

LIVIO PAYNE CAPITAL LLC

INVESTMENT POLICY STATEMENT

LPC Fund I, LP

Version 1.0
April 2026

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1. Purpose and Scope

This Investment Policy Statement (the "IPS") establishes the governing framework for all investment activity conducted by Livio Payne Capital LLC ("LPC" or the "General Partner") on behalf of LPC Fund I, LP (the "Fund") and any successor or parallel vehicles formed under the Firm's umbrella.

This IPS Governs:

- Investment philosophy, objectives, and return targets
- Eligible asset classes, allocation ranges, and concentration limits
- Roles, responsibilities, and decision rights of the Investment Committee, CCO, and Advisory Board
- Investment process: sourcing, diligence, approval, deployment, monitoring, and exit
- Risk management, compliance, valuation, and reporting standards
- Procedures for review, amendment, exception, and termination

To the extent of any conflict between this IPS and the Fund's Limited Partnership Agreement ("LPA") or offering documents, the LPA shall control.

2. Investment Objectives

2.1 Primary Objective

The Fund's primary investment objective is to deliver attractive, risk-adjusted absolute returns to Limited Partners by deploying concentrated, high-conviction capital in opaque, access-constrained markets where structural and informational inefficiencies create durable return premiums unavailable through conventional channels.

2.2 Quantitative Targets

Metric	Target	Notes
Net IRR (Portfolio, blended)	18% – 25%	After all fees, expenses & carried interest
Gross IRR — Cultural & Real Assets	25% – 35%	Per deal, core verticals
Gross IRR — Bolivia Program	30% – 45%	Reflecting access premium & shorter holds
MOIC (per deal)	2.0x – 3.5x	Validates absolute return independent of hold period
Deployment Pace	60% within 12 months	Measured against committed capital

Metric	Target	Notes
Year 1 AUM Target	\$5M – \$10M	From 5–10 qualified Limited Partners
Target Hold Period	12 – 48 months	Bolivia 3–9 mo.; Cultural 12–36 mo.; Land 24–48 mo.

These targets are aspirational and not guaranteed. Actual returns may vary materially based on market conditions, deal-specific outcomes, and macroeconomic factors. Past performance is not indicative of future results.

2.3 Risk Tolerance

The Fund accepts the following categories of risk in pursuit of its objectives, subject to the mitigants set forth in Section 9:

- Illiquidity risk — capital is deployed in privately negotiated transactions with no active secondary market
- Concentration risk — the portfolio holds 8–15 positions, each meaningful to overall outcomes
- Cross-border execution risk — Bolivia operations involve regulatory, logistical, and counterparty exposures inherent to international mineral commerce
- Valuation risk — assets are not marked-to-market on a public exchange; valuations rely on bottoms-up modeling, comparables, and independent appraisal

The Fund does not accept the following risks under any circumstances:

- Informal, artisanal, or non-licensed mineral sourcing in Bolivia or any other jurisdiction
- Transactions failing OECD Due Diligence Guidance for Responsible Supply Chains
- Transactions in jurisdictions subject to comprehensive U.S. or U.N. sanctions, or with any OFAC/EU/U.N. designated counterparty
- Advance capital to a Bolivian exporter prior to satisfaction of all escrow release conditions

3. Investment Philosophy

The Fund operates on three governing principles, each operationalized through the policies in Sections 4–9.

ACCESS IS THE ASSET

In the markets the Fund targets, access — the right to see, evaluate, and bid on opportunities before they reach the broader market — is the non-replicable input to return generation. The Fund's Bolivia operational infrastructure, licensed exporter network, and Miami refinery relationships are core Firm assets to be maintained and protected.

CONCENTRATION OVER DIVERSIFICATION

The Fund pursues a small number of deeply understood positions, each sized to matter to portfolio outcomes and each actively managed from entry through exit. Section 6 establishes the concentration limits within which this principle operates.

COMPLEXITY CREATES OPPORTUNITY

The Fund deliberately targets transactions that are complex to source, difficult to underwrite, or demanding in execution. The Investment Committee views structural complexity as a sourcing filter that selects against commoditized capital and in favor of relationship-priced returns.

