The Lifetrade Fund B.V.

March 15th, 2012

Note: Questions answered on a consolidated basis.

1. Why has the Fund's NAV been suspended?

The Directors suspended NAV of the Fund in order to protect all shareholders. Several factors contributed to the decision, the main driver being liquidity. The Fund has several large investors whom have indicated they wish to redeem. The reasons for the redemptions were for the most part driven by factors outside of the Fund's and shareholders control.

In addition, the Fund has been negotiating the re-financing of its line of credit. Large redemptions such as what was being presented would hinder those efforts. Allowing redemptions of these sizes would have given investors remaining in the fund a disadvantage to those whom had redeemed.

2. How long will the Fund's suspension last?

The Directors of the Fund and the Investment Manager are taking all reasonable steps to bring such period of suspension to an end as quickly as possible. However, at this time, the Directors and Investment Manager cannot provide a timeline for resolution.

3. Does the Fund have enough cash reserves to meet premium payment and other operational expenses? How many months?

The Fund does have enough cash reserves to pay expenses for the next three months. The Fund will include any short term liquidity requirements in the next Shareholders' meeting.

4. Where is the underlying life insurance policies held? How the policies are held?

The policies are held in trust by Wells Fargo as custodian and trustee.

5. Is the Fund currently able to sell policies at a profit?

No. The Life Settlement market today has very little liquidity.

6. How are redemption requests being treated?

All redemptions and fixed maturities are suspended. All proceeds will be paid equally going forward

7. What happens next?

We plan to have a shareholders meeting in the next 6 weeks. Prior to the meeting we will be mailing both clients and their brokers, different scenarios of ways forward, we will ask shareholders to vote on their preference of plans.

8. What is the current debt outstanding? What is the collateral to the debt?

Current outstanding debt is $179 Million plus an interest rate hedge of about $15 million. All of the Fund's Life Insurance policies are the collateral of the debt.

9. What were the uses of the debt?

The Fund used the line in the early days for redemptions; which the Fund stopped in 2008. After 2008, the Fund used the line for policy acquisition and portfolio expenses such as cost of insurance, interest and policy expenses. The Fund has not drawn down on the line in over one year.

10. When the current debt was initially incurred, did it need shareholders approval?

No, per the articles of incorporation, it only required the Fund's Directors to approve.

11. What is the cost of the facility?

The cost of the debt today is Libor plus 9%, plus the cost of the Interest Rate swap of around 2%.

12. What is a mark-to-market valuation? How different it is from the Fund's valuation?

The actual model we used to value the portfolio would be the same used in a mark to market valuation, however the input variables would be different. Today the fund uses an agreed upon 8% discount rate to value future cash flows as a buy and hold portfolio. Today Life Settlements are trading in the 15% plus discount range.

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