PRINCETON
ALTERNATIVE FUNDING

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Monthly Returns[1]

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	-	-	1.50%	1.21%	2.11%	1.34%	1.21%	1.42%	1.35%	1.22%	1.23%	1.38%	14.87%[3]
2016	1.34%	1.26%	1.86%[2]	1.41%	1.42%	1.20%	1.32%	1.31%	1.27%	1.48%	1.57%	1.97%	19.88%[3]
2017	1.59%	1.65%	1.51%	1.19%	1.34%	1.18%	1.08%	1.17%	1.05%	1.10%	1.03%	-	13.89%[4]

PAIF (Class 1)[5] Net Asset Value
$43,390,847.20
Cash Loan Loss Reserve[6]
$4,941,548.63

PAIF SP[7] Net Asset Value
$14,546,350.42

PAF Total Net Asset Value
$57,937,197.62
Cash Loan Loss Reserve[6]
$4,941,548.63

PAF Net Asset Value Growth 2015[3] **$57,928,477.00** 2016[3] **$61,079,746.00**

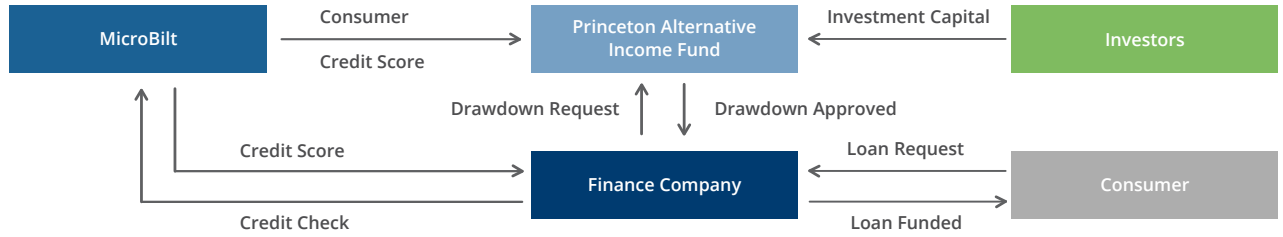
Fund Description

Princeton Alternative Funding (PAF) is a fund management company and general partner of the Princeton Alternative Income Fund (PAIF).

PAIF is an open-ended, 3(c)7 debt fund that provides credit facilities to select, consumer-facing lenders in the alternative lending marketplace. The fund seeks to deliver high, non-correlated returns for sophisticated investors while mitigating risk through an exclusive corporate partnership between PAF and the MicroBilt.

MicroBilt, a Consumer Reporting Agency (CRA) regulated by the FTC and the CFPB, provides world class analytics and monitoring capabilities, a leader in credit analysis and risk management, servicing more than 4,000 active lenders in the alternative consumer market for over 35 years.

Business Overview



Fund Information

Minimum Investment	$1,000,000	Offshore	BVI
Interest	Paid monthly or reinvested	Management Fee	2%
Redemptions	Monthly with 180 day advanced notice	Performance Fee	20%
Domiciled	US	Targeted return	13% - 15% annual, net of fees

Management Team

Howard Davner - Chief Executive Officer
howard_davner@princetonalternativefunding.com

Jeff Davner - President
jeff_davner@princetonalternativefunding.com

Jack Cook - COO and Chief Compliance Officer
jack_cook@princetonalternativefunding.com

Robert B. Wade - Managing Director
robert_wade@princetonalternativefunding.com

The Fund has changed the reporting methodology of Assets Under Management from pure AUM to Net Asset Value (NAV).
The NAV calculation takes into account liabilities and is derived from the monthly balance sheet reports provided by the fund administrator.

1 - Represents monthly results assuming 2% / 20% management fee / incentive allocation structure and net of expenses and reserves for class 1 shares only. Numbers taken directly from our fund administrator's reports.

2 - The fund restated earnings back to March, 2016 to account for an unrealized loss in a portfolio that has been side-pocketed in accordance with our documentation. Highlighted cells represent months with restated earnings.

3 - Per Audited Financial Statements

4 - Cummulative (Unaudited)

5 - Represents Net Asset Value of the PAIF non-side-pocketed assets (PAIF Class 1) net of funded reserves. NAV includes total assets and liabilities. All new investors will only participate in the Class 1 fund.

6 - Is a cash reserve, held in PAIF's name as a reserve against losses on the outstanding lines of credit and has been deducted from the calculation of the PAIF Class 1 NAV.

7 - Represents Net Asset Value of side-pocketed assets (PAIF SP) being managed by PAIF. NAV includes total assets and liabilities. No new investors can or will be able to participate in the side-pocket.

The fund implemented a temporary suspension of distributions and redemptions. The fund is currently not accepting new subscriptions until the temporary suspensions are lifted. The decline in SP NAV and PAF Total NAV are a result of an additional unrealized reserve taken in the SP portfolio.

THERE CAN BE NO ASSURANCE NOR CAN IT BE ASSUMED THAT FUTURE PERFORMANCE WILL CONFORM TO PAST PERFORMANCE.
IN ADDITION, IT SHOULD BE KNOWN THAT AN INVESTMENT IN THE FUND MAY RESULT IN A LOSS.