LSA
Life Settlement Assets

Life Settlement Assets Plc

Interim Financial Report
For the period ended 30 June 2018

Registered office: 115 Park Street, 4th Floor, London W1K 7AP

Share capital: USD 710 689

Life Settlement Assets Plc ("LSA" or the "Company")

Interim Financial Report

For the period ended 30 June 2018

Life Settlement Assets ("LSA" or the "Company") a closed-ended investment company which supports and manages portfolios of whole and partial interests in life settlement policies issued by life insurance companies operating predominantly in the United States, is pleased to announce its financial results for the period of incorporation on 16 August 2017 to 30 June 2018.

The Company was admitted to trading on the Specialist Fund Segment of the London Stock Exchange on 26 March 2018 and was formed for the purposes of continuing the business of the Acheron Portfolio Corporation (Luxembourg) S.A (the "Predecessor Company"). The Predecessor Company delisted from the Luxembourg Stock Exchange on 6 March 2018.

For comparison reasons only in the commentary below, results from the unaudited interim consolidated financial statements for the six months ended 30 June 2017 have been taken from the Predecessor Company.

Key Highlights

- Total collected maturities increased 35% to USD 20.3m (HY2017: USD 15.0m), reflecting higher HIV maturities in the period
    - Class A delivered collected maturities of USD 13.7m (HY2017: USD 10.1m)
    - Class B delivered collected maturities of USD 3.0m (HY2017: USD 1.3m)
    - Class D delivered collected maturities of USD 1.7m (HY2017: USD 2.8m)
    - Class E delivered collected maturities of USD 1.8m (HY2017: USD 0.8m)

- Loss before tax of USD 4.9m (HY2017: profit of USD 130,596). The decrease is a result of lower non-HIV, elderly maturities in the period, which had a notable impact on performance due to the concentration of the portfolio in a relatively small number of large policies in this segment

- The level of maturities in the HIV segment of the portfolios of the Predecessor Company in the 2017 financial year allowed a distribution of USD 11.5m to A, D and E Share Classes just prior to the listing on the London Stock Exchange.

Jean Medernach, Chairman, said: "These are our maiden interim financial results since admission to trading on the Specialist Fund Segment of the London Stock Exchange. Our listing was a milestone moment in the Company's history, which gives us access to a wider investor base. While our results impacted by the elderly segment, we significantly outperformed in the HIV segment. Furthermore, the Predecessor Company was able to make USD 11.5m distributions across to shareholders of the

A, D and E Classes immediately prior to the admission to trading of the new shares. Acheron Capital, our Investment Manager continues to focus on generating long-term returns for our shareholders by diversifying our portfolio and acquiring additional fractional policies at a deep discount, transforming them in to wholly owned policies."

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Chairman's Statement

I am pleased to present our maiden interim financial results since the Company was incorporated on 16 August 2017 and subsequently admitted to the Specialist Fund Segment of the London Stock Exchange on 26 March 2018

Life Settlement Assets' investment objective is to generate long-term returns for investors by investing in the life settlement market. We seek to achieve this through each of our separate Share Classes:

- *Share Class A*
  Share Class A invests in life insurance policies acquired from special or "distressed" situations, with exposure to both HIV (average age mid to late 50s) and elderly insureds (average age mid to late 80s). It is widely diversified with circa 4,700 underlying policies. Class A has exposure to fractional policies.
- *Share Class B*
  Share Class B invests in life insurance policies exposed only to elderly insureds (average age mid to late 80s). Class B has exposure to fractional policies.
- *Share Class D and E*
  Both these Share Classes invest in separate portfolios comprising predominantly fractional policies with exposure to both HIV or elderly insureds, where the A and/or B Share Classes are already fractional owners.

In the period under review, but just prior to the Company's admission to the Specialist Fund Segment of the London Stock Exchange, an USD 11.5m distribution was made across A, D and E Share Classes which resulted from the maturities in the portfolios of the Predecessor Company in the 2017 financial year.

Performance Analysis by Share Class is provided in the tables below. Comparative figures have been provided from the unaudited interim consolidated financial statements for the six months ended 30 June 2017 of the Predecessor Company.

Share Class A net asset value ("NAV") per share increased to USD 2.03 during the period. Class A experienced higher levels of maturities compared to the previous year in the HIV segment. However, the elderly segment, despite the advanced ages, has underperformed due to the lack of any large size policies maturing which in turn has affected cash flow and performance. The current estimated actual to expected ratio of maturities in Class A is c.130% for the HIV segment and 30% for the elderly segment.

Share Class B NAV per share increased to USD 1.23. There were no large size policies maturing in the period despite the insureds' increasingly advanced ages. Given the lack of policy diversification, this is not an unusual outcome and previous years have shown that this period of low maturities will be followed by a period of renewed maturities that will increase liquidity.

Share Class D delivered NAV per share of USD 1.6. Share Class E delivered NAV per share of USD 4.56. Class D and E are made of fractional policies and have a relatively high concentration on a few lives.

Fractional policies are single life insurance policies initially purchased by multiple investors, each of whom acquire a fractional interest. They have a higher expected level of return and tend to be acquired at a deep discount to the fair value of the policies.

Share Class A

USD	HY2018	HY2017
Collected maturities	13,698,530	10,117,832
Net income from portfolio	140,957	3,287,835
Profit (Loss) before tax	-3,204,383	918,470
NAV per share	2.03	1.93

Share Class B

Class B		
USD	HY2018	HY2017
Collected maturities	2,988,505	1,258,316
Net income from portfolio	-275,367	-1,021,226
Profit (Loss) before tax	-676,908	-1,304,447
NAV per share	1.23	1.11

Share Class D and E

Class D		
USD	HY2018	HY2017
Collected maturities	1,747,326	2,814,184
Net income from portfolio	-733,013	1,401,622
Profit (Loss) before tax	-1,183,972	1,117,425
NAV per share	1.16	1.83

Class E		
USD	HY2018	HY2017
Collected maturities	1,844,040	844,400
Net income from portfolio	142,323	-404,978
Profit (Loss) before tax	-159,025	-600,851
NAV per share	4.56	5.14

Life Settlement Assets remains focused on maximising performance and distributing realised profit derived from its portfolio to its shareholders. While cash flow for the period under review has been impacted, our unique, seasoned portfolio with leading Actual to Expected performance, continues to deliver long-term positive cash flow. In order to address performance volatility, we will continue to acquire additional fractional policies at a deep discount to the fair value of the policies, transforming them into wholly owned policies. This will both diversify the portfolio with a larger number of policies to generate a more stable cash flow and further shareholder value. The US market remains supportive of the life settlements industry, both through its aging population and changing US public policies, which are resulting in a restructuring of the industry.

Principal risks and uncertainties for the remaining six months of the financial year

The Company's results for the first full financial year will depend on maturities declared and collected until year end. Exposure to a small number of large face value policies implies that there is likely to be material volatility in the full year financial results. Going forward, the Board will focus on generating further shareholder value through the acquisition of additional fractional policies at a deep discount to fair value of the policies, and progressively transforming them in to wholly owned policies.

The Board believes it is in the interests of Shareholders to maintain an appropriate robust capital structure and only make distributions to shareholders when collected maturities are sufficient and in line with the actuary's models. The Board also continues to assess the appropriate required reserves for premium payments and other operational costs.

For a detailed description of the Company's risks, please refer to note 5 of the financial statements.

The Investment Manager's Report

The principal activities of the Company are to support and manage portfolios of whole and partial interests in life settlement policies issued by life insurance companies operating in the United States. The Company acquires both individual life insurance policies and portfolios of such policies via either the secondary market, liquidation, bankruptcies or private placements. The life settlement market enables people to sell their life insurance policies to investors at a higher cash value than they would otherwise receive from insurance companies. An investor acquiring the life insurance policy will continue to pay the premiums until the death of the insured. The insurance company will then pay the face value of the life insurance policy to the investor.

On admission to the Specialist Fund Segment of the London Stock Exchange, the Company acquired the Predecessor Company Portfolio (all the assets of the Predecessor Company) by acquiring the entire beneficial interest of four Trusts through which the life settlement policies comprising the Predecessor Company Portfolio are held. Following the completion of the acquisition, the Company allocated beneficial ownership of the Acheron Portfolio Trust to the A Ordinary Shares, the Lorenzo Tonti 2006 Portfolio Trust to the B Ordinary Shares, Avernus Portfolio Trust to the D Ordinary Shares, and the Styx Portfolio Trust to the E Ordinary Shares.

Acheron Capital Limited ("Acheron Capital" or the "Investment Manger") is responsible for devising and modelling the investment strategy of the Company's trusts. Founded in 2005, Acheron Capital is a London based independent investment manager authorised and regulated by the FCA, that focuses on niche investment strategies uncorrelated to the traditional financial markets.

The Investment Manager has:

- An internally developed pricing policy and portfolio valuation methodologies
- Proven actuarial model as evidenced by industry leading Actual to Expected ratios
- Delivered an internal rate of return of between 6 and 7% to the original investor in Share Class A based on the change in NAV and distributions*

*The internal rate of return refers to the Predecessor Company. The original investor would be invested from the period of 30 September 2007 to 31 December 2017.

The Life Settlement Market

The life settlement industry in the United States during the first six months of 2018 was marked by the Tax Cuts and Jobs Act 2017 (TCJA). This is a boost to the market as it brings feasibility to policyholders to sell their policy. Previously, tax basis calculation for people selling their insurance policies and those surrendering was different: the former could deduct from sales proceeds past cumulative Cost of Insurance (COI), while the latter imputed past cumulative premium payments. Because information on past COI was difficult and sometimes impossible to obtain, many people lapsed or surrendered a policy. TCJA makes the basis calculation for both approaches identical, resulting in the abolition of a tax incentive to surrender rather than to sell a policy. This measure will support the supply of life settlements. Meanwhile, efforts have been made to streamline the policy selling process with the help of electronic health records and short-form underwriting. These approaches have the potential to transact a much larger number of policies in a shorter time and thus make transactions more accessible for millions of people.

New bankruptcies and liquidation have emerged as the industry continues to restructure. The investment Manager continues to follow these new offerings, as well as other market supply sources, closely.

Portfolio

The overall portfolio is subdivided into portfolios exposed to either HIV-positive policy holders or non-HIV positive policy holders. The following table provides information on the Companies' policies by Share Class and by exposure to HIV and non-HIV positive insureds in the period under review.

