



# LIFE SETTLEMENTS FUNDS

SUM ASSURED

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Samantha Parkinson, Mary Thompson, Laura Chia, Candice Jellick and Vanessa Zuscak

## Celebrating a worthy achievement: \$1 billion FUM

The **Life Settlements Wholesale Fund** recently reached a milestone and celebrated with clients at a gala evening at the Marriott Hotel, Surfers Paradise in July. Here is a copy of the speech presented by Chairman, Ian Cotton, so all our supporters can share in this outstanding achievement.



Ian Cotton

"Good evening ladies and gentlemen. A heartfelt thank you for being here tonight, for what is for us, a very important event. You have travelled from near and far to come together to recognise

and celebrate a major milestone for Life Settlements Funds Limited.

Precisely two years ago this month, I recall proudly telling people that the Life Settlements Wholesale Fund had \$10 million in funds under management. Those were early days, and at that stage very few people had even heard of this new alternative asset class.

We knew we had an enormous job ahead of us and proving our credentials and educating potential investors about life settlements were at the top of the list.

However, here we are, two years down the track. We have achieved phenomenal growth and our funds under management are now an impressive \$1.3 billion and rising.... rapidly.

Two years ago our investments came from one country, Australia. Today our investors come from 18 countries right across the globe.

Two years ago we owned 45 life insurance policies with an average face value of \$952,394. Now, in 2008, our portfolio of 553 policies has an average face value of \$4.2 million.

Over the last two years the size of the Fund's staff has doubled. And do you know what? We have only just begun!

We are understandably proud of what we have achieved and excited about the future and its limitless possibilities.

We have a statistically significant portfolio, a true global presence, an enviable track record and a highly desirable investment product, more especially considering the current state of world financial affairs.

So, while other asset classes continue to be beaten and battered by the spin-off of the U.S. sub-prime debacle, and as the price of oil keeps heading north, and as the Dow Jones is up one day, then way down the next, our asset class continues on its merry way - totally unaffected by the uncertainty, the volatility and the turmoil that surrounds us.

While economic conditions remain uncertain and investors are nervous, the Life Settlements Wholesale Fund continues to grow steadily because as you well know, the return on this investment has no correlation to the traditional financial markets. This is the very reason prudent investors are increasingly

identifying the Fund as an alternative investment, in the truest sense of the word.

While diversification across a number of asset classes is, at the best of times, a crucial characteristic of any balanced portfolio, current market conditions highlight this need to diversify, to our favour.

Life settlements provide the buffer that investors are looking for against losses in other investments. It's a commonsense investment alternative that adds balance to help smooth out the dips. And that's why fund managers are committing funds to life settlements, to provide a capital-stable base to their portfolio, as a type of hedging.

The current economic conditions mean volatility will prevail in the other asset classes for some time. Not only is this situation continuing to assist the Fund, the current credit crisis has actually opened up avenues for us to take advantage of some institutions looking to sell their policies to free up liquidity.



Stephanie Nolan presenting gifts to Fund directors, Andy Walter, Laken Mitchell, Rob White, Stephen Knott, Ian Cotton and Grant Vickers



1. Trevor White, R. Steven Orr, President of Life Settlement Providers LLC, and Sandra White 2. On the dance floor, Ian and Connie Cotton and Stephen and Leigh Knott 3. Glenda and Laken Mitchell and Grant Vickers

It is true that back in 2006, we were an emerging asset class. To some extent, we still are. And while we are yet to be considered 'mainstream', we are well on our way, as the largest open-ended life settlements fund in the world.

Importantly, .... we now have the ticks on the board and that adds even more credence to the solid foundation upon which we are building the fund, its respected reputation and solid returns.

Our underlying asset, U.S. life insurance policies, are performing exactly as predicted. They continue to appreciate every month and increasing numbers of investors are recognising the benefits of utilising an investment in our fund as a good way to soften the overall volatility of the other financial markets.

We've structured the Fund so the unit price grows by the aggregation of the increased value each month of each insurance policy, so we're not dependent on maturities to generate returns for investors. It's a business model that is recognised as being a long way ahead of our competition.

