



Corporate Presentation

June 2018

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An Introduction to LSA



Our History

Listed on the Specialist Fund Segment of the London Stock Exchange, LSA supports and manages portfolios of whole and partial interests in life settlement policies issued by life insurance companies operating predominantly in the United States. The business was first incorporated in 2007 and named Acheron Portfolio Corporation (Luxembourg) S.A (“Predecessor Company”) and two classes of its shares listed on the Luxembourg Stock Exchange in 2008. The Predecessor Company had four main share classes: A, B, D and E of which class A and class B were listed. Each share class participated in a separate portfolio of life settlement policies (together, the “Predecessor Company Portfolio”), each of which is held via a separate US trust (each a “Trust”).

Following Admission to the London Stock Exchange, the Company acquired the Predecessor Company Portfolio indirectly by acquiring the entire beneficial interest of each of the four Trusts (Acheron Portfolio Trust, Lorenzo Tonti 2006 Portfolio Trust, Avernus Portfolio Trust and Styx Portfolio Trust). The Predecessor Company acquired significant parts of its Portfolio on the secondary market in 2007 and 2008 from receiver or receivership courts. Since then, additional shareholder value has been generated through the acquisition of additional fractional policies (part of which the Predecessor Company already held) at discounted prices, and with the possibility of transforming them into wholly owned policies.



Why Us?

Our Track Record*

10 years of delivering strong returns to our clients

- Highly experienced and prudent management team from the insurance, life settlements, actuarial and accounting sectors
- Acheron utilises market data together with sophisticated actuarial software and analysis to deliver long term returns to investors
- Proven actuarial model as evidenced by industry leading Actual to Expected ratios
- Delivering solid returns over a 10 years period
- Delivered an internal rate of return of between 6% and 7% to the original investor in Share Class A* based on the change in NAV and distributions

Our Investment Policy

Our investment objective is to generate long-term returns for investors by investing in the life settlement market. We seek to achieve this through each of our separate Share Classes:

Share Class A

- Invested in life insurance policies acquired from special or “distressed” situations, with exposure to both HIV and elderly insureds
- Large diversification with c. 4,700 underlying policies

Share Class B

- Invested in life insurance policies exposed only to elderly insureds

Share Class D & E

- Invested in separate portfolios comprising predominantly fractional policies with exposure to both HIV or elderly insureds, where the A and/or B Share Classes (or the A and B Classes in the Predecessor Company) are already fractional owners¹

Acquisitions

- Consider future acquisitions of policies of the relevant share classes including fractional policies and could raise capital to acquire such policies

¹Fractional policies are single life insurance policies initially purchased by multiple investors, each of whom acquired a fractional interest.

Board of Directors

Jean Medernach, Chairman

Jean Medernach is an independent auditor licensed in Luxembourg and a former US certified public accountant. Mr Medernach has more than 15 years of experience in public accounting in Luxembourg, Asia and the US as well as 12 years as a finance and investment director of a Luxembourg investment company. Mr Medernach is a Luxembourg national.

Michael Baines

Michael Baines is a graduate of the University of Oxford and The Royal Military Academy Sandhurst and has previously held high-level positions such as the Head of Risk Management and Deputy Chairman of Robert Fleming Securities and Managing Director at Atlas Capital. Mr Baines is the Chairman of both Church House Investment Management and Champion Capital. He is also Chairman of the Advisory Board of the BlackRock Armed Forces Common Investment Fund.

Robert Edelstein

Dr Edelstein joined the faculty of the University of California at Berkeley in 1985 after being a Professor of Finance at the Wharton School, University of Pennsylvania, and is active in the fields of real estate economics, finance, and property taxation; energy and environmental economics; public finance; and urban financial problems. He has been President and has served on the Board of Directors of the American Real Estate and Urban Economics Association. He is a member of the Board of the Asian Real Estate Society and has served as a Board director of listed companies including AMB (now known as Prologis, Inc. listed on the NYSE) and Capital Land (Singapore listed). Dr Edelstein received an A.B., A.M., and Ph.D. in Economics from Harvard University. Robert Edelstein is a United States National.

Franck Mathé

Franck Mathé is a senior portfolio manager at EFFICAP in Paris. He holds a Doctor of Mathematics degree and a Master's degree in Finance from HEC (Hautes études commerciales) Paris. With more than 15 years' experience in the sector, he is director of a number of other investment funds.

