

Life's Plan, Inc. Individual Trust
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Investment Policy Statement

I. Introduction

The purpose of this Investment Policy Statement is to establish guidelines for this Life's Plan, Inc. Individual Trust's investment portfolio (the "Portfolio"). The statement also incorporates accountability standards that will be used for monitoring the progress of the Portfolio's investment program and for evaluating the contributions of the manager(s) hired on behalf of the Trust and its beneficiaries.

II. Role of the Audit & Finance Committee

The Audit & Finance Committee (the "Committee") is acting in a fiduciary capacity with respect to the Portfolio, and is accountable to the Board of Life's Plan, Inc. for overseeing the investment of all assets owned by, or held in trust for, the Portfolio.

- A. This Investment Policy Statement sets forth the investment objectives, cash flow policies, and investment guidelines that govern the activities of the Committee and any other parties to whom the Committee has delegated investment management responsibility for Portfolio assets.
- B. The investment policies for the Portfolio contained herein have been formulated consistent with the Individual Trust's anticipated financial needs and in consideration of the Trust's tolerance for assuming investment and financial risk, as reflected in the majority opinion of the Committee.
- C. Policies contained in this statement are intended to provide guidelines, where necessary, for ensuring that the Portfolio's investments are managed consistent with the short-term and long-term financial goals of the Trust. At the same time, they are intended to provide for sufficient investment flexibility in the face of changes in capital market conditions and in the financial circumstances of the Trust's beneficiaries.
- D. The Committee will review this Investment Policy Statement at least once per year. Changes to this Investment Policy Statement can be made only by affirmation of a majority of Life's Plan, Inc.'s Board, and written confirmation of the changes will be provided to all Committee members, to all parties hired on behalf of the Portfolio, and to all beneficiaries in the Portfolio as soon thereafter as is practical.

III. Role of the Investment Consultant

The Investment Consultant is an advisor to the Audit & Finance Committee but it does not provide discretionary investment management of Portfolio assets. The Consultant will provide the Committee advice concerning such global issues as allocation, style, cash flow, manager selection and performance consistent with the investment objectives, policies, guidelines and constraints as established in this statement. Specific responsibilities of the Investment Consultant include:

- A. Advising the Committee regarding the selection of and allocation to asset and style categories within the constraints of the Investment Policy.
- B. Conducting Investment Manager searches when requested by the Committee.
- C. Monitoring the performance of the Investment Manager(s) to provide the Committee with the ability to determine the progress toward the investment objectives.
- D. Communicating matters of policy, manager research, and manager performance to the Committee.
- E. Reviewing the Portfolio's investment history, historical capital markets performance and the contents of this Investment Policy Statement to any newly appointed members of the Committee.

IV. Role of the Investment Managers

The Investment Managers are the persons or teams responsible for the separate accounts, mutual funds, or commingled trusts that comprise the Portfolio. They have full discretion to make all investment decisions for the assets placed under their jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement unless governed by prospectus or separate trust document. Specific responsibilities of the Investment Managers of separate accounts, mutual funds, or commingled trusts include:

- A. Discretionary investment management including decisions to buy, sell, or hold individual securities.
- B. Reporting, on a timely basis, quarterly investment performance results.
- C. Voting proxies.

V. Role of the Beneficiary or Beneficiaries

While it may seem that the Beneficiary has no responsibility in the investment process, quite the opposite is true. The Beneficiary should do their best to understand the basic elements of the Prudent Investor Rule, the basic historic behavior of the four primary asset classes, and the fundamental aspects of Modern Portfolio Theory. The reason for this is so that one has an understanding of why the Trustee is making the investment recommendation they are in light of a specific life situation. Efforts in understanding will help a great deal when it comes time to look at an individual investment recommendation. In addition, the Beneficiary has the responsibility to be an interested party, to monitor the progress of the account by checking statements and portfolio performance reports quarterly, and by seeing that distributions from the Trust are spent as indicated.

VI. Investment Portfolios

This section describes the construction of the investment portfolios, one of which will be chosen by the Trustee for the Trust and mutually agreed upon as indicated in Exhibit A.

A. Asset allocation

The Committee recognizes that asset allocation is the most significant determinant of variation in long-term investment returns and portfolio asset value stability.

