



EEA Fund Management  
(Guernsey) Limited

# EEA Life Settlements Fund

Portfolio Update  
30 June 2022

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*All data as at 30 June 2022 unless otherwise stated.*

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# Fund Commentary

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At the reporting date of 30 June 2022, the Fund held 42 life insurance policies with a total net death benefit of \$154.0 million. The average policy size (net death benefit) was approximately US\$3.67 million. The portfolio covered 23 illnesses, 26 lives and 22 insurance companies. Based upon weighted net death benefit, 96.34% of the portfolio was represented by insureds who were aged 80 or over, with an overall weighted average age of 93.9 years.

At the start of the year, the Fund's independent valuation agent, Maple Life Analytics, projected portfolio maturities for 2022 of \$55.0 million (but with a range of between \$17.8 million and \$90.1 million). In the six months ending 30 June 2022, there were 3 reported maturities with a total net death benefit of \$15.1 million.

The NAV per Share of the USD-denominated Cells decreased over the last quarter, ranging from -4.20% to -4.72% depending on the Cell. Given the reducing number of policies in the portfolio, the level of regularity of maturities is decreasing. The decrease over the last quarter was largely driven by a lack of maturities.

The effects of currency movements on the non-USD-denominated Cells over the last quarter were on average around 7.61% (GBP), 5.40% (EUR) and 8.57% (SEK). As a result, during the period the overall NAV per share of the GBP-denominated Cells (range 2.57% to 2.98%), the EUR-denominated Cells (range 0.49% to 0.77%), and the SEK-denominated Cells (3.41% to 3.54%) all increased over the quarter.

Following the end of the quarter, the Fund redeemed approximately \$2.96m of shares across all Continuing Cells in respect of the 1 July Redemption Day.

In respect of a payment to holders of Run-Off shares, noting the lack of maturities discussed above, and with monthly premium payments of approximately \$1.5m per month, the Board felt it was prudent to retain cash in the Fund. The Board will continue to keep the cash position under review and make a further distribution to holders of Run-Off Shares as cash levels permit.

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A discount rate of 13.74% 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 2022

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Year	Maturity projections (\$ million)	
2022	54,982,696	31.50%
2023	30,748,053	17.60%
2024	23,039,531	13.20%
2025	16,438,252	9.40%
2026	12,475,313	7.10%
2027+	36,967,444	21.20%
	<b>174,651,289</b>	<b>100.00%</b>

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 \$174.7m also takes into account potential future policy expiries.

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## Policy Split by State of Issue

State	Number of policies		Net Death Benefit	
AL	2	4.76%	\$292,230.00	0.19%
CA	5	11.90%	\$15,900,000.00	10.32%
DE	2	4.76%	\$5,000,000.00	3.25%
FL	4	9.52%	\$21,000,000.00	13.64%
GA	1	2.38%	\$750,000.00	0.49%
MA	1	2.38%	\$400,000.00	0.26%
MN	3	7.14%	\$10,395,639.00	6.75%
MS	1	2.38%	\$4,100,000.00	2.66%
NJ	12	28.57%	\$58,225,000.00	37.81%
NY	3	7.14%	\$11,716,983.00	7.61%
SC	1	2.38%	\$200,000.00	0.13%
SD	2	4.76%	\$14,000,000.00	9.09%
TN	2	4.76%	\$1,282,962.00	0.83%
TX	1	2.38%	\$500,000.00	0.32%
VA	1	2.38%	\$10,000,000.00	6.49%
WA	1	2.38%	\$250,000.00	0.16%
<b>Total</b>	<b>42</b>	<b>100.00%</b>	<b>\$154,012,814.00</b>	<b>100.00%</b>

## Policy Split by Net Death Benefit

NDB Range	Number of Policies		Net Death Benefit	
< \$0.5M	10	23.81%	\$2,281,637.00	1.48%
\$0.5M - \$0.99M	5	11.90%	\$3,032,962.00	1.97%
\$1.0M - \$2.49M	5	11.90%	\$6,473,215.00	4.20%
\$2.5M - \$4.99M	5	11.90%	\$17,225,000.00	11.18%
\$5.0M - \$7.49M	9	21.43%	\$47,000,000.00	30.52%
>= \$7.5M	8	19.05%	\$78,000,000.00	50.65%
<b>Total</b>	<b>42</b>	<b>100.00%</b>	<b>\$154,012,814.00</b>	<b>100.00%</b>

