

Analysis Report

Life Expectancy Comparison December 2012

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Provided by

MapleLife
ANALYTICS
An MLF Financial Group Company

Objectives of this Report

The objective of this report is to compare the Life Expectancy (LE) reports of the three major underwriters in the Life Settlement market over a significant period of time. To do so, we have taken historical life expectancy data and identified every insured for whom we have at least one LE from each underwriter. Ideally, a comparison of underwriters would involve a study in which each underwriter reviewed the same individual at the same time with the same medical files. We cannot control the conditions to this degree, so instead we have identified every possible combination of three LE’s and retained only those combinations where all three LE’s were issued within 6 months of each other. The short 6 month timeframe suggests that the reviews were likely based on the same information and improves the quality of the comparison.

What We Have

This evaluation is based on 16,388 observations and nearly 10,000 lives with a life expectancy report from all three of AVS, Fasano and 21st Services. Individuals were included more than once, if they had more than one unique combination of 3 LE’s. In summary form, we began the study with approximately 20,000 unique lives and 75,000 LE’s. When the criteria of all three LE’s falling within 6 months of each other were applied, the dataset was reduced to 9,452 unique lives and approximately 35,000 LE’s, as detailed in Table 1 below. From this dataset, 16,388 unique combinations of three LE’s resulted.

| Table 1 – Population of Lives and LE’s Available for Study | | | | |
|--|-----------|--------|----------------------------|--------|
| Underwriter | Base Data | | After Applying Time Limits | |
| | Lives | LE’s | Lives | LE’s |
| Fasano | 17,377 | 34,086 | 9,452 | 14,114 |
| 21 st Services | 18,304 | 21,043 | 9,452 | 10,679 |
| AVS | 19,885 | 23,162 | 9,452 | 10,732 |

An example of a specific individual with multiple LE’s is attached as Exhibit 1.

There are other selection criteria which could be applied. For example, we considered rules such as:

1. All LE combinations which fall within a 6 month timeframe (our choice)
2. All LE combinations which fall within a 12 month timeframe (bigger dataset)
3. One LE per calendar year for an underwriter, all falling within 12 months of each other (smaller dataset)

If you are interested in commissioning an analysis on one of these alternative criteria, or one of your own choosing, please let us know.

LE Analysis, Summary Level

At a very high level of summary, Fasano and 21st Services have averaged a 30 month separation, while AVS has moved within that range. This can be seen at a glance by looking to Exhibit 2. The trend-line shows a clear pattern for the upper bound (Fasano) and lower bound (21st Services), with AVS oscillating inside the range.

The LE's are generally getting shorter over time, because they are based on steadily older lives. To adjust for this, we have created Exhibits 3, 4 and 5, which are based on the absolute differences between the underwriters. Exhibit 3 shows the number of months on average by which AVS and Fasano are longer than 21st Services. Exhibit 4 shows the same information, but when the comparisons are relative to AVS. Finally, Exhibit 5 shows the data when AVS and 21st Services are compared to Fasano.

Exhibits 3,4, and 5 also show different "eras" of LE comparability. There is no one underwriter who has been completely consistent with either of the other underwriters, so the timeframes can be expressed differently depending upon which underwriter is held as the constant. The notes below are from the graph comparing AVS and 21st to Fasano (Exhibit 5), but similar comments could be made by looking to any of the three graphs.

| | |
|------|---|
| 2005 | AVS, 5 months shorter than Fasano, moving up to very similar results 21 st , a fairly steady 15 months shorter than Fasano |
| 2006 | AVS, slowly returns to an average 5 months shorter than Fasano 21 st , steady separation to an average that is 25 months shorter |
| 2007 | AVS, steady separation from 5 months shorter to 15 months shorter over the year 21 st , steady separation from 25 months shorter to 30+ months shorter |
| 2008 | AVS, compression from 20 months shorter to 10 months shorter (extension year) 21 st , compression from 30+ months shorter to 20 months shorter (extension year) |
| 2009 | AVS, steady separation from 10 months shorter to 20 months shorter 21 st , steady separation from 20 months shorter to 35 months shorter |
| 2010 | AVS, holds fairly steady at 20 months shorter on average 21 st , late year compression from 35 months to 25 months shorter |
| 2011 | AVS, some compression from 15 months shorter to 10 months shorter over '11 21 st , most of the year holds at 25 months shorter, with a late year widening to 30 |
| 2012 | AVS, compression continues and lately these two have similar averages 21 st , holding steady with an average LE 30 months shorter than AVS or Fasano |

Patterns of Separation

Exhibits 6, 7 and 8 show a distribution of the results by the number of months of separation between LE's. For example, Exhibit 6 shows the frequency with which 21st Services and Fasano LE's are shorter than AVS LE's by more than 4 years, 3-4 years, 2-3 years, etc. In the middle is the situation where the underwriters are in basic agreement, with a difference of opinion of 3 months or less. Then, on the right hand side of the graph are the frequencies with which 21st Services and Fasano LE's are longer than AVS LE's by 1-2 years, 2-3 years, etc. Looking to Exhibit 6, you'll see that the single most common relationship between 21st Services and AVS is for the 21st LE to be shorter by 12 – 24 months.

Alternatively, Fasano is most commonly 12-24 months longer than AVS over the past 8 years. Exhibit 7 depicts AVS and Fasano relative to 21st Services, while Exhibit 8 depicts 21st Services and AVS relative to Fasano.

