

RNS Number : 4357F
Alpha Growth PLC
15 July 2019

15 July 2019

Alpha Growth plc - Corporate Update

Alpha Growth plc ("Alpha", or the "Company")

CORPORATE UPDATE FOR THE 3 MONTHS ENDED 30 JUNE 2019

Alpha Growth plc (LSE: ALGW), the financial services specialist in the growing Senior Life Settlement ("SLS") asset class is pleased to provide a quarterly update. Through Q2 2019 your Company has achieved several milestones and continues to advance its other strategies. This update is only a view into the three months since the previous update published 4 March 2019. It is not intended to reflect anything else except some of the noted activity by the Group during this period.

Highlights

- Attendance at various events has led to multiple discussions with prospective clients, some in advanced stages.
- The Company continues to publish articles and [white papers](#) on the asset class and its various aspects and intricacies.
- The successful launch of the BlackOak Alpha Growth Fund, structured to be able to accept international investors, began actively marketing in May.
- Colva is generating revenue from clients that continue to receive valuation services.

Quarterly Corporate Update

During this period the Group elevated its visibility among the investment community from which it draws its clients. For the second year in a row, we were invited to attend the Swiss Financial Services The Alternative Investment Club ("TAIC") event in Zurich. The TAIC is attended on an invitation only basis, with preselection of alternative investment asset managers by asset allocators. Alpha was selected by six asset allocators for 30 minute meetings each for the first half of the day. The second half of the day are presentations by alternative asset experts providing insight into the investor/investment marketplace for allocators and asset managers.

Alpha was also invited and attended a family office conference in the US where the Company's COO, Danny Swick, presented to an audience of over 300 family office prospective investors. Both events have led to multiple discussions with prospective clients and some in advanced stages of discussion for the Group's various strategies. The Company is focused on promoting its skill sets and solutions to prospective clients and continuously seeks these opportunities to engage with an active investor audience.

Alpha's Chief Actuary, Rajiv Rebello, initiated and will continue to publish articles and white papers on the asset class and its various aspects and intricacies, with the first one being printed in April ([link](#)). Publishing these articles helps elevate Alpha's brand and market profile as well as demonstrating our expertise and innovation in the longevity asset class.

The Group's core strategies and product suites continue to attract the attention of prospective clients. As

mentioned in the prior update, our discussions for a specific hybrid security investment from a UK top 10 insurance company progressed over the second quarter albeit slower than expected. Additional analysis was requested by the prospective client's decision makers which had a time lag to be produced and caused a delay. We remain engaged with this prospective client in regards to receiving an investment mandate.

The most significant quarterly milestone for the Group was the launch of the BlackOak Alpha Growth Fund ("Fund"). The Fund is a Cayman Island Limited Partnership with a Master/Feeder structure. There is an Irish Designated Asset Company that is between the Master and Feeder that provides tax advantages for investors in the Feeder from certain jurisdictions. Creating the structure in this way enables the fund to be able to accept international investors - giving the Fund a truly global reach and relevance to a wider audience. The creation of the structure was carefully constructed by Gobind Sahney and Danny Swick in close coordination with the Company's legal advisors in the US, Caymans, and Ireland, along with KPMG, the Fund's global tax and audit accountants. We are pleased to be working with SL Investment Management ("SLIM") and hope to build further on that relationship going forward. The Company's wholly owned subsidiary, Alpha Longevity Management ("ALM"), is the investment manager for the Fund and the Group in joint venture with SLIM, we are each equal general partners. ALM receives the annual management fee and the Company will receive the performance fee. The initial committed capital is currently in the process of being onboarded.

The Group began active marketing of the fund in May once the private placement memorandum ("PPM") was filed with the Cayman Island Monetary Authority. Since then, we have been sending out copies of the PPM and are committed towards continuing its marketing strategy over the coming months to attract investment and build assets under management, specifically targeting pre-qualified leads. These leads are either generated by external sources, such as its relationship with Devonshire Warwick, as well as internally and through relationships of the Group's officers. The appeal of the Fund is its underlying alternative asset class of life settlements which are uncorrelated to traditional financial markets and target a double-digit annualized return in an investor aligned structure.

As with the nature of the asset class, regulation and in regard to the innovation of our product offerings, the client's due diligence process can be extensive and time consuming. To reduce these barriers to entry, the Fund provides for a more streamlined process once the fund's PPM and supporting documentation is delivered. This nevertheless may not always make the process any less time consuming or simple, however we continuously see the benefits of being a listed company through this process and the enhanced visibility and transparency that comes with being a public company.

The acquisition of Colva has begun to prove itself by the direct engagement between the client's actuarial experts and our Chief Actuary. This direct engagement has eliminated several steps in the information flow. Colva is generating revenue from three clients that continue to receive the valuation services. These initial numbers are small c\$10,000/month but indicate the value that third parties put on its core services.

With the announcement by the head of the US Federal Reserve that the easing of interest rates was imminent, the Company has been receiving multiple inquiries from various institutions seeking uncorrelated assets with yield and a desire to learn more about longevity assets as an investment solution. The Company always follows up on these initial inquiries and is hopeful of converting inbound solicitations into new business.

The Group's full fiscal year comes to a close at the end of August. We don't expect any significant developments over the next couple of months that will be reflected in the year end accounts. We do however expect that the next fiscal year's account will be very much different and reflective of the continuing efforts as set out above and the Directors look forward to the new fiscal year.

The Directors thank the shareholders for their continuing support and look forward to making further progress in the upcoming new fiscal year.

The information communicated in this announcement contains inside information for the purposes of Article

7 of the Market Abuse Regulation (EU) No. 596/2014.

For more information, please visit www.algwplc.com or contact the following:

Alpha Growth plc
+44 (0) 20 3959 8600
Gobind Sahney, Executive Chairman
info@algwplc.com

Novum Securities Limited (Corporate Broker)
+44 (0) 207 399 9400
Colin Rowbury
crowbury@novumsecurities.com

About Alpha Growth plc

Specialist in Longevity Assets

Alpha Growth plc is a financial advisory business providing specialist consultancy, advisory, and supplementary services to institutional and qualified investors globally in the multi-billion dollar market of longevity assets. Building on its well-established network, the Alpha Growth Group has a unique position in the longevity asset services and investment business, as a listed entity with global reach. The Group's strategy is to expand its advisory and business services via acquisitions and joint ventures in the UK and the US to attain commercial scale and provide wholistic solutions to alternative institutional investors who are in need of specialised skills and unique access to deploy their financial resource in longevity assets.

Forward Looking Statements Disclaimer

Certain statements, beliefs and opinions in this document are forward-looking, which reflect the Company's or, as appropriate, the Company's directors' current expectations and projections about future events. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this document regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not place undue reliance on forward-looking statements, which speak only as of the date of this document. Prospective recipients should not treat the contents of this document as advice relating to legal, taxation or investment matters, and are to make their own assessments concerning these and other consequences, including the merits of information and the risks. Prospective recipients of this document are advised to conduct their own due diligence and agree to be bound by the limitations of this disclaimer.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

END

UPDCKBDKPBKDBOD