

LIFE SETTLEMENTS WHOLESALE FUND

ARSN 110 346 695

CONDENSED INTERIM FINANCIAL REPORT for the six months ended 31 December 2017

This condensed interim financial report covers Life Settlements Wholesale Fund as a consolidated entity and is presented in United States Dollars.

The responsible entity of Life Settlements Wholesale Fund is GI Asset Management Limited (incorporated in Australia).

The responsible entity's registered office is:
Level 2, 56-58 Nerang Street, Southport QLD 4215

Life Settlements Wholesale Fund

Directors' Report for the six months ended 31 December 2017

The directors of GI Asset Management Limited (the Responsible Entity or GIAM), the responsible entity of Life Settlements Wholesale Fund (the Fund or LSWF), present this report together with the financial report of the Fund, for the six months ended 31 December 2017 and the review report thereon.

Responsible Entity

The directors of GI Asset Management Limited during or since the end of the interim period are:

Name	Period of directorship
Ian Sidney Cotton	Appointed 28 November, 2012
Stephen George Knott	Appointed 28 November, 2012
R. Laken Mitchell III	Appointed 28 November, 2012
Rob White	Appointed 28 November, 2012
Stephanie Jane Nolan	Appointed 28 November, 2012

Review of Operations

The Fund continued to invest in the Global Insurance Settlements Funds PLC, GIS General Fund in accordance with its investment strategy.

As at 31 December 2017 the Fund owns 15,322,049 shares in the GIS General Fund which constitutes 16.88% of the shares on issue. The share price in the GIS General Fund shares has decreased by 2.11% from \$0.9925 at 30 June 2017 to \$0.9715 at 31 December 2017. The GIS General Fund has declared two 1c dividends in the period, all dividends automatically reinvest.

The results of the Fund's operations and its performance was as follows:

Results	31-Dec-17	31-Dec-16
	\$	\$
Net operating profit/(loss) before financing costs	213,709	(238,816)
Distributions paid and payable	-	-
Change in net assets attributable to unit holders	213,709	(238,816)

The net operating profit/(loss) is the result of the revaluation of the Fund's assets mentioned above and also due to reimbursement of legal fees in relation to a successful litigation.

Unit Prices	31-Dec-17		30-Jun-17	
	AUD	USD	AUD	USD
Issue price	1.2356	0.7946	1.2359	0.7839
Redemption price (cum distribution)	1.2294	0.7906	1.2297	0.7799

Refer commentary below for discussion on unit pricing methodology.

Amounts attributable to unit holders	31-Dec-17	30-Jun-17
	\$	\$
Value of net assets	15,794,891	15,664,908

Life Settlements Wholesale Fund

Directors' Report (continued) for the six months ended 31 December 2017

Valuation methodology

The primary element in determining the value of the Fund is the value of the shares held in the GIS General Fund. The GIS General Fund redemption price is determined by its administrator and is then reviewed and approved by the Investment Manager, GI Asset Management Limited (GIAM), monthly.

The value of the life settlements held by the GIS General Fund is determined by GIAM on a monthly basis using ClariNet™, a business management and valuation software system developed by Clearlife Limited for use in the life settlements and longevity markets. The valuations are based on the "probabilistic approach", an actuarial method that fits the policies' cash flows (premium payments and death benefits) to a monthly mortality scale as generated by the specific life expectancy of each insured. This mortality scale is actuarially rolled forward from the life expectancy underwriting date to the valuation date.

The valuations are subject to independent verification by an Independent Actuarial firm at intervals of not more than 6 months. The independent verification is currently performed semi-annually.

Change in Liquidity Classification

At the end of November 2013 the Directors reviewed the status of the Fund and its liquidity provisions. Having regard to the prevailing conditions, the Board was of the unanimous opinion that it was in the best interests of the unit holders that the Fund be declared a Non Liquid managed investment scheme effective as of 3rd December 2013.