To examine whether these relationships are changing over time, we have prepared Exhibit 9. This Exhibit shows the same types of information as Exhibit 8, but each vertical bar represents a calendar year. Each color within a bar represents a different band of LE disparity. The orange bar is the grouping of LE's for which two underwriters were within 3 months of each other; agreement. We have circled this set of orange bars for ease of reference. By looking to the portion of the bar below the oval, you can see that 21st Services has maintained a fairly consistent pattern of falling short of Fasano 80% of the time. The portion of the bar above the circle, when 21st is longer than Fasano accounts for another 10% of the data. The final 10% of the time, shown by the oval itself, 21st and Fasano fall within that narrow 3 month band of agreement. The fact that this oval of agreement is quite level over time shows that the pattern of agreement/disagreement between Fasano and 21st Services has been extremely stable over the years.

In contrast to the very stable, horizontal, oval just described, the AVS/Fasano relationship requires two ovals. The first is from 2005 – 2008, when more and more of the AVS LE's were falling below the oval (i.e. shorter than Fasano). Then, from 2009 forward the oval has begun to tip back down, showing that AVS and Fasano are slowly converging. 2012 shows this trend more dramatically than other years.

We find graphs such as Exhibit 9 meaningful because the data is looked at from a different angle, yet shows a pattern that is consistent with the impressions gained from earlier data. We also have the ability to look to these differences by age groups, which brings further credibility to the patterns described here.

Conclusions

When the same insureds are reviewed by all three underwriters within a 6 month time span, we see meaningful and consistent differences. We see them across long periods of time and age bands. There is no doubt in our minds that investors who base their purchase and retention decisions on LE reports without an awareness of the differences in the underlying patterns will not achieve the results that they expect.

Maple Life Analytics has extensive data and expertise which it uses to advance its client's success in mortality based products. We expect to continue to examine this dataset, looking for additional insights into the major drivers of success in the Life Settlement market.

For further information or to discuss these results, please contact:

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Example of Possible Combinations versus Criteria Matching Combinations

Exhibit 1

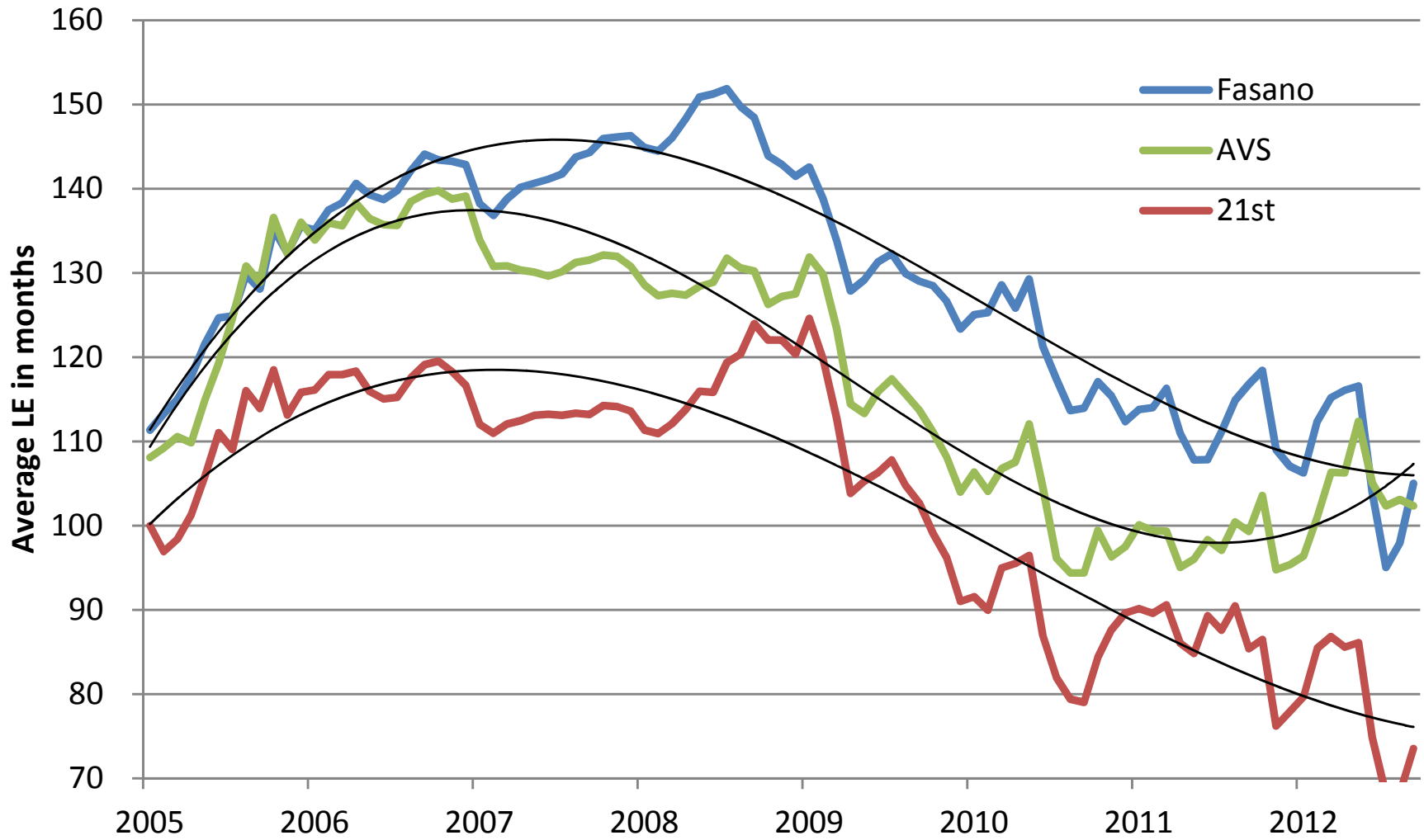
Using Every LE in our dataset and creating every combination of 3 LE's that are within 365 days (1 year) of each other

