

31 October 2022

Dear Shareholders

**Proposed rollover into a new closed-ended fund to be admitted to trading on the London Stock Exchange**

I am writing to you in respect of certain proposals which the board of directors (the "**Board**") of EEA Life Settlements Fund PCC Limited (the "**Fund**") expect to bring to the shareholders of the Fund (the "**Shareholders**") in the coming months (the "**Proposals**").

The Proposals would see all Shareholders exchange their interest in the Fund for shares in a newly established fund (the "**New Fund**") – which would be admitted to trading on the London Stock Exchange (the "**LSE**").

The Board believes that the successful implementation of the Proposals would deliver notable benefits to Shareholders.

The Board would like to emphasise that the implementation of the Proposals is at an early stage and their implementation is contingent upon, *inter alia*, the approval of Shareholders, regulatory approvals of the Guernsey Financial Services Commission in Guernsey and the Financial Conduct Authority in the UK, satisfaction of any requirements of the LSE, and the scheme of arrangement being sanctioned by the Royal Court in Guernsey. That said, based upon advice received, the Board believes that the Proposals may be implemented successfully in the near future, delivering notable benefits to Shareholders.

This letter sets out the broad details of the Proposals and the timing for the implementation of the same.

***What are the Proposals?***

The Proposals include the establishment of the New Fund in Guernsey as a registered closed-ended collective investment scheme.

The New Fund will make an offer to purchase the entire issued share capital of the Fund. It is proposed that this acquisition be effected by means of a scheme of arrangement and that the consideration for this acquisition be shares in the New Fund. It is not anticipated that Shareholders will receive any cash consideration as part of the Proposals, however they will receive shares in the New Fund, which will be admitted to trading on the LSE, and Shareholders may seek to sell their shares in the secondary market should they wish to do so. The transaction will not affect the ownership of assets underlying the Fund/New Fund, which assets will remain intact.

A closed-ended collective investment scheme is different to an open-ended scheme (such as the Fund) in that its shareholders do not have right to redeem their shares – shareholders instead usually have the ability to sell their shares in the secondary market. The secondary market is a market which exists in an investment after it has been issued – in this case, the secondary market refers to the market in the shares in the New Fund which will exist and be facilitated by admission to trading on the LSE.

Each of the Shareholders will receive the number of shares in New Fund proportionate to their share of the net asset value of the Fund.

Shareholders will be asked to vote on the Proposals in a general meeting of the Company which will be convened pursuant to an order of the Royal Court in Guernsey. A further general meeting will also be convened by the Board to deal with certain housekeeping matters typical to a scheme of arrangement. If the relevant resolutions of Shareholders are approved, the Proposals will be binding on all Shareholders.

In the case that the Proposals are not approved by Shareholders, the Board will look for other ways to maximise value for Shareholders. Further details of these alternatives will be presented to Shareholders when the Proposals are presented for their consideration.

***Why does the Board believe the Proposals to be in the best interests of Shareholders?***

The Board believes that implementing the Proposals will offer the following benefits to Shareholders:

- The potential for daily liquidity in the New Fund's shares to develop through admission to trading on a recognised, regulated market of the LSE, enabling Shareholders to choose whether to sell their shares in the secondary market or remain invested (irrespective of prior elections as to redemption or continuation).
- An expectation of improved value for share sales relative to terms currently available to Shareholders in the secondary market.
- Greater stability and predictability in the cost base as the vehicle will be closed-ended, which avoids decreases in the Fund's size from redemptions, and so avoids consequential increases to the Fund's expenses ratio. This should more than offset the expenses of implementing the Proposals.
- Immediate reduction in cost base (given a simplification of the Fund's structure).
- Fair treatment of all Shareholders in that no Shareholders are disproportionately impacted by the Fund's expenses should some Shareholders redeem.
- Improved portfolio scale and diversification (supporting returns) due to the ability to re-invest cash generated on maturities as they are received instead of using the cash to service the ongoing redemption payment obligations of the Fund.
- Better alignment between the Fund's assets and the structure of the New Fund as a closed-ended vehicle (given the long term and illiquid nature of the Fund's investments).
- All Shareholders will receive shares that are admitted to trading on a transparent, recognised and regulated market of the LSE.

- A means to offer both existing and new investors an attractive alternative investment strategy in a longer-term and potentially scalable structure.

***What are the next steps in relation to the Proposals?***

The Board is working with the Fund's advisers to publish detailed documentation on the Proposals for Shareholders' consideration as soon as possible.

It is expected that such detailed documentation, including a Shareholder circular, form of proxy, CREST form (to enable electronic settlement of shares) and a prospectus approved by the FCA and including details of the New Fund, will be made available to Shareholders over the coming months.

We understand that Shareholders may have questions in relation to the Proposals. We encourage Shareholders to wait to receive full information on the Proposals which will be set out in due course in the Shareholder circular. If you do wish to ask a question, please email [eea@mjhudson.com](mailto:eea@mjhudson.com). Please note that the Fund's resources are currently directed towards implementing the Proposals – accordingly, the Board thanks Shareholders for their patience in this respect.

Shareholders are reminded that the Proposals are conditional on a number of factors outside of the control of the Board and its advisers. The Board will update Shareholders on implementation of the Proposals no later than 31 December 2022, or earlier should the Proposals prove unviable.

Yours faithfully

**The Board**

**EEA Life Settlements Fund PCC Limited**