



ATLAS NEXGEN TR
5013 S Louise AVE PMB 1399
Sioux Falls, SD 57108

1. **ATLAS NEXGEN TRUST:** An "Express, Non-Grantor, Irrevocable, Discretionary, Complex, Spendthrift, Business Trust" – this will be the primary investment vehicle (the "Fund") that issues units to investors and holds the underlying assets.
2. **LRJH PFTC LLC:** This entity acts as the **Trustee** for the ATLAS NEXGEN TRUST (and also for the LENNOX TRUST). In its capacity as Trustee of the ATLAS NEXGEN TRUST, LRJH PFTC LLC will function as the overall Investment Manager, overseeing the fund's operations and strategies.
3. **LENNOX TRUST:** An "Express, Non-Grantor, Irrevocable, Discretionary, Complex, Spendthrift, 'Personal (Family)' Trust" – this trust is an **Interest Holder** (beneficial owner) within the ATLAS NEXGEN TRUST.
4. **LEANDER JORDAN FOUNDATION:** The ultimate charitable remainder beneficiary of the LENNOX TRUST.

Investment Policy Statement for ATLAS NEXGEN TRUST (a Business Trust)

Effective Date: 2025-09-08 (Server time)

This Investment Policy Statement ("IPS") outlines the strategic framework, governance structure, and operational guidelines for the **ATLAS NEXGEN TRUST** (hereinafter "the Business Trust" or "the Fund"). The Business Trust is established as an Express, Non-Grantor, Irrevocable, Discretionary, Complex, Spendthrift, Business Trust, operating under common law principles, and serves as the primary investment vehicle through which capital is raised from Interest Holders (beneficial owners), including high-net-worth (HNW) individuals, family offices, co-GPs, ESG pensions, endowments, and other trusts (such as the LENNOX TRUST). Its purpose is for deployment into an innovative, tax-efficient "IUL look-alike" investment strategy.

LRJH PFTC LLC, in its capacity as the duly appointed and serving **Trustee of the ATLAS NEXGEN TRUST** (hereinafter "the Trustee-Manager" or "LRJH PFTC LLC"), is responsible for the overall management of the Business Trust's assets, implementation of its investment strategy, and adherence to the policies set forth herein. LRJH PFTC LLC functions as the central management entity within this unique trust framework.

Charles Schwab (hereinafter "the Custodian") is engaged to provide custodial services for the Business Trust's liquid assets, safeguarding securities and cash.

Pivot Capital (hereinafter "the Sub-Advisor") may be engaged by the Trustee Manager to manage specific portions or asset classes of the Business Trust's portfolio under a separate sub-advisory agreement, subject to oversight by LRJH PFTC LLC.

Goldman Sachs and **Blackstone** (hereinafter "Product/Service Providers") may be engaged by the Trustee-Manager to provide specialized investment products or services, such as custom S&P 500 index solutions, structured notes, or real estate fund access, as further detailed herein and in the PPM.

The purpose of this IPS is to define a disciplined approach to the planning, implementation, oversight, and risk management of the Business Trust's investment program. It establishes accountability for all involved parties, clarifies investment objectives and constraints, and serves as a foundational document to be read in conjunction with the Business Trust's **Private Placement Memorandum (PPM)**, the Trust Indenture (Declaration of Trust), and other definitive legal agreements. This IPS is designed to ensure alignment with the beneficial owners' objectives, stringent regulatory compliance, and the Business Trust's strategic vision for leveraging a layered trust structure to provide unique benefits, with explicit consideration of investment timelines and risk management parameters informed by real-world data and future outlook.

1. Scope and Purpose

1a. Define the Context and Unique Corporate Framework.

The ATLAS NEXGEN TRUST (a Business Trust) is established to execute a comprehensive capital raise strategy targeting \$200 million. This capital raise period is anticipated to last **one year**, commencing from the initial closing date (e.g., September 8, 2025, to September 7, 2026). Following this, the investment program will continue with deployment and scaling. The Business Trust's assets will be deployed into a diversified, tax-efficient portfolio replicating key benefits of an Indexed Universal Life (IUL) strategy. This involves a strategic combination of **treasuries (including municipal bonds), infrastructure notes, structured notes with limited downside risk and capped growth, and Opportunity Zone investments** that also emphasize social impact and community development. The innovative use of **captive insurance policies** is central to managing specific investment components and enhancing overall tax efficiency and flexibility.

This investment program is executed through a unique corporate framework comprising multiple trust entities designed for **de-risking, optimizing taxation, and managing investor exposure**:

- **ATLAS NEXGEN TRUST (the Business Trust)**: Serves as the primary investment vehicle, holding investment assets directly and issuing "Units of Beneficial Interest" to investors. It is structured as a "pass-through entity" for tax purposes and can create autonomous "Divisions" to segregate liabilities, thereby de-risking distinct business units.

- **LRJH PFTC LLC (the Trustee-Manager):** A Private Trust Company acting as the Trustee for the ATLAS NEXGEN TRUST (and other related trusts like LENNOX TRUST). This professional fiduciary structure centralizes management, ensures continuity, and enhances privacy, further de-risking the trustee function and allowing for specialized expertise in managing the Business Trust.
- **LENNOX TRUST (a Personal/Family Trust):** This trust, also managed by LRJH PFTC LLC as its Trustee, serves as an "Interest Holder" (beneficial owner) in the ATLAS NEXGEN TRUST. It leverages its own Express, Non-Grantor, Irrevocable, Discretionary, Complex, Spendthrift, Dynasty provisions to preserve wealth, protect assets from creditors, and facilitate dynasty planning, offering distinct tax and exposure management benefits at the family level.
- **LEANDER JORDAN FOUNDATION:** The ultimate charitable beneficiary of the LENNOX TRUST, illustrating the long-term impact and succession planning built into the framework.

