



APPENDIX I
REGOLITH CAPITAL TRUST
Trust SPECIFICATIONS

I. Investment Objective (Art. II, Sec. 3)

The REGOLITH CAPITAL STATUTORY TRUST (the “Trust”) seeks to achieve investment returns that outperform the S&P 500 by investing in a diversified portfolio of private equity, real estate, land, listed equities, derivatives, futures contracts and digital assets. It is ideal for participants with a long-term investment horizon of at least ten (10) years.

Return Objective. The Trust aims to match and exceed the return of the S&P 500 Index.

II. Investment Policy (Art. II, Sec. 3)

- A. Pursuant to the foregoing objectives, the Trust is structured as a broad asset class and equity trust leaning towards listed stocks on the US stock exchanges, other highly illiquid financial instruments, futures contracts and their underlying equivalent, and unlisted late-stage private equity companies.
- B. Allowable Investments: The Trust may invest in the following:
 - 1. Shares of stock of selected corporations, including convertible preferred stocks, which are listed or being offered publicly and soon-to-be-listed in the various stock exchanges.
 - 2. Short-term tradable fixed-income instruments, issued or guaranteed by the US Government; marketable instruments that are traded in an organized exchange; investment outlets/ categories that regulations allow.
 - 3. Short-term tradable fixed income securities issued, underwritten, or otherwise dealt by Regolith and/or any of its subsidiaries, affiliates, their successor-interest or assignees, their directors, officers, stockholders, and related interest, and any of their trust and trust managed accounts, under such terms and conditions as the Trustee may deem to be in the best interest of the Trust or any such instrument as may be allowed under SEC regulations.
 - 4. Bank deposits, or tradable debt instruments.
 - 5. Unlisted equity and equity options in private companies, including companies commonly referred to and known as Pre-IPO companies.
 - 6. Futures Contracts, listed equity and equity options in indexes.
 - 7. Digital coins and tokens, assets that can be referred to as stores of value, as well as NFT products.
 - 8. Such other investments allowed under US laws and regulations.
- C. The Trust can be invested into listed stocks on the US stock exchanges and unlisted late-stage private equity companies.
- D. The Trust may avail of financial derivative instruments from time to time for the purpose of hedging risk exposures of the existing investments of the Trust in accordance with risk management and hedging policy duly approved by the Trust.

III. Qualified Participants: Requirements, Restrictions and Risk Profile (Art. III, Sec. 1)

- A. Participation in the Trust shall be open to all individuals of legal age and corporations that share the general investment objective of the Trust and want to have exposure to investments defined in the investment policy of the Trust and who understand the investment risks involved when investing. Investment in the Trust shall be subject to a six month (183 calendar day) minimum holding period from the date of participation. The minimum holding period applies to entry into any series at any time regardless of prior participation in a different series of the trust.

B. Risk Factors

The value of the investment is based on the Net Asset Value (NAV) of the participants of the Trust which uses a marked-to-market valuation and therefore may fluctuate daily. Investment into a private trust does not provide guaranteed returns nor do all series in the trust hold a liquid daily market price. Principal and earnings from investment in the Trust can be lost in whole or in part when the participants NAV at the time of redemption is lower than the participants NAV at the time of initiating participation. The TRUST, which shall be substantively invested in a diversified portfolio of investments defined in the Invest Policy section, is exposed to the following risks:

- **Business Risk.** Stockholders as fractional owners of corporations share in the fortunes of the business. The rise and fall of stock prices often reflect the market's perception of the prospects of corporations and their management to reward stockholders for taking risks unique to each business. Business risk can be reduced through diversification.
- **Market Risk.** Market risk is the risk that the value of the trust investment will be negatively affected by the fluctuations in the price level of its underlying instruments.
- **Inflation Risk.** Affecting all investments, inflation reduces the purchasing power of money.
- **Liquidity Risk.** Liquidity is a measure of how easy it is for a security to be converted into cash. A liquid security is widely held and is frequently traded by many buyers and sellers every day. This is minimized by investing in marketable securities.

