PACIFIC CURRENT GROUP

33° 51' 50.457" S, 151° 12' 23.437" E
Level 29, 259 George Street, Sydney NSW 2000
T: +61 2 8243 0400 // F: +61 2 8243 0410

28 February 2019

PACIFIC CURRENT GROUP HALF YEAR RESULTS
Six months ended 31 December 2018

HIGHLIGHTS

- Underlying NPBT of A$8.8m for the half year, up 1.1% compared to A$8.7m in the previous corresponding period (pcp);
- Interim dividend of A$0.10 per share;
- Aggregate FUM of A$44.3bn;
- Strong FUM growth, particularly GQG Partners and ROC Partners;
- New investments in diversifying asset classes, including Victory Park (July 2018); Carlisle Management Company and IFP Group (January 2019);
- Sale of Aperio Group, Celeste Funds Management, and residual stake in RARE Infrastructure during the six months.

SYDNEY (28 February 2019) - Pacific Current Group (ASX: PAC, "Pacific Current") is pleased to report the Company's interim results for the six months ended 31 December 2018. In the face of difficult equity markets, PAC's 1H19 results reflect the progress made in its portfolio and in the management of PAC's business.

OPERATIONAL RESULTS

PAC's underlying profit before tax was A$8.8m for 1H19, up 1.1% from 1H18. Statutory profit after tax was A$47.8m compared to a profit of A$107.2m in 1H18. Underlying profit after tax was A$7.9m for 1H19, down 15.8% from 1H18. Statutory profit in the respective periods was impacted by the sale of significant assets.

Though PAC lost earnings from Investors Mutual Ltd and Goodhart Partners relative to the prior corresponding period, the contribution from GQG Partners and Victory Park more than offset that. PAC was also impacted by the part period contribution of Aperio relative to the previous corresponding period (full six months).

DIVIDEND

The Board has declared a A$0.10 fully-franked interim dividend. No interim dividend was declared in the prior corresponding period.

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PORTFOLIO COMPANY HIGHLIGHTS

Total funds under management (FUM) at 31 December 2018 were A$44.3bn, a 16.7% increase since 30 June, adjusting for the sale of Aperio, RARE, and Celeste and the addition of Victory Park Capital (VPC).

Total funds under management represents the aggregate of all boutiques' FUM as if each boutique was 100% owned by PAC and excludes boutiques sold during the year. Note that the relationship between FUM and the economic benefits received by PAC can vary dramatically based on each boutique's fee levels, PAC's ownership stakes, and the specific economic features of each relationship. Accordingly, management cautions against simple extrapolation based on FUM updates or trends.

GQG continued its rapid growth, with FUM growing from A$18.4bn to A$25bn. Its more defensive investment strategy also helped it significantly outperform during the 4Q18 market decline. ROC also saw encouraging growth across a broader set of investment strategies. In early January 2019 Aether increased commitments to its newest fund by an incremental US$56m.

Victory Park was added to the portfolio in July 2018. While some fundraising efforts extended from 2018 into 2019, its new business pipeline is strong and the firm is benefitting from growing interest in its legal finance investment capabilities.

The market decline in the fourth quarter hit all of PAC's public equity managers, with EAM and Blackcrane finding the market environment particularly challenging.

PORTFOLIO MANAGEMENT

In October 2018, the Company sold its 23.4% interest in Aperio for approximately US$72m (A$97.7m). Aperio was a very successful investment over a short period of time, having acquired the interest in 2016 for US$31.8m (A$44.2m).

During the period, PAC also executed on the sale of the 10% residual interest in RARE Infrastructure to Legg Mason (A$21.5m) as well its 27.5% interest in Celeste to management (A$1.6m).

Post 31 December 2018, PAC announced an investment of US$34.25m (A$47m) in Carlisle Management Company, a Luxembourg based manager specialising in life settlements. This investment is subject to regulatory approval. PAC also made an initial investment of US$1.1m (A$1.5m) in Independent Financial Partners, a financial advisor platform and services company based in Florida.

PAC management remains optimistic about both the quality and quantity of opportunities under review and expects to deploy capital in the second half of FY19. Investors should expect PAC to continue to invest across a broad size spectrum while also emphasizing investments that have both strong growth and diversification characteristics.

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OUTLOOK

Pacific Current's Chairman, Mr. Tony Robinson said, "The company has continued to maintain a strong balance and been very prudent in deploying capital into unique, diversifying investment managers, some investing in asset classes that are less familiar to the Australian market." Robinson added, "The addition of Victory Park and more recently Carlisle, demonstrates that we are successfully finding market leading boutiques exposed to very different risks."

Pacific Current's Managing Director & CEO and CIO, Mr. Paul Greenwood added, "The market decline in the fourth quarter underscores the importance of continuing our efforts to further diversify our portfolio. We have made a lot of progress on this front since 30 June, but this will continue to be a major focus of our efforts in 2019."

Please refer to the presentation attached for the details.

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CONFERENCE CALL

Investors and analysts are invited to participate in a conference call on **Friday, 1 March 2019 at 10:00am AEDT.** The call will be hosted by Pacific Current Group's MD & CEO and CIO, Paul Greenwood and CFO and COO, Joseph Ferragina.

The dial-in details are as follows:

Location	Phone Number
Australia (toll free)	1800 850 171
Australia, Sydney	+61 2 9193 3758
New Zealand (toll free)	0800 968 400
New Zealand, Auckland	+64 9 9760 018
Singapore (toll free)	800 186 5105
Singapore	+65 6320 9091
United Kingdom (toll free)	0800 279 4827
United Kingdom	+44 330 336 9401
USA/Canada (toll free)	866 519 2796
USA, Colorado Springs	+1 323 794 2095

Please join the event conference 5-10 minutes prior to the start time using the dial-in details and participant passcode listed below.

