

PHORCYS OPPORTUNITIES I, LLC

High-Yield & Distressed Municipal Credit Strategy

Hartwell GA – June 17, 2021



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The performance described in this presentation is the historical audited and unaudited performance of Phorcys Opportunities I, LLC- (the "Fund") since inception as calculated by Trident Fund Services, Inc., the Fund's independent administrator. Historical performance is provided only to demonstrate the portfolio manager's investment experience and is not indicative of future results. The Fund's historical performance data includes realized and unrealized gains and losses, reinvestment of interest payments and other earnings, and deduction of accrued management fees, accrued incentive allocations, if any, brokerage transaction expenses, including commissions and margin interest, and certain accounting, auditing, and other general and administrative expenses associated with the normal ongoing operation of the Fund and its offering of limited liability company interests. The historical results may not be comparable to returns that can be expected to be achieved by the Fund in future years for many reasons, including the following: Future investments may be made under different economic conditions than those that prevailed during the historical periods described. In addition, the Manager has wide latitude to vary the Fund's activities and may not necessarily continue investing in the manner that generated the results presented in this presentation. As noted in the Fund's Offering Memorandum, the Manager may use a wide range of investment strategies and techniques and may change the mix of strategies and techniques at any time. All investments bear the risk of loss. An investment in the Fund may be deemed a speculative investment and is not intended as a complete investment program. It is designed only for sophisticated and experienced investors who do not require liquidity and who can bear the loss of their entire investment in the Fund. The Manager will attempt to moderate these risks, but there can be no assurances that the Fund's investment activities will be successful or that investors will not suffer losses.

Market index information shown herein is included to show relative market performance for the periods indicated and not as a standard of comparison, since indices are unmanaged, broadly based and differ in numerous respects from the Fund. Market index information and other information presented herein was compiled from sources that the Manager believes to be reliable. However, the Manager does not guarantee the accuracy or completeness of such data.

Certain information contained in this document contains forecasts, illustrative returns, estimates, beliefs and similar information constituting "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. Forward looking information is subject to inherent uncertainties and qualifications and is based on numerous assumptions, in each case whether or not identified herein. Forward looking information is provided for illustrative purposes only and is not intended to serve as, and must not be relied upon by any investor as, a guaranty, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions.

The Manager and the other Manager Affiliates are engaged in an active municipal securities broker-dealer business through First Southern, LLC, ("FS") and may engage in other securities investment activities unrelated to Fund business (some of which may compete with Fund investment activities), including providing services as brokers or investment advisers to various other clients, accounts, and funds (collectively, the "Other Accounts") on such terms and subject to such fee arrangements as the Manager or other Manager Affiliates deem appropriate. The other activities of the Manager Affiliates may create conflicts of interest with the Fund with respect to the time devoted to managing the Fund.

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EXECUTIVE SUMMARY

SECTION A

Phorcys Opportunities I, LLC (the “Fund”) is a credit-focused investment vehicle that endeavors to provide investors the ability to achieve tax-advantaged returns in all market conditions by investing in asset-backed high-yield and distressed municipal bonds at steep discounts.

- ❑ **Target Return:** Low double-digit annual returns, net of fees and expenses.
 - **Historical Performance: 15.25% average annualized unlevered return since inception (December 2014), net of fees and expenses**
 - ❑ **Strategy:** Absolute return strategy focused on long-term investments in tax-exempt high-yield and distressed muni bonds with underlying real estate collateral
 - ❑ **Market:** Highly fragmented and inefficient market which is driven primarily by fund flows from retail investors
 - ❑ **Team:** Experienced team, led by Vasileios Sfyris, W. Heath Hawk, and Benjamin Eiler, with decades of demonstrated expertise in sourcing, analyzing, structuring, and trading high-yield and distressed municipal credits.
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The Fund's primary investment objectives are:

- Target absolute returns in all market conditions
 - Target double-digit average annualized taxable equivalent returns, net of fees and expenses
 - Tax-free yields; optimizing tax advantages through foreclosures, workouts and current income
 - Capitalize on the inherent inefficiencies of the high-yield municipal bond market
 - Capital preservation; reduced risks of permanent capital loss
 - Risk management; reduce the impact of volatile market swings on our investments
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A highly fragmented market with thousands of issuers and a large retail investor base. Traditional distressed investors have historically avoided munis.

- ❑ **~\$3.9 trillion** total municipal debt outstanding
- ❑ **~\$300 billion (8.1%)** total high-yield and unrated debt outstanding
- ❑ **75%** of new issues are **\$50 million** or less
- ❑ **80%** of secondary market trades are blocks of **\$100,000** or less
- ❑ **~50,000** issuers
- ❑ **~1,000,000** different securities
- ❑ **2/3** of municipal securities are held by individual investors directly or indirectly via mutual funds
- ❑ False sense of safety due to historically low default rates when compared to corporate credit.

