

**GWG WIND DOWN TRUST**

*Quarterly Report and Financial Statements*

*(Unaudited)*

For the Period January 1, 2025 – March 31, 2025

**All the information in this Report is based on information available to the Trustee at the time of the report, but this information may be incomplete. This Report is not meant to be relied upon by interest holders or others as a complete description of the GWG Wind Down Trust its condition (financial or otherwise), prospects, assets, or liabilities. The information in this Report will be updated, including corrections, if any, to future reports to the Court. The realized value of certain assets may be zero or different from the estimates on which this Report is based. Selected balances and information contained herein have not and will not be subject to audit or review by external accountants. The Trustee reserves all rights to revise this Report.**

**GWG WIND DOWN TRUST**

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*(Unaudited)*

For the Period January 1, 2025 – March 31, 2025

**Table of Contents**

Quarterly Report from the Trustee.....	1
Unaudited Statement of Net Assets in Liquidation as of March 31, 2025.....	7
Unaudited Statement of Changes in Net Assets in Liquidation as of March 31, 2025.....	8
Notes to the Unaudited Financial Statements.....	9

**GWG WIND DOWN TRUST**  
*Quarterly Annual Report and Financial Statements*  
*(Unaudited)*  
For the Period January 1, 2025 – March 31, 2025

**JOINT STATUS REPORT OF THE WIND DOWN TRUST AND  
THE LITIGATION TRUST FOR THE QUARTER ENDING MARCH 31, 2025**

On April 20, 2022, GWG Holdings, Inc. and several affiliates filed voluntary bankruptcy petitions under chapter 11 of the Bankruptcy Code. On October 31, 2022, the DLP Debtors filed their own chapter 11 cases. On June 20, 2023 (the “Confirmation Date”), the Court confirmed the Debtors’ joint Plan (the “Plan”)<sup>1,2</sup> by entering its Findings of Fact, Conclusions of Law, and Order Confirming Debtors’ Further Modified Second Amended Joint Chapter 11 Plan (ECF No. 1952) (the “Confirmation Order”). The Plan went effective on August 1, 2023 (the “Plan Effective Date”). The Wind Down Trust and the Litigation Trust were created pursuant to the Plan. Michael I. Goldberg was appointed as the trustee of the Litigation Trust (the “Litigation Trustee”). Elizabeth C. Freeman was appointed as the trustee of the Wind Down Trust (the “WDT Trustee”). The Trusts are governed by the Plan, Confirmation Order, the GWG Wind Down Trust Agreement (the “WDT Agreement”), and the Litigation Trust Agreement.

The Litigation Trust received all of the Debtors’ interest in the D&O Liability Insurance Policies (as defined in the Plan) and all of the Debtors’ litigation claims. The net amount recovered from the pursuit or settlement of the litigation claims will be distributed by the Litigation Trust to the Wind Down Trust. The Wind Down Trust was vested with the reversionary and beneficial interest in the Litigation Trust plus all of the Debtors’ non-litigation assets.

The Trustees previously filed a Joint Status Report for the quarter ending September 30, 2023, on November 14, 2023 [ECF No. 2301], on February 15, 2024, for the year ending December 31, 2023 [ECF No. 2381], on May 15, 2024, for the quarter ending March 31, 2024 [ECF No. 2454], on August 15, 2024, for the quarter ending June 30, 2024 [ECF No. 2475], on November 14, 2024, for the quarter ending September 30, 2024 [ECF No. 2507], and for the year ending December 31, 2024 on April 1, 2025 [ECF No. 2557]. The Litigation Trustee filed an additional status report on March 1, 2024 [ECF No. 2391].