This IPS is a critical component of the offering documentation for the Business Trust's securities, and its provisions are intended to complement and be consistent with the disclosures made in the Business Trust's PPM, the Trust Indenture, and other definitive agreements.

1b. Define the Entities and Their Relationships.

This Investment Policy Statement governs the investment portfolios and capital held within the **ATLAS NEXGEN TRUST (a Business Trust)**. This Business Trust is the legal entity that has the investment assets and through which investors (Interest Holders) participate in the Atlas NexGen investment program.

- **LRJH PFTC LLC (Trustee-Manager):** Acts as the Trustee for the ATLAS NEXGEN TRUST and functions as the Investment Manager, responsible for managing the Business Trust's assets in accordance with this IPS and the Trust Indenture.
- **Interest Holders:** Individuals or entities (e.g., LENNOX TRUST) holding Units of Beneficial Interest in the ATLAS NEXGEN TRUST.

1c. Define the Structure and Standard of Care.

The Business Trust's operations are governed by its formal Trust Indenture, which designates LRJH PFTC LLC as the Trustee and outlines the relationships with external service providers.

- **LRJH PFTC LLC (Trustee-Manager):**
As the Trustee of the ATLAS NEXGEN TRUST, LRJH PFTC LLC bears the ultimate fiduciary responsibility for the Business Trust's assets, acting in the best interests of the Business Trust and its Interest Holders, consistent with the Trust Indenture and applicable law. LRJH PFTC LLC exercises **non-discretionary oversight** by requiring its own approval for strategic decisions related to the IPS, major asset allocation shifts, engagement of Sub-Advisors or Product/Service Providers, and any material changes to investment strategies. For day-to-day operations and trading within these approved parameters, LRJH PFTC LLC operates with **discretionary authority** (acting through its designated managers/officers). All advice and decisions rendered must reflect first and foremost the best interests of the Business Trust and its Interest Holders. LRJH PFTC LLC will comply with all applicable federal and state securities laws, including the Investment Advisers Act of 1940 (if registered as an RIA), and FINRA rules where relevant. LRJH PFTC LLC, in its role as Trustee-Manager, retains ultimate oversight and responsibility for the overall

investment program, overseeing any delegated functions and ensuring continuous communication with the Trust Protector for better transparency and control.

- **Charles Schwab (Custodian):** As Custodian, Charles Schwab is responsible for the safekeeping of the Business Trust's cash and securities, trade settlement, and providing accurate account statements. The Custodian acts on the instructions of LRJH PFTC LLC (as Trustee-Manager, on behalf of the Business Trust) for trade execution and asset movement. Charles Schwab is not an investment adviser to the Business Trust and has no fiduciary duty concerning investment decisions or the suitability of investments. Its standard of care is to hold assets securely and execute instructions diligently, consistent with its custodial agreement and applicable banking and securities regulations.
- **Pivot Capital (Sub-Advisor):** Pivot Capital, if engaged, will serve as a Sub-Advisor to LRJH PFTC LLC, managing a specific segment or asset class of the Business Trust's portfolio as outlined in a separate Sub-Advisory Agreement. Pivot Capital will owe a **fiduciary duty** to LRJH PFTC LLC (acting on behalf of the Business Trust) for the specific assets and strategies under its management. Its activities will be strictly governed by this IPS and the Sub-Advisory Agreement, and it will operate under the direct oversight of LRJH PFTC LLC. The engagement of Pivot Capital and the scope of its responsibilities will be fully disclosed in the Business Trust's PPM.
- **Product/Service Providers (e.g., Goldman Sachs, Blackstone):** These entities may be engaged to provide specific investment products or services (e.g., custom S&P 500 index portfolios, structured notes, access to real estate funds) that align with the Business Trust's strategy. Their roles and any associated fees will be clearly defined in relevant agreements and disclosed in the Business Trust's PPM. Their standard of care will be governed by their respective agreements and applicable regulatory frameworks.

2. Governance

2a. Specify Responsibilities for Policy Determination, Execution, and Monitoring.

The IPS documents the accountability framework for all stages of investment policy development, implementation, and oversight for the Business Trust.

- **Determination of Investment Policy:** LRJH PFTC LLC, in its role as Trustee Manager, will develop proposed investment policies and material revisions to this IPS. These proposals shall be presented to the Trust Protector (as designated in the Trust Indenture, e.g., Tanja Duester) for their **nondiscretionary review and final approval**. The Trust Protector is responsible for approving the investment policy and any subsequent material changes, ensuring continuous involvement in strategic decision-making.
- **Execution of Investment Policy:** LRJH PFTC LLC's management, operating with **discretionary authority within the approved parameters** of this IPS and the Trust Indenture, is primarily responsible for implementing the investment strategy. This includes directing the Custodian for trade settlement, managing direct investments, selecting and overseeing Product/Service Providers, and delegating specific management functions to Sub-Advisors, such as Pivot Capital, for their designated mandates. All execution must be in accordance with the Business Trust's defined objectives, constraints, and the policies and strategic approvals provided. LRJH PFTC LLC retains day-to-day trading discretion *within* these approved parameters and provides continuous involvement of the fund manager in the decision-making process for better transparency and control.