- ❑ **Inefficient Marketplace:** We seek to capitalize on the inherent inefficiencies that dominate the high-yield and distressed municipal bond marketplace
- ❑ **Niche Market:** Limited competition for distressed or high-yield municipal bonds. Value creation through opportunistic trading or by turning around the underlying troubled entity
- ❑ **Asset-Backed Issues:** Focused on asset-backed issues that are too small for the majority of distressed debt investors; facing less competition, we can buy at deeper discounts
- ❑ **Unique Skills:** Financial and operational expertise that aids us in our efforts to identify those turnaround candidates with attractive risk adjusted returns. Experience and ability to fix the underlying assets and make them more economically viable
- ❑ **Partnership/Co-Investment:** On larger issues that controlling interest is unattainable, we are able to piggyback on larger investor(s), thus maximizing our leverage and minimizing our costs
- ❑ **Tax-Advantaged Returns:** Certain distressed investments will return capital (in part or whole) in the form of tax-exempt interest, thus eliminating or minimizing the capital gains tax liability
- ❑ **Municipal Finance Background:** Our principals have over 60 years' collective experience in analyzing, trading, and restructuring municipal high-yield and distressed issues
- ❑ **Affiliated Broker/Dealer:** Our affiliation with First Southern ("FS") gives us a competitive trading advantage due to our unique structure that permits us to access multiple sources directly*
- ❑ **Independence:** Phorcys Capital Partners is an independent, privately owned firm. Our investment decisions are based on our own research and are not dictated by others

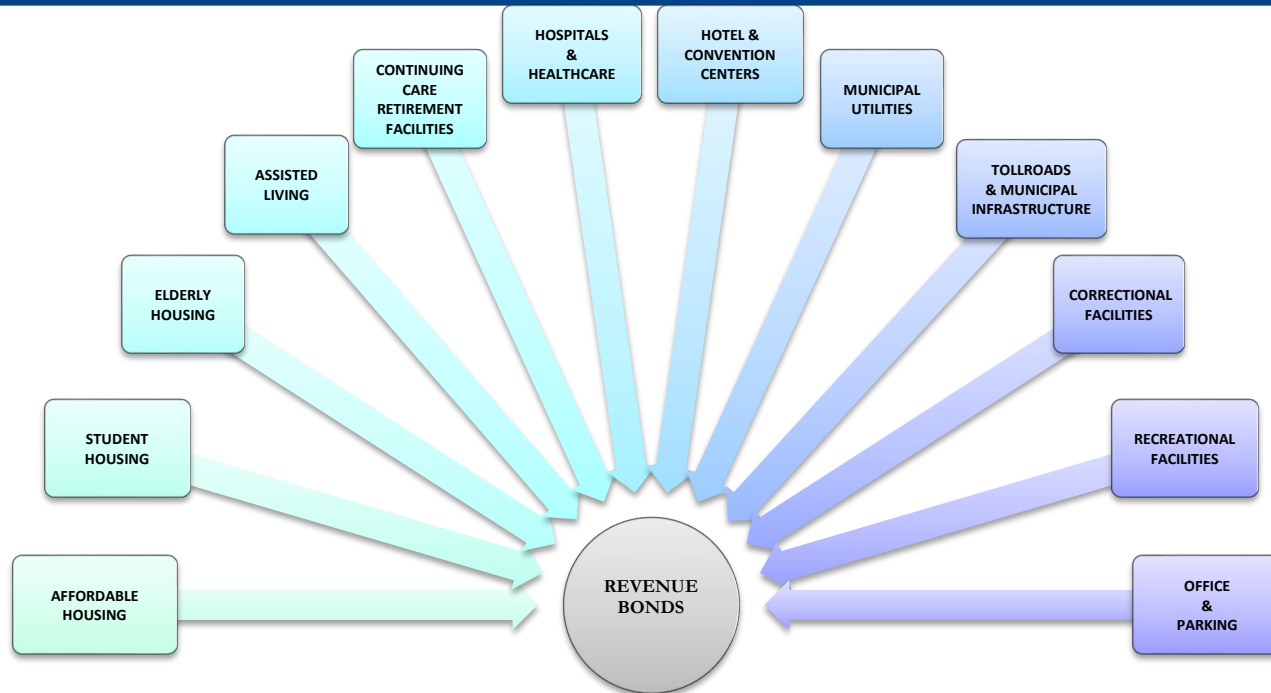
*Utilizing an affiliate Broker Dealer creates the possibility of a conflict of interest – see disclosure slide

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STRATEGY

SECTION B

- ❑ **Over-Leverage**: Most issues have little or no borrower equity. Typically, all third party reports, legal fees, and reserve accounts are rolled into the issuance
- ❑ **Non-Recourse Nature of the Loan**: Borrowers are usually single-asset entities that are formed solely for operating the underlying asset(s); the main source of bondholder security is the asset itself
- ❑ **Cash-Poor Underlying Entities**: Cumbersome bond documents that prohibit subordination of existing debt create a capital structure that can easily fail. Generally, the only source of revenue for the borrower is the underlying asset
- ❑ **Lack of Upside Potential**: Due to underlying asset restrictions, overleverage and front-end developer and/or borrower fees, asset appreciation is a rare occurrence
- ❑ **Unscrupulous Underwriting**: High-yield municipal bonds are issued for and marketed to “coupon-clipper” investors (both retail and institutional) in need of high current tax-exempt income, hereby creating an environment that unscrupulous underwriting can flourish in
- ❑ **Regulatory Changes**: Changes in government regulation can directly affect a bond issue’s ability to meet its debt service obligations
- ❑ **Institutional Demand Cycles**: Periods of increased institutional fund inflows can lead to new sub-par issues coming to market. That paves the way for future defaults

