

Investor Report

Q4 2025

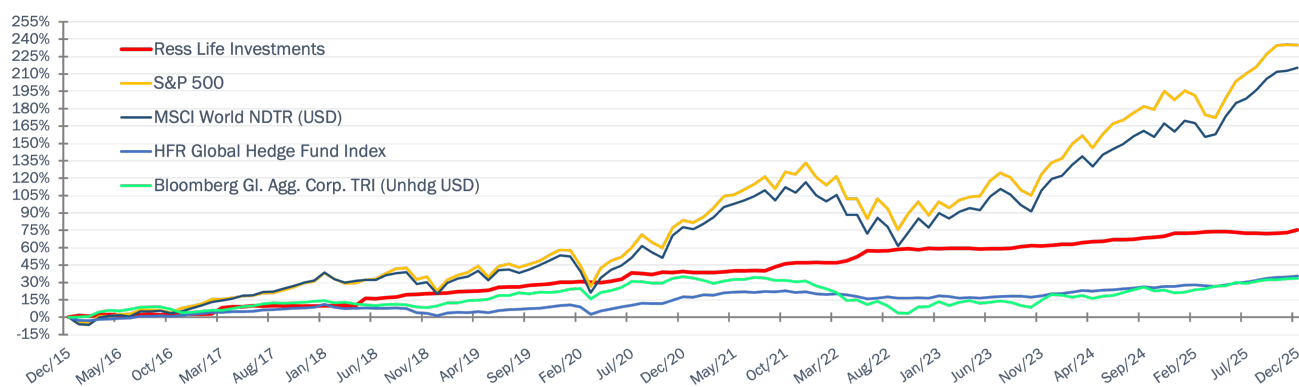
Performance

Ress Life Investments delivered a return of 1.8 percent in Q4, while full-year 2025 performance amounted to 1.7 percent. The modest annual return reflects a transitional year, as we are in the process of building a new portfolio of high-yielding U.S. life insurance policies.

The sale of the legacy portfolio is progressing according to plan and will be completed in Q3 2026. During the year, proceeds from asset sales were reinvested into U.S. life insurance policies with an expected IRR ranging from 15 to 30+ percent, representing a materially higher return profile than the assets previously held by the fund. Investments include both single policies and portfolios of policies. Portfolios typically exhibit shorter life expectancies, as they have already been in the market for some time.

The combination of single policies and policy portfolios will deliver stronger and more consistent performance over time. Performance in the fourth quarter provides an encouraging signal that the fund is returning to its intended performance trajectory, and that the period of subdued returns is now behind us.

	Ress Life Investment	MSCI World	S&P 500	BBG Global Agg. Corp	HFR Global HF Index
Return (Net after fees)					
Year to date, %	1.7%	21.1%	16.4%	10.3%	7.1%
Annualised return (5 Years)	4.7%	12.1%	12.8%	-0.2%	2.9%
Annualised return (10 Years)	5.8%	12.2%	12.8%	2.9%	3.1%
Risk and key figures - 10 year period					
Volatility	3.4%	14.7%	15.1%	7.1%	4.0%
Sharpe ratio	1.1	0.7	0.7	0.1	0.2
Winning Months	72.5%	70.0%	68.3%	62.5%	68.3%
Max Drawdown	-1.3%	-25.4%	-24.8%	-23.5%	-8.9%
Correlation to Ress Life inv.	1.0	-0.1	-0.1	-0.5	-0.5



Market Update

Trading activity in the U.S. life settlements secondary market slowed down during Q4 2025. Aggregate market volumes for both individual policy transactions as well as blocks of policies remained broadly in line with the second half of the year and below levels observed in 2024, leading to fewer policy transactions for the overall market in 2025 compared to previous years.

Pricing remained generally stable across most segments; however, the market in Q4 continued to be somewhat fractured, with large spreads in pricing between different types of policies offering interesting opportunities for the fund. The portfolio management team maintained its deployment activity throughout the quarter, adding another tertiary block as well as several policies purchased in the secondary market to the portfolio.

Expected returns remain highly attractive. Gross expected IRRs for newly originated transactions were in the 15-30% range, with an average IRR of 25.8% for policies purchased during Q4.

