29TH ANNUAL
LIFE
SETTLEMENT
CONFERENCE

October 22-23, 2023
Swissotel
Chicago
Welcome & Opening Remarks

Rich Beleutz, CEO
AIR Asset Management
Bryan Nicholson, Executive Director
LISA

9:45 – 10:00 AM
Thank You to Our Sponsors

2023 Strategic Partners

AIR ASSET MANAGEMENT
BANK OF UTAH
COVENTRY REDEFINING INSURANCE
WILMINGTON TRUST

Fall Life Settlement Conference Sponsors

ABACUS LIFE OPTIONS FOR YOUR LIFE INSURANCE
APEX SETTLEMENT GROUP
LIFEROC CAPITAL YOUR LIFE SETTLEMENT PARTNER
Life Insurance Settlements, Inc.
Welcome & Opening Remarks

Rich Beleutz
AIR Asset Management
Bryan Nicholson
LISA

9:45 – 10:00 AM
Join LISA for the 2024 Investor Conference

January 29
New York City
Convene @ 237 Park Avenue
Leadership Award Recipient

Phil Loy
Navigating the Life Settlement Legislative & Regulatory Landscape

Senator Travis Holdman
State Senator of Indiana
Nat Shapo
Katten Muchin Rosenman

10:00 – 10:45 AM
Networking Break

Sponsored by Apex Settlement Group

10:45 AM – 11:00 AM
Policy Valuation and Pricing Strategies

Jonathan Hogan
Preston Ventures

Ryan McTernan
Fifth Season Investments

Vlad Sorokulov
Jade Mountain

Moderated by Matt Sheridan
11:00 – 12:00 PM CT
Networking Lunch

Sponsored by Coventry

12:00 PM – 1:30 PM
2022 Life Insurance Industry Overview: Updated Conning Reporting

Scott Hawkins
Conning

1:30 – 2:30 PM
Key Drivers for the Life Settlement Industry: Growth and Challenges Over the Next Ten Years
Conning Overview

Key Facts
- Founded in 1912; insurance asset manager since 1983
- 519\(^{\text{(*)}}\) employees with 186 investment professionals
- Offices in Asia, Europe and North America
- PRI signatory as of 2012, with an integration of ESG factors into our investment process\(\text{(**)}\)

Recent Developments
- In 2020, acquired a majority interest in Global Evolution, a specialty manager with expertise in emerging market debt strategies
- In 2023, acquired a majority stake in Pearlmark Real Estate, L.L.C., a commercial real estate debt and equity manager
- Conning Holdings Limited (“Conning and its Affiliates”), a leading global asset manager … will be acquired by Generali Investment Holdings (“GIH”), an entity comprising the majority of asset management activities of Generali Group (“Generali”). The transaction is subject to customary regulatory review and is expected to close in the first half of 2024.

Assets Under Management\(^{(1)}\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Assets in billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$95.6</td>
</tr>
<tr>
<td>2015</td>
<td>$88.7</td>
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<tr>
<td>2016</td>
<td>$108.7</td>
</tr>
<tr>
<td>2017</td>
<td>$121.2</td>
</tr>
<tr>
<td>2018</td>
<td>$132.8</td>
</tr>
<tr>
<td>2019</td>
<td>$179.3</td>
</tr>
<tr>
<td>2020</td>
<td>$197.7</td>
</tr>
<tr>
<td>2021</td>
<td>$214.9</td>
</tr>
<tr>
<td>2022</td>
<td>$191.0</td>
</tr>
<tr>
<td>2Q2023</td>
<td>$205.6</td>
</tr>
</tbody>
</table>

\(^{(1)}\)As of June 30, 2023, represents the combined global assets under management for the affiliated firms under Conning Holdings Limited (CHL) and Cathay Securities Investment Trust Co., Ltd. (SITE). Cathay SITE is a separate entity under Cathay Financial Holding Co., Ltd. which is the ultimate controlling parent of all CHL controlled entities.

\(*\)Excludes Cathay SITE.

About Insurance Research

For over 50 years, Conning’s in-depth insurance expertise has helped management teams understand and navigate a rapidly changing insurance landscape.