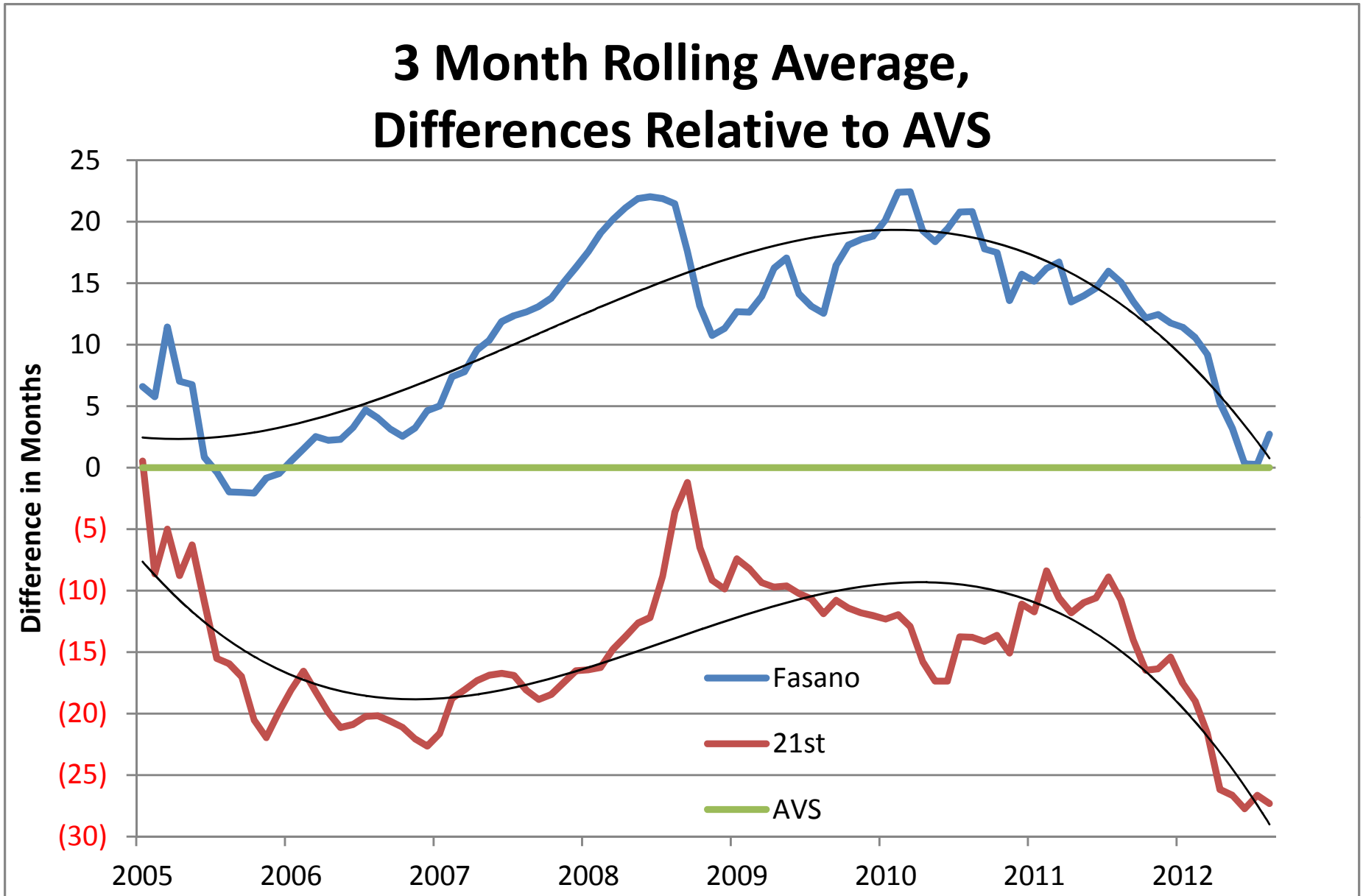
| | Redacted SSN | Fasano Mean Le | Equivalent Mort Mult | Fasano UW Date | 21st Mean LE | Equivalent Mort Mult | 21st UW Date | AVS Mean LE | Equivalent Mort Mult | AVS UW Date | Days in Range |
|----|--------------|----------------|----------------------|----------------|--------------|----------------------|--------------|-------------|----------------------|-------------|---------------|
| 1 | xxx-yy-z829 | 113 | 120% | 1/26/2007 | 85 | 197% | 5/2/2007 | 117 | 112% | 1/25/2007 | 97 |
| 2 | xxx-yy-z829 | 113 | 120% | 1/26/2007 | 85 | 197% | 5/2/2007 | 111 | 124% | 5/2/2007 | 96 |
| 3 | xxx-yy-z829 | 111 | 124% | 10/5/2007 | 85 | 197% | 5/2/2007 | 117 | 112% | 1/25/2007 | 253 |
| 4 | xxx-yy-z829 | 111 | 124% | 10/5/2007 | 85 | 197% | 5/2/2007 | 111 | 124% | 5/2/2007 | 156 |
| 5 | xxx-yy-z829 | 111 | 124% | 10/5/2007 | 85 | 197% | 5/2/2007 | 93 | 150% | 4/29/2008 | 363 |
| 6 | xxx-yy-z829 | 111 | 124% | 10/5/2007 | 80 | 193% | 5/15/2008 | 93 | 150% | 4/29/2008 | 223 |
| 7 | xxx-yy-z829 | 130 | 82% | 6/24/2008 | 80 | 193% | 5/15/2008 | 93 | 150% | 4/29/2008 | 56 |
| 8 | xxx-yy-z829 | 130 | 82% | 6/24/2008 | 80 | 193% | 5/15/2008 | 96 | 131% | 12/8/2008 | 207 |
| 9 | xxx-yy-z829 | 130 | 82% | 6/24/2008 | 107 | 108% | 11/30/2008 | 93 | 150% | 4/29/2008 | 215 |
