

# **Ress Life Investments A/S**

## **Annual Report**

**For the period 1 October 2019 – 30 September 2020**

**Holbergsgade 14, 2. tv., DK-1057 Copenhagen K**

**3 December 2020**

**CVR no. 33 59 31 63**

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## **Company details**

Name	Ress Life Investments A/S
Address, zip code, city	Holbergsgade 14, 2. tv., DK-1057 Copenhagen K
CVR no.	33 59 31 63
Established	1 April 2011
Registered office	Copenhagen
Financial year	1 October – 30 September
Website	<a href="http://www.resslifeinvestments.com">www.resslifeinvestments.com</a>
E-mail	<a href="mailto:info@resslifeinvestments.com">info@resslifeinvestments.com</a>
Board of Directors	Søren Andersen, Chairman Ketil Poul Petersen Jeppe Buskov Anne Buchardt
Executive Board	Michael Hovard Ekmann
AIF manager	Resscapital AB, Box 55916, SE-102 16 Stockholm, Sweden
Depository	Artha Fondsmæglerselskab A/S, Søllerødvej 64, DK-2840 Holte, Denmark
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6, DK-0900 Copenhagen
Annual General Meeting	The Annual General Meeting is to be held on 6 January 2021 at the Company's registered address.

## **Share information**

Exchange	Nasdaq Copenhagen
Nominal value per share	EUR 500
Shares outstanding at the balance sheet date	106,565
Share classes	One
Voting rights per share	One
Ticker	RLAINV
ISIN	DK0060315604

## **Financial calendar**

3 December 2020	Board approval of the Annual Report 2019/2020
6 January 2021	Annual General Meeting
25 May 2021	Half-year interim financial statements 2020/2021

## **Statement by the Board of Directors and Management**

The Board of Directors and Management have today discussed and approved the Annual Report of Ress Life Investments A/S for the period 1 October 2019 – 30 September 2020.

The Annual Report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and additional disclosure requirements in accordance with the Danish Financial Statements Act.

In our opinion the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 September 2020 and of the results of the Company's operations and cash flows for the period 1 October 2019 – 30 September 2020.

Further, in our opinion the Directors' report includes a fair review of the development in the Company's activities and financial conditions, of the result for the period, cash flows and financial position and describes the significant risks and uncertainties affecting the Company.

We recommend that the Annual General Meeting approve the Annual Report.

Copenhagen, 3 December 2020  
Management:

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Michael Hovard Ekman

Board of Directors:

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Søren Andersen  
Chairman of the Board

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Anne Buchardt

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Jeppe Buskov

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Ketil Poul Petersen

## **Independent auditor's report**

### **To the shareholders of Ress Life Investments A/S**

#### **Opinion**

We have audited the financial statements of Ress Life Investments A/S for the financial year 01.10.2019 - 30.09.2020, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2020, and of the results of their operations and cash flows for the financial year 01.10.2019 - 30.09.2020 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Our opinion is consistent with our audit book comments on the annual report 2019/20 issued to the Board of Directors.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No 537/2014.

We were appointed auditors of Ress Life Investments A/S for the first time on 13.10.2010 for the financial year 2011/12. We have been reappointed annually by decision of the general meeting for a total contiguous engagement period of nine years up to and including the financial year 2019/20.

#### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year 01.10.2019 - 30.09.2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<p><b><i>Fair value measurement of life settlement contracts</i></b></p>	
<p>Life settlement contracts (other investments) amount to USD 192,449 thousand at 30.09.2020. We consider measurement of life settlement contracts a key audit matter as such measurement is based on accounting estimates, including management judgements. Changes in accounting estimates may have a material impact on the measurement of other investments.</p> <p>The most significant management judgements and assumptions comprise:</p> <ul style="list-style-type: none"> <li>• Choice of valuation method</li> <li>• Estimation of future cash flows (premiums and death benefits)</li> <li>• Choice of discount rates</li> <li>• Assessment of life expectancies (mortality assumptions).</li> </ul> <p>Management has described the principles and assumptions used to measure life settlement contracts in more detail in the summary of accounting policies.</p>	<p>Based on our risk assessment, we have audited the fair value measurement of life settlement contracts made by Management.</p> <p>Our audit procedures were as follows:</p> <ul style="list-style-type: none"> <li>• Assessment and testing of key controls related to Management's definition of assumptions, including whether such key controls were in place.</li> <li>• Assessment of the chosen valuation method chosen by Management based on the characteristics of the investments, our knowledge of the industry and history.</li> <li>• Assessment of the most significant management judgements, including test to underlying documentation.</li> </ul>

#### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

### **Management's responsibilities for the financial statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Copenhagen, December 3<sup>rd</sup> 2020

## **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Business Registration No 33 96 35 56

Michael Thorø Larsen  
State-Authorised  
Public Accountant  
Identification number (MNE) 35823



## Directors' report

### Financial highlights

USD'000	2019/20	2018/19	2017/18	2016/17	2015/16
<b>Key figures</b>					
Operating profit/loss	-6,127	-3,938	-2,575	-367	-287
Financial income and expenses, net	18,835	12,899	10,474	6,424	2,124
Profit/loss for the year	12,707	8,964	7,899	6,057	1,837
Financial assets	192,449	118,792	93,248	85,109	77,696
Total assets	221,122	160,242	101,023	86,759	80,316
Equity	219,268	155,079	99,515	82,593	80,194
Net asset value per share*	2,058	1,918	1,797	1,652	1,538

\*in USD

### Financial ratios

Financial assets <i>in percentage of total assets</i>	87.0	74.1	92.3	98.1	96.7
Solvency ratio	99.2	96.8	98.4	95.2	99.8
Return on equity	6.8	7.0	8.7	7.4	2.7

Solvency ratio:  $\frac{\text{Equity} \times 100}{\text{Total assets}}$

Return on equity:  $\frac{\text{Profit/Loss for the year}}{\text{Average equity}}$

### Principal activities

The main activity of the Company is to invest in securities ensuring exposure to the secondary market for US life insurance policies, also known as life settlements. The investment strategy is primarily pursued through investments in life settlements.

