



# PRO VITA Asset Protection

Where smart Security meets peak Performance

# Executive summary

**PRO VITA Asset Protection** is an actively managed certificate (AMC) and is largely uncorrelated to traditional asset classes and offers guaranteed cash flows upon policy maturity. Policies are acquired at a significant discount to face value, providing high intrinsic value and strong downside protection.

## Key attributes:

- **Largely uncorrelated:** No exposure to public markets, interest rates, or economic cycles
- **Audited 10-year managed account track record:** 35.6% average annualised return (2015-2024)
- **Capital preservation:** non-cyclical, with negligible historical drawdowns
- **AI-enhanced underwriting:** proprietary technology improves accuracy in life expectancy forecasting

**Multi risk management: legal, medical, and actuarial due diligence backed by premium reserves**

## History of US life settlement market

- Trading in life insurance policies in the USA is strictly regulated and has been in existence for over 100 years
- In Grigsby v. Russell (1911), the US Supreme Court ruled on the legality of the sale of life insurance policies, thus laying the foundation for the development and trading of US life insurance policies

**US life insurance policies are treated as transferable property, even if the person receiving the policy does not have an insurable interest in the life of the insured.**

## Reasons for selling a life insurance policy

- Inheritance tax reduction /tax planning
- Retirement
- Beneficiary is deceased
- Insured person is seriously ill
- Liquidity bottleneck
- Family reasons

# Legal framework

## Grigsby v. Russell (1911), US Supreme Court

Grigsby v. Russell is a landmark U.S. Supreme Court case concerning the transferability of life insurance policies. The case established that a life insurance policy is a form of property that can be freely transferred or assigned by the policyholder to another party, even if the person receiving the policy does not have an insurable interest in the life of the insured.

### Key Points:

- **Insurance as Property:**

The Court affirmed that life insurance policies can be treated like any other form of property

- **Assignment Without Insurable Interest:**

After the initial valid contract is established by a person with an insurable interest, the policy can be transferred to someone without such an interest

- **Importance in the Secondary Market for Life Insurance:**

This decision allowed for the development of a secondary market in life insurance policies, where terminally ill patients sell their policies to third parties

## What are US secondary market life insurance policies?

- US secondary market policies are life insurance policies that are no longer needed by policyholders and are purchased by investors at a **discounted percentage of the sum assured**
- Trading in US secondary market policies has existed **since 1911**

Approximately **80% - 90%** of life insurance policies in the USA are **cancelled prematurely** or **expire worthless!**

**US Life Insurance policies are incontestable, provided the policy is at least 2 years old!**

## Features of US secondary market life insurance policies

- **Non-cyclical**
- **Guaranteed payout** on maturity
- The annual secondary market potential is estimated at **over USD 160 billion**

# Who invests in life settlements?

## Banks | Investment companies Insurance companies

WARREN BUFFET (BERKSHIRE HATHAWAY) | MERRILL LYNCH | GOLDMAN SACHS BLACKSTONE | KKR  
| SCHRODERS | PIMCO | MORGAN STANLEY | CREDIT SUISSE | JULIUS BÄR | J. SAFRA SARASIN | UBS |  
APOLLO | VONTOBEL | ABU DHABI INVESTMENT COUNCIL FORTRESS | LOMBARD ODIER | EDMOND  
DE ROTHSCHILD HAUCK & AUFHÄUSER | ROYAL BANK OF SCOTLAND | AIG | BLUE OWL | LGT

## Pension funds | Pensionsfonds Foundations

PENSIONSASSE STADT ZÜRICH | ONTARIO TEACHERS PENSION PLAN | PGGM NEW ZEALAND  
SUPERANNUATION FUND | PME PENSIOENFONDS | UNIVERSITY OF MICHIGAN | ALASKA PERMANENT  
FUND | SCHINDLER PENSIONSASSE | FLORIDA RETIREMENT SYSTEM (FRS) PENSION PLAN |  
MICHIGAN RETIREMENT SERVICE PENSION PLAN | PENSIONSASSE BASEL-STADT



# Why invest in life settlements?

## Capital preservation

Intrinsic time value of the policies being purchased results in negligible levels of volatility

## Attractive risk-adjusted returns

Annual target return of > 12% p.a.