| 10 | xxx-yy-z829 | 130 | 82% | 6/24/2008 | 107 | 108% | 11/30/2008 | 96 | 131% | 12/8/2008 | 167 |
| 11 | xxx-yy-z829 | 119 | 89% | 12/5/2008 | 80 | 193% | 5/15/2008 | 93 | 150% | 4/29/2008 | 220 |
| 12 | xxx-yy-z829 | 119 | 89% | 12/5/2008 | 80 | 193% | 5/15/2008 | 96 | 131% | 12/8/2008 | 207 |
| 13 | xxx-yy-z829 | 119 | 89% | 12/5/2008 | 107 | 108% | 11/30/2008 | 93 | 150% | 4/29/2008 | 220 |
| 14 | xxx-yy-z829 | 119 | 89% | 12/5/2008 | 107 | 108% | 11/30/2008 | 96 | 131% | 12/8/2008 | 8 |
| 15 | xxx-yy-z829 | 119 | 89% | 12/19/2008 | 80 | 193% | 5/15/2008 | 93 | 150% | 4/29/2008 | 234 |
| 16 | xxx-yy-z829 | 119 | 89% | 12/19/2008 | 80 | 193% | 5/15/2008 | 96 | 131% | 12/8/2008 | 218 |
| 17 | xxx-yy-z829 | 119 | 89% | 12/19/2008 | 107 | 108% | 11/30/2008 | 93 | 150% | 4/29/2008 | 234 |
| 18 | xxx-yy-z829 | 119 | 89% | 12/19/2008 | 107 | 108% | 11/30/2008 | 96 | 131% | 12/8/2008 | 19 |
| 19 | xxx-yy-z829 | 115 | 83% | 9/18/2009 | 107 | 108% | 11/30/2008 | 96 | 131% | 12/8/2008 | 292 |
| 20 | xxx-yy-z829 | 115 | 83% | 9/18/2009 | 74 | 154% | 1/25/2010 | 84 | 126% | 3/29/2010 | 192 |
| 21 | xxx-yy-z829 | 108 | 83% | 6/4/2010 | 74 | 154% | 1/25/2010 | 84 | 126% | 3/29/2010 | 130 |
| 22 | xxx-yy-z829 | 98 | 98% | 11/17/2010 | 74 | 154% | 1/25/2010 | 84 | 126% | 3/29/2010 | 296 |