It has taken a lot of hard work from a great many people to get to where we are today.

There is no doubt that the team's skills are complemented by our association with our U.S. business partners, in particular, Laken Mitchell from CMG Surety, Andy Walter from Life Settlements Partners, and their colleagues who are among us here tonight. Laken and Andy's presence on our Board of Directors gives the Fund a breadth and depth of experience in life settlements that other funds can only dream of accomplishing.

From an internal perspective, it is imperative to acknowledge the efforts of our dedicated team and this extends to include our agents, advisers and consultants, who have all played a part in helping us lay such a solid foundation.

Certain basic practices underpin the way we do business. Accountability and good corporate governance are foremost. We strive to meet the highest standards in compliance with all regulations and regulatory bodies here and internationally.

Another key point is our lack of gearing. We have deliberately adopted a very conservative approach to ensure we are here for the long

term and our investors are protected. And it is pleasing to witness that recent world financial events have shown this to be a wise and prudent move.

We are growing very quickly, and the conditions are perfect for us to maintain this momentum. We have established personal relationships and business development sources on all continents (with the exception of Antarctica!) which will allow us to continue the impressive rate of growth we have demonstrated to date.

International interest in our Fund is staggering and so is the understanding and increasing acceptance of this alternative asset class. Our marketing efforts in Asia and the relationships and networks we have established in Singapore and Hong Kong are showing results with new and growing investment in the Fund coming from this area. The same is the case in South Africa.

We take the interests of our investors very seriously indeed and our commitment is to deliver value to our unit holders on a continuous basis. Our investor growth is accelerating dramatically and all feedback indicates this will continue as we have a compelling story to tell – one of solid performance with an uncorrelated asset class that offers reduced volatility.

I look forward to adding more chapters to this exciting story as we report on and celebrate further achievements."

## International distribution via WestLB

The **Life Settlements Wholesale Fund** has signed a worldwide distribution agreement with WestLB AG, one of Germany's largest financial services providers and a highly regarded European commercial bank.

Chris Renouf, Executive Manager, Asia said this opportunity to work with an international bank of such stature presented the Fund with potential exposure to a wide range of high net worth clients.

"This is an exciting time for us as we've been building a relationship with them over the last 12 months, and we look forward to providing great outcomes for our mutual clients," Chris said.

## Fund Statistics

31 August 2008

<b>Ordinary unit price:</b>	A\$1.1157
<b>EA, SA, AP unit price:</b>	US\$0.9655
<b>Number of units issued:</b>	1,222,270,161
<b>Net Performance (Ordinary):</b>	FY07: +4.69%, FY08: -5.87%, FY to date: +12.24%
<b>Net Performance (EA, SA, AP):</b>	FY07: +19.92%, FY08: +6.92%, FY to date: +0.81%
<b>Funds Under Management (FUM):</b>	A\$1.363 billion / US\$1.180 billion
<b>Number of policies owned:</b>	568
<b>Number of insurance companies:</b>	61
<b>Average life expectancy:</b>	60 months
<b>Average age:</b>	84 years

**Please note:** unit prices are the application price. US\$ refers to EA, SA & AP units. The Fund's assets are determined in US\$. The Ordinary unit price is subject to changes in the US\$/A\$ exchange rate. The financial year is from July 1 to June 30. The Fund's audited financials are available on the website: [www.lifesettlementsfund.com](http://www.lifesettlementsfund.com).

The following article appeared in the April 2008 issue of Best's Review.

## Life settlement a key tool in financial planning

Life Settlement Providers President R. Steven Orr sees the industry still evolving – to the consumer's benefit.

R. Steven Orr, president of Life Settlement Providers and a former Maryland insurance commissioner, says the life settlement option is allowing insurance to become a vital part of one's financial planning. With a dramatic increase in life settlements, the life insurance landscape has been changed forever.

**BEST'S REVIEW:** Why is this the case and how do consumers benefit?

**ORR:** For the first time ever, consumers that own insurance policies have flexibility with them. With life settlements we have created an asset whose value is determined by the market and often times those that are selling their policies can get three, four times – perhaps more – than cash value than they would otherwise receive.