The Company is an Alternative Investment Fund ("AIF") as defined in the Alternative Investment Fund Managers Directive 2011/61/EU ("AIFMD") and the Danish Act on Managers of Alternative Investment Funds.

The Company is marketed towards professional investors as defined in the European Union's MIFID Directive (Markets in Financial Instruments Directive), semi-professional investors where permitted, as well as retail investors in Denmark and Sweden.

The Company's Alternative Investment Fund Manager (AIFM) is Resscapital AB, a limited liability company incorporated in Sweden (company no 556698-1253). The Fund Manager's focus is insurance-linked securities with an emphasis on the secondary market for US life insurance policies. The Fund Manager is authorised and supervised as an alternative investment fund manager (AIFM) by Finansinspektionen, the Swedish Financial Supervisory Authority.

All company announcements are published through Nasdaq GlobeNewswire and can also be found on the Company's website [www.resslifeinvestments.com](http://www.resslifeinvestments.com) under the heading 'Corporate Information'.

## Directors' report

### Development in activities and finances

During the Company's financial year, the net asset value of the Company increased from USD 1,918 per share to USD 2,058 at 30 September 2020. The Annual Report shows a profit of USD 12,707 thousand. Management considers the results of operation for the year satisfactory and in accordance with expectations.

During the year, there have been 10 capital increases by a total of 20,041 shares with a nominal value of EUR 500 per share. During the period, 20,041 new ordinary shares were issued and 8,311 shares were bought back from investors. In addition, 13,995 existing treasury shares were sold to investors.

### Development in the fund

As of 30 September 2020, all life settlement assets were owned directly by the Company. The Company owned 330 policies issued by 55 different US life insurance companies. The total face value of the policies exceeds USD 838 million.

During the fiscal year the fund experienced 12 policies paying out with a total of 27.1 MUSD in face amount. The actual number of maturities is in line with expected maturities, but the average size of maturing policies has been below average policy size.

The Fund Manager believes this is due to the fact that the larger policies were added to the portfolio with start in 2013 and that the pool of larger face policies is still increasing while not being large enough to minimize volatility in maturities. The portfolio is still growing and therefore the volatility in actual-to-expected ratios is expected to gradually decrease as the number of policies in the portfolio increases.

The Fund Manager has communicated that an efficient policy selection process combined with conservative medical underwriting, results in the Company purchasing a very small sub-set of reviewed policies. As a result, in the Fund Manager's view the Company has assembled a robust portfolio with limited tail risks.

### Outlook

The assets of the Company have grown from USD 160.2 million to USD 221.1 million during the fiscal year. The outlook for further growth is positive and the Fund Manager has communicated to the Company that it expects to continue increasing the assets.

The value per share in the Company increased with 7.3% during the fiscal year. The value per share in the Company is also expected to continue to increase as insured individuals are getting older and policy pay-outs increase.

Due to the nature of the Company and its investments it is difficult to estimate the level of expected future profits. However, the net target return for the company is 7.0% in USD per annum and it is reasonable to believe that the yield on the underlying assets is sufficient to reach the target over the long term.

## Directors' report

### Exceptional matters

Management is monitoring the potential effects on the Company of the COVID-19 pandemic. Life insurance policies as an asset class is generally not correlated to the financial markets and COVID-19 is not considered to have had any material impact on the financial figures for 2019/20. However, the global financial system is under considerable stress and it is not possible to foresee, what the effects will be even for this asset class. It is Management's assessment, that COVID-19 does not materially affect the Company's risks or expected returns.

No other exceptional matters have incurred in the financial year that have had or should have had a material effect on the financial statements.

### Performance attribution

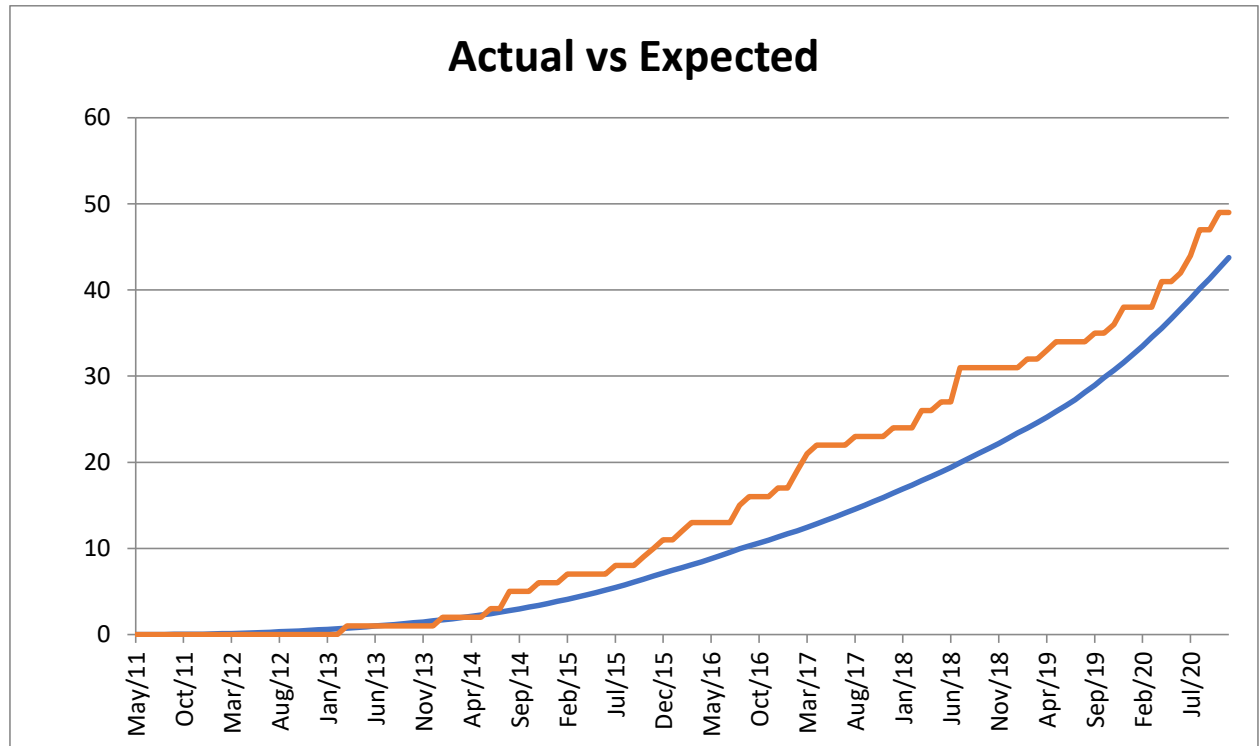
The table below shows the estimated calendar year performance attribution since 2014. 2020 YTD numbers refer to the period 2020-01-01 until 2020-09-30.

