Assets are not things/businesses –
The asset is the rulebook. Allocation isn't to assets but to spread systems.
"Asset" is shorthand for a shared valuation methodology that creates a market.
Alternative managers are strategy wrappers that monetize specific spreads.
PYA is the same concept, but earlier in the capital stack where spreads are widest.

Underwriting of uncertainty to certainty arcs already occur everywhere.
They just call it different things.

- *Asset definition (new lens)*
- *An asset is not the object/bussiness. It's the standardized agreement that makes the object tradable and comparable*
- *The "thing/business" is the anchor. The "asset" is the market's valuation rulebook*
- *Asset classes exist when rulebooks become repeatable enough that capital can underwrite them systematically*

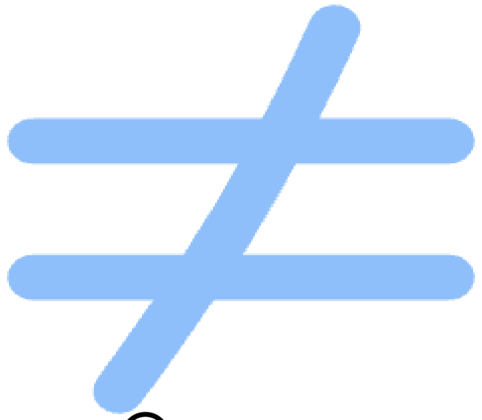
- *Strategy wrappers not assets- Strategy wrappers are the product*
- *Alternative vehicles are not asset classes. They're wrappers around strategies*
- *Strategies are defined by what spread they target and what uncertainty they're paid to hold*
- *LP selection is, "Which manager is best at this spread under this regime"*

A. Hedge fund spread families
- *Relative value / arb - convergence vs dislocation*
- *Event driven - event resolution vs timing risk*
- *Macro - regime shifts vs consensus positioning*
- *Volatility - implied vs realized vs convexity under stress*
- *Distressed - survival reset vs recovery value*

hedge funds aren't "public markets." They're paid for specific spreads.

B. Credit / private credit spread families
- *coupon carry vs default probability*
- *covenant control vs outcome volatility*
- *liquidity premium vs forced selling regimes*
- *duration risk vs refinancing window risk*

C. Private equity spread families
- *governance/control premium vs execution risk*
- *leverage amplification vs refinancing fragility*
- *margin expansion vs operational reality*
- *multiple arbitrage vs exit window dependence*
- *platform consolidation vs integration failure*

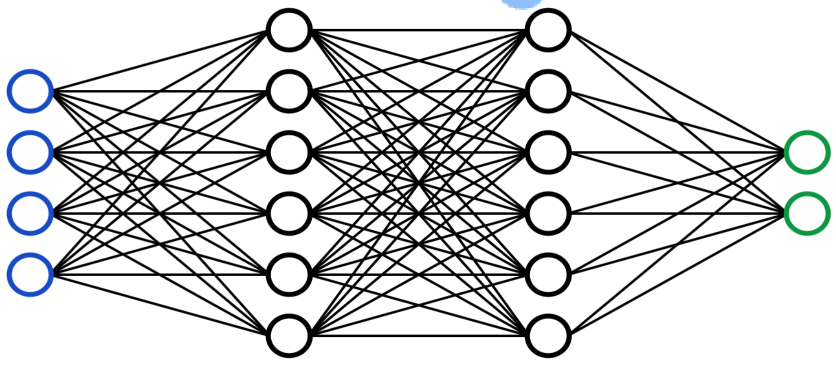


D. Venture / growth spread families
- *adoption optionality vs failure rate*
- *Power law outcomes vs portfolio construction*
- *Time to liquidity vs funding regime risk*
- *narrative sponsorship vs burn survivability*

E. Real estate / infra spread families
- *cap rate regime vs rate shocks*
- *stabilization vs lease up risk*
- *refinancing windows vs liquidity freezes*
- *development uplift vs permitting/timing risk*

F. The missing lane - Pre-standardized real assets – Pre Yield Assets
- *The widest spreads form before the rulebook exists*
- *In mature asset classes, rulebooks are standardized → spreads compress*
- *In pre-standardized lanes, valuation is still negotiated, episodic, and messy → spreads stay wide*
- *This is where the opportunity lives, not because the objects are" magical", but because the market structure is immature*

A strategy wrapper for pre-standardized real asset spreads
- *Strategy wrapper operating in a pre-standardized lane of real assets*
- *The objective is to systematize what is currently non standard*
- *The value is in the intelligence layer selection, structuring, sequencing, risk control, crystallization*



Pre-Yield spreads are ambiguity to certainty spreads
- *The spread is between high ambiguity today and derisked certainty later*
- *Value isn't "belief sponsorship" like tech. It's execution sponsorship*
- *Upside earned through sequencing, control, and conversion of unknowns into bankable structure*

The node is a connector, not an object
- *PYA value formation depends on controlling and aligning connectors*
  - *rights and control*
  - *contracts and counterparties*
  - *logistics / throughput constraints*
  - *permitting / jurisdiction friction*
  - *timing and capital continuity*
  - *execution sequencing*

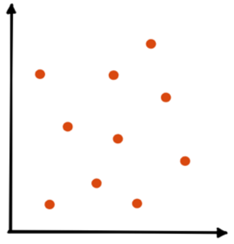
What's being valued
- *not the mine, land, corridor, facility*
- *what's valued is the pathway that makes it legible, financeable, and executable*

Risk in PYA
- *Not object risk.*
- *Sequence + coordination risk.*

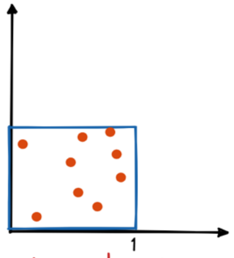
Cycles are spread resets
- *spreads expand when capital, confidence, and liquidity sponsor duration*
- *spreads collapse when survival assumptions change and capital gets scarce*
- *different sectors crash differently because their survival mechanism differs*

- *PYA cycles show up as - financing windows, jurisdiction shocks, sequencing breaks, liquidity freezes, counterparty shifts*
- *This is why the strategy must be built to survive spread resets, not just benefit from spread expansion*

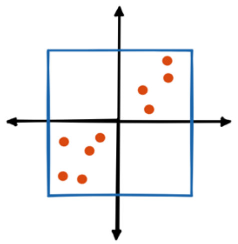
LP takeaway
- *You already pay for this. This is the earliest and widest version of it.*
- *LP allocations are spread underwriting decisions disguised as asset allocation*
- *PYA is the same logic in a lane where spreads are widest because uncertainty is highest and the rulebook isn't standardized*
- *The product is the system - the methodology that converts ambiguity into defined outcomes*



Actual Data



Normalization



Standardization

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