When the Fund is not liquid, Unit holders have no right to withdraw from the Fund unless there is a withdrawal offer currently open for acceptance by unit holders.

The Fund issued a new Product Disclosure Statement effective January 30th 2014.

A withdrawal offer was made to the Unitholders in December and closed in February 2018 for \$850,000. The Fund's aim will be to provide withdrawal offers semi-annually if possible.

Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 4 and forms part of the directors' report for the six months ended 31 December 2017.

Signed in accordance with a resolution of the Board of Directors of GI Asset Management Limited:



Stephanie Jane Nolan

Director

Dated at Gold Coast this 15th day of March 2018.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of GI Asset Management Limited as Responsible Entity of Life Settlements Wholesale Fund

I declare that, to the best of my knowledge and belief, in relation to the review of Life Settlements Wholesale Fund for the half-year ended 31 December 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

JJ Frazer

Partner

Gold Coast

15 March 2018

Life Settlements Wholesale Fund

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Life Settlements Wholesale Fund

**Condensed Statement of Comprehensive Income
for the six months ended 31 December 2017**

	Notes	31-Dec-17 USD	31-Dec-16 USD
Net changes in fair value of investments		(223,682)	(313,053)
Dividends		301,865	149,333
Interest income		155	113
Foreign exchange gains/(losses)		(1,728)	(1,701)
Net investment income/(expense)		76,610	(165,308)
Expenses			
Responsible entity's fees		36,012	35,084
Reimbursement of legal fees		(225,066)	-
Other operating expenses		51,955	38,424
Operating expenses before finance costs		(137,099)	73,508
Profit/(Loss) from operating activities before finance costs		213,709	(238,816)
Finance costs			
Distributions to unit holders	6	-	-
Change in net assets attributable to unit holders / Total Comprehensive Income	5	213,709	(238,816)

The above statement should be read in conjunction with the accompanying notes.

Life Settlements Wholesale Fund

**Condensed Statement of Changes in Equity
for the six months ended 31 December 2017**

The Fund's net assets attributable to the unit holders are classified as a liability under AASB 132 *Financial Instruments: Presentation*. As the Fund has no equity, no items of changes in equity have to be presented for the current or comparative half year.

The above statement should be read in conjunction with the accompanying notes.

Life Settlements Wholesale Fund

**Condensed Statement of Financial Position
as at 31 December 2017**

	Notes	31-Dec-17 USD	30-Jun-17 USD
Assets			
Cash and cash equivalents		933,618	157,927
Trade and other receivables		-	641,000
Financial assets held at fair value through profit and loss	7	14,885,371	14,905,806
Total assets		15,818,989	15,704,733
Liabilities			
Trade and other payables		24,098	39,825
Total liabilities (excluding net assets attributable to unit holders of the parent)		24,098	39,825
Net assets attributable to unit holders	5	15,794,891	15,664,908
Represented by:			
Net assets attributable to unit holders at redemption price		15,716,104	15,586,583
Other adjustments including transaction costs on withdrawal		78,787	78,325
	5	15,794,891	15,664,908

The above statement should be read in conjunction with the accompanying notes.

Life Settlements Wholesale Fund

**Condensed Statement of Cash Flows
for the six months ended 31 December 2017**

	31-Dec-17 USD	31-Dec-16 USD
Cash flows from operating activities		
Operating expenses paid	(105,155)	(81,910)
Reimbursement of legal fees	225,333	-
Maturity Proceeds	98,548	-
Interest received	155	113
Net cash flows used in operating activities	218,881	(81,797)
 Cash flows from financing activities		
Proceeds from redemptions in GIS General Fund	640,976	168,970
Payments on redemptions of redeemable units	(82,991)	-
Net cash flows from financing activities	557,985	168,970
 Net increase in cash held	776,866	87,173
Cash and cash equivalents at the beginning of the period	157,927	133,464
Effects of exchange rates on cash holdings in foreign currencies	(1,175)	(1,584)
Cash and cash equivalents at the end of the period	933,618	219,053

The above statement should be read in conjunction with the accompanying notes.

