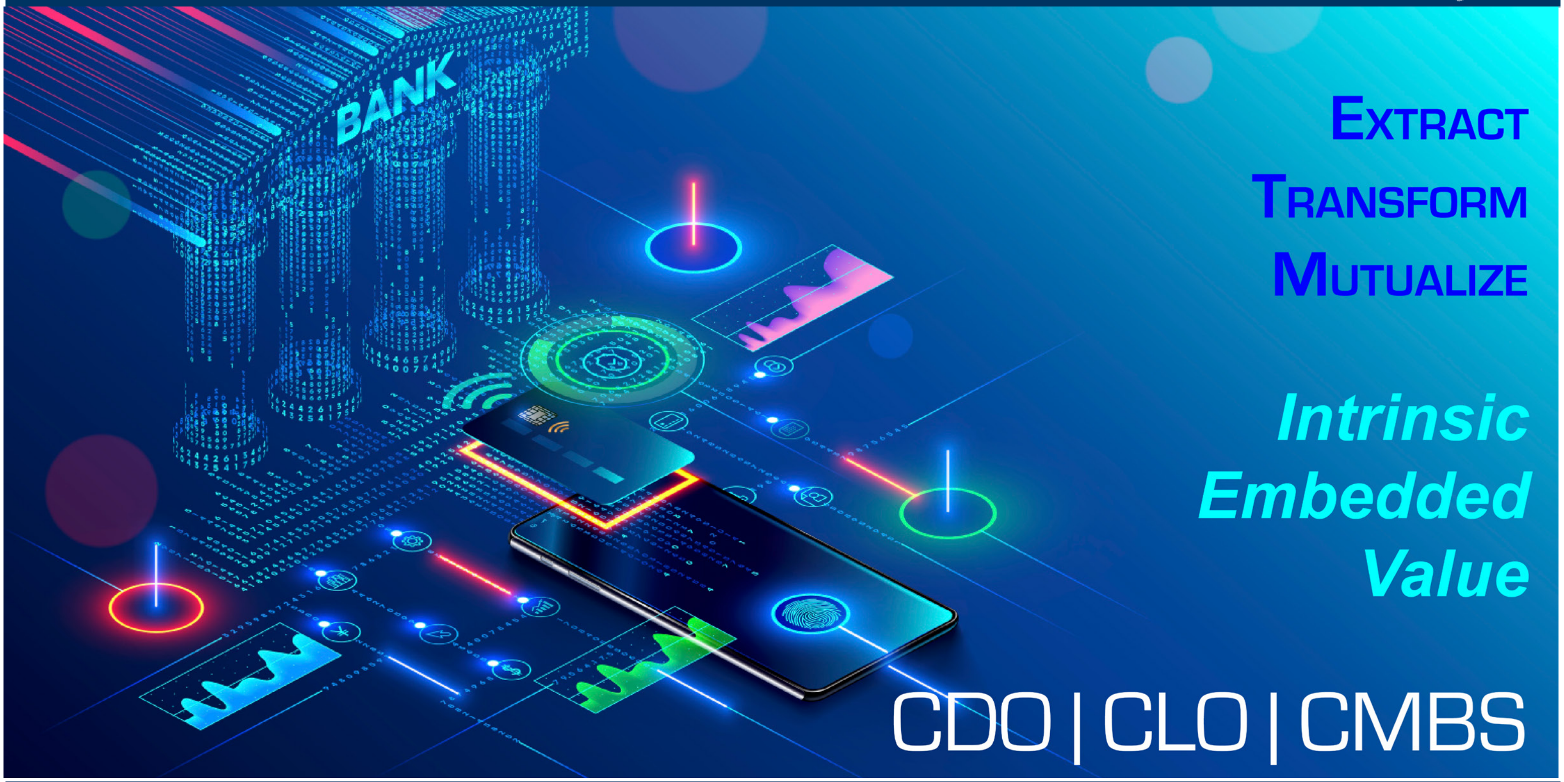
ALASDAIR DOUGLAS & Co.



CDO | CLO | CMBS - For more than two decades various types of collateralized debt obligations of differing credit quality and maturities have been bundled into "securitized portfolio funds", transforming loans into tradable securities by issuing layered debt obligations of descending credit ratings and a residual tranche which was often not rated.

Market Value Deterioration - Over the years, an array of economic, market, security, tax, accounting and regulatory changes have negatively impacted market values of collateralized debt ("CDO") and loan obligations ("CLO") and commercial mortgage backed securities ("CMBS").

- Changes in ratings methodologies from cash flow analysis to portfolio default basis;
- Increased capital requirements on securities industry intermediaries, infrequent trading and lower instances of market price discovery, as well as minimal market maker coverage;
- increased systemic risk from structural changes in professional and administrative service deliveries;
- reduced portfolio diversification and structural legal entity risks of aging funds; and
- recently, an unprecedented increase in interest rates and early signs of credit deterioration

have given rise to concerns that "market price" may substantially deviate from "fair value".