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<sup>1</sup> The Debtors in these chapter 11 cases (these “Chapter 11 Cases”), along with the last four digits of each Debtor’s federal tax identification number, were: GWG Holdings, Inc. (2607); GWG Life, LLC (6955); GWG Life USA, LLC (5538); GWG DLP Funding IV, LLC (2589); GWG DLP Funding VI, LLC (none); and GWG DLP Funding Holdings VI, LLC (none). Further information regarding the Debtors and these chapter 11 cases is available at the website of the Debtors’ claims and noticing agent: <https://donlinrecano.com/gwg>.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

The WDT Trustee is charged with liquidating the Wind Down Trust assets. As of the Plan Effective Date, the Debtors' approximately 26,000 L bondholders, as well as other stakeholders (including all other general unsecured creditors, preferred equity holders, and common equity holders), hold interests in the Wind Down Trust (collectively, the "WDT Interest holders"). To the extent available, WDT Interest holders will receive distributions from the Wind Down Trust in accordance with the Plan and WDT Agreement. The Wind Down Trust maintains a website to provide information to the WDT Interest holders at [www.gwgholdingstrust.com](http://www.gwgholdingstrust.com).

The WDT Trustee provides the following summary of major events to date regarding her efforts to liquidate the Wind Down Trust assets:

### **The Policy Portfolio Sale**

Following the Plan Effective Date, the WDT Trustee commenced a marketing process for the sale of the Policy Portfolio Equity Interests. After a thorough evaluation of available alternatives as well as an analysis of the ongoing costs to maintain the Policy Portfolio, the WDT Trustee elected to sell the Wind Down Trust's interests in the Policy Portfolio to Apex Longevity Fund LLC ("Apex"). The Bankruptcy Court approved the sale on October 3, 2023. The sale closed on October 13, 2023. In addition to assuming the secured debt obligation of approximately \$605 million, Apex paid the Wind Down Trust \$10 million in cash.

### **Sale of FOXO Technologies, Inc. Stock**

On October 13, 2023, the Wind Down Trust sold its 4,646,698 shares of FOXO Stock. The Wind Down Trust realized net proceeds of \$586,942.

### **Fifth Season Litigation**

Prior to the confirmation of the Plan, the Debtors commenced litigation with Fifth Season Investments, LLC ("Fifth Season"). The dispute centered around Fifth Season's demand for \$18.3 million dollars plus fees and costs (totaling over \$24 million) based on an asserted break-up fee. A trial was conducted on the matter on October 3rd and 4th, 2023. After the close of evidence, but before closing arguments, the Trust and Fifth Season reached a settlement. The agreement provided for Fifth Season to have a claim of \$8 million. On November 16, 2023, the Court entered an Order approving the compromise with Fifth Season [ECF No. 2305]. Payment to Fifth Season has been made.

### **Beneficient Stock**

On September 29, 2023, Beneficient's Registration Statement on Form S-1 (File No. 333-273322) (the "Registration Statement") was declared effective by the Securities and Exchange Commission. The Registration Statement registers the offer and sale of shares of Ben Stock, from time to time, by the Wind Down Trust. Following the effectiveness of the Registration Statement, the Wind Down Trust began selling a limited number of shares of Ben Stock on the open market.

The Beneficient share price has dropped significantly since the Confirmation Date. On June 20, 2023, the share price closed at \$4.57. By the Effective Date, August 1, 2023, the share price closed at \$2.00. The shares began trading at less than \$0.10 a share in mid-March 2024. Beneficient's stockholders approved a reverse share split on March 21, 2024. The shares began trading on a split adjusted basis on April 18,

2024. On March 31, 2025, the share price closed at \$0.31 per share, or \$0.004 per share on a pre-split basis.

The Trust is selling shares on the public market. The Trustee continues to focus on obtaining the maximum value for the Beneficient shares held by Trust.

The WDT Trustee received a number of inquiries from WDT Interest holders regarding the possibility of distributing Ben Stock directly to interest holders in lieu of monetizing the shares. The WDT Trustee engaged securities counsel and continues evaluating whether such a distribution of shares is feasible and in compliance with applicable law. The WDT Trustee and the Trust advisors were not able to find a feasible, compliant, cost-effective path to the distribution of the shares themselves.

### **Professional Fee Accommodations**

After the Effective Date of the Plan, professionals retained during the bankruptcy case that were to be paid by the Debtors filed their applications for final approval of their pre-confirmation fees. The Trustee successfully negotiated accommodations with many professionals. After comments from the Court during a hearing regarding approval of those fees, several additional professionals agreed to accommodations akin to those reached with other professionals – a 5% reduction from the professional fees requested.