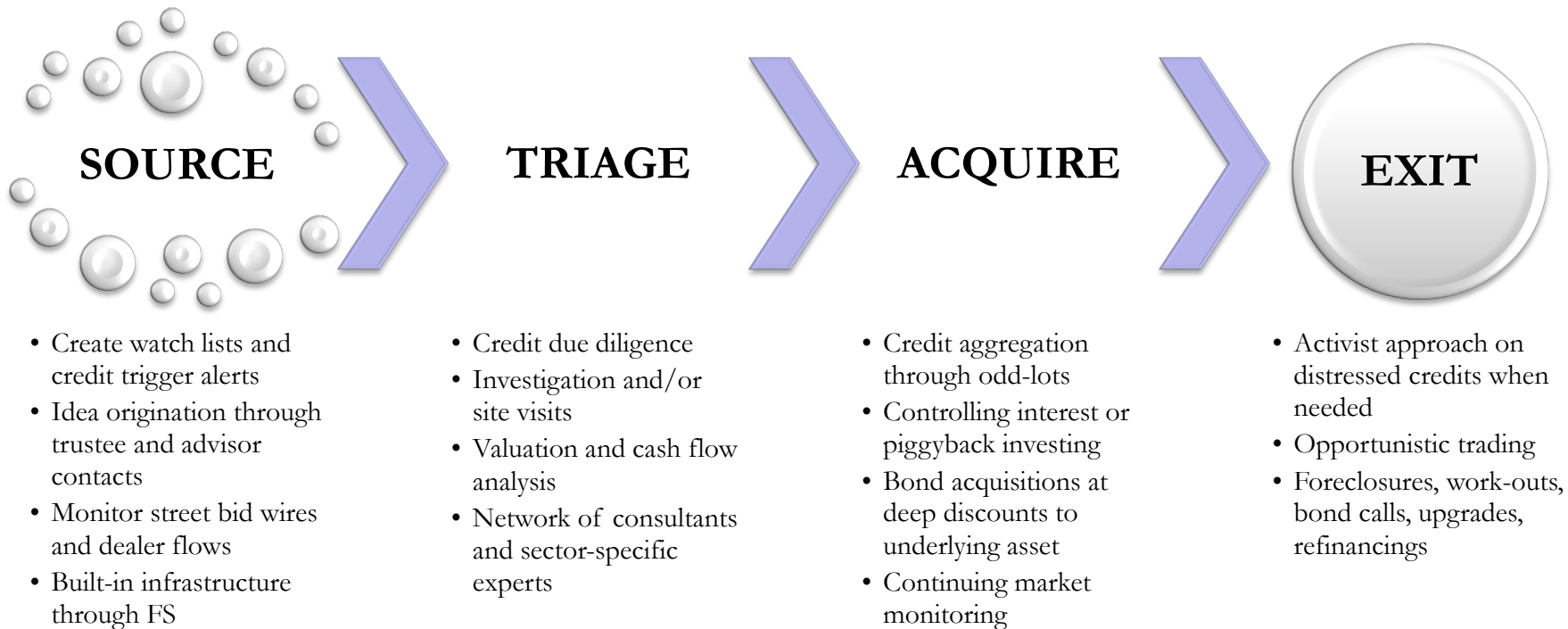


Identify underperforming asset-backed municipal opportunities with strong upside potential

Focus on asset-backed revenue bonds supported by the projects they are financing

Concentrate on issues between \$20 and \$50 million in size

Invest at deep discounts to intrinsic value



Position building

- Aggregate smaller positions on the bid side, often overlooked by most institutional investors
- Exit position by selling directly to existing bondholders or other income investors

Activist investing

- Work at the trustee and/or borrower level to force change
- Collaborate with other bondholders to restore underlying asset value

Opportunistic trading

- Exploit inherent muni market inefficiencies
- Access to FS's electronic platforms and trading wires to create trading profits*

Create credit awareness

- Make market participants aware of credit opportunities that were not presented to them
 - Utilize FS's capabilities to advertise positions in multiple electronic platforms and trading wires
-

Our exit strategies are typically structured to produce tax-free income and/or long-term capital gains. Exit strategies include:

☐ Trading:

- Position building through aggregation and liquidation through various trading channels
- Sale of the bond issue to a third party after operational and financial improvement of the asset
- A quick sale to an unexpected buyer often following an opportunistic purchase

☐ Foreclosure:

- Sale of bondholder collateral to the highest bidder, usually through a “stalking horse” bidding process
- Sale of the asset(s) after operations have been restored through bondholder intervention

☐ Restructuring:

- Sale of new debt tranches created by restructuring original debt to maximize future tax-exempt distributions
- Sale of new bonds or bond exchanges through creditor-borrower negotiations to “haircut” existing debt structures

