POLARIS ADVANTAGE

ASSET MANAGEMENT

STRUCTURED DEBT & SPECIAL SITUATIONS

SERIES 2026-1

Asymmetric Returns in Distressed Debt Markets

Contractual downside protection paired with uncapped upside participation from proprietary debt restructuring intellectual property.

$22.6MM

Offering Size

20/80

Profit Split

$111MM

Structured Receivable

Qualified Purchasers / Accredited Investors

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A Differentiated Opportunity in the Debt Markets

Polaris Advantage targets an underserved pocket of the credit universe — bonds and debt instruments undergoing restructuring — where proprietary methodology can generate proceeds in excess of face value.

Market Inefficiency

Distressed debt markets exhibit persistent mispricing. Traditional institutional buyers lack the proprietary restructuring IP to unlock value embedded in complex debt instruments trading below recovery value.

Asymmetric Structure

The Trust captures upside through an 20/80 profit split on returns above par recovery while an 111MM structured receivable provides a contractual par-floor — a combination rarely available to institutional debt investors.

Proprietary Edge

A library of structuring, claims-enhancement, and workout methodologies developed over years of institutional credit practice positions the Trust to extract value inaccessible to conventional market participants.

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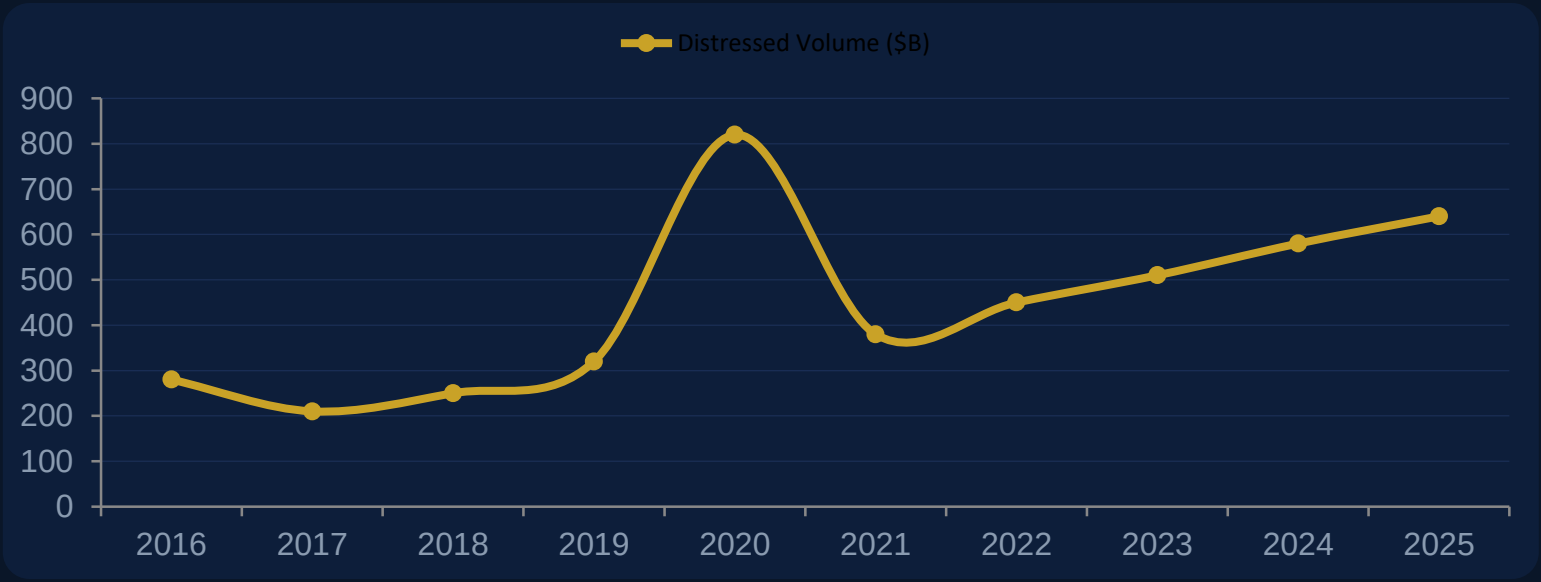
The $2+ Trillion Distressed Debt Universe

$2T+
Global distressed debt outstanding

15-40%
Average discount to face value at distress

1,200+
Corporate defaults annually (peak cycles)

$500B+
Annual restructuring volume



Why Now?

