FINSION LIFE SETTLEMENT ETI

An UNIQUE investment opportunity
in US Life Settlements

Agenda

1. About Us
2. About US Life Settlements
   - Market growth & strong regulation
3. Why Invest?
4. Real Historical Examples
   - Historical Performance
   - Performance Outliers
5. Historical Performance comparison
6. Win-Win
7. Investment Strategy & Policy
8. Benefits & Risks – Risk Mitigation
9. Product Summary
10. Testimonials / Empirical Study

About Us

SIGMA Investment AG, based in Vienna, Austria, is an experienced asset manager with an unique knowledge in the asset class of Life Settlements; SIGMA's expertise includes mark to market valuation of insurance policies through sophisticated actuarial methodologies to ensure adequate risk management, independent accounting valuation & reporting as well as providing tax transparency by using regulated investment structures

SIGMA Investment AG established long standing relationships with trustworthy & market leading partners such as Fidelity of Georgetown giving them direct access to key market participants in every phase of a Life Settlement process and allowing them to select the most suitable policies that subsequently ensure a solid, risk adjusted investment performance for the investor.

About US Life Settlements

Unlike in the European market, life Insurance policies with a lifetime cover are very common in the US market, therefore most policy holders surrender their policies prior to maturity.

The intrinsic value of the insured risk of the life insurance policy depends on the life expectancy of the insured person.

Typically, US life insurance companies pay very low surrender values on these policies – very often not even covering the paid up premiums over the years.

As a consequence, insurance companies benefit with every lapse of a policy at the expense of the insured person.

About US Life Settlements

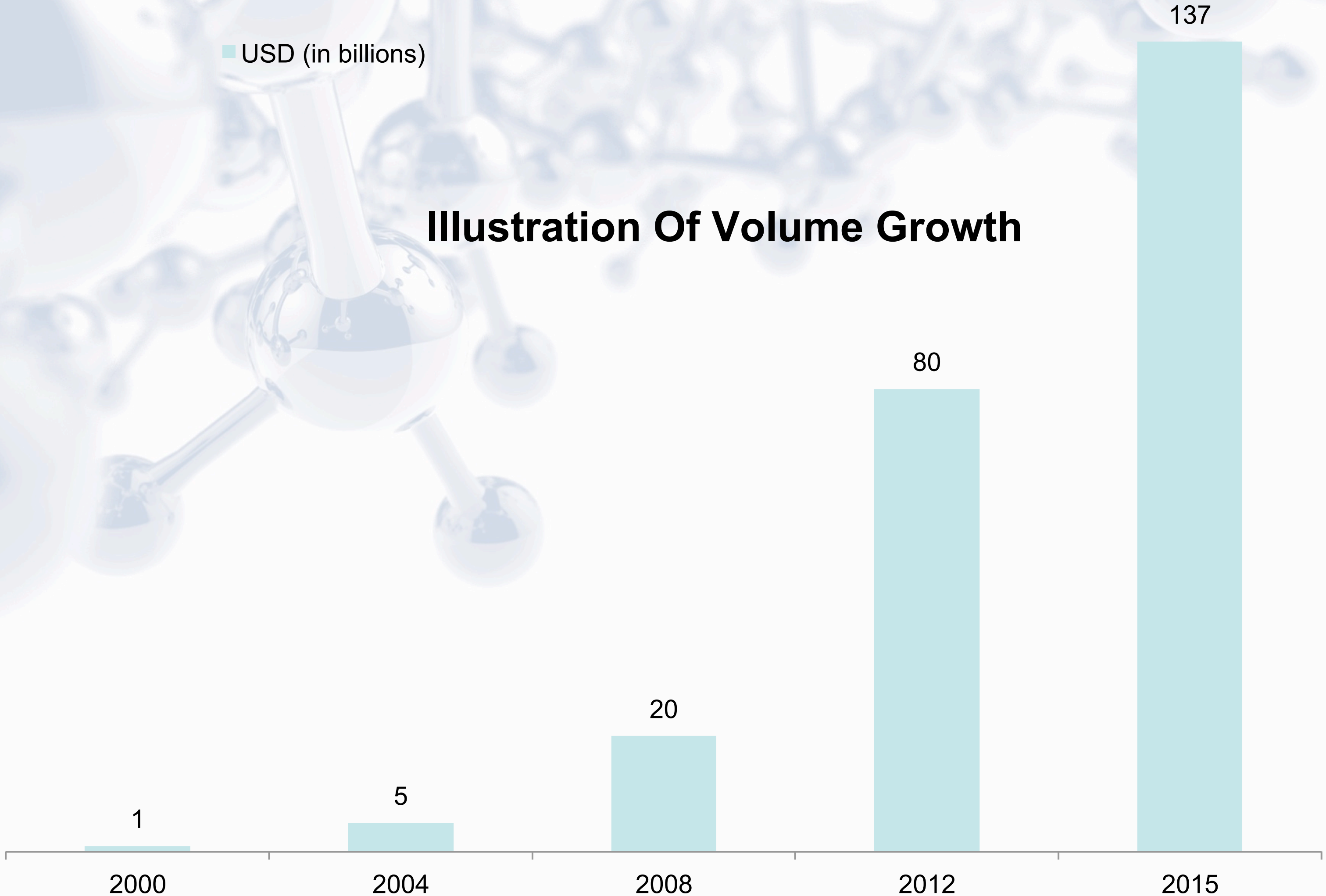
In a growing number of US states, insurance companies are therefore asked to direct their customers wishing to surrender their policies to the Secondary Market where they can usually sell their policies at far superior prices; thus offering a more attractive alternative for policyholders.

