The Boutique Advantage

Why smaller credit platforms, when built with discipline and intention, can deliver institutional results.

AUM is frequently treated as a quality signal in private credit. Larger funds and larger raises create the impression that scale equals strength, but scale and discipline are not the same thing. In credit, conflating the two carries real risk.

There is a different story worth telling. A boutique platform built with rigour can offer distinct advantages, not in spite of being smaller, but because of it.

01 HOW GARRINGTON IS BUILT DIFFERENTLY

Garrington has been managing private credit since 1999[1], through the Global Financial Crisis, a global pandemic, and multiple full credit cycles. The platform was built deliberately: smaller, simpler, and more disciplined, built deliberately to avoid the structural vulnerabilities exposed by recent events.

Since we began managing 3rd party capital in 2015, Garrington has not recorded a negative rolling twelve-month return period[2]. That consistency is not accidental; it is the product of structural choices made at the outset and maintained through every market environment since.

02 THE SCALE MISCONCEPTION

- Larger platforms must deploy capital at scale, directing them toward bigger transactions and leaving smaller borrowers underserved.
- A boutique platform with a clearly defined mandate offers selectivity, depth of expertise, and the freedom to say no

03 OUR TARGET MARKET – A STRUCTURALLY UNDERSERVED SEGMENT

- We focus on areas where others tend to overlook; loans in the $1 to $30 million range
- There is simply less capital at this level relative to demand, which allows us to lend on more favourable terms
- Less competition and greater flexibility enable deeper alignment between borrower needs and lender structure

There is growing evidence that niche lending strategies focused on less crowded segments of the market can deliver attractive results compared with many large-scale direct lending strategies.

04 HIGHER RETURNS RELATIVE TO RISK

Garrington originates current-pay, senior-secured facilities, structured with capital preservation as the primary objective. Tangible collateral, first-lien priority, and predictable monthly cash flows form the foundation of our Strategy[3].

12-14% Target gross yield on senior secured loans[3]	**50-70%** Typical weighted-average LTV ratio against realizable collateral value[4]	**6-9 months** Historical weighted-average loan portfolio duration[5]

These types of gross yields, advance rates and portfolio duration are simply not available in the larger loan space.

05 LEVERAGE USE

- Some of the largest private credit platforms have operated with significantly higher leverage ratios, in some cases between 1x and 1.5x debt-to-equity, or greater, reflecting the lower gross yields available in the larger loan space
- Garrington targets a debt-to-equity ratio of 0.5x, with operating levels typically ranging between 0.25x and 0.75x; the current ratio is 0.44x[3]
- The ability to employ such modest, controlled leverage is appropriate because natural risk-adjusted returns are already available in the smaller loan space

06 DURATION AND LIQUIDITY

- Garrington's historically weighted-average loan portfolio duration[5] has typically ranged from six to nine months. The evergreen structure provides monthly liquidity, subject to a 90-day notice period.
- Exposure to Payment-In-Kind loan structures has been, and remains, deliberately limited.

07 CAPITAL DISCIPLINE

- Capital is deployed only when return objectives are met without compromising security of principal
- Growth targets are never permitted to drive deployment decisions
- Fund capacity is deliberately limited, both annually and in aggregate
- Capital may be returned when market conditions do not support disciplined deployment

08 TRANSPARENCY

- Performance is important, but it does not tell the whole story, understanding how that performance is generated is equally critical
- Investors are encouraged to conduct independent due diligence, including a comprehensive portfolio review, with full access to senior members of the origination, underwriting, and portfolio management teams
- We provide investors with a complete picture of how their capital is deployed: not just headline yield, but portfolio composition, underwriting discipline, security measures, and strategy

09 PORTFOLIO CONSTRUCTION CONSIDERATIONS

When managed prudently, senior secured private lending offers some of the most compelling risk-adjusted returns in the investment universe.

- **Diversification is additive.** Incorporating more than one manager within a private credit allocation can improve portfolio resilience across borrowers, issuer sizes, industries, geographies, and underwriting approaches.

- **Complementary, not redundant.** Garrington's Strategy provides exposure to a distinct segment of the borrower market, enhancing portfolios that already include other private credit funds rather than replicating existing exposure.

Garrington stands apart as a boutique private credit manager: a transparent, collateral-backed strategy focused on senior secured loans, designed for consistency and resilience across market cycles.

We win by not losing.

Important Notes

This material is for informational and discussion purposes only and is not intended to be, nor shall it be construed as, advice or any recommendation or an offer, or the solicitation of any offer, to buy or sell an interest in any security, by Garrington Group Inc. and Coral Cove Capital Ltd. or each of their respective affiliates (collectively "Garrington"), Garrington Private Credit Fund Ltd. or any private fund advised or sponsored by Garrington, Coral Cove Capital Ltd., or any of their respective affiliates (each a "Fund"). Any such offer or solicitation may be made only by delivery of the respective Fund confidential offering documents to qualified or accredited eligible investors. Prospective investors should rely solely on the delivery or review of such confidential offering documents in making any investment decision.

