



EEA Fund Management
(Guernsey) Limited

EEA Life Settlements Fund

Portfolio Update
30 June 2023

Important Information

This material is being issued by EEA Fund Management (Guernsey) Limited (which is licensed by the Guernsey Financial Services Commission to carry on the restricted activities of promotion, subscription, dealing, management, advising and administration in connection with Category 1 Collective Investment Schemes and Category 2 General Securities and Derivatives under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended), and has been approved for issue in the UK by EEA Fund Management Limited (which is authorised and regulated by the Financial Conduct Authority ("FCA")).

EEA Life Settlements Fund PCC Limited (the "Fund" or "EEA Life Settlements Fund") is an unregulated collective investment scheme as contemplated by the Financial Services and Markets Act 2000 and, accordingly, its promotion in the UK is restricted by law. It may be promoted by a UK authorised person in accordance with Section 238 of the UK Financial Services and Markets Act 2000 Act and/or the FCA Rules. Any person who is not an authorised person may not distribute it to any other person. This document may not be given to, or relied or acted upon by, any other person.

As at the date of this document, the Fund has not been approved, notified or registered in accordance with Article 42 of the EU Alternative Investment Fund Managers Directive (2011/61/EU) for marketing to professional investors in any member state of the European Economic Area. Such approval, notification or registration will not be made or sought in the future since the Fund is closed to further subscriptions and will not, therefore, be marketed to professional investors in the European Economic Area.

The Fund is closed to further subscriptions and neither this document nor the Fund's Information Memorandum and Supplements (which, amongst other things, set out the risk factors associated with an investment in the Fund) constitute a direct or indirect offering or placement of shares or any other opportunity to invest in the Fund. Nothing contained in this note is to be construed as providing or offering investment, legal, accounting, tax or other advice and nothing should be relied on as such. The value of investments may go down as well as up and may be affected by changes in rates of exchange. Past performance should not be taken as an indication or guarantee of future performance and no representation or warranty, express or implied, is made regarding performance. Investments in the Fund do not provide capital guarantees like a deposit account and are not readily accessible. The rules on taxation can change and/or the tax treatment of the Fund could be challenged. Whilst all reasonable efforts have been made to ensure this document is accurate and up to date, no representations or warranties, either express or implied, are given as to the reliability, accuracy or completeness of the information contained in this note. Any opinions expressed are judgments at the time of writing and are subject to change without notice. To the extent permitted by law or regulation, no liability is accepted for any damage or loss, including without limitation loss of profit whether direct, indirect or consequential, in respect of the use of this material.

All data as at 30 June 2023 unless otherwise stated.

Fund Commentary

At the reporting date of 30 June 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 half of 2023 ending 30 June 2022, there were 2 reported maturities with a total net death benefit of \$20 million.

The NAV per Share of the USD-denominated Cells decreased over the last quarter. The range was between -2.69% to -3.88% depending on the Cell. The decrease over the last quarter was primarily due to a combination of no maturities during the period combined with an increase in discount rates (which are set by the Independent Valuation Agent based on the market trends of life policies).

The effects of currency movements on the non-USD-denominated Cells over the last quarter were on average around -2.42% (GBP), -0.56% (EUR) and 3.41% (SEK). As a result, during the period the overall NAV per share of the GBP-denominated Cells (range -4.99% to -6.59%), the EUR-denominated Cells (range -3.40% to -4.53%), and the SEK-denominated Cells (-0.21% to -0.27%) all decreased over the quarter.

The Fund's Board provided an update to the Q&A in relation to the Coventry Litigation in April – this update is included in the Fund's Q&A document, available at www.eeafmg.com/eea-life-settlements-fund.

A discount rate of 15.16% 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 \$11,657,347.08

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%