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**SUPPLEMENT FOR EEA LIFE SETTLEMENTS FUND PCC LIMITED**

**GBP NEW RUN-OFF CELL**

**1 MARCH 2024**

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This Supplement to the Information Memorandum of EEA Life Settlements Fund PCC Limited relates to GBP New Run-Off Cell.

**THE COMPANY IS CLOSED TO FURTHER SUBSCRIPTIONS. THIS SUPPLEMENT IS BEING PROVIDED SOLELY TO MEET THE COMPANY'S REGULATORY REQUIREMENTS IN ACCORDANCE WITH THE CLASS B RULES AND DOES NOT CONSTITUTE A DIRECT OR INDIRECT OFFERING OR PLACEMENT OF SHARES OR ANY OTHER OPPORTUNITY TO INVEST IN THE COMPANY.**

This Supplement must be read in conjunction with the Information Memorandum.

Further copies of the Information Memorandum can be obtained from the Services Provider, namely EPIC Investment Partners (Guernsey) Limited of Fourth Floor, Windsor House, Le Pollet, St Peter Port, Guernsey, GY1 1WF.

## GENERAL

GBP New Run-Off Cell is a Cell of EEA Life Settlements Fund PCC Limited, an open-ended protected cell investment company registered with limited liability in Guernsey on 20 June 2005 and authorised by the Guernsey Financial Services Commission as a Class B collective investment scheme.

Words defined in the Information Memorandum unless otherwise defined shall have the same meaning in this Supplement.

## DEFINITIONS

The definitions herein shall apply to the GBP New Run-Off Cell only.

**"Active Policy"** means any life insurance policy held within the portfolio of the Fund for which the receipt of all Net Death Benefits has not yet occurred, excluding policies for which the receipt of Net Death Benefits is unlikely, due to factors such as claim disputes or instances where policies have been declared void by the insurer.

**"Available Cash"** means cash held directly by the Cell after deduction for any accrued fees and expenses (for the avoidance of doubt, cash required to pay the premia on Current Underlying Investments from time to time attributable to the Cell for a sixteen month period (or such longer or shorter period as the Directors may determine from time to time) will be retained by the Cell or one or more subsidiaries of the Company and will not be Available Cash for this purpose). Shareholders will be notified by way of an announcement on the Services Provider's website (<https://www.eealifeselements.com/eea-life-settlements-fund/>) or in such other manner as the Directors may determine from time to time, in due course of any such determination.

**"Cell"** means GBP New Run-Off Cell;

**"Net Death Benefits"** means the total amount payable upon the death of the insured under a life insurance policy, after deducting all applicable fees, loans, premiums, and any other charges owed on the policy (representing the actual proceeds that are disbursed from the policy to the beneficiaries or the policyholder's estate).

**"Shares"** means shares in the Cell.

**"Valuation Point"** means 23.59 hours (Guernsey time) on the last Business Day of each quarter and/or such other time or times and day or days as the Directors may determine, either generally or in any particular case.

## BASE CURRENCY

The Cell is denominated in GBP.

## INVESTMENT OBJECTIVE, POLICY AND RESTRICTIONS

### *Investment objective*

The investment objective of the Cell is to return capital to investors from investments in life insurance policies issued primarily in the United States.

### *Investment policy*

The investment policy of the Cell is to invest in EEA Inc through EEA Holdings which invests in the Master Subsidiary and the Master Sub II. The Master Sub II invests exclusively in EEA Inc.

EEA Inc invests in a diversified portfolio of life insurance policies. It is anticipated that such insurance policies will be held to maturity, though the Fund (as advised by the Services Provider) has flexibility to sell investments to third parties before maturity or let them lapse if it deems it appropriate. There is no

fixed deadline for the return of capital to investors.

### ***Investment restrictions***

Subject to the restrictions in the Information Memorandum, the Cell may invest in foreign exchange forward contracts, futures contracts and options for the purpose of hedging the investments only.

### ***Borrowing policy / Leverage policy***

Subject to the restrictions stated in the Information Memorandum, the Cell may borrow for redemption and payment of expenses. However, it is not the policy of the Cell to borrow for leveraging its investments.

## **ADMINISTRATION**

The Services Provider, the Custodian, the Administrator, Secretary and Registrar for the Cell shall be the same as the Company, details of which are set out in the Information Memorandum.

## **TAXATION**

For a high-level summary of certain tax considerations relating to investment in Shares see the section headed "United Kingdom" in the section headed "TAXATION" in the Information Memorandum.