Using Every LE in our dataset and creating every combination of 3 LE's that are within 182 days (6 months) of each other

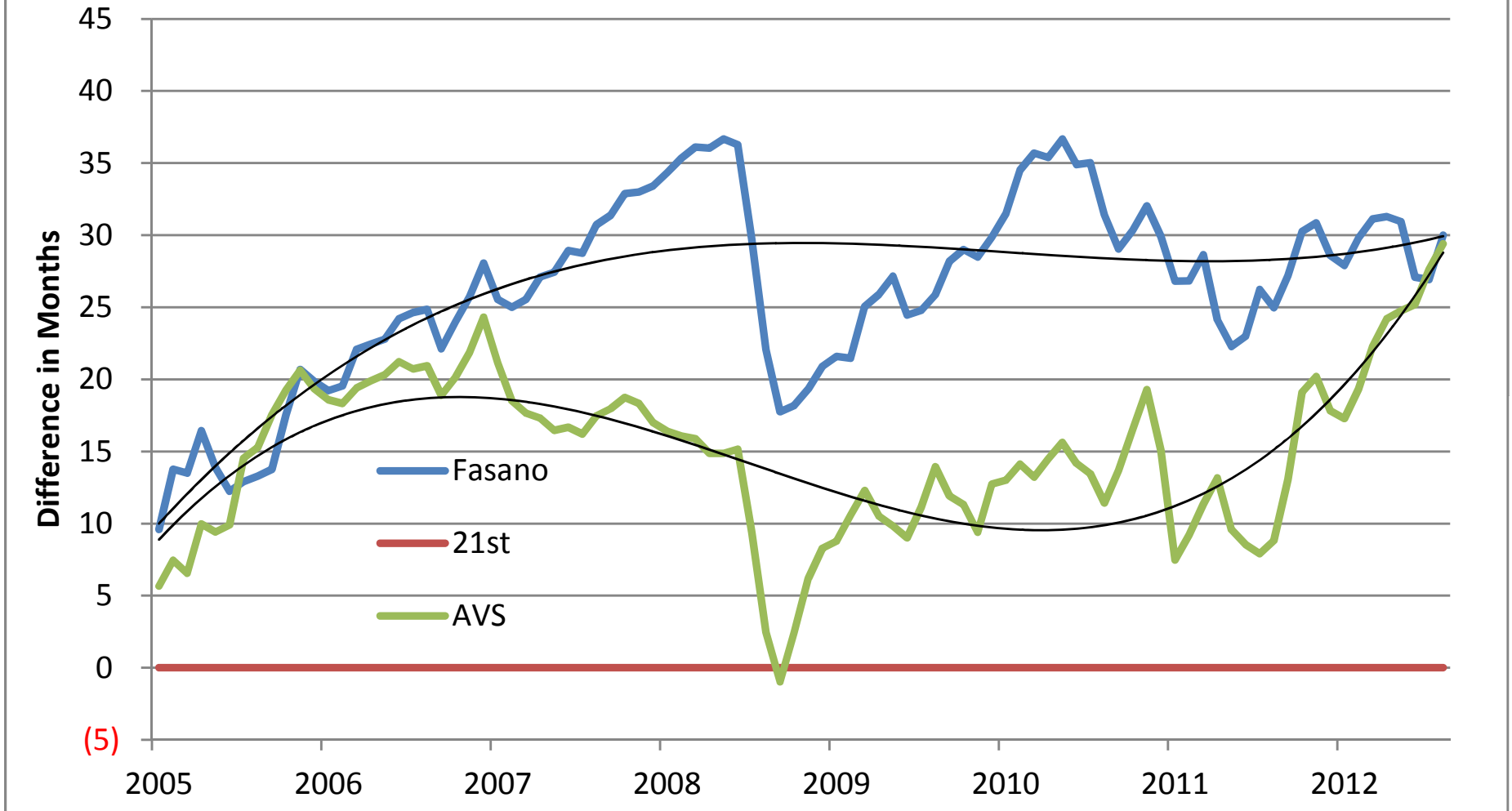
| | Redacted SSN | Fasano Mean Le | Equivalent Mort Mult | Fasano UW Date | 21st Mean LE | Equivalent Mort Mult | 21st UW Date | AVS Mean LE | Equivalent Mort Mult | AVS UW Date | Days in Range |
|----|--------------|----------------|----------------------|----------------|--------------|----------------------|--------------|-------------|----------------------|-------------|---------------|
| 1 | xxx-yy-z829 | 113 | 120% | 1/26/2007 | 85 | 197% | 5/2/2007 | 117 | 112% | 1/25/2007 | 97 |
| 2 | xxx-yy-z829 | 113 | 120% | 1/26/2007 | 85 | 197% | 5/2/2007 | 111 | 124% | 5/2/2007 | 96 |
| 4 | xxx-yy-z829 | 111 | 124% | 10/5/2007 | 85 | 197% | 5/2/2007 | 111 | 124% | 5/2/2007 | 156 |
| 7 | xxx-yy-z829 | 130 | 82% | 6/24/2008 | 80 | 193% | 5/15/2008 | 93 | 150% | 4/29/2008 | 56 |
| 10 | xxx-yy-z829 | 130 | 82% | 6/24/2008 | 107 | 108% | 11/30/2008 | 96 | 131% | 12/8/2008 | 167 |
| 14 | xxx-yy-z829 | 119 | 89% | 12/5/2008 | 107 | 108% | 11/30/2008 | 96 | 131% | 12/8/2008 | 8 |
| 19 | xxx-yy-z829 | 119 | 89% | 12/19/2008 | 107 | 108% | 11/30/2008 | 96 | 131% | 12/8/2008 | 19 |
| 21 | xxx-yy-z829 | 108 | 83% | 6/4/2010 | 74 | 154% | 1/25/2010 | 84 | 126% | 3/29/2010 | 130 |