The amounts necessary to pay professional fees were reserved in escrow held by the Wind Down Trust. The savings from accommodations reached over \$4.5 million thus far. One additional fee application is pending and an additional accommodation is expected. The WDT benefits from the accommodations as any unused professional fee escrow funds belong to the Wind Down Trust.

### **Valuation as of the Effective Date**

Pursuant to the Wind Down Trust Agreement, Section 5.4, the Trust was required to provide to the WDT Interest holders, a report of the valuation of the Wind Down Trust Assets as of the Effective Date, August 1, 2023. On January 31, 2024, the Wind Down Trust filed the GWG Wind Down Trust Good Faith Valuation of Trust Assets (the “Valuation Report”). (ECF No. 2339). The Valuation Report and information to assist WDT Interest Holders in determining their respective effective date interest values can be found at [www.gwgholdingstrust.com/asset-values](http://www.gwgholdingstrust.com/asset-values). It is not anticipated that any further estimates as to value of the Trust will be made and none are required.

### **Taxes**

Grantor Trust Letters for the year ended December 31, 2023, were made available to WDT Interest holders holding direct interests. Information for the tax year 2023 regarding obtaining the Grantor Trust Letters was posted on the Trust website under the Taxes/Financials tab. The Wind Down Trust published information for interest holders with indirect interests on the FIS Tax Information Reporting Suite (formerly Wall Street Concepts) and the LENS Grantor Trust Letters for the 2024 tax year for Interest holders holding direct interests will be made available to those direct Interest holders. Information for Indirect interest holders will again be published to the FIS Tax Information Reporting Suite as well as on the Lens Portal. The Trust intends to publish the Grantor Trust Letter for Indirect interest holders to the Trust website on a tab labeled 2024 Tax Information.

## **Reconciliation of Claims**

The Wind Down Trustee and Litigation Trustee were charged with reviewing approximately 5,454 proofs of claims filed in these cases. Pursuant to Article VII.B of the Plan provides the Litigation Trustee had sole authority with regards to the Litigation Trust Reconciliation Claims. The Wind Down Trustee had the responsibility to reconcile all other Claims. April 30, 2025, was the deadline to file any objections to Claims. On or prior to April 30, 2025, the Wind Down Trustee and the Litigation Trustee filed objections or entered into agreements with parties to extend the time to object by the Litigation Trustee. The Wind Down Trustee reconciled the majority of claims out of court and the result was the filing of 25 objections to claims.

## **The Litigation Trust**

The Litigation Trustee has filed multiple adversary and arbitration proceedings to date. The first adversary proceeding is styled *Goldberg v. Heppner, et al.*, Adv. Pro. No. 24-3090, and alleges claims and causes of action arising out of, among other things, the relationship between the Debtors and Beneficient. The defendants include Mr. Bradley K. Heppner, Beneficient, parties related to Mr. Heppner and/or Beneficient, and various former directors and officers of the Debtors (the “D&O Adversary Proceeding”). The complaint is available on the Trust’s website: [https://gwgholdingstrust.com/wp-content/uploads/2024/05/2024-04-19\\_Unsealed-Complaint.pdf](https://gwgholdingstrust.com/wp-content/uploads/2024/05/2024-04-19_Unsealed-Complaint.pdf). The defendants in that case filed motions to dismiss the Litigation Trustee’s claims, and the Litigation Trustee filed an omnibus opposition brief on November 25, 2024. The parties subsequently reached an agreement to settle the Litigation Trust’s claims against a subset of defendants who are insured under the Debtors’ D&O insurance policies.<sup>3</sup> The Litigation Trustee filed a motion seeking the Bankruptcy Court’s approval of that settlement on March 7, 2025 [ECF No. 2533], which attaches the final settlement agreement. The motion, supporting exhibits, and additional information regarding the settlement are available at no cost on the Trust’s website: <https://gwgholdingstrust.com/wp-content/uploads/2025/03/Motion-to-Approve-Compromise-Under-Rule-9019-with-Certain-DO-Defendants.pdf>.