Share Class A	HIV	Non-HIV	Total
Number of policies	4 443	221	4664
Total face value	361 479 516	100 984 455	462 463 971
Valuation	41 744 823	25 464 353	67 209 176
Percentage of face	11.5%	25.2%	14.53%
Share Class B			
Number of policies	N/A	117	117
Total face value	N/A	59 665 653	59 665 653
Valuation	N/A	12 814 403	12 814 403
Percentage of face	N/A	21.5%	21.5%
Share Class D			
Number of policies	379	100	479
Total face value	16 466 988	26 630 313	43 097 301
Valuation	2 338 848	7 352 953	9 691 800
Percentage of face	14.2%	27.6%	22.45%
Share Class E			
Number of policies	167	73	240
Total face value	6 361 256	16 015 783	22 377 039
Valuation	947 705	4 501 867	5 449 572
Percentage of face	14.9%	28.1%	24.35%

In May 2018, a small portfolio of fractional policies, to which the trusts were already overwhelmingly exposed, was added. The portfolio added exposures to 91 policies in which 71 are HIV policies and 20 are Non-HIV policies. It has a total face value of $ 4.7 million. 75 policies with a coverage of $ 4.3 million were assigned to the portfolio held by Acheron Portfolio Trust. The remaining 19 policies with a face value of $ 0.4 million were allocated to Lorenzo Tonti Trust, Avernus Portfolio Trust and Styx Portfolio Trust.

Declared maturity details can be seen in the table below.

	Class A	Class B	Class D	Class E
HIV Maturities (USD)	4 704 882	N/A	258 869	192 601
Non-HIV Maturities (USD)	3 543 849	2 216 862	577 496	617 148

The losses incurred are mainly the result of premiums exceeding maturities together with normal change in policy values. More precisely, while the HIV portfolio has performed well and above expectations, the non-HIV portfolio (elderly) has underperformed. This is largely, but not exclusively, due to the fact that the portfolio is overwhelmingly concentrated in three large policies of an advanced age, which did not mature during the period. Volatility in the maturity of such a limited number of policies is to be expected.

At 30 June 2018, Share Class A had a NAV of $ 2.0299 per share. Share Class B had a NAV of $ 1.2283. Share Class D and E had a NAV of $ 1.1561 and $ 4.5559 respectively. NAV and share price performance history can be seen in the table below.

Class A	Year	Apr	May	Jun	YTD
Total NAV Return	2018	0.24%	0.14%	-0.52%	-0.14%
Share Price Performance	2018	0.00%	5.17%	-1.64%	3.45%

Class B	Year	Apr	May	Jun	YTD
Total NAV Return	2018	0.24%	0.14%	-0.52%	-0.14%
Share Price Performance	2018	0.00%	5.17%	-1.64%	3.45%

Class D	Year	Apr	May	Jun	YTD
Total NAV Return	2018	-1.47%	-0.80%	-1.28%	-3.51%
Share Price Performance	2018	18.18%	0.00%	0.00%	18.18%

Class E	Year	Apr	May	Jun	YTD
Total NAV Return	2018	-1.60%	-0.40%	3.51%	1.45%

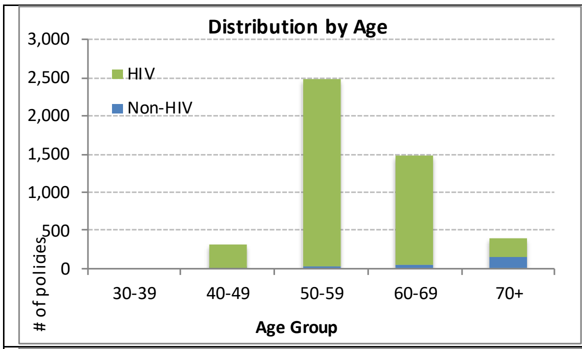
Share Price Performance	2018	0.00%	12.90%	0.00%	12.90%

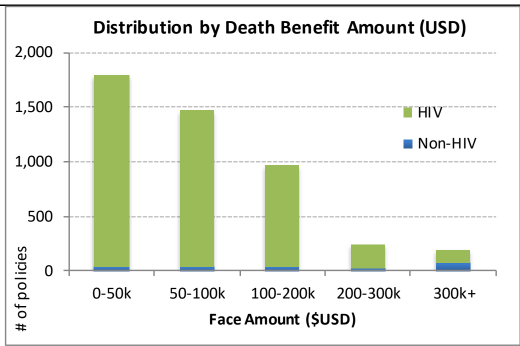
Portfolio Composition

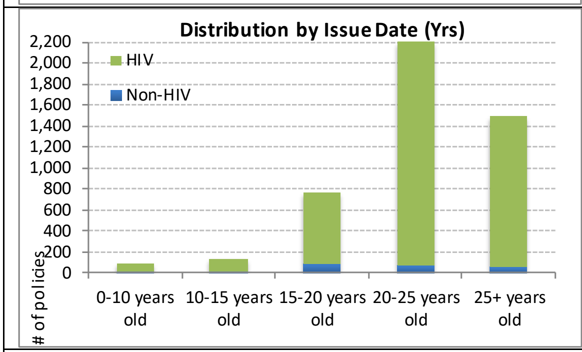
Portfolio Composition

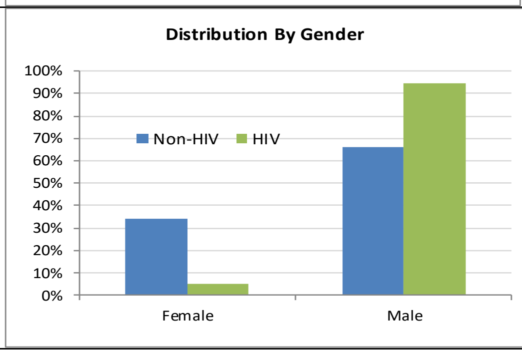
The composition of the portfolio by Share Class as at 30 June 2018 is set out below:

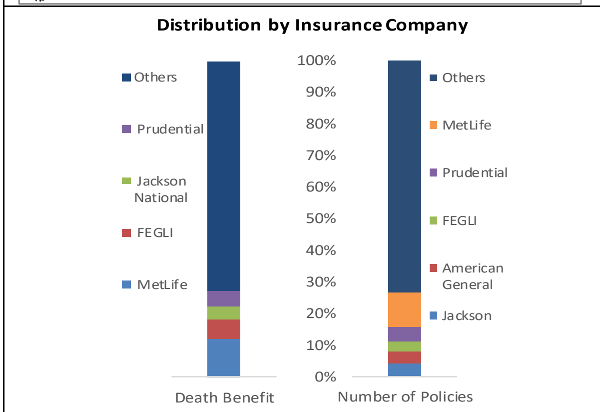
Class A



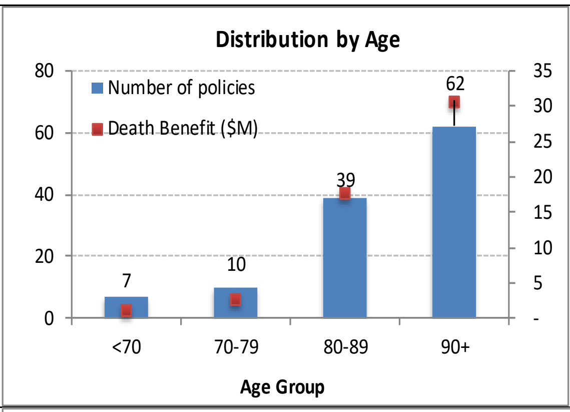


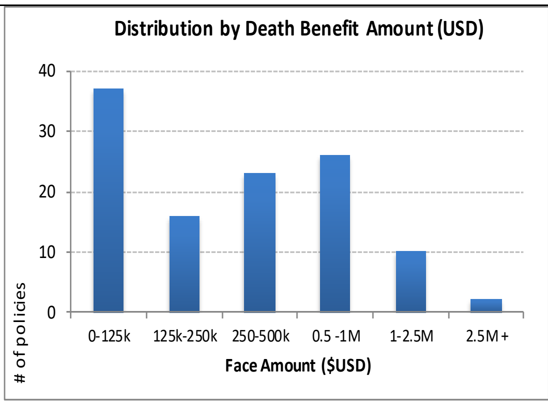


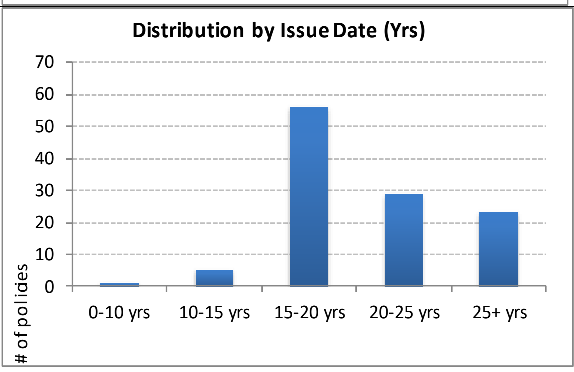


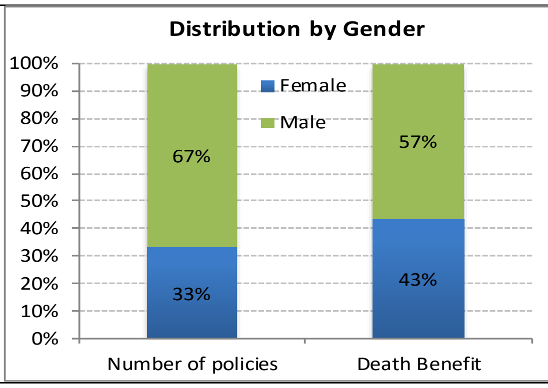


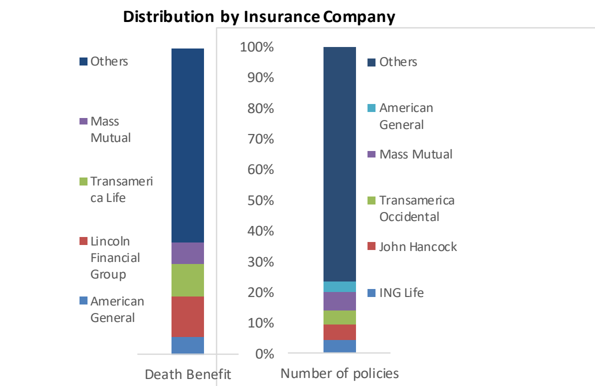
Class B


Distribution by Age
80
60
40
20
0
35
30
25
20
15
10
5
-
Number of policies
Death Benefit ($M)
7
10
39
62
<70
70-79
80-89
90+
Age Group

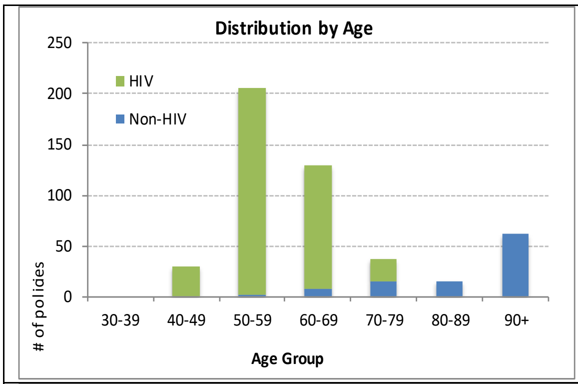

Distribution by Death Benefit Amount (USD)
40
30
20
10
0
# of policies
0-125k
125k-250k
250-500k
0.5 -1M
1-2.5M
2.5M+
Face Amount ($USD)