3 Month Rolling Average LE's

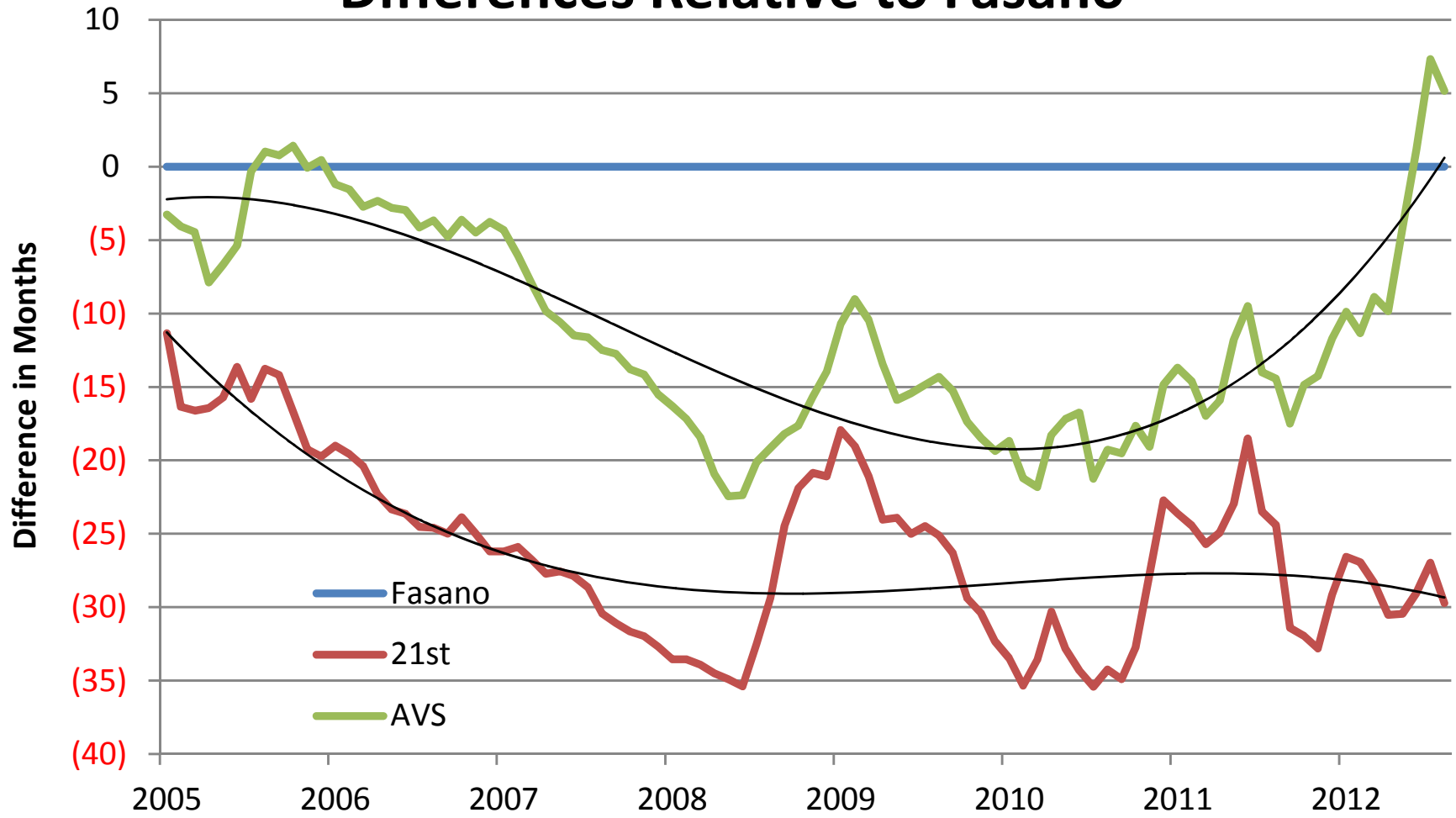




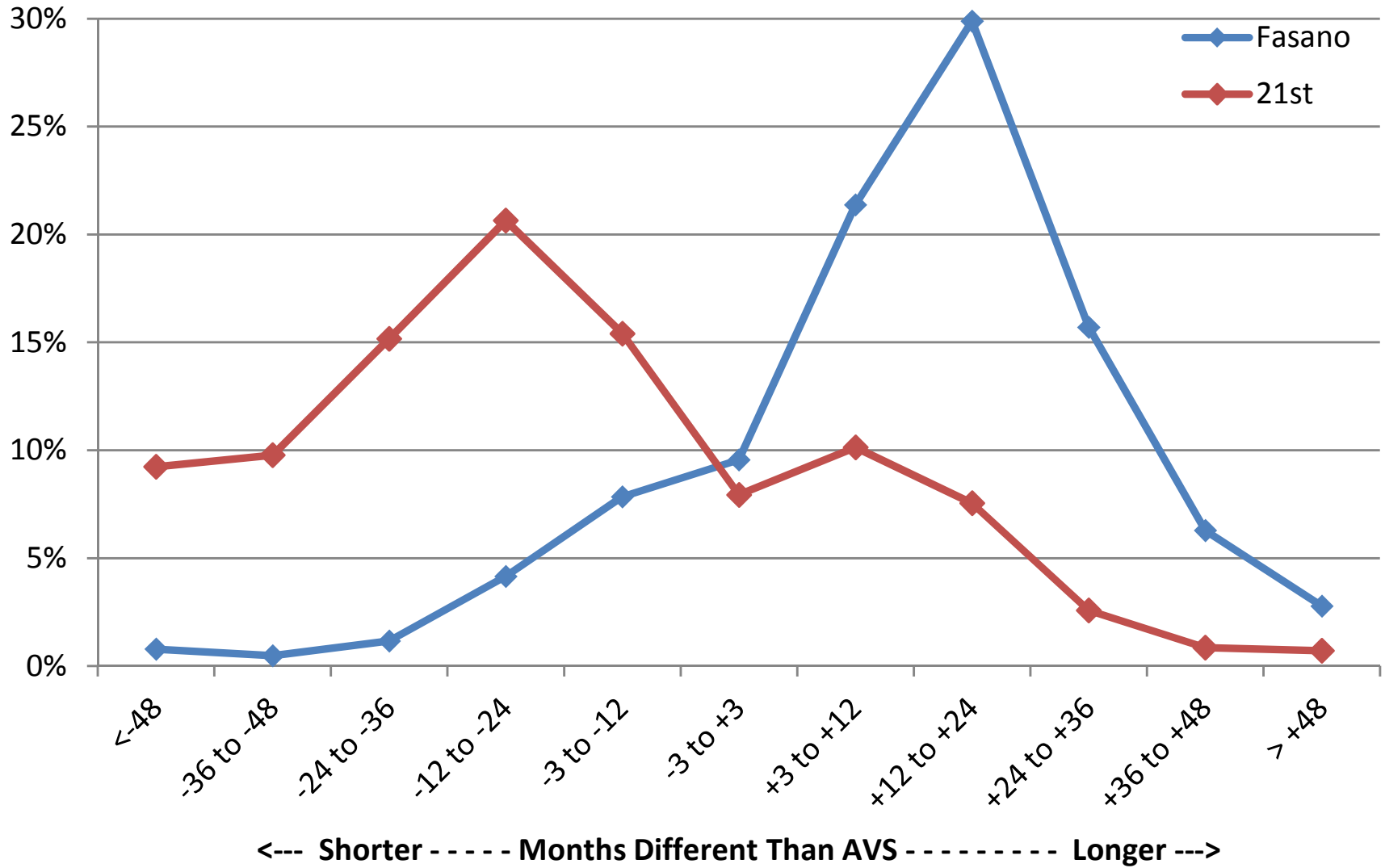
3 Month Rolling Average, Differences Relative to 21st



