

**NOTICE TO KEEP POLICY INVESTORS REGARDING
INITIAL DISTRIBUTION OF NET SALE PROCEEDS
MARCH 2024**

The Trustee provides this notice as an update and supplement of all prior notices and disclosures previously provided to investors. As described in greater detail in this Notice, the Trustee expects to commence making initial distributions of net sale proceeds from the sale of the remaining “Keep Policies” in the second quarter 2024.

SUMMARY OF NOTICE

- The Mutual Benefits Keep Policy Trust was formed to maintain and administer the policies originally owned by Mutual Benefits Corporation and designated by investors to be retained as “Keep Policies” until the Trust was no longer feasible to operate. The Trustee was not empowered to actively manage the Keep Policies or make decisions as to which policies should be retained or surrendered.
- In March 2023, the District Court approved (a) the sale of the remaining Keep Policies; and (b) a process for allocating the sale proceeds among the Keep Policies, applying the expenses of the Trust, and distributing the net proceeds to Keep Policy Investors. The sale closed on March 29, 2023 for \$24 million in gross proceeds.
- The processes for allocating the sale proceeds and the expenses have now been completed. Distributions to Keep Policy Investors will be based on the actuarial allocation of sale proceeds, not on the face value of the policy or the amount invested. As a result of the allocation, some policies which were determined not to have any value will not receive any recovery.
- The Trustee expects to make an initial 50% distribution of net proceeds to Keep Policy Investors receiving distributions in the early second quarter of 2024, together with any premium refunds due, and to make a final distribution in the fourth quarter of 2024.

EVENTS LEADING TO THE SALE OF THE TRUST POLICIES

Since its formation in 2009, the Trust has been responsible for maintaining and administering the “Keep Policies” originally owned by Mutual Benefits Corporation in which investors were assigned fractional investment interests. The Trustee was responsible for holding the Keep Policies and monitoring the Servicer’s performance of its obligations under the Servicing Agreement (i.e., collecting and paying premiums, tracking insureds, processing death benefit claims, providing disposition services for forfeited investment interests, and providing customer service, accounting and reporting services). The Trustee was not empowered to actively manage the Keep Policies or make decisions or advise Keep Policy Investors as to which policies should be maintained or surrendered. The Trust Agreement authorized the Trustee to terminate the Trust and authorize and direct the sale of the Keep Policies, and distribution of the proceeds, in the event the Trustee determined that the continued servicing of the Keep Policies had become unfeasible.

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In 2021, the Trustee determined that the continuation of the Trust would no longer be economically viable and that the Trust needed to be wound down. As a result, the Trustee initiated the process to sell the remaining policies owned by the Trust by filing the Trustee's Motion to Approve Procedures for Sale of Policies in Connection with Trust Termination ("Procedures Motion"), DE#3065.¹ This filing of said motion is discussed in detail in the Trustee's January 2022 Investor Notice.

On June 29, 2022 U.S. District Court Judge Federico Moreno issued an order authorizing the sale process generally consistent with the motion filed by the Trustee on January 21, 2022 (the "Procedures Order"), DE #3142.² See the Trustee's July 2022 Investor Notice.

On August 29, 2022 Judge Moreno issued an order to stay the sale of the policies pending an appeal filed by Acheron Capital, Ltd. ("Acheron") objecting to the policies sale (the "Stay Order"), DE #3157. See the Trustee's August 2022 Investor Notice.

On October 17, 2022 the Appellate Court ruled that it would not consider Acheron's appeal. Shortly thereafter the Judge Moreno terminated the Stay Order.

Upon the Stay Order being lifted, the Trustee continued the sale process pursuant to the Procedures Order. The auction sale, which had originally been scheduled for September 15, 2022 was rescheduled to December 8, 2022. During the period leading up to the rescheduled auction, and after extensive marketing efforts and securing of a "stalking horse" bidder to purchase the policies, the Trustee engaged in discussions with Acheron Capital, Ltd. and related entities ("Acheron") regarding Acheron's purchase of the portfolio. The Trustee and Acheron ultimately reached an agreement – subject to Court approval – for Acheron to purchase the portfolio for an amount suitably in excess of the stalking horse bid amount for Tranches A and A-1 as well as for the purchase of Tranche B.

On December 27, 2022, the Trustee filed the Trustee's Motion to Approve (1) Sale of Policies to Acheron Portfolio Trust; (2) Proposed Allocation and Distribution Procedures; and (3) Settlement with Acheron Capital, Ltd (the "Approval Motion"). See DE#3188, Trustee's December 2022 Investor Notice.

On January 26, 2023, the Court held a hearing to consider the Approval Motion.