IV. Admission and Redemption (Art. III)

- A. The minimum initial investment/participation in the Trust is a) **USD \$100 for non-accredited investors**, b) **USD \$1,000 for accredited investors** and c) **USD \$10 000 for institutional investors**. **Non-accredited investors may invest up to 10% of their self declared net worth or up to 10% of their self declared yearly income, whichever is higher and not to exceed \$10 000 total contribution in any one year calendar period. Accredited investors do not have an investment limit. The Trustee maintains the ability to adjust the account minimums and limits.**
- B. Minimum Maintaining Balance is **USD \$1** for participants to maintain in the Trust. Any redemption to the participant's trust which triggers the balance to fall below the minimum maintaining balance of USD \$1 shall be subject to the redemption policy stated below.
- C. There is a minimum additional participation of at least **USD \$100** for succeeding investments.
- D. The minimum holding period is one hundred eighty-three (183) calendar days from the date of participation.

V. Admission and Redemption Cut-off Time.

Admission and/or notice of redemption may be different for each series in the Trust. In some cases, admission and redemption may be accepted on any banking day subject to cut-off times. However, admission/notice of redemption is subject to the specific conditions set for each Series of the Trust. Admission/notice of redemption received after the cut-off time for specific Series rules shall be considered as transaction for the next applicable admission/notice of redemption period. The Trustee maintains the ability to accept or reject admission and notices of redemption without the need for explanation.

VI. Other Admission and Redemption Conditions.

- A. **Participation Conditions:** Applications to participate are subject to confirmation as to the amount of funds and the applicable NAV. Participants typically deposit funds to enter, but in-kind contributions with provable NAV are allowed. The Trustee reserves the right to accept or reduce the amount of participation indicated in the Application Form at its sole discretion. When admitted, the Participating Trust Agreement and the specific Series Schedule shall be made available to the participant on the day of transaction (T+0) and/or the Confirmation Notice shall be made available to the participant within five (5) banking days after the transaction date (T+5). Confirmation Notices will be used when calculating entry NAV for Fee calculation. For purposes of Admission, Redemption and Changing



- participation units between different series units of the Trust; a deposit cash series fund within the trust is used to process admission to the Trust, process withdrawal from the Trust and to process redemption and admission between different series funds of the Trust without withdrawing entirely from the Trust.
- B. **Series Schedule:** An attachment to the Participating Trust Agreement is available to each participant for each Series of the Trust relevant to the participant. Each Series of the Trust will have its own Schedule and will be named separately and calculated separately. Each series schedule will have its own fee structure which may vary from one series of the Trust to another. Participants should familiarize themselves with each series schedule relating to the unit participation when making the decision to participate in a particular series.
 - C. **Redemption Notice Period.** When redeeming participation in any series of the Trust, the notice of redemption is also the transaction date (T+0). The participant in the Trust may redeem participation at any time a redemption price is made available for a series of the Trust, provided that a notice of redemption in any form is acceptable to the Trustee. Requests for redemption shall be dealt with by the Trustee in chronological order according to the day that notice is received. If it is impossible to sell the assets immediately, the sale is carried out as soon as possible. Proceeds from a successfully executed notice of redemption will be settled and made available for withdraw and/or admission to another series in the Trust using a series in the fund for cash in/out settlement.
 - D. **Redemption Proceeds.** Proceeds of redemption which become available for withdrawal, can be paid out of the Trust on the redemption settlement date of five (5) banking days after transaction date (T+5).
 - E. **Early Redemption and fee.** Redemptions made prior to the completion of the minimum one hundred eighty-three (183) calendar day holding period or which are requested before a liquidity event for a particular series has occurred, may be subject to an early redemption fee. The rules and procedure used to calculate early redemption fees can be found in the Series Schedules for each series of the Trust. Additional charges may be defined in the Series Schedule of particular investments.