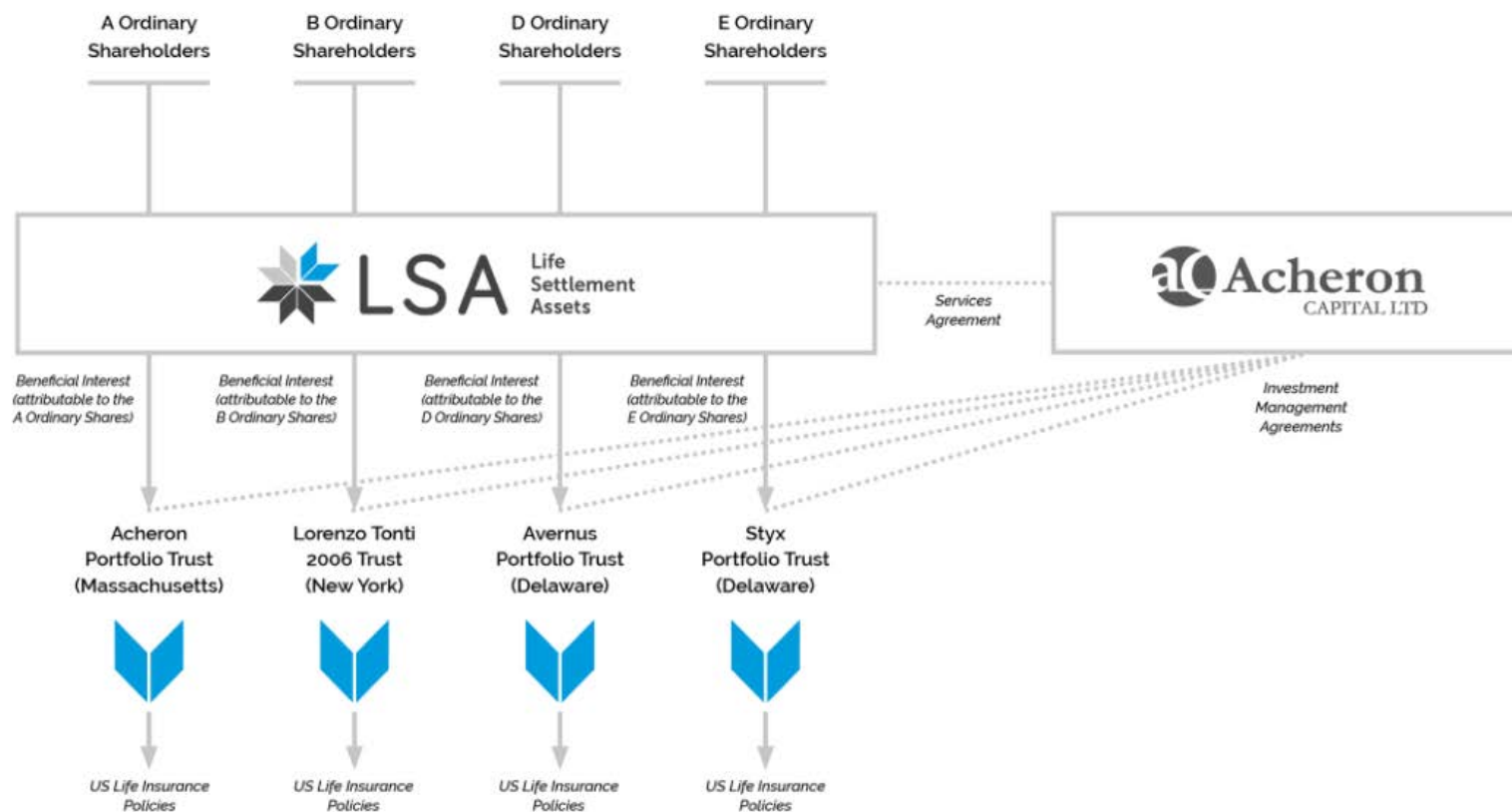
Yves Mertz

Yves Mertz has been a member of the Luxembourg Chartered Accountants Institute and the Luxembourg Independent Auditors Institute since 1984. Prior to joining Compagnie Européenne de Révision, he was founder and partner of Mazars Luxembourg where he acquired extensive experience in the life insurance and reinsurance sectors. He holds a Master degree in finance and EDP processing from the Faculté Universitaire de Mons, Belgium. Mr Mertz is a Belgium national.


Guner Turkmen

Guner Turkmen has extensive experience in trading, risk and asset management and asset allocation. In 2000 he founded Cougar Asset Management, an independent hedge fund manager. In 2006 he co-founded Union Capital Group and was in charge of asset management through to 2011. At the end of 2007, he founded Lake Geneva Investment Partners S.A. Mr Turkmen is a Turkish national.

Our Structure



Our Investment Manager



Acheron is responsible for devising and modelling the investment strategy of the Company's trusts. Founded in 2005 by Dr. Jean-Michel Paul, Acheron is a London based independent investment manager authorised and regulated by the FCA, that focuses on niche investment strategies uncorrelated to the traditional financial markets.