On March 3, 2023, Judge Moreno issued an Order Granting Trustee's Motion to Approve (1) Sale of Policies to Acheron Portfolio Trust, ("APT"); (2) Proposed Allocation and Distribution Procedures; and (3) Settlement with Acheron Parties, DE#3207 ("Sale Order"). See Trustee's April 2023 Investor Notice. As described in the April 2023 Investor Notice, the Sale Order authorized the sale of the remaining Keep Policies to APT, approved a settlement between the Trust and APT, and approved a procedure for

¹ DE refers to the specific docket entry number for the Mutual Benefits matter in the United States Court for the Southern District of Florida. All such docket entries relate specifically to Case No. 04-cv-60573-FAM.

² Order Adopting Magistrate Judge's Report and Recommendation and Granting Trustee's Motion to Approve Procedures for Sale of Policies in Connection with Trust Termination, available on the Wind Down page of the Mutual Benefits Keep Policy Trust website www.mbckeeptrust.com under Court Filings.

allocating and distributing the net proceeds from the sale through a third-party actuarial allocation of the proceeds based on the relative value of the policies.

The closing pursuant to the Sale Order occurred on March 29, 2023. On March 28, 2023 the policy servicing company, Litai Assets, LLC (“Litai”) unilaterally ceased providing all policy and/or investor servicing functions. Litai’s actions in this regard caused a dispute with the Trust. As a result of the dispute and Litai’s refusal to perform servicing functions, the Trust was required to assume remaining servicing functions.

The actuarial allocation process has been completed consistent with the Sale Order. The Trust has adequately resolved the pending matters relating to information provided by Litai which now has allowed the Trust to calculate premium refunds,³ which are for many investors a component of the pending initial distribution.

RECAP OF THE COURT-APPROVED ALLOCATION AND DISTRIBUTION PROCESS

The Court in the Sale Order approved the allocation and distribution process which consists of the following steps:

- 1) Initial Allocation of Sale Proceeds Among Tranche A, A-1 and B⁴
 - As of the December 23, 2022 sale date the portion of the \$24 million Purchase Price allocated to Tranche A is **\$15,594,945.22**, the portion allocated to Tranche A-1 is **\$5,801,424.81**, and the portion allocated Tranche B is **\$2,603,629.97**.

- 2) Allocation of Sale Proceeds to Policies Within Each Tranche (the “Allocation Process”)
 - The Trustee engaged an independent, nationally recognized actuary which performed and delivered a post-sale actuarial allocation of the sale price of the policies based upon the relative value of the policies in each Tranche.⁵
 - The policy portfolio purchaser, APT, engaged a separate independent, nationally recognized actuary which also performed and delivered its own actuarial allocation of the sale price of the policies based upon the relative value of the policies in each Tranche.
 - This step in the sale process contemplated that there may be a disagreement by APT regarding one or more policy allocations and established a framework to address any such disagreements within a specified timeframe. Upon reviewing the report issued by the

³ The premium refund calculations are based on accounting data prepared and maintained by Litai.

⁴ Tranche “A” comprised all policies in which APT already held an investment interest, except for those included in Tranche “A-1,” which comprised a small sub-set of uniquely valued policies for which the insured was over 100 years old and no further premium payments were required to maintain the policy. Tranche “B” comprised all policies in which APT did not hold any investment interest.

⁵ The actuarial allocation was based upon the data and information available to the Trustee, primarily including the data previously provided to the Trustee by Litai with respect to the policies, and such information and considerations, such as experience of mortality or attributes of parties, as are typically considered by actuaries in performing valuations of viaticated insurance policies and/or life settlement investments.

Trustee's engaged actuary, APT did not express any disagreement with the findings in that report.

- Some policies have minimal, or no, net value based on the actuarial allocation and the application of liquidation and administrative costs.
- Investors should bear in mind that not all life insurance policies have investment value to a buyer of a viatical or life settlement– the future value of the expected premium payments over the expected remaining lifespan of the insured, at an appropriate discount rate, must not exceed the future value of the policy's death benefit, discounted at the same rate. In these cases, there may be no allocation of sale proceeds to such policies

3) Allocation of Sale Proceeds to Investment Interests

- This investor-level allocation is based upon the percentage of the investment interest in a policy relative to the face value of such Policy. For purposes of illustration only, if (a) the policy sale value of Policy No. 001 in Tranche A as determined during the Allocation Process is \$15,000 and (b) the Investment Interest in Policy No. 001 is 60% of its face value, then \$9,000 ($60\% \times \$15,000 = \$9,000$) shall be allocated as the value of the Investment Interest in such Policy (the "Interest Value").
- Some Keep Policy Investors' interests in Policies may have minimal, or no, net value based on the actuarial allocation and the application of liquidation and administrative costs and may not receive any distribution.