**BR:** Who are those selling policies and why are they selling them?

**ORR:** Generally these people are seniors – people who are over 65 and who are in reasonable health with what we would term life expectancies greater than 24 months. People ask us why people don't want policies anymore and there are a variety of reasons that we've encountered. They include the sale of a company involving a buy/sell agreement where the insurance is no longer needed, or it could be policies that have been purchased for estate-planning purposes and conditions change. Interestingly, we found a lot of people that sell their policies turn around and buy replacement policies. Given that insurance or premium prices have gone down, seniors are saving money. We see seniors making gifts to grandchildren and we're also beginning to see the sale of a policy to cover costly long-term-care expenses.

**BR:** How does Life Settlement Providers fit into this picture?

**ORR:** We are among the largest of the life settlement providers and we not only source policies and administer them, we also have an ownership interest in a fund that purchases the policies. The Life Settlements Wholesale Fund seeks investors so we have control from origination to when it becomes an investment – almost like a mutual fund. For our producers and brokers this means that we are able to offer consistent funding for our customers, and they're comfortable knowing that the fund's practice has been not to resell the policies.

**BR:** What trends do you see for the industry and what should consumers hope for from life settlements?

**ORR:** No. 1, we will see greater regulation. We believe firmly in compliance and we're helping to lead the way in the arguments for tightening up regulations. Reports from the life insurance industry say that business is up, and this turnaround shows that the life settlements option is encouraging people to purchase insurance that they wouldn't otherwise. The other major trend that we're seeing is that the market has attracted commercial banks and major investment banks. This money is increasing the competition, so we're going to all have to be better at what we do. Ultimately, the consumer wins. Finally, I believe we'll see more investment funds similar to our affiliated fund arise that will link investors looking for stable long-term investment possibilities with those that want to sell their policies. I think it will be beneficial on both sides of that transaction.

## Our exposure to policies underwritten by AIG

The following statement is in response to the financial issues faced by American International Group (AIG).

The **Life Settlement Wholesale Fund** does not own any life settlement policies in the name of AIG.

Of the 568 policies that the Fund owns, 49 are in the name of subsidiaries of AIG, with a total face value of \$229,577,187, which represents a small portion (9.78%) of the total face value of the Fund (\$2,348,256,119).

We believe the policies underwritten by the subsidiaries of AIG are safeguarded by statutory pools of capital which are legally distinct and separate from AIG.

In a recent statement released by the National Association of Insurance Commissioners, the position of policyholders is made clear.

"As a holding company, AIG is a separate, federally regulated legal entity that is distinct and apart from its subsidiary insurers. The subsidiary insurers are governed by state laws designed to protect the interest of policyholders. State insurance regulators are committed to protecting the interest of policyholders and will work closely with AIG management and other regulators to fulfil this commitment."

For more details visit <http://naic.org>.

Please direct questions relating to the Fund's exposure to AIG to Stephen Knott, Director on +61 7 5557 4700.

### New Zealand News

## LSWF attends second Asset Allocation Summit

International and local key speakers at the Asset Allocation Summit challenged attendees to take a wider view of portfolio allocations beyond the traditional asset classes.

They were encouraged to look beyond cash, fixed interest, property and equities, to the benefits of alternatives within a portfolio.

Lyn Buckley, the Fund's New Zealand Regional Manager, attended the second annual Summit, in Auckland in July, because of the considerable interest institutions and fund managers had

showed in the inaugural Asset Allocation Summit last year.

"Alternatives were discussed from their characteristics of risk, return and overall correlation/non-correlation within the existing portfolios," said Lyn.

"We heard of research into future asset allocation challenges and a '21<sup>st</sup> Century Portfolio Model' and how this could be implemented to the wider investor environment."

As pressure is currently felt within markets, e.g. equities under pressure internationally showing current lows for 2008 being recorded out of

the USA, alternatives are being researched to balance the risk reward profiles for a fund's future performance.

Infrastructure, timber and private markets have been integrated as a first step, and now, as allocations to alternative investments are increasing to upwards of 20% of a portfolio, a wider diversification is key.

