

# Seed 10 — IPO Foundation Portfolio Key Terms

XAI100 Inc. (NASDAQ-bound, ticker AIBDC)

IPO Target	Mgmt Fee	Incentive	Payout
\$150M – \$200M	1.75% / yr	20% / 8% hurdle	≥ 90%

XAI100 Inc. does not raise capital on a "blind pool" concept. We launch with 10 audited, valuation-ready unlisted AI assets with real revenue as the IPO Net Asset Value (NAV), every one selected from the Global Top 100 Unlisted AI Enterprises and balanced between established AI unicorns and high-potential AI future unicorns.

## 1. Key Terms

Legal Structure	Business Development Company (BDC) under the U.S. Investment Company Act of 1940
Listing & Ticker	Intended NASDAQ listing under ticker AIBDC
IPO Offering Size	\$150M – \$200M; pricing based on the audited NAV of the Seed 10, with a reasonable market premium
Liquidity	Daily trading liquidity on NASDAQ — no multi-year lock-ups typical of private AI investments
Compliance	SEC 10-K / 10-Q / 8-K periodic filings; internal CFIUS pre-clearance; AML / KYC; quarterly independent valuations (Kroll, Houlihan Lokey)
Exit Strategy	(1) Spin-off listings on NASDAQ / NYSE / HKEX; (2) strategic M&A; by tech majors or industry platforms; (3) dividend distributions to shareholders

## 2. Fees & Distributions

Management Fee	1.75% / yr	Annual fee on net assets covering portfolio management and operating costs
Incentive Fee	20% above 8% hurdle	20% of net profits above an 8% hurdle, with a high-water mark
Mandatory Distribution	≥ 90%	BDCs must distribute ≥90% of taxable income to qualify for federal corporate tax exemption

### 3. The Seed 10

#	Company	Tier
1	OpenAI	Established AI Unicorn
2	Anthropic	Established AI Unicorn
3	Databricks	Established AI Unicorn
4	Mistral AI	Established AI Unicorn
5	xAI	AI Future Unicorn
6	Cerebras Systems	AI Future Unicorn
7	Perplexity AI	AI Future Unicorn
8	Reflection AI	AI Future Unicorn
9	Chai Discovery	AI Future Unicorn
10	Rogo AI	AI Future Unicorn

### 4. Risk Disclosures & Compliance

Valuation & NAV volatility	Unlisted holdings are independently valued quarterly; NAV may move materially with funding rounds, comparables or macro rates.
Liquidity & redemption	AIBDC is a closed-end BDC traded on NASDAQ; underlying holdings are not readily liquidatable.
Concentration & single-sector risk	The portfolio holds only 10 names and is 100% concentrated in AI.
Regulatory & cross-border compliance	Subject to SEC and NASDAQ ongoing disclosure, CFIUS review, AML / KYC and export-control rules.
Impact of fees on net returns	The 1.75% management fee and 20% / 8% hurdle incentive fee will reduce gross returns.
Forward-looking statements	This document contains forward-looking statements; actual results may differ materially.

### 5. Compliance & Suitability

This document is for informational purposes only and does not constitute an offer to sell or a solicitation to buy securities in any jurisdiction. Investing in AIBDC involves material risks, including loss of principal. Investors should consult independent legal, tax and financial advisors. Sources: company profile document, independent valuation reports and public disclosures.