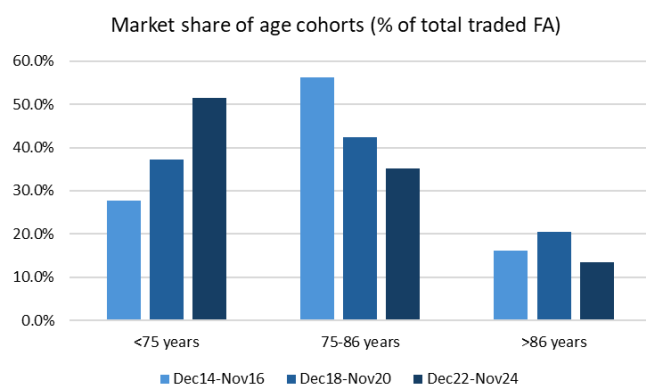


The raise of the age cohort ‘Younger than 75 years’

We recognized a steady increase of the market share, and the importance, of policies referring to insureds younger than 75 years, compare also the following chart. We took secondary market data for the following 24 months windows: Dec14—Nov16, Dec18—Nov20 and Dec22—Nov24. Joint policies, viaticals, other policy types etc. were ignored.



The market share of traded face amount referring to insureds younger than 75 years increased from about 27.6% ten years ago to about 51.5% over the last two years. In exchange the importance of the main market comprised of policies referring to insureds aged 75-86 years decreased. The tail market ‘Older than 86 years’ was, and still is, the smallest part of the market overall.

The structure of the sample ‘Dec22-Nov24

The most significant difference between the three age cohorts is the life expectancies (‘LE’) that were used for the transactions, compare also the scatter chart on the right.

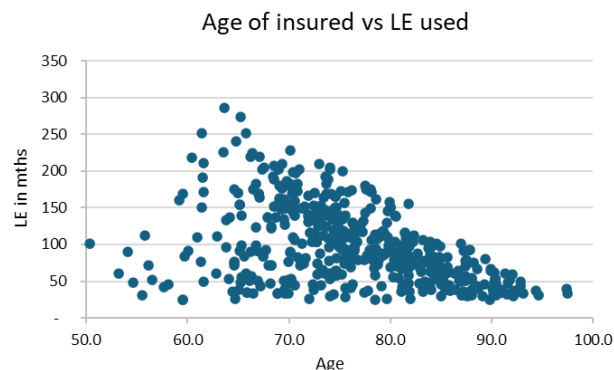
- Cohort ‘Younger than 75 years’: the LE are longer on average than in the other two cohorts, the average LE is 119 months.

It is natural that the average LE is longer in this part of the market since the insureds are younger. However, the chart shows that the LE cover a broad spectrum from very short LE up to LE of more than 250 months.

- Cohort ‘Age 75-86’: the average LE is 88 months. Again the LE are widely spread. Some indicate severe impairments and others quite good health.

- Cohort ‘Age over 86 years’: the reported transactions are thinning out with increasing age and are fading out below age 100. The average LE is 48 months within this group.

The data illustrates overall that the secondary market for life insurance policies is a great tool for policy owners in different age cohorts and in very different health status. The market offers the possibility to sell a policy either if the sales proceeds are needed for paying medical bills and for the support of the family as well as if an insured is in relatively good health and a



policy is simply not needed any more. The raise of the market segment of insureds younger than 75 years illustrates this fact very well.

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.

AA—Partners Ltd.

Witikonstrasse 36
CH-8032 Zurich
Switzerland
Tel. +41 76 414 42 29

Partnering for mutual success

www.aa-partners.ch

Disclaimer

This report has been prepared by and the opinions expressed are those of AA-Partners Ltd. as of the date of writing.

This report is for distribution only under such circumstances as may be permitted by applicable law. Nothing in this report constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances or otherwise constitutes a personal recommendation. It is published solely for information and illustration purposes and may not be relied on in any way. It does not constitute an advertisement and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments in any jurisdiction. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness or reliability of the information contained herein, nor is it intended to be a complete statement or summary of the securities, markets or developments referred to in the report. AA-Partners Ltd. does not undertake that investors will obtain profits, nor will it share with investors any investment profits nor accept any liability for any investment losses. Investments involve risks and the report should not be regarded by recipients as a substitute for the exercise of their own judgment. Any opinions expressed in this report are subject to change without notice and may differ or be contrary to opinions expressed by other market participants as a result of using different assumptions and criteria. AA-Partners Ltd. is under no obligation to update or keep current the information contained herein.

The securities described herein may not be eligible for sale in all jurisdictions or to certain categories of investors. Any reference to past performance is not necessarily a guide to the future. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related instrument mentioned in this report. Neither AA-Partners Ltd. nor any of its directors, employees or agents accepts any liability for any loss or damage arising out of the use of all or any part of this report. AA-Partners Ltd. does not provide any legal or tax advice.

Issuers of the securities referred herein or AA-Partners Ltd. may have acted upon the information and analysis contained in this publication before being made available to recipients. AA-Partners Ltd. may, to the extent permitted by law, participate or invest in other financial transactions with issuers of the securities referred herein, perform services or solicit business from such issuers, and/or have a position or effect transactions in the securities or options thereof.

The disclosures contained in research reports produced by AA-Partners Ltd. shall be governed by and construed in accordance with Swiss law. The report is assigned to the use of the subscriber to this publication. AA-Partners Ltd. prohibits the redistribution of this material in whole or in part without the written permission of AA-Partners Ltd. to any other person or company or legal entity, and AA-Partners Ltd. accepts no liability whatsoever for the actions of third parties in this respect.