Once the sale is concluded the insured person is no longer required to service the annual premiums as they are paid by the new beneficiary, the investor, i.e. the ETI.

The investor in return benefits from the pay out of the face value which is the insured sum, securing attractive returns that are significantly higher than fixed income of comparable durations as the Secondary Market price always trades at a discount of the face value

The US Life Settlement Market has grown strongly over the last years; as per the latest data of last year’s Life Insurance Settlement Association (LISA) conference, the total size of the market is estimated to be USD 137 billion and Secondary Market transactions reached an estimated volume of USD 25 billion in 2015.

Market Growth



Source: Estimated figures by Life Insurance Settlements Association (LISA) & Bernstein Research

Strong regulations

The Life Insurance Settlement Association (LISA) is the nation's oldest and largest organization representing participants in the life settlement Industry, with a current membership of more than 85 companies doing business in all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands.

The mission of LISA is to promote the development, integrity and reputation of the life settlement industry and to promote a competitive market for the people it serves. LISA's membership consists of brokers, financing entities and service providers to the industry.

The Secondary Market for US Life Settlements is regulated in most US States by the National Association of Insurance Commissioners (NAIC). The NAIC implemented guidelines to ensure sound business practices and investors' protection.

The banks and service providers have to comply with SEC regulations. Our business partners are licensed, have a combined experience over 50 years in the Life Settlement segment and enjoy an undisputed market reputation.

Why invest?

US Life Settlements are an asset class with attractive returns that are not correlated with the performance of other asset classes such as equities, fixed income, commodities or real estate.

As such the ETI should be treated as a classic absolute return investment.

The basic investment principle is rather simple:

The ETI buys policies in the Secondary Market at a significant premium to the surrender value but at a discount to the Face Value and services its premium until maturity – upon which the ETI receives the face value insured.

