

The Trustee’s Corner

I hope that the summer months are treating you well. We’ve been busy executing on the next stages in the operations of the Life Partners Position Holder Trust (PHT) and are pleased to provide you with some important updates in this month’s newsletter.

The PHT and IRA Partnership are now public companies. This does not mean that any of the securities issued under the Plan will trade publicly or that the transfer restrictions contained in the Plan Documents have been waived. What it does mean is that we will file annual and quarterly reports with the SEC, which we will also make available on the PHT website. These reports -- particularly the annual reports -- will contain information as to the net worth of the PHT and IRA Partnership, which you or your tax advisor can use to calculate the value of your interests for tax purposes.

We are also now caught up on distributions to Continuing Fractional Holders. The PHT has distributed the benefits of all matured policies on which it had collected payment from the insurers as of the middle of July.

I recently recorded a podcast in which I discuss the status of the portfolio, the timing of distributions and other issues of interest to the investors. You can download that recording on the Trust’s website and review at your convenience.

I’d like to thank you once again for the excellent feedback we received regarding our monthly newsletter. Please continue to share your ideas with us about how this communications tool can be more useful to you by e-mailing us with any suggestions at trustee@lpi-pht.com.

Meanwhile, I hope that you will find the articles in this month’s newsletter to be informative. Thank you for your interest.

Sincerely,

LPI POSITION HOLDER TRUST
Eduardo S. Espinosa
Trustee

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Upcoming Events

- **August 25th**

August 2017 LPI PHT Newsletter to be published
- **September 25th**

September 2017 LPI PHT Newsletter to be published
- **Mid-October**

4th Quarter LPI PHT Investor Podcast available for download



Action Items

If your interest is owned within an IRA and you are approaching 70 years of age, you should review the information contained in our newly filed financial statement with your tax professional. This is because you will be required by the IRS to take your Required Minimum Distribution (RMD) from your IRA starting at age 70 ½. We are not allowed to provide you with tax advice nor a value for your interest, but your tax professional can use the information in our financial statement to assist you in calculating a value for tax purposes.

What we need from you?

- Review the account statement you will receive from us regarding your ownership interests. Please contact us right away (trustee@lpi-pht.com) if you identify anything in your statement that you feel is inaccurate.
- Pay the premiums on the policies you own as reflected in the invoice you received. Please do not send a partial payment and please do not delay beyond the 60-day payment window you will be provided. We must receive your payment in full no later than the specified due date or your ownership rights will automatically be transferred to the Pool option.
- If you have received a check from us for a matured investment, please cash it as soon as possible. These checks may become “stale” after 60 days.
- If you did not receive this newsletter directly – or prefer that we use an alternative email address – please let us know by emailing the servicer (custsrv@magnaservicing.com) to let us know.

Trust Update



CFH Distributions

Payments to Continuing Fractional Holders (CFH) have continued to go out the door this month and we have cleared the backlog of CFH payments. As of July 15th, there were 48 maturities since the effective date of the plan and the PHT had received payment on 32 of them.

Trust Update Continued

CFH Distributions

In the month of July, we made distributions to investors on the following 18 policies:

Policy ID	Policy ID	Policy ID
6733	23756	70358
7356	25345	72764
8012	49559	72857
11837	54571	73737
15671	57139	75291
22143	66118	76511

The policy proceeds totaled about \$43 million of which \$17.5 million was paid to the CFHs. The remaining funds were paid to the PHT, the NIRAN collateral account and class counsel in accordance with the Plan and the Court's orders. In addition, the PHT returned approximately \$712,000 in es-crowed premiums to the CFHs. Please note that these numbers include money owed to investors that is on hold, either due to litigation or to the failure to provide a W-9. The PHT will continue to hold these funds until the conditions requiring the hold are removed.

Now that we have worked through the initial backlog of matured policies, we expect to be able to make distributions within 45 days of our receipt of payment from the insurance companies.