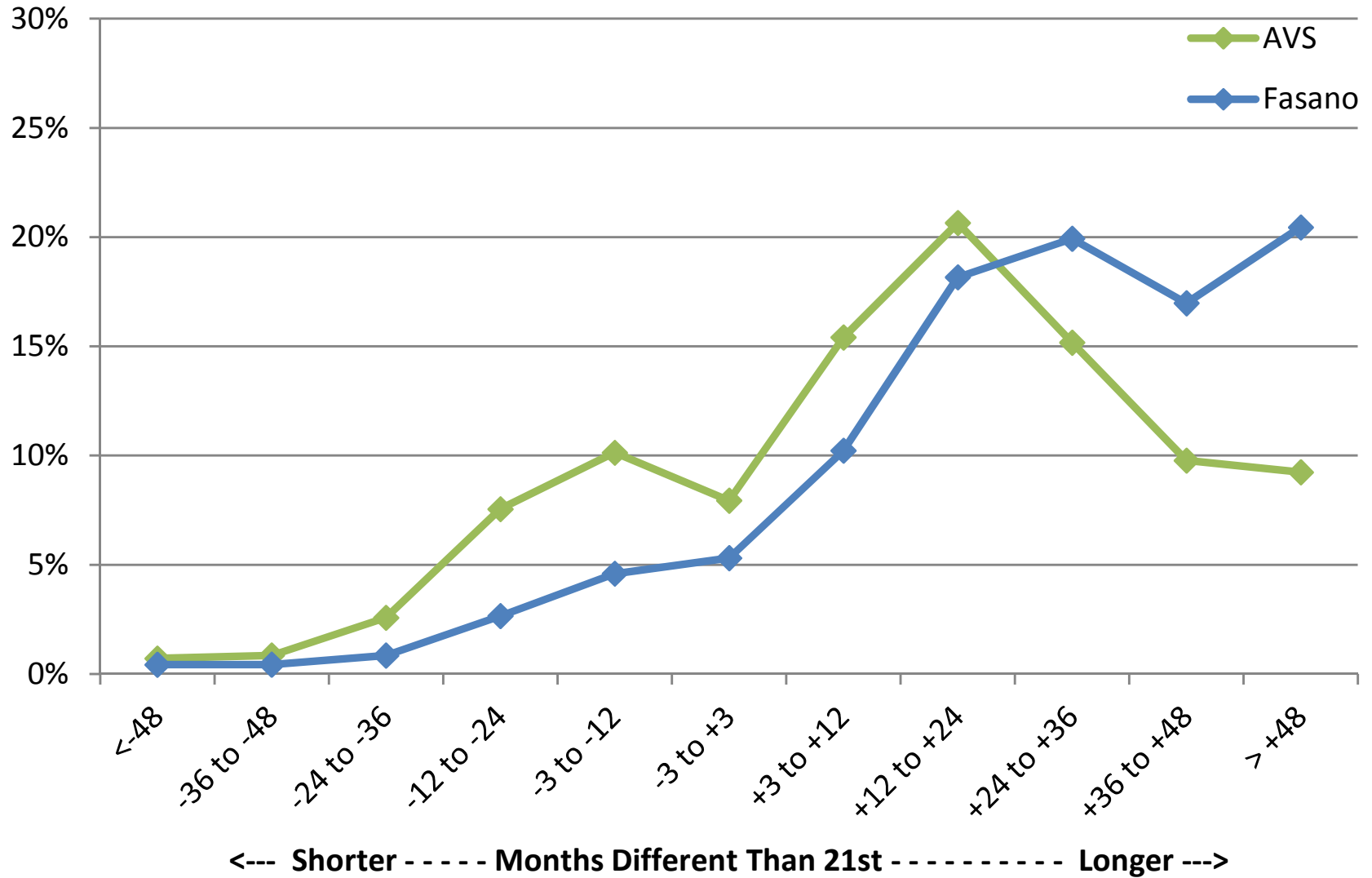
3 Month Rolling Average, Differences Relative to Fasano



