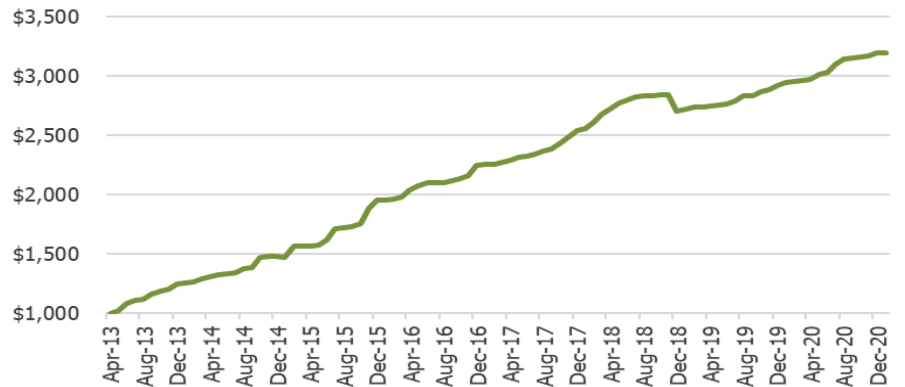




## FUND DETAILS

Investment minimum: \$100,000  
 Follow-up Investment: \$25,000  
 Liquidity: Monthly (120 days' notice)  
 Redemption fees years 1-3  
 Administrator: Apex Fund Services  
 Custodian: Bank of Utah  
 Valuation Consultant: Lewis & Ellis  
 Auditor: Deloitte  
 Regulator: The Bermuda Monetary Authority

## VALUE OF \$1,000 INVESTED (USD)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year
<b>2013</b>	\$ -	-	-	-	1.9%	6.0%	3.0%	0.6%	3.9%	1.9%	1.9%	3.4%	<b>24.8%</b>
<b>2014</b>	\$ 0.4%	1.1%	1.7%	1.7%	1.0%	0.9%	0.7%	2.4%	0.8%	5.8%	0.6%	0.2%	<b>18.5%</b>
<b>2015</b>	\$ -0.3%	6.0%	0.2%	0.1%	0.5%	2.5%	5.9%	0.4%	0.8%	1.3%	7.3%	3.7%	<b>31.9%</b>
<b>2016</b>	\$ 0.2%	0.4%	0.7%	3.0%	1.6%	1.4%	0.1%	0.1%	0.5%	1.1%	1.0%	4.0%	<b>15.1%</b>
<b>2017</b>	\$ 0.2%	0.3%	0.5%	1.0%	1.2%	0.3%	0.9%	0.8%	1.0%	2.0%	2.0%	2.2%	<b>13.1%</b>
<b>2018</b>	\$ 0.7%	1.8%	2.6%	1.6%	2.0%	1.0%	0.8%	0.3%	0.3%	0.0%	0.3%	-4.9%	<b>6.4%</b>
<b>2019</b>	\$ 0.5%	0.7%	0.2%	0.2%	0.2%	0.5%	0.7%	1.6%	0.0%	1.4%	0.4%	1.2%	<b>7.9%</b>
<b>2020</b>	\$ 0.8%	0.3%	0.3%	0.4%	1.3%	0.7%	2.2%	1.3%	0.4%	0.3%	0.2%	0.9%	<b>9.6%</b>
<b>2021</b>	\$ 0.0%	0.4%											<b>0.4%</b>

## PERFORMANCE ANALYSIS (USD)

Current month: 0.4%  
 Year to Date: 0.4%  
 Compound Annual Growth Rate Since Inception: 16.0%  
 221%  
 Annual Cash Yield: 0% to 10%  
 Worst / Best month: -4.9% / 7.3%  
 Fund AUM (USD): \$ 68 ml  
 Advisor AUM (USD): \$ 76 ml

## THE INVESTMENT ENVIRONMENT

### Bubbles and Volatility; the Need for Diversification.

The S&P 500 was up 2.6% in February, Oil up 19%, and the 10-year Treasury yield rose to 1.46%. Signs of debt-fueled asset bubbles grew: total US non-financial debt ended 2020 at a record of 292% of GDP, total equity value at 308% of GDP, and total real estate at 171% of GDP. In the past 15 mos. SPACs have raised \$156 bn.

Volatility was international: China's CSI index dropped 14% in 14 trading days; in one week in March Moderna shares dropped 15%, Twitter 13%, Tesla 12%, and Zoom 10%. Perhaps the most surprising volatility was in the bond markets where the yield on US 10 year reached 1.6% in early March, implying a capital loss of 8.7% for investors who bought this "bedrock" investment only 6 mos. ago. The move in US bonds was unusual and significant, as the belief in permanent ZIRP and QE is one of the main assumptions underlying asset prices around the world.