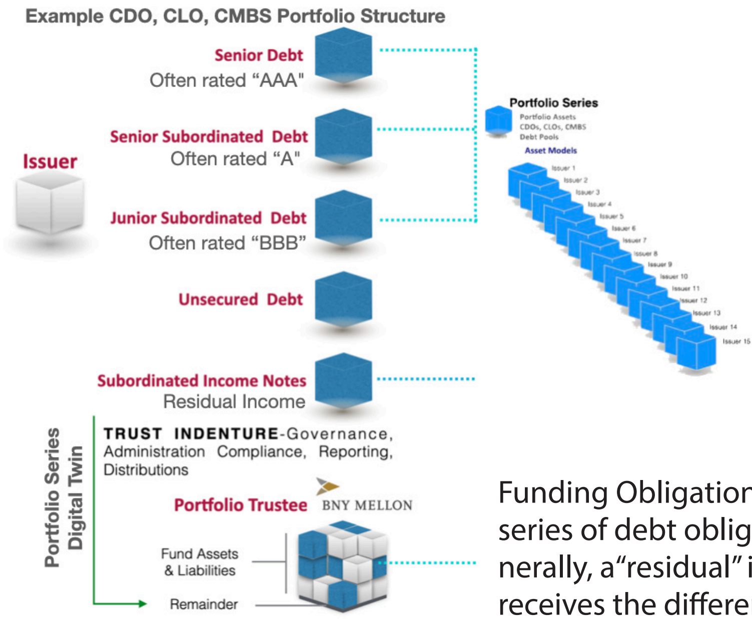
Embedded Value - Tens of thousands of these types of structured products may contain embedded value, not currently recognized in capital markets pricing.

In today's environment, intrinsic value based on underlying cashflows of portfolio assets does not seem to be given significant consideration in determining "market price".

De-Securitization™ - AD&C's transformative technology extracts embedded intrinsic value by synthetically "stripping away" structural devaluation created by original "fund" structures.

Extract

Extracting Intrinsic Value - AD&C Principals have identified "intrinsic value" in legacy CDO, CLO and CMBS structures and a means of "mining" these discoveries for mutual benefit.



A CDO, CLO or CMBS Issuer is in essence a type of portfolio fund comprised of individual debt obligations ("Loan Assets"). To illustrate, a pool of insurance company surplus notes or bank subordinated debt debentures, two forms of regulatory capital, may initially comprise 30 to 40 issuers and loan instruments.

By way of example, each Loan Asset may range from USD$2 - 15 million. Aggregate size of the pool at inception may be USD$400 million. Each pool seeks to benefit from diversification, through sizing of pool and instruments as well as number of issuers. As prepayments occur over time, diversification reduces.

Funding Obligations - to fund acquisition of Loan Assets, the pool issues series of debt obligations ("Debt Securities") of varying credit quality. Generally, a "residual" instrument, illustrated as a Subodinated Income Note, receives the difference between Loan Assets minus Debt Securities and portfolio expenses over time.

Portfolio Series - AD&C Principals apply an "ai" assisted approach to deriving instrinsic value observations and extracting value which may not be achieved by simply liquidating a Debt Security at "market".

Holders - Various Holders of CDO, CLO, and CMBS obligations are exposed to similar risk exposures as well as variances in accounting and regulatory treatment of these instruments. These variances may impact market pricing.

As legacy securitization pools age, Holders may be subject to a range of increasing structural risk exposures and further price deterioration.

	Banks	Insurers	Portfolio Funds	Family Offices
• securities may be subject to market value decline	●	●	●	●
• earnings on securities may be subject to credit deterioration and default	●	●	●	●
• with age, portfolio diversification may decline with single instrument risk exposures increasing	●	●	●	●
• Inability to "write up" value of instruments the earnings on which reduced basis to zero	●			
• in inflationary periods, market prices may decline regardless of underlying rate sensitivity	●	●	●	●
• limited transparency of underlying portfolio assets and liabilities	●	●	●	●
• exposure to re-hypothecation risks	●	●	●	●
• Increase in systemic risks including professionals	●	●	●	●
• custodians, cyber and other modern day risks not foreseen at issuance	●	●	●	●
• securities transfer risks	●	●	●	●
• Controlled Foreign Corporation risk exposures	●	●	●	●
• Foreign Personal Holding Company risk exposures				●

Extraction seeks to benefit from mitigating legacy structural risk exposures

Transform

De-Securitization™ - may be viewed as means of transforming a “debt security” into a simple “loan”.

WHY?

Risk Mitigation - De-secutization enables mitigation of an array of market, credit, operations and systemic risk exposures related to CDO, CLO and CMBS structures and instruments.

STAR Enhancement - the transformation process is designed to enhance security | securities, tax, accounting and regulatory considerations for various types of asset Holders.

Valuation - Loan treatment enables a focus on intrinsic value, i.e. cashflow based valuation not “securities market valuation”.

Accounting Treatment - For many Holders, a more favorable accounting treatment may be applicable, particularly under volatile economic conditions.

