



RISC MTP-NotesTM

Combining the best of cash, Money Market Funds and Treasury Bills

New Issue: USD [3],000,000,000
[Q2] 2023

RISCfpsm

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RISC MTP-Notes

- **Securities** representing a **proportional interest in a pooled investment fund** consisting of short-duration **U.S. Treasuries and Servicing Assets** (i.e., **Aaa-rated US government-only money market mutual funds**)
- Backed by an underlying asset pool of collateral **managed by a professional manager** of short-duration **US Treasuries and Permitted Investments** (the first being [Merganser])
- Issued with an **original term of 10 years**
- Pay a **return comparable to a US government money market mutual fund**
- **Redeemable at par** on each annual anniversary of their issuance, and at **maturity**
- Also **redeemable at an any other time for same-day settlement**, either in a proportional share of underlying collateral assets or in cash from the liquidation of such assets (i.e., the liquidated asset value, or **LAV**)
- Provisionally **rated (P)Aaa(sf) by Moody's**
- **Listed on the Irish Stock Exchange** and freely transferrable, with a **CUSIP and ISIN**
- Fully marketable and may be sold at any time, via a broker [or designated market maker]
- Repo eligible
- Issued by a single-transaction/single purpose Irish Designated Activity Company, which is an orphan special purpose company formed under the Irish Designated Company legislation

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Why Use RISC MTP-Notes?

- **Versatile collateral instruments: more liquid, capital-efficient and useful** than short-term credit assets (e.g., CDs, CPs and bank deposits), government money market funds or ETFs
- **Acceptable for a wide range of liquidity, collateral and regulatory applications**
- **Exchange-listed transferrable securities** with a CUSIP and an ISIN that **can be delivered and pledged, re-hypothecated as collateral**, unlike a government money market fund
- Securities representing a **proportional interest** in a **pooled investment fund consisting of U.S. Treasuries and Servicing Assets** that provide an **attractive alternative to investing in government money market funds and bank deposits**

Essential Features

- Portfolio of predominantly short-duration U.S. Treasuries
- Exchange-listed
- Tri-party and repo-eligible
- Sold at a premium of 1% (the Utility Premium) to provide for 10 annual the payments in advance to cover non-IM fees and expenses. One portion will be earned and paid at launch, and the remaining 9 portions will be earned and paid in equal annually from year 2 to 10 (the sum being the Unearned Utility Premium or UUP)
- Redeemable at any time "at market" by delivering a proportional share of the collateral pool assets (i.e., "in kind") or in cash (i.e., at liquidated asset value, or LAV) for same-day settlement
- Redeemable at Book Value on Annual Optional Redemption Dates

Key Facts

Issuer	RFP DAC
Issuer LEI	5493000WIF6XDGUD2E77
Issue Price	101.00%
Book Value	Par + applicable UUP at closing (100.[85]%)
Bloomberg Ticker	RFPSPG
CUSIP / ISIN	G75730AA2 / USG75730AA25
Rating	[P]Aaa(sf) by Moody's
Issue Date	[Q2] 2023
Final Maturity Date	[Q2] 2033, with opportunity to redeem at Book Value on Annual Optional Redemption Dates
Issue Size	USD [3],000,000,000
Min. Investment	USD 10,000,000
Coupon	Quarterly
Listing	Irish Stock Exchange
Listing Agent	Matheson
Issuance Type	Reg. S
WAM	<6 months
NAV Price	Posted to Bloomberg daily
Investment Manager	[Merganser Capital Management]
Calculation Agent	The Bank of New York Mellon
Custodian	The Bank of New York Mellon
Settlement Agent	The Bank of New York Mellon
Placement Agent	[TBD]

Superior Performance

- Competitive with O/N Fed Funds Effective Rate, 3- to 6-month U.S. Treasuries and government money market funds
- Attractive managed returns with a daily price on Bloomberg
- Capital preservation and low volatility

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RISCMTP-Notes Comparison

Money Market Funds	RISCMTP-Notes employ money market management techniques and a professional investment manager to achieve returns comparable to those on government money market funds in a listed, rated, fixed income security that enables the investor to exit at any time for same-day settlement, without gating or penalties, and on Annual Optional Redemption date at Book Value
Treasury Bills	RISCMTP-Notes are the closest thing to owning Treasury Bills without having to choose or manage them in-house (i.e., without the benefit of a professional investment manager)
Cash	RISCMTP-Notes are more credit-friendly and capital-efficient than posting cash collateral and provide a more predictable, managed return
ETFs	RISCMTP-Notes are redeemable annually at Book Value but are redeemable at any other time for same-day settlement in kind or in cash (at LAV). Similar to zero risk-weighted ETFs but more acceptable as collateral and therefore have greater utility

Anticipated Uses

- High credit quality short-term investment
- High credit quality short-term collateral (upgrades)
- Derivatives collateral margin (IM & VM)
- Repo collateral
- Admitted asset
- Regulatory reinsurance collateral

Liquidity Options

Sell	At any time, via a broker [or designated market maker]
Redeem	At any time for same-day settlement, either in the investor's proportional share of RISCMTP-Note Portfolio assets, or in cash from the sale or liquidation of such assets at LAV)
	At any time

Additional Information

- According to the “look-through approach” or [LTA under BIS CRE60](#), banks holding investments in RISCMTP-Notes in the banking book should “risk weight the underlying exposures of a fund as if the exposures were held directly by the bank.” As the U.S. government securities carry a zero-risk weight, so should the government bond component of the investments in RISCMTP-Notes
- RISCMTP-Notes are designed to satisfy the requirements set out in [regulation 17 CFR 23.156\(a\)\(1\)\(ix\)](#) enacted by the Commodities Futures Trading Commission for Eligible Collateral for derivatives
- The U.S. Patent and Trademark Office (**USPTO**) has issued a notice of allowance recognizing RISCMTP-Notes as a trademark belonging to the RISConsulting Group LLC, which it has licensed to RFPS

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