	2014	2015	2016	2017	2018	2019	2020 YTD
Realised (Maturities & sold policies)	4.02%	5.06%	2.45%	8.48%	9.17%	5.92%	8.29%
Aging effect	5.46%	5.35%	3.96%	3.44%	1.15%	2.72%	1.15%
Mtm-adjustment (Change in discount rates)	4.18%	7.89%	0.27%	-1.01%	3.03%	3.74%	-0.94%
Valuation policy change/VBT Table update	0.00%	-7.87%	0.00%	0.00%	1.00%	0.00%	0.00%
Life Expectancy Updates	-2.48%	-0.33%	0.06%	0.01%	-0.47%	0.31%	-0.07%
Premium prepayments	-1.93%	-0.15%	-0.31%	-0.23%	-0.37%	-0.14%	-0.12%
Premium optimization	0.98%	-0.02%	-0.15%	0.57%	0.28%	-0.40%	-0.11%
COI increases	0.00%	-0.39%	-0.66%	-0.38%	-0.30%	-0.60%	0.00%
<b>Gross portfolio performance</b>	<b>10.23%</b>	<b>9.54%</b>	<b>5.63%</b>	<b>10.89%</b>	<b>13.50%</b>	<b>11.55%</b>	<b>8.21%</b>
Investment factor effect	-1.37%	-0.21%	-0.18%	-0.34%	-0.85%	-1.03%	-0.65%
<b>Net portfolio performance</b>	<b>8.86%</b>	<b>9.34%</b>	<b>5.45%</b>	<b>10.55%</b>	<b>12.65%</b>	<b>10.52%</b>	<b>7.56%</b>
Fund Costs	-4.10%	-3.47%	-2.73%	-3.86%	-3.11%	-2.80%	-2.52%
Other	0.06%	0.01%	-0.04%	0.08%	0.37%	0.27%	0.00%
<b>Net Fund Performance</b>	<b>4.82%</b>	<b>5.88%</b>	<b>2.68%</b>	<b>6.77%</b>	<b>9.91%</b>	<b>7.99%</b>	<b>5.04%</b>

## Directors' report

### Realized maturities - actual to expected

Actual to expected figures were in line with expectations. The below graph shows the actual number of maturities (red) versus estimated expectation (blue). The portfolio has experienced 58.4MUSD worth of maturities since inception.



### Uncertainties regarding the measurement and determination of financial data

The majority of the Company's assets consist of life settlements. The liquidity of the tertiary market for life settlements is limited and thus it is not certain that the sale of a Life Settlement policy would realize the amount at which the asset is recognised in the financial statements. Life expectancies and fair values are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision.

## Directors' report

### Status on corporate governance recommendations

The recommendations are best practice guidelines, which companies should generally follow. A company failing to comply with a recommendation must explain why it has deviated from the recommendation and what it has done differently (the "comply or explain" approach). Failure to comply with a recommendation is not considered a breach of rules, but merely implies that the Board of Directors of the Company has chosen a different approach.

By adhering to sound principles of corporate governance, the Company wishes to maintain the confidence of investors, achieve its financial objectives and act with integrity towards all its stakeholders.

The Company's position on the Corporate Governance Recommendations is listed on its webpage: <http://www.resscapi.com/fund/#corporate-information>

### Board of Directors

Board members are elected for a one year term and are re-appointed at the Annual General meeting.

Chairman Mr Søren Andersen (born 1967) was elected for the board of directors on 27 August 2019 and obtained chairmanship at the Annual General meeting on 30 January 2020. Mr Andersen is the managing director of S.A. Consulting ApS, FPension A/S, NHMSA ApS and AndWas III ApS and appointed actuary of ISP Pension. Mr Andersen currently holds the position as chairman of the Board of Directors of AndWas III ApS, and is a board member of FPension A/S. Mr. Andersen do not hold any shares in the Company.

Board member Mr Jeppe Buskov (born 1975) was elected for the board of directors on 28 February 2014. Mr Buskov is a partner in the Danish law firm Kromann Reumert and currently holds the position as chairman of the Board of Directors of KR 640 A/S and KR 639 A/S. Mr. Buskov do not hold any shares in the Company.

Board Member Mr Ketil Petersen (born 1962) was elected for the Board of Directors on 27 August 2019. Mr Petersen is the chairman of the Board of Directors of Changegroup Holding A/S, Changegroup ApS, and the managing director of Verismo ApS. Mr. Petersen holds a nominal amount of 80 shares in the Company.

Board Member Mrs Anne Buchardt (born 1969) was elected for the Board of Directors on 30 January 2020. Mrs Buchardt is a branch manager at Nordnet Bank, Filial af Nordnet Bank AB, Sweden. Mrs Buchardt is a member of the Board of Directors of PKA+Pension Forsikringselskab A/S and managing director of Bølgebrus Holding ApS. Mrs. Buchardt do not hold any shares in the Company.

Neither of the members of the Board of Directors or Management hold options, warrants or similar in the Company.