Jean-Michel Paul, Director and Founder of Acheron

Dr. Jean-Michel Paul founded Acheron in 2005. He is primarily responsible for devising and modelling the investment strategy of the company. From 2002 to 2005 he was the Senior Analyst responsible for fixed income, and credit strategies at Atlas Capital Group. From 1998 until 2002, he worked on assignments for a number of institutions, including Rabobank International as Head of Research Asia-Pacific. Among other academic credentials, Dr Paul has a PhD in both Finance and Real Estate from the University of California at Berkeley and he is a Chartered Financial Analyst. He is a graduate of the Solvay School of Commercial Engineering.

Performance Fees

Performance fees for Class A and B

- 25 per cent of the sum of the distributions made to the holders of the Ordinary Shares in excess of the Performance hurdle (assessed at the time of each distribution).
- The “Performance Hurdle” is met when the aggregate distributions (in excess of the Catch-Up Amount) made to the holders of the corresponding Ordinary Shares compounded at 3 per cent per annum (from the date of each distribution) equal the aggregate investment made by the relevant class of Ordinary Shares in the Company compounded at 3 per cent per annum.
- The “Catch Up Amount” is an amount equal to the distributions that would have been required to be made to Predecessor Company Shareholders of the corresponding share class in order for the Accrued Performance Fees (less, where applicable, any clawback of such Accrued Performance Fees) to be paid (determined as at 31 December 2017), reduced by any new Board approved investments or distributions actually made to Predecessor Company Shareholders of the relevant class prior to the Company’s launch.
- Additionally, an amount equal to the Accrued Performance Fee in respect of the Acheron Portfolio Trust and the Lorenzo Tonti 2006 Portfolio Trust will be transferred to a trust or other special purpose vehicle for the benefit of the performance fee beneficiaries, subject to certain holding and clawback arrangements. The terms of these arrangements are intended to provide that up to 50 per cent of the Accrued Performance Fee will be paid to the Company or the relevant Trust should certain performance criteria not be met. For these purposes, distributions include new Board approved investment and any cash distribution to one or more Shareholders or Predecessor Company Shareholders (as the case may be), including, but not limited to, by way of dividend, buy-back or tender offer.

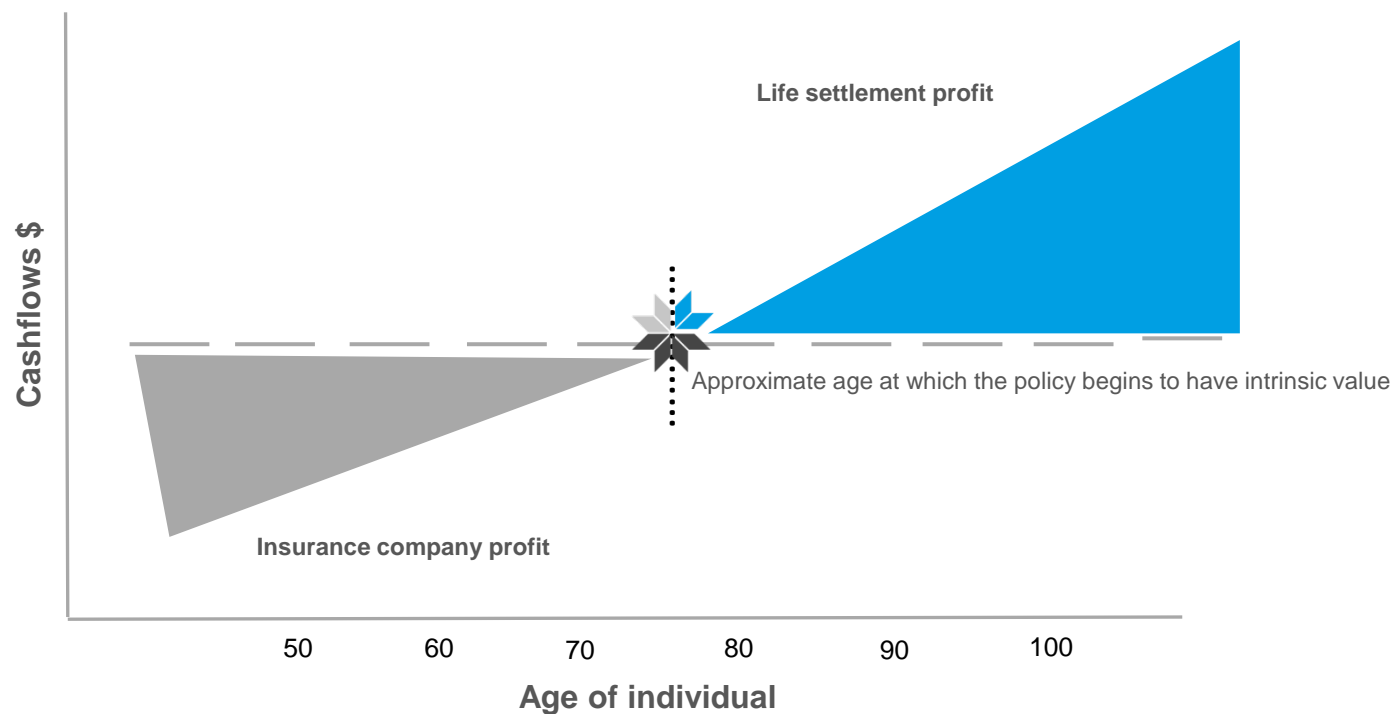
Performance fees for Share Class D and E