Participant Passcode: **231865**

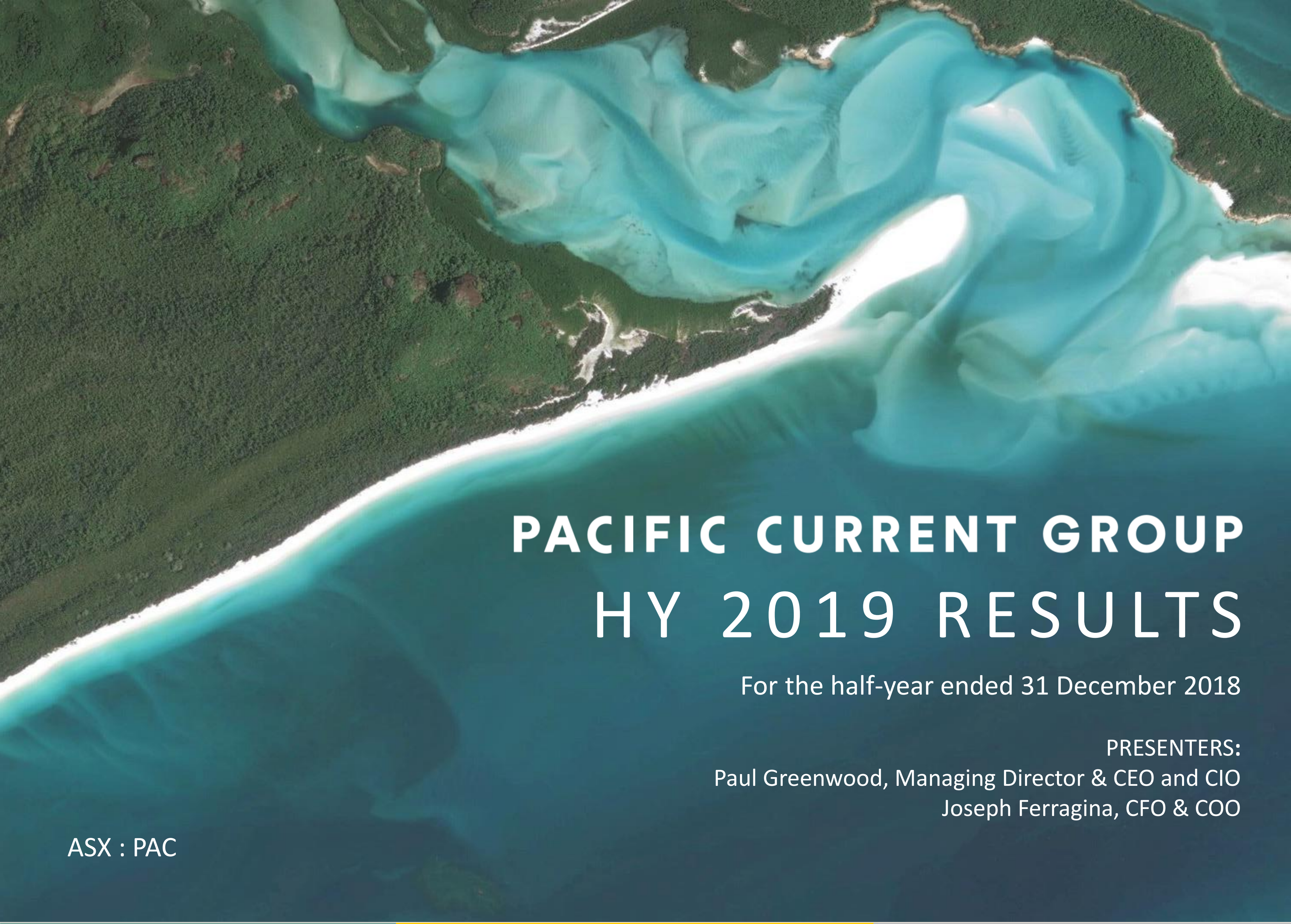
CONTACT

For Investor Enquiries:

Paul Greenwood
Managing Director & CEO and Global CIO
(+1) (253) 617-7815

ABOUT PACIFIC CURRENT GROUP // www.paccurrent.com

Pacific Current Group is a multi-boutique asset management firm dedicated to providing exceptional value to shareholders, investors and partners. We apply our strategic resources, including capital, institutional distribution capabilities and operational expertise to help our partners excel. As of 28 February 2019, Pacific Current Group has 14 boutique asset managers globally.



PACIFIC CURRENT GROUP

HY 2019 RESULTS

For the half-year ended 31 December 2018

PRESENTERS:
Paul Greenwood, Managing Director & CEO and CIO
Joseph Ferragina, CFO & COO

ASX : PAC

Disclaimer

The information in this presentation is general information about Pacific Current Group ('Pacific Current' or 'PAC') and is current only at the date of this presentation. In particular, this presentation:

- is not an offer or recommendation to purchase or subscribe for securities in Pacific Current, nor is it an invitation to any person to acquire securities in Pacific Current;
- is not personal advice and does not take into account the potential and current individual investment objectives or the financial situation of investors; and
- contains information in summary form and does not purport to be complete.

Note that the relationship between FUM and the economic benefits received by Pacific Current can vary dramatically based on each boutique's fee levels, PAC's ownership stakes, and the specific economic features of each relationship. Accordingly, management cautions against simple extrapolation based on FUM updates/ trends.

Certain statements in this presentation may constitute 'forward-looking statements.' Forward-looking statements are neither promises nor guarantees and involve known and unknown risks, uncertainties and other factors which may cause actual results to vary materially from any projection, future results or performance expressed or implied by such forward-looking statements.

Agenda

1. Overview
2. Portfolio Update
3. Financials
4. Appendix
5. Q & A
6. Carlisle Discussion Materials


OVERVIEW

Overview – 1H19 Highlights

- **Financial Strength** – Steady in a challenging environment, benefits of diversified portfolio mix
- **Portfolio Growth** – Rapid FUM growth, with mixed investment performance during the year
- **Portfolio Management** – Busy half year with three divestments and three acquisitions* up to the date of reporting
- **Investment Opportunities** – Strong pipeline of attractive opportunities

*Investment in Carlisle Management Company is subject regulatory approval.

