

RESS | CAPITAL

September 2020

Ress Life Investments A/S

NAV: 2057.60

AUM: 219.3 MUSD

MANAGER'S COMMENTS

Ress Life Investments posted a return of -0.8% in US dollars in September. The year to date net performance is 5.0% in US dollars. The performance in September was negatively affected by mark-to-market adjustments.

The fund continues to have strong capital inflows and assets under management is now at a record high of 219.3 million US dollars. The portfolio management team reviews hundreds of policies every month and selectively purchase policies at attractive risk-adjusted returns in both the secondary and tertiary market for US life insurance policies.

The portfolio becomes more diversified over time and the fund now holds 334 policies issued by over 50 highly rated US life insurance companies. The nominal value of the portfolio is over 800 million US dollars. The portfolio is diversified by gender, age, life expectancy and policy size. The average remaining life expectancy is 10 years and the average age of insureds is 79 years. We focus on policies with longer life expectancies since we believe they are more accurate.

The Sharpe ratio of the fund over the past 5 years is 1.3.

RETURN AND KEY FIGURES

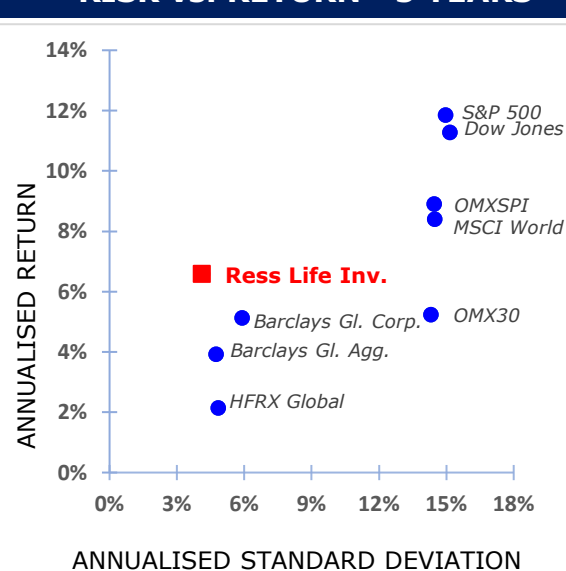
Data as of 30 September 2020

Return (Net after fees)	Ress Life Investments (USD)	MSCI World, Price (USD)	S&P 500	Barclays Global - Agg. Corp. Total Return Index (Unhedged USD)	HFR Global Hedge Fund Index
September 2020	-0.8%	-3.6%	-3.9%	-0.8%	-0.2%
Last 3 months, %	2.9%	7.5%	8.5%	3.1%	2.7%
Last 12 months, %	7.3%	8.6%	13.0%	7.7%	4.2%
Year to date, %	5.0%	0.4%	4.1%	5.8%	1.6%
5 year return	37.5%	49.6%	75.2%	28.4%	11.2%
Annualised return (5 years)	6.6%	8.4%	11.9%	5.1%	2.1%