### Management

On 1 May 2019, Mr Michael Hovard Ekmann was employed as CEO. Mr Ekmann is the chairman of the Board of Directors for Investeringsforeningen Fundamental Invest and member of the Board of Directors for R & H A/S. Mr. Ekmann do not hold any shares in the Company.

## **Directors' report**

### **Risks**

The Board has reviewed the most important strategic and business-related risks. Among the most important risks are; financial risk, i.e. the fact that the value of the life insurance policies can decrease and changes in applicable law, which could adversely affect the Company and its share price. Currency risk is another risk factor since the shares are denominated in EUR, the accounting currency is USD and the underlying assets are in USD. Other important risk factors are the liquidity risk, i.e. the fact that the shares may not trade regularly and the Company's dependence on its Alternative Investment Fund Manager and tax risks related to the Company's investments.

### **Capital structure**

The Company is primarily funded through equity. The Company may raise loans of a maximum of 50% of the Company's total equity.

The Company has no interest in holding treasury shares other than for the purpose of reselling them to new or existing shareholders. Consequently, no policy regarding the possession of treasury share has been established.

### **Credit management**

The capital of the Company is represented by the net assets attributable to the investors. The Company's objective when managing capital is to safeguard the ability to continue as a going concern in order to provide returns for investors and benefits for other stakeholders as well as maintain a strong capital base to support the development of the investment activities of the Company.

### **Corporate Social Responsibility**

Based on a materiality and risk assessment, the Company does not have any material risks in relation to human rights, social and labour conditions, climate and environment and anti-corruption, as the business of the Company is limited to investments in US life settlement contracts and has no employees except for Executive Management, comprising of 1 Executive Board member. As such, the Company does not have a corporate social responsibility policy, including one for human rights, social and labour conditions, climate and environment and anti-corruption.

### **Target figures and policies for the underrepresented gender**

The Board currently has 1 woman and 3 men, and has therefore achieved what is considered equal representation of genders at the Board of Directors.

Management aside, the company has no employees, thus also no underrepresented gender.

## Financial statements for the period 1 October – 30 September

### Income statement and statement of comprehensive income

Note	USD	1 October 2019 - 30 September 2020	1 October 2018 - 30 September 2019
2	Staff costs	-89,038	-93,968
3	Other operating costs	-6,038,287	-3,844,183
	<b>Operating profit/loss</b>	<b>-6,127,325</b>	<b>-3,938,151</b>
4	Financial income	19,041,115	13,204,535
5	Financial expenses	-206,412	-306,701
	<b>Profit before tax</b>	<b>12,707,377</b>	<b>8,963,683</b>
	Tax on profit for the year	0	0
	<b>Profit for the year</b>	<b>12,707,377</b>	<b>8,963,683</b>
	<b>Comprehensive income</b>	<b>12,707,377</b>	<b>8,963,683</b>

There have been no transactions in other comprehensive income.

Weighted average no. of shares issued	92,944	68,046
Earnings per share (Basic and Diluted)	136.72	131.73

## Financial statements for the period 1 October – 30 September

### Statement of financial position

Note	USD	30 September 2020	30 September 2019
	<b>ASSETS</b>		
	<b>Non-current assets</b>		
	<b>Financial assets</b>		
9	Other investments	192,449,408	118,791,752
		<b>192,449,408</b>	<b>118,791,752</b>
	<b>Total non-current assets</b>	<b>192,449,408</b>	<b>118,791,752</b>
	<b>Current assets</b>		
	<b>Receivables</b>		
	Other receivables	0	18,947
10	Prepayments	21,745,824	1,281,475
		<b>21,745,824</b>	<b>1,300,422</b>
10	Cash and cash equivalents	<b>6,926,386</b>	<b>40,149,459</b>
	<b>Total current assets</b>	<b>28,672,210</b>	<b>41,449,881</b>
	<b>TOTAL ASSETS</b>	<b>221,121,618</b>	<b>160,241,633</b>



## Financial statements for the period 1 October – 30 September

### Statement of financial position

Note	USD	30 September 2020	30 September 2019
	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
6	Contributed capital	63,319,018	51,859,292
	Retained earnings	155,949,077	103,219,982
	<b>Total equity</b>	<b>219,268,095</b>	<b>155,079,274</b>
	<b>Current liabilities</b>		
	Other payables	1,853,524	5,162,359
		<b>1,853,524</b>	<b>5,162,359</b>
	<b>Total liabilities</b>	<b>1,853,524</b>	<b>5,162,359</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>221,121,618</b>	<b>160,241,633</b>

1 Accounting policies

7 Contingencies, etc.

8 Related parties

11 Events after the balance sheet date

## Financial statements for the period 1 October – 30 September

### Statement of changes in equity

<b>USD</b>	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Total</b>
Equity at 1 October 2018	36,998,921	62,516,092	<b>99,515,013</b>
Comprehensive income for the period	0	8,963,683	<b>8,963,683</b>
Capital increase	14,860,371	33,062,142	<b>47,922,513</b>
Redemptions and gain/loss on own shares	0	-1,321,935	<b>-1,321,935</b>
<b>Equity at 30 September 2019</b>	<b>51,859,292</b>	<b>103,219,982</b>	<b>155,079,274</b>
Equity at 1 October 2019	51,859,292	103,219,982	<b>155,079,274</b>
Comprehensive income for the period	0	12,707,377	<b>12,707,377</b>
Capital increase	11,459,726	28,827,574	<b>40,287,300</b>
Redemptions and gain/loss on own shares	0	11,194,144	<b>11,194,144</b>
<b>Equity at 30 September 2020</b>	<b>63,319,018</b>	<b>155,949,077</b>	<b>219,268,095</b>