Overview – 1H19 Highlights

- **Financial Strength**
  - Underlying net profit before tax of A$8.8m compared to A$8.7m in 1H18
  - Statutory profit of A$47.8m compared to A$107.2m in 1H18
  - Dividend of A$0.10 per share compared to nil in 1H18
  - Underlying EPS of A$0.17 compared to A$0.20 in 1H18

- **Portfolio Growth**
  - FUM growth (up 16.7% over the year*) led by GQG, Aether and ROC
  - Four of 10 boutiques grew FUM during the period
  - On balance, difficult relative performance period for active equity managers

*excludes boutiques sold during the year and includes Victory Park (acquired on 3 July 2018) in 30 June 2018 FUM for true comparison

Overview – Portfolio Management Highlights

- **Investments sold**
  - Sold 23.4% stake in Aperio Group to Golden Gate Capital for approximately US$72m (A$97.7m)
  - Put remaining stake in RARE to Legg Mason for A$21.5m
  - Sold position in Celeste to management for A$1.6m

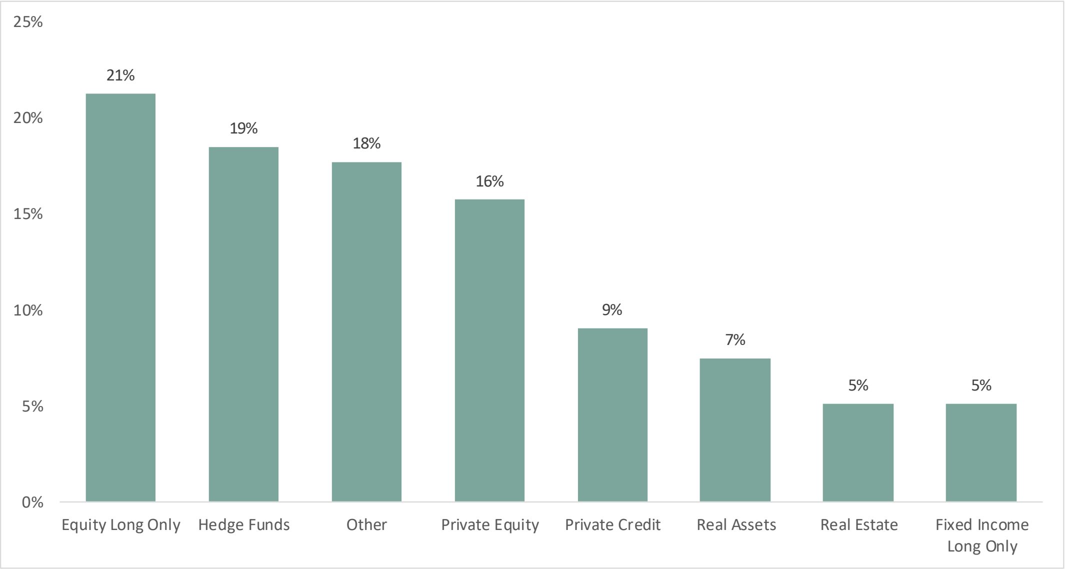
- **Investments**
  - Purchased 24.9% of private credit manager, Victory Park Capital for US$70m (A$94.8m)
  - Invested US$1.1m (A$1.5m) in IFP in January 2019
  - Agreed to invest US$34.25m (A$47m) in life settlement asset manager, Carlisle Management Company in February 2019; investment awaiting regulatory approval

Investment Opportunities

Pipeline

- PAC expects to make a modest (approximately A$7m) investment in the near-term
- Engaged in multiple late-stage discussions with potential investment targets
- Pipeline remains heavily, though not exclusively, focused on companies with highly visible revenues

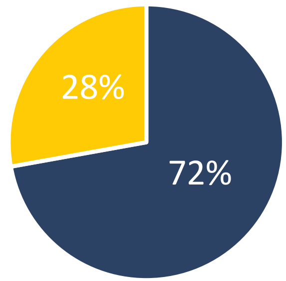
Opportunities by Asset Class - 2018



1H19 Financial Results Summary

FUM

A$44.3bn*



» Total FUM of boutiques reaches A$44.3bn

- Open End: A$32.0bn
- Closed End: A$12.3bn

NPBT

A$8.8m**

A$61.8m statutory

▲ 1.1%

» Underlying Net Profit Before Tax of A$8.8m, up 1.1% from A$8.7m in 1H18

NPAT

A$7.9m**

A$47.9m statutory

▼ 15.8%

» Underlying Net Profit After Tax of A$7.9m, down 15.1% from A$9.3m in 1H18

EPS

16.5cps***

100cps statutory

▼ 15.8%

» Underlying Earnings Per Share of 16.5cps, down 15.8% from 19.6cps in 1H18

*FUM of private equity funds is based on capital commitments to each fund and does not reflect any return of capital to date. ** Underlying net profit before tax and underlying net profit after tax are non-IFRS financial measures used by PAC to manage its business.
*** EPS is based on weighted average number of shared based on their issue dates.

Overview of PAC

PACIFIC CURRENT GROUP

Aurora Trust

Tier 1 Boutiques

AETHER Investment Partners, LLC	Diversified real assets
GQG Partners	Global and emerging markets equity
SCP Seizert Capital Partners	US equity
Victory Park Capital	Private debt, credit & equity
Carlisle Management	Life settlements

Tier 2 Boutiques

Alpha Shares	China ETF index provider
CAMG LLP Capital & Asset Management Group	Private infrastructure
FIM Freehold Investment Management	Australian REIT & unlisted property
ROC Partners	Private equity and real assets
Blackcrane Capital	International and global equity
EAM Global Investors	International and emerging markets small cap
Nereus	Alternative energy infrastructure
Northern Lights Alternative Advisors	Private equity and hedge fund placement agent
Strategic Capital Investors	Hedge fund seeding
Independent Financial Partners	Hybrid RIA platform

Note: Investments in Independent Financial Partners and Carlisle Management Company were secured following the end of HY19.

Investment in Carlisle is subject to approval from Luxembourg regulator, CSSF.

PAC sold off all remaining stakes in Aperio, RARE and Celeste during the first half of FY19.

Boutique Results

Tier 1 Boutiques

AETHER INVESTMENT PARTNERS, LLC	Diversified real assets	GQG PARTNERS	Global and emerging markets equity	SCP SEIZERT CAPITAL PARTNERS	US equity
VICTORY PARK CAPITAL	Private debt, credit & equity				

Key Metrics

	1H19*	1H18*
FUM as at 31 December	A$34.5	A$19.2
Revenue for the half year	A$83.3m	A$36.0m
PAC Share of profits / revenues	A$11.8m	A$6.4m

*Both 1H19 and 1H18 excludes results of boutiques no longer in the portfolio at 31 December 2018 to assist with accurate comparison.