If the asset class is uncorrelated to existing holdings, this could reduce the risk budget for a fund/portfolio. Life settlements, commodities and energy funds are being researched for this space, through direct or structured vehicles.

## Fund's international exposure



Director, Grant Vickers, Olympian, Duncan Free, and Chairman, Ian Cotton

## Our man won Olympic gold

The **Life Settlements Wholesale Fund** is a proud sponsor of Olympic rower, Duncan Free, who was among Australia's 14 gold medal winners at the Beijing Olympics.

Duncan and his rowing partner, Drew Ginn, crossed the finish line in first place in the final of the coxless pair event in Beijing, in August, adding to their outstanding performances in this event. Over the last two years they have won the men's pair five times at national and international rowing events.

The pair's Olympic success was achieved despite the odds following a dramatic lead up to the event. Drew badly injured his back several days prior to the first heat which meant that over the eight days between that heat, the semi-final and the final, the pair were not able to spend any time training in their boat between races.

But in true Aussie spirit they overcame the mental strain of this unusual preparation and Drew continued through the pain.

Duncan is a great example of how hard work, sacrifices and overcoming obstacles can lead to sweet success.

Rowing is a low profile sport outside the Olympics but the hours of intense training required are the same as most sporting disciplines. During training, family and a

social life has to take a back seat so Duncan can spend time on the water and in the gym. His body also takes a toll in the push for peak fitness but an Olympic win makes it all worthwhile.

Duncan visited the Fund's Gold Coast office earlier this month and was an inspiration for our staff. He discussed his latest gold medal race, his overall experience in China and the remarkable hospitality the Aussie team enjoyed there.

Duncan, who has been rowing since the age of 12 years, has followed in the footsteps of his father, Reg, also an Australian champion. Living on the Gold Coast saw Duncan and his brother playing around in their dad's old boat and soon Duncan's genetic inheritance shone through.

Despite being 35 now, and having overcome numerous injuries over the years, Duncan has the potential to make London 2012 his fifth Olympics.

Right now however, Duncan has the chance to take a short break and unwind.

International interest in the **Life Settlements Wholesale Fund** continues to grow.

We currently have investments from 18 countries, including:

Australia	New Zealand	South Africa
USA	Argentina	Brazil
Paraguay	Panama	Jamaica
Uruguay	Isle of Man	Trinidad & Tobago
Ireland	Taiwan	United Kingdom
Hong Kong	Singapore	Philippines.

While we have agents who we work within these areas, it is important for us to provide them with adequate support and to continue to develop opportunities elsewhere. To that end and to investigate the most effective way of delivering our product in each country, Director, Grant Vickers, and one of our international marketing agents, Noel Williams, are on an extensive business development trip that encompasses:

London	Edinburgh	Dublin
Paris	Amsterdam	Copenhagen
Oslo	Stockholm	Helsinki
Frankfurt	Munich	Luxembourg
Zurich	Geneva	Milan
Madrid	Moscow	Dubai
Abu Dhabi	Muscat	Doha
Bahrain	Riyadh	Kuwait
Vienna	Washington	Miami
Naples (USA)	Los Angeles	Sydney.

Can you estimate how many kilometres of flying their journey represents? Email your guesstimate to [mark@lifesettlementsfund.com](mailto:mark@lifesettlementsfund.com) by October 31 and the answer closest to the total distance wins a family dinner at a quality restaurant in your city. There also are two random draws and the lucky winners receive a Life Settlements Funds engraved platinum flash drive.

## Why invest in Life Settlements Wholesale Fund?

**Life Settlements Wholesale Fund** has reached the \$1 billion milestone of funds under management. The characteristics of the Fund support the key drivers for integrating alternatives into a portfolio:

- **Alternate asset class** offering attractive growth and return.
- **Non-correlated** to volatile stock and bond markets, interest rates, oil prices and global economic instability.
- **Yield is determined by time** not market forces. It's not a question of 'if' but 'when' a policy will be paid out.
- **Capital stable.** Once a policy has been bought, the benefit (underlying asset) is known.