Portfolio Changes

As previously communicated in Q2, Ress Life Investments entered into an agreement whereby it will sell a majority of its life insurance portfolio (legacy portfolio) in forward transactions. The objective of the transaction is to enable the fund to purchase new policies at higher IRRs and thereby capitalize on attractive opportunities in the market for U.S. life insurance policies. As of the end of December 2025, the fund owned 37.5% of the legacy portfolio. The data below represent the combination of the legacy portfolio and new policies.

The fund purchased 17 policies during Q4 with a total face amount of approximately \$45 million. Gross IRRs were mainly in the 15%-20% range, with some deals reaching gross IRRs above 30%. All policies purchased recently were issued by carriers with investment-grade ratings.

	2024 Q4	2025 Q4
Face value	1.1 bn USD	1.2 bn USD
5 largest states exposure	48.8%	48.7%
Exposure towards carriers rated below B++ (AM Best)	0.7%	0.7%
Average face amount	2.9 m USD	2.9 m USD
Average insured age	78.3	78.4

Portfolio Management and Data*

At the end of December 2025, the portfolio consisted of 401 life insurance policies. The average policy size is USD 2.9 million. The portfolio's total insurance amount is approximately USD 1.2 billion.

The portfolio has a high level of diversification across different age groups, life expectancies, medical impairments, geography, and gender. The average age of insureds in the portfolio is currently 78.4 years, and the average life expectancy is approximately 10 years. The investment strategy has always been to buy policies with longer life expectancies, since we believe these are more accurate.

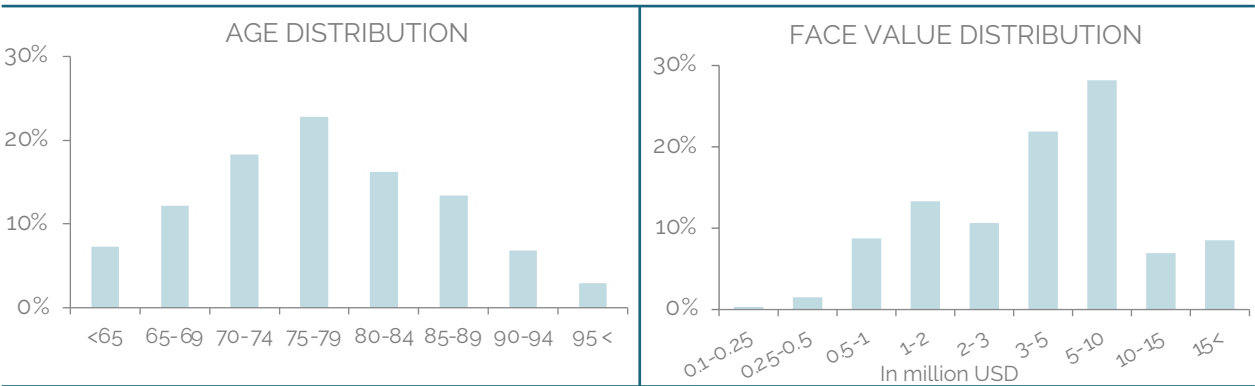
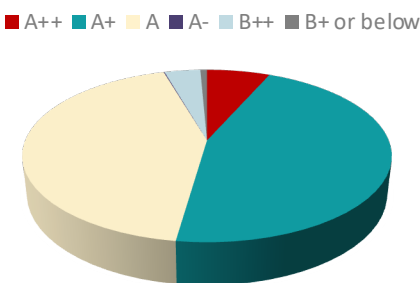
To mitigate the longevity risk in the portfolio, we purchase policies with low premiums and low annual premium increases. On average, the fund pays 2% per annum of face value in premiums.

Policies owned by the fund are issued by 64 highly rated U.S. life insurance companies. Over 90% of policies are issued by insurers with a credit rating of A or above (AM Best).

Key Facts

- Number of policies: 401 policies
- Total face value: 1.2 bn USD
- Average policy size: 2.9 m USD
- Number of insurance companies: 64
- Average age: 78.4 years
- Average life expectancy: 10 years

INSURANCE COMPANY RATINGS (AM BEST)



* The portfolio data is based on a combination of new policies and policies that are part of the Legacy Portfolio. As of 30 December 2025, RLI maintained a 37.5% ownership of the Legacy Portfolio.

