From January 1, 2022 to December 31, 2022.

Private Credit

More conservative structures

After strong private credit performance in 2021, we saw default rates increase to pre-pandemic levels in both the commercial and consumer verticals last year. If inflation continues to stay at record high levels and interest rates continue to rise, we could see default/delinquency rates increase further in both the consumer and commercial sectors. Households and businesses used cash and savings accumulated during the pandemic to make payments on time in 2022; however, most of that has now been consumed. Low unemployment and wage inflation is expected to keep household cash flows stable in 2023.

We expect lenders will have the ability to to underwrite stronger loan structures with improved protections for investors, including the following:

- Higher discount rates on asset purchases leading to lower loan-to-value ratios
- Tighter financial covenants on commercial loans
- Greater emphasis on revenue, cash flow and debt service coverage

Opportunistic, distressed and subordinated debt

Should economic conditions worsen, there could be an opportunity to obtain a premium yield for opportunistic asset purchases, distressed financings and subordinated debt.

Our approach in 2023

- We aim to target opportunistic single name short-term supply chain financing and well-diversified commercial receivable medium term offerings in 2023.
- We also intend to seek well-positioned borrowers in recession-resistant or counter-cyclical specialty finance segments with solid historic performance through prior recessions.
- Acquisition of forward flows of commercial and consumer receivables with structural protections to provide sufficient downside coverage in the event of further economic deterioration are also appealing.

About Private Credit on Yieldstreet

Target regular interest payments by investing in asset-backed loans to high-quality borrowers. Across more than 40 matured offerings, Yieldstreet provides access to a wide range of private credit and specialty finance opportunities.

[View investment opportunities]

Art

2022 marked a record-breaking year at the top levels of the art market as the three major auction houses (Christie's, Sotheby's, and Phillips) all recorded their highest years of sales. Highlights included the sale of Andy Warhol's portrait of Marilyn Monroe for $195M in May 2022 — the most expensive artwork ever sold by an American artist — and an exceptional year at the Art Basel fairs.

While some segments of the art market show signs of softening, the blue chip sector remains strong. Here is what we believe investors can expect in the year ahead.

A strong year for all three top auction houses

Auction house	2022 Sales
Phillips	$1.3B
Sotheby's	$8B (projection)
Christie's	$8.4B

Source: Observer

Insights for 2023

74%

of collectors with an annual income of $500K+ said inflation hadn't impacted their art purchasing in the past 12 months[4]

Emphasis on blue chip art

In times of economic uncertainty and market volatility as we are now facing, blue chip artwork has historically shown great stability, even during stock market crashes, recessions and wars. Blue chip artwork is generally considered an artwork that is expected to increase in value, notwithstanding general economic or market conditions. These top-tier, high-value artworks are created by well-established artists, whose works have solid auction and repeat sales histories.

Faster rebounds than the equity markets

Blue chip art has historically proven its resilience. During the last major global financial crisis, auction prices fell by roughly 27.2% between 2007 and 2009 (MeiMoses). During this same time, the S&P 500 fell 57% from its peak in October 2007. By 2011, total art sales had rebounded and matched 2007 levels, but it took the S&P 500 an additional two years to reach pre-crisis trading levels.

[4] Artsy September 2022 survey

Art

Collections take center stage

Some of the largest art sales in 2022 were driven by single-owner auctions. Most notably, the unprecedented sale of the late Paul Allen's collection of 60 artworks brought in $1.6B at auction. We anticipate that a number of legendary art collectors will offer their collections over the next 5-10 years.

These collections are especially prized because of what we call the "Provenance Premium." The mere fact that these artworks were once in the collections of prestigious, world-renowned art collectors is a significant driver of value, as demonstrated by Christie's blockbuster sales of the collections of Peggy & David Rockefeller, Paul Allen, and Thomas and Doris Ammann, to name only a few.

Market becoming more liquid

In the last 10 years, artwork turnover has doubled (ArtPrice). In the last 20 years, it has multiplied 31x. Increased liquidity and turnover suggests that loan collateral could be sold efficiently and effectively in the event of borrower default.

Our approach in 2023

- Opportunities could emerge to acquire high-value works at a discount, which Yieldstreet is prepared to do.
- We believe Post-War & Contemporary Art will remain the top collecting category and that younger collectors will continue to enter the market, further increasing spending at mid- level price points.

About Art on Yieldstreet

Yieldstreet offers two distinct opportunities to invest in art:

- Through art-backed debt offerings, investors receive monthly interest payments and principal paydowns as the underlying art loans are paid down by borrowers.
- Yieldstreet's diversified art equity offerings hold collections of blue chip art and art by mid-career artists whose CAGRs indicate strong potential for growth during the 5-year hold period, after which the artworks will be sold.

View investment opportunities

Legal Finance

Legal Finance has boomed in recent years as law firms, plaintiffs, and investors alike realize the benefits of this specialized strategy. While structures vary, the investment involves financing lawsuits in exchange for a portion of the potential settlement proceeds.