Interest in life settlements is extending further as the asset class is more understood and researched by reputable fund managers, superannuation funds, research consultants, national advisory groups and high net worth individuals, to diversify existing portfolios during the current volatile period.

If you have an NZ-based group of investors interested in learning more about life settlements as an alternative asset class within their portfolios, call Lyn Buckley on 0274 501 518 (within NZ) to arrange a presentation so they can make an informed decision.

# Q&A

We receive many questions from advisers and investors around the world and thought it would be helpful to share some of these with you.



**Q I haven't invested my client's money yet as there's the likelihood that U.S. insurance companies will affect the life settlements industry, either by buying large numbers of policies and thus squeezing returns, or even lobbying for change. Is that right?**

**A** Good question, because this is a common misconception.

There is no evidence of either of these things happening. There is, however, considerable evidence to the contrary. When we bid for a policy, we factor in all the relevant criteria to provide us with our target internal rate of return (IRR) on each policy purchase. The real situation is that IRRs on current policy purchases are increasing, not decreasing, as a result of the market.

We buy policies that produce an IRR for the investor under certain actuarial and mortality assumptions. Those assets are secured in a portfolio and nothing the insurance companies can do will change that. To squeeze the IRRs, the U.S. life companies would have to offer more than the secondary market: now that's a stretch! An effort like this would take

years (seven to 10 years or more) to orchestrate and would only affect policies bought from that time forward. Again, IRRs are stable, with some opportunities for better returns, not decreasing, so all the evidence is to the contrary. Bottom-line: we have purchased and are collecting on policies, providing investors with a return, and operating an investment fund with life settlements as its only underlying instrument.

There is no effort by the life companies or life insurance industry to squeeze providers out of the market or legislate changes to inhibit the legitimate and growing secondary market for policies. That's why it's growing. Substantially more policies are available for sale every year as American policyholders are keen to take advantage of the opportunity to utilise their funds in other ways. It's illegal for an insurance company to buy back its own policy at a discount to avoid paying the death benefit. While there is some legislation on the prohibition of life insurance issued for the sole purpose of being sold in the secondary market after the two-year contestability period (or Stranger Originated Life Insurance), the regulatory environment for a legitimate secondary market is supported by most U.S. states as a consumer right. This consumer right is strengthened by most ongoing legislation we are seeing, further contrary to the assertion that the insurance companies could squeeze the IRRs even if there were such an effort (which there is not).

Insurance companies are long, longevity; they seek to reduce their long positions in longevity. Buying back their own policies, at a secondary market, does not accomplish that. From an actuarial perspective, it's like going long, long, longevity. They may buy other company's policies, but not their own. Buying back their own policies at a secondary market price (a price that certainly exceeds premiums collected by a substantial multiple) is also not a profitable business even though it relieves them from the future liability of paying the death benefit.

In the grand scheme of things, insurance companies look at the time value of money and this is positive for life settlements. While they do not embrace life settlements, there certainly is no industry-wide conspiracy to squeeze IRRs or to squeeze the life settlements industry in general.

**Q When will the Fund show a return?**

**A** There are two forms of return with our fund - the growth in the unit price, and the distribution of profits when we claim under policies. The underlying assets increase in value every month and this is reflected in the unit price.

Remember the Life Settlements Wholesale Fund is structured so the unit price grows by the aggregation of the increased value each month of each policy, thus removing the dependence on policy maturities to generate returns for investors.

**All the Fund's investors, international clients with USD units and Australian and New Zealand clients with AUD units, are currently seeing their unit price at an all time high.**

In addition to this, we have recently received the proceeds from a number of policy maturities. We are not yet in a position to declare a distribution, however, this is clear evidence that the portfolio is beginning to demonstrate its actuarial characteristics.



Stephen Knott and his Brisbane Broncos sporting memorabilia

## Supporting a good cause

A director of the **Life Settlements Wholesale Fund**, Stephen Knott and his wife Leigh, represented the Fund at the Gold Coast Hospital Foundation gala dinner, as guests of KPMG.

