



FINE ART ASSET BOND HISTORY AND DEVELOPMENT

In recent years, while working with fine art and gemstone owners, it became apparent that there is a significant demand for the construction of a financial instrument that utilizes these assets to produce liquidity for the owner. Given the difficulty in providing financing against such assets in the form of a loan, Angulus set out to develop a financial vehicle that would implement a different financial upside - namely, a residual income stream, anchored against the accepted value of such illiquid asset. This led the Angulus team to the creation of an asset-backed corporate bond (the "Bond") to be issued by a bankruptcy remote special purpose entity (the "Company"), the members of which comprise the assets owners.

To provide the lowest cost of capital, the Bond buyers' risk must be mitigated as much as possible. Through close consultation with our investment bank and its attorneys, it was determined that a layer of protection above and beyond the underlying assets is desirable. The Company will therefore put in place a residual value insurance policy from a top-rated insurance company (the "Insurer") to insure against the liquidation value of the underlying assets throughout the term of the Bonds. As a result, this additional layer of security should allow the Bonds to receive an investment grade rating.

Different from other asset-backed portfolios, Angulus decided to amalgamate the asset owners as individual members or owners of the Company, in exchange for the transfer of such assets in the name of the Company, with full transparency granted to each of them. Angulus decided on creating an investment strategy with the assistance of strategic investment partners that each asset owner can review and evaluate before deciding to participate in the program. This pre-determined investment structure assures participating asset owners will not be tasked with investing funds on their own, which could otherwise be extremely dangerous and difficult, both to their assets, and to the other assets and members of the Company.

As mentioned above, in exchange for the transfer of such assets in the name of the Company, the asset owners will receive units in the Company proportionate to their asset's value (accepted value to be determined by a third-party approved by the Insurer). The goal of the investment is to service the principal and interest due on the Bonds, and provide a residual payment against each asset owner's accepted value for the entire term, which is expected to be five (5) years.

Each of the investment strategies carry different financial structures and expected ROIs. The proceeds of the Bonds will be deployed into each investment strategy with the goal of achieving a diversified investment portfolio and return. The goal of the investment strategy is to create a low risk investment due to the fact that only a small amount of the invested capital is ever at risk.

IT SHOULD BE NOTED THAT THE MATERIALS PRESENTED HEREIN ARE IN NO WAY AN OFFER TO SELL OR SOLICIT ANY FORM OF SECURITIES. THE MATERIALS PRESENTED ARE MERELY FOR INFORMATIONAL PURPOSES. IN THE EVENT AN INDIVIDUAL'S ASSETS CONFORM TO THE PROFILE REQUIREMENTS, A FORMAL PRIVATE PLACEMENT MEMORANDUM SHALL BE PROVIDED FOR REVIEW AND CONSIDERATION.

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