



GWG HOLDINGS, INC.

28th ANNUAL ROTH CONFERENCE

MARCH 15, 2016

Jon Sabes, Chief Executive Officer
Michael Freedman, President
Bill Acheson, Chief Financial Officer



FORWARD-LOOKING STATEMENTS

This document contains “forward-looking statements” – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” “will,” “would,” or “target.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about our announced plan to reduce the size of our financial services businesses, including expected cash and non-cash charges associated with this plan; expected income; earnings per share; revenues; organic growth; margins; cost structure; restructuring charges; cash flows; return on capital; capital expenditures, capital allocation or capital structure; dividends; and particular uncertainties that could cause our actual results to be materially different than those expressed in our forward-looking statements include: obtaining (or the timing of obtaining) any required regulatory reviews or approvals or any other consents or approvals associated with our financial services businesses; our ability to maintain access to capital markets; changes in law, economic and financial conditions, including interest and exchange rate volatility, commodity and equity prices and the value of financial assets, including the impact of these conditions on our ability to sell or the value of incremental assets to be sold; the impact of conditions in the financial and credit markets on the availability and cost of GWG’s funding; actual and expected actuarial and mortality experience; the adequacy of our cash flows and earnings and other conditions which may affect our ability to pay our debt and preferred dividends; the price we purchase life insurance policies in the secondary market; the effectiveness of our risk management framework;

the impact of regulation and regulatory, investigative and legal proceedings and legal compliance risks, including the impact of financial services regulation and litigation; adverse market conditions; and the other factors that are described in “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2014. These or other uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements.

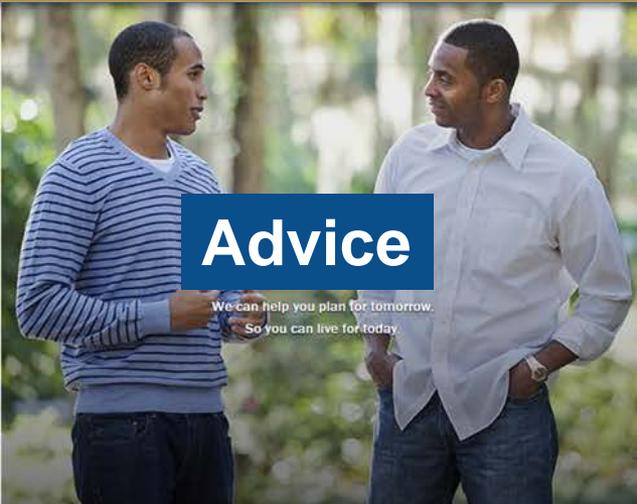
This document includes certain forward-looking projected financial information that is based on current estimates and forecasts. Actual results could differ materially. This document also contains non-GAAP financial information. Management uses this information in its internal analysis of results and believes that this information may be informative to investors in gauging the quality of our financial performance, identifying trends in our results and providing meaningful period-to-period comparisons. For a reconciliation of non-GAAP measures presented in this document, see the accompanying supplemental information in our Annual Report on Form 10-K for the year ended December 31, 2014 and our Quarterly Report on Form 10-Q for the nine months ended September 30, 2015.

GWG’s Investor Relations website is at www.gwglife.com contain a significant amount of information about GWG, including financial and other information for investors. GWG encourages investors to visit these websites from time to time, as information is updated and new information is posted.

LIFE INSURANCE SECONDARY MARKET

- Leading purchaser of life insurance assets from seniors in an emerging market
- Market opportunity is estimated at \$200 billion *annually* and is virtually untapped
- Proprietary origination and operational platform in place to address the market
- \$945 million portfolio of life insurance policy benefits, generating non-correlated returns
- Seasoned management team with significant industry expertise and stock ownership

MARKET LEADER - SIGNIFICANT OPPORTUNITY - EMERGING MARKET



OPPORTUNITY SENIORS & FINANCIAL ADVISORS



CONSUMER OWING LIFE INSURANCE



THE WALL STREET JOURNAL.