Distribution by Issue Date (Yrs)
70
60
50
40
30
20
10
0
# of policies
0-10 yrs
10-15 yrs
15-20 yrs
20-25 yrs
25+ yrs

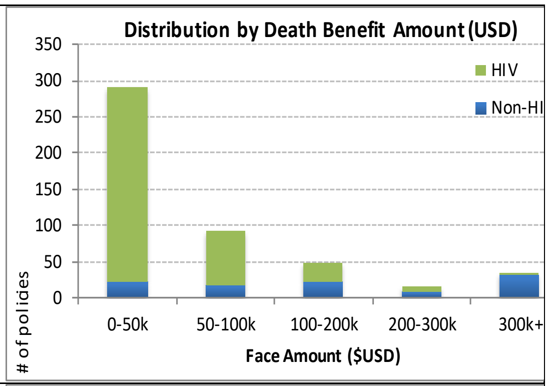

Distribution by Gender
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Female
Male
67%
33%
57%
43%
Number of policies
Death Benefit


Distribution by Insurance Company
Others
Mass Mutual
Transamerica Life
Lincoln Financial Group
American General
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Others
American General
Mass Mutual
Transamerica Occidental
John Hancock
ING Life
Death Benefit
Number of policies

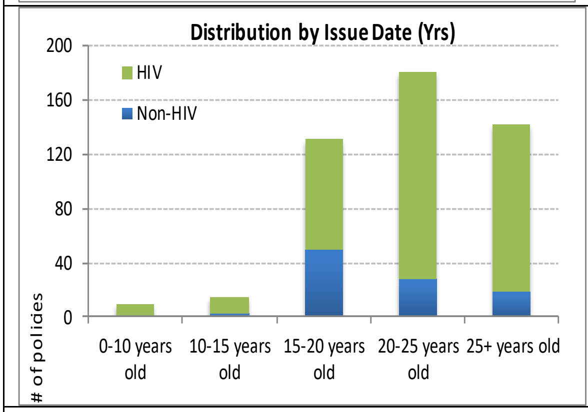
Class D



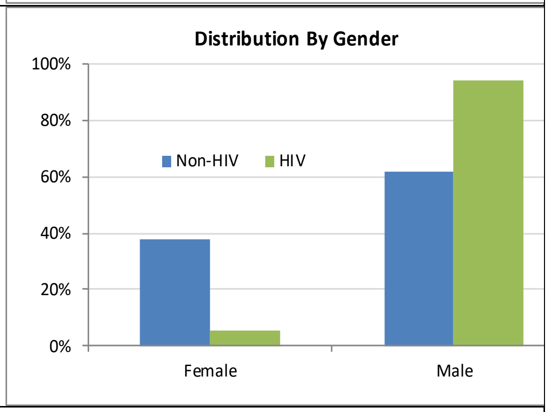
Distribution by Age
250
200
150
100
50
0
HIV
Non-HIV
# of policies
30-39
40-49
50-59
60-69
70-79
80-89
90+
Age Group



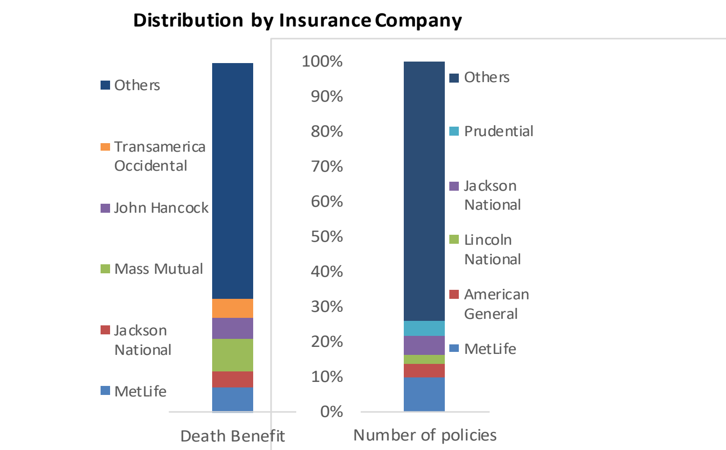
Distribution by Death Benefit Amount (USD)
350
300
250
200
150
100
50
0
HIV
Non-HI
# of policies
0-50k
50-100k
100-200k
200-300k
300k+
Face Amount ($USD)



Distribution by Issue Date (Yrs)
200
160
120
80
40
0
HIV
Non-HIV
# of policies
0-10 years old
10-15 years old
15-20 years old
20-25 years old
25+ years old

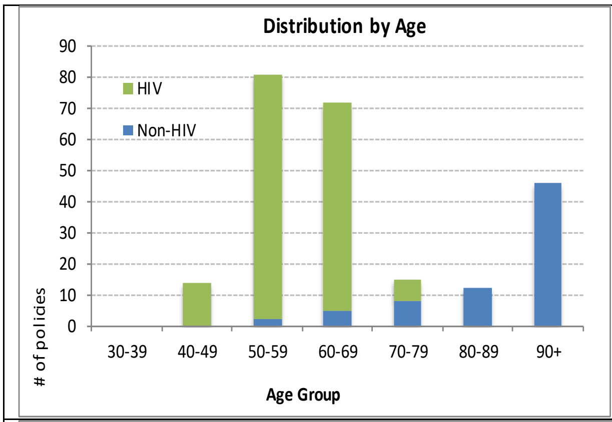


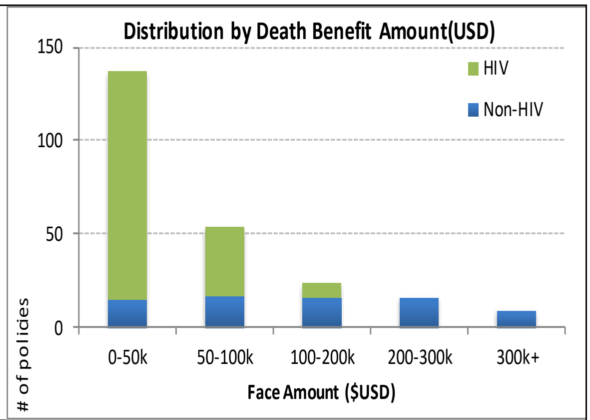
Distribution By Gender
100%
80%
60%
40%
20%
0%
Non-HIV
HIV
Female
Male

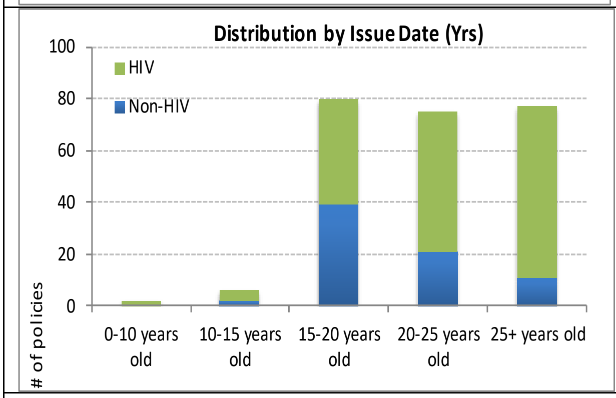


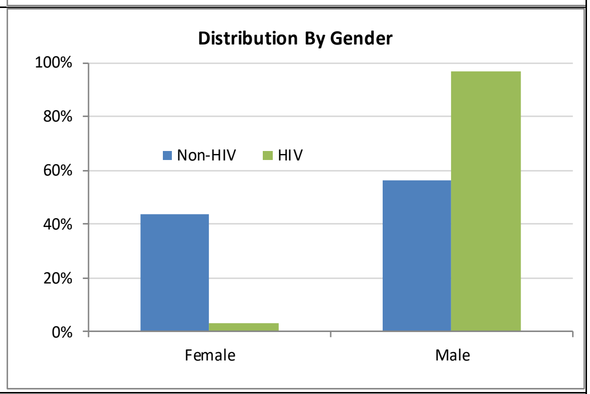
Distribution by Insurance Company
Others
Transamerica Occidental
John Hancock
Mass Mutual
Jackson National
MetLife
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Others
Prudential
Jackson National
Lincoln National
American General
MetLife
Death Benefit
Number of policies

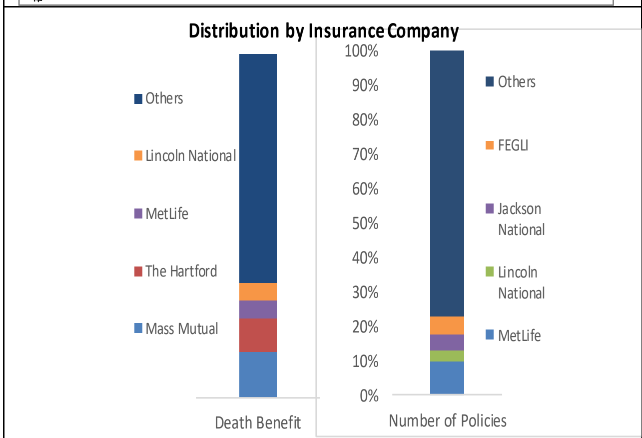
Class E


Distribution by Age
HIV
Non-HIV
90
80
70
60
50
40
30
20
10
0
30-39
40-49
50-59
60-69
70-79
80-89
90+
# of polides
Age Group


Distribution by Death Benefit Amount(USD)
HIV
Non-HIV
150
100
50
0
0-50k
50-100k
100-200k
200-300k
300k+
# of policies
Face Amount ($USD)


Distribution by Issue Date (Yrs)
HIV
Non-HIV
100
80
60
40
20
0
0-10 years old
10-15 years old
15-20 years old
20-25 years old
25+ years old
# of policies


Distribution By Gender
Non-HIV
HIV
100%
80%
60%
40%
20%
0%
Female
Male


Distribution by Insurance Company
Others
Lincoln National
MetLife
The Hartford
Mass Mutual
Death Benefit
100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%
Others
FEGLI
Jackson National
Lincoln National
MetLife
Number of Policies

Life Settlement Assets Plc

Unaudited interim consolidated financial statements
as at 30 June 2018

Registered office: 115 Park Street, 4th Floor, London W1K 7AP

Share capital: USD 710 689

Life Settlement Assets Plc

Interim consolidated statement of financial position as at 30 June 2018

	Notes	30/06/2018 USD
ASSETS		
Non-current assets		
Financial assets at fair value through profit and loss - Life settlement investments	6	95 530 397
Maturities Receivables		6 562 863
	9	102 093 260
Current assets		
Premiums paid in advance	7	12 887 408
Other receivables and prepayments		268 258
Cash and cash equivalents	8	19 323 043
		32 478 708
Total Assets		134 571 968
LIABILITIES		
Capital and reserves		
Share capital	10	710 689
Share premium		133 013 486
Retained Earnings		-4 900 648