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<sup>3</sup> The settling Defendants are Bradley K. Heppner; Beneficient f/k/a The Beneficient Company Group, L.P.; Beneficient Management, L.L.C.; Beneficient Company Holdings, L.P.; Beneficient Capital Company, L.L.C.; Beneficient Capital Company II, L.L.C.; The Beneficient Company Group (USA), L.L.C.; CT Risk Management, L.L.C.; Beneficient Fiduciary Financial, L.L.C.; The LT-1 Liquid Trust; The LT-2 Liquid Trust; The LT-5 Liquid Trust; The LT-7 Liquid Trust; The LT-8 Liquid Trust; The LT-9 Liquid Trust; The Collective Collateral Trust I; The Collective Collateral Trust II; The Collective Collateral Trust III; The Collective Collateral Trust IV; The Collective Collateral Trust V; The Collective Collateral Trust VI; The Collective Collateral Trust VII; The Collective Collateral Trust VIII; LiquidTrust Management, L.L.C.; Funding Trust Management, L.L.C.; Peter T. Cangany, Jr.; Thomas O. Hicks; Bruce W. Schnitzer; Murray T. Holland; Timothy L. Evans; David F. Chavenson; John Stahl; The LT-1 Collective Collateral Trust; The LT-1 Collective Collateral Trust; The LT-2 Collective Collateral Trust; The LT-3 Collective Collateral Trust; The LT-4 Collective Collateral Trust; The LT-5 Collective Collateral Trust; The LT-6 Collective Collateral Trust; The LT-7 Collective Collateral Trust; The LT-8 Collective Collateral Trust; and The LT-9 Collective Collateral Trust.

The Proposed Settlement specifically preserves all claims and causes of action against the “Reserved Trust Action Defendants,” which are defined to include “The Bradley K. Heppner Family Trust; The Heppner Family Home Trust; The Highland Business Holdings Trust; The Highland Investment Holdings Trust; Beneficient Holdings, Inc.; Bradley Capital Company, L.L.C.; Elmwood Bradley Oaks, L.P.; The Highland Investment Holdings Trust; Timothy B. Harmon, solely in his capacity as trustee of The Highland Investment Holdings Trust; HCLP Credit Company, L.L.C.; HCLP Nominees, L.L.C.; Highland Consolidated, L.P.; and Research Ranch Operating Company, L.L.C.”

The second adversary proceeding is styled *Goldberg v. Sabes, et al.*, Adv. Pro. No. 24-03089, and asserts avoidance claims arising out of the Debtors' payment of a dividend to shareholders in September 2018 (the "Sabes Adversary Proceeding"). The defendants in that adversary proceeding include Jon R. Sabes, Steven F. Sabes, and various related parties (the "Sabes Defendants"). That complaint is available on the Trust's website: <https://gwgholdingstrust.com/wp-content/uploads/2024/05/2024-04-19-1-Complaint-re-Avoidance.pdf>. The Litigation Trustee reached a settlement in principle with the Sabes Defendants on February 12, 2025. As with the settlement in the *Golberg v. Heppner* adversary proceeding discussed above, the Litigation Trustee has filed a motion seeking the Bankruptcy Court's approval of the settlement [ECF No. 2537], which is available on the Trust's website here: <https://gwgholdingstrust.com/wp-content/uploads/2025/03/Motion-Approving-Settlement-Agreement-with-Sabes-Defendants.pdf>.

The third adversary proceeding is styled *Goldberg v. Foley & Lardner LLP*, Adv. Pro. No. 24-03199, and asserts claims for aiding and abetting/knowning participation in breach of fiduciary duty claims, professional negligence/legal malpractice, breach of fiduciary duty, and avoidance claims arising out of Foley & Lardner LLP's actions as counsel to a special committee of GWG's board of directors. That complaint is available on the Trust's website: <https://gwgholdingstrust.com/wp-content/uploads/2024/11/GWG-Litigation-Trust-v-Foley-Complaint.pdf>. Foley & Lardner LLP filed a motion to compel arbitration and stay the adversary proceeding on November 6, 2024. On February 26, 2025, the Court entered an order compelling arbitration of the claims asserted in the Litigation Trustee's complaint. The Litigation Trustee subsequently initiated an arbitration proceeding against Foley & Lardner LLP, as ordered by the Bankruptcy Court.