MONDAY, AUGUST 10, 2015

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SAVING FOR RETIREMENT

Retirees Stung by 'Universal Life' Cost

Retirees' premiums soar because interest rates fell

By LESLIE SCHEIN

Retired high-school teacher
Michael Versalle long felt confident
that his wife, Carol, would
have to do it. Now he bought

tions" to show how the savings
build. But the 6% 10K rates high-
lighted by many agents in years
past weren't guaranteed — which
means the 10K rates could change

Look Under the Hood

If you own an old universal-life policy, it needs a checkup.
Here are things to do:

NEARLY **88%** OF
UNIVERSAL LIFE INSURANCE
POLICIES NEVER RESULT IN A
PAYMENT OR CLAIM (MILLIMAN)

HISTORICAL OPTIONS

Insured Age (yrs) 80
Life Expectancy (yrs) 5
Policy Benefit \$1,000,000
Surrender Value \$14,000

SECONDARY MARKET

Market Value \$115,000

Retain

\$300,000

Policy Benefit

No Future Premiums

Receive

\$115,000

Cash Payment

FINANCIAL ADVISOR

\$10,000

COMPENSATION

OPPORTUNITY ALTERNATIVE ASSET INVESTORS



What do Berkshire Hathaway,
Blackstone, and Apollo know?

Ins. Co. Yield	YTM	Duration
Ins. Company Bond Yield ⁽¹⁾	2.76%	6.6 yrs.
Ins. Company Policy Portfolio Yield ⁽²⁾	18.50%	6.6 yrs.

15.84% Yield Gain

- Origination Risk
- Longevity Risk
- Liquidity Risk

The life insurance secondary market offers an appealing value proposition:

- High Yields
- Investment Grade Credits
- Non-Correlated Assets
- Low Volatility

We have raised over
\$370 million from investors
seeking exposure to this
alternative asset class

PROPRIETARY ORIGINATION & FINANCING PLATFORM
SIGNIFICANT BARRIER TO ENTRY

(1) Blended Yield to Maturity of AXA 7.125% 2020, Manulife 4.9% 2020, LincNtl 4.0% 2023, AIG 5% 2023, ProctLife 7.375% 2019, MetLife 3.0% 2022, Pru 4.5% 2021

(2) Blended IRR based on historical returns on \$77.8M of benefits received and expected IRR of 11.1% on current \$945M face value

A LEADING ORIGINATOR AND PURCHASER OF ALTERNATIVE LIFE INSURANCE ASSETS IN THE SECONDARY MARKET

- Established relationships with over 3,000 independent financial advisors
- Innovative retail investor base seeking alternative asset exposure
- Own a large and diverse portfolio of \$945 million in life insurance benefits
- YTD revenue up 30% year-over-year
- \$31 million of benefits collected – 117% of premiums paid
- Estimated blended portfolio IRR of 18.5% ⁽¹⁾
- Cost of financing at 7.0%
- Estimated portfolio PV of \$436 million ⁽²⁾
- Estimated NAV of \$13.26 per share ⁽³⁾
- Recent stock price of \$6.00 per share



(1) Blended IRR based on historical returns on \$77.8M of benefits received and expected IRR of 11.1% on current \$945M face value of life insurance policy benefits.
(2) Non-GAAP estimated net present value of life insurance policy benefits using 6.98% discount rate equal to our weighted average cost of financing.
(3) Non-GAAP Net Asset Value calculated as (2) above plus cash less interest bearing debt and preferred stock at redemption value.