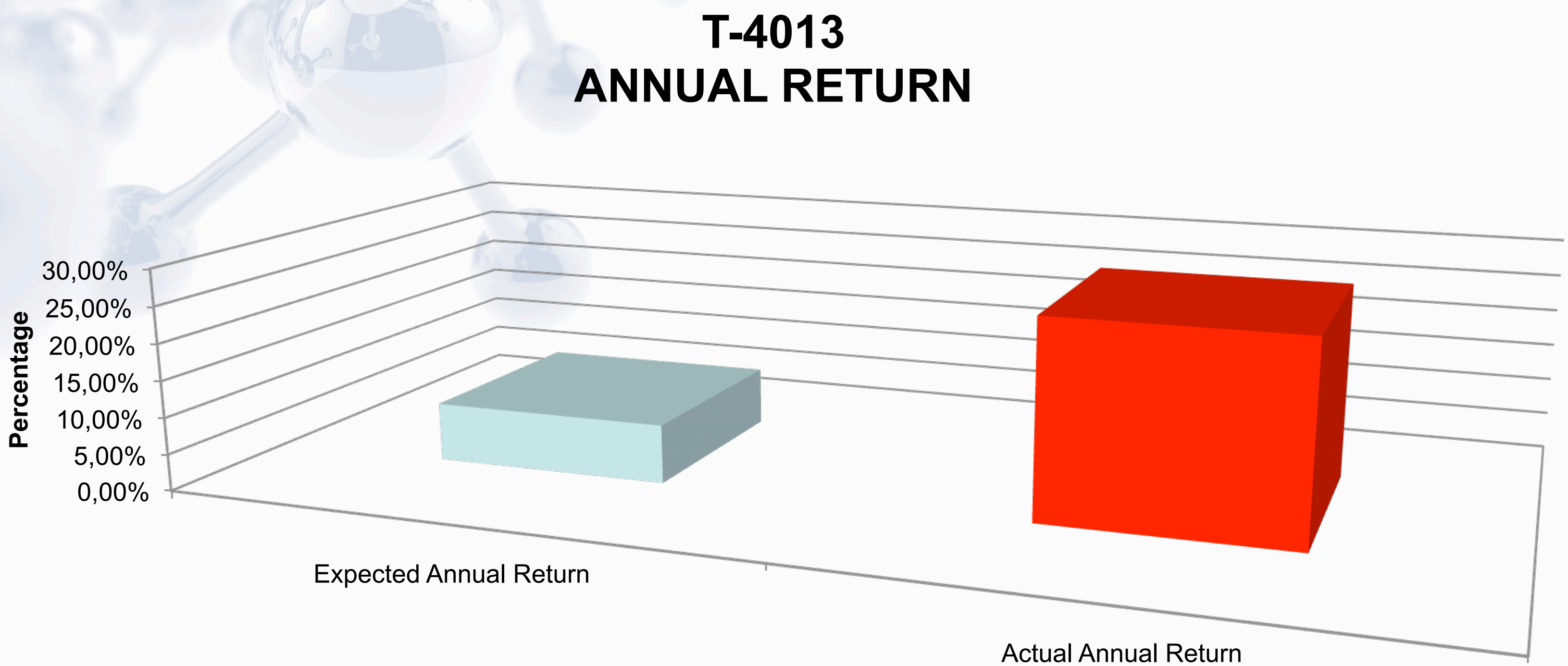
Real Historical Policy Examples

Surrender Value:	USD 150,000
Purchase price:	USD 740,000
Face Value:	USD 1,000,000
Life Expectancy:	42 months
Expected return:	8% annualized
Actual maturity:	after 15 months
Realized return:	26.7% annualized

- Insured person receives 4.7 times the surrender value
- Investor secures an attractive return of 26.7% annualized