1. The Committee expects that actual returns and return volatility may vary from expectations and return objectives across short periods. While the Committee wishes to retain flexibility with respect to making periodic changes to the Portfolio's asset allocation, it expects to do so only in the event of material changes to the Trust and its participants, and/or to the capital markets and asset classes in which the Portfolio invests.
2. Trust assets will be managed as a balanced portfolio composed of the four primary asset classes: equity, fixed income, alternatives and cash. Equity investments are utilized to maximize the long-term real growth of Portfolio assets, while the fixed income investments provide current income, return stability, protection from deflation, and possible protection against a prolonged decline in equity market values. In order to be defined as Equity or Fixed Income assets, a manager must maintain almost all of its holdings within the asset class it is to represent. Alternative investments may be defined as everything else that is not equity, fixed income, or cash. Typical examples include real estate investment trusts, master limited partnerships, managed futures, commodities, convertibles, currencies, and preferreds. Alternatives can also be strategies or multiple asset classes that managers combine in order to outperform adverse market conditions. Examples here include long/short, market neutral, absolute return, arbitrage, and non-correlation. Alternatives can provide the Portfolio additional sources of income, lower overall volatility, additional help in an inflationary environment, and the possibility of additional market value protection in severe corrections.
3. There are five possible investment portfolios for a Life's Plan individual trust. Outlined below are the long-term strategic asset allocation guidelines, determined by the Committee to be the most appropriate, given the Portfolio's long-term objectives as indicated in Exhibit A of this document. Portfolio assets will, under normal circumstances, be allocated across the four primary asset classes (as

described in Section VL.A.2) in accordance with the following guidelines:

a. Capital Preservation Portfolio – Cash and cash equivalents

Asset Class	Minimum	Maximum	Neutral Target
Public Equities	0%	0%	0%
<i>US Large Cap</i>	<i>0%</i>	<i>0%</i>	
<i>International</i>	<i>0%</i>	<i>0%</i>	
<i>Opportunistic</i>	<i>0%</i>	<i>0%</i>	
Alternative Assets	0%	0%	0%
Public Fixed Income	0%	0%	0%
<i>US Investment Grade</i>	<i>0%</i>	<i>0%</i>	
<i>Below Investment Grade</i>	<i>0%</i>	<i>0%</i>	
<i>Non US Fixed Income</i>	<i>0%</i>	<i>0%</i>	
Cash	100%	100%	100%

b. Conservative Portfolio-focus on the protection of principal and downside risk.

Asset Class	Minimum	Maximum	Neutral Target
Public Equities	10%	30%	20%
<i>US</i>	<i>7%</i>	<i>20%</i>	
<i>International</i>	<i>3%</i>	<i>10%</i>	
Alternative Assets	0%	20%	15%
Public Fixed Income	50%	90%	60%
<i>US Investment Grade</i>	<i>45%</i>	<i>78%</i>	
<i>Below Investment Grade</i>	<i>0%</i>	<i>15%</i>	
<i>Non US Fixed Income</i>	<i>0%</i>	<i>15%</i>	
Cash	2%	12%	5%

c. Moderate Portfolio-focus on providing for current spending needs with secondary objective of growing portfolio assets.

Asset Class	Minimum	Maximum	Neutral Target
Public Equities	30%	50%	40%
<i>US</i>	<i>20%</i>	<i>40%</i>	
<i>International</i>	<i>10%</i>	<i>20%</i>	
Alternative Assets	0%	15%	10%
Public Fixed Income	40%	65%	45%
<i>US Investment Grade</i>	<i>30%</i>	<i>60%</i>	
<i>Below Investment Grade</i>	<i>0%</i>	<i>15%</i>	
<i>Non US Fixed Income</i>	<i>0%</i>	<i>15%</i>	
Cash	2%	12%	5%

d. Growth & Income Portfolio-focus on growth of portfolio assets with secondary objective of providing for current spending needs.