Boutique Results

Tier 2 Boutiques

Alpha Shares	China ETF index provider
Nereus	Alternative energy infrastructure
Strategic Capital Investors	Hedge fund seeding
Blackcrane Capital	International and global equity
Northern Lights Alternative Advisors	Private equity and hedge fund placement agent
EAM Global Investors	International and emerging markets small cap
CAMG LLP Capital & Asset Management Group	Private infrastructure
ROC Partners	Private equity and real assets
FIM Freehold Investment Management	Australian REIT & unlisted property

Key Metrics

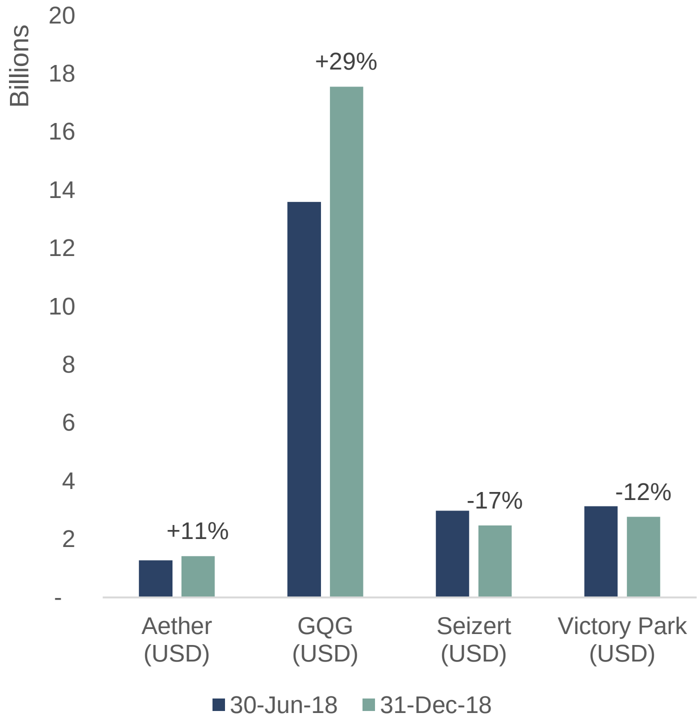
	1H19*	1H18*
FUM as at 31 December	A$9.8b	A$9.5b
Revenue for the full year	A$17.4m	A$12.2m
PAC Share of profits / revenues	A$1.1m	A$1.2m

*Both 1H19 and 1H18 excludes results of boutiques no longer in the portfolio at 31 December 2018 to assist with accurate comparison.

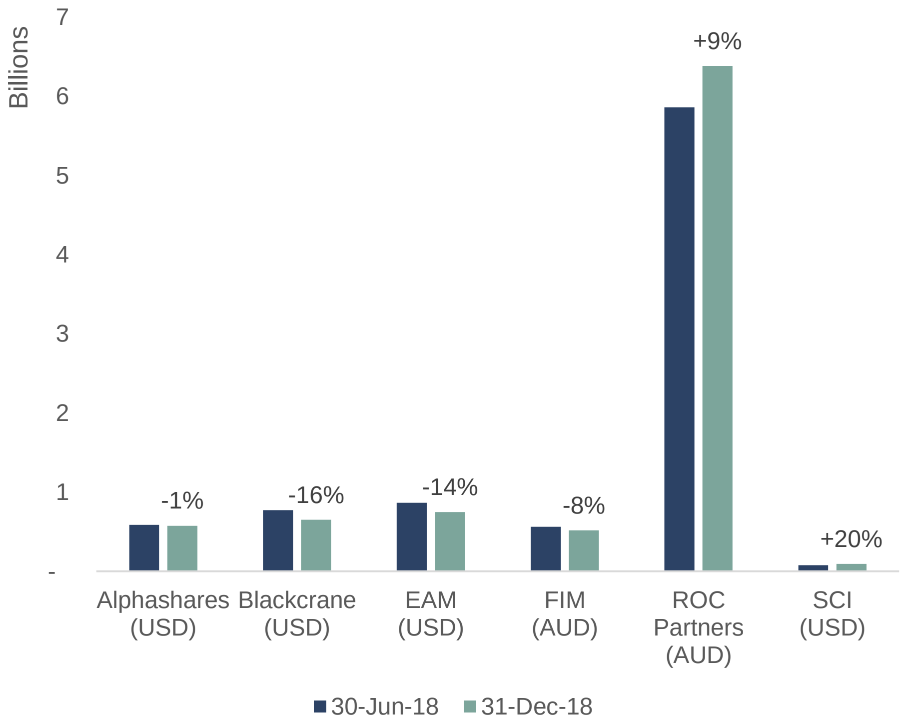
Portfolio Company Update

FUM 30 June 2018 vs. 31 December 2018 (in each manager's home currency)

Tier 1 Boutiques



Tier 2 Boutiques



* Boutiques sold during HY19 are not shown.

PORTFOLIO UPDATE

Portfolio Company Update – Performance

- Portfolio Company Developments
  - Significant market decline hurt all equity managers
  - Relative performance very difficult for Blackcrane and EAM in 2018
  - GQG had strong performance year, while Seizert's was mixed

Portfolio Company Investment Performance (Public Markets Only)

Each dot in the table represents one strategy. Performance based on net-of-fees annualised returns.

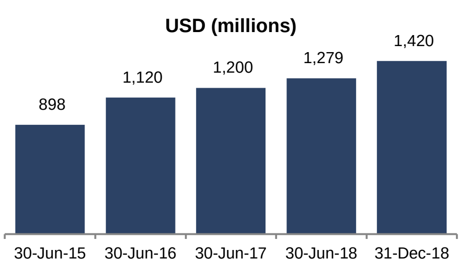
● Strategy outperformed manager-preferred benchmark ○ Strategy underperformed manager-preferred benchmark

	1 Year	3 Years	5 Years	ITD
Blackcrane Capital	○ ○	○ ○	○	● ○
EAM Global Investors	○ ○ ○	○ ○ ○	● ○	● ● ●
Freehold Investment Management	○ ●	○ ●	○ ○	● ○
GQG Partners	● ● ○ ●	● ● ○ ●		● ● ○ ●
Seizert Capital Partners	○ ○ ○ ● ● ○	● ● ○ ○ ○ ○	○ ● ○ ○ ○	● ● ● ● ● ●

Tier 1 Boutiques

Boutique:	AETHER INVESTMENT PARTNERS, LLC
Equity Ownership:	100%
PM / CIO:	Sean Goodrich and Troy Schell
Economics:	100% of excess management fee*
FUM (31 December 18):	US$1.4bn
Fund Flows:	First close of ARA V in July 2018 (US$145m), Second close (US$56m) January 2019
First Investment:	Invested at firm inception in 2008, zero FUM
Commentary:	Solid progress on fundraising for ARA V

Asset Growth:

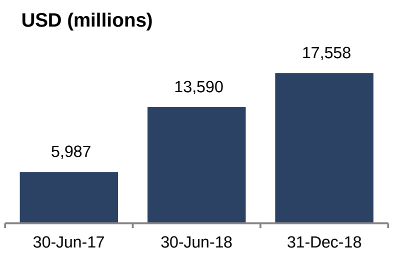


*Excess management fee relates to management fees less operating expenses.