- Rising rates have accelerated distress in leveraged credit
- Post-COVID maturity walls creating a restructuring supercycle
- Bank retrenchment from special situations leaves capital gap
- Proprietary IP advantage most potent in complex situations

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Proprietary Restructuring IP — How It Works

01

Sourcing

Systematic identification of distressed and debt instruments trading at significant discounts to face value across corporate and structured credit markets.

02

Underwriting

Proprietary credit analysis applying claims-enhancement frameworks to assess recoverable value beyond stated face, leveraging $2B+ underwriting track record.

03

Acquisition

Disciplined entry pricing based on modeled restructuring outcomes. Target instruments where IP-driven recovery exceeds acquisition cost plus execution risk premium.

04

Workout & Enhancement

Active engagement in restructuring process applying proprietary structuring and workout methodologies to drive recovery proceeds above par value.

05

Distribution

Proceeds above par distributed 20% to investors / 80% to sponsor. Par-floor mechanic supported by $111MM structured receivable provides downside protection.

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INVESTMENT HIGHLIGHTS

Asymmetric Return Profile

20% to Investors

20% of profits above par recovery flow to investors. Participation in restructuring proceeds is uncapped — the more value the IP unlocks, the greater the investor return.

Contractual Downside Support

Loss Limited

A par-value floor mechanic implemented through a 27.5mm contractual floor resulting in redemption of investor to limit losses.

Proprietary Restructuring IP

$2B+ Track Record

A curated library of structuring, claims-enhancement, and workout techniques — developed and refined through $2B+ of institutional credit underwriting — forms the Trust's core competitive edge.

Tax-Advantaged Structure

Reviewed by Counsel

Trust design seeks to provide pass-through of bad-debt expense and cancellation-of-indebtedness income, reviewed by leading external debt and tax counsel for maximum tax efficiency.

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STRUCTURE & TERMS

Offering Structure

Indicative Terms

Issuer	Polaris Advantage Issuing Trust
Sponsor	Polaris Advantage Asset Management, Inc.
Series	2026-1
Offering Size	$111,000,000 (Targeted)
Security Type	Trust Beneficial Interests
Profit Split	20% Investor / 80% Sponsor
Downside Support	Par-value floor via $111MM structured receivable
Eligibility	Qualified Purchasers / Accredited Investors
Counsel	Leading debt & tax counsel

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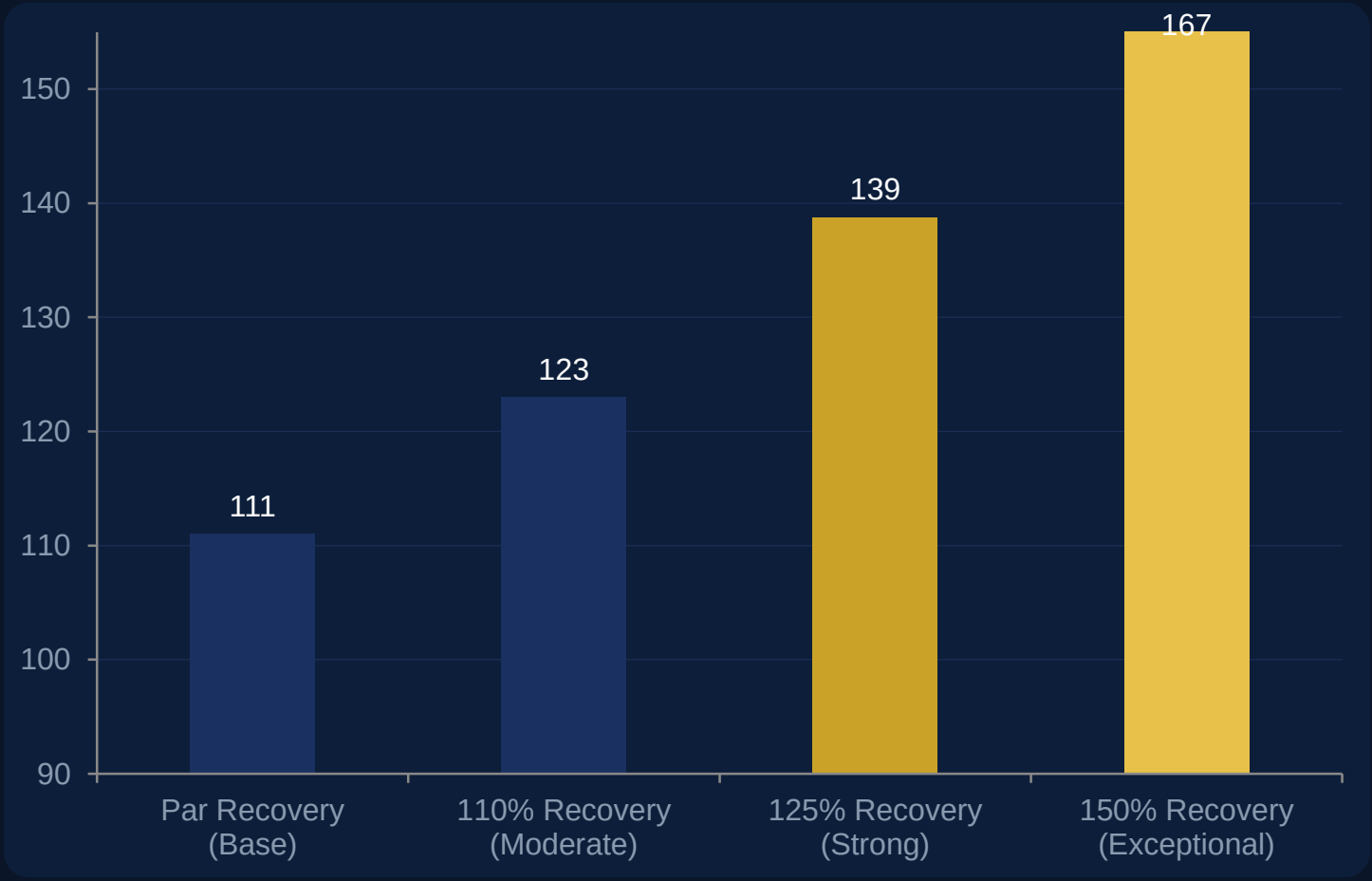
RETURN PROFILE