- **Monitoring Results and Compliance:** LRJH PFTC LLC's operations, compliance, and reporting teams, utilizing internal dashboards (Notion) and external fund administration platforms (Juniper Square, Carta), are responsible for continuously monitoring investment performance, operational metrics, and adherence to this IPS and regulatory requirements. This includes monitoring the activities of the Custodian, any Sub-Advisors, and Product/Service Providers to ensure their actions align with the Business Trust's objectives and contractual obligations. LRJH PFTC LLC will report such findings to the Trust Protector on a regular basis, thereby facilitating the Trust Protector's non-discretionary oversight.

2b. Describe the Process for Reviewing and Updating the IPS.

This IPS shall be reviewed no less frequently than annually by LRJH PFTC LLC (as Trustee-Manager), in consultation with legal counsel. This annual review will consider evolving market conditions, regulatory changes (e.g., changes in Reg D or FINRA advertising rules observed over the last decade), and the Business Trust's performance relative to its objectives. Proposed revisions will then be submitted to the Trust Protector for their **non-discretionary review and formal approval**. Ad hoc reviews and updates may be initiated at any time by LRJH PFTC LLC or the Trust Protector due to significant changes in market conditions, regulatory requirements, the Business Trust's strategic direction, or feedback regarding its Interest Holders. All material revisions will be formally approved by the Trust Protector and communicated to relevant stakeholders as required by the Trust Indenture and applicable regulations.

2c. Describe Responsibility for Engaging and Discharging External Advisers.

LRJH PFTC LLC (as Trustee-Manager), with **non-discretionary oversight and consent from the Trust Protector** as stipulated in the Trust Indenture, is responsible for engaging and discharging external advisers and service providers critical to the Business Trust's operations. This includes, but is not limited to, legal counsel, independent auditors, fund administrators, compliance consultants, technology providers, **the Custodian (Charles Schwab), any Sub-Advisor (e.g., Pivot Capital), and Product/Service Providers (e.g., Goldman Sachs, Blackstone)**. All engagements will be conducted with a focus on expertise, cost-effectiveness, and strict adherence to the Business Trust's objectives and regulatory obligations. Any compensation or other consideration received by LRJH PFTC LLC from external service providers, including fees paid to the Custodian, Sub-Advisors, or Product/Service Providers, will be fully disclosed in the Business Trust's PPM or other offering documents.

2d. Assign Responsibility for Determination of Asset Allocation.

LRJH PFTC LLC's investment committee, guided by internal research (e.g., Reonomy, Zilculator), predictive analytics (PowerBI Embedded, GPT + Excel models), and market stress simulations, is responsible for developing and recommending the strategic asset allocation for the Business Trust's investment program. These recommendations, including target asset classes, geographic focus, and permissible ranges for capital deployment, will be presented to the Trust Protector for **nondiscretionary final approval**. The goal of the asset allocation policy is to optimize risk-adjusted returns for the Business Trust's Interest Holders while adhering to the Business Trust's stated objectives, taking into account observed market correlations and volatility across asset classes over various economic cycles (e.g., the strong equity market performance post-2008, the rise of alternative assets, and recent interest rate changes). The overall asset allocation will guide both

LRJH PFTC LLC's direct investment decisions and the mandates assigned to any Sub-Advisors or specific products from Product/Service Providers.

2e. Assign Responsibility for Risk Management, Monitoring, and Reporting.

LRJH PFTC LLC (as Trustee-Manager), supported by its compliance and operational teams, is primarily responsible for establishing and implementing risk policies, continuously monitoring the risk profile of the Business Trust's investment portfolio, and reporting on portfolio risk. This includes oversight of the Custodian's safekeeping functions, continuous monitoring of any Sub-Advisor's adherence to their delegated mandate and risk guidelines, and due diligence on products offered by Product/Service Providers. This involves tracking key risk metrics, ensuring compliance with legal and regulatory frameworks, and providing transparent and comprehensive reporting to the Trust Protector and, by extension, to the Business Trust's Interest Holders as detailed in the PPM. The Trust Protector will exercise **nondiscretionary oversight** of LRJH PFTC LLC's risk management framework, ensuring alignment with their fiduciary duties.

3. Investment, Return, and Risk Objectives

3a. Describe the Overall Investment Objective of the Business Trust.

The primary investment objective of the ATLAS NEXGEN TRUST is to generate attractive, **tax-efficient**, risk-adjusted returns for its Interest Holders through an innovative "**IUL look-alike**" **strategy**. This is achieved by deploying capital into a carefully structured portfolio designed to limit downside risk and participate in upside potential, primarily through **treasuries (including municipal bonds) and infrastructure notes, structured notes, and Opportunity Zone investments**, critically enhanced by the strategic use of **captive insurance policies**. The Business Trust aims to achieve its capital raise target within **one year** (e.g., by September 7, 2026) and support its overall strategic vision, while operating within a robust compliance framework designed to navigate market fluctuations and regulatory developments observed over the last decade. The strategy focuses on balancing growth and tax advantages, similar to certain features of an IUL, rather than offering death benefits. This approach is designed to deliver stable, tax-efficient returns that appeal to family offices and institutional investors, with a focus on social impact and community development.

3b. State the Return, Distribution, and Risk Requirements.

- **Return Objectives:** The Business Trust's investment program aims for an overall target of a **4% coupon** from its mid-term liquidity sleeve and an **annual yield of 10-11%**, with the goal of achieving a **cumulative, non-compounding Preferred Return of 8% per annum** for its Interest Holders, calculated on the original Capital Contribution and adjusted for prior distributions, as detailed in the supplemental clauses for Redemption Rights and further elaborated in the PPM. This target return is set recognizing the risk premium associated with private real estate and alternative assets, and aims to outperform a blended benchmark of core real estate indices (e.g., NCREIF Property Index), relevant equity indices (e.g., S&P 500), and fixed-income benchmarks over a comparable long-term horizon (e.g., 5-10 years). The overall objective is to maximize tax-efficient capital appreciation while

providing consistent distributions where appropriate and feasible, subject to the investment hold period.