Asset Class	Minimum	Maximum	Neutral Target
Public Equities	50%	70%	60%
<i>US</i>	30%	50%	
<i>International</i>	10%	25%	
Alternative Assets	0%	15%	6%
Public Fixed Income	25%	43%	30%
<i>US Investment Grade</i>	20%	40%	
<i>Below Investment Grade</i>	0%	12%	
<i>Non US Fixed Income</i>	0%	12%	
Cash	2%	6%	4%

e. Growth Portfolio-focus on long-term appreciation of portfolio assets.

Asset Class	Minimum	Maximum	Neutral Target
Public Equities	70%	90%	80%
<i>US</i>	45%	70%	
<i>International</i>	15%	30%	
Alternative Assets	0%	15%	3%
Public Fixed Income	10%	25%	14%
<i>US Investment Grade</i>	7%	20%	
<i>Below Investment Grade</i>	0%	6%	
<i>Non US Fixed Income</i>	0%	6%	
Cash	0%	5%	3%

- Recommendations to change the primary asset class target allocations may come from either the Committee or the Consultant, though final authority rests with the Committee. Changes to the allocation of more than 20% + or – in any asset class, regardless of the origin of the recommendation, would result in a revision of the Investment Policy Statement, and would require approval first by the Committee, and then, by the Life’s Plan Board of Trustees.

B. Diversification

Diversification across and within asset classes is the primary means by which the Committee expects the Portfolio to avoid undue risk of large losses over long time periods. To protect the Portfolio against unfavorable outcomes within an asset class due to the assumption of large risks, the policy will be to take reasonable precautions to avoid excessive investment concentrations. Specifically, the following guidelines will be in place:

- With the exception of fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 5% of total Portfolio assets.
- No single investment pool or investment company (mutual fund) shall comprise more than 25% of total Portfolio assets.

C. Rebalancing

The Portfolio will be rebalanced to its target allocation under the following procedures:

1. The Investment Consultant will review the Portfolio semiannually (June 30 and December 31) to determine possible deviation from the target allocation. During each semiannual review, the following parameters will be applied:

If any asset class within the Portfolio is more than 20% + or - its target weight, the Portfolio will be rebalanced.

If any fund within an asset class is more than 10% + or - its target weight, the funds will be rebalanced.

2. The Investment Consultant will use cash flow from contributions to, and distributions from the Portfolio to realign current weightings with the target Portfolio.
3. The Investment Consultant may provide a rebalancing recommendation at any time.
4. The Investment Consultant shall act within a reasonable period of time to evaluate deviation from these ranges.

D. Prohibited Transactions

Unless expressly authorized by the Committee, the Portfolio and its Investment Managers are prohibited as a primary investment strategy from:

1. Purchasing securities on margin or executing short sales.
2. Pledging or hypothecating securities, except for loans of securities that are fully collateralized.
3. Purchasing or selling derivative securities for speculation or leverage.
4. Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected, given the objectives of their Portfolio.

VII. Monitoring portfolio investments and performance

The Committee will monitor the Portfolio's investment performance against the Portfolio's stated investment objectives. On a quarterly basis, it will review the Portfolio and its underlying investments as follows:

- A. The Portfolio's composite investment performance net of all investment management fees, custodial, and consulting fees will be judged against the following standards:
 1. The Portfolio's investment objective as stated in Exhibit A.

2. A primary policy benchmark consisting of the following unmanaged market indexes weighted according to the following target asset allocations:

Capital Preservation Portfolio

- 90-Day Treasury Bill Index – 100%

Conservative Portfolio

- S&P 500 Index – 14%
- MSCI All Country World Ex-US Index - 6%
- Hedge Fund Research Fund of Funds Composite Index – 0%
- Bloomberg Aggregate Bond Index - 73%
- 90-Day Treasury Bill Index – 7%

Moderate Portfolio

- S&P 500 Index – 27%
- MSCI All Country World Ex-US Index - 13%
- Hedge Fund Research Fund of Funds Composite Index – 0%
- Bloomberg Aggregate Bond Index - 54%
- 90-Day Treasury Bill Index – 6%

Growth & Income Portfolio

- S&P 500 Index – 42%
- MSCI All Country World Ex-US Index - 18%
- Hedge Fund Research Fund of Funds Composite Index – 0%
- Bloomberg Aggregate Bond Index - 36%
- 90-Day Treasury Bill Index – 4%