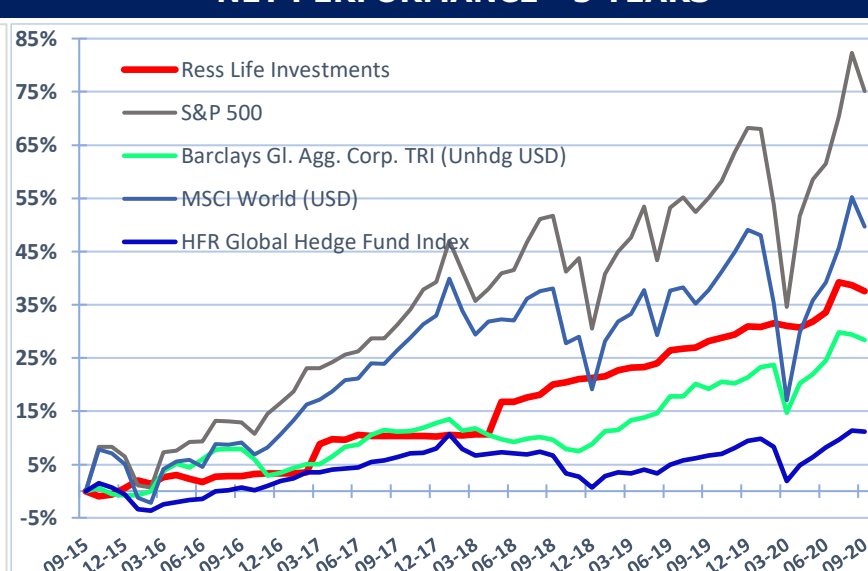
Risk and key figures - 5 year period

Annualised Standard deviation, %	4.1%	14.5%	15.0%	5.9%	4.8%
Downside deviation, annualised %	0.8%	10.1%	9.9%	3.9%	3.7%
Sharpe ratio	1.3	0.5	0.7	0.7	0.2
Average losing month	-0.3%	-3.7%	-3.9%	-1.2%	-1.3%
Winning Months	70.0%	68.3%	71.7%	66.7%	70.0%
Best Month	5.6%	10.8%	12.7%	4.8%	2.9%
Worst Month	-1.0%	-13.5%	-12.5%	-7.2%	-5.9%
Max Drawdown	-1.3%	-21.4%	-20.0%	-7.2%	-8.9%
Longest recovery period in months	6	20	6	14	30

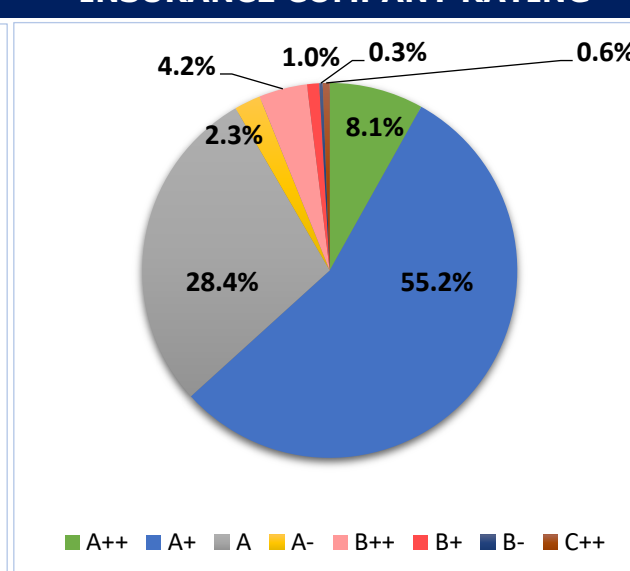
RISK vs. RETURN - 5 YEARS



NET PERFORMANCE - 5 YEARS



INSURANCE COMPANY RATING



MONTHLY RETURNS - (AFTER MANAGEMENT AND PERFORMANCE FEES)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	Net Asset Value (MUSD)
2015	3.31%	0.51%	0.25%	0.55%	0.02%	-1.26%	1.53%	0.10%	0.18%	-0.98%	0.37%	1.23%	5.88%	63.8
2016	1.41%	-0.63%	1.24%	0.40%	-0.77%	-0.57%	1.02%	0.10%	-0.02%	0.43%	0.06%	0.01%	2.68%	81.6
2017	0.04%	0.15%	5.12%	0.86%	-0.06%	0.77%	-0.15%	0.02%	0.01%	-0.03%	-0.02%	-0.03%	6.77%	87.9
2018	0.27%	-0.11%	0.21%	-0.05%	5.57%	-0.03%	0.71%	0.38%	1.71%	0.29%	0.52%	0.15%	9.91%	117.1
2019	0.26%	0.90%	0.45%	0.08%	0.58%	1.99%	0.26%	0.15%	0.97%	0.46%	0.48%	1.15%	7.99%	180.1
2020	-0.03%	0.51%	-0.40%	-0.24%	0.90%	1.30%	4.20%	-0.42%	-0.80%				5.04%	219.3

CORRELATION MATRIX - 5 YEARS

	Ress Life Investments (USD)	MSCI World (USD)	S&P 500	Barclays Gl. Agg. Corp. TRI (Unhdg USD)	HFR Global Hedge Fund Index
Ress Life Investments	1	0.09	0.09	0.16	0.06
MSCI World (USD)	0.09	1	0.98	0.61	0.90
S&P 500	0.09	0.98	1	0.56	0.88
Barclays Gl. Agg. Corp. TRI (Unhdg USD)	0.16	0.61	0.56	1	0.68
HFR Global Hedge Fund Index	0.06	0.90	0.88	0.68	1

EXECUTIVE SUMMARY

Strategy: To purchase US life insurance policies on the secondary market.

Goal: To manage a diversified life insurance portfolio, which generates stable and attractive returns over the long term.

Methodology: Selectively purchasing single US life insurance policies. Use of specially developed proprietary portfolio management and pricing models in order to optimise returns when purchasing policies that are held until maturity.

Target: Annual net return of 7% in USD.

WHY INVEST?