- **Permissible Asset Classes (for the Business Trust's portfolio):** The Business Trust will primarily invest in three strategic "sleeves," potentially owned or leveraged through a captive insurance structure:
 - **Liquidity Sleeve (Treasuries/Municipal Bonds/Infrastructure Notes):** Primarily comprises short-to-intermediate term U.S. Treasury securities, highly-rated municipal bonds (which yield attractive tax-exempt rates), or infrastructure notes. This sleeve provides stability and is leveraged for capital efficiency. (e.g., 10-20% of portfolio).
 - **Mid-Term Liquidity Sleeve (Structured Notes, potentially owned by Captive Insurance):** Consists of tax-efficient, typically 100% principal-protected structured notes. These notes use strategies such as buying zero-coupon bonds and writing call options on indices like the S&P 500 or Russell 2000, designed to provide a **4% coupon** and contribute significantly to the **10-11% annual yield target**. This design aims to **limit downside risk to zero while participating in upside potential (capped growth)**. They will utilize internal trading to generate tax losses that can offset gains, enhancing the "IUL look-alike" tax benefits. A **captive insurance policy** could own these structured notes, providing a mutual fund-like investment option within the IUL look-alike. (e.g., 30-40% of portfolio).
 - **Long-Term Illiquidity Sleeve (Opportunity Zone Investments):** Direct investments into Flagship Opportunity Zone (OZ) projects and multifamily impact deals. This sleeve provides long-term growth potential, tax efficiency through capital gains deferral, potential step-up in cost basis, and a strong focus on community improvement and social impact. These investments are positioned for pensions and other investors seeking **tax credits and new market credits**. Blackstone funds or similar offerings may be used as placeholders or direct investments in this sleeve. (e.g., 40-50% of portfolio).
 - **Custom Equity Index Exposure (for larger commitments):** For Interest Holders committing \$1 million or more, custom S&P 500 look-alike indices may be constructed (e.g., through Goldman Sachs by owning/trading constituent stocks). This strategy involves selling underperforming stocks and buying those expected to perform better, helping to create unrealized losses that benefit the portfolio's dynamic and generate tax-neutral offsets. This exposure will be integrated within the Structured Notes or as a separate sleeve, as determined by LRJH PFTC LLC and approved by the Trust Protector.
 - Other asset classes may be considered and added with the approval of the Trust Protector and subsequent amendment to this IPS. Management of these asset classes may be directly by LRJH PFTC LLC, delegated to a qualified Sub-Advisor such as Pivot Capital, or acquired through Product/Service Providers.
- **Distribution Policy and Redemption Rights (Including Investment Hold):** Distributions from the Business Trust will be made in accordance with the terms outlined in the Trust Indenture and PPM. **Interest Holders should be aware that there will be an initial hold on investment, meaning that no distributions or income are anticipated until Year 2 (i.e., after the completion of the one-year capital raise period and initial deployment phase, expected to begin in September 2026).** The strategy targets that approximately **only 30% of the annual yield will be taxable**, significantly benefiting high-income clients. This deferment for the first year also helps build a nest egg and maintain fund growth. As detailed in the "Atlas NexGen TR – Supplemental Clauses," the Company (LRJH PFTC LLC, on behalf of the Business Trust)

may, at its sole discretion, redeem outstanding Redeemable Equity Interests after **five years** from the Closing Date (e.g., September 2030, assuming an initial closing in September 2025), provided market conditions and liquidity allow. This five-year period aligns with typical liquidity horizons for private real estate and alternative investments. The Redemption Price shall equal the original Capital Contribution plus a cumulative, non-compounding Preferred Return of 8% per annum, less any prior distributions. Payment may be in cash or a combination of cash and marketable securities, subject to available cash and compliance with applicable financing covenants. Further details regarding the timing and conditions of distributions and redemptions, including the implications of the investment hold and tax efficiency, are provided in the PPM.

- **Policy Portfolio and Phased Capital Deployment:** The Business Trust's capital deployment will follow a strategically phased approach based on the Atlas NexGen roadmap:
 - **Phase 1 (Months 0-12, coinciding with one-year capital raise):** Initial capital close (\$10-25M) primarily from HNW leads, family offices, and coGPs. During this phase, capital not immediately deployed into deals or structured notes will be held with the Custodian in the Liquidity Sleeve (Treasuries/Municipal Bonds/Infrastructure Notes).
 - **Phase 2 (Months 4-12, overlapping with Phase 1 capital raise):** Expansion and early deployment into structured notes (potentially through a captive insurance policy) and initial Opportunity Zone investments, targeting \$75M in commitments. Target allocations might initiate with **30% Liquidity Sleeve, 30% Structured Notes, 40% Opportunity Zone Investments** during this period. LRJH PFTC LLC will manage these investments directly or may begin transitioning specific segments to a Sub-Advisor, such as Pivot Capital, or to utilize products from Product/Service Providers.
 - **Phase 3 (Months 12-24 / Beginning Year 2, e.g., September 2026-September 2027):** Institutional scale-up, targeting ESG pensions, endowments, RIAs for the final \$100M+, and active exploration of further tokenization, REIT conversion, and secondaries marketplaces. **It is from the commencement of this phase that distributions or redemptions may become possible, in line with the "hold on investment until Year 2" policy.** During this phase, optimized target allocations are expected to be **10-20% Liquidity Sleeve, 30-40% Structured Notes (potentially via captive insurance), 40-50% Opportunity Zone Investments/Impact Deals.**
 - Specific target allocations to each permissible asset class, along with acceptable ranges (e.g., +/- 10% from target for Opportunity Zones, +/- 5% for Structured Notes, +/- 2% for Liquidity Sleeve due to differing volatility profiles), will be determined by LRJH PFTC LLC's investment committee based on market opportunities, risk-return profiles, and approved by the Trust Protector. These will be detailed further in an Appendix or within the PPM. The management of these allocations may be split among LRJH PFTC LLC, Sub-Advisors such as Pivot Capital, and specific products from Product/Service Providers.