## Policy Split by Policy Type

Policy Type	Number of Policies		Policy Net Death Benefit	
	Count	Percentage	Amount	Percentage
Flexible Premium	19	44.19%	\$62,457,962.00	40.49%
Term	5	11.63%	\$1,700,000.00	1.10%
Universal Life	19	44.19%	\$90,104,852.00	58.41%
<b>Total</b>	<b>42</b>	<b>100.00%</b>	<b>\$154,012,814.00</b>	<b>100.00%</b>

## Policy Split by Age

Age Range	Number of Policies		Net Death Benefit	
	Count	Percentage	Amount	Percentage
50 - 59	4	9.52%	\$892,230.00	0.58%
60 - 69	6	14.29%	\$3,395,584.00	2.20%
70 - 79	3	7.14%	\$1,350,000.00	0.88%
80 - 89	6	14.29%	\$24,500,000.00	15.91%
90 - 99	18	42.86%	\$97,625,000.00	63.39%
100+	5	11.90%	\$26,250,000.00	17.04%
<b>Total</b>	<b>42</b>	<b>100.00%</b>	<b>\$154,012,814.00</b>	<b>100.00%</b>

## Policy Split by Insurance Company

Insurance Company	Number of Policies		Policy Net Death Benefit	
American General Life	6	14.29%	\$11,300,000.00	7.34%
American National	1	2.38%	\$10,000,000.00	6.49%
AXA	5	11.90%	\$38,000,000.00	24.67%
Federated Life	1	2.38%	\$732,962.00	0.48%
John Hancock	1	2.38%	\$5,000,000.00	3.25%
Lincoln Benefit	4	9.52%	\$18,420,639.00	11.96%
Lincoln Financial	1	2.38%	\$10,000,000.00	6.49%
Lincoln National	2	4.76%	\$20,000,000.00	12.99%
Mass Mutual	1	2.38%	\$3,000,000.00	1.95%
MetLife	2	4.76%	\$500,000.00	0.32%
New England Financial	1	2.38%	\$1,473,215.00	0.96%
Pacific Life	1	2.38%	\$6,000,000.00	3.90%
Primerica	1	2.38%	\$100,000.00	0.06%
Prudential	1	2.38%	\$5,000,000.00	3.25%
RiverSource Life Insurance	1	2.38%	\$500,000.00	0.32%
State Farm Life	2	4.76%	\$292,230.00	0.19%
Sun Life Assurance	1	2.38%	\$6,000,000.00	3.90%
Transamerica	4	9.52%	\$13,500,000.00	8.77%
United of Omaha	3	7.14%	\$3,000,000.00	1.95%
US Financial Life	1	2.38%	\$200,000.00	0.13%
West Coast Life	1	2.38%	\$750,000.00	0.49%
William Penn	1	2.38%	\$243,768.00	0.16%
<b>Total</b>	<b>42</b>	<b>100.00%</b>	<b>\$154,012,814.00</b>	<b>100.00%</b>

12 months premiums to 30 June 2022 was \$20,740,505.78

## Aggregate Net Death Benefit Split by Illness

Illness	Policy Net Death Benefit
Alcoholism	13.64%
Brain Cancer	0.48%
Brain Stem Lesion	1.11%
Breast Cancer	0.39%
CAD	0.32%
Colon Cancer	0.16%
COPD	13.64%
Coronary Atherosclerosis	16.23%
Dementia	9.09%
Diabetes II	6.49%
Hyperlipidemia	12.99%
Hypertension	8.52%
Liver Cancer	0.19%
Lung Cancer	0.06%
Malignant Neoplasm of Trachea	2.66%
Mantle Cell Lymphoma	2.60%
Mesothelioma	0.26%
Multiple Myeloma	0.32%
Myocardial Infarction	3.25%
Obstructive Pulmonary Disease	6.49%
Prostate Cancer	0.42%
Rectal Cancer	0.19%
Squamous Cell Cancer of the Tongue	0.49%