In today's market environment, Legal Finance stands out for its historically low correlation to stocks. Outcomes are based on legal outcomes, which are generally independent of market movements.

In 2023, we believe the opportunities for legal finance investments will remain robust and draw the attention of investors seeking insulation from public markets.

Insights for 2023

Growing sector draws new managers

New fund managers continue entering the asset class. These largely come in the form of new traditional litigation funders who specialize in purchasing interests in lawsuits and sophisticated hedge funds who lend money to law firms secured by their contingency fees. While the industry's assets under management are hard to know due to limited public information, some estimates exceed $12B[5]. Given the size of the broader U.S. legal services market (>$300B[6]), penetration remains low, offering the potential for rapid growth.

Lending against mass tort claims

One of the largest and fastest-growing segments of the market involves investing in or lending against mass tort claims. Mass tort litigation typically involves high-profile and large-scale litigation against corporations on behalf of plaintiffs who were allegedly harmed by a pharmaceutical drug, a medical device, or a defective consumer product. These include the herbicide Roundup, Johnson & Johnson's Talc baby powder, hernia mesh implants, and the broader opioid epidemic.

Emergence of bankruptcy court to limit liabilities and accelerate settlements

An increasingly common tactic used by corporate defendants in high-value litigation has been the use of bankruptcy court to allegedly limit liabilities and accelerate settlements. In these cases, defendants have effectively carved liabilities and business lines out from the broader pool of company assets. Those entities subsequently declare bankruptcy with limited recourse back to the larger corporate parent. Key examples of this have been Johnson &

[5] Reuters
[6] Ibis World

Legal Finance

Johnson's Talc litigation, the Boy Scouts of America/Catholic Church sexual abuse litigation, and 3M's military earplug litigation. In early February 2023, Johnson & Johnson's attempt to utilize bankruptcy court was dismissed, creating obstacles for large well-capitalized defendants pursuing this strategy.

Potentially slower returns

While the legal finance market has not been materially impacted by fluctuations in the stock market, the courts are still working through the delays caused by COVID-induced court shutdowns. Depending on the location, many litigants have found their cases materially delayed, often by years. Many managers in the legal finance industry have subsequently found their funds have monetized assets and returned capital to limited partners slower than anticipated.

Our approach in 2023

- A key focus going into 2023 is targeting law firms or investors who are facing liquidity issues due to delays in their cases, often due to the COVID-induced court shutdowns and pressure from their limited partners.
- We also believe there is an increased opportunity to source attracting pre-settlement plaintiff funding portfolios given the rising rate environment and demands for liquidity.
- Our investment teams are also exploring the use of principal insurance policies on our investments.

About Legal Finance on Yieldstreet

One of our first asset classes, Yieldstreet provides access to a range of diversified legal finance portfolios.

View investment opportunities

Private Equity & Venture Capital

The unprecedented investment, financing, and fundraising activity seen in private equity (PE) and venture capital (VC) between late 2020 and early 2022 has reversed as the industry adapts to a new investment paradigm. However, volatility creates opportunity, and PE and VC firms are armed with significant dry powder that is available to invest opportunistically. Indeed, some of the best-performing PE vintages occurred during market drawdowns[7].

Insights for 2023

Investors are in the driver's seat

We see negotiation power shifting away from sellers and toward investors as valuations are reset with macroeconomic uncertainty and higher costs of debt and equity capital. Anecdotally, we are seeing early signs that this is translating into a higher quality opportunity set, with potentially higher returns, than we have seen over the last several years.

New opportunities in secondary funds

Facing a more muted environment to exit existing investments, both sponsors and investors of PE and VC funds are seeking liquidity solutions by selling, financing, or recapitalizing their investments or portfolios. We believe these investment opportunities, commonly referred to as secondaries transactions, will be an active and compelling source of deal flow. Investors stand to benefit from these secondaries opportunities by gaining discounted access to a visible, and often mature, portfolio of PE or VC investments with the potential to generate a higher-velocity investment return.

Public companies go private and corporate carve-outs

With the significant declines we have seen in public markets performance, many PE investors are evaluating opportunities to acquire public companies outright or opportunities to carve out distinct divisions or business units of public companies. We saw a near record level of activity for deals of this type in 2022 and believe the momentum will continue with persisting volatility in the public markets.