As a reminder, the PHT cannot pay investors who have not sent in a W-9 or a W8-BEN, as applicable. If you have not already sent your form to Magna Servicing, please send it to:

Magna Servicing, LLC
P.O. Box 23226
Waco, TX 76702
custsrv@magnaservicing.com

Premium Calls

Meanwhile, we have begun sending out the July invoices for the premiums that are due on life insurance policies owned by investors in the Cash 1 and IRA 4 options and these bills will continue to be sent out on a revolving monthly basis over the course of the year. While the billing cycle is now staggered to better facilitate workflow and cash flow for the PHT, you will only receive one bill for each policy per year.

If you receive a bill from us, it's essential that we receive your payment prior to the specified due date which is 60 days from date of invoice. An investor who fails to pay a premium bill will be deemed to have contributed their ownership interest to the PHT pool.

Trust Update Continued

The PHT and IRA Partnership register as public companies

The PHT and IRA Partnership were required to register as public companies; even though there is no class of securities that publicly trades. They are working on completing the registration process. Like other public companies, the PHT and IRA Partnership will have audited financial statements, issue periodic public reports (such as 10-K annual reports, 10-Q quarterly reports and 8-K current reports) and comply with federal securities laws such as the Dodd-Frank Act. Unlike other public companies, our securities will not be listed on an exchange and will not trade freely on the public markets. All of the securities issued under the Plan remain subject to the transfer restrictions contained in the Plan and Plan Documents.

The primary benefit of registration to the investors is that the financial statements that are part of the 10-K and 10-Q reports provide an easy basis for valuing interests in the PHT and IRA Partnership. As part of their public financial reporting, the PHT and IRA Partnership will calculate their net worth – the difference between the value of their assets and their liabilities. Investors and their tax advisors can use the net worth information to calculate the value of investments for tax purposes including required minimum distributions. In addition, IRA custodians may charge lower fees if the securities held in IRAs are publicly registered.

In addition to filing with the SEC, the PHT will post copies of all of its SEC filings on the Investor Relations page of its website.

Account Statements

The PHT anticipates distributing account statements to all investors in August. The account statements will show the investors' various holdings by category and include a statement of the escrow amounts on account for specific continuing fractional positions. We ask that you carefully review your account statement when you receive it confirm that it is correct. If you have any questions about your account statement, please contact customer service at Magna. If, however, you do not believe the account statement is accurate, please contact the PHT Trustee in writing as quickly as possible.

Investor Portal 1.0

The investor portal is scheduled to launch by August 15, 2017. Initially, the portal will provide access to the investor's account statements, invoices and a few other reports. Magna will continue to refine the website over time. When the portal is ready to launch, we will post a notice on the Trust website and send each investor the information needed to access the portal.



Portfolio at a Glance

Maturities

The chart below illustrates the maturities in the portfolio as of June 30, 2017:

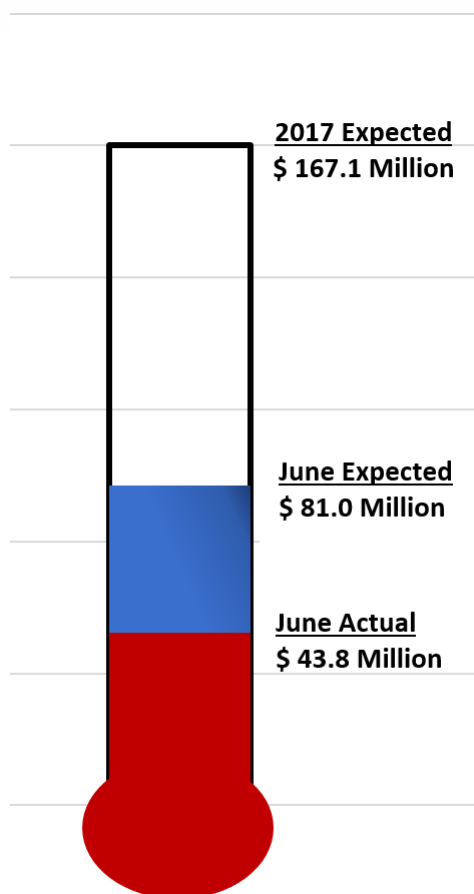
The Portfolio			
	Active Policies		Maturities
	<u>Count</u>	<u>NDB</u>	<u>NDB</u>
Viaticals	2,568	266,971,815.26	2,169,143.41
Life Settlement	638	1,907,669,909.60	67,890,730.03
Total	3,206	2,174,641,724.86	70,059,873.44
<i>Collected</i>			<i>43,087,866.00</i>

