

Portfolio Management Business Development Corporate Strategy Global Perspective

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The United States of America must develop a better way to finance (pay for) the American Way of Life! Our national debt stands around \$35 trillion and growing. Recently, we spent more on debt service than we did on defense. If we're not careful, debt service could severely restrict private investment. Our nation's deficit spending and debt accumulation is unsustainable!

Department of Government Efficiency (DOGE)

Intuitively, DOGE should be able to cut through some of the bloated bureaucracy of the federal government, saving taxpayers billions in the process. My argument only attacks the financing element of our nation's deteriorating financial position. It generates revenue for the government and augments our current approach.

Over the last 250 years, we've built the strongest, deepest capital markets in the world. Unfortunately, we only use the debt market to finance the American Way of Life! We Tax and We Borrow! We have totally ignored the benefits of financing through the publicly traded equity market.

It's time for the US Federal Government to come together and form a massive Private Public Partnership with Corporate America, tasked with more efficiently financing (paying for) the American Way of Life. This includes infrastructure (roads, bridges, water, transportation, energy, power grid, tele-communication, broadband, advanced manufacturing, technology, semiconductors, military) and modernizing the government itself.

Recently, David Westin of Bloomberg news did a great job describing the benefits of a Sovereign Wealth Fund like Norway's. I don't believe our nation needs a Sovereign Wealth Fund. Our nation needs new investment capital to repair, build, maintain and advance our societal objectives (dreams). I'm proposing something different, something unique to the United States of America!

Private Public Partnership Private Investment Capital contributed by Corporate America, publicly traded organizations domiciled in the United States, matched by a very generous ratio from the US Treasury, which provides significant incentive to the market.

Screening Criteria	Corporate America		U.S. Treasury	Private Public Partnership
Publicly traded organizations, domiciled in the United States with a Market Capitalization >\$1B	Balance Sheet Investment Capital	Allocation 10bps .10%	Generously matches providing incentive	Special Purpose Equity Fund
Source: Bloomberg	\$8,204,752,302,167	\$ 8,204,752,302	\$ 82,047,523,022	\$ 90,252,275,324

Funding Corporate America has accumulated over \$8.2T of investment capital on its most recently filed Balance Sheet. If Corporate America only invests 10bps (.10%) of its Investment Capital in this Private Public Partnership, the U.S. Treasury would accordingly match the private market investment, thereby forming a Special Purpose Equity Fund (SPEF).

Objective Strategically allocate the investment capital towards repairing, building, maintaining and advancing the American Way of Life! If China can strategically allocate investment capital to industries critical to its long-term societal advancement, then why can't the United States of America?

Target	Organizations, with publicly traded equity, demonstrably satisfying some of the needs of our nation: e.g., food, housing, roads, bridges, water, transportation, energy, communication, technology, military and efficiency within our federal government.
Example	<p>The USA has promised ubiquitous, efficient communication (broadband) for decades. Look at Henderson, NV. It's the 2nd largest city in NV. But it doesn't have ubiquitous cellular service. Specifically, Lake Las Vegas, a community of 6,000 homes that could easily afford the service doesn't have the service.</p> <p>I believe an unintended consequence of a misguided government policy created this missed opportunity in the market. Currently, wireless telecommunication has to bid for the right to provide cellular service. The trouble is that the bidding rights for the spectrum have become too expensive, leaving insufficient funds to actually build the required network.</p>
Underwriting	<p>SPEF would be actively managed by a reputable investment management organization(s) with demonstrable expertise in underwriting (structuring) both debt and equity investments across the capital structure of a publicly traded organization.</p> <p>One role of Government is to read (assess) the "needs" of its people, and then work together with private industry to execute the mission of satisfying the needs of its people – NOT micromanaging the individual investment decision.</p> <p>We can debate the methodology and the success of it, but the Chips Act is a good start at working together (Private / Public). The government recognized a significant need within our nation during the recent pandemic: i.e., more of our critical supply chain needs to be produced within long-term, friendly confines.</p>
Mechanics	To access SPEF, the organization must have common stock publicly traded on the U.S. Capital Markets. This requirement provides transparency to the nation and simplifies the calculation. In fact, it's the structure of the public market that provides liquidity to the investment for future realization. Furthermore, this could certainly create (generate) an incredible Return on Investment (ROI) for all stakeholders of the Private Public Partnership, including the U.S. Treasury.

Essentially, this is an "equity" bet on America! I refuse to believe that the Chinese can allocate investment capital more efficiently than the USA! We have developed more investment expertise than any other nation in the World!

It's a hard-earned competitive advantage! Let's use it! And Make America Great Again!

Respectfully,
Ken Copley
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