## Financial statements for the period 1 October – 30 September

### Statement of cash flows

USD	2019/20	2018/19
Total comprehensive income for the period	12,707,377	8,963,683
Change in current liabilities	-3,308,836	3,654,180
Change in receivables	-20,445,402	-1,286,318
Unrealised financial income	-18,855,119	-12,500,535
Corporation tax paid	0	0
<b>Cash flow from operating activities</b>	<b>-29,901,979</b>	<b>-1,168,990</b>
Purchase of financial assets	-51,473,180	-17,775,049
Premium payments	-13,781,666	-9,802,552
Disposals of financial assets	0	704,645
Sales and maturities	10,452,308	13,843,156
Realised result on disposals	0	140,309
Interest received	26,400	196,507
Realised exchange rate adjustments	-22,138	-345,798
<b>Cash flow from investing activities</b>	<b>-54,798,276</b>	<b>-13,038,782</b>
Capital increase	40,287,300	47,922,513
Redemption of shareholders, net	11,194,144	-1,321,935
Interest paid	-4,261	-4,535
<b>Cash flow from financing activities</b>	<b>51,477,183</b>	<b>46,596,043</b>
<b>Net cash flows from operating, investing and financing activities</b>	<b>-33,223,073</b>	<b>32,388,271</b>
Cash and cash equivalents at 1 October	40,149,459	7,761,188
Cash and cash equivalents at 30 September	6,926,386	40,149,459

## Financial statements for the period 1 October – 30 September

### Notes to the financial statements

#### 1 Accounting policies

Ress Life Investments A/S is a public limited company registered in Denmark.

The financial statements of Ress Life Investments A/S for the period 1 October 2019 – 30 September 2020 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and the provisions in the Danish Financial Statements Act applying to reporting class D.

#### Basis of preparation

The financial statements have been presented in United States Dollars (USD), rounded to the nearest whole USD.

The accounting policies set out below have been applied consistently in respect of the financial year and to comparative figures.

The accounting policies are unchanged compared with the previous year.

#### Going concern statement

In connection with the financial reporting, the Board of Directors and Management assessed whether the presentation of the annual report under the going concern assumption is well-founded. The Board of Directors and Management have concluded that no such factors exist at the balance sheet date as could raise doubt about the Company's ability to continue as a going concern at least until the next balance sheet date. The conclusion drawn is based on knowledge of the Company, the estimated outlook and the uncertainties and risks identified in this respect (described in the Director's report and note 9) as well as an examination of budgets, including the expected developments in liquidity, capital base, etc., existing credit facilities, including contractual and expected maturity periods, as well as other terms. Thus, it is deemed appropriate, reasonable and well-founded to base the financial reporting on the going concern assumption.

#### Determination of functional currency

The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions denominated in currencies other than the functional currency are foreign currency transactions.

If indicators of the primary economic environment are mixed, then Management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. Management considers the USD as the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The USD is the currency in which the Company measures its performance and reports its results, as well as the currency in which it receives subscriptions for its investors. This determination also considers the competitive environment in which the Fund is compared.

## Financial statements for the period 1 October – 30 September

### Notes to the financial statements

#### 1 Accounting policies - continued

##### Foreign currency translation

On initial recognition, foreign currency transactions are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising between the rate at the transaction date and the rate at the date of payment are recognised in profit or loss as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated to the functional currency at the exchange rates at the date of the statement of financial position.

The difference between the exchange rates at the end of the reporting period and at the date at which the receivable or payable arose or was recognised in the latest annual report is recognised in profit or loss as financial income or financial expenses.

##### General information on recognition and measurement

Income is recognised in the income statement as and when it is earned, including recognition of value adjustments of financial assets and liabilities. Any costs, including depreciation, amortisation and write-down, are also recognised in the income statement.

Assets are recognised in the statement of financial position when it is likely that future economic benefits will flow to the Company and the value of the asset can be measured reliably.

Liabilities are recognised in the statement of financial position when it is likely that future economic benefits will flow from the Company and the value of the liability can be measured reliably.

The initial recognition measures assets and liabilities at cost. Subsequently, assets and liabilities are measured as described in the following for each item.

Certain financial assets and liabilities are measured at amortised cost, recognising a constant effective interest over the term. Amortised cost is stated at initial cost less any deductions and with addition/deduction of the accumulated amortisation on the difference between cost and nominal amount.

The recognition and measurement take into account predictable losses and risks arising before the year-end reporting and which prove or disprove matters that existed at the balance sheet date.

##### New financial reporting standards

New and amended financial reporting interpretations, issued the IASB, has been evaluated and will not have any impact on the financial statements.

## Financial statements for the period 1 October – 30 September

### Notes to the financial statements

#### 1 Accounting policies – continued

##### *Income statement and statement of comprehensive income*

###### **Staff costs**

Staff costs comprise fees to members of the Board of Directors and the Executive Board.

###### **Other operating expenses**

Other operating expenses comprise domiciliary and management fee expenses, professional services fees and other such expenses.

###### **Financial income and expenses**

Financial income and expenses include interest income and expenses, realised and unrealised gains and losses arising from investments in financial assets, financial liabilities and transactions in foreign currencies.

Fair value adjustments are recognised in profit or loss as value adjustments of financial assets under financial income/expenses in the financial year in which the adjustment occurs.

Financial income and expenses are recognised in the income statement by the amounts that relate to the financial year.

###### **Tax on profit/loss for the year**

The Company is exempt from corporate taxes in Denmark in accordance with the Danish tax rules for Investment Companies as the taxation occurs with the investors instead. Therefore, the Company has no recognition of corporate tax, but immaterial amounts may be recorded in the financial statements in terms of withholding taxes.

##### *Statement of financial position*

###### **Financial assets and other investments**

The Company classifies its investments in securities and life settlement contracts as financial assets at fair value through profit or loss. These financial assets are classified by Management at fair value through profit and loss at inception.

Financial assets/other investments are measured at fair value through profit and loss in line with the Company's business model and documented investment strategy.

The Company's policy requires the AIF-Manager and Management to evaluate the information about these financial assets on a fair value basis. Assets in this category are classified as non-current assets as they are not expected to be realised within 12 months of the balance sheet date.