Life Settlements Wholesale Fund

Condensed notes to the financial statements for the six months ended 31 December 2017

1 Reporting entity

Life Settlements Wholesale Fund (the Fund) is a registered managed investment Fund under the Corporations Act 2001 domiciled in Australia. The condensed interim financial report of the Fund is for the six months ended 31 December 2017.

2 Basis of preparation and Statement of compliance

The condensed interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

The condensed interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the annual financial report of the Fund as at and for the year ended 30 June 2017.

This condensed interim financial report was approved by the Board of Directors on 15th March 2018.

(a) *Going Concern*

The interim financial report has been prepared on the going concern basis which contemplates the continuation of normal business operations and the realisation of assets and the settlement of liabilities in the normal course of business.

Going concern basis means the accounting basis whereby in the preparation of the financial report the reporting entity is viewed as a going concern, that is, the entity is expected to:

- be able to pay its debts as and when they fall due; and
- continue in operation without any intention or necessity to liquidate or otherwise wind up its operations.

At 31 December 2017 the Fund has cash and cash equivalents of \$933,618, unpaid redemption requests of Nil from investors and trade payables of \$24,098.

The directors of the responsible entity have prepared cash flow projections for the coming 12 months that support the ability of the Fund to continue as a going concern. The cash flow projections are dependent on redemption requests being received from GIS General Fund (GISF) on a timely basis to meet the commitments of the Fund as and when they fall due. The Fund holds approximately 16.88% interest in GISF as at 31 December 2017.

GISF status

As at 31 December 2017, GISF had cash funds of \$516,794, receivables from matured policies of \$433,721, other receivables of \$166,377, trade payables of \$271,433, borrowings of \$7,912,634 and no outstanding redemption requests.

GISF receives the majority of its cash inflows from the maturity of its investments in life policies. Due to the nature of these assets, the timing of the receipt of these cash flows are uncertain. GISF has a number of significant recurring operational obligations including the payment of life policy premiums and other operating expenses.

GISF entered into a loan agreement for debt funding of \$15,000,000 with North Channel Bank GMBH & Co. KG (the 'Lender') on 26 June 2014. The loan expires 16 June 2019. The permitted purpose of the loan is to enable GISF to pay premiums due and payable on the Life Policies, transaction fees, accrued and unpaid interest on the loan, administration costs and other costs approved by the Lender, in its sole and absolute discretion. Interest on the principal amount of the loan will accrue at an annual rate of the 3 month LIBOR plus 8%. As at 31 December 2017, the loan balance outstanding amounted to \$5,055,059 and interest payable amounted to \$2,857,575 and the total undrawn facility amounted to \$7,087,366.

In the event GISF does not receive sufficient or timely cash funds from the maturity of policies to settle its obligations as they fall due, the directors of GISF have a number of alternative options they may pursue, which include:

- selling life policies in the secondary U.S. market; and/or
- utilising existing undrawn debt funding; and/or
- delaying the repayment of redemption requests, or settling redemption requests by the transfer of policies to investors, as allowed by the GISF Prospectus.

Life Settlements Wholesale Fund

Condensed notes to the financial statements for the six months ended 31 December 2017

2 Basis of Preparation and Statement of compliance (continued)

GISF status(continued)

On 3 December 2013, due to the uncertainty of the timing of cash flows from GISF, the directors of the responsible entity declared Life Settlements Wholesale Fund a Non Liquid Managed Investment Scheme. This declaration has the effect that unit holders have no right to withdraw from the Fund unless there is a stated withdrawal offer open for acceptance by unit holders on certain terms.

