

## Key Updates

### Performance on deployed investments meets expectations

The aircraft portfolio is 100% leased with the two aircraft generating leases and net income in line with expectations at underwriting. The resulting cash flow will be partly utilized to paydown the senior loan as planned with the view to further reduce the debt service costs.

Our belief in the thesis for the aircraft leasing strategy remains strong as the supply-demand balance continues to be skewed in the favor of lessors and owners of the planes.

### Distributions of leasing income are expected to commence post Q1 2023

The leasing rental income and cash flows for December 2022 has been received as expected by Yieldstreet in January while distributions to investors for December were temporarily withheld to ensure that all actual expenses aligned with the expected projections. As there were no unexpected expenses during December 2022 or Q1 2023, the income from the period of December to Q1 2023 is expected to be distributed to investors in the first months of Q2 2023. All future distributions will take place based on the expected payment schedule.

Since there have been no indications of any condition changes in the portfolio of planes, we anticipate consistent monthly cash flows from lease income to be paid in full and on time for the foreseeable future.

### Market Insights

The U.S. airline industry experienced strong travel demand that drove record revenues in Q4 2022, which continued into 2023. However, there has been a sharp increase in the cost to rent planes. Lease rates have risen +20% since the lows of the pandemic. This will help improve the lease pricing when Yieldstreet re-releases the planes and thus increase their terminal value. United Airlines continues to have a strong balance sheet with a robust fleet of over 1.4k planes as the stock continues to outperform its competitors.(1)(2)(3)

Sources:

- (1) <https://www.ibisworld.com/united-states/market-research-reports/domestic-airlines-industry/>
- (2) <https://www.prnewswire.com/news-releases/global-airlines-market-report-2022-market-to-reach-744-billion-by-2026---emerging-new-technologies-for-urban-mobility-to-step-up-the-excitement-in-the-market-post-pandemic-301577764.html>
- (3) <https://www.unitedcargo.com/en/us/book/aircraft-specifications.html>

## At a Glance

### Real Assets

Returns Source(s):

- Current Income
- Anticipated Future Aircraft Sale

### Investment Overview

Yieldstreet invested a \$11.59M equity position in two Boeing 737s, narrow-body passenger aircraft. The investment is junior to \$10.7M of senior debt that was provided by a publicly listed U.S. bank. The co-investor has provided the remaining \$690k of equity alongside Yieldstreet.

### Business Plan

Backed by the resurgence of Air travel in the post-pandemic era and supply-demand imbalance that has increased the lease prices, the Company intends to re-lease the Aircraft Assets and pursue a sale opportunity for each of the Aircraft Assets leading to vast majority of the returns being generated via the anticipated future sale of the aircraft.

### Target Net Annualized Return<sup>2</sup>

14%+

Net annualized return when calculated at final realization.

### Payment Schedule

Monthly

### Target Term<sup>1</sup>

2026