- The performance fee in respect of each Trust shall be an amount equal to 25 per cent of the sum of the distributions made to the holders of the Ordinary Shares corresponding to the Trust, in excess of the Performance Hurdle (assessed at the time of each distribution).
- The “Performance Hurdle” is met when (from time to time) the sum of the aggregate distributions made to: (i) the holders of the corresponding Ordinary Shares; and (ii) and to the holders of the corresponding Shares in the Predecessor Company prior to the date of the Acquisition, in each case compounded at 5 per cent per annum (from the date of each distribution) equal the aggregate investment made by the: (i) holders of the relevant Ordinary Shares in the Company; and (ii) holders of classes D and F shares (in the case of the D Ordinary Shares) and E and G shares (in the case of E Ordinary Shares) in the Predecessor Company prior to the date of the Acquisition, in each case compounded at 5 per cent per annum.
- Any performance fees will first be paid to the beneficiaries of the performance-related distributions in the Predecessor Company (being personnel of the Investment Manager) up to an amount equal to the applicable Accrued Performance Fee, following which it shall be paid to Acheron.

About Life Settlements

- A policy has positive net expected value to an investor if the expected discounted premiums to be paid and the purchase price of the policy is less than the value expected discount of the death benefit

An illustration of how profit is generated from life settlements (Whole Policy)*



* The chart is for illustrative purposes only and has been generated Acheron. As such, the chart should not in any way be construed as reflecting any policies held by the Company.

About Life Settlements

An evolving market

- Low correlation
 - Low correlation with traditional equity and fixed income markets, extending the efficient frontier
 - Returns from life settlements are mostly dependent upon mortality experience, which have remained stable in recent times
- Low volatility
 - If a portfolio is large enough, general population mortality is better understood and well-modelled
- Limited downside risks
 - Loss would require cures for multiple ailments including HIV and life expectation beyond the current observed trend
- Evolving market:
 - Aging US population
 - Regulation in the United States is enabling the elderly to cash in small face value policies to pay for their medical care

Share Class A Investment Case

Class 'A' invests in life insurance policies acquired from special or distressed situations, giving mixed exposure to HIV (average age mid to late 50s) and the elderly (average age mid to late 80s). Class A has exposure to fractional policies

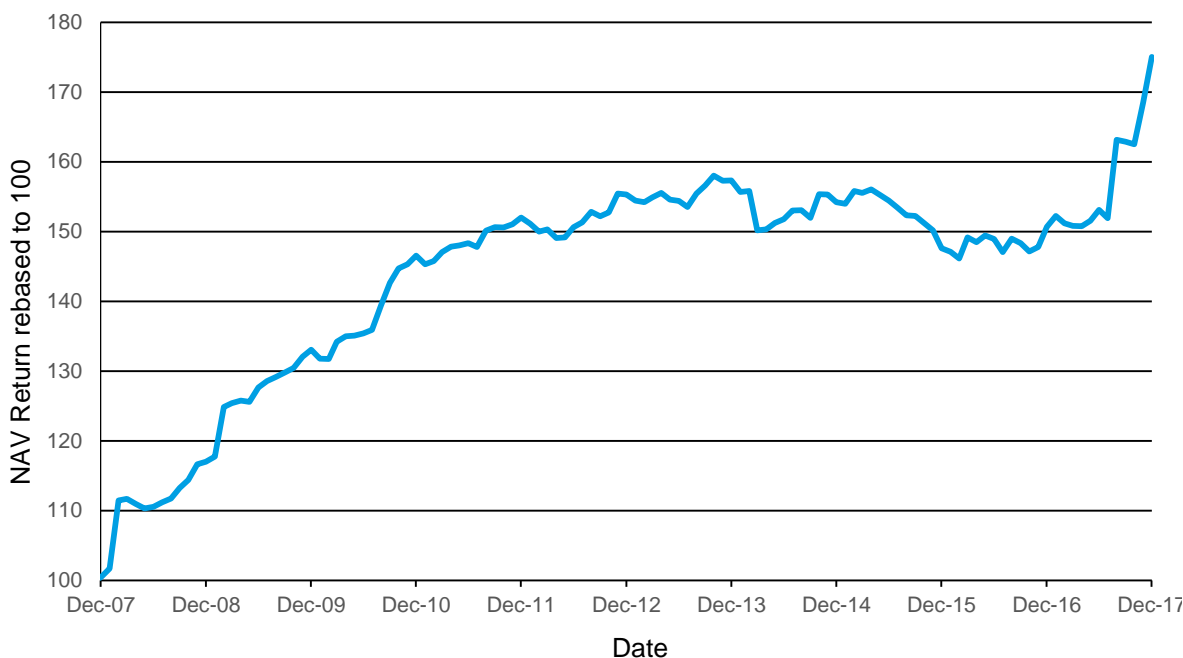
- Meaningful number of maturities every year due to the diversified nature of the portfolio, should engender more stable cashflow – c. 4700 underlying policies
- Collected maturities of US\$ 32.8 million for the year ended 31 December 2017
- Expected cashflow allows for regular stable distributions – distributed US\$ 15 million since 2014
- Anticipated opportunity to purchase fractional policies at attractive prices
- Actuarial model shows high level of consistency with experienced cash flows
- US public policies increasingly supporting sales of life insurance policies