During the evening's charity auction, Stephen was delighted to be the successful bidder for a framed Brisbane Broncos jersey. The sporting memorabilia, signed by both Darren Lockyer (captain) and Wayne

Bennett (outgoing coach) now has pride of place on Stephen's office wall. This has initiated some interesting intra-office banter as most staff support the Broncos' rivals, the Gold Coast Titans.

## Questions answered on life settlements

**SG Life Settlements** in Singapore is actively promoting the Fund and has attracted media attention including coverage in the *Business Times*, the national daily financial newspaper, and investment magazines, *Invest* and *Pulses*.

Wilfred Ling, an Associate Director with the independent financial advisory firm, Promiseland Independent, in Singapore, posed the following questions to Fund director, Stephen Knott, as featured in *Invest* magazine, which we share with you here.

**Wilfred Ling:** Good day to you. Medical advances will increase the life expectancy of the life assured. This will negatively impact the return of the Fund. How do you handle such risk?

**Stephen Knott:** Experienced assessors review policies on behalf of the Fund and provide comprehensive written reports. The Fund predominately uses 21<sup>st</sup> Services for their life expectancy evaluations – an actuarial and medical analysis of an insured's life expectancy, medical history and impairments. 21<sup>st</sup> Services regularly tests and updates its methodology to make sure they're providing the best evaluations possible. More than just relying on actuarial data, these assessments also include evaluation by what is possibly the industry's most sophisticated debit/credit model. Further, 21<sup>st</sup> Services keeps a watchful eye on future mortality trends, for adapting into their methodology.

The risk of medical advances has mitigated somewhat by ensuring the Fund diversifies across a wide variety of medical impairments. Currently in our portfolio of policies, the life assured suffer at least one of the 10 medical impairments (hypertension is the largest). Our exposure to hypertension is 12%. Risk is also mitigated by the fact that the average age of our insured's lives is over 80.

**Wilfred Ling:** As I understand it, none of the life assured in the Fund has died and there have been no distributions. Give a simple example to illustrate how the Fund calculates the Net Asset Value (NAV) of a life policy as it approaches life expectancy.

**Stephen Knott:** There have been several deaths in the pool already but these are yet to trigger a taxable distribution. The simple answer is that the NAV is the cost basis, plus the net death benefit, minus the future premium payments, multiplied by the cumulative mortality of 1000 lives over 15 years. The mortality tables are supplied

by the medical assessors. There is no simple example. The most powerful elements of the Fund's business model, and what makes it unique in the life settlements industry, are its policy pricing and its NAV models. The process used by the Fund to value the policies within the Fund underwent actuarial review after its completion and is currently the subject of a patent pending filed in the United States and other foreign countries. Prior to the purchase of the policy, the individual policy dynamics are reviewed and assessed to determine the impact of the NAV of that specific policy over time. Graphical representations of the NAV impact, expected Internal Rate of Return (IRR), premium burden, and overall estimated IRR are determined. From the interpretation of the graphical and other information specific to each policy, a decision is made as to the appropriateness of each policy purchase.

**Wilfred Ling:** What happens when a life assured lives beyond the life expectancy? Does the Fund employ a 'Stop-Loss' strategy to ensure that it does not continue to pay premiums to a policy that did not mature as expected?

**Stephen Knott:** We actively manage the pool of policies. We only value each policy in the pool to a maximum of 85% so that if we need to sell the policy it is saleable. The Fund is structured so the unit price grows by the aggregation of the increased value each month of each policy, thus removing the dependence on policy maturities to generate returns for investors. The Fund reviews life expectancy calculations from time to time and will sell policies that no longer meet its criteria.

**Wilfred Ling:** Is it ethical to profit from someone's death?

**Stephen Knott:** Life settlements are a logical extension of the traditional life insurance industry. Life settlements are responsible investments that facilitate a valued service for Americans who have an unneeded or unwanted life insurance policy. For investors who might question the ethical side of the secondary market in life insurance, it is important to understand that it provides policyholders with access to fair market value for their policies. It means high-net-worth

policy owners, aged 65 or older, now have a third option. They have long had the choice of retaining their policy and continuing to pay the premiums themselves or of surrendering their policy or letting it lapse. Now they can choose to sell it in a structured, regulated process that protects them as the policy owner.

