

## Face amount distribution & the year at the close

The face amount of traded policies is in a very broad range. There are small policies traded with USD 50'000 face amount and big policies with USD 50 Mio face amount. And the transaction price relates to the face amount, all other equal, thus size matters in our market. But how is the distribution in the market? We took two years of secondary market transactions from Nov 2022 to Oct 2024 to get an idea. Joint policies, viaticals, other policy types etc. were ignored for the analysis.

Policies with up to USD 500'000 face amount account for 47.1% of all transactions in the sample. This market segment, however, represents just 9.1% of the total traded face amount. On the other side of the spectrum policies with face amount in excess of USD 5 Mio account for 4.9% of the transactions, but the 4.9% represent 34.8% of the total traded face amount.

One major consequence of the shown face amount distribution is that an investor almost inevitably will need to tap into bigger policies if larger amounts need to be deployed within reasonable time. A further remark is necessary regarding the two years of data. Our markets are not static, they are constantly changing. On this background it is noteworthy that the transactions are not equally distributed in the two years. The average face amount is substantially lower in the sample Nov 23-Oct 24, the transactions with up to USD 500'000 make up about 60% of the transactions in that year. Thus, the market environment at time of capital deployment also matters.

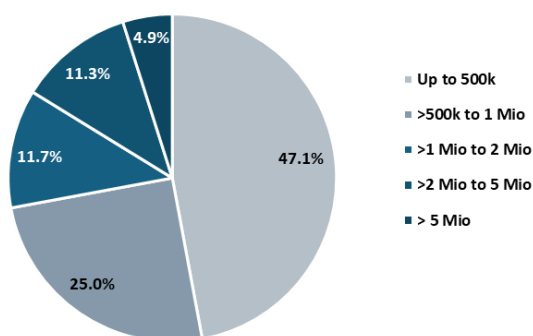
### The year at the close—a big 'Thank You' to our providers

Life settlements is an opaque market. Transactions are agreed privately between a seller and a buyer, thus, there is in general little market information available.

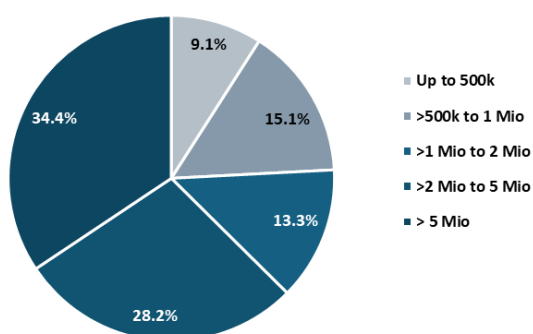
On the other hand data about a market is essential. A simple google search reveals some of the main effects of in-transparency, i.a. significant information asymmetry, less liquidity, more risk, less investors confidence, less long-term investors, and so forth. Furthermore, in-transparency opens the door for misconduct by bad actors which at the end will hurt investors. This is why at least some data about every market should be available. And this is the reason why we have set up a life settlement transaction data collection.

We have a great panel of providers which support our efforts to improve the transparency in our market—you find the names at the bottom of this newsletter— a big 'Thank You' to them for their continued support!

Number of transactions in %



Sum face amount in %



### Data Sampling and Data Provider

The information in this report is based on life settlement transaction data which is collected by AAP on a multi provider basis. The data providers send a sheet with the actual closings every month. Per each transaction information regarding the policy, the insured and the transaction itself is obtained.

The transparent life settlement providers are (in alphabetical order):

- FairMarket Life Settlements
- Habersham Funding LLC
- Life Capital Group
- Life Settlement Solutions
- LifeTrust, LLC
- Q Capital Strategies
- Settlement Group, Inc.

### 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	↑	↓

AA-Partner is a boutique company specialized on life settlement consulting. The company is domiciled in Zurich, Switzerland and provides consulting services as independent 3rd party for institutional clients. AA-Partner is a member of ELSA, the European Life Settlement Association.

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