Illustrative Return Scenarios

Based on $111MM offering size. For illustrative purposes only.



Scenario Detail

Par Recovery — **$111MM**

Full par recovery of a 111 Million Principal.

Moderate (+10%) — **~$123MM**

8% above par returned to investors from 20% profit split.

Strong (+25%) — **~$138.75M**

20% above par returned. IP-driven claims enhancement scenario.

Exceptional (+50%) — **~$166.5MM**

40% above par. Full IP upside realization on complex restructurings.

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RISK & DOWNSIDE PROTECTION

Downside Protection Mechanics

Par-Value Floor Mechanic

Contractually supported par-value floor seeks to return investor principal at par in restructuring recovery scenarios. Backed by $111MM structured receivable from affiliated credit counterparty.

Affiliated Credit Counterparty

The $111MM structured receivable is provided by an affiliated entity with documented institutional credit capabilities and execution history across the underlying strategy.

Counsel-Reviewed Structure

Trust structure reviewed by leading external debt and tax counsel. Designed for pass-through tax treatment and regulatory compliance across investor eligibility categories.

Disciplined Underwriting

Entry pricing discipline enforced by CCO Maxwell Cohen, drawing on $10B+ underwriting track record. No instrument acquired without documented recovery case exceeding acquisition cost.

Key Risk Considerations

- Counterparty risk: par-floor support subject to affiliated counterparty creditworthiness
- Liquidity: Trust Beneficial Interests are illiquid; no secondary market
- Execution risk: restructuring outcomes are uncertain and IP-driven results not guaranteed
- Concentration: portfolio may have material exposure to specific issuers or sectors
- Regulatory: changes in bankruptcy, restructuring, or tax law may impact outcomes
- Valuation: distressed debt values can be highly volatile and difficult to assess
- Past performance is not indicative of future results
- This teaser is summary in nature and does not constitute an offer to sell; full PPM governs

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Institutional-Grade Leadership

Maxwell Cohen

Chief Credit Officer & Head of Underwriting

Polaris Advantage Asset Management, Inc.

$1B+	$10B+	10+
Originated at family office (2019–2025)	Cumulative underwriting across career	Years institutional credit experience

Career Timeline

Current	2019–2025	Prior	Prior	Early Career
Chief Credit Officer & Head of Underwriting	Director of Underwriting (UHNW Family Office)	Chief Credit Officer	Director of Underwriting	Analyst

Currently advises UHNW clients on multi-hundred-million-dollar structured transactions through affiliated advisory platforms.

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NEXT STEPS

Ready to Learn More?

01 Execute Confidentiality Agreement with Polaris Advantage Asset Management

02 Receive full Confidential Private Placement Memorandum (PPM)

03 Schedule management call with Maxwell Cohen, President-Portfolio Manager

04 Complete Qualified Purchaser / Accredited Investor verification

05 Submit subscription documents prior to August 2026 target close

CONTACT

Polaris Advantage Asset Management, Inc.

Offering	**Series 2026-1**
Offering Size	**$22,600,000**
President-Portfolio Manager	**Maxwell Cohen**

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