3c. Define the Risk Tolerance of the Business Trust.

The ATLAS NEXGEN TRUST acknowledges that its investment program, while structured for tax efficiency and downside mitigation, inherently involves exposure to various risks, including but not limited to: market risk, liquidity risk (especially for Opportunity Zone investments), credit risk (for structured notes and treasuries), operational risk, regulatory risk, real estate-specific risks (e.g., market downturns, property valuation, leverage risk), and risks associated with complex structured

products and captive insurance policies. These risks are described in detail in the "Risk Factors" section of the Business Trust's PPM, with particular emphasis on the implications of the **one-year capital raise period** and the **hold on investment until Year 2** for investor liquidity and return realization timelines. Drawing insights from historical market drawdowns (e.g., 2008 financial crisis, COVID-19 market correction), the Business Trust's risk tolerance is defined by its commitment to mitigating these risks through:

- **Maximum Acceptable Drawdown/Permanent Capital Impairment:** While short-term market fluctuations are inherent, the objective is to avoid permanent capital impairment exceeding **20%** of the original Capital Contribution in any 36-month rolling period, factoring in illiquidity. This threshold is informed by the recovery patterns observed in alternative asset classes and structured products following significant market downturns over the last decade.
- **Downside Protection:** For assets like structured notes within the IUL look-alike strategy, the design explicitly aims for **no downside risk** (i.e., 100% principal protection at maturity or specific re-pricing intervals), which contributes significantly to the overall risk mitigation of the Business Trust.
- **Due Diligence:** LRJH PFTC LLC will conduct rigorous due diligence on all investment opportunities, utilizing tools like Reonomy and Zilculator to assess property fundamentals, market demand, and financial viability for Opportunity Zone investments. This oversight extends to the selection and monitoring of structured notes, the credit quality of counterparties, the operational integrity of captive insurance vehicles, and any investments managed by a Sub-Advisor or Products from Providers.
- **Diversification:** Deployment across various asset types (treasuries, municipal bonds, structured notes, Opportunity Zones), geographies (within OZ framework), and strategies to reduce concentration risk, a key lesson from periods of sector-specific downturns. The IUL look-alike structure itself provides inherent diversification across liquidity profiles, while the ability to form "Divisions" within the Business Trust provides segregated liabilities, further de-risking distinct investment pools.
- **Predictive Analytics:** Utilization of AI tools (PowerBI Embedded, GPT + Excel models, Notion AI) for market analysis and to reallocate capital based on market stress simulations. For example, suppose simulations (calibrated with historical data from the last 10 years, including real estate market shifts, fixed-income volatility, and equity index performance) indicate a >25% probability of a significant downturn (>15% value drop in target assets or structured note performance underperformance). In that case, this will trigger an immediate review by LRJH PFTC LLC's investment committee for potential defensive reallocations, impacting both LRJH PFTC LLC's direct management and any Sub-Advisor's mandates, subject to Trust Protector approval.
- **Robust Compliance Framework:** Strict adherence to applicable securities laws, disclosure obligations, and internal risk management policies. This includes oversight of the Custodian's activities, any Sub-Advisor's compliance within their mandate, and the regulatory compliance of Product/Service Providers and captive insurance structures. Any material breach or non-compliance issue will be reported to the Trust Protector immediately upon discovery (within 24 hours).
- **Rescission Rights:** As detailed in the "Atlas NexGen TR – Supplemental Clauses" and the PPM, in the event LRJH PFTC LLC (on behalf of the Business Trust) determines that securities were not issued in full compliance with applicable securities laws or disclosure obligations, LRJH PFTC LLC may make a Rescission Offer. This offer permits affected investors to rescind their investment (receiving Capital Contribution plus accrued

but unpaid Preferred Return) in exchange for the surrender of their Equity Interests. Acceptance of a Rescission Offer constitutes the sole and exclusive remedy for the Holder in connection with the relevant issuance.

3d. Describe Relevant Constraints on the Business Trust's Investment Program.