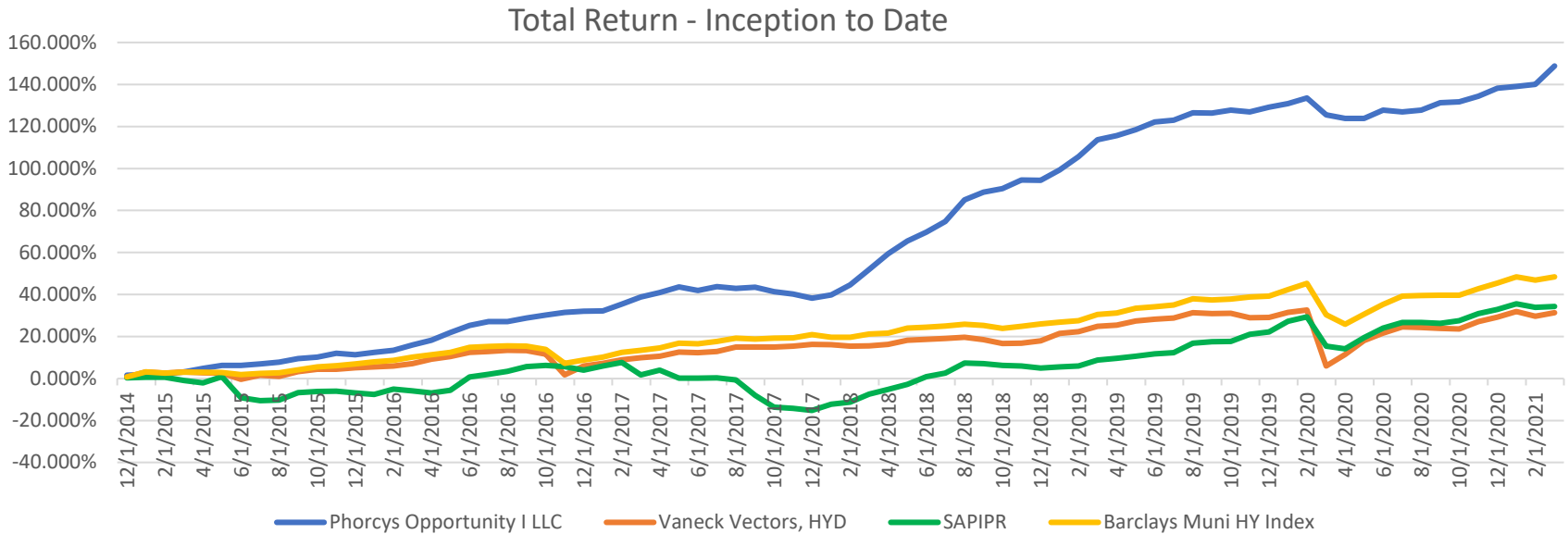
☐ Refinancing & Calls:

- Full issue call as bonds are refinanced to lower debt service payments
- Partial calls through imbedded bond characteristics such as sinking funds

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PORTFOLIO OVERVIEW

SECTION C



- Phorcys has generated 151.50% total return since inception (Dec 2014 – May 2021)
- The Fund has not used any leverage to achieve returns
- The majority of the Fund’s investments since inception have been U.S. and territory tax-exempt and taxable municipal debt
- Tax equivalent returns could be higher depending on each investor’s tax bracket

Source: Bloomberg. The above chart presents the audited and unaudited performance results of Phorcys Opportunities I, LLC- as calculated by Trident Fund Services, Inc., the Fund’s independent administrator. The results include the reinvestment of interest payments and other earnings, and are net of accrued management fees, brokerage commissions and other expenses. Past performance is not necessarily indicative of future results. See the Disclosures page. Historical performance is not indicative of future results.

Fund Performance, Net of Fees and Expenses (Since inception on December 1, 2014)

HISTORICAL MONTHLY RETURNS (NET)

	Month												Full Year
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2021	0.33%	0.46%	3.62%	0.18%	0.91%								5.57%
2020	0.71%	1.20%	-3.48%	-0.71%	-0.01%	1.75%	-0.39%	0.41%	1.53%	0.15%	1.20%	1.61%	3.92%
2019	2.51%	3.17%	3.91%	0.93%	1.32%	1.66%	0.39%	1.61%	-0.05%	0.61%	-0.37%	0.99%	17.91%
2018	1.14%	3.38%	5.08%	4.95%	3.80%	2.52%	3.04%	5.84%	1.97%	0.92%	2.17%	-0.07%	40.62%
2017	0.10%	2.50%	2.49%	1.49%	1.90%	-1.20%	1.28%	-0.56%	0.43%	-1.50%	-0.77%	-1.43%	4.70%
2016	1.07%	0.79%	2.26%	1.92%	3.20%	2.73%	1.46%	-0.01%	1.38%	1.04%	1.02%	0.40%	18.63%
2015	0.34%	0.21%	0.95%	1.76%	1.23%	0.01%	0.73%	0.79%	1.51%	0.66%	1.65%	-0.58%	9.64%
2014	--	--	--	--	--	--	--	--	--	--	--	1.52%	1.52%