## Financial statements for the period 1 October – 30 September

### Notes to the financial statements

#### 1 Accounting policies - continued

##### Financial assets and other investments - continued

Regular purchases and sales of life settlement contracts are recognised at the trade date — the date at which the Company commits to purchase or sell the investment. Financial assets at fair value through profit and loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets at fair value through profit and loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets are presented in the statement of comprehensive income within "other financial income or expenses" in the period in which they arise.

Fair value adjustments of the life settlement investments consist of adjustments based on actuary assumptions on life expectancies (mortality assumptions) and discount rates.

##### Current assets

Prepayments recognised as assets include costs incurred relating to the subsequent financial years and are measured at cost.

##### Current liabilities

Other payables are measured at amortised cost.

Interest-bearing loans are initially measured at the fair value of the proceeds received net of issue costs associated with the borrowing. Subsequently, current liabilities are measured at amortised cost using the effective interest method if the time-value of money is significant.

##### Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of financial assets is shown separately in cash flows from investing activities.

Cash and cash equivalents comprise cash and short-term marketable securities (maturing in less than three months at the time of acquisition) which are subject to an insignificant risk of changes in value.

Cash flows from operating activities are calculated according to the indirect method as the profit/loss after tax adjusted for non-cash operating items, changes in working capital and interest income and expenses.

Cash flows from investing activities include payments in connection with purchase and sale of financial asset investments and realised interest income.

Cash flows from financing activities include changes in the size or composition of share capital and related costs, borrowings and repayment of interest-bearing debt and payment of dividend to shareholders and realised interest expenses.

## Financial statements for the period 1 October – 30 September

### Notes to the financial statements

#### 2 Staff cost

USD	2019/20	2018/19
Wages and salaries	82,880	88,521
Other social security costs	6,158	5,447
	<b>89,038</b>	<b>93,968</b>
Board of Directors, ordinary remuneration	71,995	78,886
Executive Board, ordinary remuneration	17,043	15,082
Average number of employees	0	0

#### 3 Other operating costs

USD		
Legal fees	530,235	423,523
Audit fees	49,688	59,833
Professional & Management fees	5,272,857	3,203,262
Transaction costs & fees	157,551	27,954
Miscellaneous expenses	27,957	129,611
	<b>6,038,287</b>	<b>3,844,183</b>
Remuneration of the Company's statutory auditors comprise:		
Statutory audit	30,116	21,877
Other audit and assurance-related services	0	0
Tax and VAT assistance	0	0
Other	19,572	37,956
	<b>49,688</b>	<b>59,833</b>

#### 4 Financial income

Interest income	26,400	196,507
Exchange rate adjustments	162,156	85,819
Fair value adjustments of other investments	18,852,558	12,500,535
Other financial income	0	423,674
	<b>19,041,115</b>	<b>13,206,535</b>



## Financial statements for the period 1 October – 30 September

### Notes to the financial statements

#### 5 Financial expenses

	2019/20	2018/19
Exchange rate adjustments	202,151	159,859
Fair value adjustments of other investments	0	140,309
Other financial expenses	4,261	4,534
	<b>206,412</b>	<b>304,701</b>

#### 6 Contributed capital

	USD
The contributed capital comprises: 106,565 shares, equivalent to USD	63,319,018
<b>Contributed capital at 1 October 2019</b>	<b>51,859,292</b>

	Contributed capital	Retained earnings
30 October 2019, issue of capital, 2,083 shares	1,134,239	2,861,684
29 November 2019, issue of capital, 1,217 shares	678,720	2,850,369
20 December 2019, issue of capital, 2,138 shares	1,173,969	2,583,564
29 January 2020, issue of capital, 1,355 shares	761,105	1,666,732
28 February 2020, issue of capital, 1,256 shares	694,073	1,678,317
30 March 2020, issue of capital, 966 shares	530,184	2,876,825
29 April 2020, issue of capital, 1,039 shares	569,165	2,813,654
29 June 2020, issue of capital, 253 shares	140,868	1,534,468
31 August 2020, issue of capital, 7,356 shares	4,357,741	388,076
29 September 2020, issue of capital, 2,378 shares	1,419,662	478,143
	<b>11,459,726</b>	<b>28,827,574</b>

The development in contributed capital since inception:

	Number of shares	Share capital, EUR
In 2011/12	7,803	3,901,500
In 2012/13	8,595	4,297,500
In 2013/14	11,131	5,565,500
In 2014/15	11,268	5,634,000
In 2015/16	13,339	6,669,500
In 2016/17	3,167	1,583,500
In 2017/18	5,025	2,512,500
In 2018/19	26,196	13,098,000
In 2019/20	20,041	10,020,500
	<b>106,565</b>	<b>53,282,500</b>

## Financial statements for the period 1 October – 30 September

### Notes to the financial statements

#### 6 Contributed capital - continued

The Company holds treasury shares as it redeems investors to the extent that redeemed shares are not resold to new or current investors.

	<b>Number of shares</b>	<b>% of total shares</b>
Treasury shares at 1 October 2018	4,936	8.18%
Bought in the financial year	5,715	6.61%
Sold in the financial year	-4,967	-5.74%
<b>Treasury shares at 30 September 2019</b>	<b>5,684</b>	<b>6.57%</b>
Bought in the financial year	8,311	7.80%
Sold in the financial year	-13,995	-13.13%
<b>Treasury shares at 30 September 2020</b>	<b>0</b>	<b>0.00%</b>

The nominal value of treasury shares is EUR 500 per share.

#### 7 Contingencies, etc.

The Company has no contractual obligations or contingent liabilities.

#### 8 Related parties

Ress Life Investments A/S' related parties include:

<b>Name of related party</b>	<b>Nature of transactions</b>
Resscapital AB	AIF management fees
Ress Uncorrelated Assets Fund**	Investments and loans
Citco Denmark ApS	Domiciliary and administrative management fee
Board of Directors	Board remuneration and investments in shares in the company
Kromann Reumert*	Legal advisory services
Executive Board	Remuneration

\*Board member Jeppe Buskov is a partner hereof

\*\* The Fund is liquidated during fiscal year 2018/19.