Tier 1 Boutiques

Boutique:	GQG PARTNERS
Equity Ownership:	5% equity
PM / CIO:	Rajiv Jain
Economics:	Equity and revenue share
FUM (31 December 18):	US$17.6bn
Fund Flows:	Growing exceptionally rapidly in multiple geographies and distribution channels
First Investment:	Invested at inception in June of 2016, zero FUM
Commentary:	Experiencing significant growth in FUM from around the world. Very strong performance in 2018

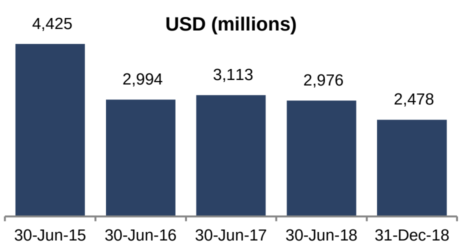
Asset Growth:



Tier 1 Boutiques

Boutique:	SCP SEIZERT CAPITAL PARTNERS
Equity Ownership:	100% preferred equity, 50% common equity
PM / CIO:	David Collon, Edward Eberle, & Gerry Seizert
Economics:	Preferred profit share, reduced to pro rata after certain milestones
FUM (31 December 18):	US$2.5bn
Fund Flows:	Winning some new business in difficult environment but outflows still occurring
First Investment:	Invested in existing firm in 2008, FUM of US$826m
Commentary:	Seizert continues to face headwinds of active management in US. Performance mixed in 2018

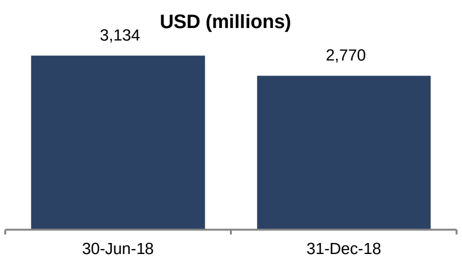
Asset Growth:



Tier 1 Boutiques

Boutique:	VICTORY PARK CAPITAL
Equity Ownership:	24.9%
PM / CIO:	Richard Levy and Brendan Carroll
Economics:	Equity share
FUM (31 December 18):	US$2.8bn
Fund Flows:	In advanced discussions with multiple large separate accounts
First Investment:	July 2018, FUM US$3.1bn
Commentary:	Seeing heightened interest in its legal finance investment capabilities

Asset Growth:



Tier 2 Boutiques

ALPHA SHARES	» Provides direct exposure to Chinese markets primarily through a series of China indexes » Revenue generated through an index licensing agreement » **Equity ownership: 36%, Dec-18 FUM: US$577m**
Blackcrane CAPITAL	» Active global and international equities manager » **Equity ownership: 25%, Dec-18 FUM: US$651m**
CAMG LLP Capital & Asset Management Group	» Long-time industry experts launching listed and private infrastructure vehicles » **Equity ownership: 20%, Dec-18 FUM: £0**
EAM GLOBAL INVESTORS	» Active international and emerging markets small and micro cap equities manager » **Equity ownership: 18.75%, Dec-18 FUM: US$748m**
FIM Freehold Investment Management	» Specialist investment manager focused on Australian and global real estate and infrastructure » **Equity ownership: 31%, Dec-18 FUM: A$517m**
INDEPENDENT [FINANCIAL] PARTNERS	» Hybrid RIA platform providing middle office services to financial advisors » **Equity ownership: 10%**

Tier 2 Boutiques

Nereus	» Private equity fund focused on alternative energy infrastructure and project development in India » **Equity ownership 50%, FUM: n/a**
NORTHERN LIGHTS ALTERNATIVE ADVISORS	» Strategic partner and financial advisory business for private companies, hedge funds and private equity » **Equity ownership: 29.9%, FUM: n/a**
STRATEGIC CAPITAL INVESTORS	» Hedge fund seeding and acceleration investing in sub-scale and new hedge funds » **Equity ownership 60%, Dec-18 FUM: US$95m**

FINANCIALS

Underlying Financial Results of PAC

Pro forma PAC P&L on a 'look-through' basis adjusted for one-off/non-cash items

P&L Highlights (A$m)	PAC Pro Forma* 1H19
Revenue	3.7
Share of earnings from boutiques	15.4
Total income	**19.1**
Gross employee expenses	4.5
Occupancy expenses	0.3
Travel and entertainment expenses	0.4
Advisory, tax and accounting expenses	1.1
Legal and consulting expenses	0.7
Insurance expenses	0.3
Depreciation expenses	0.2
Nereus write-off	0.6
Other expenses	2.0
Total expenses	**10.2**
Underlying pro forma net profit before tax	**9.0**
Share of non-controlling interests	0.2
Underlying pro forma net profit before tax attributable to members of the parent	**8.8**

- Excludes non-recurring and/or non-cash items to show underlying business performance
- Aether, Seizert and Strategic Capital Investors (SCI) were consolidated into PAC's statutory accounts. For consistency of presentation with other boutiques, and to assist investors to understand expenses at a PAC corporate level, Aether, Seizert and SCI are not consolidated into the pro forma accounts, with contributions included as share of earnings from boutiques
- Employment expense excludes non-cash LTI amortisation
- Victory Park contributed less than expected due to reduced incentive fees earned in listed vehicle resulting from a decline in small portion of portfolio held in equities
- Victory Park earnings, aside from estimated tax payments, carried interest is primarily recognized when received, thus episodically. PAC's share of carried interest accrued by Victory Park but not recognized by PAC equals A$2.2m for period

* Presentation of P&L above is a non-IFRS financial measure used by PAC to manage its business.

