



EEA Fund Management
(Guernsey) Limited

EEA Life Settlements Fund

Portfolio Update
31 March 2023

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All data as at 31 March 2023 unless otherwise stated.

Fund Commentary

At the reporting date of 31 March 2023, the Fund held 33 life insurance policies with a total net death benefit of \$104.0 million. The average policy size (net death benefit) was approximately US\$3.15 million. The portfolio covered 19 illnesses, 21 lives and 18 insurance companies. Based upon weighted net death benefit, 94.58% of the portfolio was represented by insureds who were aged 80 or over, with an overall weighted average age of 92 years.

At the start of the year, the Fund's independent valuation agent, Maple Life Analytics, projected portfolio maturities for 2023 of \$33.1 million (but with a range of between \$4.3 million and \$65.0 million). In the first quarter of 2023 ending 31 March 2022, there were 2 reported maturities with a total net death benefit of \$20 million. (Although dated June 2022, these maturities were reported to the Fund in March 2023.)

The NAV per Share of the USD-denominated Cells increased over the last quarter, ranging from 4.21% to 5.61% depending on the Cell. The increase over the last quarter was largely driven by the large maturities mentioned above.

The effects of currency movements on the non-USD-denominated Cells over the last quarter were on average around -1.82% (GBP), -1.12% (EUR) and -0.19% (SEK). As a result, during the period the overall NAV per share of the GBP-denominated Cells (range 2.16% to 3.40%), the EUR-denominated Cells (range 2.19% to 3.86%), and the SEK-denominated Cells (3.59% to 5.15%) all increased over the quarter.

The Fund redeemed approximately \$8.41m of shares across all Continuing Cells and \$10m of shares across all Run-Off Cells in respect of the 3 January 2023 Redemption Day.

The Fund's Board announced on 31 March 2023 that it had decided to pause work on the proposed rollover into a new closed-ended fund. The full update is available at <https://www.eeafmg.com/news>.

A discount rate of 14.16% currently applies to 100% of the policies.

The discount rate refers to the rate used to determine the present value of the future cashflows anticipated in respect of each policy – it is a rate which reflects an implied annual return over the period from the date of valuation to the life expectancy estimate.

Projected Net Death Benefits (NDB) from 1 January 2023

Year	Maturity projections (\$ million)	
2023	33,082,964	26%
2024	24,585,152	19%
2025	17,150,713	13%
2026	12,478,375	10%
2027	9,214,064	7%
2028+	30,831,725	24%
	127,342,993	100.00%

Source: Maple Life Analytics, LLC. The amounts take into consideration Net Death Benefit paid during the relevant year, which includes outstanding payments for maturities in prior years. The total of \$127.3m also takes into account potential future policy expiries.

Policy Split by State of Issue

State	Number of policies		Net Death Benefit	
AL	2	6.06%	\$292,230.00	0.28%
CA	4	12.12%	\$15,400,000.00	14.81%
DE	2	6.06%	\$5,000,000.00	4.81%
FL	1	3.03%	\$5,000,000.00	4.81%
GA	1	3.03%	\$750,000.00	0.72%
MN	2	6.06%	\$395,639.00	0.38%
MS	1	3.03%	\$4,100,000.00	3.94%
NJ	9	27.27%	\$35,100,000.00	33.75%
NY	3	9.09%	\$11,716,983.00	11.27%
SC	1	3.03%	\$200,000.00	0.19%
SD	2	6.06%	\$14,000,000.00	13.46%
TN	2	6.06%	\$1,282,962.00	1.23%
TX	1	3.03%	\$500,000.00	0.48%
VA	1	3.03%	\$10,000,000.00	9.62%
WA	1	3.03%	\$250,000.00	0.24%
Total	33	100.00%	\$103,987,814.00	100.00%