Real Estate has long been considered one of the safest investments globally, but US mall values plunged an average of 60% in 2020 due to Covid and related lockdowns, which have affected other segments of the economy as well. Credit Suisse, trusted by millions of investors, has had to suspend a \$10 bn family of Funds due to an investment in Greensill Capital, a firm which specialized in supply chain finance.

Experienced investors will understand the importance of diversifying even if their core investments appear safe; Life Settlements offer investors the needed diversification.

## CONTACT

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## LAST MONTH IN THE LIFE SETTLEMENT MARKETS

### **Markets Remain Stable; Another Troubled Large Portfolio for Sale.**

Life Settlements continued to trade in a range around 13%/14% IRR, with the usual dispersion around the average.

News reports indicate that the pension plan of McKinsey and Co. has put their LS portfolio of \$1.6 bn face up for sale through Houlihan Lokey. This portfolio has a colourful past, having been assembled and sold to McKinsey by New Stream LLC over a decade ago. In 2013 New Stream executives were charged with a 19 count grand jury indictment and one executive was sentenced to over 2 years in prison. Pension plans rarely sell LS portfolios that have been well designed and well managed, and history suggests that this is not an exception.

More details are emerging on the failure of Europe's largest open-ended Fund. The Luxembourg Regulators have refused to share any details of their review of the plans to unwind the Fund with investors, citing "rules governing professional secrecy" – once again disappointing investors who rely on Regulators for either protection or information. The sale of the policies from the failed Fund is also being handled by Houlihan Lokey, who now have at least 2 LS portfolios to sell at the same time, which, combined with other large portfolios for sale, could put pressure on prices in the tertiary market.

## THE PORTFOLIO – RECENT ACTIVITY

### **A Steady Month: Consistency is the Key**

The Laureola Bermuda Feeder Fund returned 0.4% in February and an average of 7.2% per annum over the past 3 years, a period which includes the unusual month of Dec 2018. Performance was driven by the maturity of two smaller policies and the purchase of policies at below market prices. Realised gains made up 70% of total gains last month for the Fund.

Consistency is the key to above average performance over the longer term. Many different Funds and strategies outperform Laureola over the short term, but few can match Laureola's long term results. In its history, Laureola has generated 59 rolling three-year periods; in 57 of the 59 three-year periods the average annual return was better than 8% per year, the only two exceptions being 7.2% and 7.7%. Another sign of consistency – only 2 of the 94 months have been negative.

To achieve this consistency, the Fund must be genuinely non-correlated and be able to perform when traditional markets decline. Since the Fund's inception, the S&P 500 has declined in 29 months; the sum of the 29 months' negative S&P performance is -97%. The sum for Laureola on those same months was +19%. While this slow and steady approach won't

excite traders, it will propel the Fund to #3 among the 12 major global asset classes over the past 3 years and #2 over the past 10 years. Long term investors will get excited about that.

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To ensure the non-correlation, the Fund must be properly managed with returns based on mortality and no conflicts of interest. Laureola ticks all these boxes as the team has over 200 years of LS experience, 75% of the returns since inception have been realised, and there are no performance fees on unrealised gains. Laureola investors can sleep soundly at night knowing that their Fund won't suffer the same outcome as some earlier and less professionally managed examples.

**This Document is neither an offer to sell nor a solicitation of an offer to buy any securities described herein. Such an offer will only be made to qualified investors by means of the Confidential Private Placement Memoranda, The Laureola Investment Feeder Fund Supplement, the Laureola Master Fund Supplement, the Subscription Agreement, and related documents ("Offering Documents"). This document is provided for information purposes only. Prospective Investors should carefully consider all the Risk Factors contained in the Offering Documents.**

ISIN: BMG303201088

Regulated by the Bermuda Monetary Authority  
Registered with the MAS (Singapore) and the FCA (UK)



### **Additional information for Qualified Investors in Switzerland**

The Fund is compliant with Swiss law for distribution to qualified investors in or from Switzerland.  
The Swiss representative is Fundbase Fund Services AG, Bahnhofstrasse 3, CH-8808 Pfaeffikon SZ.  
The Swiss paying agent is Neue Helvetische Bank Ltd., Seefeldstrasse 215, CH-8008 Zurich.

Investors in Switzerland can obtain the binding documents of the Fund, such as legal fund documents, audited annual reports, directors' reports and marketing material free of charge from the Swiss representative. This document may only be issued, circulated or distributed so as not to constitute an offering to the general public in Switzerland. Recipients of the document in Switzerland should not pass it on to anyone without first consulting their legal or other appropriate professional adviser, or the Swiss representative

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