While there is significant uncertainty of the sufficiency and timing of cash inflows to the Fund, the directors of the responsible entity have prepared the interim financial statements of the Fund on the going concern basis. The Directors expect to be able to pay their debts as and when they fall due and continue to fund the ongoing operations of the Fund in the normal course of business through the implementation of the following strategies:

- continue to invest in life policies through its investment in GISF;
- accept applications for new investments in the Fund based on a current product disclosure statement offer; and
- make withdrawal offers to investors from time to time based on available cash funding.

In the event that the above assumptions are not achieved, the Fund may not be able to continue as a going concern and may not realise its assets or settle its liabilities in the normal course of operations and at the amounts stated in the interim financial report.

Had the going concern basis of preparation not been used, adjustments would need to be made relating to the recoverability and classification of certain assets and the classification and measurement of certain liabilities to reflect the fact that the Fund may be required to realise its assets and settle its liabilities other than in the normal course of business and at amounts different from those disclosed.

This note should be read in conjunction with note 11 which outlines that Life Settlements Wholesale Fund has a contingent liability for withholding tax which, if it became payable, would have a material adverse impact on the financial position of the Fund and the ability of the Fund to continue as a going concern.

3 Significant accounting policies

The condensed interim financial report is presented in United States dollars which is the Fund's functional currency.

The accounting policies applied in these interim financial statements are the same as those applied in the Fund's consolidated financial statements as at and for the year ended 30 June 2017.

4 Estimates

The preparation of an interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial report, the significant judgements made by management in applying the Fund's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report as at and for the year ended 30 June 2017.

In particular the key sources of estimation uncertainty relate to:

- valuation of investments - refer note 7.
- going concern and liquidity - refer note 2(a) & 9.
- withholding tax - refer note 11.

Life Settlements Wholesale Fund

Condensed notes to the financial statements for the six months ended 31 December 2017

5 Net assets attributable to unit holders

As stipulated within the Fund Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund.

Movements in number of units and net assets attributable to unit holders were as follows:

31 December 2017	Ordinary Units		USD Units		Reserves	Total	
	No.	\$	No.	\$	\$	No.	\$
Opening balance	8,531,328	1,242,629	9,636,994	113,220,237	(98,797,958)	18,168,322	15,664,908
Applications	-	-	-	-	-	-	-
Redemptions	(87,460)	(83,726)	-	-	-	(87,460)	(83,726)
Increase/(decrease) in net assets attributable to unitholders	-	-	-	-	213,709	-	213,709
Closing balance	8,443,868	1,158,903	9,636,994	113,220,237	(98,584,249)	18,080,862	15,794,891

30 June 2017	Ordinary Units		USD Units		Reserves	Total	
	No.	\$	No.	\$	\$	No.	\$
Opening balance	8,531,328	1,242,629	9,636,994	113,220,237	(98,870,988)	18,168,322	15,591,878
Applications	-	-	-	-	-	-	-
Redemptions	-	-	-	-	-	-	-
Increase/(decrease) in net assets attributable to unitholders	-	-	-	-	73,030	-	73,030
Closing balance	8,531,328	1,242,629	9,636,994	113,220,237	(98,797,958)	18,168,322	15,664,908

6 Distributions to unit holders

No distributions were declared during the six-month period ended 31 December 2017 (31 December 2016: Nil).

7 Financial assets held at fair value through profit and loss

	31-Dec-17	30-Jun-17
GIS General Fund shares	14,885,371	14,905,806

GIS General Fund Shares value is calculated by its Administrator. The GIS General Fund uses two processes to satisfy themselves that the policy held by it are valued appropriately:

- The fund uses ClariNet an Industry recognised valuation software package. The software uses a probabilistic valuation methodology that individually computes each life policy's value based on Face Value (Known and fixed), Premium burden (supplied by issuing insurance company), and an independent Underwriters Life Expectancy report (or a blend of multiple underwriters reports.) It also requires input of a suitable discount rate.
- The valuations are subject to independent verification by an Independent Actuarial firm on a semi-annual basis.

