



EEA Fund Management
(Guernsey) Limited

EEA Life Settlements Fund

Portfolio Update
30 June 2021

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All data as at 30 June 2021 unless otherwise stated.

Fund Commentary

At the reporting date of 30 June 2021, the Fund held 56 life insurance policies with a total net death benefit of \$181 million. The average policy size (net death benefit) was approximately US\$3.4 million. The portfolio covered 25 illnesses, 34 lives and 26 insurance companies. Based upon weighted net death benefit, 86.37% of the portfolio was represented by insureds who were aged 80 or over, with an overall weighted average age of 93.2 years.

At the start of the year, the Fund's independent valuation agent, Maple Life Analytics, projected portfolio maturities for 2021 of \$58.3 million (but with a range of between \$19.3 million and \$103.6 million). In the six months ending 30 June 2021, there were seven reported maturities with a total net death benefit of \$44.5 million.

The NAV per Share of the USD-denominated Cells decreased over the last quarter, ranging from -1.31% to -1.50% depending on the Cell. This decrease resulted largely from the fact that the maturities reported during the quarter were relatively close to life expectancy, reducing the positive impact on NAV that would otherwise offset the negative impact of ongoing premium costs.

The effect of currency movements on the non-USD-denominated Cells over the last quarter were on average around -0.33% (GBP), -1.05% (EUR) and -1.99% (SEK). As a result, during the period the overall NAV per share of the GBP-denominated Cells (range -1.74% to -1.96%), the EUR-denominated Cells (range -2.44% to -2.61%) and the SEK-denominated Cells (range -3.37% to -3.50%) all decreased over the quarter.

Projected Net Death Benefits (NDB) from 1 January 2021

Year	Maturity projections (\$ million)	
2021	58,277,783	26.20%
2022	45,712,646	20.60%
2023	33,001,376	14.80%
2024	23,024,488	10.40%
2025	16,280,813	7.30%
2026+	46,108,644	20.70%
	222,405,750	100.00%

Following the end of the quarter, the Fund redeemed approximately \$8.8 million of shares across all Continuing Cells in respect of the 1 July 2021 Redemption Day and approximately \$16.7 million (equating to approximately 18.7% of the 30 June 2021 NAV of Run-Off Cells) to those persons registered as holders of Run-Off Shares as at 20 July 2021, by way of compulsory redemption of a portion of each holder's Run-Off Shares

A discount rate of 14.26% 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.

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 \$222.4m also takes into account potential future policy expiries.

Policy Split by State of Issue

State	Number of policies		Net Death Benefit	
AL	2	3.77%	\$292,230.00	0.16%
CA	5	9.43%	\$15,900,000.00	8.77%
DE	3	5.66%	\$5,500,000.00	3.03%
FL	8	15.09%	\$26,750,000.00	14.75%
GA	1	1.89%	\$750,000.00	0.41%
MA	1	1.89%	\$400,000.00	0.22%
MI	1	1.89%	\$10,000,000.00	5.52%
MN	3	5.66%	\$10,395,453.00	5.73%
MS	1	1.89%	\$4,100,000.00	2.26%
NC	2	3.77%	\$5,000,000.00	2.76%
NJ	12	22.64%	\$58,225,000.00	32.11%
NY	4	7.55%	\$16,716,983.00	9.22%
PA	1	1.89%	\$800,000.00	0.44%
SC	1	1.89%	\$200,000.00	0.11%
SD	2	3.77%	\$14,000,000.00	7.72%
TN	2	3.77%	\$1,282,962.00	0.71%
TX	1	1.89%	\$500,000.00	0.28%
VA	1	1.89%	\$10,000,000.00	5.52%
WA	2	3.77%	\$500,000.00	0.28%
Total	53	100.00%	\$181,312,628.00	100.00%

Policy Split by Net Death Benefit

NDB Range	Number of Policies		Net Death Benefit	
< \$0.5M	13	24.53%	\$3,181,451.00	1.75%
\$0.5M - \$0.99M	8	15.09%	\$4,832,962.00	2.67%
\$1.0M - \$2.49M	5	9.43%	\$6,473,215.00	3.57%
\$2.5M - \$4.99M	8	15.09%	\$26,825,000.00	14.79%
\$5.0M - \$7.49M	10	18.87%	\$52,000,000.00	28.68%
>= \$7.5M	9	16.98%	\$88,000,000.00	48.53%
Total	53	100.00%	\$181,312,628.00	100.00%