## **DEALING PROCESS**

### ***Subscription***

The Cell is closed to subscriptions.

### ***Redemption***

Shares will not be redeemable at the option of the Shareholder and may only be redeemed at the absolute discretion of the Directors.

Subject to certain conditions, distributions will be made to Shareholders by way of compulsory redemption of Shares, or otherwise, on a twice-yearly basis as set out under "Distribution Policy" below. Notwithstanding the foregoing, distributions may be made to Shareholders by way of a compulsory redemption of Shares at such other times as the Directors may in their discretion from time to time determine generally or in any particular case.

### ***Redemption Charge***

No Redemption Charge will be payable upon the redemption of Shares.

### ***Anti-Dilution Levy***

No Anti-Dilution Levy will be payable upon redemption of Shares.

## **VALUATION**

The investment in EEA Holdings, the Master Subsidiary and Master Sub II will be valued at the Net Asset Value per share of EEA Holdings, the Master Subsidiary and the Master Sub II respectively.

## DISTRIBUTION POLICY

### **PLEASE NOTE THAT REDEMPTIONS ARE CURRENTLY SUSPENDED.**

There are a number of issues which the Board continues to monitor, including, among other matters, the Coventry Litigation. As previously noted to Shareholders in previous updates, these matters could have implications that might affect the Company and its Shareholders. Accordingly, the Board has determined that it continues to be in the best interests of the Company and Shareholders for redemptions to remain suspended for the time being. The Board remains unable to confirm the expected duration of the suspension. Accordingly, the below disclosure remains subject to such suspension.

Distributions will be made to holders of Shares by way of compulsory redemption of such Shares, or otherwise, on a twice-yearly basis, provided that: (1) at the relevant time, the Cell's Available Cash exceeds (a) 10 per cent. (or such lower percentage as the Directors may in their discretion from time to time determine generally or in any particular case) of the then Net Asset Value of the Cell; and (2) the aggregate of all distributions in respect of Run-Off Shares on each date is at least US\$20 million (or equivalent in the relevant currency), or such lower amount as the Directors may in their discretion from time to time determine generally or in any particular case.

The portion of proceeds of maturity/realisation of Current Underlying Investments received by the Cell during each month which is Available Cash will generally be available for distribution to holders of the Shares to the extent that such Available Cash exceeds (i) accrued fees of the Services Provider and (ii) any other applicable expenses, provided that in each case the maturity/realisation proceeds distributed by all Run-Off Cells at that time will be no less than US\$20 million, or such lesser amount as the Directors may from time to time determine generally or in any particular case (such excess Available Cash being the Cell's then "**Distributable Cash**"). Distributable Cash will be distributed to holders of the relevant Run-Off Shares as soon as practicable after 30 June or 31 December, as the case may be. Distributable Cash may be distributed to holders of the relevant Run-Off Shares on such other dates as the Directors may in their discretion from time to time determine generally or in any particular case.

Upon the maturity/realisation of the final Current Underlying Investment, Available Cash will generally be distributed to holders of Shares as soon as practicable after the monies relating to the final maturity/realisation proceeds are received by the Cell, subject to: (i) a retention for accrued fees of the Service Provider; and (ii) a retention for any other applicable expenses.

The Company will not pay any dividends or distributions in respect of Shares save as set out above.

## **FEES AND EXPENSES**

In addition to a share of the general fees and expenses which will be apportioned to the Cell as set out in the Information Memorandum, the specific fees and expenses of the Cell are as follows:

### ***Services Provider's fee***

The Services Provider is entitled to a fee of USD1,750 per Active Policy per month.

In addition, the Services Provider is entitled to be reimbursed for any out-of-pocket expenses in connection with carrying out its duties.

### ***Investment Advisory fee***

The Investment Advisory fee is set out in the Information Memorandum.

### ***Custodian fee***

The fees and expenses payable to the Custodian are set out in the Information Memorandum.

### ***Administrator's fees and expenses***

The fees and expenses payable to the Administrator as Administrator and Registrar are set out in the Information Memorandum.

***Other costs***

Details of the costs of EEA Holdings, the Master Subsidiary and Master Sub II are described in the Information Memorandum.

***Other expenses***

The Cell pays its own operating expenses.

**RISK WARNINGS**

Material risks associated with an investment in the Cell are set out in the Information Memorandum.

**MATERIAL AGREEMENTS**

The Cell has not entered into any other contracts in addition to the material contracts entered into by the Company disclosed in the Information Memorandum.