Investment Manager Commentary – Market Outlook

During the final quarter of 2025, global risky assets delivered positive returns. The MSCI World USD Index rose by just over 3%, contributing to a 21% increase for the full year. Among major equity markets, Japanese equities outperformed, with the TOPIX index gaining 8.8% in local currency terms during Q4. European equities, represented by the S&P Europe 350, rose by 6.1%, while the S&P 500 in the United States increased by 2.7%.

Key drivers behind the robust performance in Asian and European markets in Q4 included attractive valuations and a rotation away from US technology stocks.

In the United States, inflationary pressure remained broadly unchanged during the quarter, creating room for monetary policy easing and fueling expectations of further interest rate cuts in 2026. In contrast, European inflation eased, leading the ECB to maintain its policy rate at current levels.

Economic conditions in Europe showed few surprises, but investor sentiment remains cautious due to weak manufacturing data in Germany and general concerns about export-driven sectors across the region.

The U.S. economic outlook remains highly uncertain, primarily due to political developments that have made the effects on both prices and demand difficult to interpret. A particular concern is the impact of the tariffs introduced in 2025, whose effects on consumer prices and real demand are still unclear.

On a positive note, substantial investments in equipment and infrastructure, driven by the AI boom, have supported economic activity in the US during 2025. This will most likely continue in 2026.

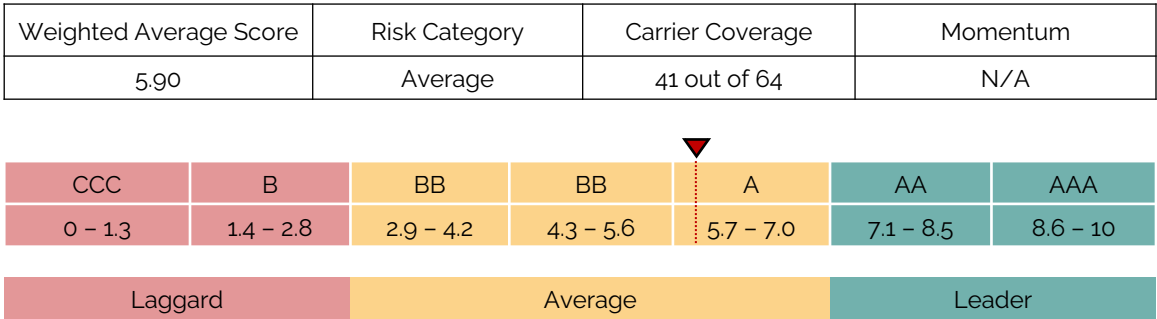
As Q4 2025 ended and 2026 began, geopolitical tensions have once again become a dominant theme. The rising strain in transatlantic relations between Europe and the United States poses a potential threat to economic growth across Western economies. This could lead to a setback in both equity and credit markets.

Considering these risks, increased diversification is essential—particularly for investors concerned about downside scenarios. The uncertainty surrounding economic growth and inflation over the medium term strengthens the case for diversifying into non-cyclical assets. In this context, insurance-linked securities (ILS), such as longevity-linked instruments, emerge as attractive alternatives due to their independence from the business cycle.

ESG Update

Ress Life Investments is an Article 8 fund under the European Sustainable Finance Disclosure Regulation (SFDR). The management of the fund aims to promote social characteristics but does not have sustainable investment as its objective. The company's dedication to the development of ethical norms centers around prioritising the interests of the consumer and promoting a framework that ensures transparency and fairness for policy sellers. In line with these efforts Ress Capital engages with service providers by sending out an annual questionnaire with a set of questions on ESG-related issues.

Furthermore, Ress Capital ensures that the life insurance companies in the portfolio do not violate international norms and conventions on human rights, labor, environment, and anti-corruption, such as the UN Global Compact or OECD guidelines. ESG data from MSCI and other external data providers is reviewed to make sure that ESG related risks in the portfolio is mitigated. These risks are considered both during the investment process and regularly through portfolio screenings. The table below, summarises the current ESG score of the fund, which is estimated to be in the average category.



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