Transactions with related parties comprise:

	<b>2019/20</b>	<b>2018/19</b>
Resscapital AB	3,892,838	1,842,576
Ress Uncorrelated Assets Fund	0	-834,096
Board of Directors (bought shares)	156,706	0
Citco Denmark ApS	110,441	84,743
Kromann Reumert	59,645	9,149

Remuneration of the Executive Board and Board of Directors is mentioned in note 2.

## Financial statements for the period 1 October – 30 September

### Notes to the financial statements

#### 8 Related parties - continued

Shareholders holding more than 5% of the share capital at the balance sheet date:

	<b>Owner and voting rights % of total</b>
Volvo Pensionsstiftelse	8.4%
Volvo Car UK Pension Scheme	6.8%
Union Bancaire Privée (Europé) S.A.	6.5%
Helga Liselott Tham	6.3%

#### 9 Other investments

##### Foreign exchange risks

The shares are denominated in EUR. The functional currency is USD and the underlying assets are USD based. Accordingly, the value of the shares is likely to fluctuate with any fluctuations in the exchange rate between USD and EUR. If the value of EUR depreciates against USD, the EUR price of the shares will appreciate. In addition, there is a currency risk depending on the local functional currency for each shareholder.

##### Interest rate risks

Due to its investing and financing activities, Ress Life Investments A/S is to a limited extent exposed to interest rate risks related to fluctuations in interest levels in the USA, the Eurozone and Denmark.

The interest rate exposure relating to interest rate changes comprises changes in interest yields on balances with banks.

##### Tax risks

For the Company an investment in the life insurance contracts involves a number of complex tax considerations. Changes in tax legislation in any of the countries in which the Company holds life insurance contracts, or changes in tax treaties negotiated by those countries, could adversely affect the returns to its shareholders. Each shareholder is strongly urged to consult its own tax advisers regarding their tax implications of investing and holding life insurance contracts.

## Financial statements for the period 1 October – 30 September

### Notes to the financial statements

#### 9 Other investments – continued

##### Credit and counterparty risks

There is a credit risk in respect of the life settlement investments as recognised under "Other investments". There is no guarantee that the insurance companies will meet their obligations to make payment on maturity claims. The credit risk is mitigated by limiting the exposure to any single insurance company, and by only buying policies issued by insurers that meet the rating requirements.

The life settlement investments are made with 55 different life insurance companies, and the face values are distributed on AM Best Ratings as below:

30 September 2020				30 September 2019			
Carrier rating	Policies	Fair value	% of NAV	Policies	Fair value	% of NAV	
A++	20	27,546,902	12.6%	11	9,340,427	6.0%	
A+	172	90,475,923	41.3%	148	78,619,236	50.7%	
A	111	57,509,697	26.2%	58	25,575,355	16.5%	
A-	8	4,016,605	1.8%	6	2,768,658	1.8%	
B++	9	8,927,698	4.1%	0	0	0.0%	
B+	6	3,056,084	1.4%	5	2,156,272	1.4%	
B-	1	172,981	0.1%	1	331,804	0.2%	
C++	3	734,246	0.3%	0	0	0.0%	
<b>Total</b>	<b>330</b>	<b>192,440,137</b>	<b>87.8%</b>	<b>229</b>	<b>118,791,752</b>	<b>76.6%</b>	

##### Concentration risk

The following tables set forth concentration risks, divided into the face value of the life settlement investments in gender, age group, Life Expectancy estimates ("LE") and spreads of face value of the individual contracts:

30 September 2020				30 September 2019			
<i>Gender:</i>							
	Policies	Face value	Weight %	Policies	Face value	Weight %	
Female	66	159,763,381	19.0%	39	93,028,730	18.1%	
Male	234	544,609,040	65.0%	170	362,788,416	70.6%	
Joint	30	133,792,952	16.0%	20	58,353,818	11.3%	

## Financial statements for the period 1 October – 30 September

### Notes to the financial statements

#### 9 Other investments – continued

30 September 2020				30 September 2019			
<i>Age group:</i>							
	Policies	Face value	Weight %		Policies	Face value	Weight %
<65	13	46,246,157	5.5%		3	6,256,000	1.2%
65-69	35	109,021,614	13.0%		13	48,509,821	9.4%
70-74	57	147,211,822	17.6%		43	85,468,400	16.6%
75-79	73	147,242,311	17.6%		56	110,108,962	21.4%
80-84	71	228,995,812	27.3%		60	158,635,107	30.9%
85-89	51	106,377,052	12.7%		36	79,517,675	15.5%
90<	30	53,070,605	6.3%		18	25,675,000	5.0%
<i>Life Expectancy estimate:</i>							
< 2	2	1,350,000	0.2%		1	1,000,000	0.2%
2-3	24	41,215,000	4.9%		15	14,585,000	2.8%
4-5	40	58,315,643	7.0%		27	48,940,299	9.5%
6-7	69	189,457,832	22.6%		54	95,633,530	18.6%
8-9	42	70,365,132	8.4%		48	116,589,115	22.7%
10-11	48	122,550,573	14.6%		30	64,595,026	12.6%
12-15	54	191,793,422	22.9%		37	114,062,173	22.2%
16-	51	163,117,771	19.4%		17	58,765,821	11.4%
<i>Spreads of face value for the individual contracts:</i>							
100,000-250,000	3	500,000	0.1%		3	500,000	0.1%
250,001-500,000	61	26,834,975	3.2%		44	19,090,000	3.7%
500,001-1,000,000	85	77,562,089	9.3%		63	57,475,291	11.2%
1,000,001-2,000,000	66	117,942,456	14.1%		52	91,858,184	17.9%
2,000,001-3,000,000	32	87,238,109	10.4%		17	46,194,687	9.0%
3,000,001-5,000,000	48	217,593,330	26.0%		30	131,593,330	25.6%
5,000,001-10,000,000	29	233,453,373	27.9%		18	143,823,373	27.9%
10,000,001-15,000,000	5	60,760,884	7.2%		2	23,636,099	4.6%
15,000,001-	1	16,280,157	1.8%		0	0	0.0%

## Financial statements for the period 1 October – 30 September

### Notes to the financial statements

#### 9 Other investments – continued

##### Fair value measurement

The life insurance contracts and other investments are valued using the 'Fair value' concept in connection with certain disclosure requirements and for recognition of financial instruments. Direct investments in life insurance contracts are measured at level 3, and other investments are measured at level 2.