		128 823 527
Current liabilities		
Trade and other payables		3 849 470
Tax liabilities	17	745 310
Other liabilities	11	1 153 661
		5 748 441
Total Liabilities		134 571 968

Life Settlement Assets Plc

Interim consolidated statement of profit or loss and other comprehensive income

for the period ended 30 June 2018

	Notes	Revenue return USD	Capital return USD	Total USD
Income from life-settlement portfolios	12			
Maturities		-	20 278 400	20 278 400
Acquisition cost of maturities		-	-1 094 831	-1 094 831
Premiums paid		-	-11 285 217	-11 285 217
Fair value adjustments		-	-8 623 451	-8 623 451
Net income from life-settlement portfolio		-	- 725 099	- 725 099
Other operating income		394 557	-	394 557
Operating expenses	13	-4 167 871	-	-4 167 871
Finance income				
Interest income		7 630	-	7 630
Other income from matured policies	14	274 729	-	274 729
		282 359	-	282 359
Finance costs				
Interest expenses	15	- 632 595	-	- 632 595
Net foreign exchange loss		- 51 802	-	- 51 802
		- 684 397	-	- 684 397
Profit (Loss) before tax		-4 175 352	- 725 099	-4 900 451
Income tax expenses		- 197	-	- 197
Profit (Loss) for the period		-4 175 548	- 725 099	-4 900 648
Other comprehensive income		-	-	-
Total comprehensive income for the period		-4 175 548	- 725 099	-4 900 648
Total comprehensive income attributable to the owners of the Company		-4 175 548	- 725 099	-4 900 648
Basic and diluted profit per share class A	19			-0,133
- numerator class A				-3 204 579
Basic and diluted profit per share class B				-0,087
- numerator class B				- 676 908
Basic and diluted profit per share class D				-0,186
- numerator class D				- 918 231
Basic and diluted profit per share class E				-0,110

- numerator class E - 100 929

Life Settlement Assets Limited

Interim consolidated statement of changes in equity for the period ended 30 June 2018

	Share capital	Share premium	Legal reserve	Retained earnings	Total
	USD	USD	USD	USD	USD
Balance as at 16 August 2017	**-**	**-**	**-**	**-**	**-**
Incorporation	66 988	**-**	**-**	**-**	66 988
Capital increase 26 March 2018	710 689	133 013 486	-	-	133 724 175
Redemption of redeemable shares	- 66 988	-	-	-	- 66 988
Loss for the period	-	-	-	-4 900 648	-4 900 648
Balance as at 30 June 2018	710 689	133 013 486	-	-4 900 648	128 823 527

Life Settlement Assets Plc

Interim consolitated cash flow statement for the period ended 30 June 2018

	30/06/2018 USD
Cash flow from operating activities	
Profit (Loss) for the period	-4 900 648
Non cash adjustments:	
- non cash movement on portfolios	8 856 669
Cash flows from (used) in operations before working capital changes	3 956 021
Changes in premiums paid in advance	1 001 035
Changes in other receivables and prepayments	- 231 777
Changes in trade and other payables	-4 561 461
Changes in tax payables	- 11 785
Net cash flows from (used) in operating activities	152 034
Cash flow from investing activities	
Net investment in life-settlement portfolios	442 557
Net cash flows from (used) in investing activities	442 557
Cash flow from financing activities	
Cash proceeds from issuing shares	18 883 524
Cash on policies	- 155 072
Repayment share premium	-
Net cash flows from (used) financing activities	18 728 452
NET CHANGES IN CASH AND CASH EQUIVALENTS	19 323 043
Cash and cash equivalents	
At the beginning of the period	-
At the end of the period	19 323 043

NOTE 1 GENERAL INFORMATION

1.1 Legal aspects

Life Settlement Assets ("Life Settlement Assets" or the "Company") is a public company limited by shares and an investment company under section 833 of the Companies Act 2006. It was incorporated in England and Wales on 16 August 2017. The registered office of the Company is 115 Park Street, 4th Floor, London W1K 7AP.

The Company currently has four classes of Ordinary Shares in issue, namely A, B, D and E, each of which principally participates in a separate portfolio of life settlement assets and associated liabilities, which were acquired from Acheron Portfolio Corporation (Luxembourg) SA (APC or the Predecessor Company) on 26 March 2018.

On that date, the Company entered into an Acquisition agreement with the Predecessor Company. Following the agreement, all assets and liabilities of APC have been transferred to the Company as an in specie subscription for ordinary shares. More specifically:

- 100% of the interest in the Acheron Portfolio Trust has been attributed to the A ordinary shares;
- 100% of the interest in the Lorenzo Tonti 2006 Portfolio Trust has been attributed to the B ordinary shares;
- 100% of the interest in the Avernus Portfolio Trust has been attributed to the D ordinary shares;
- 100% of the interest in the Styx Portfolio Trust has been attributed to the E ordinary shares;
- Any cash and other net assets have been recorded in the books of the Company as being attributable to the class of ordinary shares which corresponds to the existing class of shares in APC to which such cash and other net assets are attributable.

Net assets acquired from the Predecessor Company have been valued for the purpose of Section 593 of the Companies Act by Mazars LLP as at 31 December 2017, based on the net asset values as at that date less any distributions to shareholders of the Predecessor company prior to the date of acquisition. The interim financial statements include all transactions performed on the life insurance policies as from 1 January 2018.

Each share class of the Company were first admitted to trading on the Specialist Fund Segment of the main market of the London Stock Exchange on 26 March 2018.

It is the intention of the Company to conduct its affairs so that it satisfies the conditions necessary for it to be approved by HM Revenue & Customs as an investment trust.

1.2 Nature of operations

The principal activities of Life Settlement Assets and its subsidiaries (together "the Group") (Note 4) are to support, manage and fund the acquisition of whole and partial interests in life settlement policies issued by life insurance companies operating predominantly in the United States (Note 9).

Once acquired, the policies are the property of the Acheron Portfolio Trust, a grantor trust established in the Commonwealth of Massachusetts USA, the Lorenzo Tonti 2006 Trust, a trust established in the State of New York, the Avernus Portfolio Trust, a trust established under the

laws of the State of Delaware, or Styx Portfolio Trust, a trust established in the State of Delaware. Class A Shares, Class B Shares, Class D Shares, and Class E Shares (respectively) are the exclusive beneficiaries of these trusts.
The trusts are managed by Acheron Capital Limited, a London-based company which is authorized and regulated by the Financial Conduct Authority of the United Kingdom (under reference number 443685).

1.2 General information and statement of compliance with IFRS

The Company is the Group's ultimate parent company.

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Boards (IASB) as adopted by the European Union.

The consolidated financial statements for the period ended 30 June 2018 were approved and authorized for issue by the Board of Directors on 25 September 2018.

NOTE 2 IFRS ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements have been prepared using the accounting policies specified by those IFRS that are in effect at the end of the reporting period (30 June 2018), or which have been adopted early.

The present financial statements report on the activity for the period from inception on 16 August 2017 until 30 June 2018.

For the purpose of the cash flow statement, the acquisition by the Company of Net Assets from the Predecessor Company under the Acquisition agreement mentioned in Note 1.1 for a total amount of USD 133,723,937 and the allotment of 7,068,874 shares to the Predecessor Company is a non-cash transaction that is not shown in the cash flow statement, except for the net cash contribution of USD 18,883,524.

The significant accounting policies that have been applied in the preparation of these consolidated financial statements are summarized below.

2.2 Changes in accounting policy and disclosures

Standards and amendments to existing standards that are not yet effective and have not been early adopted by the Group

The following new standards and amendments have been published but are not effective for the Group's accounting period beginning on 16 August 2017. The Company does not expect the adoption of the following new standards, amended standards or interpretation to have a significant impact on the consolidated financial statements of Life Settlement Assets in future periods.

IFRS 16, “Leases” defines a lease as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. IFRS 16 requires lessees to recognise nearly all leases on the balance sheet which will reflect their right to use an asset for a period of time and the associated liability for payments. IFRS 16 will be effective for reporting periods beginning on or after 1 January 2019.

IFRS 17 “Insurance contracts”
Applies to insurance contracts, including reinsurance contracts issued by an entity; reinsurance contracts held by an entity; and investment contracts with discretionary participation, features issued by an entity that issues insurance contract. IFRS 17 will be effective for reporting periods beginning on or after 1 January 2021.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

The consolidated financial statements consolidate those of the parent Company and all of its subsidiary undertakings drawn up to 30 June 2018 (Note 4). Subsidiaries are entities over which the Group has control. The Group controls an entity when it has power over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect these returns through its power over the entity.

The year end for the Company and all subsidiaries’ is 31 December.

All transactions and balances between the Group companies, including realized and unrealized gains and losses on transactions are eliminated. Where unrealized losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

There was no non-controlling interest (minority interest) at the year end.

3.2 Foreign currency translation

The consolidated financial statements are presented in United States Dollars (USD), which is also the functional currency of the Group.

(a) Interim/Annual accounts

Foreign currency transactions are translated into the functional currency of the Group, using the exchange rates prevailing at the date of the transaction (spot exchange rates). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year-end exchange rates are recognized in profit or loss.

(b) Consolidated accounts

All companies included in the consolidated accounts have their financial statements prepared in USD.

3.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the Group's management. The Group's management, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that make strategic decisions.

Segment information:

The Group's management makes the strategic resource allocations on behalf of the Group. The Group's management has identified that the insurance portfolios or portfolio rights acquired can all be classified as life settlement business and all of which are located in the United States of America. As such, there is a single operating segment.

The asset allocation decisions are based on a single, integrated investment strategy, and the Group's performance is evaluated on an overall basis. The investment objective of the Group is medium-term capital growth. An analysis of expected maturities is given in Note 9.3 of the consolidated financial statements.

The internal reporting provided to the Management team for the Group's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS.

All of the Group's income is from revenue generated on the life settlement portfolios in the USA. The life settlement portfolios are classified as non-current assets.

3.4 Life-settlement portfolios

Being the final and exclusive beneficiary of the Acheron Portfolio Trust, the Lorenzo Tonti 2006 Trust, the Avernus Portfolio Trust and the Styx Portfolio Trust, the Group reflects all the transactions performed on these life insurance portfolios in its own financial statements. Investments in transactions to support the acquisition of life settlement assets by the Trusts are considered as having been undertaken by the Company for its own account.

Insurance policies which are acquired are recognized initially at fair value (the transaction price). If a life insurance policy matures, is surrendered or is sold, the related purchase price is recognized as a cost of sale. Cash borrowed on life insurance policies is deducted from the value of the relevant policy.

The value of insurance contracts is usually recovered upon the death of the insured policyholder. However, the Company may from time-to-time decide to dispose of an individual life insurance contract.

Insurance portfolios are measured at fair value (Note 9).

3.5 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

3.6 Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, canceled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit and loss, which are measured initially at fair value.

Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

- loans and receivables;
- financial assets held at fair value through profit or loss.

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in other comprehensive income.

