

Life Settlements

Leading Senior Financial Planning Tool and Non-Correlated Alternative Asset

Jon Sabes, Chief Executive Officer
GWG Life Settlements
Insurance Strategies Fund

Our Business

Seniors Owning Life Insurance



- ▶ Discovering Hidden Assets
- ▶ Unlocking the Value of Life Insurance
- ▶ SAFE: Suitable, Appropriate, Fair, w/Education



Connecting Seniors to Investors
Providing Value at Both Ends

Institutional Investors



- ▶ Alternative Asset Class
- ▶ Understandable Risks
- ▶ Attractive Returns to Comparable Market Credits
- ▶ Low Correlation & Low Volatility

Why are Life Settlements a Compelling Opportunity?

One Reason: Huge Market Potential

\$10 Trillion

In-Force
Individually Owned Life Insurance

6.0%

Avg Annual Lapse Rate

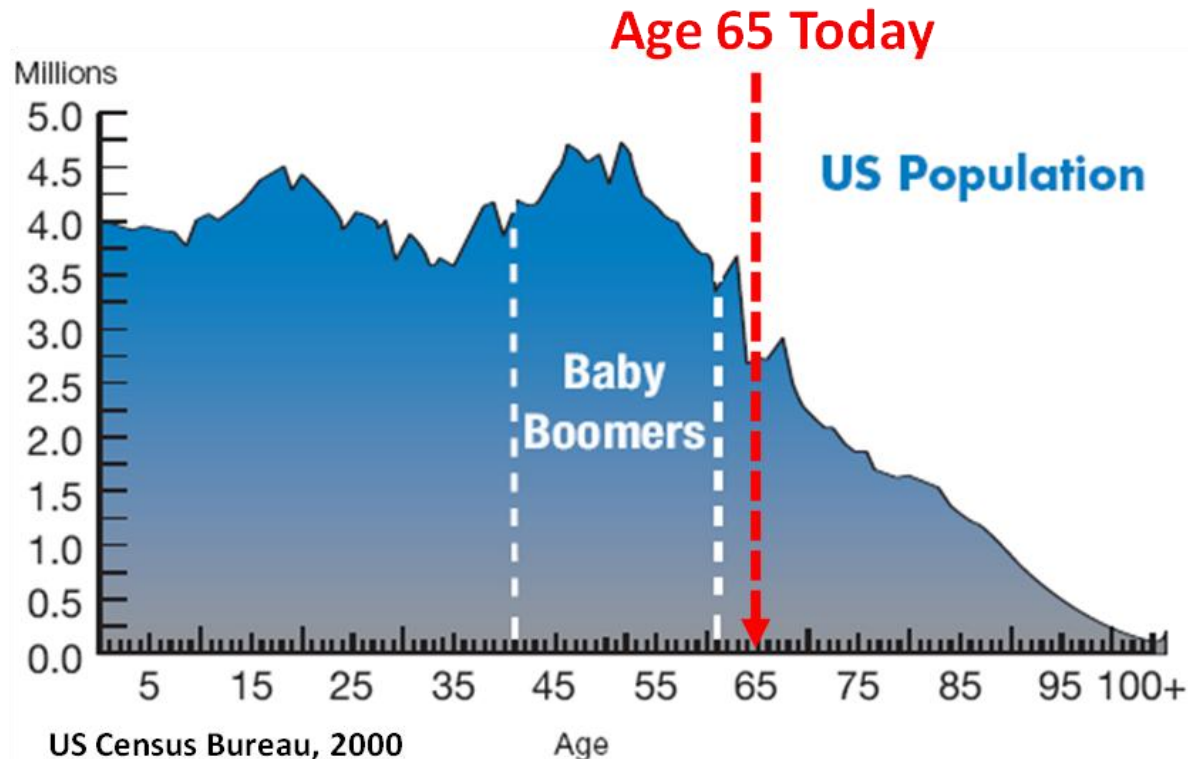
1.9%

Avg Annual Surrender Rate

\$790 Billion

Annually

ACLI Fact Book 2007



- ▶ ~1:10 Policies result in payment of a Death Benefit
- ▶ ~34% of all Senior HH own permanent Life Insurance

Another Reason: Yields

- ▶ Returns are Independent of other Markets
 - Stock Market, Commodities, etc.
- ▶ Attractive Returns
 - Compared to other Credits
- ▶ Low Volatility
 - Compared to other Markets