4. Eligible Investments

4.1 Eligible Asset Classes

Asset Class	Description
Cultural Assets	Blue-chip and emerging fine art, estate-driven collections, and tangible cultural property with documented provenance. Acquisitions made off-market wherever possible; provenance verified by recognized authentication bodies.
Real Assets	Off-market real estate including pre-development land, distressed assets, pre-entitlement parcels, and structured real estate situations. Supported by independent appraisal and entitlement-risk analysis prior to deployment.
Special Situations / Bolivia	Cross-border, distressed, or bespoke transactions including the Fund's Bolivia mineral and gemstone trade program. All Bolivia transactions executed exclusively through licensed exporters in good standing with Bolivia's Ministry of Mining and Metallurgy, with OECD-compliant due diligence and pre-negotiated Miami refinery exit relationships.

4.2 Prohibited Investments

- Publicly traded securities held for active trading purposes (cash management instruments excepted)
- Cryptocurrencies, digital tokens, or other virtual assets
- Derivative instruments, except currency or commodity hedges on an underlying physical position with IC approval
- Margin or other leveraged positions at the portfolio level
- Any asset, counterparty, or jurisdiction prohibited under Section 2.3 or applicable law

4.3 Eligible Counterparties

All counterparties — including sellers, exporters, refineries, custodians, escrow agents, logistics operators, and brokers — shall be subject to the KYC and AML procedures set forth in Section 10 prior to execution of any transaction or transfer of capital.

5. Asset Allocation Framework

5.1 Strategic Allocation Ranges

Measured against committed capital. The Investment Committee shall manage to the midpoint of each range as a long-term target.

Vertical	Strategic Range	Long-Term Target
Cultural Assets	30% – 40%	35%
Real Assets	30% – 40%	35%
Special Situations / Bolivia	20% – 30%	20%
Liquidity Reserve	Minimum 10%	10%

5.2 Rebalancing

Portfolio drift outside strategic ranges shall be reported to the Investment Committee at the next scheduled meeting and remediated within two subsequent investment cycles, unless a formal exception is approved under Section 14.4.

5.3 Liquidity Reserve

The Fund shall at all times maintain a minimum 10% liquidity reserve, held in cash, U.S. Treasury bills (≤12-month maturity), or insured money market instruments. The reserve serves three purposes:

- Operational buffer for management company expenses
- Capital availability for time-sensitive opportunity capture
- Bridge funding for Bolivia trade staged-release escrow

6. Portfolio Construction Parameters

8 – 15 Position Count	20% of deployed capital Max Single Position	50% of AUM Max Single Country	25% of AUM Max Bolivia Exposure
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6.1 Position Sizing

- No single position shall exceed 20% of deployed capital at entry
- Positions appreciating above 20% shall be reported to the IC and remediated through partial exit or capital top-up
- Typical position size: \$100,000 – \$5,000,000, subject to AUM growth

6.2 Geographic Concentration

Limit	Threshold
Maximum exposure, any single country	50% of AUM
Maximum exposure, Bolivia	25% of AUM
Minimum U.S. domiciled exposure	40% of AUM (Cultural and Real Assets verticals)

6.3 Asset Class Sub-Limits

- Cultural Assets: No single artist, school, or movement shall exceed 50% of the Cultural Assets allocation
- Real Assets: No single development project, MSA, or land aggregation shall exceed 50% of the Real Assets allocation
- Bolivia Trades: No single trade shall exceed 50% of the Special Situations allocation; each trade sized \$250,000–\$2,000,000 unless approved by IC supermajority

6.4 Target Hold Periods

Asset Class	Target Hold	Rationale
Bolivia Mineral Trades	3 – 9 months	Pre-negotiated Miami refinery exit
Cultural Assets — Art	12 – 36 months	Private sale; gallery; selective auction
Real Assets — Land	24 – 48 months	Developer or operator acquisition
Special Situations	12 – 36 months	Bespoke; buyer identified at IC approval

6.5 Leverage

The Fund shall not employ portfolio-level leverage. Deal-level non-recourse financing is permitted up to 50% loan-to-value, subject to IC approval and documentation that financing terms do not introduce cross-collateralization risk.

7. Investment Process

7.1 Sourcing Channels

- Founding Principal's direct relationships
- Bolivia licensed exporter network
- Miami refinery counterparties
- Referral network of private bankers, family-office advisers, and legal/tax professionals
- Other channels approved by the Investment Committee

All inbound opportunities shall be logged in the Firm's deal-flow CRM within five business days of receipt.