All financial assets, except for those held at fair value through profit and loss, are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied to each category of financial assets, which are described below.

All incomes and expenses relating to financial assets that are recognized in profit or loss are presented within “finance costs”, “finance income” or “other financial items”.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default.

Financial assets held at fair value through profit or loss

Financial assets held at fair value through profit or loss include financial assets that are either classified as held for trading or that meet certain conditions and are designated at fair value through profit or loss upon initial recognition.
Assets in this category are measured at fair value, with gains or losses recognized in profit or loss. The fair values of derivative financial instruments are determined by reference to active market transactions or through using valuation techniques where no active market exists.
The Group has designated the life settlement portfolios as held at fair value through profit and loss.

The Group manages its assets in a way to enhance profits through optimizing the life settlement portfolios, minimizing the premiums payable on the life settlement portfolios, and collecting maturities in order to maximize the cash generated by the portfolio and to distribute such realized profit or available cash to its Shareholders.

Financial liabilities

The Group's financial liabilities are only constituted by trade and other payables.
Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

3.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks and other short-term, highly liquid investments with original maturities of three months or fewer.

3.8 Tax expenses

In May 2018, the Company received a confirmation from HM Revenue & Custom as an approved investment trust for accounting period commencing on or after 26 March 2018, subject to the Company continuing to meet the eligible conditions at section 1158 Corporation Tax Act 2010 and the ongoing requirements in Chapter 3 Part 2 Investment Trust (Approved Company) (Tax) Regulations 2011(Statutory Instrument 2011/2999)

Tax expenses recognized in profit or loss comprise solely withholding taxes (Note 16).

The current income tax charge is calculated on the basis of the local tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group companies operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of the amounts expected to be paid to the tax authorities.

Deferred income tax, if any, is recognized, using the liability method, on temporary differences arising between the tax bases of the Group's assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Due to the Company's status as an investment trust, and the intention to meet the conditions required to obtain approval under Section 1158 of the Corporation Act Tax 2010, the Company has not accounted any deferred tax on its losses.
In relation to the subsidiaries detailed in note 4, all of them being in liquidation, the Company has not accounted any deferred tax on their losses.

3.9 Equity, reserves and dividend payments

Share capital represents the nominal value of the Shares that have been issued.
Share premium includes any premiums received on issue of share capital, or by other means.
All transactions with owners of the Group are recorded separately within equity.

3.10 Provisions, contingent liabilities and contingent assets

Provisions are recognized when: the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as an interest expense.

3.11 Revenue and expenses recognition

3.11.1 Revenues

Revenue comprises the fair value of the consideration received in relation to maturities or to the surrender or sale (if any) of life settlement policies. The Group recognizes revenue when the amount of revenue can be reliably measured and it is probable that the future economic benefits will flow to the entity.
Maturities are recognized as revenue when the Group is formally aware of the maturity of a life insurance policy.
Net income from life settlement portfolios derives from the maturity or the sale of insurance policies less their acquisition value and the change in the valuation of the fair market value of the remaining policies.

3.11.2 Premiums

Premiums are expensed when paid. However, only the portion of the premiums that relates to the insurance coverage period up to 30 June of each financial period is recognized as an expense. The remaining amount is shown as premiums paid in advance on the balance sheet.

3.11.3 Interest income

Interest income is recognized on a proportional basis using the effective interest method.

3.12 Significant management judgement in applying accounting policies.

The preparation of these financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.
The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements relate mainly to the valuation of the investment portfolios and when revenues may be accounted for.
Management also set criteria stating when a life insurance policy can be considered to have matured and when the benefit of a maturity can be attributed to the Group (Note 3.11.1).

For the preparation of the annual audited accounts¸ the value of the life settlement (LS) and HIV portfolios is set by an external actuary, Lewis & Ellis (L&E). L&E was also the external actuary of the predecessor company.
Using these values, Acheron Capital Ltd (the Investment manager of the trusts in which the policies of Class A, B, D and E are kept) resets its internal model at beginning of each year, if

necessary. It then produces regular monthly valuations using its internal model. This was the case in 2018 to produce the mid-year numbers.

NOTE 4 **CONSOLIDATED COMPANIES**

The consolidated financial statements of the Group include Life Settlement Assets Plc as the parent Company and the following wholly owned subsidiaries:

- Acheron Portfolio Corporation Ltd, Ireland.
- Lorenzo Tonti Ltd, Ireland;
- Styx Limited, Ireland.

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held by the parent Company does not differ from the proportion of ordinary shares held. The subsidiaries have not issued shares, other than ordinary shares.

The Company's subsidiaries do not carry out any life settlement business. They have been put into liquidation on 18 December 2017. The liquidation is expected to be completed before year end. The liquidation should have no significant impact on the NAV or the net equity of the Company

NOTE 5 **FINANCIAL RISK MANAGEMENT**

5.1 Financial risk factors

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the Group's financial performance. Risk management is carried out by the Board of Directors.

Foreign Exchange Risk

Assets, income and most transactions are denominated in USD. Only part of the Company's current expenses is denominated in Euros and is paid as incurred. Consequently the Group believes that it does not have a significant foreign exchange risk.

Interest Rate Risk

Apart from cash, cash equivalents, the assets of the Group are mainly composed of portfolios of life settlement policies. Life settlement policies are uncorrelated with traditional capital markets. Changes in the level of interest rates (other than extraordinary moves) are not a major factor in the valuation of such assets. Mortality projection and Cost of insurance ("COI3) (premium projections) are the major factors that affects the valuation of the Group's assets.

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are not substantially dependent on changes in market interest rates.

Credit Risk

The primary credit risk faced by the Group relates to solvency of the insurance companies that underwrite the insurance policies, which are the main assets of the Group. It should be noted that in addition to the creditworthiness of the insurance company issuing the life insurance

policy, most of the policies also benefit from legal guarantees at a state level in the event that the insurance company that issued the policy becomes insolvent.
Credit risk is also mitigated by owning life insurance policies issued by a wide range of insurance companies and through not having an excessive exposure to any one company.
Available cash is deposited with reputable banks.

Liquidity risk

Prudent liquidity risk management requires the Group to maintain sufficient cash, cash equivalents and marketable securities for the Group's day-to-day requirements.
A proportion of the Group's investments are in fractional life insurance policies. Fractional life insurance policies are where a number of different investors own interests in a single underlying life insurance policy.

There is a risk that other investors in a given life insurance policy may decide not to continue to pay the premiums associated with their interest and may allow their investment to lapse. In this situation the Group must retain sufficient additional liquidity to buy out the lapsing investors' fractional interests and to bear the associated increase in premium payments in order to ensure that the underlying life insurance policy does not lapse.

Management monitors cash and cash equivalents on an ongoing basis. This is carried out in accordance with the practice and limits set by the Board of Directors.
Despite the level of maturities during the reporting period, the Group did not face any cash flow problems. The Group is presently not dependent on borrowings to manage and finance its current business. All investments are financed by equity.

Risks associated with actuarial assumptions

Mortality tables are used in the valuation processes of the Group in order to simulate the cash flow expected from the Policies. Past mortality experience may not be an absolute accurate indicator of future mortality rates. Individuals with specific life expectancies may experience a lower mortality rate in the future than experienced by persons with the same traits in the past. Changes in the mortality tables may have an adverse effect on the Group's operations and the value of the Shares.
Individuals may live longer than expected by the Group when the respective policies were purchased. In this case, the value of the policy decreases. The Group will be required to pay additional life insurance premium payments on the policy until its maturity. This may result in delayed cash flow to the Group, which may have an adverse effect on the return on the Shares.

The Group often acquired policies by auction without having obtained all available information concerning such policies. The valuation leading to these acquisitions is thus, based on assumptions that may, in fact, be incorrect or may never be verified.

The valuation methods used by different actuaries may vary. The methods used by a actuary may thus produce different results for the same insured person from those used by other actuaries.

Advances in medical science and disease treatment, particularly those related to HIV and AIDS, may increase the life expectancy of individuals or viators. Although an actuary will attempt to account for such advances, one or more unexpected breakthroughs in medical treatment, or a cure for a previously incurable illness, could further increase the life expectancy of insured.

In some cases, the Group will depend on life expectancy estimate of doctors, disease specific medical mortality models or actuaries. From time to time, the Group may seek the opinion of any of such persons, or rely on such a model to determine life expectancies. The valuation is thus dependent on these estimations or mortality profiles accurately modeling life expectancies.

The valuation of the policies is inherently difficult due to a number of assumptions that have to be made in this process. Any change in one of these assumptions may result in substantially different values. While the Investment Manager and the Valuation Agent attempt to provide reasonable valuations for the policies held by the Trusts, there is no guarantee that these valuations will correspond to the realizable value of the policies.

A more detailed description of the key risks is on pages 11-13 and pages 15-30 of the Company's prospectus.

5.2 Capital risk management

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure in order to minimize the Group's cost of capital.
In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders or issue new Shares.
The Group had cash balances of USD 19,3 million. Reference is also made to the cash flow statement.

5.3 Fair value estimation

The fair value of life settlement portfolios (which are not traded in an active market) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on the market conditions that exist at each balance sheet date.

NOTE 6 FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The life settlement portfolios have been designated as financial assets held through profit and loss as their performance is evaluated on a fair value basis.

Notes 9 presents the Group's financial assets and liabilities measured at fair value in accordance with the fair value hierarchy set out in IFRS 13. This hierarchy groups financial assets and liabilities into three levels based on the significant inputs used in measuring the fair value of the financial assets and liabilities.

The fair value hierarchy has the following levels:

- level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Life settlement portfolios are classified as level 3. At year-end, these portfolios were valued by the external actuaries using a computer model (Note 9).

The tables below provide an analysis of the financial instruments that are measured at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is observable:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Life settlement portfolios	-	-	95 530 397	95 530 397
	-	-	95 530 397	95 530 397

NOTE 7 **PREMIUMS PAID IN ADVANCE**

Premiums paid in advance consist of the amount of premiums paid as of 30 June 2018 that relate to the period following the balance sheet date.

NOTE 8 **CASH AND CASH EQUIVALENTS**

As at 30.06.2018, cash and cash equivalents consist solely of cash held on deposit and on current accounts with banks.

NOTE 9 **FINANCIAL ASSETS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS: LIFE-SETTLEMENT PORTFOLIOS**

Details of portfolios are as follows:

	30.06.2018 USD
Acquisition value, net of maturities and disposals	39 453 638
Loans on policies	-22 343 093
Cumulative gain in fair value	84 982 715
	102 093 260

Development of the acquisition value:

	30.06.2018 USD
Opening balance (1)	40 250 409
Additions	298 061
Matured policies/disposal/other	-1 094 831
Balance as at 30 June	39 453 638

(1) The opening balance refers to the Acquisition Agreement (Note 1.1)

Distribution of the portfolio by class of Shares and by type of risk:

	Class A USD	Class B USD	Class D USD	Class E USD
Life Settlements portfolio	25 824 353	12 819 849	7 352 953	4 501 867
HIV portfolio	41 744 823		2 338 848	947 705
Balance as at 30.06.2018	67 569 176	12 819 849	9 691 801	5 449 572

Fair market value reflects the view of Acheron Capital Ltd (the Investment manager of the trusts in which the policies of Class A, B, D and E are kept). Acheron Capital has set up an internal actuarial model to value the policies. It produces regular monthly valuations.