Real Historical Performance

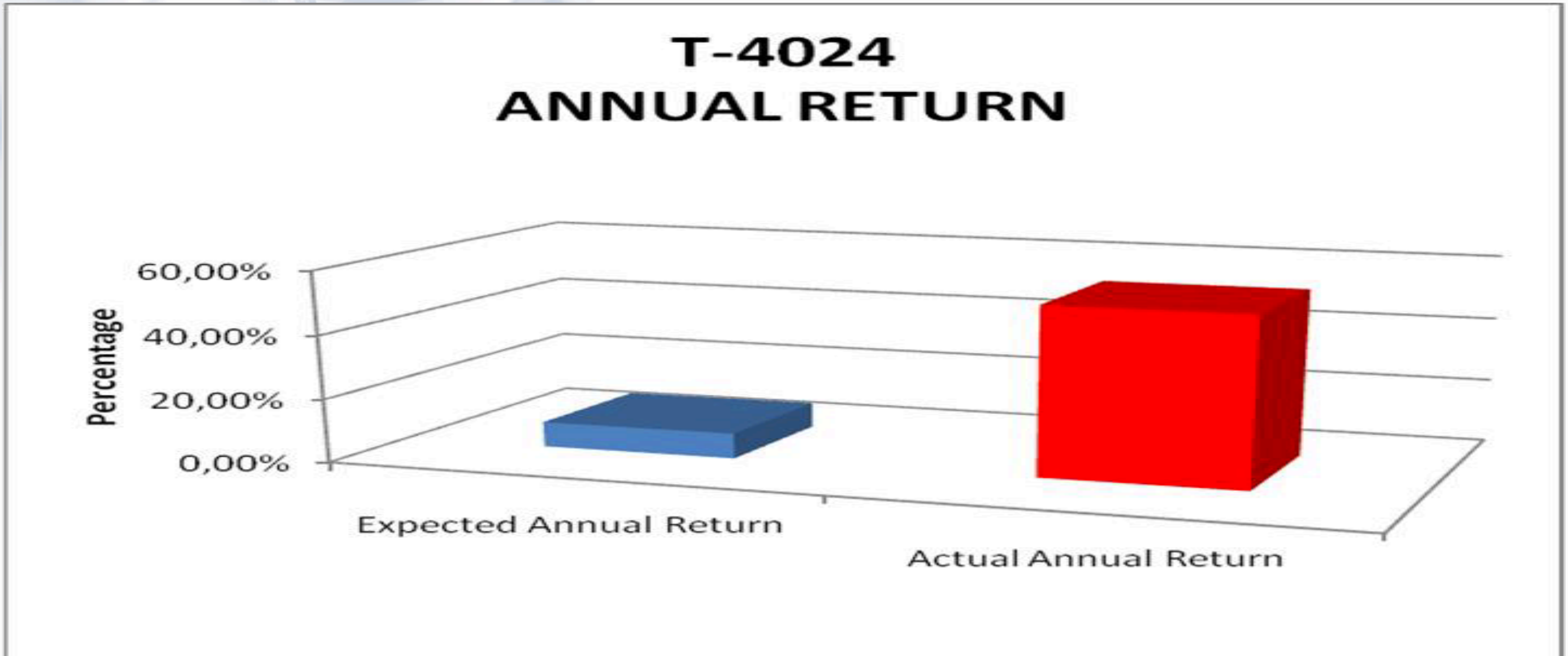
Policy no. T-4013 was purchased June 23, 2014 on an insured having a 42 month life expectancy issued by AVS and a 20 month life expectancy issued by Fasano. We purchase policies using the longest life expectancy. The actual life span of the insured was 380 days. The purchasers were expecting an annual return of 8%. These purchasers experienced an actual annual return of 26.76%



	Expected Annual Return	Actual Annual Return
T-4013 ANNUAL RETURN	8,00%	26,76%

Real Historical Performance

Policy no. T-4024 was purchased September 2, 2014 on an insured having a 60 month life expectancy issued by AVS and a 20 month life expectancy issued by 21st Services. We purchase policies using the longest life expectancy. The actual life span of the insured was 276 days. The purchasers were expecting an annual return of 8%. These purchasers experienced an actual annual return of 52.89%



	Expected Annual Return	Actual Annual Return
T-4024 ANNUAL RETURN	8,00%	52,89%

Performance Outliers

Worse case sample:

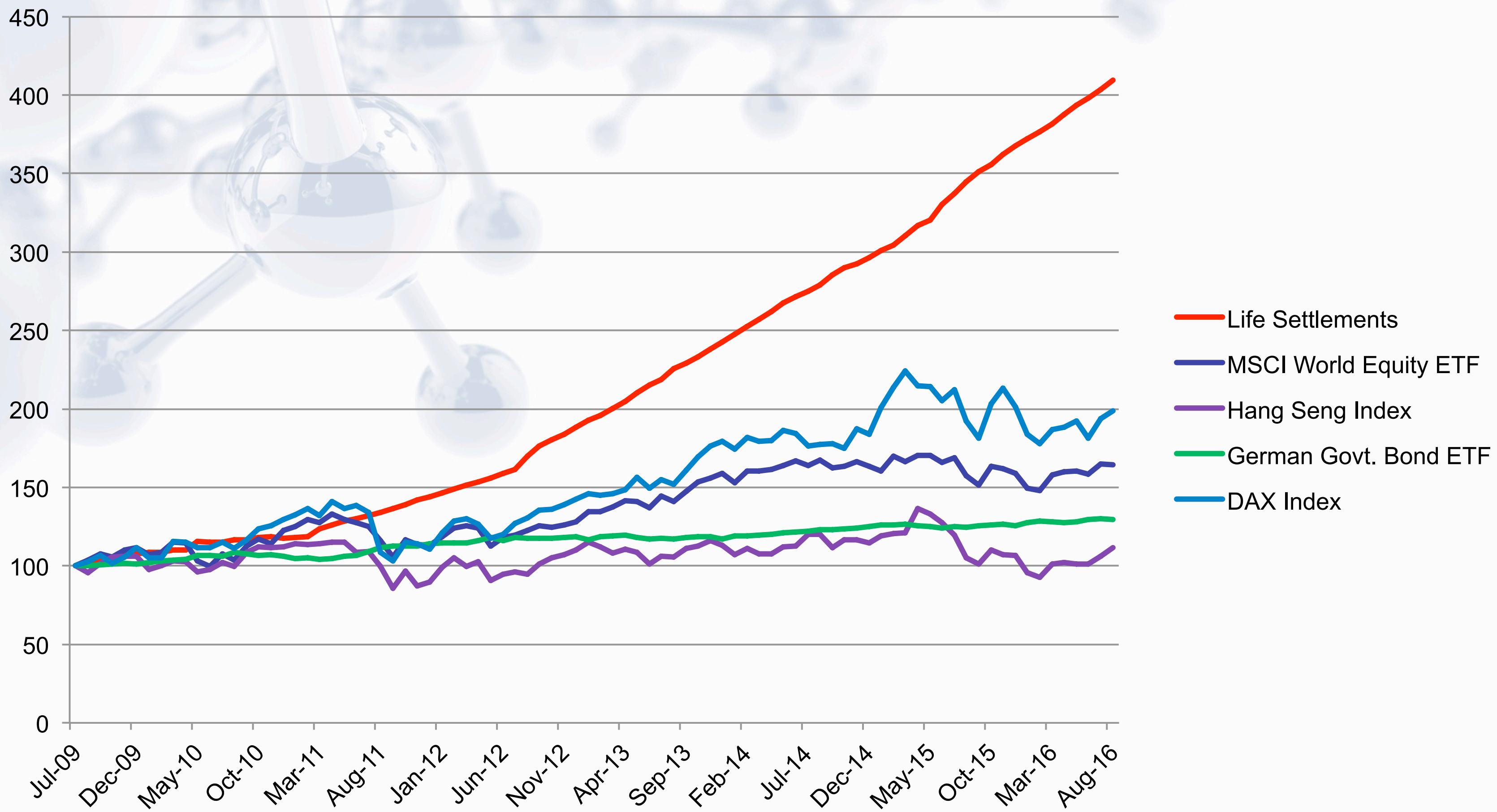
Life expectancy (LE) was 47 months, maturity after 82 months
→ investment return was still 4.25% annualized

Best case sample:

Life expectancy (LE) was 66 months, maturity after 1 month
→ investment return was 176% annualized

Even "outlier" scenarios provide positive returns – especially attractive in the current interest rate environment

Historical Performance Comparison



Source: Bloomberg L.P.

WIN-WIN

Low Correlation Asset Class

While most asset classes are typically affected by interest rate fluctuations, earning projections or credit rating shifts, life settlements are less sensitive to general drivers of global market turmoil and maintain an uncorrelated nature.

Limited Credit Risk

No US Life Insurance Company has ever neglected to pay a legitimate insurance claim in 150 years. Insurance carriers are heavily regulated and are required to maintain extensive reserves and solvency requirements in each state.

Substantial Market Growth

The US life settlement industry continues to experience significant growth of an estimated USD 12 billion annually in transaction volume, and is expected to reach USD 100 billion in the near future.

WIN-WIN

WIN-WIN for all parties:

• Investors generate attractive returns

• Insured person is paid a multiple of the surrender value during lifetime

• Portfolio manager can allocate into an uncorrelated asset class to create safety, attractive returns and manage risk

Conclusion:

• Significant benefits for policy sellers combined with strong investors' demand results in substantial market growth

Investment Strategy

The ETIs investment strategy is to purchase carefully selected life insurance policies that are beyond the contestability period.