Any opinions, assumptions, assessments, statements or the like ("Statements") regarding future events or which are forward-looking, including regarding portfolio characteristics, constitute only subjective views, are based upon expectations or beliefs, should not be relied on, are subject to change due to a variety of factors, including fluctuating market conditions, and involve inherent risks and uncertainties, both general and specific, many of which cannot be predicted or quantified and are beyond the control of Garrington. For example, the use of the words "believe," "expect," "anticipate," "plan," "will," "intend" or other similar expressions identifies a forward-looking statement. Future evidence and actual results (including the actual composition and investment characteristics of the portfolio) could differ materially from those set forth in, contemplated by, or underlying these statements. Considering these risks and uncertainties, there can be no assurance that these statements are now or will prove to be accurate or complete in any way. Garrington undertakes no responsibility or obligation to revise or update such statements.

Note on Terminology

For readability, this document uses "we," "our," "us," and "Garrington" as shorthand to describe the consolidated investment approach of the Garrington Private Credit Strategy ("Strategy"). In practice, this approach is implemented through a number of legally separate entities, each with distinct roles and responsibilities — including Garrington Group Inc. (the "Credit Advisor"), which originates, underwrites, and manages the underlying loan portfolios; the special purpose investment vehicles ("SPVs") that hold those portfolios; the investor-facing fund vehicles through which capital is deployed; and their respective Investment Managers, which are responsible for fund operations, investor servicing, and regulatory oversight.

These entities are not affiliates of one another in all cases, and references to "we" or "Garrington" should not be read as implying that any single entity performs all of the functions described, or that Garrington Group Inc. acts as Investment Manager of any fund vehicle.

Prospective and existing investors should refer to the applicable confidential offering memorandum for a complete description of the fund structure, the roles of each party, and the terms of investment.

Important Information

1. References to Garrington's history of "managing private credit since 1999" reflect the origins of Garrington Group Inc., which traces its roots to Liquid Capital Corp., a North American factoring and working-capital financing platform founded in 1999. The current principals of Garrington acquired the operating assets of Liquid Capital in 2019, integrating its origination, underwriting, and servicing operations under the Garrington Group umbrella. While the institutional knowledge, lending platform, and client relationships developed since 1999 inform Garrington's current approach, the Strategy has a formal inception date of June 2015.

2. The “Historical Performance - Garrington Private Debt Strategy” and the “Annualized return since inception” shown from January 1, 2021, to present are of the Garrington Private Credit Fund (the “Fund”) Class I Shares net of all fees and expenses. The performance results from June 1, 2015 to December 31, 2020 is of Garrington’s performance history which is based on an asset-weighted composite comprised of transactions managed by Garrington in various Special Purpose Vehicles (the "Garrington SPV’s") (the “Performance Composite”) during this period. The Performance Composite has been calculated net of all fees and expenses. The Performance Composite calculations have been reduced by an additional 0.75% management fee and a performance fee of 20% over an 8% hurdle rate (with a catch-up) to properly reflect the fees of the Class I shares of the Fund. Collectively, the historical Fund Performance and the Performance Composite are the Strategy’s “Related Performance”. There may be material differences between the returns of the Strategy and the Related Performance, including, but not limited to the structure, redemption provisions, fees, use of leverage, taxes, currency hedging, foreign exchange, loan portfolios not being identical, cash flows and asset size. Related Performance results have inherent limitations, some of which are described above, so there may be material differences between the Related Performance results and the actual record subsequently achieved by the Strategy. The Fund changed its name from the Coral Cove Private Credit Fund to the Garrington Private Credit Fund on July 17, 2024.

3. All figures and data regarding the Garrington Private Credit Strategy portfolio are unaudited and derived from unaudited data as at the date indicated herein. All data and calculations are for the Garrington overall portfolios as at January 31, 2026, are subject to change and may slightly vary depending on which Garrington Fund is investing. As of February 1, 2026, the Strategy is invested in a portfolio of loans which may differ by individual positions and/or percentage weightings from the data as indicated in this section due to ongoing portfolio transactions.

4. Calculated as loan balance/estimated collateral value. Collateral values are unaudited and may reflect a range, depending on valuation methodologies, including Use Value, Orderly Liquidation and Forced Liquidation valuations. Collateral calculations are typically limited to the assets held directly by the borrower or for which the Strategy is directly entitled to. As at Jan 31, 2026, for two lender-to-lender transactions, an “Economic LTV” is utilized, which represents a modeled, expected-case estimate of proportional exposure to downstream borrower collateral. For these calculations, the LTV is calculated as the advance rate against the lender finance loan portfolio, multiplied by the weighted-average borrower-level LTV of that portfolio.

5. Based on the legal maturity date of the loan. Loans are subject to being renewed and/or extended. Factoring facilities are typically by way of ongoing purchase and sale agreements for the factoring of receivables and may not have an explicit maturity date, but an estimated average period of 90 days has been used for the full collection of factored receivables and maturity time of factoring facilities.