9.1 Main assumptions used to determine the fair value

a) Mortality/Life expectancy

Lewis & Ellis Inc, ("L&E") has built its own proprietary general population mortality table. It has done so by utilizing insurance industry and other data available, including the underlying data that went into the construction of the Valuation Basic Table, which has been commonly utilized within the life settlement industry. The mortality is adjusted for several factors, such as demographic shifts in the population, improvements in mortality, pharmaceutical advances and volatility in the mortality experienced as measured against the baseline curves chosen for valuation. The table includes an assumption of continuing mortality improvement each year. The retained table is used in connection with each insured age, sex and smoking status.

L&E is also considering the most recent life expectancy reports, when available. Life expectancy reports are medical opinions from specialized companies, based on the latest medical updates of each individual, giving their specific mortality profile and life expectancy. When life expectancy reports from more than one external provider are available, L&E uses an average. When only 'stale' life expectancy reports are available, the life expectancy is used but adjusted materially upwards using a formula dependent upon the medical underwriter that issued the report. L&E uses the retained or computed life expectancy with the adjusted mortality table to derive a probability of death for each insured for every month over the next 35 years.

The Actual to Expected ratio is a measure of how well the model has behaved compared to experience. This ratio was computed for the life settlement portfolios underlying Class A and Class B Shares. A key issue with this exercise is the concentration of all Share Classes in certain policies with larger face values. This generates an imbedded volatility in the actual maturity outcomes compared to statistical projections. To circumvent this imbalance, the actuaries have calculated the Actual to Expected ratio to measure the model's performance while limiting the maximum exposure of the portfolio to any life insurance policy.

On this basis, the Investment Manager estimated that the Actual to Expected ratio based on what was provided to APC until Dec 2017 (both in terms of maturities from services and projections by L&E) for the previous Class A of APC that become Class A of Life Settlement Assets, was about 108% over the last four years, and close to 165% for the elderly insureds and 89% for HIV in 2017. Similarly, it was about 105% for the period 2011-2017, and 149% in 2017 for Class B.

For the first half year of 2018, the estimated Actual to Expected ratio for LSA Class A, based on the L&E projection for the previous APC Class A has an estimated ratio for life settlement policies of 36% and 132% for HIV. Life Settlement is increasingly susceptible to a few large policies, making A/E on short period most volatile, as illustrated by the 2017 and 2018 H1 calculations.

In the case of specific diseases, such as HIV, L&E has developed an internal specific mortality adjustment that is applied to the general population table it has built. In 2015, L&E updated its HIV model with a focus on the most advanced age mortality. The updated L&E model continues to allow for a yearly increase of the mortality for each additional year that a patient has suffered from HIV, but at a reduced pace for the senior over 65. It is thus an age-based and time-based disease model, with a specifically computed over-mortality applied to each affected individual.

L&E's HIV model continue to be adjusted to fit the observed data over the past years, so that it is by nature consistent with observed experience. One of the modelling challenges is the speculative nature of HIV at the most advance ages given the lack of a population to test any hypothesis on. Another is incurred but not reported maturities (IBNR), particularly with one servicer.
On the ABC portfolio (representing less than 5% of the value of the portfolios), the Board has come to the conclusion that additional monitoring is required to ensure maturities are captured in timely basis.

b) Projected Premiums

Whenever an illustration is available, L&E uses this data for premium projections. An illustration is an official document from the insurance company that specifies what premiums are due to be paid in the following years for a life insurance policy. An illustration can be used to compute what is the likely minimum payment that can be made for each year until the life insurance policy expires. The process of moving from paying a fixed premium to paying the minimum contractual premium is known as optimization.

Premium projection has been more challenging given the unilateral increases in COI made by a few insurance companies. Whenever information on such COI increases has been available, it has been directly incorporated.

When no illustration is available or is deemed unsuitable to be used, for instance because it does not project sufficiently into the future, L&E takes the last observed premium payment and applies an annual increase of 8% per year.

c) Discount rate

The discount rate reflects the time value of money and a risk component. The risk component reflects the uncertainties attached to each individual life insurance policy, such as its mortality risk, premium risk and counterparty party risk.

HIV/AIDS Portfolios

In determining the discount rate for the HIV/AIDS portfolios, it should be noted that there is no readily observable market for these policies. Because of this, L&E used their experience in the life settlement market, on the basis that life settlement portfolios are comparable assets.

A discount rate of 11% is used for the HIV/AIDS portfolios which is consistent with past valuations. To assess the discount rate, the following reasoning has been used, starting with a base rate:

- Assuming a sufficiently large portfolio, the base rate must be consistent with the discount rate determined for a situation where the mortality assumptions and policy specifics are well-defined. Specifically, the mortality is defined so that actual experience is expected to track well with the defined mortality assumptions.

The base rate is increased for the following criteria:

- Mortality experience: although the actual-to-expected (A/E) mortality ratio over the last seven years is about 100%, the A/E ratio over the last three years is about 90%;
- Mortality assumptions: this criteria has been lowered in relation with the more conservative mortality assumptions beyond age 65;
- Policy modeling: this parameter reflects some portfolio-wide assumptions that are made to define the premium schedules;
- An additional adjustment has been added to the base rate to account for items not mentioned above.

Life Settlement Portfolios (Non-HIV/Non-AIDS)

In determining the discount rate for the life settlement portfolios, it has been considered that complete policy information was not always available. For most life settlement valuations, the premium schedules and at least two recent life expectancy opinions are provided. For these valuations, premium schedules were estimated for some of the policies and mortality assumptions were developed using older life expectancy opinions or no life expectancy opinions at all for most of the policies. Given this, the discount rate is subjective but based on the actuaries experience in the life settlement market.
In determining the portfolio values, a portfolio-wide discount rate assumption equal to 12% for non HIV and 11% for HIV has been used which is consistent with last year. For the discount rate this year also, some buy/sale observations were considered where the effective discount rate was between 12 and 14%, although effective discount rates in the competitive market were probably between 10 and 12%. Other well documented portfolios have been valued at between 7% and 11% in their financial statements. It is expected that the actual-to-expected mortality ratios for most of these portfolios are lower than 70%, materially below the rates of experience by our portfolios. Given this, discount rates of 12% and 11% respectively have been maintained for the current year, considering the actual performance compared to other portfolios in the market, and considering a risk premium related to the quality of the documentation.

9.2 Precision and changes in actuarial parameters/data

As per the market standard, the servicing, management and holding entities expenses are not taken into account in deriving the valuation of the life settlement portfolios. The actuaries, following industry standards, are solely discounting the probabilistic projections of death benefits minus premiums, policy loans and interest thereon.

9.3 Sensitivity analysis

L&E conducted various sensitivity analyses which are summarized as follows:

a) Class A

a.1) Discount rate sensitivity

Discount rate - non HIV portfolio	10%	12%	14%	16%
Value of portfolio	26 614 934	**25 824 353**	24 446 217	23 536 859
% of total face amount	26.4%	25.2%	24.2%	23.3%

Discount rate - HIV portfolio	9%	11%	13%	15%
Value of portfolio	47 154 129	**41 744 823**	37 656 487	34 483 044
% of total face amount	13.0%	11.5%	10.4%	9.5%

a.2) Premium assumption sensitivity

Value based on 12% discount rate – non HIV portfolio	Annual premium increase at	
	8%	9%
Value of portfolio	**25 824 353**	25 366 517
% of total face amount	25.2%	25.1%

Value based on 11% discount rate – HIV portfolio	Annual premium increase at	
	8%	9%
Value of portfolio	**41 744 823**	40 528 316
% of total face amount	11.5%	11.2%

a.3) Mortality sensitivity

Value based on 12% discount rate – non HIV portfolio	USD	% of face amount
Value of portfolio as reported	**25 824 353**	25.2%
Value at 90% of current mortality assumption (*)	22 943 575	22.7%
Value at 80% of current mortality assumption	20 261 162	20.1%

(*) Assumption that mortality is only 90% of expected mortality.

Value based on 11% discount rate – HIV portfolio	USD	% of face amount
Value of portfolio as reported	**41 744 823**	11.5%
Value at 90% of current mortality assumption	35 217 392	9.7%
Value at 80% of current mortality assumption	28 650 834	7.9%

b) Class B

b.1) Discount rate sensitivity

Discount rate - non HIV portfolio	11%	12%	13%	14%
Value of portfolio	13 212 428	**12 819 849**	12,441,043	12 090 218
% of total face amount	22.1%	21.5%	20.8%	20.3%

In class B, the portfolio comprises one HIV Policy with amount of USD 5 446.

b.2) Premium assumption sensitivity

Value based on 12% discount rate (non HIV portfolio)	Annual premium increase at	
	8%	9%
Value of portfolio	**12 819 849**	12 797 935
% of total face amount	21.5%	21.4%

b.3) Mortality sensitivity

Value based on 12% discount rate (non HIV portfolio)	USD	% of face amount
Value of portfolio as reported	**12 819 849**	21.5%
Value at 90% of current mortality assumption	11 406 085	19.1%
Value at 80% of current mortality assumption	9 959 680	16.7%

c) Class D

c.1) Discount rate sensitivity

Discount rate - non HIV portfolio	10%	12%	14%	16%
Value of portfolio	7 687 935	**7 352 953**	7 058 324	6 795 659
% of total face amount	28.9%	27.6%	26.5%	25.5%

Discount rate - HIV portfolio	9%	11%	13%	15%
Value of portfolio	2 744 485	**2 338 848**	2 028 664	1,784,884
% of total face amount	16.7%	14.2%	12.3%	10.8%

c.2) Premium assumption sensitivity

Value based on 12% discount rate – non HIV portfolio	Annual premium increase at	
	8%	9%
Value of portfolio	**7 352 953**	7 324 210
% of total face amount	27.6%	27.5%

Value based on 11% discount rate – HIV portfolio	Annual premium increase at	
	8%	9%
Value of portfolio	**2 338 848**	2 231 216
% of total face amount	14.2%	13.5%

c.3) Mortality sensitivity

Value based on 12% discount rate – non HIV portfolio	USD	% of face amount
Value of portfolio as reported	**7 352 953**	27.6%
Value at 90% of current mortality assumption	6 548 890	24.6%
Value at 80% of current mortality assumption	5 689 385	21.4%