Share Class A*

Collected Maturities US\$

2012	16,263,308
2013	18,235,399
2014	23,940,072
2015	19,310,101
2016	18,316,544
2017	32,849,813
Total	128,915,237
Average	21,485,873

Predecessor Company Share Class A NAV Return



Distributions US\$

Date	10/01/2014	18/08/2015	06/07/2016	06/03/2018
Distribution Amount	2,000,000	9,998,328	2,999,498	2,500,000
Distribution Amount/Share	0.0422	0.22	0.0660	0.055

Share Class B Investment Case

Class 'B' invests in life insurance policies exposed to the elderly (average age mid to late 80s). Class B has exposure to fractional policies

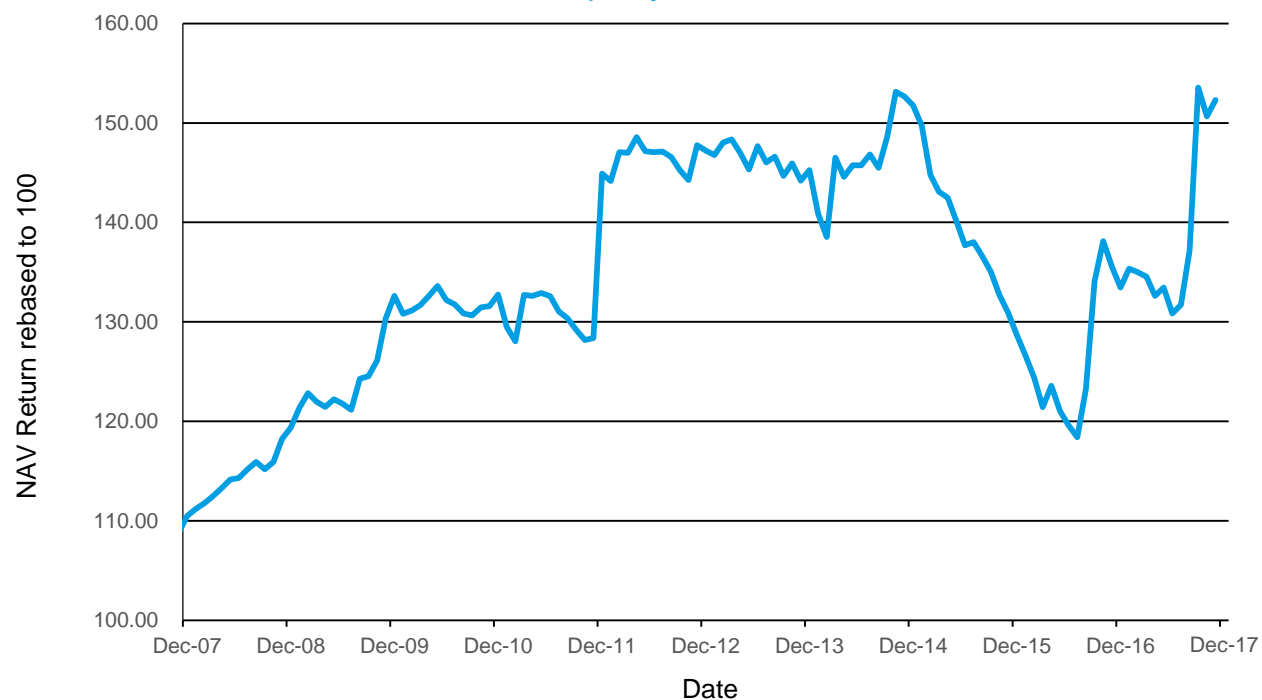
- Actuarial model forecasts material cash flow generation in the coming years due to the existing large policies
- Expected opportunity to diversify portfolio with a larger number of policies to generate a more stable cash flow
- US public policies increasingly supporting sales of life insurance policies
- 'Seasoned' policies

