

Secondary market changes—2017, 2020 and 2023 in comparison

We have the full data set for 2023 available in the meantime which allows to compare the data with previous years. We decided to look at the years 2017, 2020 and 2023 to give a broad overview about some of the most important trends. Viaticals, joint policies and so forth were excluded from the data set.

Shifts and swings in average age, average life expectancies and average face amounts

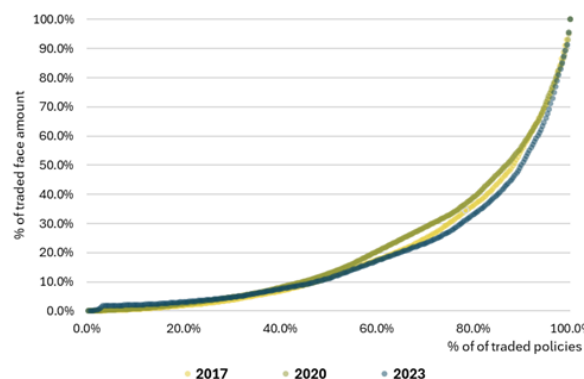
The broad averages reveal a few major trends and changes, compare the table below:

- The importance of the market segment of younger insureds increased relative to the other parts of the market. The average age was 77.9 years in 2017 and roughly two years lower in 2020 and 2023.
- The average life expectancies ('LE') are substantially longer in 2020 and 2023 if compared to 2017. The change can be certainly attributed partly to the on average lower average age in 2020 and 2023. However, the life expectancies became overall longer in the aftermath of the announcements of AVS and ITM TWENTYFIRST in fall 2018.
- There is a swing in traded face amounts. The average traded face amounts dropped from USD 1.6 Mio in 2017 to USD 1.2 Mio in 2020 and bounced back to USD 1.7 Mio in 2023.

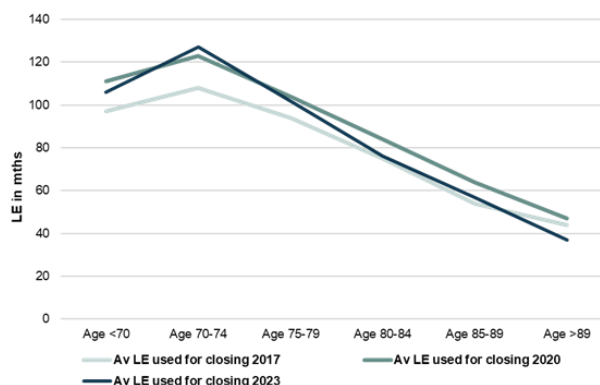
	2017	2020	2023
Av age [years]	77.9	75.8	76.1
Av LE [months]	84	95	95
Av Face Amount [USD Mio]	1.6	1.2	1.7

We took a closer look at the traded face amounts since there is no obvious and easy to understand reason for the swing between the three years. For this purpose we compared the relative distribution of the traded face amount in the three years, compare the upper chart on right hand side. The three lines are very similar. In all three years 50% of the trades in a given year with smaller face amounts account for roughly 12% of the total traded face amount. And with all three years the curve is very steep on right hand side, 10% of the largest transactions account for more than

40% of the total traded face amount in all three years. Thus, the distribution of the traded face amount is similar in all three years albeit there is a swing in average traded face amount.



Last but not least took a closer look at the life expectancies. We sorted the transactions according to the age of the insured persons and calculated the average life expectancy per age brackets, compare the chart below. The upward shift of the average life expectancies from 2017 to 2020 is clearly visible. For 2023, the average medical underwriting for age brackets up to age 79 is similar as in 2020. For the age brackets older than 79 years, the average life expectancies are similar as in 2017.



Data Sampling and Data Provider

The information in this report is based on data which is collected by AAP on a multi provider basis. The transparent life settlement providers are (in alphabetical order):

- Life Policy Traders
- Life Settlement Solutions
- LifeTrust, LLC
- Q Capital Strategies
- RiverRock Partners, LLC
- Settlement Group, Inc.
- FairMarket Life Settlements
- Habersham Funding LLC
- Life Capital Group
- Life Equity

Life Settlement Market Activity

Mth to Mth

Secondary Market	Proj. Ret.	Volume
Main Market (Age 75-86)	➡	⬆
Tail Market (Age < 75)	⬆	⬇
Tail Market (Age > 86)	⬆	⬆
Tertiary Market		
Tertiary Market All	⬇	⬆
Total Market		
Sec. and Tert. Market	➡	➡

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