'Fair value' is the price that would be received by selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk. The valuation approach used in relation to the life insurance contracts is based on discounted probability weighted cash flows. The valuation approach incorporates all of the factors that market participants would take into account in pricing a transaction, such as cash flows (premiums and death benefits), discount rates and life expectancies (mortality assumptions).

The probabilities are based on applying the LE to a mortality table in order that the mortality factor (the ultimate factor) applicable to the given insured can be derived from the table itself. The approach to the mortality distribution is based on the use of the VBT 2015 tables (2015 Valuation Basic Table created by the Society of Actuaries from North America).

The LE is one of the most important variables in pricing policies in the life settlement market and the valuation of life settlement contracts is heavily dependent on LE information. Upon purchase of the assets, LE reports are obtained from at least two underwriters. LE reports are medical opinions from specialised medical underwriters, based on the latest medical records or other relevant information. The Alternative Investment Fund Manager is using a conservative approach, selecting the most conservative LE report in most cases.

The fair value of the life insurance contracts is sensitive to the choice of discount rates. Discount rates are determined at the level of sub-groups of the life insurance portfolio. The sub-groups are based on the face value of policies and the credit rating of insurance carriers. The discount rates of each sub-group result from the Internal Rate of Return ("IRR") for each policy in the sub-group, at purchase. A parameterisation of the discount rates for each sub-group is based on an exponential moving average taking into account changes in IRRs when new acquisitions are made within the respective sub-group. Under this methodology, the discount rate in each sub-group is recalibrated whenever a policy that falls into the sub-group is acquired.

All assets and liabilities measured at fair value, or in respect of which the fair value is disclosed, are classified based on the fair value hierarchy, see below:

- Level 1: Value in an active market for similar assets/liabilities
- Level 2: Value based on recognised valuation methods on the basis of observable market information
- Level 3: Value based on recognised valuation methods and reasonable estimates (non-observable market information).

The determination of what constitutes 'observable' requires significant judgement by Ress Life Investments A/S ("the Company"). Management of the Company considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

## Financial statements for the period 1 October – 30 September

### Notes to the financial statements

#### 9 Other investments – continued

The following method and assumptions were used to estimate the fair values. The Company primarily invests directly in the life insurance policies. The fair value measurement of the investments is estimated on an individual basis based on several factors such as premium payments and changes in these updates of life expectancy, changes in discount rates and general “mark-to-market” adjustments.

Other investments are investments that are valued based on NAV statements received from Saffery Champness Fund Services Limited. The fair value is recognised as 20% of the NAV.

The following table analyses within the fair value hierarchy the Company's financial assets measured at fair value at 30 September 2020. All fair value measurements disclosed are recurring fair value measurements.

USD	2019/20	2018/19
Level 1	0	0
Level 2	9,271	0
Level 3	192,440,137	118,791,752
	<b>192,449,408</b>	<b>118,791,752</b>

The carrying amount is equal to fair value for all financial assets and financial liabilities.

There have been no transfers between the levels in the fair value hierarchy this year.

The fair value of receivables, prepayments, cash, payables and other current liabilities approximate their carrying amounts due to the short-term maturities of these instruments. The Company's own credit risk has not been taken into account.

For instruments with recurring Level 3 fair value measurements, the carrying value has been specified in below table:

USD	2019/20	2018/19
Opening balance (1 October)	118,791,752	92,556,772
Additions	51,462,133	17,775,049
Sales and maturities	-10,442,673	-13,843,156
Premium payments	13,781,666	9,802,552
Fair value adjustment	18,847,260	12,500,535
<b>Closing balance (30 September)</b>	<b>192,440,137</b>	<b>118,791,752</b>

## Financial statements for the period 1 October – 30 September

### Notes to the financial statements

#### 9 Other investments – continued

##### Sensitivity analysis

The sensitivity of the valuation results to changes in assumptions is illustrated by introducing changes to one specific assumption at a time and comparing the result before and after the change.

A sensitivity analysis is made based on the following scenarios:

- Discount rate sensitivity
- Mortality sensitivity

No sensitivity analysis is presented in relation to cash flows as cash inflows consist of death benefits fixed at policy inception and cash inflows consist of scheduled premium payments.

##### Discount rate sensitivity

The discount rate sensitivity analysis has been performed around the weighted (by face value) average discount rate across the portfolio.

As at 30 September 2019:

Discount rate	10%	12%	14%	16%
Value of portfolio	135,925,414	117,180,945	102,096,163	89,805,624
% of total face amount	26.44%	22.79%	19.86%	17.47%

As at 30 September 2020:

Discount rate	10%	12%	14%	16%
Value of portfolio	208,137,588	178,968,394	155,921,596	137,438,946
% of total face amount	24.83%	21.35%	18.60%	16.40%

##### Mortality sensitivity

A one-month extension (or reduction) for all life expectancies in the portfolio corresponds to a negative (respectively positive) impact of USD 3,309,678 (2019: USD 2,068,383) or approx. 0.39% (2019: 0.40%) of the face value.

#### 10 Prepayments and cash and cash equivalents

Prepayments contain primarily deposits made to Wilmington Trust for new investments, which has increased compared to last year. New investments has caused cash and cash equivalents to decrease compared to last year.

#### 11 Events after the balance sheet date

There are no events after the balance sheet date materially affecting the annual report.