The carrying amount of financial assets and financial liabilities included in the balance sheet approximate fair value.

Life Settlements Wholesale Fund

Condensed notes to the financial statements for the six months ended 31 December 2017

7 Financial assets held at fair value through profit and loss (continued)

Fair value measurements recognised in the statement of financial position

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- 1 Fair value measurements are those instruments valued based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 2 Fair value measurements are those instruments valued based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- 3 Fair value measurements are those instruments valued based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2017	Level 1	Level 2	Level 3	Total
GIS General Fund shares	-	-	14,885,371	14,885,371
Total	-	-	14,885,371	14,885,371
30 June 2017	Level 1	Level 2	Level 3	Total
GIS General Fund shares	-	-	14,905,806	14,905,806
Total	-	-	14,905,806	14,905,806

All financial assets held at fair value through profit and loss relate to life settlement policies either held directly or indirectly through its investment in GISF.

There have been no transfers between the levels of valuation method for each classification of financial asset held during the period ended 31 December 2017.

Reconciliation of level 3 fair value measurements of financial assets

	31/12/2017			30/06/2017		
	Fair value through profit & loss	Available for sale financial assets	Total	Fair value through profit & loss	Available for sale financial assets	Total
Opening Balance	14,905,806	-	14,905,806	15,488,795	-	15,488,795
Gains/(losses) on revaluation	(322,300)	-	(322,300)	(673,689)	-	(673,689)
Dividends reinvested	301,865	-	301,865	900,698	-	900,698
Redemptions	-	-	-	(809,998)	-	(809,998)
Closing Balance	14,885,371	-	14,885,371	14,905,806	-	14,905,806

Sensitivity analysis

Fair value measurements designated as level 3 carry the highest level of estimation when determining fair value. Changing one or more of the inputs to reasonably possible alternative assumptions could change fair value significantly.

The Fund invests in life settlement policies indirectly through its investment in the GIS General Fund. The redemption price of GIS General Fund is impacted by changes in the value of the life settlement policies held in GIS General Fund. The most significant factor in determining fair value of the life settlement policies is the discount factor applied. A discount rate indexing methodology applied using a base discount rate of 11%. The indexing methodology allocates a discount rate to each policy depending on certain characteristics (e.g. size of face, length of LE, Carrier etc.). This discount methodology has been determined as the most appropriate basis based on levels currently being experienced in the market for quality portfolios of policies.

Reasonably possible alternative base discount factors of +/- 1% have been considered, and the impact this would have on the fair value of the Funds investment in GIS General Fund at year-end is as follows:

Discount Rate	Fair value of investment in GIS General Fund	Change from fair value reported in statement of financial position
10%	15,300,599	415,228
11%	14,885,371	-
12%	14,493,127	(392,244)

Life Settlements Wholesale Fund

Condensed notes to the financial statements for the six months ended 31 December 2017

8 Related party transactions

There have been no significant changes to the related party transactions disclosed in the annual financial report of the Fund as at and for the year ended 30 June 2017.

From time to time GI Asset Management Limited or its director-related entities may invest in or withdraw from the Fund. These investments or withdrawals are on the same terms and conditions as those entered into by other Fund investors and are trivial and domestic in nature.

9 Liquidity and cash flow risk

Liquidity risk is the risk that the Fund will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with settling financial instruments including meeting unit holder redemption requests. Cash flow risk is the risk that the future cash flows derived from holding financial instruments will fluctuate.

At the end of November 2013 the Directors reviewed the status of the Fund and its liquidity provisions. Having regard to the prevailing conditions, the Board was of the unanimous opinion that it was in the best interests of the unit holders that the Fund be declared a Non Liquid managed investment scheme effective as of 3rd December 2013. When the Fund is not liquid, unit holders have no right to withdraw from the Fund unless there is a stated withdrawal offer open for acceptance by unit holders on certain terms.