The fourth adversary proceeding is styled *Goldberg v. Holland & Knight LLP, et al.*, Adv. Pro. No. 25-03064, and asserts claims under the Racketeering Influenced and Corrupt Organizations Act and for aiding and abetting/knowning participation in breach of fiduciary duty, civil conspiracy, fraud, and negligent misrepresentation. That complaint is available on the Trust's website: <https://gwgholdingstrust.com/wp-content/uploads/2025/03/HollandKnight-Complaint.pdf>. The defendants' response to the complaint is due June 2, 2025. If either defendant moves to dismiss the adversary proceeding, the Litigation Trustee's opposition is due on August 1, 2025, and the defendants' reply briefs are due September 12, 2025.

In addition, the Litigation Trustee has initiated arbitration against one of GWG's former professionals, which is ongoing. The Litigation Trust also has entered into tolling agreements with other third parties and continues to investigate whether any additional claims may exist against those parties. The Litigation Trust has and may continue to engage in pre-suit negotiations or mediations with those parties or pursue those claims in an appropriate forum.

As noted above, subject to the Bankruptcy Court's approval, the Litigation Trustee has entered into proposed settlements that would resolve part of the D&O Adversary Proceeding and the entire Sabes Adversary Proceeding. In addition to those two settlements, the Litigation Trustee also has reached settlements with Whitley Penn LLP (GWG's former auditor) and Mayer Brown LLP (GWG's former counsel). The Litigation Trustee has filed motions seeking approval of the settlements with Whitley Penn LLP and Mayer Brown LLP [ECF Nos. 2535 and 2540]. Those motions are available on the Trust's website here: <https://gwgholdingstrust.com/wp-content/uploads/2025/03/Motion-to-Approve-Compromise-Under-Rule-9019-with-Whitley-Penn.pdf> and <https://gwgholdingstrust.com/wp-content/uploads/2025/03/Mayer-Brown-Settlement-Motion.pdf>.



On April 30, 2025, the Litigation Trust filed a Supplemental Notice of Proposed Settlements [ECF No. 2582]. The Supplemental Notice provides additional information about the four proposed settlements discussed above, including the estimated distribution to WDT Interest holders if the settlements receive approval from the Bankruptcy Court. Please note that the Bankruptcy Court has raised public policy questions concerning the proposed settlement in the Heppner Adversary Proceeding, and it is uncertain whether the Bankruptcy Court will approve the settlement. The Supplemental Notice is available at <https://gwgholdingstrust.com/wp-content/uploads/2025/05/GWG-litigation-Trustees-Supplemental-Notice-of-Proposed-Settlements.pdf>.

The Litigation Trustee's motions seeking approval of the proposed settlements in the D&O Adversary Proceeding, the Sabes Adversary Proceeding, and with Whitley Penn LLP and Mayer Brown LLP are set for a hearing on June 3, 2025, at 9 a.m. CST. The notice of that hearing is available at <https://gwgholdingstrust.com/wp-content/uploads/2025/05/Notice-of-Hearings-of-Proposed-Settlements-06032025.pdf>.

Additional information concerning the settlements in the D&O Adversary Proceeding, the Sabes Adversary Proceeding, and with Whitley Penn LLP and Mayer Brown LLP, as well as all motions, supporting documents, supplemental exhibits, and other relevant court filings are available for free at <https://gwgholdingstrust.com/settlements/>.

Finally, the Litigation Trustee has reached a proposed settlement with Jackson Walker LLP, which served as counsel to the Debtors. As with the proposed settlements discussed above, the Litigation Trustee will file a motion seeking court approval of the proposed settlement and set a hearing on the motion. Please note that on April 10, 2025, the District Court for the Southern District of Texas entered an order withdrawing the reference to the Bankruptcy Court in connection with disputes relating to Jackson Walker LLP [ECF Nos. 2572 and 2574]. The Litigation Trustee anticipates filing the motion seeking approval of the settlement in the District Court for the Southern District of Texas in accordance with the order withdrawing the reference and the Bankruptcy Court's remark entered on the docket on May 7, 2025.

The Trustees encourage holders to review the information found on the Trust website [www.gwgholdingstrust.com](http://www.gwgholdingstrust.com). All communications to Mr. Goldberg should be related strictly to the litigation filed by the Litigation Trustee (see <https://gwgholdingstrust.com/litigation-trust/>). Mr. Goldberg cannot respond to questions pertaining to claims, Computershare, distributions, or other administrative matters.