SEASONED MANAGEMENT TEAM AND BOARD – SIGNIFICANT INDUSTRY EXPERTISE



FOUNDED IN 2006 WITH INSTITUTIONAL BACKING
WE HAVE ACQUIRED OVER \$1.8 BILLION OF LIFEINSURANCE BENEFITS



**Jon Sabes –
Chief Executive Officer**

- Co-founder, Board of Directors
- Oversees strategy, active in day-to-day operations
- Structured finance background



**Michael Freedman –
President**

- 14 years of experience in life settlement market
- Developed statutory/regulatory framework for life settlements
- Board Member, Life Insurance Settlement Association



**Bill Acheson –
Chief Financial Officer**

- 25 years specialty finance experience
- International structured finance & asset origination
- Chief Risk Officer experience
- Awarded Certified Public Accountant Certificate in 1991



**Mark Petersen –
Head of Capital Markets**

- Recently joined GWG in 2015
- More than 25 years experience
- Background in national sales, market development and funds management



**Paul Siegert –
Executive Chairman**

- Co-founder, Chairman of Board
- Active in management oversight
- President, Insurance Studies Institute
- Board Member, Life Insurance Settlement Association, 2012-2014



**Charles Maguire III –
Director**

- Registered FINRA Arbitrator
- Executive with 35 years experience in financial services at Merrill Lynch
- Former Director of Financial Institutions, Merrill Lynch
- B.A., Centre College



**Jeffrey McGregor –
Director**

- Former President, AXA Distributors
- Former President, RiverSource Distributors
- Former President, Colonial Investment Services
- Designations include LUTC, CFP, CLU, Series 24/7



**David Abramson –
Director**

- Certified Public Accountant
- Former SVP, AXA Financial/Equitable Life Insurance
- Former Chairman and CEO, Grant Thornton Advisors
- Former National Managing Partner, Grant Thornton Advisors



**Shawn Gensch –
Director**

- Financial and marketing executive - 20 years
- Former SVP, Marketing, Target Corporation
- Former President, Target Bank
- Former VP and Assistant Treasurer Conesco Finance

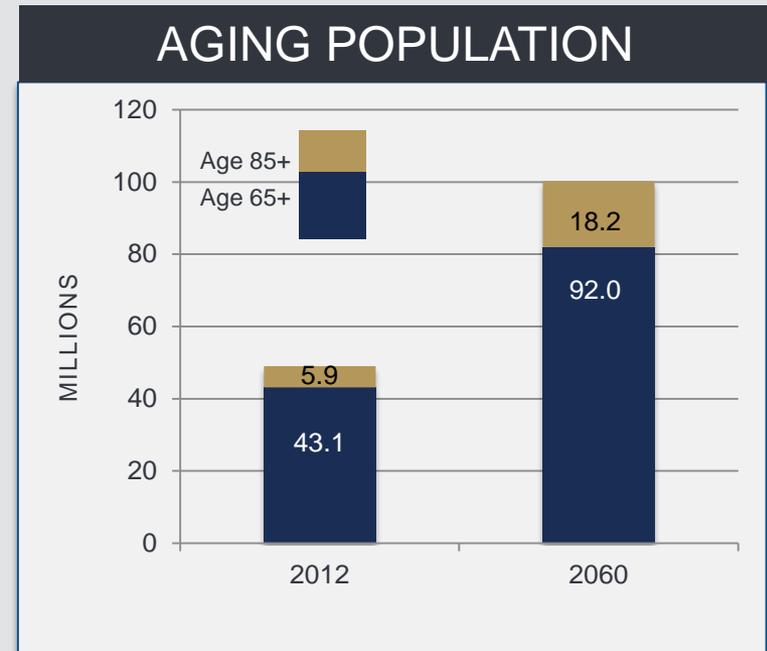
LARGE AND UNTAPPED MARKET OPPORTUNITY



\$200 billion Estimated *annual* addressable secondary life insurance market⁽¹⁾

1% Estimated amount of annual addressable market transacted in 2014⁽¹⁾

10,000 Average number of people turning 65 each day for the next 20 years ensures future demand for our services



Source: US Census Bureau 65+ Population Projection 2012

Key Market Drivers

Low Surrender Values, Unaffordable Premiums, Retirement Financial Needs

(1) Source: Conning Research & Consulting – 2014 market estimates

KEY FEATURES OF REGULATION

TRANSPARENCY

- Risk Disclosures
- Disclosure of Alternatives
- Transactional Disclosures

ACCOUNTABILITY

- Licensing of Buyers & Brokers
- State Approved Forms
- State Approved Anti-Fraud Plans