VII. Suspension of Admission and Redemptions.

The Trustee may temporarily suspend calculation of participant NAV, as well as admission to, redemption from and withdrawal from the Trust and any of its Series, if it is unable to determine the participant NAV for a Series of the Trust due to any fortuitous event, such as fire, natural calamity, public disorder, or national emergency affecting the financial market resulting in the suspension of trading and consequently, and/or the absence of available market prices of securities/instruments.

VIII. Net Asset Value (Art. V, Secs. 1 and 2)

- A. All assets of the Trust shall be marked to market in accordance with existing SEC rules and regulations on marking to market valuation of investment instruments.
- B. Valuation Day shall mean any day in which banks are open for business in New York.
- C. The value of the participants NAV at the start of the participants investment into the Trust shall be the full amount of funds or in-kind contributions deposited into the Trust less any bank fees, entry fees and applicable management fees.
- D. The participant NAV is derived from the market value of the underlying securities held by each series of the Trust on behalf of each individual participant plus accrued interest income less liabilities and qualified expenses. Gains from investment are realized when the participants NAV at the time of redemption is higher than the participants NAV at the time of participation.
- E. The Trustee shall calculate separately each participants NAV, which shall be made available to each participant for redemption according to the rules for each series of the Trust.
- F. Each Series of the Trust may have separate NAV calculations, fees and admission/redemption rules.

IX. Trust Fee (Art. V, Sec. 3)

- A. The Trustee may collect from each series of the Trust a Management Fee based on the NAV of the series in the Trust. The Management Fee shall be accrued daily and may be collectible from the Trust for any period clearly defined in the Schedule attachments for each series of the Trust. The Management Fee may vary from 0%-4%. Each Series may charge a different Management Fee and in

some cases may not charge a Management Fee at all. The Trustee reserves its right to introduce or eliminate its Management Fee accordingly, in accordance with Article VIII Section 1 of the Declaration of Trust, for reasons including but not limited to persistently adverse market conditions, or the need to attract investment to achieve a critical mass for optimum investing. Participants should familiarize themselves with the Management Fee specific to each Series before entering a series of the Trust.

B. Success Fees. The Trustee shall collect from the Trust a Success Fee of 0% - 20.00% on capital gain achieved by the Trust based on the participant NAV of for each series of the Trust. The Success Fee shall be collectible from the Trust at the end of each Success Fee calculation period. Each series in the Trust will maintain its own rules for calculating the Success Fee period and mechanism. The Trustee reserves its right to amend its Management Fee and Success Fee for each series accordingly, and in accordance with Article VIII Section 1 of the Declaration of Trust, for reasons including but not limited to persistently adverse market conditions, or the need to attract investment to achieve a critical mass for optimum investing.

- Success Fee of 0% - 20.00% or the net profit from each series of the Trust or as will be defined in the series Schedule for each series of the Trust. The high water mark method shall be used unless described otherwise in the specific series Schedule.
- In general, the profit is calculated after the sale of investments inside a particular series of the Trust according to the following formula: (NAV for participant at time of valid redemption request for a particular series according to specific series redemption rules) - (Entry or admission NAV of participant into a specific series) - (Broker's commissions and other applicable fees including all accrued Management Fees) = (Profit).
- If there is no profit on the transaction or it is negative, the Trust does not receive any Success Fee on a valid redemption transaction. When calculating profit from the next closing redemption transaction for a participant in any series of the Trust, the loss from the previous negative closing redemption transaction in any given series must be taken into account before calculating the profit. Thus, the Success Fee to the Trust for any redemption request is charged only from the realized profit of a series after covering any realized losses from another series which the participant may have incurred. Thus, any realized loss that takes place in a series must be recouped by the participant before the Trustee may deduct a Success Fee.
- The Participant has the right to pay charges separately through invoice methods, in which cases the participant shall pay the fee within 7 (seven) banking days from the date of the invoice under this method. The issued invoice shall be sent to the participants e-mail or sent by alert using the participants dashboard maintained by the administrator. The participant shall transfer the Fee to the Trustee's current account or in any other way which does not contradict current legislation.
- In case of delay in payment of any Fees to the Trustee for more than 14 (fourteen) banking days after a fees due notice, the Trustee shall be entitled to deduct this amount from the participants NAV in other series units in the Trust.
- The Trustee may charge a Success Fee different from the above description. In such cases, the Success Fee shall be clearly defined in the specific Series Schedule provided to participants.

