



After a century of longevity investing, this asset class is rapidly evolving

- **Centurion says longevity market must change**
- **launches new funds to lead the market and address changing investor behaviour**

Centurion Fund Managers, a pioneer in longevity investing, moves to a market pricing model and announces the launch of two new investor-driven products - the Defined Return Fund PLC Longevity Select Class ("DRF Longevity Select") and the Life Settlement Strategy Fund SPC Managed Growth Class ("LSSF Managed Growth").

David Rawson-Mackenzie, managing director at Centurion Fund Managers, says: "As sophisticated investors become more aware of their risk and reward requirements, and longevity attracts greater scrutiny as an asset class, we believe it's time for change and time for Centurion to distinguish itself as the reputable market leader that it is. In consultation with investors and distributors, we have made some tough decisions about our funds in order to protect shareholder value. It's a courageous thing to do but we think it's the right thing to do.

"Some investors and distributors have been using the asset class as a glorified, high yield deposit account, however, longevity is always a long-term investment which requires time to mature and create value. We are in the business of creating and maintaining value for investors, not quick returns. This commitment to shareholders is the driving force behind the new funds."

DRF Longevity Select, born from one of the longest running life settlement funds in the market, invests in physical life settlement policies and addresses the needs of professional investors and wealth managers seeking a robust tax structure which mitigates US withholding tax. Seeking annualised returns of between 5% and 15%, the fund aims to exceed 500 lives in its portfolio in order to diversify its longevity risk and may use other longevity hedging techniques where appropriate. The managers will actively trade selected life policies to take advantage of changes in market direction whilst generating higher yield returns.



LSSF Managed Growth, launched in 2006, has been upgraded to offer investors a lower risk profile by focusing purely on synthetic longevity products sourced from quality, well-known counterparties. Although the fund will have a lower annualised yield of between 7% and 9%, it will also be less volatile and hold a highly diversified portfolio covering more than 1,000 lives assured.

Both products will utilise a mark-to-market valuation technique as opposed to the current mark-to-model practice. The mark-to-market technique ensures that returns incorporate the current market discount rate to accurately reflect the asset values, and are linked to actual mortality experience. This addresses the demand from investors for great liquidity, diversification and transparency in longevity products with attractive, uncorrelated risk-adjusted returns.

Issued by Peregrine Communications on behalf of Centurion Fund Managers.

NOTES TO EDITORS

Centurion Fund Managers is an alternative investment house specialising in longevity as an asset class, including life settlements and longevity derivatives. Established in 1999 and domiciled in the Cayman Islands, it was one of the first fund managers to focus exclusively on investing in longevity.

Centurion pioneered the use of synthetic products and is the only longevity fund manager to offer synthetic as well as physical policies in their portfolio. Centurion was the first in the market to launch a longevity fund which invests in a combination of macro and micro longevity.

Centurion Fund Managers is part of the Centurion Group, a financial services company with offices in the UK, Luxembourg and Mauritius with over 16 years of experience of providing investment, trust and corporate services to private clients throughout Europe and Latin America.

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