Share Class B*

Collected Maturities US\$

2012	8,654,739
2013	3,783,849
2014	6,639,170
2015	2,010,520
2016	6,744,087
2017	7,305,068
Total	35,137,433
Average	5,856,239

Predecessor Company Share Class B NAV Return



Distributions US\$

Date	02/10/2012	10/01/2014	18/08/2015
Distribution Amount	4,000,000	500,000	999,833
Distribution Amount /Share	0.2260	0.0331	0.0662

*Performance relates to the Predecessor Company.

Share Class D* & E* Investment Case

The assets attributable to the D and E Ordinary Share Classes are predominantly invested in separate portfolios comprising fractional policies with exposure to both HIV and elderly insureds, where the A and/or B Share Classes are already fractional owners

- Fractional policies have a higher expected level of return
- Policies acquired at a deep discount to the fair value of the policies
- A tested model
- Distributions of US\$ 6 million and US\$ 3 million were made in March 2018

Collected Maturities US\$

Class D

2016	2,827,799
2017	8,284,827

Class E

2016	1,658,864
2017	4,513,033

Distributions US\$ Class D

Date	06/03/2018
Distribution Amount	6,000,000
Distribution Amount /Share	0.7895

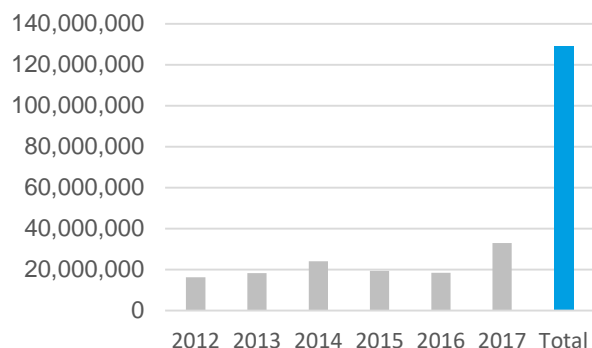
Distributions US\$ Class E

Date	06/03/2018
Distribution Amount	3,000,000
Distribution Amount /Share	1.9672

Collected Maturities

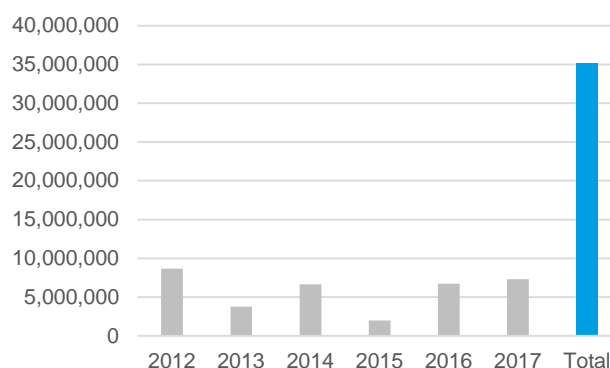
Class A Collected Maturities

2012	16,263,308
2013	18,235,399
2014	23,940,072
2015	19,310,101
2016	18,316,544
2017	32,849,813
Total	128,915,237
Average	21,485,873



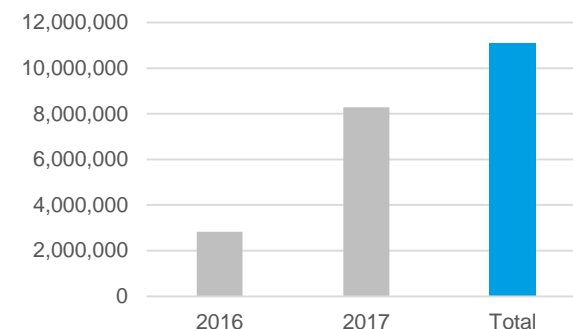
Class B Collected Maturities

2012	8,654,739
2013	3,783,849
2014	6,639,170
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2016	6,744,087
2017	7,305,068
Total	35,137,433
Average	5,856,239