The ETI seeks to build a large diversified portfolio across numerous sectors, including but not limited to carrier concentration, expected maturities, gender, age, impairment, geography and face-value in order to isolate mortality risk.

The ETI employs detailed actuarial and financial analysis to ensure that policies purchased account for longevity risk.

Very few assets truly have low correlation in adverse market conditions. The primary risk is mortality which is unaffected by changes in the economy and thus secure uncorrelated returns.

A diversified portfolio with a large number of insured lives will experience limited volatility and capital preservation.

Investment Policy

Allocation:	Approx. 90% US Life Settlements and approx. 10% cash
Policy Rating:	B+ to A++ by AM Best (founded in 1899), the recognized, specialized rating agency for insurance carriers – ratings conform to S&P ratings of BBB to AAA
Policies Selection:	Manager aims to diversify policies by face value, age, gender, medical condition, life expectancy, insurance carriers & policy ratings but no firm allocation is required to allow the manager flexibility to select the most attractive policies As the ETI lifespan is 5 years, policy selection should follow the maximum tenor of the ETI; i.e. for policies purchased into the ETI at the end of Year 1, a max. Life Expectancy (LE) of 4 years is envisaged
Independent Medical Evaluation:	All policies require 2 mandatory, independent Life Expectancies by 2 US medical under-writers; the ETI always uses the longer, more conservative one to minimize risk and adds 2 years premium reserve to the longest Life Expectancy (LE)

Early Redemption:	Not guaranteed; on best effort basis; approx. NAV minus exit fees.
Exit Fees:	Year 1: NAV – up to 15% Year 2: NAV – up to 10% Year 3; NAV – up to 5% Year 4 & 5: NAV
Subscription Period:	The ETI is open for subscriptions from 23.01.2017 to 30.04.2017; the ETI manager reserves the right to close subscriptions early.
NAV Calculation:	Monthly NAV evaluation by licensed actuary
Redemption During ETI Life-span:	Distributions of proceeds linked to policy maturities in the ETI may be paid out periodically at the sole discretion of the manager.
Redemption Beyond ETI Life-span:	If policies have not matured during the expected lifetime of the ETI, it is upon the manager's discretion to sell the remaining policies in the Secondary Market on best effort basis or to distribute the policies or parts thereof to the ETI's existing investors. Additionally, it is envisaged to start a new closed end ETI structure every year to offer investors a direct reinvestment opportunity.

Benefits & Risks

Currency risk:

The product is denominated in USD and invested in US insurance policies, as such there is a USD currency exposure.

Cash Flow Risk:

Cash Flows can not be predicted but independently evaluated by an actuary

Longevity Risk:

Medical inventions could expand life expectancies that could potentially lead to reduced investment returns

Solvency Risk:

Life insurance companies could become insolvent although historically it never happened in 150 years that an insurance company failed to pay out the death benefit to the legitimate beneficiary

Benefits & Risks

Issuer Risk

The assets in the ETI are segregated, the policies are held through a Securitization Cell Company (SCC) and they economically survive a bankruptcy of the SCC and there is no counterparty risk with the SCC .

Acquisition & Execution Risk:

The ETI only transacts in the Secondary Market of NAIC regulated US States. The banks and our licensed business partners must comply with SEC regulations and are international experts with a long track record and enjoy an undisputed reputation.

Risk mitigation

- Experienced manager and advisor with combined more than 20 years of in-depth US Life Settlements know-how
- Strict evaluation process with monthly, actuary reporting
- Mandatory additional 2 years premium reserves over the most conservative life expectancy
- Two mandatory independent US medical evaluations from licensed US Medical Underwriters plus an additional medical opinion by experienced medical physicians from Germany &/or Switzerland as ultimate plausibility check
- Broad diversification of policies to avoid concentration risk envisaged by face value, age, gender, medical condition, life expectancy, insurance carriers and insurance ratings

Risk mitigation

- The ETI maintains a sufficient cash reserve and utilizes mark-to-market valuation systems that allow it to sell policies in the secondary/tertiary market to increase its liquidity profile – if necessary

- Maintain access to the markets to facilitate potential, rapid sale of policies - if necessary

PRODUCT SUMMARY

The **FINSION LIFE ONE 2022** is an exchange traded instrument listed at the European Wholesale Securities Market (EWSM) and traded at the Malta stock exchange.