CONSUMER PROTECTIONS

- Competency Certification
- Beneficiary Acknowledgment
- Privacy Protections

INVESTOR PROTECTION

- Quiet Title
- Security Defined for Investors
- Federal and State Enforcement

ORIGINATION NETWORK

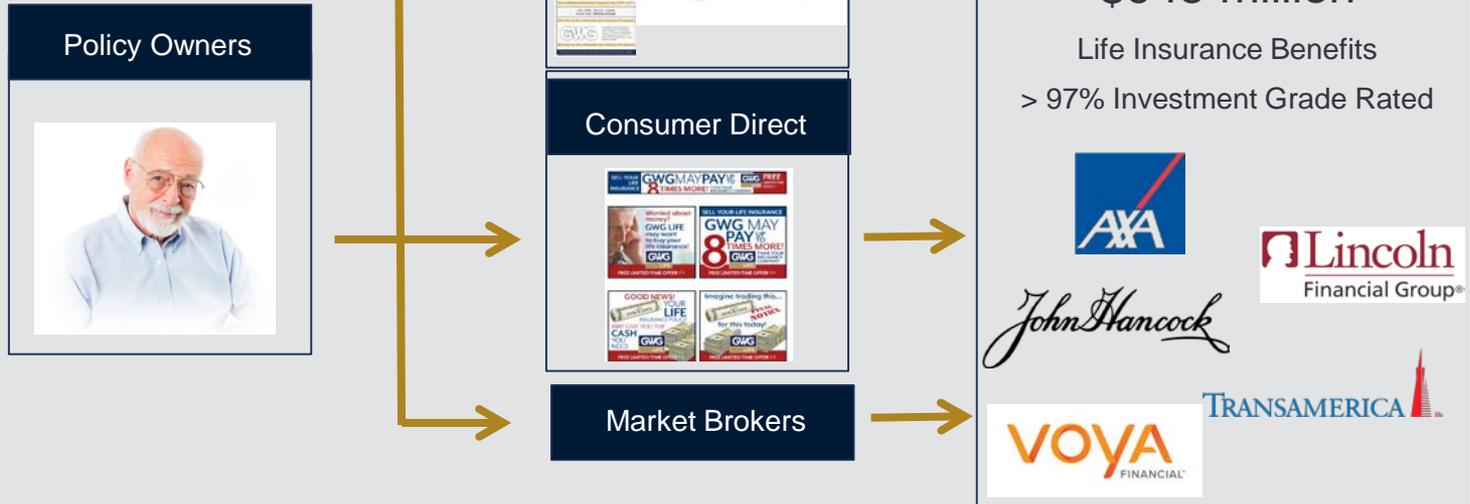
- **Financial Advisors – Appointed Agents**

3,000+ Independent Financial Advisors

- Source Policies
- Provide Capital

- **Consumer Direct**

- **Market Brokers**



PORTFOLIO SUMMARY

Life Insurance Portfolio	\$945 million
Investment Cost Basis	\$353 million
Number of Policies	396
Avg Age of Insured (Years)	82.6
Avg Life Expectancy (Years)	6.6
Blended IRR ⁽¹⁾	18.5%
Investment Grade Policies	97%

A.M. BEST METHODOLOGY — Criteria – Insurance-Linked Securities

February 21, 2014 **Life Settlement Securitization**

A life settlement is an insurance policy sold by the owner – typically the insured or a trust – for an amount greater than the surrender value of the policy but lower than the face amount of the policy. The purchaser of the life settlement becomes the new owner and beneficiary of the life insurance policy and is responsible for making future premium payments and collecting the death benefit of the insured. **Exhibit 1** lists some of the reasons to sell an insurance policy.

The life settlement market is an outgrowth of the viatical market, in which policies of the terminally ill – normally those insureds expected to die within two years – are bought and sold. In the life settlement market, however, insureds generally are over 65 years (but mostly are in their 70s). In addition, the typical life expectancy of insureds in the life settlement market, however, is currently about 11 to 12 years, indicating that the insureds in this market do not generally have catastrophic medical impairments. In addition, the average size of the insurance policies in the life settlement market is typically over \$1 million dollars as opposed to an average of about \$80,000 in the viatical market.