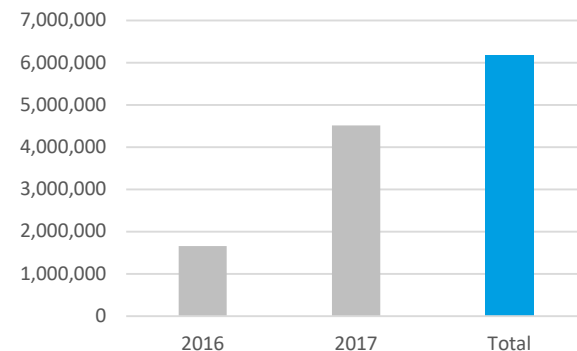
Class D Collected Maturities

2016	2,827,799
2017	8,284,827
Total	11,112,626



Class E Collected Maturities

2016	1,658,864
2017	4,513,033
Total	6,171,897



Financial Results^{*}

Preliminary Results for the year ended 31 December 2017

- Total maturities of US\$ 52.9 million (FY2016: US\$ 29.5 million) as a result of higher maturities across all share classes
- Profit before tax of US\$ 21.1 million (FY2016: US\$ 2.9 million)
- Class A delivered maturities of US\$ 32.8 million (FY2016: US\$ 18.3 million) enabling a distribution of US\$ 2.5 million to investors. Maturities exceed actual projections for the year
- Class B maturities were US\$ 7.3 million (FY2016: US\$ 6.7 million)
- Class D delivered maturities of US\$ 8.3 million (FY2016: US\$ 2.8 million) enabling a distribution of US\$ 6 million to investors
- Class E delivered US\$ 4.5 million (FY2017: US\$ 1.7 million) in maturities with US\$ 3 million distributed to investors

Final Results for the year ended 31 December 2016

- Total maturities of US\$ 29.5 million (2015: US\$ 24.5 million), primarily as a result of a higher level of maturities in Class B, particularly in the second half of the year
- Profit of US\$ 2.9 million (2015: loss of US\$ 3.2 million) as a result of a higher level of maturities
- Class A delivered a higher actual to expected ratio compared to last year in the HIV portfolio. This enabled US\$ 3.0 million to be distributed to investors from the share premium reserve account
- Class B delivered maturities of US\$ 6.7 million (2015: US\$ 2.0 million), most of which occurred in the second half of the year. As a result, the portfolio increased in value by US\$ 0.7 million

^{*} Financial results refer to the Predecessor Company.

Risk and risk management

- **Mortality risk:** Changes in mortality rates may adversely affect the performance of the policies held by the Company in respect of a Share Class.
- **Premium management risk:** Unanticipated volatility in mortality rates makes liquidity management of premium reserves difficult, as the Company (or the Trusts) need to be able to meet premiums and costs at all times. Failure to pay premiums may result in the relevant Policy lapsing and the Company being unable to receive insured sums as a result.
- **Premium assumptions risk:** Changes in the amount of premiums charged by the insurance company that has issued a policy may increase the costs borne by the Company and adversely affect its performance.
- **Counterparty risk:** If an insurance company that has issued a policy in which the Company invests defaults, the Company may not receive one or more payments owing to it.
- **Volatility risk:** The portfolio of each Share Class may be more volatile than expected as a consequence of certain policies representing a larger proportion of the portfolio than other policies.
- **Litigation risk:** The assignment of life insurance policies can be a contentious matter and the sector has historically been subject to high levels of litigation.
- **Modelling risk:** Acheron uses modelling in determining the investments to make; however, if the assumptions made by Acheron in building these models are or were materially incorrect, there could be a substantial adverse effect on the Net Asset Value of the Ordinary Shares participating in the relevant policies.

Risk and risk management

- **Discount rate risk:** The discount rate used for reporting or valuation purposes may be on a portfolio basis or on a bottom up policy by policy or policy type by policy type basis, which can create material value differences. Further, there is no well-established market discount rate, which makes the use of specific discount rates for actuarial purposes subjective.
- **Advance age mortality risk:** There is a lack of data to reliably determine general or disease specific mortality at advanced ages, as well as the date beyond which a policy no longer has value. This makes the use of statistically unproven assumptions necessary. As a consequence, should such assumptions prove to be incorrect, the Company's performance and that of the Ordinary Shares may fall short of expectations.
- **Tax risk:** The results of the Company would likely be adversely affected if the Company were not eligible to claim benefits under the current income tax treaty between the United Kingdom and the United States. In conformity with the income tax treaty, withholding tax on matured policies is not due if at least 6 per cent. of the average capital stock of the main class of Shares is traded annually on a recognised stock exchange. Changes in taxation may also adversely affect the results of the Company.
- **Key person risk:** The success of the Company depends heavily on the financial and managerial experience and availability of the management team associated with Acheron
- **Fee incentive risk:** The management and performance fees payable to the Investment Manager may create incentives that are not in the interests of the Company and may therefore adversely affect investment returns.
- **Liquidity risk:** The Company has been established as a closed-ended investment company and, accordingly, Shareholders will not be able to redeem their Ordinary Shares. Shareholders must rely on the existence of a liquid market in the Ordinary Shares to realise their investment. Although the Ordinary Shares are admitted to trading on the SFS and are freely transferable, the ability of Shareholders to sell their Ordinary Shares in the market, and the price which they may receive, will depend on market conditions. There can be no assurance as to the levels of secondary market trading in Ordinary Shares or as to the prices at which such Ordinary Shares may trade. The market price of the Ordinary Shares may rise or fall rapidly. The Ordinary Shares may trade at a discount to the Net Asset Value per Ordinary Share of the relevant Share Class for a variety of reasons, including market conditions, liquidity concerns or the actual or expected performance of the Company and/or a Share Class. The market price of Ordinary Shares may fluctuate significantly and potential investors may not be able to resell their Ordinary.