- **Evaluation Horizon:** The Business Trust's investment program operates within a 24-month strategic roadmap, with performance evaluated against phased KPI targets (e.g., capital raise milestones, investor onboarding numbers, deal closures). The initial **one-year capital raise period** and the **hold on investment until Year 2** are critical considerations for this evaluation, meaning that initial performance will be assessed more on capital deployment efficiency and pipeline development rather than realized investment returns.
- **Liquidity Requirements:** Investments in private real estate (Opportunity Zones), specific structured notes, and assets held within a captive insurance structure are inherently illiquid. **Interest Holders must understand and accept that there will be a hold on investment, with no distributions or income anticipated until Year 2 (i.e., September 2026).** This aligns with the typical illiquidity of private market funds and the deferment strategy. While LRJH PFTC LLC plans to explore enhancements in Phase 3 (beginning Year 2) by exploring tokenization, REIT conversion, and secondaries marketplaces, Interest Holders should anticipate limited liquidity for their interests in the Business Trust. Redemptions are subject to the specific terms outlined in the supplemental clauses and the Trust Indenture, and will not commence before Year 2.
- **Minimum Investment:** The fund aims for a **\$3,000,000 minimum investment** for its primary offering, reflecting a target for family offices and institutional investors. However, initial entry for accredited investors may be considered at **\$250,000**, with opportunities to increase as the fund grows. Custom S&P 500 index strategies (e.g., via Goldman Sachs) are available for clients committing **\$1,000,000 or more**. Details on minimums and tiers will be fully specified in the PPM.
- **Legal and Regulatory Constraints:** The Business Trust, its Trustee-Manager (LRJH PFTC LLC), its Custodian (Charles Schwab), any Sub-Advisor (e.g., Pivot Capital), Product/Service Providers, and **Captive Insurance vehicles** are subject to stringent legal and regulatory constraints, including:
 - Compliance with all applicable U.S. federal and state securities laws, including the Securities Act of 1933 (e.g., Reg D for private offerings), the Securities Exchange Act of 1934, and any other relevant acts or regulations. Compliance procedures will be continuously updated in response to SEC guidance and FINRA enforcement trends observed over the last decade.
 - Adherence to SEC guidelines, FINRA rules (where applicable to LRJH PFTC LLC as a potential broker-dealer or RIA), and relevant corporate governance standards for trusts and captive insurance entities.
 - Implementation and ongoing monitoring of robust KYC (Know Your Customer) and AML (Anti-Money Laundering) procedures (e.g., Parallel Markets API), consistent with BSA/AML regulations and FinCEN guidance.
 - Finalization and adherence to the PPM, Trust Indenture, Custodial Agreement with Charles Schwab, Sub-Advisory Agreement(s) with Pivot Capital (if applicable), agreements with Product/Service Providers (e.g., Goldman Sachs, Blackstone), Captive Insurance Policy documentation, privacy policy, and DaaS disclaimers (LawGeex, Spellbook).

- The inclusion and enforceability of the "Supplemental Clauses" regarding Redemption Rights and Rescission Rights in the Trust Indenture and PPM.
- **Leverage Policy:** The Business Trust may utilize leverage in its investment activities, particularly by leveraging its holdings in treasuries and infrastructure notes, and potentially leveraging its **captive insurance policies** and real estate assets, as determined by LRJH PFTC LLC, subject to the **non-discretionary approval of the Trust Protector** and as permitted by the Trust Indenture and PPM. This leverage aims to enhance yield and provide tax-deferment benefits, often through loans against notes or insurance policies. Any leverage employed will be subject to prudent risk management guidelines, compliance with all applicable lending covenants, and regulatory requirements. Typically, total portfolio leverage will not exceed **60%** of the fair market value of the Business Trust's assets, a level generally considered prudent for real estate private funds, balancing potential return enhancement with risk management lessons from prior credit cycles. This limit applies to the entire Business Trust portfolio, including any assets managed by a Sub-Advisor or held through Product/ Service Providers.
- **Foreign Securities/Currency:** The primary focus of the Business Trust's investment strategy is on U.S.-based investments. Any potential investments in foreign securities or assets, or significant foreign currency exposure, will be subject to specific policy guidelines to be established by LRJH PFTC LLC and approved by the Trust Protector, and will be disclosed in the PPM. Any such exposure would involve either active currency hedging strategies or the passive acceptance of currency risk, based on a transparent risk-reward assessment.
- **Conflicts of Interest:** LRJH PFTC LLC acknowledges that conflicts of interest may arise between the Trustee-Manager, its affiliates, the Custodian, any Sub Advisor, Product/Service Providers, **the Captive Insurance entity**, and the Business Trust, as well as with other trusts for which LRJH PFTC LLC serves as Trustee (e.g., LENNOX TRUST). These potential conflicts (e.g., LRJH PFTC LLC's compensation, fees paid to Sub-Advisors or Product/Service Providers, premiums/fees related to captive insurance, allocation of investment opportunities, transactions with affiliates) will be managed transparently, disclosed fully in the PPM, and handled in accordance with LRJH PFTC LLC's fiduciary duties and compliance policies, overseen by the Trust Protector. All related-party transactions will require explicit **non-discretionary Trust Protector approval** and will be conducted on an arm's-length basis.

3e. Describe Other Considerations Relevant to the Business Trust's Investment Strategy.

- **Investment Philosophy:** The Business Trust's investment philosophy, executed by LRJH PFTC LLC (and potentially by Sub-Advisors or Product/Service Providers under LRJH PFTC LLC's direction), is centered on leveraging technology and innovation to democratize access to institutional-grade investment opportunities with a strong focus on **tax-efficient wealth accumulation, downside protection, and stable income**. This includes:
 - Developing and operating a dual-sided DaaS platform offering institutional-grade services and consumer-focused wealth access.
 - Utilizing cost-effective white-label tools for scalable operations.
 - Integrating Environmental, Social, and Governance (ESG) factors into investment decisions, particularly for Opportunity Zone impact deals, reflecting a commitment to sustainable and responsible investing. This commitment aligns with a growing trend in investor preference and capital flows observed over the last decade.