3 YEAR ROLLING QUARTERLY RETURNS (NET)

	2015	2016	2017	Q2 2018	Q3 2018	Q4 2018	2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020	Q1 2021	ITD
Phorcys	9.64%	18.63%	4.70%	11.69%	11.21%	3.04%	40.62%	9.90%	3.95%	-0.05%	1.23%	17.91%	-1.64%	1.02%	1.55%	2.99%	3.92%	4.44%	151.50%
Barclays Muni HY	6.07%	1.81%	10.85%	2.70%	0.64%	0.51%	4.17%	3.67%	2.77%	2.45%	0.92%	10.15%	-6.37%	3.83%	3.16%	4.19%	4.49%	2.03%	
S&P PR Index	-7.66%	11.74%	-18.44%	8.98%	6.20%	-2.02%	23.70%	6.16%	2.80%	6.31%	1.35%	16.32%	-5.52%	7.47%	1.81%	5.30%	8.86%	1.04%	
HYD VanEck	5.06%	0.39%	9.78%	2.67%	-0.03%	-0.47%	2.19%	3.54%	2.69%	2.19%	0.73%	9.34%	-17.90%	14.84%	1.88%	4.28%	0.17%	1.61%	

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	2015	2016	2017	2018	2019	2020	Q1 2021
Tax-Exempt Interest	31.41%	29.93%	14.08%	43.49%	14.08%	26.78%	17.43%
Taxable Interest	27.46%	4.62%	7.21%	6.03%	11.80%	26.62%	11.99%
ST Capital Gains	29.54%	37.29%	29.56%	3.67%	17.95%	24.45%	12.88%
LT Capital Gains	--	12.08%	8.22%	11.05%	21.45%	20.22%	21.76%
Total Realized	88.41%	83.93%	59.07%	64.25%	65.28%	98.08%	64.06%
Unrealized	11.59%	16.07%	(40.93)%	35.75%	34.72%	(1.92)%	35.94%
Total Realized and Unrealized	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

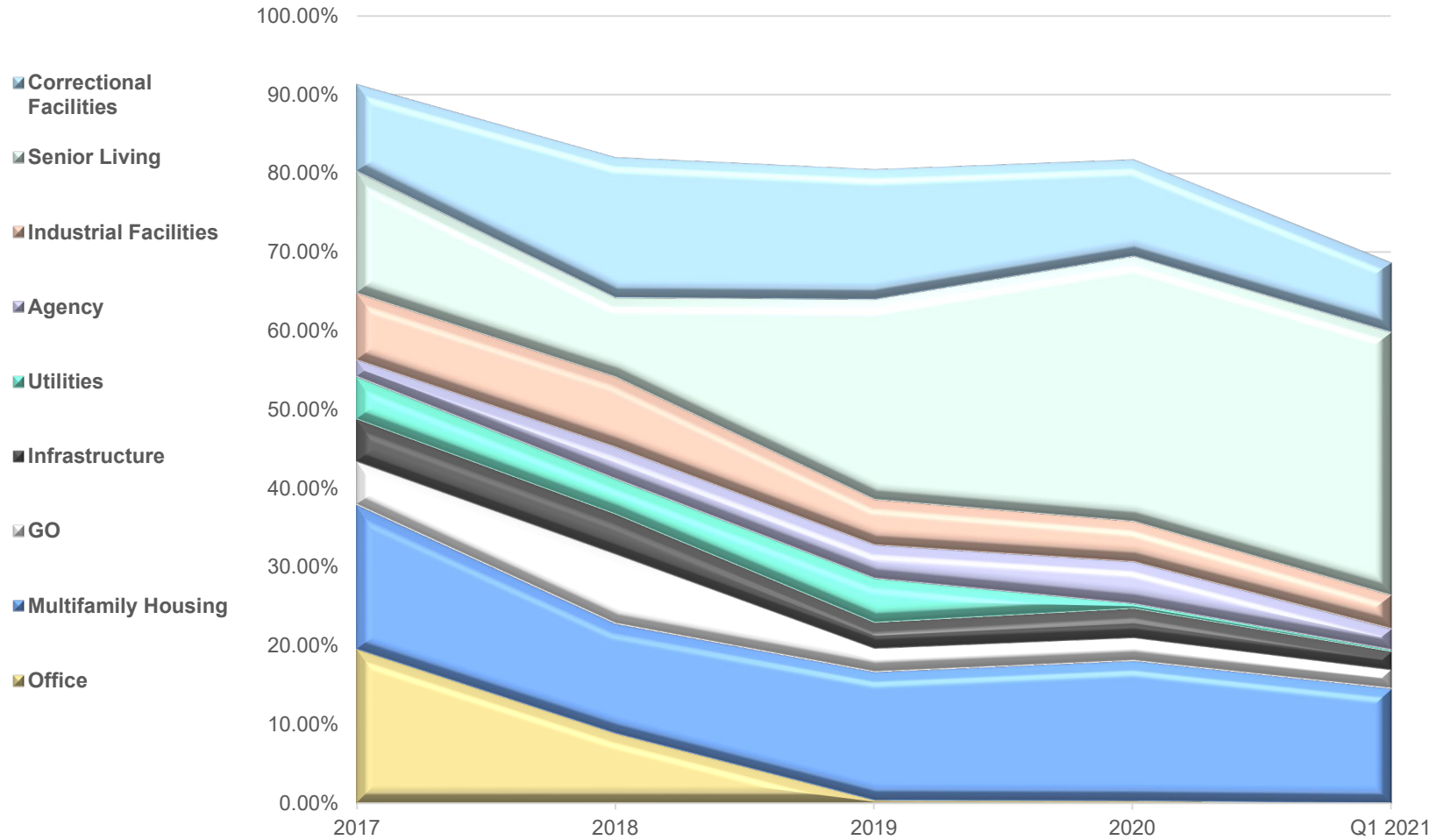
The above chart presents the audited and unaudited performance results of Phorcys Opportunities I, LLC, as calculated by Trident Fund Services, Inc., the Fund's independent administrator. These materials and the presentations or spreadsheet of which they are a part, and the summaries contained herein, should not be relied upon for, accounting, legal or tax advice or investment recommendations. You should make an independent investigation of the investment described herein, including consulting your tax, legal, accounting or other advisors about the matters discussed herein. Historical performance is not indicative of future results.