**Total Industry Coverage**
- Property-Casualty
- Life-Annuity
- Health

**Experienced Team**
**Backgrounds in:**
- Underwriting and actuarial
- Insurance operations
- Primary & secondary market research
- Capital markets
- Rating agency perspective
- Investment functions

**Unique Offerings**
- Produces 100+ publications annually
- Access to a robust online library of Conning research
- Over 10,000 active users
- Direct access to expert analysis
- Custom consulting services

**How We Add Value**
- Efficiently support strategic planning
- Generate competitive insights
- Independent and objective, unbiased research
- Identify growth opportunities
- Benchmark financial performance

**Serving the insurance industry for** 50+ years

**19 Professionals Average experience of 25+ years**
LIFE SETTLEMENT MARKET FORECAST
Conning Life Settlement Forecast Drivers

Economic & Capital

- Interest Rates
- Capital Market
- Recession
- Inflation

Consumer

- Consumer LS Awareness
- Consumer Financial Need
- Covid-19 Impact
- Insurance Ownership
Rising Interest Rates Positive for Insurer Portfolio Yields

Life Insurance Book Yield vs. 10-Year Treasury Rates—Illustrative Scenarios

Recession Pressure on Income Positive for Life Settlements

Disposable Personal Income

Prepared by Conning, Inc. Source: Bureau of Economic Analysis, U.S. Department of Commerce (2023)
Pressure on Retirement Savings Positive for Life Settlements

US 401(k) Assets

$ in trillions

Direct-to-Consumer Widens Life Settlement Market

D2C Life Settlement Providers

Illustrative Impact of Increased Consumer Awareness on Life Settlement Gross Market Potential

- 1% Increase
- 3% Increase
- Base Average
- 5% Increase

Prepared by Conning, Inc. Source: ©2023 Conning, Inc
Excess Mortality Continues to Persist

Total Deaths by Quarter, U.S.
As of October 8, 2023

Prepared by Conning, Inc. Source: Centers for Disease Control and Prevention, U.S. Department of Health and Human Services (2023)

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The Socio-Economic Mortality Divide

Age-adjusted death rates by socioeconomic quintile

Rate per 100,000 people

Decreasing Life Insurance Ownership, A Challenge for Future Settlements

Number of Policies Issued Per Year, Individual Life Insurance

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Policies</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>14.0</td>
</tr>
<tr>
<td>2003</td>
<td>13.5</td>
</tr>
<tr>
<td>2004</td>
<td>13.0</td>
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<td>2005</td>
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<td>2006</td>
<td>12.0</td>
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<td>2009</td>
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<td>2010</td>
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<tr>
<td>2011</td>
<td>9.5</td>
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<td>2012</td>
<td>9.0</td>
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<td>2019</td>
<td>5.5</td>
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<tr>
<td>2020</td>
<td>5.0</td>
</tr>
<tr>
<td>2021</td>
<td>4.5</td>
</tr>
<tr>
<td>2022</td>
<td>4.0</td>
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</table>

Percentage of Cash Value Life Insurance Ownership

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>35%</td>
</tr>
<tr>
<td>1992</td>
<td>30%</td>
</tr>
<tr>
<td>1995</td>
<td>25%</td>
</tr>
<tr>
<td>1998</td>
<td>20%</td>
</tr>
<tr>
<td>2001</td>
<td>15%</td>
</tr>
<tr>
<td>2004</td>
<td>10%</td>
</tr>
<tr>
<td>2007</td>
<td>5%</td>
</tr>
<tr>
<td>2010</td>
<td>0%</td>
</tr>
<tr>
<td>2013</td>
<td>0%</td>
</tr>
<tr>
<td>2016</td>
<td>0%</td>
</tr>
<tr>
<td>2019</td>
<td>0%</td>
</tr>
</tbody>
</table>

LIFE SETTLEMENT INSURER PERFORMANCE
Individual Life Death Benefits and Operating Results Varied by Product

**Individual Life Death Benefits**

* $ in billions

- **Term**
- **UL**
- **VUL**
- **Whole**
- **Other**

**Individual Life Net Operating Gain**

* $ in billions

- **Term**
- **UL**
- **VUL**
- **Whole**
- **Other**

Prepared by Conning, Inc. Source: ©2022 S&P Global Market Intelligence LLC
Life Settlement Targets RBC Above Remaining Industry

Risk-Based Capital Levels 2022: Life Settlement Targets

Prepared by Conning, Inc. Source: ©2023 S&P Global Market Intelligence LLC

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Lower Portfolio Rates for Life Settlement Targets