4) Determination of Net Interest Value

- The Sale Order provides that the Trustee shall charge costs of liquidating the Trust against the Policy Sale Value allocable to the Policies. Liquidation costs include, without limitation, broker's fees, stalking horse break fees, accrued and unpaid professional fees, seller's security intermediary fees, repayment of the Trust's line of credit, actuary fees, costs of distribution of Sale Proceeds, fees for calculation of premium refunds, fees for interim and final accounting, tax reporting and tax returns, back-up servicer termination fees, litigation expenses and reserves, and other miscellaneous operating expenses (collectively, "Liquidation Costs").⁶

5) Distribution of Net Interest Value

- Included in the initial distribution of the net sale proceeds will be the return any unused premium paid by Keep Policy Investors (or Acheron) calculated from accounting data prepared and maintained by Litai.
- To the extent any distribution checks remain uncashed by a Keep Policy Investor for a period of 90 days after issuance, or to the extent a Keep Policy Investor fails to provide documentation that may be required by the Trustee before making a distribution to such Keep Policy Investor within 90 days after the Trust's initial distribution of Net Interest

⁶ A complete discussion of the Net Interest Value determination can be found in the Order Granting Trustee's Motion to Approve (1) Sale of Policies to Acheron Portfolio Trust (2) Proposed Allocation and Distribution Procedures (3) Settlement with Acheron Parties which is available on the Trust website at <https://investors.mbkpt.com>

Value, and after reasonable efforts to communicate with the Keep Policy Investor, obtain alternate contact information, or obtain required documentation, as applicable, have been attempted (“Unclaimed Distributions”), the Trustee may treat such Unclaimed Distributions as Trust Assets to be used to pay Trust expenses prior to the application of such expenses as Liquidation Costs in any final distribution.

INVESTOR DISTRIBUTION AMOUNTS

The sale of the policies generated \$24 million in gross proceeds. Said proceeds have been reduced by expenditures to date as authorized by the Sale Order. Further, continued expenditures are projected to be incurred which will also reduce the gross sale proceeds. The expenses charged against the sale proceeds including both actual and projected expenditures⁷ will be included in the accounting reports to be provided to all investors in the second quarter of 2024.

To the extent a Keep Policy Investor is entitled to a distribution, any distribution amount for each policy is reflected on the Actuary Schedule which will also be provided to investors in the second quarter of 2024. The first column of the Actuary Schedule represents the gross sale proceeds (before expenses) allocated to each policy. The second column reflects the total Liquidation Costs reflected above as allocated to each policy.⁸ The third column is the net distributable proceeds. Note that the second column amount includes a projection of remaining Liquidation Costs to be incurred. To the extent that the actual remaining Liquidation Costs incurred differ from the projection, the net distributable proceeds will be impacted (positively or negatively as the case may be). ***If the third column of the Actuary Schedule does not reflect net distributable proceeds for a policy, then the Keep Policy Investors in that policy will not receive a distribution check with respect to the net sale proceeds for that policy, but may receive a premium refund, if applicable.***

TRUST FINAL ACCOUNTING

In the second quarter of 2024, the Trustee will file its accounting and ask the Court to; approve said final accounting, approve the discharge of the Trustee and termination of the Trust upon the completion of all distributions, and provide an opportunity for Keep Policy Investors to be heard with regard to any objections to said accounting.

DISTRIBUTION AGENT

The Trust has retained the services of Stretto Claims and Noticing Agent (“Stretto”) to manage the investor distribution process. In that capacity Stretto will be responsible under the direction of the Trustee for preparing and sending distribution checks to investors based the support provided to Stretto by the Trustee, and to address investor inquiries relating to distributions.

⁷ The Liquidation Costs discussed above in #4 of the Allocation and Distribution Process.

⁸ The Liquidation Costs are allocated to the policies proportionate to the gross proceeds allocated to the policies.

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The Trust will be making an initial distribution which will be comprised of (a) 50% of the policy proceeds, net of allocable expenses and policy loans attributable to the investor, as applicable,⁹ payable to a Keep Policy Investor, plus (b) 100% of the unused premiums payable to such investor. The initial distribution is expected to be made in the second quarter 2024. The Trust anticipates making a final distribution of the remaining 50% distributable to Keep Policy Investors in the fourth quarter after the Trust's accounting is approved and final expenses allocated.

All distributions will be made by physical check and mailed to the address of record. To the extent you have submitted a completed and signed change of address notification within the past 6 months and your address has not changed, you do NOT need to submit another notification. If you are uncertain of this, you may submit a new notification with your correct information on it.

Completed and signed change of address notifications forms are to be submitted directly to Stretto via mail or email:

Mail:
Stretto
Attn: Mutual Benefits Processing Dept
410 Exchange
Ste 100
Irvine, CA 92602

Email: teammbkpt@stretto.com

If you have questions about this notice, please use the following contact information, which has been updated from prior communications with you.

Email: mbkpt@longevityaa.com

Mailing Address:
Stretto
Attn: Mutual Benefits Processing Dept
410 Exchange
Ste 100
Irvine, CA 92602

You may also call **305-728-2985**. Calls will be received and answered between 9am-5pm Eastern Standard Time Monday through Friday.

⁹ "Policy Loans" refers to premium payments advanced by the Trust on a particular investor's behalf before such premium payments are collected from the investor.