Tracking signs of distress

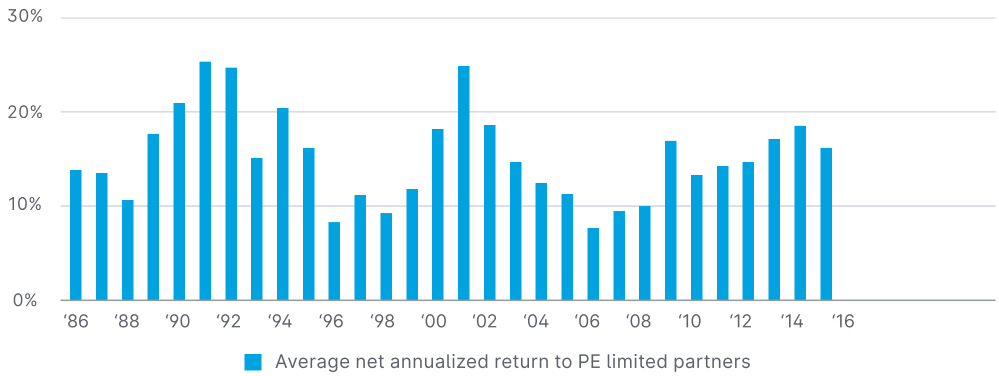
A weakening macroeconomic picture increases the potential for distressed investment opportunities and we are actively evaluating signals and sources of distress. Distressed opportunities typically lag periods of macroeconomic, financial markets, or industry-specific weakness and we believe there is virtue in being patient to see if and where pockets of distress emerge.

[7] Pitchbook

Private Equity & Venture Capital

Spotlight: Strong returns from recessionary periods

PE generated some of its best-performing vintages during the crash of 2001 and the 2008-2009 Global Financial Crisis.



Source: Refinitiv/Cambridge private equity returns as of 06/30/2022

Our approach in 2023

- We continue to focus on tried and tested PE and VC sponsors, with specialized capabilities and investment histories that span multiple economic cycles.
- With valuation and performance declines disproportionately affecting high-growth, often technology-based, businesses, we are actively evaluating opportunities to obtain high quality technology exposure to capitalize on the valuation dynamics.
- We believe time is an asset. Many of the PE and VC funds we target will assemble a portfolio of investments over a period of three or more years; investors of these funds will not only benefit from diversification across a portfolio of investments, but will also benefit from the ability to respond to market conditions as they evolve.

About Private Equity and Venture Capital on Yieldstreet

Yieldstreet provides direct access to private equity and venture capital through individual deals and diversified funds. We partner with some of the world's leading managers so investors can access the potential outsized returns this vertical has historically delivered.

[View investment opportunities]

Important Disclosures

Risk of investing in Alternative Investments:

Alternative investments involve specific risks that may be greater than those associated with traditional investments; are not suitable for all clients; and intended for experienced and sophisticated investors who meet specific suitability requirements and are willing to bear the high economic risks of the investment. Investments of this type may engage in speculative investment practices; carry additional risk of loss, including possibility of partial or total loss of invested capital, due to the nature and volatility of the underlying investments; and are generally considered to be illiquid due to restrictive repurchase procedures. These investments may also involve different regulatory and reporting requirements, complex tax structures, and delays in distributing important tax information.

This document is not a solicitation, recommendation or offer to buy or sell any security, financial product or instrument.

Outlooks presented herein are presented for informational purposes only, and set forth our views as of February 1, 2023. The underlying assumptions and our views are subject to change. This outlook includes certain forward-looking statements, including estimates, forecasts and projections provided by the management of Yieldstreet regarding future performance. Such forward-looking statements, estimates, forecasts and projections (i) reflect various assumptions concerning future industry performance, general business, economic and regulatory conditions, market conditions for Yieldstreet's products and other matters, which assumptions may or may not prove to be correct, (ii) are inherently subject to significant contingencies and uncertainties, many of which are outside the control of Yieldstreet and (iii) should not be regarded as a representation by Yieldstreet that such estimates, forecasts or projections will be achieved. Actual results can be expected to vary and those variations may be material.

Certain information in this document has been obtained from sources believed to be reliable as of the date presented; however, we cannot guarantee the accuracy of such information, assure its completeness, or warrant such information will not be changed. The information contained herein is current as of February 1, 2023 and is subject to change without notice. Yieldstreet has no obligation to update any or all such information; nor do we make any express or implied warranties or representations as to the completeness or accuracy.

Traditional 60/40 portfolio

The Traditional Portfolio represents a custom blend calculated by Yieldstreet of the S&P 500 Index (60%) and Bloomberg U.S. Aggregate Bond Index (40%) from 1/1/22 to 12/31/22. Yieldstreet's historical investment offerings and the holdings in a Traditional Portfolio differ materially. Financial indices assume the reinvestment of dividends and do not reflect the impact of fees, taxes and other expenses. Indices are unmanaged, and you cannot make a direct investment in an index. Statistical data of the indices has not been independently verified by Yieldstreet. These references to the past performance of indices are for informational purposes only.

Yieldstreet believes that private market alternatives should be a fundamental part of an investment portfolio. The company empowers investors to grow their wealth outside of the stock market by curating private market alternatives from some of the top investment managers, all on one easy to use platform.

Yieldstreet provides access to a broad range of private market options to help investors diversify beyond the ups and downs of the stock market. Its award-winning platform provides access to investment products across a range of asset classes such as Real Estate, Venture Capital, Private Credit, and Art.

Yieldstreet