Maturities vs. Debtors' Forecast

Portfolio Performance

The projections provided by the Debtor during the bankruptcy forecasted about \$167.1 million in maturities in 2017. Actual maturities through June of this year have been about \$43.8 million. If maturity performance for the second half of the year matches that of the first half, the portfolio will experience significantly less than the maturities projected by the Debtor. At this point, we do not know whether the current performance reflects: the normal expected statistical variation (i.e., in some years the portfolio will perform better than median and in some years it will perform worse); a problem with the model; a problem with identifying maturities; or some other cause. As a result of this experience, however, the PHT Trustee has asked the Trust's actuaries to refine the Debtor's model and is auditing the Servicer's death tracking.

At this time, the Trustee does not believe that the lower than expected maturities present a risk to the Trust. Based on the current rate of maturities, the PHT has ample funds on reserve to pay premiums as they come due for the foreseeable future. The fewer than projected maturities does, however, call into question the PHT's ability to make a distribution in 2017. As a reminder, the PHT cannot make a distribution to the trust beneficiaries until it repays the \$55 million exit loan. Although that loan is not due until the end of next year, the Trustee plans to pay it off sooner to avoid incurring ongoing interest charges.



Frequently Asked Questions

Here are brief answers to some of the frequently asked questions (FAQs) we've received in the past month:

Q: I'm an investor in the Pool. When will I see any payouts?

A: The PHT can make distributions to the PHT unit holders and to the IRA Partnership (for distribution to its members) only if two conditions are met: (1) the PHT has paid off the \$55 million Exit Facility; and (2) there is excess cash available after the PHT Trustee has paid the trust's expenses and reserved sufficient funds to pay the premiums owed by the PHT on its interests in policies, to pay the premiums owed by defaulting Continuing Fractional Holders, to fund its ongoing operations and to pay for any unanticipated contingencies.

At this point, the PHT Trustee does not know whether the PHT will have sufficient funds available to make a distribution in 2017.

Q: How frequently will you be sending out payments to investors in the Pool?

A: The Plan calls for the PHT to make distributions at least annually, assuming that the Exit Facility has been paid off and there is excess cash available for distribution. At this time, we expect that the PHT will make distributions once a year for the next few years. After that, we expect that the PHT will be able to make more frequent distributions. The PHT's ability to do so, however, depends upon the maturities in the portfolio.

Q: In last month's newsletter, you talked about the jury verdict secured in court against Mr. Pardo. Will any of the funds from that judgment flow to the PHT or will they all remain with the Creditors' Trust?

A: Any recovery from Mr. Pardo will be paid to the Creditors' Trust. Pursuant to the Plan, investors who elected to assign their claims against LPI insiders and licensees are entitled to share in distributions by the Creditors' Trust. Also, if the Creditors' Trust pays all of the claims of its beneficiaries in full, the PHT will receive any of its remaining assets.



FREQUENTLY
ASKED
QUESTIONS

Questions and Updates

We routinely post updates and new information on www.LPI-PHT.com. Moreover, prior communications including copies of this newsletter and the Trustee's prior webinars are available for download on the investor communication tab. We encourage you access the website as a primary reference source.

We're happy to answer any additional questions you may have. Please note that it's likely you will receive a faster response if you contact us by email.

How to Contact Us

For questions regarding your individual account, please contact:

Magna Servicing

P.O. Box 23226

Waco, TX 76702

Phone: 800-368-5569

Email: custsrv@magnaservicing.com

For questions regarding the administration of the Plan of Reorganization, please contact:

Eduardo Espinosa, LPI PHT Trustee

1717 Main Street, Suite 4200

Dallas, Texas 75201

Phone: 214-698-7893

Email: trustee@lpi-pht.com