Value based on 11% discount rate – HIV portfolio	USD	% of face amount
Value of portfolio as reported	**2 338 848**	14.2%
Value at 90% of current mortality assumption	1 986 473	12.1%
Value at 80% of current mortality assumption	1 627 075	9.9%

d) Class E

d.1) Discount rate sensitivity

Discount rate - non HIV portfolio	10%	12%	14%	16%
Value of portfolio	4 687 930	**4 501 867**	4 335 990	4 187 537
% of total face amount	29.3%	28.1%	27.1%	26.1%

Discount rate - HIV portfolio	9%	11%	13%	15%
Value of portfolio	1 099 074	**947 705**	830 178	736 708
% of total face amount	17.3%	14.9%	13.1%	11.6%

d.2) Premium assumption sensitivity

Value based on 12% discount rate – non HIV portfolio	Annual premium increase at	
	8%	9%
Value of portfolio	**4 501 867**	4 482 094
% of total face amount	28.1%	28.0%

Value based on 11% discount rate – HIV portfolio	Annual premium increase at	
	8%	9%
Value of portfolio	**947 705**	906 644
% of total face amount	14.9%	14.3%

d.3) Mortality sensitivity

Value based on 12% discount rate – non HIV portfolio	USD	% of face amount
Value of portfolio as reported	**4 501 867**	28.1%
Value at 90% of current mortality assumption	4 026 663	25.1%
Value at 80% of current mortality assumption	3 524 793	22.0%

Value based on 11% discount rate – HIV portfolio	USD	% of face amount
Value of portfolio as reported	**947 705**	14.9%
Value at 90% of current mortality assumption	800 273	12.6%
Value at 80% of current mortality assumption	656 271	10.3%

Distribution of face value by insurance company at 30 June 2018

Class A: companies assuring at least	2018 Number	2018 Total %	2017 Number	2017 Total %
Over 10 % of the nominal face value	1	12.0	1	11.5
5 % to 10 %	1	6.2	1	6.0
2 % to 5 %	12	35.5	12	34.7
0 % to 2 %	314	46.3	315	47.8

Class B: companies assuring at least	2018 Number	2018 Total %	2017 Number	2017 Total %
Over 10 % of the nominal face value	2	24.0	1	11.6
5 % to 10 %	5	30.4	5	37.1
2 % to 5 %	9	24.3	7	20.9
0 % to 2 %	29	21.3	37	30.4

Class D: companies assuring at least	2018 Number	2018 Total %	2017 Number	2017 Total %
Over 10 % of the nominal face value	-	-	-	-
5 % to 10 %	4	27.8	4	27.7
2 % to 5 %	11	34.9	8	25.2
0 % to 2 %	101	37.2	121	47.1

Class E: companies assuring at least	2018 Number	2018 Total %	2017 Number	2017 Total %
Over 10 % of the nominal face value	1	13.0	-	-
5 % to 10 %	5	35.0	6	41.6

2 % to 5 %	8	22.4	9	27.5
0 % to 2 %	70	29.6	80	30.9

Note 10 **SHARE CAPITAL**

At the end of the period, the Company's share capital amounts to USD 710 689, and is represented by 71 068 874 shares of USD 0.01 each. The development of the share capital is as follows:

	A Shares	B Shares	D Shares	E Shares	Redeemable preference shares	Total
	USD	USD	USD	USD	USD	USD
Balance 16 August 2017						
Movements for the period:						
- Incorporation	-	-	-	-	66 988	66 988
- Redemption					-66 988	-66 988
- Capital increase	454 469	145 961	92 926	17 333		710 689
Balance as 30 June 2018	454 469	145 961	92 926	17 333	-	710 689

At incorporation, the Company issued 1 ordinary A share of $.0.01 and 50,000 of £1 preference shares at par. Redeemable Preference shares have been cancelled on 26 March 2018.

The share capital has been increased on 26 March 2018, by the issue of:

- 45 446 946 A Shares with a par value of USD 0.01, in addition to a share premium of USD 95 005 654
- 14 596 098 B Shares with a par value of USD 0.01, in addition to a share premium of USD 18 459 571
- 9 292 561 D Shares with a par value of USD 0.01, in addition to a share premium of USD 11 567 985
- 1 733 269 E Shares with a par value of USD 0.01, in addition to a share premium of USD 7 980 276.

As at 30 June 2018, the share capital is composed of 45 446 946 Class A shares, 14 596 098 Class B shares, 9 292 561 D Shares, and 1 733 269 Class E shares.

Class A, Class B, Class D and Class E Shares relate to specific investments determined by the Board of Directors or as the case may be, by a general meeting of Shareholders. Each investment is undertaken for the exclusive benefit and risk of the relevant class of Shares.

NOTE 11 OTHER LIABILITIES

Details of the caption are as follows:	30.06.2018 USD
Audit and accounting fees	290 915
Legal fees	328 776
Actuarial fees	141 253
Services fees	105 912
Director and audit committee fees	196 845
Administrative Management fees	82 005
Travelling expenses	7 956
	1 153 662

NOTE 12 NET INCOME FROM LIFE-SETTLEMENT PORTFOLIOS

Details of the income received from the life-settlement portfolios:

	30.06.2018 USD
Maturities	20 278 400
Acquisition cost of maturities	-1 094 831
Incurred premiums	-11 285 217
Fair value adjustments	-8 623 451
	-725 099

The amount of premiums incurred during the year is reflected as a deduction of income from life settlement portfolio. The amount of premiums paid in advance amounted to USD 12 887 407 as at 30 June 2018.

NOTE 13 OPERATING EXPENSES

	30.06.2018 USD
Acheron Capital management fees	1 078 249
Portfolio servicing fees	1 278 024
Audit fees	60 633
Legal and financial advisors fees	1 175 128
Administration, including accounting	205 630
Actuarial fees	56 348
Directors fees, Directors insurance expenses	107 760
Other expenses	206 101
	4 167 871

NOTE 14 OTHER INCOME FROM MATURED POLICIES

Details of other income from matured policies are as follows:

	30.06.2018 USD
Dividend	201 882
Interest	72 847
	274 729

NOTE 15 INTEREST EXPENSES

Other interest payable and similar charges amount to USD 632 595, and is mainly composed of interest on policy loans of USD 609 722 (Note 9)

NOTE 16 TAX EXPENSES

16.1 Withholding tax on matured policies

In conformity with the taxation treaty between the United States of America and the United Kingdom withholding tax on matured policies is not due if at least 6% of the average capital stock of the main class of Shares is traded during the previous year (or in the Company's case during the first year) on a recognized stock exchange.
The Company is however subject to US income tax on some income from life policies (i.e. dividend and interest income).

16.2 Income tax

Neither the Company, nor its subsidiaries (Note 4) incurred income taxes. Reference is made to Note 3.8.

NOTE 17 TAX LIABILITIES

Tax provision as at year-end is as follows:

	30.06.2018 USD
Tax liabilities as accrued by the Predecessor company	745 310
	=======

NOTE 18 TRANSACTIONS WITH RELATED PARTIES

	30.06.2018 USD
Per profit and loss:	
Directors' fees (paid or accrued)	63 253
Acheron Capital Ltd management fees (note 13)	1 078 249
Compagnie Européenne de Révision S.à r.l. as Administrator	110 224
Per balance sheet:	
Directors' fees	34 325
Compagnie Européenne de Révision S.à r.l.	3 428
Shares held by related parties	12 941 017

The Company and Compagnie Européenne de Révision Sàrl have one common Director. All transactions with related parties are undertaken at arm's length.

NOTE 19 NET CONSOLIDATED PROFIT PER SHARE

As stated in Note 10, the capital of the Company is composed of 45 446 946 A Shares, 14 596 098 B Shares, 9 292 561 D Shares, and 1 733 269 E Shares. All Shares are fully paid. Neither unpaid shares nor any kind of option are outstanding, so that the basic profit per share is equivalent to the diluted profit per share.

As the different classes of Shares have specific rights in relation to their investments, the net consolidated profit per share is given for each Share Class:

2018	Class A USD	Class B USD	Class D USD	Class E USD
Profit/loss per share:				
Basic and diluted profit/loss per share	-0.133	-0.087	-0.186	-0.110
Numerator	-3 204 579	-676 908	-918 231	-100 929
Denominator (weighted average number of shares over the period)	24 101 458	7 741 577	-4 928 651	-919 303

NOTE 20 NET CONSOLIDATED ASSETS PER CLASS OF SHARES

The consolidated net assets for each class of Shares are shown below. Net assets for each class of Shares can be reconciled as follows:

	30.06.2018 USD
Consolidated net assets Class A Shares	92 255 545
Consolidated net assets Class B Shares	17 928 624
Consolidated net assets Class D Shares	10 742 680
Consolidated net assets Class E Shares	7 896 679
	128 499 691
	==========

NOTE 21 MANAGMENT FEES AND PERFORMANCE FEES

The Investment Manager (Note 1.1) is entitled to a management fee payable by the Trusts at an annual rate of no more than 1.5% of the Net Asset Value for classes A, B and D, and 2% for class E.
The Performance fee in respect of the Trusts shall be an amount equal to 25% of the sum of the distributions made to the holders of the shares in the capital of the Company corresponding to the Trusts, in excess of the Performance Hurdle (assessed at the time of each distribution).

The "Performance Hurdle" is met when (from time to time) the aggregate distributions (in excess of the Catch-Up Amount) made to the holders of the corresponding Ordinary Shares compounded at 3% per annum for classes A and B, and 5% for classes D and E (from the date of each distribution) equal the aggregate investment made by the Ordinary Shares in the Company (from time to time) compounded at 3% and 5% respectively.
The "Catch-Up Amount" is an amount equal to the distributions that would have been required to be made to the Predecessor Company Shareholders of the corresponding share class in order for the Accrued Performance Distributions (less, where applicable, any clawback of such Accrued Performance Distributions) to be paid (determined as at 31 December 2017), reduced by an amount equal to any distributions paid to Predecessor Company Shareholders of the relevant share class prior to the Acquisition.

NOTE 22 FATCA

The Company is registered with the internal Revenue Service (IRS) as a Foreign Financial Institution for the purposes of the Foreign Tax Compliance ACT (FATCA).

The Company's Global Intermediary Identification Number (GIIN) is ZCX23Y.99999.SL.826

NOTE 23 COMMON REPORTING STANDARDS ("CRS")

The CRS legislation, adopted by the Organisation for Economic Co-operation and Development, requires the Company to provide personal information to HM Revenue & Custom on certain investors who purchase shares in investment trusts. This information will have to be provided annually to the local tax authority of the tax residencies of a number of non-UK based certificated shareholders and corporate entities.

NOTE 24 POST BALANCE SHEET EVENT

No event having an impact or influence on the present financial statements occurred after the balance sheet date.

NOTE 25 ADDITIONAL INFORMATION

Additional information of exhibits I to IV do not form part of the financial statements.