Policy Split by Policy Type

Policy Type	Number of Policies		Policy Net Death Benefit	
Flexible Premium	23	43.40%	\$82,057,962.00	45.26%
Term	5	9.43%	\$1,700,000.00	0.94%
Univesal Life	24	45.28%	\$97,154,666.00	53.58%
Variable Universal Life	1	1.89%	\$400,000.00	0.22%
Total	53	100.00%	\$181,312,628.00	100.00%

Note: Policies have a termination age. The Investment Adviser has estimated, as at 30 June 2021, that around 0.66% of the remaining net death benefit was represented by policies that would expire should they not mature within their LE estimate and that an additional 4.55% of the remaining net death benefit was represented by policies that would expire should they not mature within two-times their LE estimate..

Policy Split by Age

Age Range	Number of Policies		Net Death Benefit	
50 - 59	4	7.55%	\$892,230.00	0.49%
60 - 69	7	13.21%	\$3,495,398.00	1.93%
70 - 79	7	13.21%	\$21,750,000.00	12.00%
80 - 89	2	3.77%	\$4,500,000.00	2.48%
90 - 99	32	60.38%	\$145,675,000.00	80.34%
>= 100	1	1.89%	\$5,000,000.00	2.76%
Total	53	100.00%	\$181,312,628.00	100.00%

Policy Split by Insurance Company

Insurance Company	Number of Policies		Policy Net Death Benefit	
American General Life	6	11.32%	\$11,300,000.00	6.23%
American National	1	1.89%	\$10,000,000.00	5.52%
Aviva Life Insurance Co	1	1.89%	\$250,000.00	0.14%
AXA	5	9.43%	\$38,000,000.00	20.96%
Federated Life	1	1.89%	\$732,962.00	0.40%
John Hancock	2	3.77%	\$10,000,000.00	5.52%
Lincoln Benefit	4	7.55%	\$18,420,453.00	10.16%
Lincoln Financial	1	1.89%	\$10,000,000.00	5.52%
Lincoln National	6	11.32%	\$25,750,000.00	14.20%
Mass Mutual	1	1.89%	\$3,000,000.00	1.65%
MetLife	2	3.77%	\$500,000.00	0.28%
New England Financial	1	1.89%	\$1,473,215.00	0.81%
Pacific Life	1	1.89%	\$6,000,000.00	3.31%
Phoenix	1	1.89%	\$10,000,000.00	5.52%
Primerica	1	1.89%	\$100,000.00	0.06%
Prudential	1	1.89%	\$5,000,000.00	2.76%
RiverSource Life Insurance	1	1.89%	\$500,000.00	0.28%
State Farm Life	2	3.77%	\$292,230.00	0.16%
Sun Life Assurance	1	1.89%	\$6,000,000.00	3.31%
Transamerica	4	7.55%	\$13,500,000.00	7.45%
Transamerica Occ.	1	1.89%	\$800,000.00	0.44%
United of Omaha	3	5.66%	\$3,000,000.00	1.65%
US Financial Life	1	1.89%	\$200,000.00	0.11%
West Coast Life	3	5.66%	\$5,850,000.00	3.23%
Western Reserve Life	1	1.89%	\$400,000.00	0.22%
William Penn	1	1.89%	\$243,768.00	0.13%
Total	53	100.00%	\$181,312,628.00	100.00%

12 months premiums to 30 June 2021 was \$25,465,028.82

Aggregate Net Death Benefit Split by Illness

Illness	Policy Net Death Benefit
Alcoholism	5.66%
Brain Cancer	1.89%
Brain Stem Lesion	5.66%
Breast Cancer	3.77%
CAD	1.89%
Colon Cancer	3.77%
COPD	5.66%
Coronary Atherosclerosis	15.09%
Dementia	11.32%
Diabetes II	1.89%
Hyperlipidemia	3.77%
Hypertension	3.77%
Liver Cancer	1.89%
Lung Cancer	3.77%
Malignant Neoplasm of Gum	3.77%
Malignant Neoplasm of Trachea	1.89%
Mantle Cell Lymphoma	1.89%
Melanoma	1.89%
Mesothelioma	1.89%
Multiple Myeloma	1.89%
Myocardial Infarction	3.77%
Obstructive Pulmonary Disease	3.77%
Prostate Cancer	3.77%
Rectal Cancer	3.77%
Squamous Cell Cancer of the Tongue	1.89%