APPENDIX

PAC – Statutory P&L

P&L Highlights (A$m)	PAC Statutory 1H18*	PAC Statutory 1H19	% Change
Revenue	20.1	26.1	30%
Net gains on investments	103.4	71.2	(31%)
Employee expenses	10.5	11.7	11%
Impairment expenses	-	6.6	nm
Other expenses	8.8	17.2	95%
Depreciation and amortisation expenses	0.7	0.9	29%
Interest expenses	1.2	0.4	(70%)
Share of net profits/(losses) of associates accounted for using equity method	2.5	1.3	(50%)
Profit / (Loss) Before Tax	104.7	61.8	(41%)
Income tax (expense) / benefit	2.5	(13.9)	nm
Profit / (Loss) After Tax	107.2	47.9	(55%)
Underlying Net Profit Before Tax	8.7	8.8	1.1%
Dividend Per Share (cents)	-	0.10	100%

- Results for 1H19 are consolidated with Seizert, Aether, SCI and Midco
- Interim dividend of A$0.10 declared by the board

* 1H18 has been restated

PAC – Underlying P&L

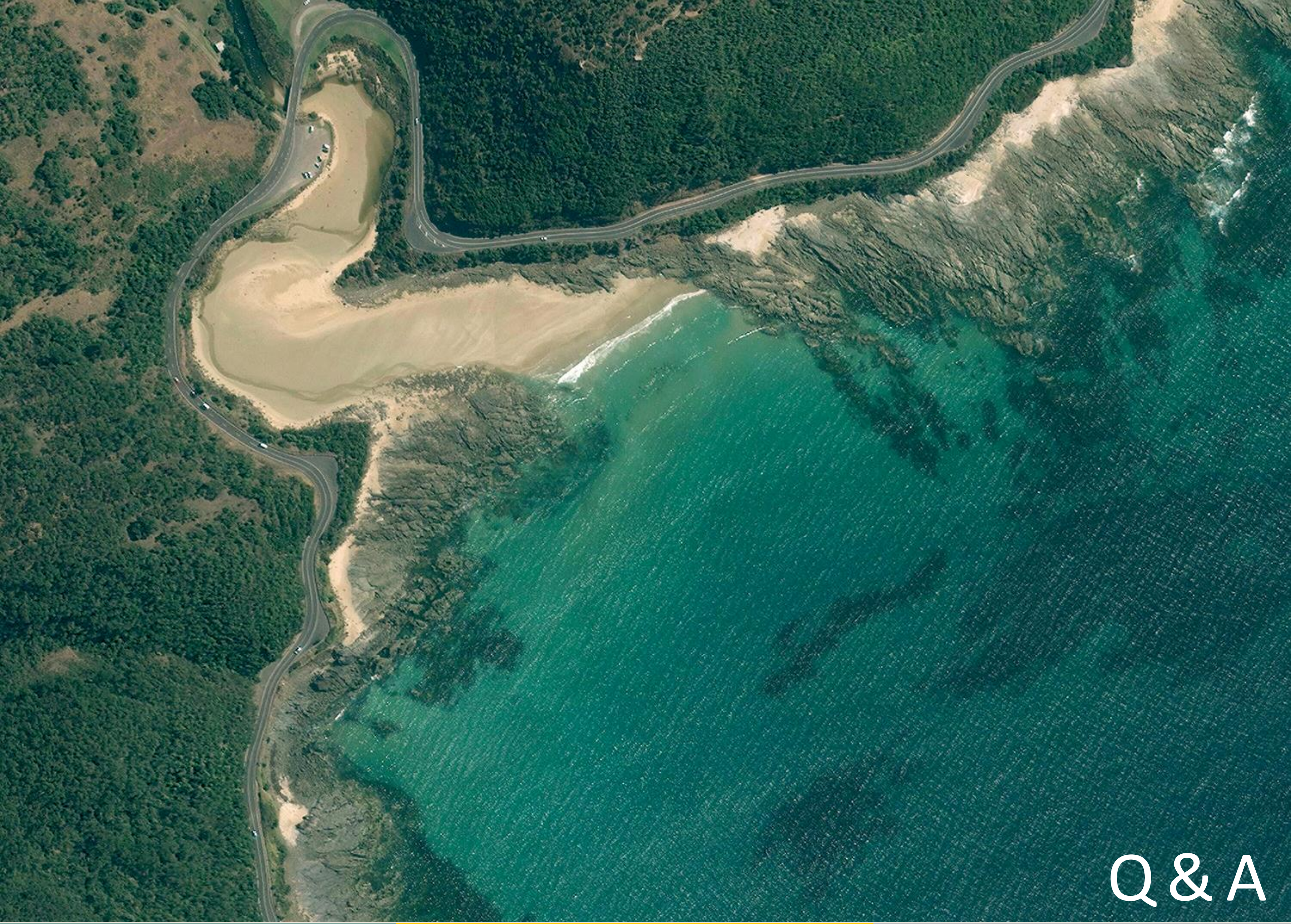
Underlying P&L (A$m)	1H19
Statutory Net Profit After Tax	47.9
Gain on sale of investments (Aperio, RARE and Celeste)	(71.4)
Income tax expense on the sale of investments	12.9
Impairment of investments	6.1
Projected settlement of Hareon liability	7.7
Agency and brokerage fees on Nereus	1.3
Amortisation of identifiable intangible assets	1.7
Foreign currency losses/(gains)	0.8
Fair value adjustments of financial assets/liabilities	0.2
Long term incentives amortisation	0.5
Legal and consulting expenses (deal related)	0.5
Share of non-controlling interests	(0.2)
Underlying Net Profit After Tax	7.9

- Impairment of investment relates to Aether, Seizert, Blackcrane and FIM
- Gain on sale of investment reflects sale of Aperio
- Hareon settlement – provision recognized based on management valuation of solar plant and liability to Hareon
- Agency and brokerage fees on Nereus – Nereus is an asset that the company is exiting

PAC – Balance Sheet

Balance Sheet – PAC (A$m)		As at 31 Dec 2018
Current Assets		152.8
Non-Current Assets		
Investments in associates	112.3	
Intangible assets	105.6	
Other assets, property and equipment	66.5	284.3
Total Assets		437.1
Current Liabilities		32.5
Non-Current Liabilities		
Deferred tax liability	9.7	
Provisions	0.2	
Financial Liabilities	0.6	10.6
Total Liabilities		43.1
Net Assets		394.0