The Fund has an obligation to make ongoing cash payments including:

- Payment of redemption requests approved when a withdrawal offer is open for acceptance by unitholders; and
- Payment of operating costs of the Fund, including management fees; and
- Payment of distributions

Distributions from the GIS General Fund are expected to occur periodically. Due to the nature of the underlying assets the timing of these cashflows are uncertain and the shares held in GIS General Fund may not be readily convertible to cash through either redemption or sale.

To manage liquidity the directors of the Responsible Entity prepare a rolling 12 month forecast each month for the Fund, which is used to estimate cash requirements and ensure sufficient shares in GIS General Fund are sold to meet the Fund's requirements.

As at 31 December 2017 the value of unpaid redemption requests was Nil (2016: Nil).

10 Events Subsequent to Reporting Date

A withdrawal offer was made to the Unitholders in December and closed in February 2018 for \$850,000. Other than this no matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in subsequent financial years.

11 Withholding tax

Life policies can be held to maturity or sold on the secondary market. In the year ended 30 June 2012 life policies were transferred out of the Fund in Australia to the GIS General Fund in Ireland, primarily to increase the marketability of the product offering. Life Settlements Funds Ltd (the previous Responsible Entity) has had advice that supports the Fund's position, being that where a policy is sold prior to maturity there is no withholding tax liability. However, there is uncertainty regarding the interpretation of US taxation legislation and its application to the Fund and if challenged there is a significant risk that the income on maturing policies in years prior to the transfer could be subject to US withholding tax of 30% of the net proceeds, i.e. death benefits less acquisition costs and premium.

If the net proceeds are subject to any US withholding tax, the maximum withholding tax payable at period end by the Fund is estimated at approximately \$26,370,000 excluding interest and penalties (2016: \$26,370,000) and would have a material adverse effect on the net assets of the Fund. The maximum withholding tax payable of \$26,370,000 may reduce over time if the period available for US taxation authorities to challenge the Fund's interpretation expires under the Statute of Limitations.

12 Economic dependency

The Fund is dependent on the GIS General Fund located in Ireland which provides the majority of the cash inflows to the Fund.

Life Settlements Wholesale Fund

Directors' Declaration for the six months ended 31 December 2017

In the opinion of the directors of GI Asset Management Limited, the responsible entity of the Life Settlements Wholesale Fund (the Fund):

- (a) The financial statements and notes, as set out on pages 6 to 14, are in accordance with the Corporations Act 2001, including:
 - i) giving a true and fair view of the Fund's financial position as at 31 December 2017 and of its performance, for the six month period ended on that date; and
 - ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

- (b) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of GI Asset Management Limited:



Stephanie Jane Nolan
Director

Dated at Gold Coast this 15th day of March 2018.



Independent Auditor's Review Report

To the unitholders of Life Settlements Wholesale Fund

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Life Settlements Wholesale Fund (the Scheme) and its controlled entities (collectively referred to as the **Group**).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Life Settlements Wholesale Fund is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2017 and of its performance for the Interim Period ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*

The **Interim Financial Report** comprises:

- Condensed consolidated statement of financial position as at 31 December 2017
- Condensed consolidated statement of profit or loss and other comprehensive income, Condensed consolidated statement of changes in equity and Condensed consolidated statement of cash flows for the Interim Period ended on that date
- Notes 1 to 12 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** consists of the Scheme and the entities it controlled at the interim period's end or from time to time during the interim period.

Material uncertainty related to going concern – emphasis of matter

We draw attention to note 2(a) to the financial statements which describe the basis for the Group preparing the interim financial report using the going concern assumption and matters relevant to this consideration. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and therefore, whether it will realise its assets and settle its liabilities in the normal course of business and at the amounts stated in the interim financial report. Our conclusion is not modified in respect of this matter.



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Scheme are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- for such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the interim period ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Life Settlements Wholesale Fund, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an Interim Period Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

JJ Frazer

Partner

Gold Coast

15 March 2018