



Defined Return Fund PLC Growth Series 2 Restricted Class

October 2011

Overview

The Defined Return Fund, launched in 2002, is one of the longest running life settlement funds in the market. The Restricted Class was closed to subscriptions in July 2011 and now commits to paying distributions to shareholders as and when policies mature, meaning returns correlate with actual mortality experience. This step will ensure true value gains are received against capital invested, and avoids policy sales in a market currently offering discount rates of between 20% and 25%.

The Fund will continue to hold assets throughout 2011, since trading activity as a whole has declined in the last quarter, in line with year-on-year data. The Fund Manager will provide further updates on market activity and developments in the first quarter of 2012.

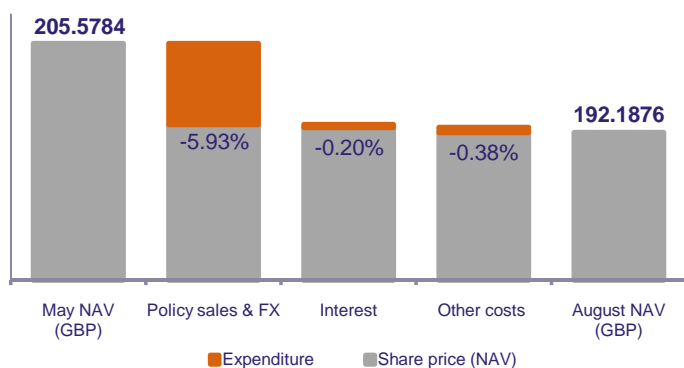
Pricing and performance

| Share class | Current price | % change (4 months) |
|-------------|---------------|---------------------|
| EUR | 192.0169 | -5.8% |
| GBP | 192.1876 | -6.5% |
| USD | 188.3600 | -8.3% |

There has been a small number of deaths within the fund over the period which relate to joint policies and therefore no death benefits were received for this period.

Since there were no policy maturities in the previous quarter, no distribution payments are currently scheduled for 2011.

Factors effecting share price: May - August 2011



To ensure investors are kept up-to-date with the impact on price and performance, prices will continue to be published on a monthly basis up to and including the September 2011 share price, after which prices will be published on a quarterly basis.

The reduction in price is in line with expectations, as there were no policy maturities within the quarter. When mortalities occur, this will have a direct impact on the share price (NAV) for the Class. Until then, premium obligations must continue to be met, meaning the price may reduce further if the premium reserve falls. Any future drops are expected to be considerably lower than observed between July and August, since redemptions are not accepted. This means potential losses from sales will not impact future prices.

Total longevity exposure

| | |
|--|---------------|
| Fund value: | \$49,129,347 |
| Total face value: | \$139,857,262 |
| Number of policies: | 61 |
| Number of maturities | 0 |
| Number of insurance carriers: | 14 |
| Carriers with a credit rating of A or above: | 91% |

The Growth Series 2 Restricted Class is closed to subscriptions and redemptions and, therefore, share price movement does not reflect any asset growth. Positive changes in share price would be due to policy maturities, foreign exchange gains and the sale of policies above book value. Premiums paid, foreign exchange losses and the sale of policies below book value have the opposite effect.

The drop in share price is explained primarily by losses as a result of policy sales and foreign exchange hedging. In order to ensure sufficient liquidity to meet premium obligations, the Fund sold policies at a loss to the market. The loss was sustained mainly due to the current adverse trading conditions. To conserve cash in the Fund, a portion of the Fund's assets were unhedged which also contributed a small loss to the share price calculation.

Key facts

Fund launch date:

June 2002

Class launch date:

June 2006

Domicile:

Cayman Islands

Year end:

February 15th

This fact sheet is for information purposes only.

Our partners

US policy custodians (for policy and swap counterparties):

Wells Fargo; Mills Potoczak & Company

US policy servicing agents (for policy and swap counterparties):

Wells Fargo; Mills Potoczak & Company

Custodian bank:

Fairbairn Private Bank (IOM) Ltd

Actuarial consultants:

Melinsky, Pellegrinelli & Associates; Boger & Associates; Milliman

Auditors:

BDO International limited

Our team

Fund directors:

Paul Backhouse; Nick Ferris; David Rawson-Mackenzie

Fund manager:

Centurion Fund Managers Limited (Cayman Islands)
(Authorised by the Cayman Islands Monetary Authority)

Investment adviser:

Centurion Portfolio Managers Limited (UK)
(Regulated by the Financial Services Authority)

Fund administrator:

Centurion Administration Services Limited (Mauritius)
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