Exhibit 1
Reasons to Sell an Insurance Policy

- Premiums paid by the policyholder have become unaffordable, and the policy is in danger of lapsing;
- Estate-planning needs of the insured have changed significantly;
- Funds are needed for long-term health care;
- Beneficiary has changed because of death or divorce;
- Disposal of unneeded “key-man” insurance or other business-owned insurance;
- Fund new annuities, life insurance or investments;
- Satisfy the need for cash in a forced liquidation due to bankruptcy or financial difficulties;
- Liquidate policies donated to not-for-profits; or
- Dispose of policies that no longer are needed or wanted for a variety of other reasons.

Source: AM Best 2014. The Life Settlement Securitization is the basis of GWG’s origination practices. GWG makes no representation that it is rated by AM Best or would be able to receive a rating by AM Best.



\$132,380,000
S&P A+



\$120,305,000
S&P AA-



\$102,876,000
S&P AA-



\$86,070,000
S&P AA-



\$62,475,000
S&P A

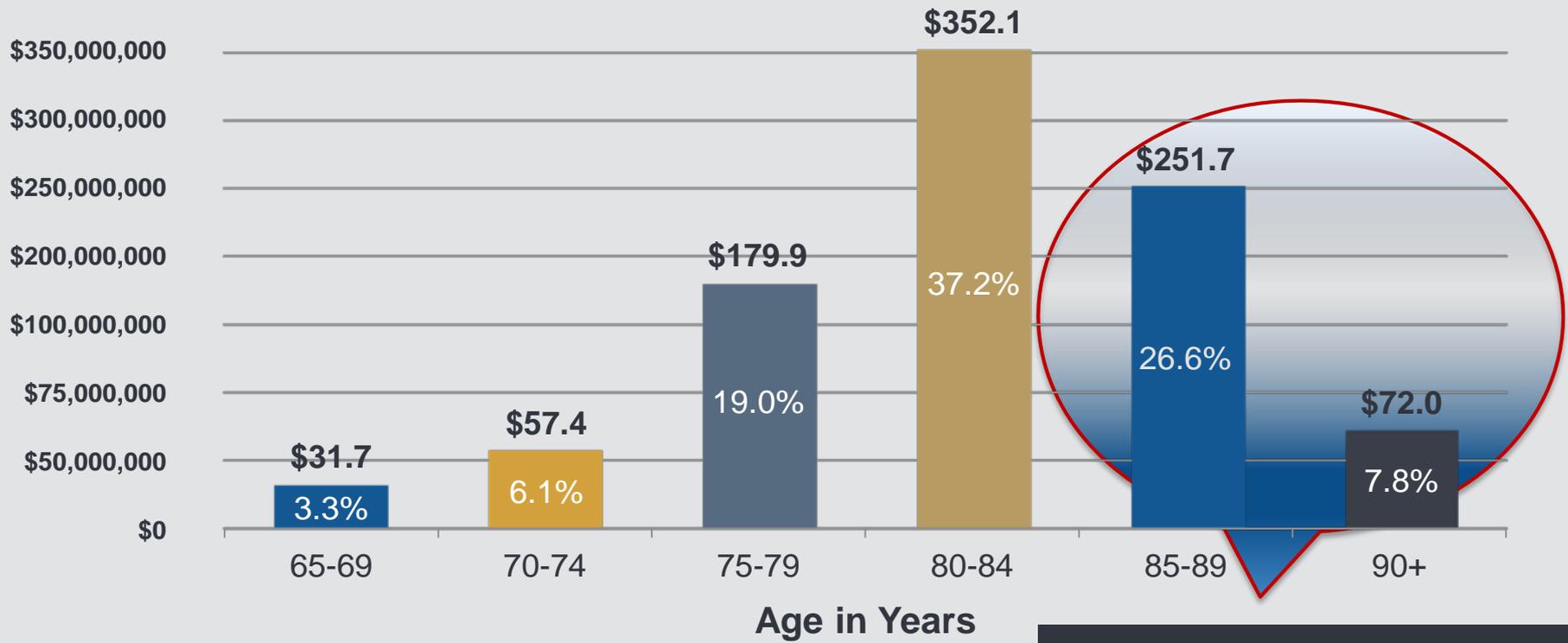
(1) Blended expected IRR based on historical results on \$77.8M of benefits received and expected IRR of 11.1% on current \$945M portfolio