7.2 Screening & IC Approval

Each opportunity is screened against this IPS for asset-class eligibility, counterparty acceptability, jurisdictional limits, and allocation fit. Opportunities passing screening are presented to the Investment Committee with a formal investment memorandum containing, at minimum:

- Counterparty profile and KYC summary
- Asset description and provenance/title documentation
- Bottoms-up valuation, including Maximum Entry Price (MEP)
- Three-scenario return model (Bear / Base / Bull) with hold-period sensitivity
- Risk factors and mitigants
- Exit plan with identified buyer or buyer pool
- For Bolivia trades: export license verification, OECD diligence file, and Miami refinery PO or equivalent

No capital shall be committed prior to written Investment Committee approval.

7.3 Bolivia Six-Stage Trade Process

All Bolivia mineral and gemstone trades shall follow the Fund's standardized six-stage process:

Bolivia Sourcing

1

Licensed exporter surfaces gold, silver, or gemstone package. Independent assay at origin. Position must enter below MEP at target Miami spot.

KYC & Export Clearance

2

Full KYC on all counterparties per FinCEN AML framework. OECD due diligence applied. Export license validated. ASFI notification filed. No capital deployed prior to compliance sign-off.

Capital Deployment

3

Miami refinery PO or escrow confirmation received before Bolivia capital is released. Deployment via third-party escrow with staged release tied to verified export milestones. No advance capital to exporter under any circumstances.

Secure Logistics

4

Vetted freight operator takes custody in La Paz. Full cargo insurance at replacement value. GPS tracking throughout transit. Chain-of-custody signed at every handoff. Bonded Miami warehouse prepared.

Miami Refinery Receipt

5

Shipment arrives Miami; U.S. customs cleared. Bonded warehouse receipt issued. Reception assay reconciled to Bolivia assay within 48 hours. Variance above 2% triggers escrow holdback pending dispute resolution.

Settlement & Distribution

6

Refinery settles at agreed spot less logistics cost per pre-negotiated PO. Full escrow proceeds released to the Fund. LP distributions within 30 days of exit closing.

8. Liquidity & Cash Management

8.1 Capital Calls

Capital calls shall be issued with no less than 10 business days' notice to Limited Partners. The General Partner shall avoid serial capital calls within 30 days of one another absent unforeseen pipeline acceleration.

8.2 Distributions

Distributions to Limited Partners shall occur within 30 days of exit closing for the relevant position. All LP tiers receive distributions on the same schedule.

8.3 Cash Management

Undeployed capital shall be held in:

- U.S. dollar deposits at a Tier 1 U.S. commercial bank or qualified custodian
- U.S. Treasury bills with maturity ≤12 months
- Money market funds rated AAA by a Nationally Recognized Statistical Rating Organization

No undeployed capital shall be held in non-USD instruments without explicit Investment Committee approval.

9. Risk Management

9.1 Risk Register

The General Partner shall maintain a Risk Register reviewed quarterly by the Investment Committee and the CCO:

Risk Category	Severity	Likelihood	Primary Mitigation
Liquidity Risk	High	Medium	Exit-path underwriting; staggered holds; 10% liquidity reserve
Valuation Risk	Medium	High	Conservative entry; independent appraisals; multi-scenario modeling
Counterparty & Fraud Risk	High	Low–Medium	KYC; provenance verification; escrow; physical inspection; Bolivia AML
Concentration Risk	High	Low	20% position cap; cross-asset targets; quarterly stress testing
Regulatory & Compliance Risk	Medium	Low	Specialized counsel; third-party CCO; AML/KYC; ASFI alignment
Key-Person Risk	High	Low	Documented processes; cross-training; LP notification; succession plan
Capital Raise & Runway Risk	Medium	Medium	Founder bridge capital; modular deployment; variable Y1 cost structure
Bolivia Cross-Border Risk	Medium	Medium	Licensed partner only; OECD standards; U.S. import compliance; staged escrow
Reputational Risk	High	Low	Discretion policies; selective onboarding; proactive LP communication

9.2 Quarterly Stress Tests

The Investment Committee shall conduct quarterly stress tests covering, at minimum:

- 25% decline in gold and silver spot applied across Bolivia trades
- 90-day extension of average hold period across all verticals
- Failure of one Miami refinery counterparty
- 25% reduction in committed capital following an LP default

- Loss of a single licensed Bolivian exporter relationship

9.3 Bolivia-Specific Controls

- Annual on-site visits to all material Bolivian counterparties
- In-country legal counsel maintained on retainer
- All export documentation retained for a minimum of seven years
- All Bolivia trades submitted to quarterly compliance review by the CCO
- Full cargo insurance at replacement value for each shipment

10. Compliance, KYC & AML

10.1 Regulatory Posture

The Firm operates as an Exempt Reporting Adviser under the Investment Advisers Act of 1940, with anticipated transition to Registered Investment Adviser status as AUM crosses applicable SEC thresholds. The CCO shall monitor AUM and Form ADV filing obligations on a continuous basis.

10.2 KYC & AML Program

The Firm shall maintain a FinCEN-compliant Anti-Money Laundering program encompassing:

- Customer Identification Program (CIP) for all Limited Partners
- Beneficial-ownership identification consistent with the Corporate Transparency Act
- Enhanced Due Diligence for any LP, counterparty, or transaction involving a PEP, high-risk jurisdiction, or structured beneficial-ownership chain
- Ongoing transaction monitoring and Suspicious Activity Report (SAR) procedures
- Sanctions screening against OFAC, EU, U.N., and applicable local lists — at onboarding and on a refreshed periodic basis
- Bolivia counterparty screening aligned with ASFI requirements

10.3 OECD Responsible Sourcing

All Bolivia mineral and gemstone transactions shall be diligenced in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, including the five-step framework: (i) management systems, (ii) risk identification and assessment, (iii) risk-response strategy, (iv) third-party audit verification, and (v) public reporting.

10.4 Conflicts of Interest

All employees and principals are subject to a Code of Ethics requiring pre-clearance of personal trades in any asset class overlapping with Fund activity, annual disclosure of outside business activities, annual gift and entertainment disclosures, and prompt disclosure of actual or potential conflicts of interest. All conflicts shall be resolved in favor of the Limited Partners.

11. Valuation Policy

11.1 Frequency & Methodology

Positions shall be valued quarterly for LP reporting and on an event-driven basis for material transactions or external indicators of impairment.

Asset Class	Primary Method	Reasonableness Check
Cultural Assets	Independent appraisal (annual minimum)	Recent comparable transactions
Real Assets	Independent appraisal or BOV (annual minimum)	Comparable parcel sales; entitlement progression
Bolivia Mineral Trades	Mark-to-market at Miami spot less logistics	Refinery PO terms
Cash & Equivalents	Face value	n/a

11.2 Valuation Committee & Audit

The Valuation Committee shall consist of the Founding Principal, the CCO, and one independent Advisory Board member. Material write-ups or write-downs shall be supported by external evidence and disclosed in the next LP letter.

An independent, GAAP-compliant audit shall be commissioned annually. Audited financials shall be distributed to all LPs within 90 days of fiscal year end.

12. Governance

12.1 Investment Committee

The IC shall consist initially of the Founding Principal as voting member and Chair, with the CCO as non-voting observer. Upon AUM reaching \$15M or upon the first hire under the Action Plan, a second voting member shall be added. Upon Advisory Board formation, one Advisory Board member may be invited as non-voting observer.

12.2 Voting Thresholds

Decision	Threshold
Standard investment approval (within IPS limits)	Unanimous of voting members
Exception to IPS allocation or position limits	IC unanimous + Advisory Board notification

Decision	Threshold
New asset class addition	IC unanimous + LP notification per LPA
Material change to fee structure or carry	LPA-defined LP consent
Bolivia trades exceeding \$2M	IC unanimous + supermajority documented in writing

12.3 Advisory Board

The Advisory Board shall comprise a minimum of three members: (i) a Bolivia political/regulatory adviser, (ii) an alternative-assets expert with art-market depth, and (iii) a real estate or family-office LP representative. The Advisory Board shall meet semi-annually, receive quarterly reporting, and serve in a non-fiduciary advisory capacity.