- Reflects consolidation of Aether, Seizert, Midco and its subsidiaries
- Carrying values have been tested and/or adjusted for impairment
- Deferred tax liability is recognized through the accounting on consolidation. It does not reflect tax provisions to the ATO
- Cash held by PAC as at 31 December 2018 was A$80m
- Current liabilities include US$5.5m for Seizert to be paid in November 2019 and tax payable with respect to the Aperio sale of US$6.2m



Q & A

Carlisle Management Company

Discussion Materials

November 2018

Signatory of:

Principles for Responsible Investment

Life Settlements for a Policy Holder

Life Settlements provide an economically favourable alternative for senior US citizens in possession of unwanted or unneeded life insurance policies. The seller remains the insured person, while the buyer, i.e. Carlisle, becomes the new owner, responsible for the payment of future premiums and the beneficiary of the policy proceeds. The market is well-regulated affording consumers comprehensive protection under state life settlement laws.

Profile of a policy holder

24 – 45 year olds
- Family
- Mortgage
- College
- Savings

\+ low cost premium

45- 64 year olds
- Family
- Mortgage
- College
- Savings

\+ increasing premiums

65 – 80 year olds
- Retirement
- Healthcare
- Family

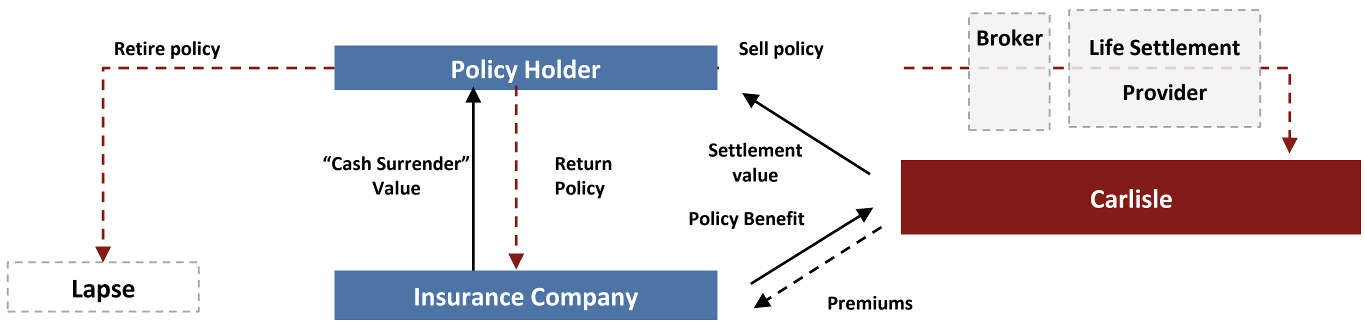
\+ expensive premiums

A typical policy holder will accumulate 2 to 4 policies over the course of their life and by the time they reach retirement the original purpose for which a policy was purchased may no longer exist.

Premiums become onerous as funds are required for other purposes such as long-term healthcare, retirement or other pressing financial needs.

Options for policy holders looking to exit obligations

LAPSE | **SURRENDER** | **SETTLEMENT**



Percentage of face value recovered by policy holder

LAPSE	SURRENDER	SETTLEMENT
0%	2-5%	10-20%

Demographic Trends & Market Development

Over $30bn of life settlements are in-force today [1], and as the asset class has matured a tertiary market for settlements has evolved that allows institutional investors to effectively deploy capital within the space. This tertiary market has been growing and now records over $10bn in transactions annually, with significant potential for further growth;

Life Insurance

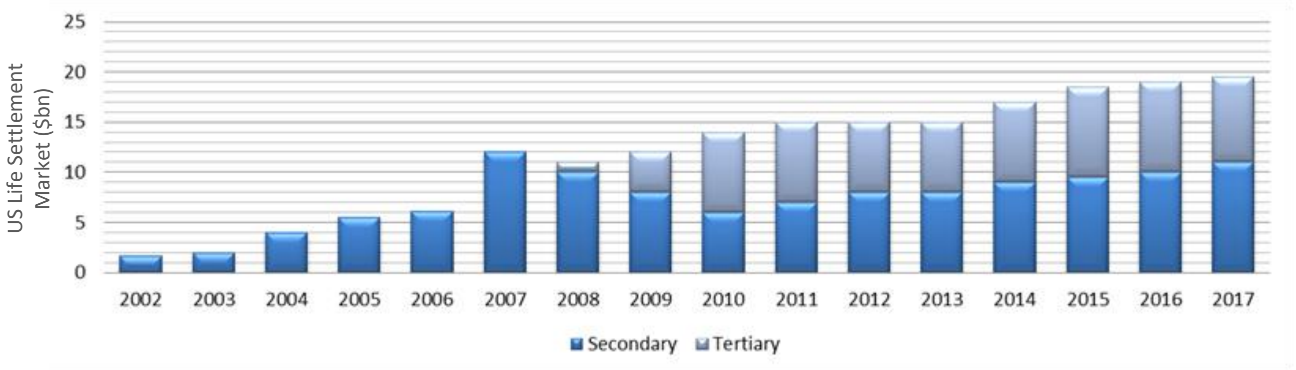
- It is estimated that US seniors have over $3 trillion of life insurance policies [2] of which we estimate a quarter are structurally and economically viable for life settlements
- According to the Life Insurance Settlement Association (LISA), "An astounding $100 billion+ in face value of life insurance is lapsed or voluntarily surrendered each year by seniors over the age of 65."
- Recent tax reforms reduce the need for life insurance policies to pay estate taxes as it is now expected that less than 0.1% of estates will be subject to them

Demographics

- Senior US population is expected to double between 2000 and 2030 to 69 million individuals[3]
- In recent decades, the impact of medical innovation on adult life expectancy has been most pronounced in the 50 to 65 year old population
- Developing need for liquidity in retirement due to increasing;
  - Healthcare costs
  - Pension deficits
  - Dependency ratios

Established Asset Class

- Life settlements are now regulated in 43 states, affording roughly 90% of the population, comprehensive laws and regulation
- The market has matured as life expectancy underwriters have developed sufficient track records to make refinements
- Post 2008, there is greater awareness among insurers and financial advisors of their fiduciary responsible to outline the life settlements option to those considering surrender their policy or allowing it to lapse



