

The issue date matters

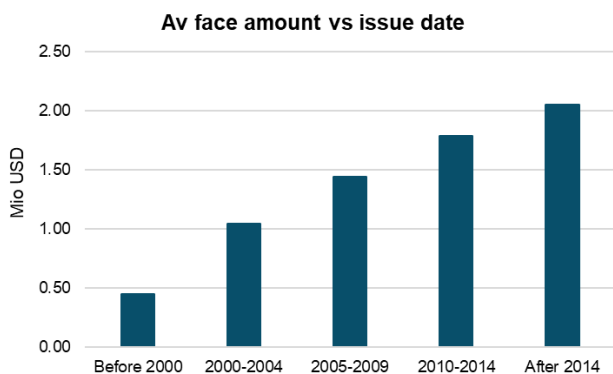
Every life insurance policy comes with an issue date that marks the point of time when a coverage becomes active. The issue date can change if a policy is transformed into a new policy. This is for instance the case when it comes to conversions of term life policies into universal life policies which provide permanent coverage.

We collect life settlement transaction data, and we looked into the issue dates of the reported transactions. We took three years of secondary market data from January 2022 to December 2024. And we just looked at the main market, so policies where the insured person was between 75 and 86 years old at time of the transaction. Furthermore, we ignored joint policies, viaticals, other policy types etc.

The average face amount increases the more recent a policy was issued..

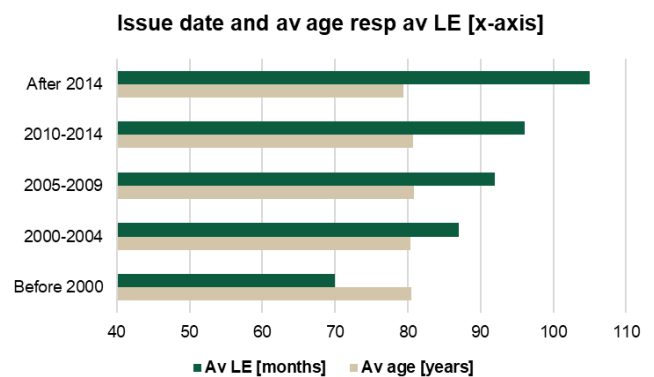
We sorted the transactions according to their issue date and calculated the average face amount per bracket, compare the chart below.

The average face amount for policies issued before the year 2000 is USD 0.45 Mio. However, it increases the younger the policies are. The average face amount of policies with issue date after 2014 is more than USD 2 Mio.



..and the average life expectancy is linked as well to the issue dates

We also looked at the average life expectancy (LE) of the various brackets. The average life expectancies are linked to the issue dates of the policies as well, compare the chart below, and this even though the average age is very similar in all brackets.



- We used policies referring to the main market (age of insured 75-86 years), thus there is no bias from the tail markets in the data set. And consequently the average age is very similar in all five brackets.

- The average life expectancies are the shortest for policies issued prior to the year 2000 with 70 months.

- The longest life expectancies with on average 105 months are in the bracket with policies issued after the year 2014.

Please be aware that there is a broad mix of life expectancies of various medical underwriters included in every bracket, so there is not a particular concentration of one medical underwriter in a particular bracket. Nevertheless, there are substantial differences of the average life expectancies between the various brackets.

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.