- Emphasizing data-driven decision-making, lead scoring, and predictive analytics for investment selection and management, complemented by human oversight for validity in trading and investment decisions ("AI and human oversight in trading"), a lesson learned from the increased reliance on AI over the past five years.
- **Tax Efficiency:** A core tenet of the strategy is to maximize tax efficiency through structured notes (internal trading for tax losses), municipal bonds, and Opportunity Zone investments (capital gains deferral and potential step-up in cost basis), leveraging the benefits of **captive insurance policies** to provide an "IUL look-alike" benefit for beneficial owners. The goal is to provide a good consistent return and a reduced tax burden.
- **Sidecar Investment for Tax Management:** To manage overall tax liability effectively, LRJH PFTC LLC may establish a **sidecar investment** vehicle that conducts additional trading activities primarily aimed at generating unrealized gains or losses. This sidecar's activities will strategically offset tax implications from the main Business Trust's investments, enhancing overall tax efficiency, and will be subject to Trust Protector oversight.
- **Technology Integration:** Extensive use of AI tools and a comprehensive technology stack (HubSpot, Parallel Markets, DocuSign, Notion, Zapier, Webflow, Securitize, RealBlocks, Anduin, Juniper Square, PowerBI, LawGeex, Spellbook, Reonomy, Descript, Canva, Jasper, ChatGPT, ElevenLabs, ActiveCampaign, Klaviyo, Make.com) for automation, analytics, content creation, investor engagement, and robust operational efficiency. This reflects the increasing reliance on advanced technology in financial services and wealth management over the last five years.
- **Marketing and Clientele:** The fund aims to market to family offices, wealth advisors, and other institutional investors, positioning its unique selling points: tax efficiency, social impact, and stable income. The target client base seeks core income and tax efficiency, and the layered trust structure adds to its appeal.
- **Proxy Voting Policy:** LRJH PFTC LLC, as Trustee-Manager, shall be responsible for voting proxies relating to the Business Trust's portfolio securities (including those held by the Custodian and/or managed by a Sub-Advisor or acquired through Product/Service Providers, or owned by a captive insurance entity) promptly and in a way that maximizes the value of the Business Trust's underlying investments, consistent with the Business Trust's objectives and any guidelines provided by the Trust Protector. The specific proxy voting policy will be outlined in the PPM or an appendix thereto.
- **Securities Lending Programs:** The Business Trust will not participate in securities lending programs unless explicitly approved by the Trust Protector and detailed in the PPM, due to the associated collateral investment and counterparty risks. This conservative stance reflects a risk management approach to complex, often opaque, financial activities.

4. Risk Management

4a. Establish Performance Measurement and Reporting Accountabilities.

LRJH PFTC LLC is accountable for calculating and reporting the performance of the ATLAS NEXGEN TRUST in a transparent, accurate, and timely manner.

- **Reporting Frequency:** Quarterly reports will be delivered to the Trust Protector and, by extension, to the Business Trust's Interest Holders, as specified in the Trust Indenture and PPM, typically within 45 days after quarter-end.

- **Reporting Tools:** LP dashboards will be provided via platforms like Juniper Square and Notion, offering real-time or near real-time access to key metrics where feasible. Statements from Charles Schwab will be integrated into overall reporting, alongside performance data from Sub-Advisors and Product/Service Providers, and details from any captive insurance vehicles.
- **Metrics:** Performance will be measured against established KPI targets for each phase, relevant asset class performance benchmarks (e.g., custom S&P 500, NCREIF Property Index, relevant digital asset indices, structured note performance), and overall Business Trust objectives, considering the **one-year capital raise period** and the **hold on investment until Year 2**. Time-weighted returns (TWR) and internal rates of return (IRR) will be presented in accordance with industry best practices (e.g., GIPS standards). Performance reporting will also encompass the performance of any assets managed by a Sub-Advisor like Pivot Capital or provided by Goldman Sachs/Blackstone against their specific mandates.
- **Auditing:** The Business Trust's financial statements and investment performance will be subject to an annual audit by an independent accounting firm (e.g., within 90-120 days after year-end), with audited metrics delivered periodically to ensure accuracy and compliance. This audit will include reconciliation with the Custodian's records and verification of performance reporting from all investment components, including captive insurance.
- **Reconciliation:** Performance reports will be reconciled monthly with the official records maintained by the designated fund administrator (e.g., Juniper Square, Anduin) and custody statements from Charles Schwab, with any discrepancies resolved within 5 business days.

4b. Specify Appropriate Metrics for Risk Measurement and Evaluation.

LRJH PFTC LLC will employ a comprehensive range of metrics to assess and evaluate the risk profile of the Business Trust's investment portfolios, reporting these to the Trust Protector:

- **Capital Deployment Metrics:** Tracking capital allocation against target asset classes, investment thresholds, and geographic concentrations, particularly during and after the **one-year capital raise period**. This includes monitoring deployment pace against projected schedules for both LRJH PFTC LLC-managed, Sub-Advisor-managed, and Product/Service Provider-sourced assets, and those held by captive insurance.
- **Exposure Analysis:** Monitoring concentrations by sector, asset type (e.g., treasuries, municipal bonds, structured notes, OZ), and counterparty. Maximum single-asset exposure (e.g., for an individual OZ property) will not exceed **15%** of the Business Trust's net asset value. Sector-specific exposure (e.g., multifamily vs. other OZ development) will be capped at **50%** of the Opportunity Zone allocation. Overall exposure to structured notes will be monitored for issuer diversification and credit quality. These limits are derived from portfolio diversification principles to mitigate concentration risk observed in past market cycles. LRJH PFTC LLC is responsible for ensuring these limits are adhered to across the entire Business Trust portfolio, including any portions managed by a Sub-Advisor or sourced through Product/Service Providers, and considering the underlying assets of any captive insurance.
- **Compliance Monitoring:** Regular checks against all regulatory requirements, legal constraints, and internal policies, including those related to KYC/AML and investor suitability, with special attention to adherence during the **capital raise period** and the **investment hold period**. This also includes monitoring the Custodian's operational compliance, any Sub-Advisor's adherence to regulatory requirements within their mandate, and the regulatory compliance of Product/Service Providers and captive insurance structures. Any material breach or non-

compliance issue will be reported to the Trust Protector immediately (within 24 hours) upon discovery.