Conclusion

A unique, seasoned portfolio with leading Actual to Expected performance delivering long-term positive cash flow

- Focused on maximising performance and distributing realised profit derived from its life settlement portfolio to its shareholders
- Robust valuation model which has delivered over a statistically significant period of time – experienced mortality is consistent with expectations
- Documented long term performance and demonstrated positive cash flow
- 10 years of delivering strong returns to shareholders. Delivered an internal rate of return of between 6% and 7% to the original investor in Class A* based on the change in NAV and distributions
- Prudent – conservative assumptions made during acquisition modeling
- Focus on generating further shareholder value through the acquisition of additional fractional policies at a deep discount to the fair value of the policies, and transform them into wholly owned policies
- Aging US population and US public policies increasingly supportive of life settlement industry

Delivering returns





Appendix

Glossary

Actual to Expected Ratio

Actual death (either face amount or number of lives) in a group of lives being evaluated, over a specified period divided by the expected deaths over the same period.

Actuary

Actuaries measure and manage risk. Actuaries are knowledgeable in mathematics, statistics and business management.

Beneficiaries

The party or parties declared by the life insurance policy owner to receive the proceeds (net death benefit) of the life insurance policy after the insured's death.

Death Benefit

A life insurance policy's contract will define the total amount to be paid to a designated beneficiary(ies) upon the death of the insured, payable by the life insurance carrier.

Fractional Life Settlements

These settlements occur when there are multiple buyers of a life insurance policy. These individuals will combine their purchasing power to share the risks. This is done by buying a small portion of the life insurance policy instead of the entire policy.

HIV

HIV stands for Human Immunodeficiency Virus. The virus attacks the immune system, and weakens the body's ability to fight infections and disease. Once someone is infected with HIV the virus will remain in their body for the rest of their life. There is currently no cure for HIV.

Glossary

Insured

The individual(s) upon whose life is insured under a life insurance policy's contract. Upon the death of such individual(s), the net death benefit would be paid to the beneficiary.

Life expectancy

Life expectancy is an average number of years (or months) that a person is expected to live based on statistical data and/or underwriting judgment. Life expectancy cannot be precisely determined for any specific individual. An independent life expectancy underwriting is conducted by considering the age, gender, lifestyle and medical records of an individual.

Life insurance company

An insurance company or issuer of insurance products generally in the main business of providing insurance against disability or death, as well as annuities and pensions.

Life insurance policy

A life insurance policy is a legally binding agreement between the policy owner and a life insurance company. Over the course of the policy, the policy owner will pay agreed regular premiums and at the point of death, the life insurance company will pay a death benefit to the beneficiary of the policy.

Life Insurance policyholder

The party who possesses and controls all of the rights, title, interest, and privileges granted by a life insurance policy, including the right to assign, transfer, surrender, lapse, or sell the policy. This party may be one or more individuals, a trust, corporation or other business entity.

Glossary

Life Settlement

A life settlement is the sale of a life insurance policy to a third party for a value in excess of the policy's cash surrender value, but less than its face value, or death benefit. A policy owner receives a cash payment, while the investor acquiring the life insurance policy will continue to pay the premiums until the death of the insured. The insurance company will then pay the face value of the life insurance policy to the investor.

Premium Payments

The payment amount required to maintain the life insurance policy. Premiums can generally be paid annually, half-yearly quarterly, or monthly.

Risk

The possibility that an investment will not earn as expected. In life settlements, the principal risks are actuarial, market, operational and counter-party.

Secondary Markets

A market where investors purchase securities or assets from other investors, rather than from issuing companies themselves. The Life Settlement Industry is a Secondary Market for Life Insurance, where policy owners can receive cash payments for their policies rather than lapsing, surrendering, or paying to maturity.

Underwriter

Underwriters are individuals or companies which price insurance policies using actuarial data to determine the likely hood and magnitude of a claim pay-out over the life of a policy.