## Portfolio diversification

Uncorrelated to any other asset class and performs in all market environments

**Uncorrelated risk-adjusted returns through all market cycles**

# Life settlements as a liquidity mechanism for policy holders

## Liquidity generation

Policies that are sold on the secondary market as a life settlement typically receive approx. **6-10x** more than the cash surrender value paid by the insurance companies.

## Estate planning

Life settlements are an effective tool for estate planning and inheritance tax optimization. The proceeds of a life settlement can be gifted to the beneficiaries to optimize inheritance tax liabilities or used for other purposes.

## Retirement

Liquidity bottlenecks during retirement make a life settlement an attractive proposition, particularly if there are no beneficiaries or the policy is no longer required.

# Case example

**Bob is 84 years old, he recently lost his wife and he has no descendants**

He now no longer needs his term life insurance. Reasons - no offspring, unnecessary financial burden. Bob is also seriously ill

**Bob sells his USD 1 million policy for USD 500,000**

Instead of cancelling the policy without value, Bob sells his USD 1 million policy to the highest bidder for USD 500,000 and thus has capital during his lifetime that he urgently needs for adequate care

**PRO VITA receives USD 1 million**

In the event of an insured event, PRO VITA receives the guaranteed insured sum of USD 1 million, for which he has only paid USD 500,000 plus costs

# Determination of the term by licensed assessors

**1.**

As the guaranteed sum insured is only paid out in the event of death, a forecast must be made of the life expectancy of the insured person

**2.**

Established, independent and licensed appraisers from the Life Insurance Settlements Association (LISA) prepare these life expectancy appraisals

**3.**

They specialize in predicting individual life expectancy based on statistics, mortality tables, medical expertise, etc.

**4.**

Every policy offered by the regulated broker has a life expectancy appraisal from a licensed appraiser

**German/Swiss doctors assess the plausibility of the medical report, in addition to the assessment from the US doctors.**

# Additional security through premium reserves

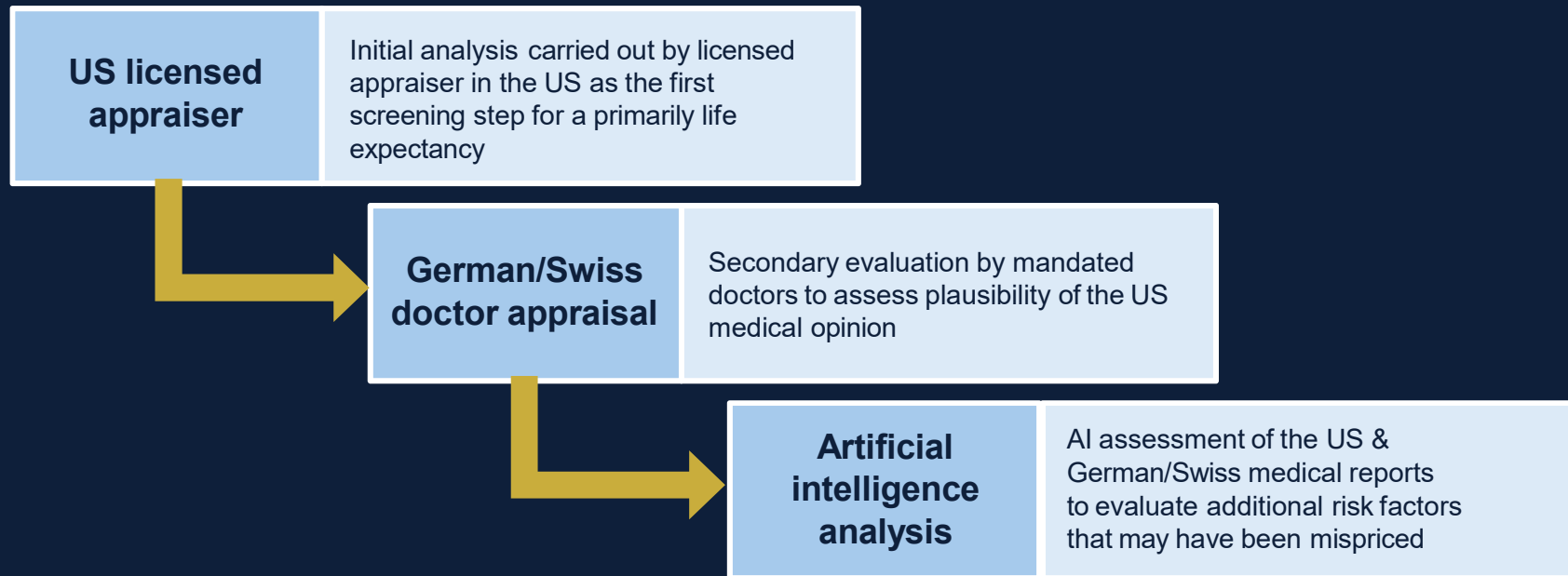
Expert opinion on projected life expectancy **+24 months** premium reserves