Another Reason: Risks

▶ Life Settlement risks are Understandable

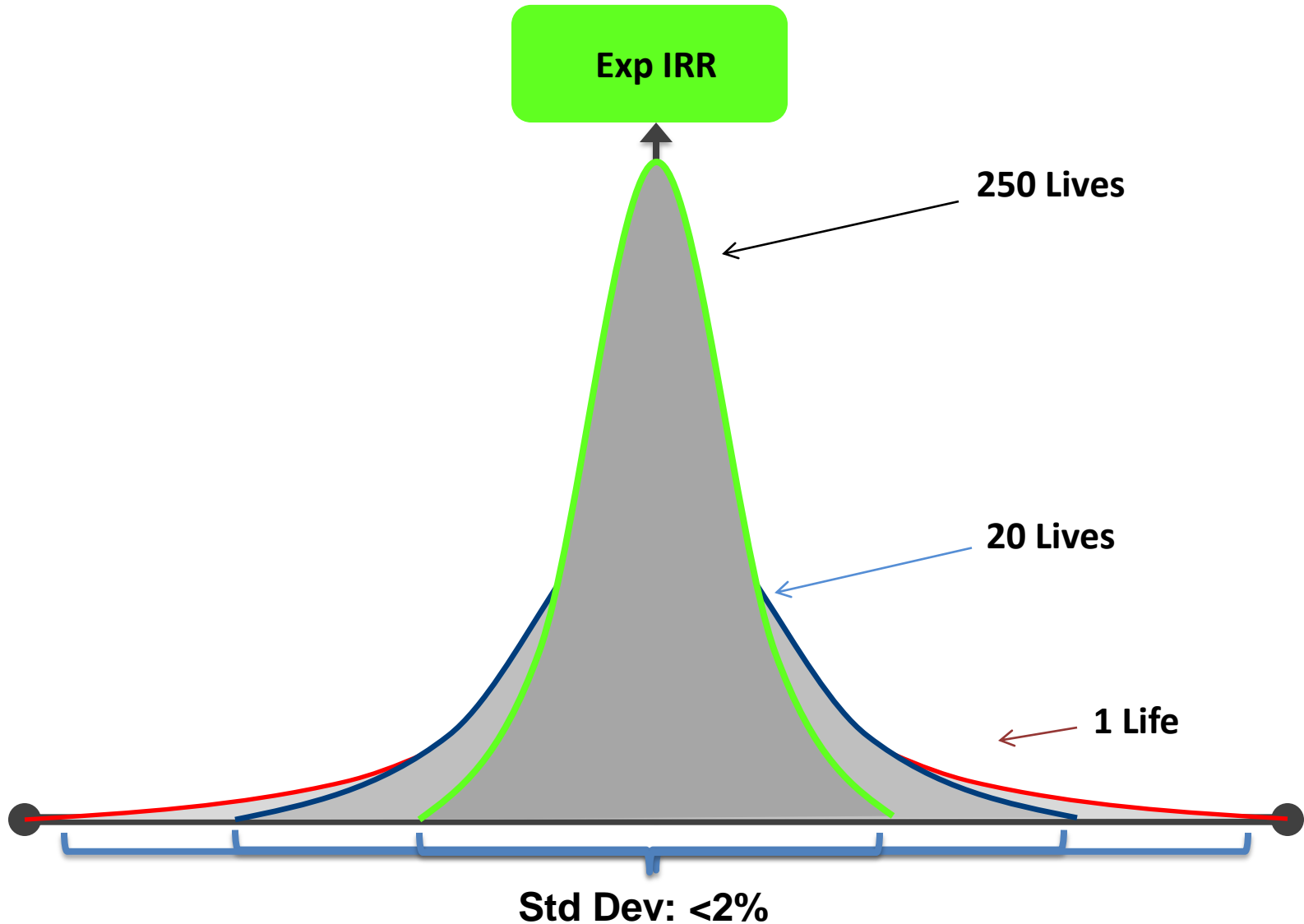
▶ Risk: Accuracy of Expected Returns

- Factor: Pool Size
- Factor: Medical Underwriting & Actuarial Modeling

▶ Risk: Insurance Company Insolvency

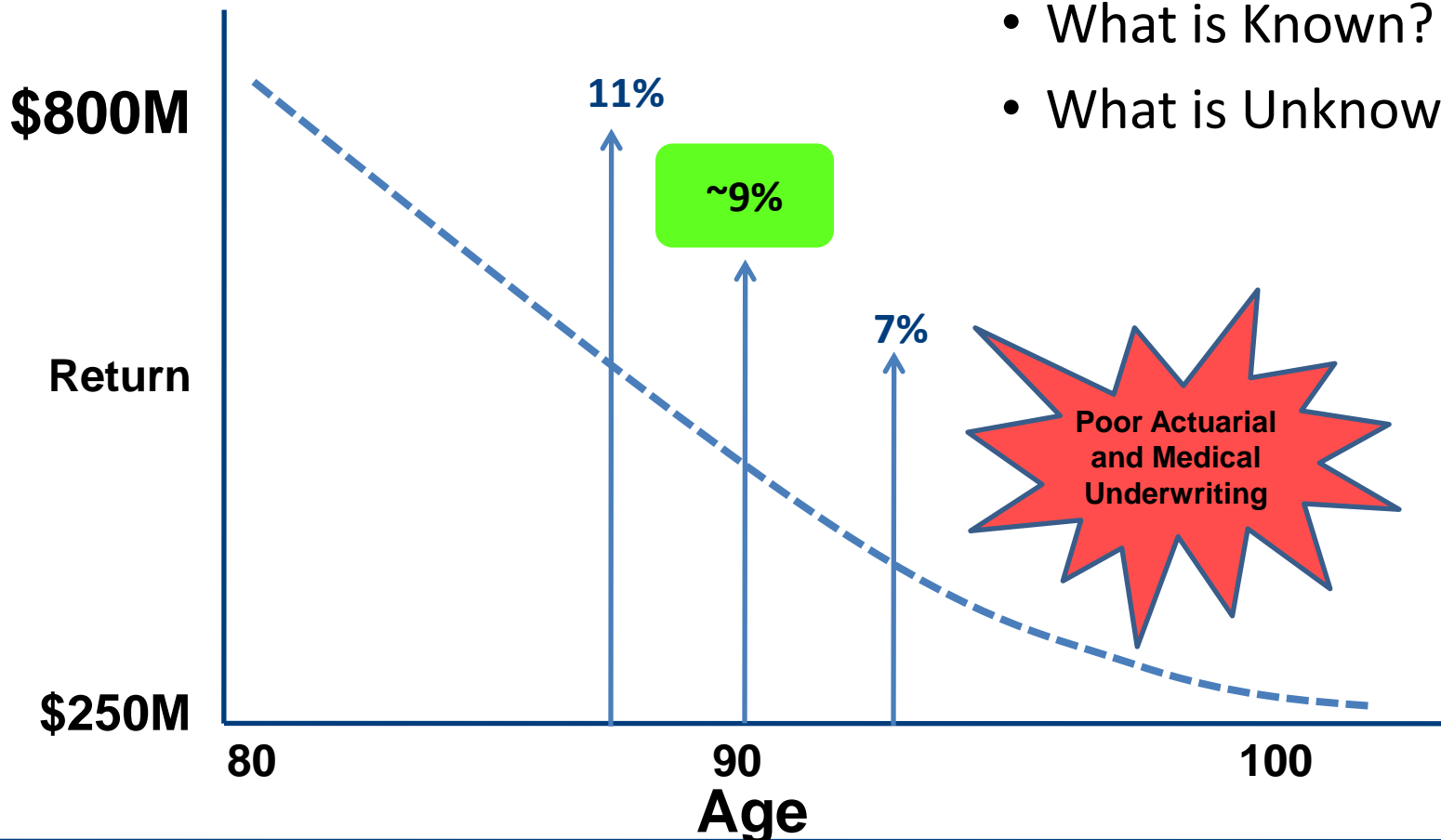
- No knowledge of a life insurance claim ever denied because of carrier insolvency
- State Mandated Reserves
- State Guaranty Fund
- Diversification

Understandable Risks



Understandable Risks

Accurate Medical Underwriting Actuarial Modeling



- What is Known?
- What is Unknown?

Why are Life Settlements a Compelling Opportunity?

▶ An Opportunity

- With Huge Market Potential
- With Returns Independent of Traditional Assets
- With Understandable Risks

Why work with us?

▶ **We have the Resources**

- Platform Company with Best Practice
- Banking Relationships
- Medical Underwriting & Actuarial Expertise

▶ **We provide Transparency**

- To the Assets
- To the Methodologies

Why work with us?

▶ We have Inventory

Portfolio Summary	
Face Amount	\$800,000,000
Notional Amount	\$250,000,000
# of Unique Lives	250+
Insured Age (avg)	80 years
Life Expectancy (avg)	10 years
Insured Age at Life Expectancy	90 years

Why work with us?

We provide Administrative Services:

- ▶ Continuing Premium Payments & Collections
 - Partnership with Well Fargo
- ▶ Flexibility in Structure
 - Purchase All or Portion
 - Liquidity Lines or Coupon Payments

The Wells Fargo logo is a red square with the words "WELLS" and "FARGO" stacked vertically in a yellow, serif font.

**WELLS
FARGO**

- ▶ **We work Hard to make it Easy**

What to consider before investing?

▶ Questions you need to ask:

- What kind of Resources?
- What kind of Transparency?
- What kind of Inventory?
- What kind of Administrative Services?

**Achieve the Returns
Life Settlements Promise to Deliver**



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