Policy Split by Net Death Benefit

NDB Range	Number of Policies		Net Death Benefit	
< \$0.5M	9	27.27%	\$1,881,637.00	1.81%
\$0.5M - \$0.99M	4	12.12%	\$2,532,962.00	2.44%
\$1.0M - \$2.49M	5	15.15%	\$6,473,215.00	6.22%
\$2.5M - \$4.99M	3	9.09%	\$11,100,000.00	10.67%
\$5.0M - \$7.49M	8	24.24%	\$42,000,000.00	40.39%
>= \$7.5M	4	12.12%	\$40,000,000.00	38.47%
Total	33	100.00%	\$103,987,814.00	100.00%

Policy Split by Policy Type

Policy Type	Number of Policies		Policy Net Death Benefit	
	Count	Percentage	Amount	Percentage
Flexible Premium	14	42.42%	\$45,582,962.00	43.83%
Term	5	15.15%	\$1,700,000.00	1.63%
Universal Life	14	42.42%	\$56,704,852.00	54.53%
Total	33	100.00%	\$103,987,814.00	100.00%

Policy Split by Age

Age Range	Number of Policies		Net Death Benefit	
	Count	Percentage	Amount	Percentage
50 - 59	3	9.09%	\$492,230.00	0.47%
60 – 69	7	21.21%	\$3,795,584.00	3.65%
70 – 79	3	9.09%	\$1,350,000.00	1.30%
80 – 89	5	15.15%	\$24,100,000.00	23.18%
90 – 99	13	39.39%	\$64,000,000.00	61.55%
100+	2	6.06%	\$10,250,000.00	9.86%
Total	33	100.00%	\$103,987,814.00	100.00%

Policy Split by Insurance Company

Insurance Company	Number of Policies		Policy Net Death Benefit	
American General Life	6	18.18%	\$11,300,000.00	10.87%
AXA	3	9.09%	\$20,000,000.00	19.23%
Federated Life	1	3.03%	\$732,962.00	0.70%
Lincoln Benefit	3	9.09%	\$15,295,639.00	14.71%
Lincoln Financial	1	3.03%	\$10,000,000.00	9.62%
Lincoln National	1	3.03%	\$10,000,000.00	9.62%
MetLife	2	6.06%	\$500,000.00	0.48%
New England Financial	1	3.03%	\$1,473,215.00	1.42%
Pacific Life	1	3.03%	\$6,000,000.00	5.77%
Primerica	1	3.03%	\$100,000.00	0.10%
Prudential	1	3.03%	\$5,000,000.00	4.81%
State Farm Life	2	6.06%	\$292,230.00	0.28%
Sun Life Assurance	1	3.03%	\$6,000,000.00	5.77%
Transamerica	3	9.09%	\$13,100,000.00	12.60%
United of Omaha	3	9.09%	\$3,000,000.00	2.88%
US Financial Life	1	3.03%	\$200,000.00	0.19%
West Coast Life	1	3.03%	\$750,000.00	0.72%
William Penn	1	3.03%	\$243,768.00	0.23%
Total	33	100.00%	\$103,987,814.00	100.00%

12 months premiums to 31 March 2023 was \$14,340,973.46

Aggregate Net Death Benefit Split by Illness

Illness	Policy Net Death Benefit
Brain Cancer	0.70%
Brain Stem Lesion	1.65%
Breast Cancer	0.58%
Colon Cancer	0.24%
COPD	20.19%
Coronary Atherosclerosis	19.23%
Dementia	13.46%
Hyperlipidemia	9.62%
Hypertension	9.62%
Liver Cancer	0.28%
Lung Cancer	0.10%
Malignant Neoplasm of Trachea	3.94%
Mantle Cell Lymphoma	3.85%
Multiple Myeloma	0.48%
Myocardial Infarction	4.81%
Obstructive Pulmonary Disease	9.62%
Prostate Cancer	0.63%
Rectal Cancer	0.28%
Squamous Cell Cancer of the Tongue	0.72%
Brain Cancer	0.70%