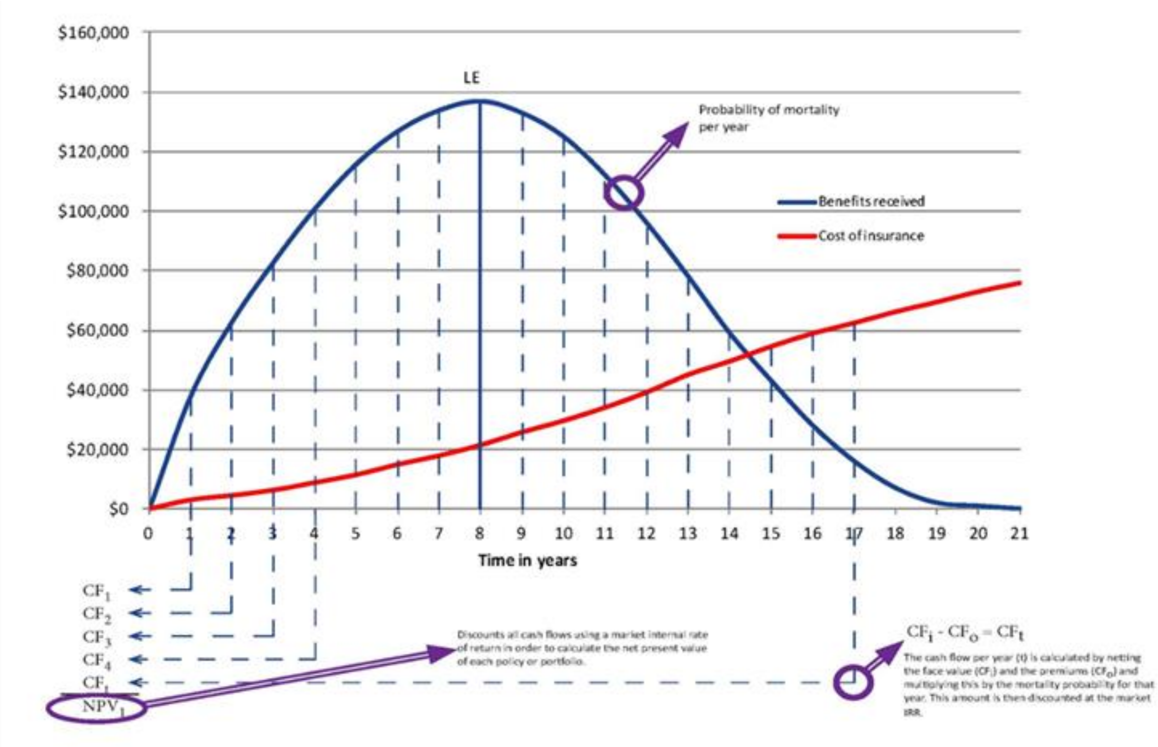
Projected Market Volume in 2025:

$60bn

1 Conning & Co, 2016, Life Settlements, Secondary Annuities, and Structured Settlements
2 Life Insurance Settlement Association (LISA)
3 S Census Bureau

Demographic Trends & Market Development

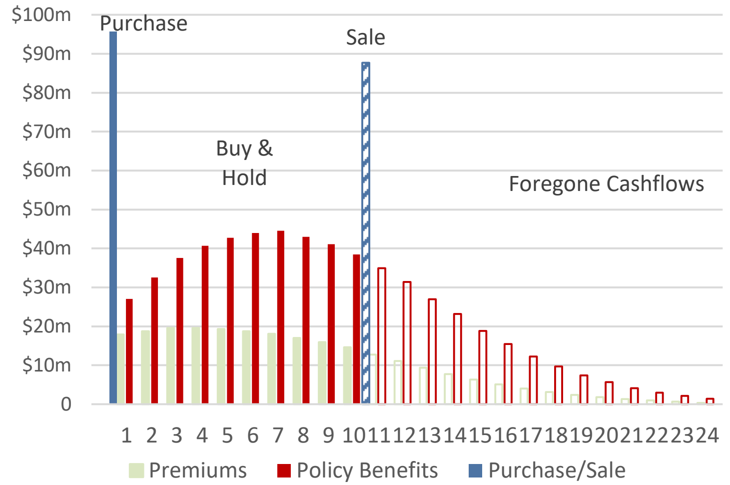
Valuation of Life Settlements is based on the same underlying foundation of life insurance. Medical Underwriting and Mortality Tables, provide investor with the relevant information necessary to calculate future cash flows:



Life Settlements as an Investment

The settlement price for each life settlement is derived from the probability-weighted present values of the cash flows (premiums and policy benefits) associated with the policy. The most significant determinant of price is the life expectancy of the insured.

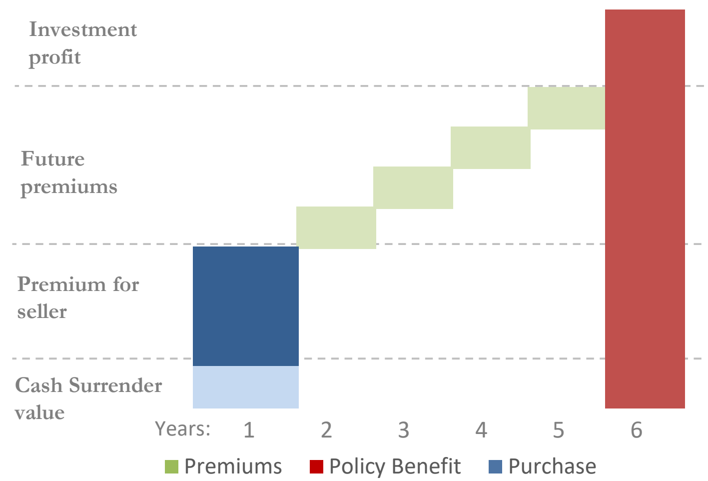
Portfolio Level



Broad diversification across policy characteristics, such as age and life expectancy, mitigates the uncertainty associated with any one particular policy and results in an attractive predictable yield.

Credit and origination risks are also evaluated and mitigated by diversification alongside strong internal controls.

Policy Level



The returns of any single policy are sensitive to the actual mortality experienced.

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