**Please call or email Liz Freeman, Trustee of the GWG Wind Down Trust at 713-654-5150 or [inquiry@gwgholdingstrust.com](mailto:inquiry@gwgholdingstrust.com).**

**GWG WIND DOWN TRUST**  
**STATEMENT OF NET ASSETS IN LIQUIDATION (Unaudited)**  
*As of March 31, 2025*

**ASSETS**

Cash	\$ 8,798,546
Restricted Cash	3,169,995
Marketable Securities – Beneficient Shares	77,633
Accounts Receivable	248,758
Prepaid Insurance	105,017
<b>TOTAL ASSETS</b>	<b>\$ 12,399,949</b>

**LIABILITIES**

Accounts Payable	298,712
Liability for Estimated Costs During Liquidation	8,798,546
<b>TOTAL LIABILITIES</b>	<b>\$ 9,097,258</b>

<b>NET ASSETS IN LIQUIDATION</b>	<b>\$ 3,302,691</b>
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**GWG WIND DOWN TRUST**  
**STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION (Unaudited)**  
*Year-to-Date March 31, 2025*

<b>NET ASSETS IN LIQUIDATION, BEGINNING OF PERIOD</b>	<b>\$ 3,028,385</b>
<b>Cash Receipts</b>	
Interest and Other Income	473,281
<b>Total Cash Receipts</b>	<b>\$ 473,281</b>
<b>Cash Disbursements:</b>	
Payment of Accrued GWG WDT Expenses	(157,525)
Payment of Accrued Litigation Expenses	(169,066)
Payment of Consulting Costs	(58,697)
Payments for General and Administrative Costs	(810,433)
<b>Total Cash Disbursements</b>	<b>(1,195,721)</b>
<b>NET CASH FLOW</b>	<b>\$ (722,440)</b>
<b>Non-Cash Changes:</b>	
Change in Value of Beneficient Shares Held for Resale	(107,146)
Change in Accounts Receivable	248,758
Change in Accounts Payable	(52,568)
Change in Estimated Costs During Litigation	169,066
Change in Liability for Estimated Costs During Liquidation	755,795
Change in Prepaid Insurance	(17,159)
	<b>\$ 996,746</b>
<b>TOTAL CHANGES IN NET ASSETS IN LIQUIDATION</b>	<b>\$ 274,306</b>
<b>NET ASSETS IN LIQUIDATION, END OF PERIOD</b>	<b>\$ 3,302,691</b>

**GWG WIND DOWN TRUST**  
**Notes to Unaudited Financial Statements**  
**March 31, 2025**

**1. Description of Business and Significant Accounting Policies**

The GWG Wind Down Trust (“Trust”) was formed in connection with the voluntary bankruptcy petition filed under chapter 11 of the United States Bankruptcy Code in the bankruptcy case of GWG Holdings, Inc., (“GWG”). The Trust became effective on August 1, 2023 (“Effective Date”). The Trust issued units of beneficial interest (“Units”). The Units entitle their holders (“Beneficiaries”) to receive a proportionate amount of cash distributions (“Declared Distributions”) made by the Trust.

***Basis of Presentation***

The unaudited Financial Statements (the “Statements”) reflect the accounts of the Trust. The Statements reflect all adjustments that are, in management’s opinion, necessary for the fair presentation of the results for the periods presented. The Statements have not been prepared in accordance with generally accepted accounting principles; rather they have been prepared using a liquidation basis of accounting, which the Trust considers an appropriate basis of accounting at this time. Assets are stated at their estimated net realizable value, which is the amount of cash into which an asset is expected to be converted during the liquidation period. The Trust also accrues costs that it expects to incur through to the end of its liquidation. The Trust may be further extended beyond August 1, 2026, resulting in an increase to future accrued costs for such extended periods and a corresponding reduction in cash available. The Trust will record and value affirmative settlements or judgements when realized and collectability is reasonably anticipated. The Trust does not accrue contingent costs.

***Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand and short-term deposits and governmental money market funds.

***Income Taxes***

The Trust is a Grantor Trust, treated as a flow-through entity for U.S. federal and state income tax purposes. The Trust is not subject to U.S. federal or state income taxes; therefore, no accrual for these taxes is made. The Trust files a federal return. While there are no ongoing examinations, the federal returns dating to the 2023 and 2024 calendar years remain eligible for examination.

**GWG WIND DOWN TRUST**  
**Notes to Unaudited Financial Statements**  
**March 31, 2025**

**2. Estimated Costs to Operate the Trust**

The Trust accrues for all costs it expects to incur during its lifetime based on approved strategic assumptions and the Trust's current estimates. These costs are estimated based on asset resolution strategies, litigation timelines and modeled wind-down expenses of the Trust's operations and are recorded as liabilities. Actual future costs could vary significantly depending upon a wide variety of factors due to the uncertainties inherent in a complex Trust. On a periodic basis, the Trust evaluates such estimates to take into consideration the overall status of the Trust and any material changes in circumstances or factors affecting the Trust, including but not limited to evaluation of claims, the fair value of assets held by the Trust and other factors that may affect such estimates. The Trust does not accrue contingent costs.

Estimated costs to operate the Trust are comprised of the following (in \$000):

As of March 31, 2025, the estimated costs to operate the Trust are approximately \$8.8 million including \$0.3 million of expenses that have been incurred but not yet paid and \$8.5 million of expected future costs for the period April 1, 2025, through August 1, 2026.

**3. Sale of Subsidiary / Portfolio Sale**

Following the Plan Effective Date, the WDT Trustee commenced a marketing process for the sale of the Policy Portfolio Equity Interests. After a thorough evaluation of available alternatives as well as an analysis of the ongoing costs to maintain the Policy Portfolio, the WDT Trustee elected to sell the WDT's interests in the Policy Portfolio to Apex Longevity Fund LLC ("Apex"). The Bankruptcy Court approved the sale on October 3, 2023. The sale closed on October 13, 2023. The purchaser acquired 100% of the Trust's membership interest in Trust's wholly owned subsidiary Life Recovery Company, LLC ("Life Recovery"). Through the acquisition of the membership interest in Life Recovery, the purchaser acquired the portfolio of life insurance policies, assumed a Sr. Secured Credit Facility with a balance of approximately \$605 million collateralized by those same policies and gave the WDT \$10 million in cash.

**4. Litigation Trust**

The WDT maintains a beneficial and reversionary interest in the GWG Litigation Trust. The WDT does not believe that it can ascribe an estimated value to the WDT's beneficial and reversionary interests in the Litigation Trust net of attorney's fees and collection costs, as of March 31, 2025. These amounts, once quantified, could be expected to be available for remittance to the WDT for the benefit of the WDT's beneficiaries. The Litigation Trust's expectations of the amount of any distributions and when they may be paid are subject to risks and uncertainties and are based on certain estimates and assumptions, one or more of which may prove to be incorrect. As a result,

the actual amount of any distributions may differ materially, perhaps in adverse ways, from the Trust estimates. Furthermore, it is not possible to predict the timing of any distributions.

##### **5. Marketable Securities and Marketable Securities Litigation Share Reserve**

The table below summarizes common shares included in Marketable Securities as of March 31, 2025. (The Beneficient Company completed an 80 for 1 reverse share split on April 18, 2024, share values herein have been effectuated for the reverse share split)

<b>Common Shares Held</b>	<b>Jan. 1, 2025</b>	<b>Changes in Share Count</b>	<b>March 31, 2025</b>
Beneficient Shares Held for Resale	248,026	-	248,026

The Wind Down Trust did not sell any shares during the three months ending March 31, 2025.

<b>Common Shares (a)</b>	<b>Jan. 1, 2025</b>	<b>Release of Prior Period Unrealized Losses, net (b)</b>	<b>Unrealized Holding Losses</b>	<b>March 31, 2025</b>
Beneficient Shares	\$ 184,779	-	\$ (107,146)	\$ 77,633

(a) Share values utilized herein have been derived from published market data. The market values utilized herein are not indicative of the Wind Down Trust's opinion of value.

(b) Represents unrealized mark-to-market adjustments related to the market value of the Beneficient shares held by the Wind Down Trust during the period ending March 31, 2025.