PORTFOLIO BREAKDOWN BY AGE

DISTRIBUTION OF POLICY BENEFITS BY INSURED'S AGE

\$945 Million - Portfolio Benefits

82.6 Years- Average Age



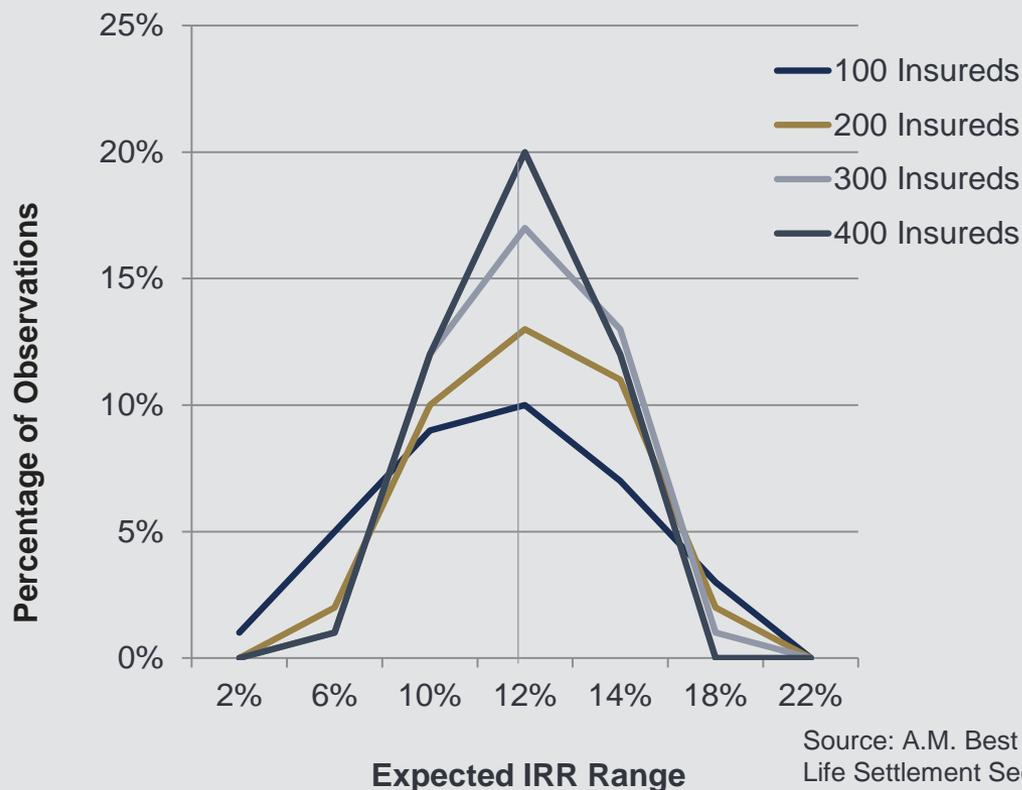
\$324 MILLION (34%) > 85 yrs.