13. Reporting & Communication

Report	Frequency	Delivery Window
Quarterly Investor Letter	Quarterly	Within 30 days of quarter end
Bolivia Operations Report	Quarterly	Within 30 days of quarter end
Audited Financial Statements	Annually	Within 90 days of fiscal year end
K-1 Tax Reporting	Annually	By March 31 (or extension notice)
Deal-Level Notice (closings & exits)	Event-driven	Same day as closing
Annual LP Meeting	Annually (from Year 2)	In-person or virtual

14. IPS Review, Amendment & Exception

14.1 Annual Review

This IPS shall be reviewed in full no less than annually by the Investment Committee, in consultation with the CCO and fund counsel, to confirm continued alignment with the Fund's strategy, regulatory posture, and AUM scale.

14.2 Triggered Review Events

- Change in regulatory status (e.g., ERA to RIA)
- Material change in AUM ($\geq 50\%$ increase or decrease year-over-year)
- Material change in personnel, including departure of the Founding Principal
- Addition of a new asset class or geographic market
- Material loss exceeding 10% of deployed capital in any single position
- A regulatory examination or enforcement matter

14.3 Exceptions

A specific transaction may proceed in deviation from this IPS only with: (i) written IC approval documenting the deviation and rationale; (ii) CCO concurrence that no regulatory or fiduciary issue arises; and (iii) disclosure in the next LP letter.

No exception may be granted from Sections 2.3 (Prohibited Risks), 4.2 (Prohibited Investments), 7.3 (Bolivia Six-Stage Process), 9.3 (Bolivia Controls), or Section 10 (Compliance).

15. Termination & Wind-Down

In the event the Fund is wound down, dissolved, or its assets transferred to a successor vehicle, the General Partner shall:

- Develop and execute a wind-down plan with Investment Committee approval
- Notify Limited Partners under the LPA's prescribed notice provisions
- Maintain insurance coverage during the runoff period
- Preserve books and records for the regulator-required minimum (currently five years from fiscal year end, with longer retention for AML/KYC and Bolivia export documentation)
- Deliver a final audited statement to all Limited Partners

16. Approval & Signatures

This Investment Policy Statement is adopted by the Investment Committee of Livio Payne Capital LLC, effective as of the Effective Date set forth on the cover page.

Role	Name	Signature	Date
Founding Principal	_____	_____	_____
Chief Compliance Officer	_____	_____	_____
Fund Counsel (acknowledgment)	_____	_____	_____

Appendix A — Glossary

AML / KYC — Anti-Money Laundering / Know Your Customer — the framework for identifying and monitoring counterparties and Limited Partners under FinCEN.

ASFI — Autoridad de Supervisión del Sistema Financiero — Bolivia's financial-system regulatory authority.

AUM — Assets Under Management.

Bolivia Six-Stage Process — The Fund's standardized trade process described in Section 7.3.

Carried Interest — The General Partner's share of profits above the Hurdle Rate.

CCO — Chief Compliance Officer.

Co-Investment — Direct deal-level participation by a Limited Partner outside the pooled Fund vehicle, on which no management fee or carried interest is charged.

ERA — Exempt Reporting Adviser under the Investment Advisers Act of 1940.

Hurdle Rate — Minimum return Limited Partners receive before the General Partner participates in profits (8% net annualized in base case).

IC — Investment Committee — the body established in Section 12.1 with authority over investment decisions.

IPS — This Investment Policy Statement.

LPA — The Limited Partnership Agreement of LPC Fund I, LP.

MEP — Maximum Entry Price — the IC-approved ceiling price per deal based on bottoms-up return modeling.

MOIC — Multiple on Invested Capital.

OECD Responsible Sourcing — OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

PEP — Politically Exposed Person.

RIA — Registered Investment Adviser under the Investment Advisers Act of 1940.

SAR — Suspicious Activity Report filed with FinCEN.

Appendix B — Cross-Reference to Business Plan & Action Plan

This IPS operationalizes the strategy articulated in the Comprehensive Business Plan (April 2026) and the Workflow & Action Plan (April 2026).

IPS Section	Business Plan Reference
Section 5 — Allocation Ranges	Business Plan §4.3
Section 7.3 — Bolivia Six-Stage Process	Business Plan §4.2
Section 9.1 — Risk Register	Business Plan §8.2
Section 10.5 — LP Tier Economics	Business Plan §9.2
Section 13 — Reporting Framework	Business Plan §9.3
Section 14.2 — IPS Review Triggers	Action Plan, Phases 0–3