Imagine if you were an American who took out a \$1 million life insurance policy in the prime of life and paid an average 3% per year in premiums. After 10 years, you've paid \$300,000 in after tax dollars, yet you no longer need this policy. Before the emergence of the life settlements industry, your life insurance company offered you a cash surrender value of \$50,000, but today you have a more favourable option.

Many policies on the secondary market are 'key-man' insurance policies taken out as part of a business or rural enterprise. When the enterprise is sold the cover becomes excessive and rather than letting it lapse, owners can unlock some of the value in that asset for themselves by selling it as a life settlement.

Investors who are considering this asset class need to be aware that the Fund doesn't add or subtract a single day of life from an individual by buying their policy. Yet, there is no denying that the Fund (and its investors) does add to the quality of an insured's life by purchasing their policy.

From the business perspective, life settlements can be an attractive investment, and from the personal perspective of the policyholder, it is a valuable service. Therefore, a life settlement offers a win-win outcome for both parties as an unwanted life insurance policy becomes a valuable, tradeable asset. The policy purchase is simply a negotiated financial transaction between a willing settler and a willing buyer.

**Wilfred Ling:** Using a scale of 1 (no risk) to 5 (highest risk), how would you rate this Fund's risk?

**Stephen Knott:** 3, on the basis that 1 is cash and 5 is equities. We liken this asset class to being between equities and cash.

**Wilfred Ling:** Thank you for answering our questions.



Head of Product and Business Development, Ben Kilmartin

## New appointment: Ben Kilmartin

Ben Kilmartin has joined the executive team of the **Life Settlements Wholesale Fund** following his appointment as Head of Product and Business Development.

Ben was previously Vice President of JP Morgan Asset Management where he held several roles, most recently as Head of Client Portfolio Management, for the Currency Management Group in New York, USA. He also has worked within the Global Equities, Global Fixed Income and Structured Derivatives divisions.

Fund Director, Stephen Knott, said Ben's experience in these areas and having worked in Asia, North America and Europe was of great value to the Fund: "Ben will investigate hedging and other products that can be beneficial to our investors," Stephen said.

Originally from the UK, Ben has settled on the Gold Coast with his wife and family.

"This is a great opportunity to promote a non-correlated asset at a time when worldwide volatility points to a demand for our type of product. It's a great time to be in this asset class as it grows in acceptance and I see this as one of the most exciting opportunities in Australia at the moment," Ben said.



## How to invest in the Fund

Direct investors can buy Ordinary Units in the **Life Settlements Wholesale Fund** by completing an application form which is available in the Product Disclosure Statement (PDS).

The PDS can be downloaded from our website: [www.lifeselementsfund.com](http://www.lifeselementsfund.com) and/or contact the Fund on 1300 88 13 73 or +61 7 5557 4700 to receive a printed copy of the PDS.

Units in the Fund are also available via the following investment platforms' investor-directed portfolio services (wrap account or master trust) with the minimum investment or additional investment determined by that service:

### Australia

- Macquarie Investment Manager
- BT Wrap
- Symmetry (Avanteos)
- Access121 (Avanteos)
- Netwealth
- Wealthsure

### New Zealand

- Discovery
- Aegis
- BNZ Custodial Services
- ABN AMRO
- One Answer

### Worldwide

- Scottish Life International Flexible PIMS

### Superannuation platform

- Macquarie Super & Pension Manager

#### Bloomberg

LIFSETW AU - Ordinary Units

LIFSETA AU - AP Units

LIFSETE AU - EA Units

LIFSETS AU - SA Units

#### Morningstar

LFS0001AU

#### IDENTIFICATION CODES

APIR CODE	ISIN	PRODUCT NAME
LFS0001AU	AU60LFS00013	Life Settlements Wholesale Fund
LFS0004AU	AU60LFS00047	Life Settlements Wholesale Fund - SA Units (South America)
LFS0003AU	AU60LFS00039	Life Settlements Wholesale Fund - EA Units (Europe-Africa)
LFS0002AU	AU60LFS00021	Life Settlements Wholesale Fund - AP Units (Asia-Pacific)

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