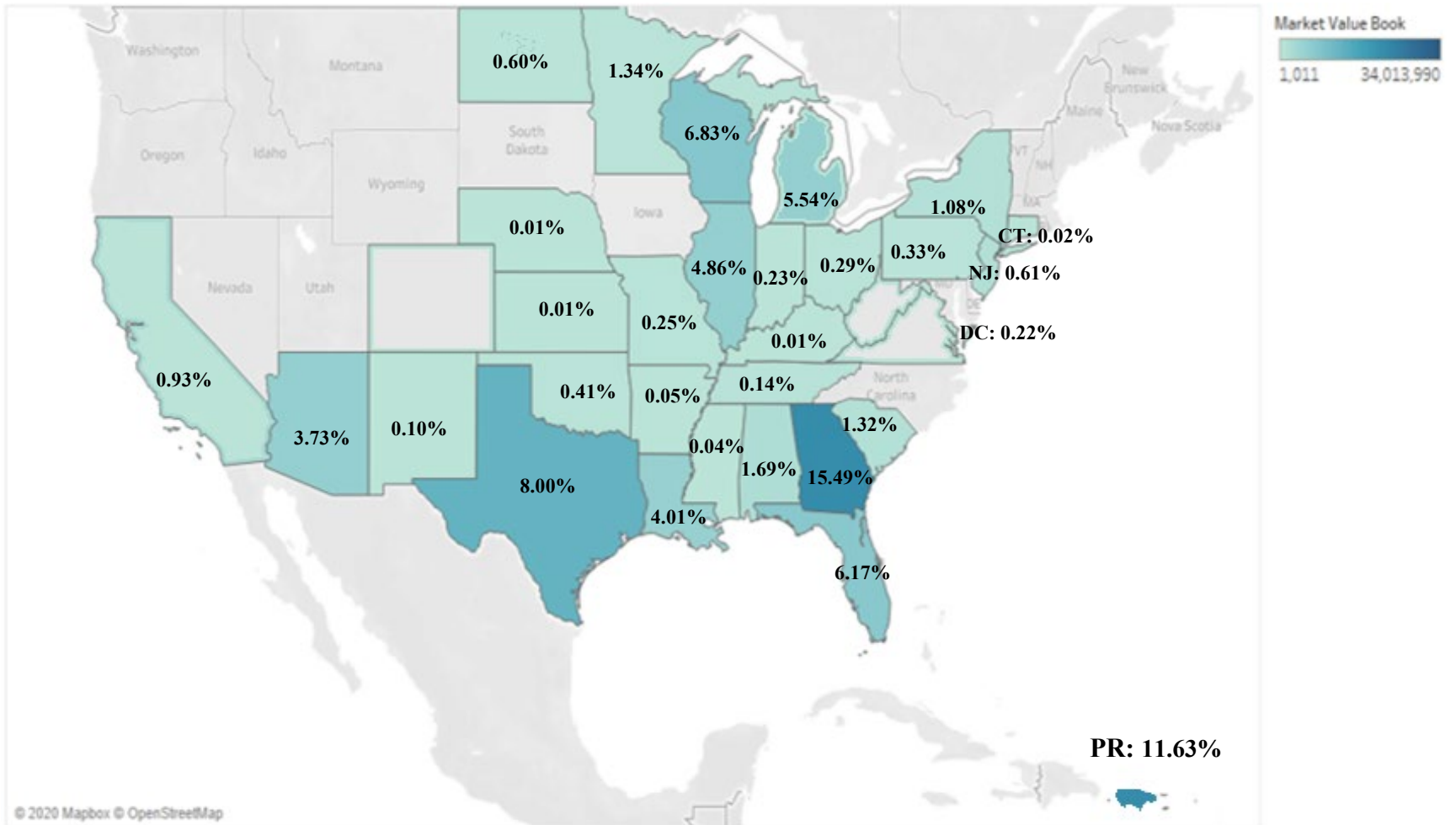
Trade Exits & Batting Average Report*							
	2015	2016	2017	2018	2019	2020	Q1 2021
Total Wins*	23	74	127	192	266	261	124
Total Losses*	1	2	5	6	12	33	22
Batting Average	95.8%	97.4%	96.2%	97.0%	95.7%	88.8%	84.9%
WAVG Gain	\$ 11,871	\$ 42,460	\$ 61,850	\$ 79,033	\$ 57,259	\$ 189,664	\$ 246,222
WAVG Loss	-	\$ (793)	\$ (72,660)	\$ (17,993)	\$ (95,255)	\$ (49,945)	\$ (25,292)

