<u>Bank Trade Program Overview</u>

Managed Buy/Sell Programs / Bank Trade Programs can be most easily described as a simultaneous closing of two contracts, one to buy, the other to sell Medium Term Debentured Notes (MTNs). The standard contract size is $100M and these trades are mainly handled by the main program banks like HSBC, Barclays, Credit Suisse, and Deutsche. There are only a handful of traders that are certified to do these types of transactions, so the circle is very small.

The MTNs are legal securities in Europe and the US and are ten (10) year Notes carrying a 7.5% coupon traded 3 days per week with at least one day needed for the paperwork. They are securities both in Europe and the US, and therefore fall under the regulation of the Securities Exchange Commission (SEC) when they are exited. They are only purchased and sold through these types of trades and when exited, are done so as seasoned securities.

The trades are done in Tiers, with the Tier 1 trader controlling the entire trade including who can participate and if there are additional tiers. Sometimes these other Tiers will have less mark up between them.

In order to comply with the "3rd Party Rule", which prohibits traders from being investors and keeping these programs solely amongst themselves, they open these transactions up to investors by using what is called a Blocking Trade. This means that a client's funds are temporarily placed under an internal or administrative hold at their bank (must be a Top 50 Commercial Bank). This provides proof of funds and is designed such that there is absolutely no risk to the client. You have certainty of the trade launching as well as certainty of your returns. The bank's ability to continue being a program bank is in jeopardy if the trade does not get launched, and the trader is in jeopardy of losing his credentials to trade as well. The Bank trader is prohibited by law from ever putting his client's money at risk. Once you pass compliance and have the trade contract in front of you, you can take it to your bank officer and have your bank officer verify the trader's credentials and the contracted returns with the trade bank or program bank.

They will try to limit these bank trades to people who can generate economic activity as opposed to just spending the money, by forming companies and running economic projects that create jobs. This helps balance the economic triangle of money supply, production, and consumption.

A Bank Trade directly with a Program Bank on bank letterhead is as good as it gets. This is very different from going through a trade platform.

Trade platforms are private companies, foundations, or trusts that aggregate assets and then bring them to the trader. They cannot trade on their own and can only therefore operate on a "best efforts" basis with no guarantee that that the trade will be launched, but they still have to place a block on the funds and they are the only ones that can lift it. This does put the client's funds at risk and there is usually very little recourse the investor can take if there is ever a problem. Ultimately if you have sufficient funds then a trade platform is unnecessary, but if not, then platforms will play an important role.

All direct bank trading at this level is verifiable bank-to-bank contractual investments, therefore your capital is not put at risk and the returns are based upon the contract and are not speculative. You will need to undergo compliance and due diligence including a background check performed by a private investigating firm with very high clearance to comply with anti-terrorism and anti-money laundering laws that will look back at 20 years of history. You will sign an NDA before proceeding, and your money must reside within a Top 50 Commercial Bank (in the form of cash, CD, or bank instrument such as a bank guarantee, SLBC, or MTN) owned free and clear, and you also must also come from one of the countries listed below:

1) Austria
2) Australia
3) Belgium
4) Bermuda (UK)
5) British Virgin Islands (UK)
6) Canada
7) Cayman Islands (UK)
8) Croatia
9) Czech Republic
10) Denmark
11) Estonia
12) Finland
13) France
14) Germany
15) Hong Kong
16) Hungary
17) Isle of Mann
18) Ireland
19) Japan
20) Latvia
21) Liechtenstein
22) Lithuania
23) Luxembourg
24) New Zealand
25) Netherlands
26) Norway
27) Poland
28) Romania
29) Singapore
30) Slovakia
31) Slovenia
32) Sweden
33) Switzerland
34) United Kingdom
35) United States

If you do not come from one of these qualifying countries or do not meet some of the other requirements, then you will have to go through a trading platform rather than a direct bank trade if you are eligible. While trade platforms still can produce high returns, they do not carry the same guarantees that a direct bank trade will since these are essentially “middlemen” that have to chain or pool multiple individuals together and will take a substantial portion of the returns (some as high as 50%) on top of what the trader keeps.

Again, once you have the capital to consider these types of transactions for yourself and/or your humanitarian project, please contact us so we can help get you introduced and begin the process.