- **Predictive Analytics:** Utilizing AI-driven models to simulate market stress scenarios (e.g., a 2008-like real estate market downturn, a significant fixed income market shift, or a structured product de-risking event) to identify potential vulnerabilities and inform rebalancing decisions. These models will be back-tested against historical data from the last 10-15 years, including periods of significant volatility for structured products and equity markets.
- **Liquidity Risk Assessments:** Regular assessment of the Business Trust's and underlying investments' liquidity profile, explicitly acknowledging the implications of the **investment hold until Year 2**. This includes scenario analysis for capital calls and potential redemption requests post-Year 2, considering the assets held with the Custodian and the inherent illiquidity of Opportunity Zone investments and certain structured products.
- **Operational Risk:** Continuous monitoring of the efficiency, security, and resilience of the technology stack and automation flows, including cybersecurity audits performed annually by a third-party specialist, reflecting increased threats observed in digital environments. This also includes oversight of the operational robustness of the Custodian, any Sub-Advisor, Product/ Service Providers, and any captive insurance entities.

4c. Define the Process for Rebalancing Portfolios to Target Allocations.

Capital reallocations and portfolio rebalancing for the Business Trust will be a dynamic and systematic process, guided by LRJH PFTC LLC and overseen by the Trust Protector:

- **Predictive Reallocations:** Utilizing AI to inform capital reallocation decisions based on market stress simulations and other predictive models (GPT + Excel models, PowerBI, Notion AI). For example, if predictive models indicate a 2standard deviation event (based on historical market volatility over the last 10 years for each asset class) increasing risk or opportunity in a particular asset class, this will trigger an immediate portfolio review by LRJH PFTC LLC's investment committee, impacting both LRJH PFTC LLC-managed assets and potential adjustments to Sub-Advisor mandates or Product/Service Provider allocations.
- **Investment Committee Review:** Regular reviews by LRJH PFTC LLC's investment committee (at least monthly during active deployment, quarterly thereafter) will assess actual allocations against strategic targets and permissible ranges across the entire Business Trust portfolio. These reviews will be presented to the Trust Protector for their **non-discretionary approval** for any material rebalancing actions.
- **Triggers:** Rebalancing may be triggered by:
 - **Drift from Target:** If any asset class allocation (including those managed by Sub-Advisors or sourced from Product/Service Providers, or held by captive insurance) deviates by more than **+/- 10%** from its target weight (e.g., Opportunity Zone allocation falling below 30% or rising above 60%).
For more liquid or volatile segments like Structured Notes or Custom Equity exposure, this band may be tighter, such as **+/- 5%**. These bands are set to manage active risk while avoiding excessive transaction costs, drawing from historical back-testing.
 - **KPI Milestones:** Achievement of KPI milestones, such as the completion of the **one-year capital raise period** or the full deployment of capital into a specific deal, will trigger a review of the overall asset allocation.

- **Material Market Shifts:** A significant shift in market conditions (e.g., an interest rate change of >50 basis points in a single month, a sector specific downturn of >15% over a quarter, or a significant change in S&P 500 or Russell 2000 performance affecting custom index strategies), economic outlook, or regulatory environment (e.g., changes to Opportunity Zone rules or structured product regulations).
 - **Changes in Objectives:** Any approved changes in the Business Trust's objectives or constraints.
 - **Corrective Action:** LRJH PFTC LLC will propose and execute prompt corrective actions to bring allocations back within established ranges, ensuring alignment with the Business Trust's overall risk profile and objectives, subject to **nondiscretionary approval from the Trust Protector** as outlined in the Trust Indenture. This may involve directing the Custodian to execute trades, adjusting the mandates and capital flows to a Sub-Advisor like Pivot Capital, or reallocating capital among Product/Service Providers or within a captive insurance structure. Transactions for rebalancing will be executed in a cost-efficient and timely manner, always considering the overarching **investment hold until Year 2**, which may limit immediate rebalancing options if they involve asset liquidations prior to that period.
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Crucial Note for User: This Investment Policy Statement is a dynamic document and must be meticulously reviewed and finalized by your legal counsel. It is intended to be integral to, and consistent with, the **Private Placement Memorandum (PPM)**, the **ATLAS NEXGEN TRUST Indenture (Declaration of Trust)**, Subscription Agreement.

Custodial Agreement with Charles Schwab, Sub-Advisory Agreement(s) with Pivot Capital (if applicable), any agreements with Product/Service Providers (e.g., Goldman Sachs, Blackstone), and documentation for any Captive Insurance entity, and all other legal documents governing the ATLAS NEXGEN TRUST and the offering of its securities. The specific percentages, timeframes, and other concrete details provided herein are illustrative examples based on common industry practice and must be accurately populated to reflect your definitive business plan and legal agreements. Full and transparent disclosure of all material information, including risks and conflicts of interest, within the PPM remains paramount for regulatory compliance. Investors must be fully informed about the roles of the Trustee Manager, the Trust Protector, the Custodian, any Sub-Advisor, Product/Service Providers, and the Captive Insurance strategy, as well as the **one-year capital raise period** and the **hold on investment until Year 2**, as these significantly impact liquidity and the timing of potential returns and the IUL look-alike benefits.