The ETI invests exclusively in US Life Settlements and Cash. Approximately, 10% of the fund will be managed in cash or cash equivalent instruments to provide for adequate liquidity.

Advised by SIGMA Investment AG, the ETI offers investors an exclusive opportunity to buy into a diversified portfolio of US Life Insurance Policies acquired in the Secondary Market for US Life Settlements.

The principle investment objective is to achieve capital growth within the 5 year life-span of the ETI with low volatility and no correlation to other asset classes such as equities & bonds. Indicatively, the ETI targets a return of 8% - 10% per annum.

ETI Features

Name:	FINSION Life ONE 2022
ISIN:	MT0001361204
BB Code:	TBC
Regulatory Authority:	Malta Financial Services Authority (MFSA)
Custodian Bank:	Sparkasse Bank Malta PLC
Collateral Advisor:	SIGMA Investment AG, Vienna, Austria
Policy Adviser:	OnLife360, Berlin, Germany
Policy valuation specialist:	Valida AG, Vienna, Austria
NAV:	Monthly

Target Return:	8-10% per annum
NAV Publication:	EWSM, Bloomberg
Min. Investment:	Equivalent to USD 125,000
Early Redemption:	Not guaranteed; at best effort approx. NAV minus exit fees – refer to investment policy
Currency:	USD
Management fee:	2% p.a.
Performance fee:	20% p.a. with high watermark & 5% hurdle rate – only on realized profits
Contact information:	SIGMA Investment AG, Vienna Austria
Sales Restrictions:	Only institutional & accredited investors

Testimonials

"If Life Settlements are good enough for Warren Buffett, shouldn't they be good enough for anyone else…?"
Source: Senior Market Advisor

August, 2013

The recent investment confirms Berkshire's commitment to the market, having been active in the space since 2001, when Berkshire subsidiary Gen Re arranged a $400 million

Warren Buffett's Berkshire Hathaway confirms $300M purchase

Other prominent investors:

Bill Gates Foundation, Credit Suisse, Deutsche Bank, Goldman Sachs

Testimonials

Empirical Study by **London Business School** Study, 2013

Life settlements are a win-win for consumers and investors

The study of insurance policies with an aggregate death benefit in excess of $24 billion will be presented today by Professor Narayan Naik, at an event at London Business School.

Narayan Naik, Professor of Finance, London Business School, says: "The evidence suggests that the life settlement market has helped significantly in enhancing the welfare of policy-owners who, instead of surrendering, sold their life insurance policies in the secondary market".

The study also found that the average expected return for qualified, institutional investors purchasing the large sample of life settlements was 12.5% per annum, which was 8.4% in excess of treasury yields. During recent years, the study found that the average expected return had risen substantially to 18.3% per

Testimonials

Harvard Business School:

"However, recently there had been a swing in media portrayal trending more positive. This was driven partly by a spate of laws which were being passed paving the way for life settlements to be used as a way to fund long term care costs. A research study had been released providing evidence that life settlements were beneficial to both insurance policyholders and investors. The study found that policyholders received an estimated four times larger payment for their cash surrender value. Investors experienced an average return of 12.5% on their life settlements over the studied 2001 to 2011 sample period."

Wharton University of Pennsylvania:

"The life settlement asset class is a deserving subject of analysis because the uncorrelated nature of the life settlement underlying with traditional financial instruments creates an important investment and risk mitigation tool."

Disclaimer

The information in this presentation was compiled from sources believed to be reliable for informational purposes only. All sample policies and procedures herein should serve as a guideline, which you can use to create your own policies and procedures. We trust that you will customize these samples to reflect your own operations and believe that these samples may serve as a helpful platform for this endeavor. Any and all information contained herein is not intended to constitute legal advice and accordingly, you should consult with your own attorneys when developing programs and policies. You should not take, or refrain from taking action based on its content. We do not guarantee the accuracy of this information or any results and further assume no liability in connection with this publication and sample policies and procedures, including any information, methods or safety suggestions contained herein. Moreover, this presentation cannot be assumed to contain every acceptable safety and compliance procedure or that additional procedures might not be appropriate under the circumstances.

THANK YOU