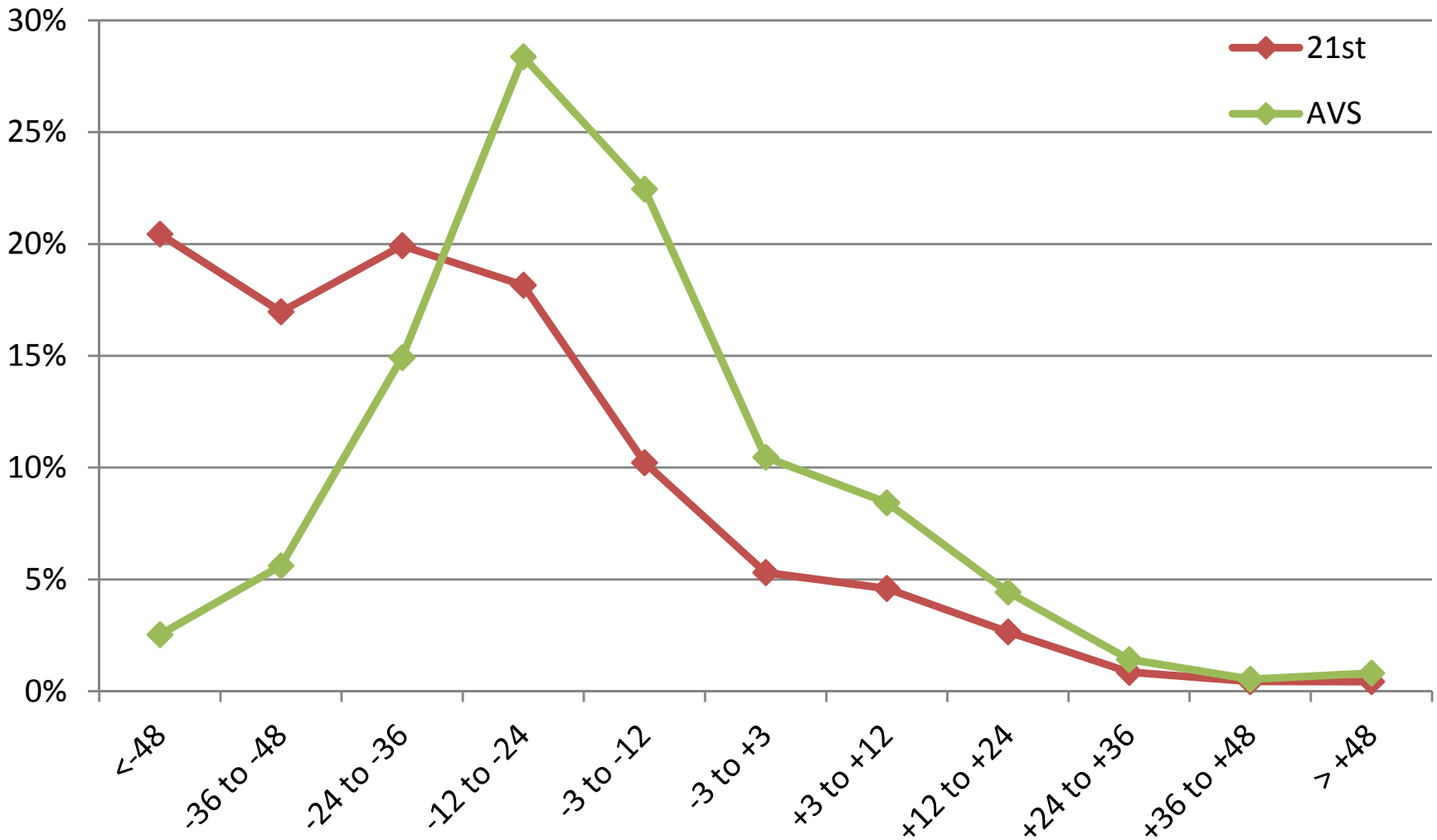
Fasano and 21st Relative to AVS



AVS and Fasano Relative to 21st

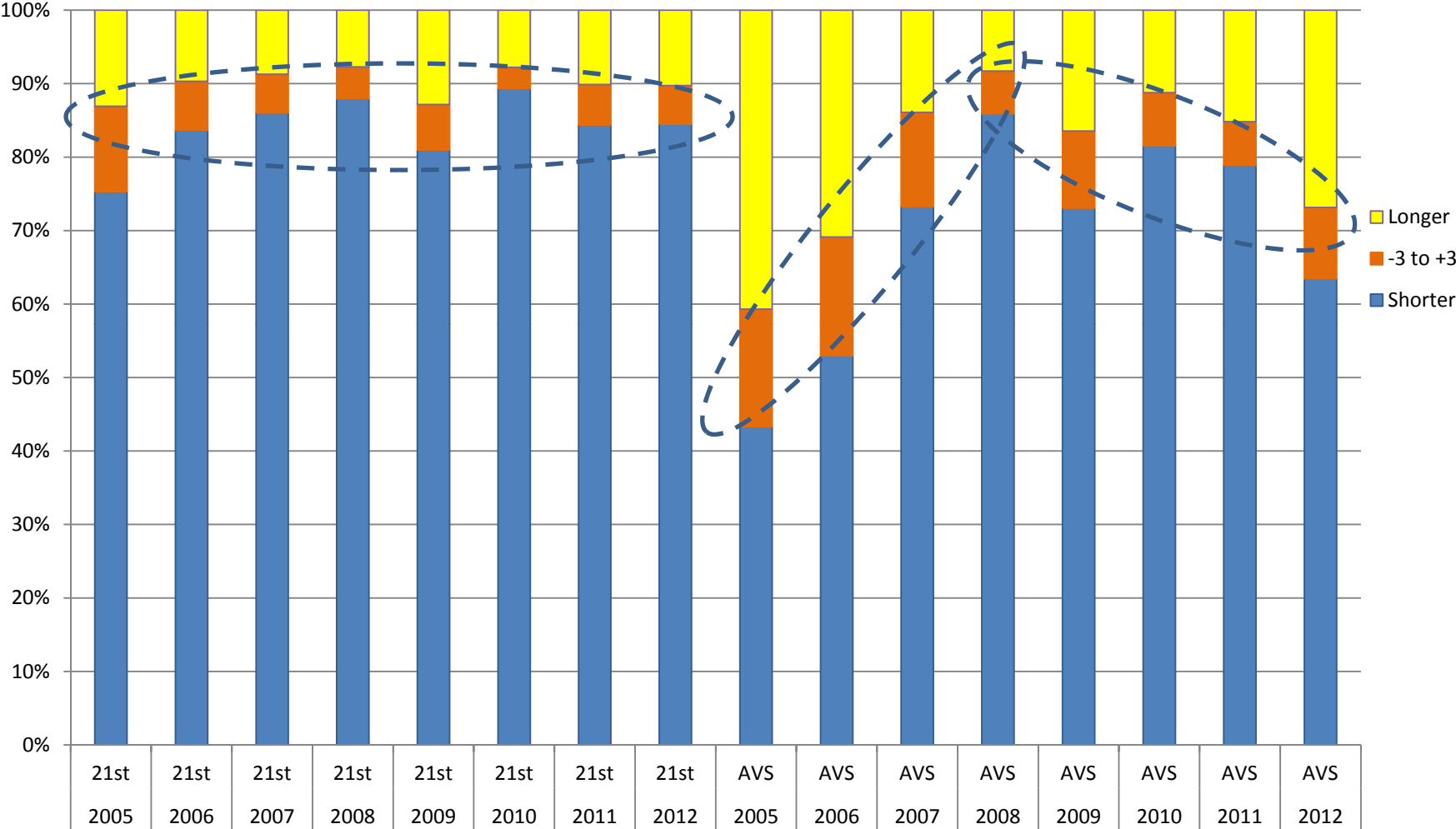


21st and AVS Relative to Fasano



<--- Shorter ----- Months Different Than Fasano ----- Longer ---->

21st and AVS v Fasano



Average Number of LE's By Year