* Win/Loss calculation includes interest

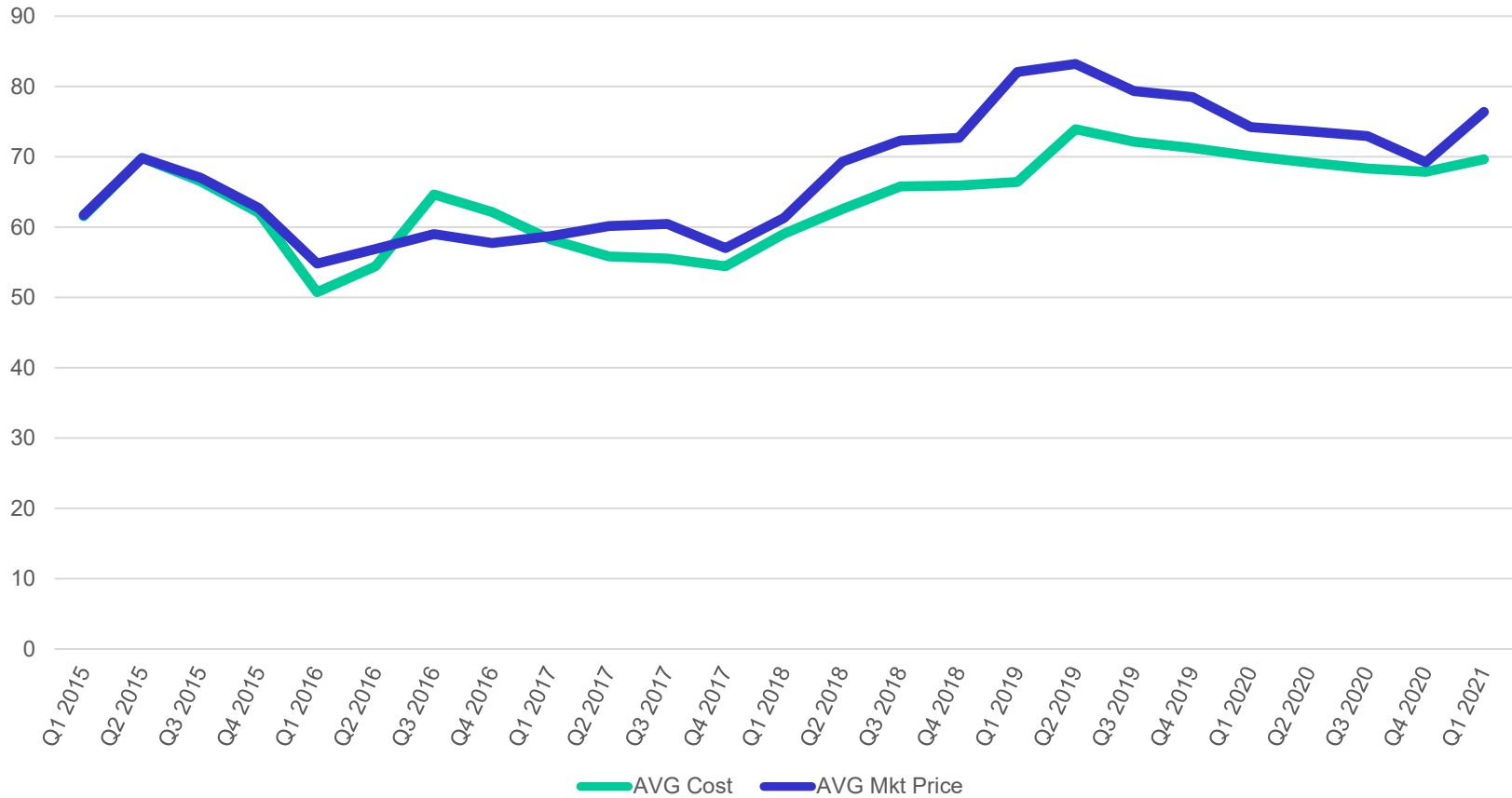
**Overall win/loss per each individual security

The above chart presents the audited and unaudited performance results of Phorcys Opportunities I, LLC. The information contained herein has been modified to exclude all money market securities and cash like securities. Historical performance is not indicative of future results.





Portfolio Cost vs. Market Value



Source: Trident Fund Services, Inc. The information contained herein has been modified to exclude money market and cash management instruments.