Portfolio Rate: Net Investment Income / Average General Account Assets

<table>
<thead>
<tr>
<th>Year</th>
<th>Life Settlement Targets</th>
<th>Remaining Life Industry</th>
<th>LS Targets Ex Equitable and MetLife</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>4.4%</td>
<td>4.4%</td>
<td>4.3%</td>
</tr>
<tr>
<td>2019</td>
<td>4.3%</td>
<td>4.3%</td>
<td>4.2%</td>
</tr>
<tr>
<td>2020</td>
<td>4.2%</td>
<td>4.2%</td>
<td>4.1%</td>
</tr>
<tr>
<td>2021</td>
<td>4.1%</td>
<td>4.1%</td>
<td>4.0%</td>
</tr>
<tr>
<td>2022</td>
<td>3.9%</td>
<td>3.9%</td>
<td>3.8%</td>
</tr>
</tbody>
</table>
Higher Mortality for Life Settlement Targets

**Face Amount Lost from Death Claims/Average In-Force Face Amount**

*in basis points*

![Graph showing life settlement targets and remaining life industry comparison over years 2018 to 2022.*]
Cession Rates Increase for Life Settlement Targets

First-Year Reinsurance Cession Rate
First-year ceded premium/ first-year direct and assumed premium

- Life Settlement Target
- Remaining Life Industry
- Remaining ex Hannover and RGA

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Lapse Rates Lower for Life Settlement Targets

Lapse Rate
Lapsed face amounts/average in force face amounts

![Graph showing Lapse Rates for Life Settlement Targets and Remaining Life Industry from 2018 to 2022. The graph indicates that lapse rates for Life Settlement Targets are generally lower compared to the Remaining Life Industry.](image)

Prepared by Conning, Inc. Source: ©2023 S&P Global Market Intelligence LLC
Surrender Rates Flat for Life Settlement Targets

Face Amount Surrender Rates
Surrender face amount/average face amount, in basis points

Life Settlement Target
Remaining Industry
Ex RGA & Hannover

Prepared by Conning, Inc. Source: ©2023 S&P Global Market Intelligence LLC
Life Settlement Targets Yet to Recover from 2020

Aggregate Operating Margin and Operating Gain/Loss

Net operating gain/ revenue, $ in millions

- Remaining Life Industry Op. Margin

Prepared by Conning, Inc. Source: ©2023 S&P Global Market Intelligence LLC
Universal Life Profitability continues to Struggle

Universal Life Net Operating Gain

$ in '000s

<table>
<thead>
<tr>
<th>Year</th>
<th>LS Target</th>
<th>Remaining Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>-$4,000</td>
<td>-$3,000</td>
</tr>
<tr>
<td>2020</td>
<td>-$3,000</td>
<td>-$2,000</td>
</tr>
<tr>
<td>2021</td>
<td>-$2,000</td>
<td>-$1,000</td>
</tr>
<tr>
<td>2022</td>
<td>-$1,000</td>
<td>$0</td>
</tr>
</tbody>
</table>
Summing Up

- Economic conditions remain favorable for continued growth
- Lessing excess mortality positive for life settlements
- D2C mass marketing could expand market
- Insurers targeted by life settlement investors remain strong
- Pressure on profitability likely to keep attention on life settlement impact
Disclosure

About Conning
Conning (www.conning.com) is a leading investment management firm with a long history of serving the insurance industry. Conning supports institutional investors, including insurers and pension plans, with investment solutions, risk modeling software, and industry research. Founded in 1912, Conning has investment centers in Asia, Europe and North America.

Insurance Research
Conning publishes over 100 unique insurance industry research reports annually, including its Insurance Segment Reports with periodic line-of-business reviews; it's Forecast & Analysis service, which offers a forward look at the industry; the Focus Series which offers a concise analysis of strategic issues, and its well-known Strategic Study series offering an in-depth view of key products and trends and issues of critical industry importance. All are available for individual or enterprise-wide subscription through our web-based insurance research portal Conning Library (https://library.conning.com). In addition to its published research, Conning offers proprietary research and consulting focused on the insurance industry.

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Networking Break

2:30 PM – 2:45 PM
Fund Managers: The Ambassadors of the Life Settlement Market

Ward Kerr
Carlisle Management Company

Steve Luongo
AIR Asset Management

Andrew Plevin
BroadRiver Asset Management

Moderated by Taylor Garvey, AIR Asset Management

2:45 – 3:30 PM
Ask the Life Expectancy Providers

Chris Conway
ISC Services
Vince Granieri
Predictive Resources
John Lynch
Longevity Holdings
Kevin Malone
LSI

Moderated by John Collins
3:30 – 4:30 PM
Networking Reception

Swissotel – Currents Room
Sponsored by Abacus Life

4:30 – 6:30 PM