C. Payments to Financial Intermediaries. The Trust may charge participants and pay for services to financial intermediaries, such as banks, broker-dealers, financial advisors, traders or other financial institutions, including affiliates of the Trust advisor and administrator, for sub-administration, sub-transfer agency and other shareholder services associated with participants Series units representing assets held of record in omnibus accounts, other group accounts or accounts traded through registered securities clearing agents, brokers and/or nominees.

X. Dividends, Distributions and their Taxation

A. Depending on the admission price and the redemption price of transactions, participants may have a gain or loss on transactions. Participants are responsible for any tax liabilities generated by redemption transactions. Tax codes may limit the deductibility of capital losses in certain circumstances. For federal income tax purposes, all dividends and distributions of net realized short-term capital gain participants may receive from the Trust are taxable as ordinary income or as qualified dividend income, whether reinvested in additional units or received in cash, unless participants are exempt from taxation or entitled to a tax deferral. Distribution of net realized long-term capital gains participants receive from

the Trust, whether reinvested in additional units or received in cash, are taxable as a capital gain. The capital gain holding period is determined by the length of time the Trust has held the security and not the length of time participants have held units in the Trust. The Trust expects that, because of its investment objective, its distributions will consist primarily of long and short-term capital gains (rather than dividend income). Participants will be informed annually as to the amount and nature of all net gains during the prior year. Such capital gains and dividends may also be subject to state or local taxes. **Participants are generally not required to pay federal income taxes on the amounts distributed, but in certain situations federal income tax may be withheld.**

Interest and other income received by the Trust with respect to foreign securities may give rise to withholding and other taxes imposed by foreign countries. Tax conventions between certain countries and the United States may reduce or eliminate such taxes. Please note that the objective of the Trust is growth of capital, not the production of distributions. Participants should measure the success of participation by the value of participants investment at any given time and not by the distributions received. By law, the Trust must withhold a percentage of taxable distribution and redemption proceeds if participants do not provide correct personal identification information and certify that participation is not subject to backup withholding. Federal law requires that mutual trust companies report their cost basis, gain/loss and holding period to the IRS on the participants Consolidated Form 1099s when applicable. Trust participants should consult with their tax advisers to determine the best IRS accepted cost basis method for individual tax situations. To obtain more information about how the cost basis reporting rules may apply, consult a professional tax advisor.

- B. Non-American residents assume the obligation to pay all taxes and fees of any state authority arising from the execution of this Agreement.

PRIVACY NOTICE

The Trust collects non-public information about participants that the law allows or requires it to have in order to conduct its business and properly service participation. The Trust collects financial and personal information (“Personal Information”) directly (e.g., information on account applications and other forms, such as name, address, and social security number, and information provided to access account information or conduct account transactions online, such as password, account number, e-mail address, and alternate telephone number), and indirectly (e.g., information about transactions with the Trust, such as transaction amounts, account balances and account holdings). The Trust does not disclose any non-public personal information about its participants or former participation other than for everyday business purposes such as to process a transaction, service an account, respond to court orders and legal investigations or as otherwise permitted by law. All participant records will be disposed of in accordance with applicable law. The Trust maintains physical, electronic and procedural safeguards to protect Personal Information and requires its third-party service providers with access to such information to treat Personal Information with the same high degree of confidentiality.

Signature of Trustee

On behalf of Regolith LLC (Trustee)