For additional security, premium reserves are formed for a **further 24 months** and deposited in advance



**If a policy runs longer than projected, it can be sold on the tertiary market at the original acquisition value + accrued time value = downside protection**

# Enhanced due diligence



**Integration of AI tools adds an additional layer of security and confidence in our decision making**

# Artificial intelligence

## Plausibility

The use of in-house AI technology is used to assess the plausibility of the licensed assessor's life expectancy calculations, as well as computing additional risk factors that may have been missed in the initial assessments by our mandated medical professionals

## Projection

Additional inputs to the AI model result in an additional duration analysis being produced, to be evaluated in the context of the prevailing information available

## Evaluation

Factors such as geography, lifestyle and demographics are used to analyze the plausibility of the obtained assessments, to give a further edge in the decision-making process of the fund

## AI as an additional source of edge in portfolio construction

# Risk management & mitigation

- Full legal opinion on each policy confirming the conditions for purchase eligibility being fulfilled
- Comprehensive 320-point due diligence process for each policy being evaluated
- Policies must be free of liens and encumbrances to be eligible for purchase
- Financial modelling of the premium streams to price worst case / longevity scenarios and assign outcome probabilities
- Existence of a tertiary market for policies that need to be sold prior to maturity – liquidity in a worst-case scenario

**Only policies that fulfill ALL the investment & legal criteria are evaluated for purchase.**

# Key risks

## Credit & Counterparty

Only U.S. life insurance companies with at least an A rating are chosen for policy purchases.

## Maturity duration

Quantitative and probabilistic analysis of each individual case to assign expected outcomes with a high confidence level.

## Legal

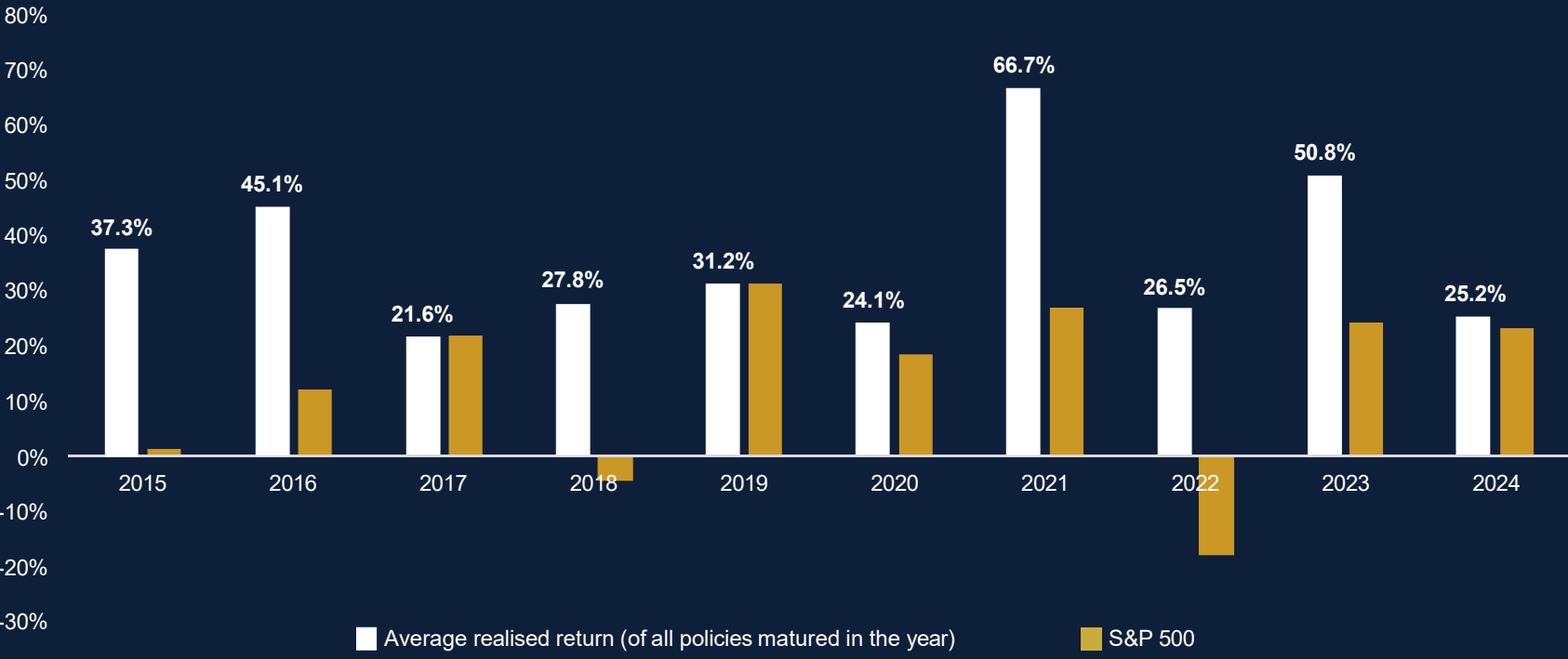
Full legal analysis of each policy. Policies must be free of liens and encumbrances to be eligible for purchase.