Portfolio Current Yield



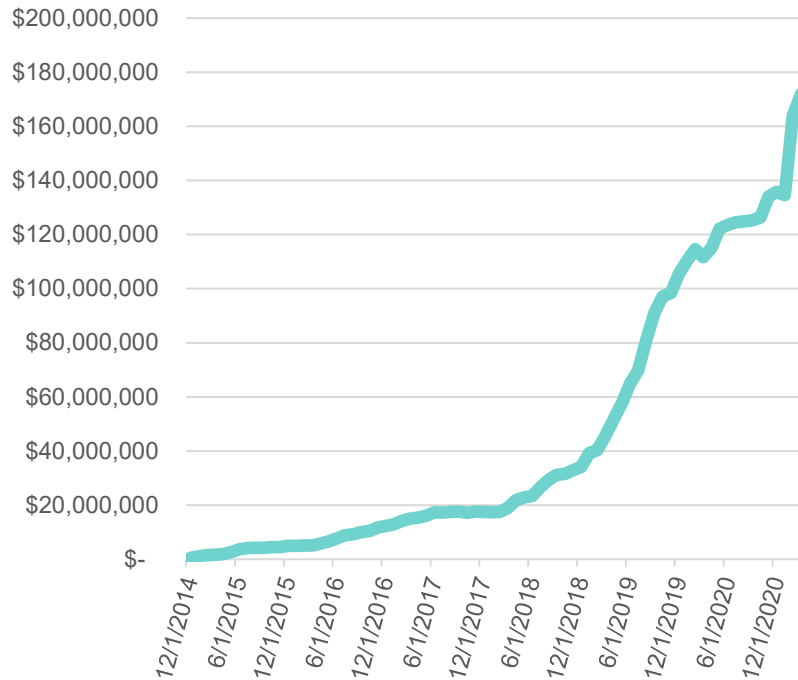
The above chart presents the audited and unaudited performance results of Phorcys Opportunities I, LLC. The information contained herein has been modified to exclude all money market and cash like securities. Historical performance is not indicative of future results.

	2014	2015	2016	2017	2018	2019	2020	2021
Return	1.52%	9.63%	18.64%	4.70%	40.60%	17.91%	3.93%	5.58%
RFr		0.05%	0.33%	0.85%	1.88%	2.28%	0.67%	
Risk		2.44%	3.26%	5.21%	6.27%	4.44%	5.01%	
Drisk		0.58%	0.04%	2.73%	0.23%	0.61%	3.65%	
Sharpe		3.93	5.62	0.74	6.18	3.52	0.65	
Sortino		>10	>10	1.41	>10	>10	0.90	

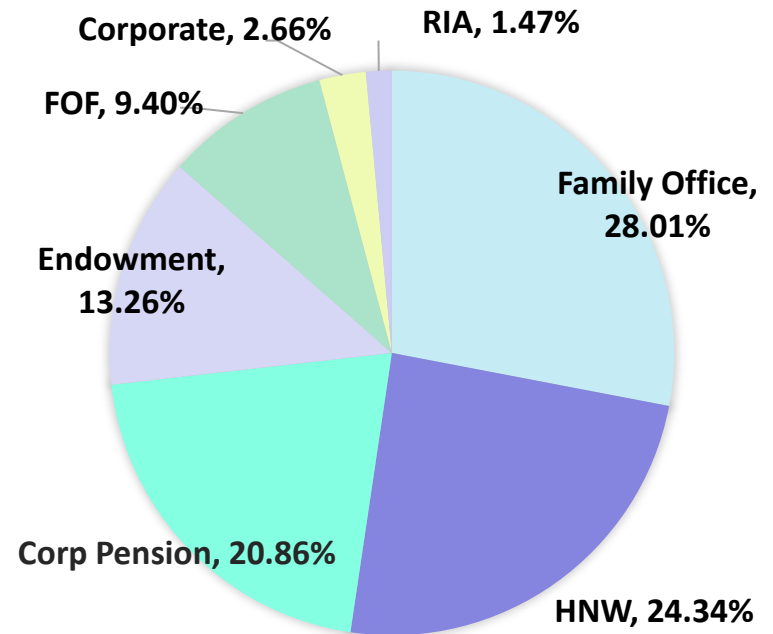
From	Dec 2014	Number of Months	78
To	May 2021	Positive Months	64
Annualized Return	15.25%	Negative Months	14
Annualized Volatility	5.30%	Worst Drawdown	-4.17%
Return Since Inception	151.50%	Downside Risk	1.83%
Risk-Free Return	0.93%	Sharpe Ratio	2.70
Total Transactions Funded	4792	Sortino Ratio	7.83
Total Amount Invested	\$266,643,043		

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AUM Growth



LP Type (% of AUM)



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INVESTMENT OFFERING

SECTION D

- Partners always have direct access to the portfolio manager
 - Principals have candid and open communication with partners
 - Partners receive a monthly report on fund performance, debt selections, turnaround activities, market conditions and investment trends
 - Capital account evaluations are rendered by an experienced independent accountant
 - Customized reporting; statements issued as requested to private investors and institutional clients' investment staffs, consultants, boards or committee members
 - Annual financial statements are audited by independent auditors
 - Timely K-1 tax returns are prepared for partners
 - Fee structure aligns the principals to perform for investors
-

Fund:	Phorcys Opportunities I, LLC
Manager:	Phorcys Capital Partners, LLC
Principals:	Vasileios Sfyris, Portfolio Manager & Trader W. Heath Hawk, Managing Partner Benjamin T. Eiler, Managing Partner
Investment Objectives:	Superior returns from high-yield and distressed municipal bonds
Initial Capital Contribution:	\$500,000 minimum
Additional Contributions:	\$100,000 minimum, or at General Partner's discretion
Management Fees:	1.5% annual paid quarterly in advance 20% incentive allocation on profits calculated at year end
Redemptions:	On the last day of the quarter upon 60 days written notice after two years limited to and dependent on liquidity

Fund Administrator: Trident Funds Services, Inc.

Custodian: Pershing

Auditor: EisnerAmper LLP

Legal Counsel: Day Pitney LLP

For more information, please contact:

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