



EEA Fund Management
(Guernsey) Limited

EEA Life Settlements Fund

Portfolio Update
30 September 2021

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All data as at 30 September 2021 unless otherwise stated.

Fund Commentary

At the reporting date of 30 September 2021, the Fund held 49 life insurance policies with a total net death benefit of \$175 million. The average policy size (net death benefit) was approximately US\$3.6 million. The portfolio covered 24 illnesses, 31 lives and 25 insurance companies. Based upon weighted net death benefit, 96.50% 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 nine months ending 30 September 2021, there were ten reported maturities with a total net death benefit of \$50.25 million.

The NAV per Share of the USD-denominated Cells decreased over the last quarter, ranging from -3.68% to -3.85% depending on the Cell. This decrease resulted largely from a level of maturities reported below projections.

The effect of currency movements on the non-USD-denominated Cells over the last quarter were on average around +2.56% (GBP), +2.34% (EUR) and +2.39% (SEK). As a result, during the period the overall NAV per share of the GBP-denominated Cells (range -1.45% to -1.61%), the EUR-denominated Cells (range -1.58% to -1.85%), and the SEK-denominated Cells (range -1.47% to -1.53%) all decreased over the quarter.

Following the end of the quarter, the Fund redeemed approximately \$1.45 million of shares across all Continuing Cells in respect of the 1 October 2021 Redemption Day.

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.

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%

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	4.08%	\$292,230.00	0.17%
CA	5	10.20%	\$15,900,000.00	9.08%
DE	3	6.12%	\$5,500,000.00	3.14%
FL	5	10.20%	\$25,600,000.00	14.61%
GA	1	2.04%	\$750,000.00	0.43%
MA	1	2.04%	\$400,000.00	0.23%
MI	1	2.04%	\$10,000,000.00	5.71%
MN	3	6.12%	\$10,395,639.00	5.93%
MS	1	2.04%	\$4,100,000.00	2.34%
NC	2	4.08%	\$5,000,000.00	2.85%
NJ	12	24.49%	\$58,225,000.00	33.24%
NY	3	6.12%	\$11,716,983.00	6.69%
PA	1	2.04%	\$800,000.00	0.46%
SC	1	2.04%	\$200,000.00	0.11%
SD	2	4.08%	\$14,000,000.00	7.99%
TN	2	4.08%	\$1,282,962.00	0.73%
TX	1	2.04%	\$500,000.00	0.29%
VA	1	2.04%	\$10,000,000.00	5.71%
WA	2	4.08%	\$500,000.00	0.29%
Total	49	100.00%	\$175,162,814.00	100.00%

Policy Split by Net Death Benefit

NDB Range	Number of Policies		Net Death Benefit	
< \$0.5M	11	22.45%	\$2,531,637.00	1.45%
\$0.5M - \$0.99M	7	14.29%	\$4,332,962.00	2.47%
\$1.0M - \$2.49M	5	10.20%	\$6,473,215.00	3.70%
\$2.5M - \$4.99M	8	16.33%	\$26,825,000.00	15.31%
\$5.0M - \$7.49M	9	18.37%	\$47,000,000.00	26.83%
>= \$7.5M	9	18.37%	\$88,000,000.00	50.24%
Total	49	100.00%	\$175,162,814.00	100.00%

Policy Split by Policy Type

Policy Type	Number of Policies		Policy Net Death Benefit	
Flexible Premium	23	46.94%	\$82,057,962.00	46.85%
Term	5	10.20%	\$1,700,000.00	0.97%
Univesal Life	21	42.86%	\$91,404,852.00	52.18%
Total	49	100.00%	\$175,162,814.00	100.00%

Note: Policies have a termination age. The Investment Adviser has estimated, as at 30 September 2021, that around 0.47% 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 0.94% 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	8.16%	\$892,230.00	0.51%
60 - 69	7	14.29%	\$3,495,584.00	2.00%
70 - 79	3	6.12%	\$1,750,000.00	1.00%
80 - 89	6	12.24%	\$24,500,000.00	13.99%
90 - 99	29	59.18%	\$144,525,000.00	82.51%
Total	49	100.00%	\$175,162,814.00	100.00%

Policy Split by Insurance Company

Insurance Company	Number of Policies		Policy Net Death Benefit	
American General Life	6	12.24%	\$11,300,000.00	6.45%
American National	1	2.04%	\$10,000,000.00	5.71%
Aviva Life Insurance Co	1	2.04%	\$250,000.00	0.14%
AXA	5	10.20%	\$38,000,000.00	21.69%
Federated Life	1	2.04%	\$732,962.00	0.42%
John Hancock	1	2.04%	\$5,000,000.00	2.85%
Lincoln Benefit	4	8.16%	\$18,420,639.00	10.52%
Lincoln Financial	1	2.04%	\$10,000,000.00	5.71%
Lincoln National	4	8.16%	\$25,000,000.00	14.27%
Mass Mutual	1	2.04%	\$3,000,000.00	1.71%
MetLife	2	4.08%	\$500,000.00	0.29%
New England Financial	1	2.04%	\$1,473,215.00	0.84%
Pacific Life	1	2.04%	\$6,000,000.00	3.43%
Phoenix	1	2.04%	\$10,000,000.00	5.71%
Primerica	1	2.04%	\$100,000.00	0.06%
Prudential	1	2.04%	\$5,000,000.00	2.85%
RiverSource Life Insurance	1	2.04%	\$500,000.00	0.29%
State Farm Life	2	4.08%	\$292,230.00	0.17%
Sun Life Assurance	1	2.04%	\$6,000,000.00	3.43%
Transamerica	4	8.16%	\$13,500,000.00	7.71%
Transamerica Occ.	1	2.04%	\$800,000.00	0.46%
United of Omaha	3	6.12%	\$3,000,000.00	1.71%
US Financial Life	1	2.04%	\$200,000.00	0.11%
West Coast Life	3	6.12%	\$5,850,000.00	3.34%
William Penn	1	2.04%	\$243,768.00	0.14%
Total	49	100.00%	\$175,162,814.00	100.00%

12 months premiums to 30 September 2021 was \$24,594,085.67

Aggregate Net Death Benefit Split by Illness

Illness	Policy Net Death Benefit
Alcoholism	6.12%
Brain Cancer	2.04%
Brain Stem Lesion	6.12%
Breast Cancer	4.08%
CAD	2.04%
Colon Cancer	4.08%
COPD	6.12%
Coronary Atherosclerosis	16.33%
Dementia	12.24%
Diabetes II	2.04%
Hyperlipidemia	4.08%
Hypertension	4.08%
Liver Cancer	2.04%
Lung Cancer	2.04%
Malignant Neoplasm of Trachea	2.04%
Mantle Cell Lymphoma	2.04%
Melanoma	2.04%
Mesothelioma	2.04%
Multiple Myeloma	2.04%
Myocardial Infarction	4.08%
Obstructive Pulmonary Disease	2.04%
Prostate Cancer	4.08%
Rectal Cancer	4.08%
Squamous Cell Cancer of the Tongue	2.04%