Growth Portfolio

- S&P 500 Index – 56%
- MSCI All Country World Ex U.S. Index - 24%
- Hedge Fund Research Fund of Funds Composite Index – 0%
- Bloomberg Aggregate Bond Index - 17%
- 90-Day Treasury Bill Index – 3%

- B. The performance of professional investment managers hired on behalf of the Portfolio will be judged against the following standards:

1. A market-based index appropriately selected or tailored to the manager’s agreed-upon investment objective and the normal investment characteristics of the manager’s portfolio.
2. A peer group appropriately selected for each manager containing other managers of similar holdings, investment style, and characteristics.
3. Accordingly, a thorough review and analysis of an investment manager will be conducted, should a manager fail to perform with respect to all of the criteria below:
 - a. Above manager-specific benchmark for three years
 - b. Above manager-specific benchmark for five years
 - c. Above the median (50th percentile) of their peer group over a three-year period.

- d. Above the median (50th percentile) of their peer group over a five-year period.
- e. Positive alpha relative to benchmark for three-year period
- f. Positive alpha relative to benchmark for five-year period
- g. Positive alpha relative to peer group for three-year period
- h. Positive alpha relative to peer group for five-year period

The most senior manager will have tenure of at least two years and invests his/her money in the portfolio they manage.

- C. In keeping with the Portfolio's overall long-term financial objective, the Committee will evaluate Portfolio and manager performance over a suitably long-term investment horizon, generally across full market cycles or, at a minimum, on a rolling five-year basis.
- D. In order to facilitate the review, the Investment consultant will provide to the Committee the appropriate reports on a quarterly basis or more frequently as requested by the Committee.

EXHIBIT A

Life's Plan Individual Trust

Investment Policy Statement Addendum (2022)

Date: _____

Investment Policy For: _____

1.) **Investment Time Horizon:**

(please select one preferred investment time horizon and one preferred portfolio allocation within that time horizon)

1-5 Years

Capital Preservation (target allocation of 0% stocks/100% cash)

***potential loss in any given year: 0.0%*

****potential dollar loss in any given year: \$0*

*****median annual return is 2.4%*

Conservative (target allocation of 20% stocks/80% bonds)

***potential loss in any given year: -4.8%*

****potential dollar loss in any given year: \$4,800 or more*

*****median annual return is 5.2%*

Moderate (target allocation of 40% stocks/60% bonds)

***potential loss in any given year: -9.7%*

****potential dollar loss in any given year: \$9,700 or more*

*****median annual return is 5.9%*

5-10 Years

Moderate (target allocation of 40% stocks/60% bonds)

***potential loss in any given year: -9.7%*

****potential dollar loss in any given year: \$9,700 or more*

*****median annual return is 5.9%*

Growth & Income (target allocation of 60% stocks/40% bonds)

***potential loss in any given year: -14.8%*

****potential dollar loss in any given year: \$14,800 or more*

*****median annual return is 6.7%*

Greater than 10 years

Growth & Income (target allocation of 60% stocks/40% bonds)

***potential loss in any given year: -14.8%*

****potential dollar loss in any given year: \$14,800 or more*

*****median annual return is 6.7%*

Growth (target allocation of 80% stocks/20% bonds)

***potential loss in any given year: -19.3%*

****potential dollar loss in any given year: \$19,300 or more*

*****median annual return is 7.0%*

Client Signature

Life's Plan Inc.

** one year potential loss is 2 standard deviations (97th percentile of forecasted estimated outcomes) below the median expected annual return

***assuming a beginning market value of \$100,000

****annual estimated return expectations are nominal and are based upon Callan's 2022 Capital Markets Expectations. Nominal expected returns do not account for the negative impact of inflation (i.e. reduced future purchasing power) on an investment portfolio.

Past performance is no guarantee of future results.

Acknowledgement

The client acknowledges that the Portfolio shall be invested and governed by the asset allocation objective selected in Exhibit A. Nothing in this IPS or in the agreement shall be deemed, or construed as, guaranteeing any particular investment return or investment results. All investments contain some degree of risk of loss of principal.

Acknowledged by: _____ Date: _____

Client

Acknowledged by: _____ Date: _____

Life's Plan, Inc.