PORTFOLIO PERFORMANCE AND EXPECTED RETURNS



AS THE NUMBER OF INSUREDS INCREASE,
RETURNS CAN BE PROJECTED WITH GREATER CERTAINTY

**Expected Yield Results Versus
Number of Insureds**



Portfolio History

Aggregate Face Value⁽¹⁾ \$1.023 million
 Number of Policies 432
 Aggregate Benefits Received . . . \$77.8 million
 Number of Policies Matured 36
 Blended IRR ⁽²⁾ 18.5%

Current Portfolio

Current Portfolio Face Value . . . \$945 million
 Number of Policies 396
 TTM Benefits Received \$31 million
 TTM Premiums Paid \$27 million
 Expected IRR 11.1%

(1) Aggregate face value includes all policies acquired since 2009, including current portfolio of \$945M face value and \$77.8M of benefits received

(2) Blended expected IRR based on historical results on \$78M of benefits received and expected IRR of 11.1% on current \$945M portfolio face value

ATTRACTIVE STOCK VALUATION

NET ASSET VALUE ⁽¹⁾

Life Insurance Portfolio \$944.8 million
 Discount Rate 7.0%
 Net Present Value \$435.7 million ⁽²⁾
 Cash \$36.8 million
 Debt & Preferred Stock (\$393.7 million)
 Total NAV \$78.8 million

Shares Outstanding 5.9 million
 Estimated NAV per Share \$13.26
 Recent Stock Price \$6.00



COMMON STOCK OFFERS COMPELLING VALUE
NON-CORRELATED ALTERNATIVE ASSET RETURNS
ORIGINATION PLATFORM
GROWTH OPPORTUNITY

(1) Non-GAAP Net Asset Value

(2) Non-GAAP estimated net present value of life insurance policy benefits using 6.98% discount rate equal to weighted average cost of financing

2015 FINANCIAL HIGHLIGHTS

OUR BUSINESS HAS CONTINUED TO IMPROVE ACROSS A NUMBER OF FINANCIAL AND OPERATING METRICS

- Revenue up 30% year-over-year
- \$31 million of TTM benefits received - 117% of premiums
- 3,000+ financial advisors added to the platform
- ~20% of the 2015 policy pipeline from direct originations
- \$122 million investor capital raised – up 200% from 2014
- Launched \$100 million Redeemable Preferred Stock offering

BALANCE SHEET SUMMARY

OUR NEAR-TERM OBJECTIVE STRENGTHEN OUR BALANCE SHEET IMPROVING OUR CAPITAL STRUCTURE

- \$37 million cash and equivalents
- \$355 million portfolio GAAP value⁽¹⁾
- \$65 million out on \$105 million revolving credit facility
- \$300 million of Fixed Income investor debt (L Bond/Series I)
- \$23 million preferred stock redemption value
- 5.9 million common shares outstanding (basic)
- 82% of common shares owned by management

(1) Life Insurance portfolio marked-to-market GAAP valuation based on an 11.1% discount rate.

KEY INVESTMENT HIGHLIGHTS

Market leader in the life insurance secondary market with limited direct competition

Addressing a \$200 billion market that is virtually untapped and growing

3,000+ financial advisor origination and operational platform in place to execute growth plans

\$945 million portfolio of life insurance policies, generating non-correlated returns

\$31 million in TTM benefits received; blended portfolio IRR of 18.5%; cost of financing of 7.0%

Seasoned management team with significant industry expertise and stock ownership

Appendix

2015: Life Settlements and Secondary Market Annuities - Opportunities and Challenges

<https://www.conning.com/viewpublications-article.aspx?id=12873>

Retirees Stung by 'Universal Life' Cost – *The Wall Street Journal* – Aug. 9, 2015

<http://www.wsj.com/articles/cost-of-universal-life-insurance-stings-retirees-1439172119>

Surprise: Your Life-Insurance Rates Are Going Up – *The Wall Street Journal* – Dec. 4, 2015

<http://www.wsj.com/articles/surprise-your-life-insurance-rates-are-going-up-1449225000>

Life Settlement Securitization – A.M. Best Methodology – Feb. 1, 2014

<http://www3.ambest.com/ambv/ratingmethodology/OpenPDF.aspx?rc=197705>

Life Insurance Settlement Association Testimony – Michigan House of Representatives Insurance Committee – May 14, 2009

<https://legislature.mi.gov/documents/2009-2010/CommitteeDocuments/House/Insurance/Testimony/Committee12-5-14-2009-2.pdf>