

## SL Opens the 8<sup>th</sup> Annual BVZL Conference

The BVZL hosted the two day conference on 6<sup>th</sup>-7<sup>th</sup> March at the Sofitel hotel in Munich.

SL Investment Management opened the conference with a presentation on the Future of With-Profits in the UK. Although sometimes maligned as an asset in the UK – particularly among those homeowners whose With-profits endowments have unfortunately fallen short of their original mortgage targets - the inherent strength of With-profits as an asset class remains. There's a high degree of security provided by the asset class (typically 80-90% capital protection), and the ability for substantial future growth, particularly through the release of any unallocated reserves.

Understandably, Solvency 2 featured as a common theme throughout both the UK and German TEP presentations. SL's opinion remains that this regulatory review is generally positive for investors, provided that the costs of implementation can be carefully controlled, and any detrimental impact on future investor returns minimised.

On US Life Settlements many market commentators were reporting a slow but steady increase in the volume of market transactions. Despite increased volumes, general opinion is that, "yield rates remain high, and it's still very much a buyer's rather than a seller's market".

Market confidence appears to be returning and there is a growing belief in the future potential of the US market in particular as investors continue to discover the unique qualities of the asset class.

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SL's Head of TEPs:  
**Alec Taylor** and Senior Actuary  
**Louise Witts** presenting at the  
8<sup>th</sup> Annual BVZL Conference in  
Munich

### BVZL

Formed in 2004, the BVZL (Bundesverband Vermögenanlagen im Zweitmarkt Lebensversicherungen) comprises German closed fund initiators and investment specialists engaged in global secondary markets for life insurance policies; in particular UK Traded Endowment Policies (TEPs), US Life Settlements and German TEPs. The BVZL serves as a unified market voice, representing the common interests of its participants.

The conference was an ideal opportunity for market leading experts to share ideas and opinions regarding economic, political and regulatory developments affecting global secondary life markets. On the second day the BVZL was joined by ELSA (the European Life Settlement Association) in hosting an Investor Special day, which focused on the investor's perspective.



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