EXHIBIT I *(unaudited)*

Life Settlement Assets Plc

Class A

Net assets

	Notes	30/06/2018 USD
Non-current assets		
Financial assets at fair value through profit and loss		
- Life settlement investments		67 569 176
Maturities Receivables		3 809 626
		71 378 802

Current assets		
Premiums paid in advance		8 107 548
Other receivables and prepayments		237 982
Cash and cash equivalents		12 833 683
Intercompany receivables		1 713 219
		22 892 432
Current liabilities		
Trade and other payables		882 027
Other liabilities		624 497
Tax liabilities		509 165
		2 015 689
Net assets	20	92 255 545

EXHIBIT I/1 *(unaudited)*

Life Settlement Assets Plc

CLASS A

Interim consolidated statement of profit or loss and other comprehensive income
for the period ended 30 June 2018

	30/06/2018
	USD
Income from life-settlement portfolio	
Maturities	13 698 530
Acquisition cost of maturities	- 651 903
Premiums paid	-7 251 357
Fair value adjustments	-5 654 313
Net income from life-settlement portfolio	140 957
Other operating income	54 322
Operating expenses	-2 993 649
Finance income	
Interest income	4 952
Other income from matured policies	260 891
	265 844
Finance costs	
Interest expenses	- 620 645
Net foreign exchange loss	- 51 212
	- 671 857
Profit (Loss) before tax	-3 204 383
Income tax expenses	- 197
Profit (Loss) for the period	-3 204 579
Other comprehensive income	-
Total comprehensive income for the period	-3 204 579
Total comprehensive income attributable to the owners of the Company	-3 204 579

EXHIBIT I/2 *(unaudited)*

Life Settlement Assets Plc
Class A

Interim consolitated cash flow statement for the period ended 30 June 2018

	30/06/2018 USD
Cash flow from operating activities	
Profit (Loss) for the period	-3 204 579
Non cash adjustments:	
- non cash movement on portfolios	5 458 993
Cash flows from (used) in operations before working capital changes	2 254 414
Changes in premiums paid in advance	1 087 031
Changes in other receivables and prepayments	- 201 501
Changes in trade and other payables	-5 470 706
Changes in tax payables	- 11 785
Net cash flows from (used) in operating activities	**-2 342 547**
Cash flow from investing activities	
Net investment in life-settlement portfolios	450 903
Net cash flows from (used) in investing activities	**450 903**
Cash flow from financing activities	
Cash proceeds from issuing shares	14 880 399
Cash on policies	- 155 072
Net cash flows from (used) financing activities	**14 725 326**
NET CHANGES IN CASH AND CASH EQUIVALENTS	**12 833 683**
Cash and cash equivalents	
At beginning of the period	-
At the end of the period	**12 833 683**

EXHIBIT II *(unaudited)*

Life Settlement Assets Plc
Class B

Net assets

	Notes	30/06/2018 USD
Non-current assets		
Financial assets at fair value through profit and loss - Life settlement investments		12 819 849
Maturities Receivables		557 901
		13 377 750
Current assets		
Premiums paid in advance		2 004 833
Other receivables and prepayments		10 092
Cash and cash equivalents		3 601 459
		5 616 384
Current liabilities		
Trade and other payables		348 132
Other liabilities		159 551
Tax liabilities		101 516
Intercompany payables		456 310
		1 065 510
Net assets	20	17 928 624

EXHIBIT II/1 *(unaudited)*

Life Settlement Assets Plc

CLASS B

Interim consolidated statement of profit or loss and other comprehensive income

	30/06/2018
	USD
Income from life-settlement portfolio	
Maturities	2 988 505
Acquisition cost of maturities	- 183 107
Premiums paid	-2 143 828
Fair value adjustments	- 936 937
Net income from life-settlement portfolio	- 275 366
Other operating income	7 261
Operating expenses	- 407 735
Finance income	
Interest income	724
Other income from matured policies	1 531
	2 254
Finance costs	
Interest expenses	- 3 175
Net foreign exchange loss	- 147
	- 3 322
Profit (Loss) before tax	- 676 908
Income tax expenses	-
Profit (Loss) for the period	- 676 908
Other comprehensive income	-
Total comprehensive income for the period	- 676 908
Total comprehensive income attributable to the owners of the Company	- 676 908

EXHIBIT II/2 *(unaudited)*

ACHERON PORTFOLIO CORPORATION (Luxembourg)
Class B

Interim consolitated cash flow statement for the period ended 30 June 2018

	30/06/2018 USD
Cash flow from operating activities	
Profit (Loss) for the period	- 676 908
Non cash adjustments:	
- non cash movement on portfolios	1 116 130
Cash flows from (used) in operations before working capital changes	439 222
Changes in premiums paid in advance	- 315 411
Changes in other receivables and prepayments	- 10 092
Changes in trade and other payables	359 889
Changes in tax payables	-
Net cash flows from (used) in operating activities	473 608
Cash flow from investing activities	
Net investment in life-settlement portfolios	1 229
Net cash flows from (used) in investing activities	**1 229**
Cash flow from financing activities	
Cash proceeds from issuing shares	3 126 622
Cash on policies	-
Net cash flows from (used) financing activities	**3 126 622**
NET CHANGES IN CASH AND CASH EQUIVALENTS	**3 601 459**
Cash and cash equivalents	
At beginning of the period	-
At the end of the period	**3 601 459**

EXHIBIT III *(unaudited)*

Life Settlement Assets Plc
Class D

Net assets

	Notes	30/06/2018 USD
Non-current assets		
Financial assets at fair value through profit and loss - Life settlement investments		9 691 800
Maturities Receivables		564 002
		10 255 802
Current assets		
Premiums paid in advance		1 713 584
Other receivables and prepayments		10 092
Cash and cash equivalents		1 151 246
Intercompany receivables		-
		2 874 922
Current liabilities		
Trade and other payables		1 727 865
Other liabilities		178 348
Tax liabilities		77 568
Intercompany payables		404 264
		2 388 045
Net assets	20	10 742 680

Life Settlement Assets Plc

CLASS D

Interim consolidated statement of profit or loss and other comprehensive income

	30/06/2018
	USD
Income from life-settlement portfolio	
Maturities	1 747 326
Acquisition cost of maturities	- 123 469
Premiums paid	-1 204 950
Fair value adjustments	-1 151 920
Net income from life-settlement portfolio	- 733 013
Other operating income	272 244
Operating expenses	- 461 658
Finance income	
Interest income	1 939
Other income from matured policies	7 731
	9 669
Finance costs	
Interest expenses	- 5 241
Net foreign exchange loss	- 233
	- 5 474
Profit (Loss) before tax	- 918 231
Income tax expenses	-
Profit (Loss) for the period	- 918 231
Other comprehensive income	-
Total comprehensive income for the period	- 918 231
Total comprehensive income attributable to the owners of the Company	- 918 231

EXHIBIT III/2 *(unaudited)*

Life Settlement Assets Plc
Class D

Interim consolitated cash flow statement for the period ended 30 June 2018

	30/06/2018 USD
Cash flow from operating activities	
Profit (Loss) for the period	- 918 231
Non cash adjustments:	
- non cash movement on portfolios	1 263 828
Cash flows from (used) in operations before working capital changes	345 597
Changes in premiums paid in advance	- 266 313
Changes in other receivables and prepayments	- 10 092
Changes in trade and other payables	- 74 848
Changes in tax payables	-
Net cash flows from (used) in operating activities	- 5 656
Cash flow from investing activities	
Net investments in life-settlement portfolios	- 4 951
Net cash flows from (used) in investing activities	**- 4 951**
Cash flow from financing activities	
Cash proceeds from issuing shares	1 161 853
Cash on policies	-
Net cash flows from (used) financing activities	**1 161 853**
NET CHANGES IN CASH AND CASH EQUIVALENTS	**1 151 246**
Cash and cash equivalents	
At beginning of the period	-
At the end of the period	**1 151 246**

EXHIBIT IV *(unaudited)*

Life Settlement Assets Plc
Class E

Net assets

	Notes	30/06/2018 USD
Non-current assets		
Financial assets at fair value through profit and loss - Life settlement investments		5 449 572
Maturities Receivables		1 631 335
		7 080 907
Current assets		
Premiums paid in advance		1 061 443
Other receivables and prepayments		10 092
Cash and cash equivalents		1 736 654
Intercompany receivables		-
		2 808 190
Current liabilities		
Trade and other payables		891 446
Other liabilities		191 265
Tax liabilities		57 061
Intercompany payables		852 644
		1 992 417
Net assets	20	7 896 679

EXHIBIT IV/1 *(unaudited)*

Life Settlement Assets Plc

CLASS E

Interim consolidated statement of profit or loss and other comprehensive income

	30/06/2018
	USD
Income from life-settlement portfolio	
Maturities	1 844 040
Acquisition cost of maturities	- 136 352
Premiums paid	- 685 083
Fair value adjustments	- 880 282
Net income from life-settlement portfolio	142 323
Other operating income	60 730
Operating expenses	- 304 830
Finance income	
Interest income	15
Other income from matured policies	4 577
	4 592
Finance costs	
Interest expenses	- 3 534
Net foreign exchange loss	- 210
	- 3 744
Profit (Loss) before tax	- 100 929
Income tax expenses	-
Profit (Loss) for the period	- 100 929
Other comprehensive income	-
Total comprehensive income for the period	- 100 929

Total comprehensive income attributable to the owners of the Company	- 100 929

EXHIBIT IV/2 *(unaudited)*

Life Settlement Assets Plc
Class E

Interim consolitated cash flow statement for the period ended 30 June 2018

	30/06/2018 USD
Cash flow from operating activities	
Profit (Loss) for the period	- 100 929
Non cash adjustments:	
- non cash movement on portfolios	1 017 718
Cash flows from (used) in operations before working capital changes	916 789
Changes in premiums paid in advance	495 729
Changes in other receivables and prepayments	- 10 092
Changes in trade and other payables	624 204
Changes in tax payables	-
Net cash flows from (used) in operating activities	2 026 629
Cash flow from investing activities	
Net investments in life-settlement portfolios	- 4 625
Net cash flows from (used) in investing activities	**- 4 625**
Cash flow from financing activities	
Cash proceeds from issuing shares	- 285 350
Cash on policies	-
Net cash flows from (used) financing activities	**- 285 350**
NET CHANGES IN CASH AND CASH EQUIVALENTS	**1 736 654**
Cash and cash equivalents	
At beginning of the period	-

At the end of the period	**1 736 654**

Life Settlement Assets Plc

Directors' Responsibility Statement

The Disclosure and Transparency Rules (DTR) of the UK Listing Authority require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm to the best of their knowledge that (i) the financial statements contained within the Interim financial report give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company in accordance with IFRS, and the report has been prepared in accordance with IAS 34 "Interim Financial Reporting" and (ii) the Interim Management Report together with the Chairman's Statement and Investment Manager's Report include a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure and Transparency Rules.

This Interim report has not been audited or reviewed by the Company's Auditor. The Interim Financial Report was approved by the Board on 25 September 2018 and the above responsibility statement was signed on its behalf by the Chairman.

Jean Medernach
For and on behalf of the Board
27 September 2018