**Strict risk-management procedures in place to mitigate risks.**

# Historical performance

Year	Average forecast return (of all policies maturing in the year)	Average realised return (of all policies matured in the year)
2015	8.00 %	37.26 %
2016	8.00 %	45.10 %
2017	8.00 %	21.60 %
2018	8.00 %	27.76 %
2019	8.61 %	31.21 %
2020	10.33 %	24.13 %
2021	8.33 %	66.70 %
2022	8.31 %	26.54 %
2023	7.96 %	50.83 %
2024	8.11 %	25.17 %
2025	8,13 %	70,18 %
<b>Average</b>	<b>8,34 %</b>	<b>38,77%</b>

# Historical performance vs. S&P 500 Index



10-year average annualised return 35.6%

Audited track record from managed accounts

# Investment structure

## PRO VITA Asset Protection AMC with SPV

Share Class R ISIN: CH1501835149	Share Class I ISIN: CH1501835164
USD 50,000 minimum investment	USD 1 million minimum investment
2% management fee 20% performance fee	1% management fee 10% performance fee
Reinvestment of accrued profits	
Investment at least 80% in life settlements policy and up to 20% in commodity and mining stocks	
Promising mines for critical metals, preferably with dividends or exceptional price potential based on the Lassonde curve	

**Special actively managed Portfolio and policies sourcing**



Addition

# Insurance counterparties

Insurer	Credit Rating
Transamerica Life Insurance	A
Lincoln National Life Insurance	A+
Metropolitan Life Insurance	A+
Northwestern Mutual Life Insurance	A++
Massachusetts Mutual Life Insurance	A++
AXA Life Insurance	A
Gerber Life Insurance	A
State Farm Insurance	A++

# Counterparties involved

« Contractual Partner »

**Fidelity of Georgetown Inc.**

Sourcing and screening of the life insurance policies

« Correspondent bank »

**J.P. Morgan Chase**

Intermediary bank

« Securities Intermediary »

**Bank of Utah**

Escrow bank account

« Master Service Provider »

**Habersham Funding**

Regulated license holder for distribution of secondary life insurance policies

# Counterparties involved

« Administrator »

**MTCM Investments AG**

Schweizerland, Luxembourg, Spain, Panama, Dubai

« Paying Agent »

**Kaiser Partner Privatbank AG**

Vaduz, Liechtenstein

« Asset Manager »

**ZEUS Asset Management**

Bendern, Liechtenstein

« Investment Manager »

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Bendern, Liechtenstein



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