RIDLEY CAPITAL GROUP
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RCG STABLE FUND
FACT SHEET

INVESTMENT OBJECTIVE

The investment objective of the RCG STABLE FUND is to produce a high level of monthly income while maintaining a stable principal investment value . The Fund intends to achieve its investment objective by providing short-term, securitized loans to businesses with high and growing cash flow. The Fund only lends to businesses with solid collateral that can be converted into cash within 60 days.

RCG ADVANTAGES

People Lead portfolio Manager is Shawn Ridley, a 5-star Morningstar manager with over 35 years of consistent success in managing mutual funds, institutional funds, and high-net worth portfolios. The investment team has over 150 years of professional experience.

Process RCG management implements a structured due diligence process when assessing the credit worthiness of a company, Additionally, the Stable Fund requires unencumbered and liquid collateral to back stop the Fund from potential losses..

Performance Management of the Fund is performance oriented, with a focus on avoiding losses and providing steady annual returns. The Fund's objective is to produce income and has no correlation to the S&P 500.

Deal Access The RCG Stable Fund has little competition from other alternative private credit funds in its region of operations, allowing it to be selective in its lending practices and disciplined in the terms received from its borrowers.

FUND TERMS

Qualified Investor:	Accredited
Current Annual Yield:	10.75%
Subscriptions:	Open
Remittances:	Monthly
Liquidity:	2-year lock-up

THE FUND

The RCG Stable Fund, LLLP is a private investment fund which extends credit to private companies. The investment objective of the Fund is to generate a high level of monthly income while providing principal stability. The Fund achieves its investment objective by issuing short-term, securitized loans to businesses that require bridge capital to meet rising demand and realize tangible growth opportunities. The Fund does not use leverage (debt) to enhance returns.

THE INVESTMENT

Investors purchase Interest Units issued by the Fund, which maintain a stable price per unit of $1.00. Each unit pays a monthly remittance, which currently equates to an annualized yield of 10.75%. This rate fluctuates with changes in the Fed Funds rate.

PERFORMANCE

RCG Stable Fund was launched in November 2019 and has produced an annualized return of 10.92%. The Fund's income yield fluctuates with the rise and fall of the Federal Funds rate as set by the U.S. Federal Reserve. As of September 30, 2023 the Fund's current yield is 10.75%, with income remitted monthly. Below are annual returns since inception and through September 30, 2023 :

PERIOD	RETURN
Dec 2019	0.94%
Jan - Dec 2020	12.00%
Jan – Dec 2021	11.25%
Jan – Dec 2022	10.91%
YTD (Sep 2023)	7.93%

SECTOR ALLOCATION FOCUS

The Fund focuses its investment opportunities primarily in the financial services and consumer non-durable sectors. A hallmark characteristic of companies operating in these market sectors is the production of high cash flows. The Fund will have small allocations in other sectors of the economy, as well. The Fund requires borrowers to pledge collateral that can be converted into cash within 60 days. Real estate does not qualify as primary collateral due to its illiquidity. The Fund has not encountered a a loss during its history of operation.

CONTACT

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Period Ending September 2023

Fall 2023 Review

For nearly two years economists and market strategists have been predicting the economy will slow and slip into a recession as the Federal Reserve tightened available credit by repeatedly raising interest rates. Despite these forecasts, the gross domestic product ("GDP") grew a surprising 4.9% in the 3rd quarter and the economy added 336,000 new jobs in September. Rapid economic growth tends to lead to wide-spread inflation, but recent data shows a slowdown in the rate at which prices are rising.

The cost of money continues to climb higher, and this is most evident in the steep rise in mortgage rates. The 30-year fixed rate is approaching 8.0%, more than one percent higher since June 30. These higher rates continue to dampen housing markets by reducing the affordability of new home purchases and limiting the number of existing homes being listed. Commercial real estate continues to deteriorate given the higher interest rates, remote work trends, and tight credit markets.

The adage to 'not fight the Fed' held true last quarter as both stocks and bonds lost ground. The S&P 500 Index fell 3.65% and the average intermediate bond fund lost 2.7% during the 3rd quarter. The RCG Stable Fund returned 2.58% for the quarter and its current annual yield is 10.75%.

While mortgage rates jumped significantly during the quarter, the Federal Reserve held its benchmark Fed Funds rate steady. Labor strikes at UPS and by the UAW labor union resulted in large wage concessions and improved benefits for workers, which may cause workers in other industries to take notice. Wage inflation due to tight labor markets is watched closely by the Fed, and an acceleration in the rate of wage growth will likely cause future rate hikes to ease tight labor markets.

Consumer spending remains surprisingly strong, but higher debt levels and lower savings rates indicate a likely slowdown in the months ahead. We see the economies of China and Germany slowing and anticipate these sluggish economies to soon impact U.S. growth rates. Recent data from American Express indicates corporate spending volume is slowing faster than expected. We have written before how a slowdown in economic activity may benefit the foundational footing of the global economy by recalibrating supply and demand imbalances and help keep inflation in check.

DISCLAIMERS