Risk diversification: Longevity, the main risk factor, is uncorrelated to equities, hedge funds and most other financial risk factors.

Alternative fixed income: The risk characteristics are similar to fixed income investments, but with a higher expected return

Stable performance: Realised volatility is 4.1% and the Sharpe ratio is 1.3 during the last five years.

Capital preservation: The strategy is suitable for investors where capital preservation is a key consideration.

Exchange-traded: The company is listed on Nasdaq Copenhagen and a market-maker provides daily prices.

INVESTMENT OBJECTIVE AND STRATEGY

Ress Life Investments aims to provide an annual return of 7% with low volatility by investing in the secondary market for US life insurance policies. The primary strategy is to hold the insurance policies until they pay out. The secondary market offers investors the opportunity to acquire life insurance policies at a discount to face value.

Resscapital has developed proprietary models for portfolio management and pricing in order to optimise returns when purchasing policies. Resscapital also collaborates with medical experts to assess longevity calculations on each policy acquired.

RISK MANAGEMENT

Policies are thoroughly analysed and at least two expert opinions are obtained on life expectancies, prior to purchasing. Portfolio risks and limits on portfolio diversification across insurance companies, life expectancies, age groups, etc. are monitored continuously. Resscapital only transacts with brokers who are registered and authorised, and all brokerage fees must be disclosed in a clear and transparent manner to the seller.

Diligent credit risk assessment with limits on each insurer has created a diversified life insurance portfolio. Policies are issued by over 50 different US life insurers. Over 90 % of the policies are issued by insurance companies with a credit rating of A or higher (AM Best).

MANAGEMENT TEAM

Gustaf Hagerud: Managing Director, was previously Head of Asset Management at the public pension fund AP3 in Sweden and has over 30 years' experience in strategic asset allocation and investment management.

Anton Pozine: Head of Portfolio Management, has extensive experience in both life settlements and longevity-linked assets. Anton holds a M.Sc. in Industrial Engineering and Management from the Linköping Institute of Technology in Sweden.

Fredrik Thor: Portfolio Manager, has over 25 years of experience in the financial industry. Fredrik holds a Master of Science degree from the Royal Institute of Technology in Stockholm.

Jonas Mårtensson: Founder and Head of Sales, has an international finance background and has been working for major banks in Switzerland, Belgium and the UK, focusing on fund management and structuring derivative products to institutional investors.

Cristina Lugaro: Institutional sales, has over 15 years of experience in the financial industry. Cristina holds an MBA from Solvay Business school and a Bachelors of Arts from Vesalius College in Belgium.

Johan Jonson: Risk Manager, has 30 years of experience in the financial industry. Primarily in investment management and risk management with alternative investment funds and corporate treasuries.

KEY FACTS

Legal Structure: Danish corporation

Investment Manager: Resscapital AB

Depository: Artha Fondsmæglerselskab A/S

Administration: Citco Denmark ApS

Securities intermediary: Wilmington Trust

Auditor: Deloitte

Listing: Nasdaq Copenhagen

Market Maker: Carnegie Investment Bank

Liquidity: Monthly subscriptions. Monthly redemptions with 180 days' notice period.

Minimum Investment: USD 150 000

Management Fee: 1.5% per annum

Performance Fee: 15% above hurdle rate, The annual performance fee is capped at 1%

Hurdle rate: 4-week US T-bill +1% with a high watermark

Nasdaq short name: RLAINV

Bloomberg: RESSINV DC

ISIN: DK0060315604

HOW TO INVEST

Subscribe for shares: Ress Life Investments A/S issues new shares at the current Net Asset Value every month. The subscription agreement provides detailed instructions regarding the subscription process. Subscription agreement can be found at: www.resscapi.com/invest/.

Buy shares on the stock exchange: Ress Life Investments A/S is listed on Nasdaq Copenhagen. The company's short name is RLAINV (ISIN DK0060315604). Shares can be bought through any stock exchange member. Current prices can be found on NasdaqOMXNordic at: www.nasdaqomxnordic.com/etp/alternativa-investeringsfonder

CONTACT INFORMATION

The Company: Ress Life Investments A/S. Holbergsgade 14, 2 tv, 1057 Copenhagen K, Denmark
Website: www.resslifeinvestments.com

Investment Manager (AIFM): Resscapital AB, PO Box 55916, Floragatan 2, 102 16 Stockholm, Sweden
Website: www.resscapi.com
Phone number: +46 8 545 282 09
Mail: jonas.martensson@resscapital.com

Signatory of:



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