Revenue Recognition - Transformation is designed to enhance and optimize revenue recognition based on the type of Holder of these loan instruments, which may vary between parties.

Risk-Adjusted Return - Holders of Debt Securities may find that program participation increases their Risk-Adjusted Return (atlhough no assurance can be given).

Advanced “AI” Intellectual Property - AD&C Principals have designed a framework for applying advanced capital markets technologies and special purpose legal asset protection structures to long-term portfolio activities, to benefit from economic cycles, as a key component of Extract | Transform | Mutualize.

Mutualize

De-Securitization™ - perhaps a better approach to mitigate market value risk in deteriorating economic circumstances

For Holders of Senior Debt- Historic economic cycles have demonstrated significant market price reduction in “AAA” structured products, due in part to limited underlying asset transparency, infrequent ratings surveillance, market illiquidity, and underlying credit concerns.

For Holders of Senior and Junior Subordinate Debt- These debt securities may have been rated investment grade “‘A”, but declined over time into non-investment grade, “B” rated. In recent years, these debt securities may have provided returns consistent with coverage ratios exceeding their ratings designations. As economic uncertainty in a rapidly rising rate environment continues, market pricing of these instruments may substantially decline, creating valuation losses for institutional Holders. Likewise, Junior Subordinate Debt in many circumstances is lower non-investment grade with a significantly declining likely market price trajectory, i.e. increasing portfolio losses.

For Holders of Subordinate Income Notes - Institutional Holders of these instruments may continue to experience “write downs” due to market pricing, as high net worth holders experience illiquidity, re-hypothecation risk, as well as a mismatch in market pricing and intrinsic value.

Institutional and High Net Worth Holders may benefit from transforming their Collateralized Debt Securities to FLEXnote™ Loans to benefit from mutualization..

Participation

AD&C Principals have developed a framework to transform collateralized debt and loan obligations, as well as commercial mortgage backed securities into a Portfolio Series identified to specific CDO, CLO or CMBS pools, as applicable (each a “Portfolio Series“).

Portfolio Series - Each Portfolio Series begins with an Originating Lender(s) funding a zero coupon loan (a “FLEXnote”) the use of proceeds of which may include acquisition of subordinate income notes, other forms of residual debt obligations or discounted senior | subodinated debt securities from Lender or other participants (“Collateral Participant”). Another use of proceeds includes funding of intellectual property derived from legacy transaction documents and administrative information into digital intelligence, a “digital twin” of the portfolio, each instrument and related governance protocols.

Portfolio Series IP - ADC Principals have developed a means of transforming legacy Portfolio Series documentation into digital intellectual property to administer positions in specific instruments within asset portfolios to mitigate market, credit, operations and systemic risks. This service is to be applied to each Portfolio Series, operated through a Qualified Opportunity Zone Business. An Originating Lender may wish to exchange zero coupon loans at Face Amount for interests in Qualified Opportunity Funds associated with Portfolio Series IP initiatives, diversification, and a gain on the exchange.

Originating Lender - Benefits for Originating Lender may include from time to time the ability to exchange the zero coupon loan at Face Amount, thereby realizing a gain in excess of agreed compound return, for various assets mutually agreed between the parties.

Zero Coupon Loan - Each Zero Coupon Loan is to be issued with a Face Amount due on a Maturity Date and funded at a discount at inception. The increasing accretion may be added to the funding basis of the loan. The loan may be booked in a loan portfolio rather than a securities portfolio subject to market valuation. If necessary, the loan may include a US co-borrower, in a manner consistent with market practice.

Participations - The Collateral Provider is expected to acquire Participations in the zero coupon loan from Lender by way of collateral revenue distributions each year. The structure provides a form of self-liquidating collateral and loan participation purchase funding.

Services Agreement - Originating Lender may benefit from enhanced revenue under a services agreement to facilitate administration and custody.

Collateral Provider - A collateral provider may recognize additional revenue as a part of the process.

Exchange - An Originating Lender and/or Collateral Provider may also wish to exchange the remaining portion of a zero coupon loan for other forms of assets. Lender or Collateral Provider may wish to exchange the remainder of their loan’s Face Amount for Qualified Opportunity Zone interests as well as interests in publicly tradable ETFs.

Banks, insurance companies, government organizations, sovereign wealth funds, portfolio funds and other holders of CDO, CLO and CMBS obligations may wish to obtain FLEXnote zero coupon loan obligations in exchange, to facilitate mitigation of market valuation risk, dampen credit risk exposures, address operations risk and lessen systemic risk.

AD&C Principals have advised on more than USD$75 billion in assets portfolios, $16 billion of municipal finance for over 2,000 governmental entities, participated in more than USD$5 billion in structured portfolios, operated one of the top US municipal government bond interdealer brokerage firms, created and operated for three+ decades the first insurer of unrated, non-investment grade municipal bond enhancement to "AAA", and funded development and implementation of a wide range of institutional and multi-disciplinary infrastructure utilities, new innovations and digital technologies, from more than 50 international locations and 150+ core entity collaborators around the globe, supporting thousands of unique Communities ...