



EEA Fund Management  
(Guernsey) Limited

# EEA Life Settlements Fund

Portfolio Update  
30 September 2022

# Important Information

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

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# Fund Commentary

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At the reporting date of 30 September 2022, the Fund held 37 life insurance policies with a total net death benefit of \$124.9 million. The average policy size (net death benefit) was approximately US\$3.38 million. The portfolio covered 22 illnesses, 24 lives and 20 insurance companies. Based upon weighted net death benefit, 95.49% of the portfolio was represented by insureds who were aged 80 or over, with an overall weighted average age of 92.7 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 nine months ending 30 September 2022, there were 8 reported maturities with a total net death benefit of \$44.2 million.

The NAV per Share of the USD-denominated Cells increased over the last quarter, ranging from 7.29% to 8.54% depending on the Cell. The increase over the last quarter was largely driven by five maturities totalling over \$30m.

The effects of currency movements on the non-USD-denominated Cells over the last quarter were on average around 8.45% (GBP), 6.60% (EUR) and 8.06% (SEK). As a result, during the period the overall NAV per share of the GBP-denominated Cells (range 15.73% to 18.26%), the EUR-denominated Cells (range 13.94% to 16.22%), and the SEK-denominated Cells (15.25% to 17.55%) all increased over the quarter.

Following the end of the quarter, the Fund redeemed approximately \$1.73m of shares across all Continuing Cells in respect of the 3 October 22 Redemption Day.

Finally, the Board has confirmed that a distribution of \$10m will be made to holders of Run-Off Cells in January 2023.

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A discount rate of 13.24% 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	5.41%	\$292,230.00	0.23%
CA	5	13.51%	\$15,900,000.00	12.73%
DE	2	5.41%	\$5,000,000.00	4.00%
FL	1	2.70%	\$5,000,000.00	4.00%
GA	1	2.70%	\$750,000.00	0.60%
MA	1	2.70%	\$400,000.00	0.32%
MN	2	5.41%	\$395,639.00	0.32%
MS	1	2.70%	\$4,100,000.00	3.28%
NJ	11	29.73%	\$55,100,000.00	44.12%
NY	3	8.11%	\$11,716,983.00	9.38%
SC	1	2.70%	\$200,000.00	0.16%
SD	2	5.41%	\$14,000,000.00	11.21%
TN	2	5.41%	\$1,282,962.00	1.03%
TX	1	2.70%	\$500,000.00	0.40%
VA	1	2.70%	\$10,000,000.00	8.01%
WA	1	2.70%	\$250,000.00	0.20%
<b>Total</b>	<b>37</b>	<b>100.00%</b>	<b>\$124,887,814.00</b>	<b>100.00%</b>

## Policy Split by Net Death Benefit

NDB Range	Number of Policies		Net Death Benefit	
< \$0.5M	10	27.03%	\$2,281,637.00	1.83%
\$0.5M - \$0.99M	5	13.51%	\$3,032,962.00	2.43%
\$1.0M - \$2.49M	5	13.51%	\$6,473,215.00	5.18%
\$2.5M - \$4.99M	3	8.11%	\$11,100,000.00	8.89%
\$5.0M - \$7.49M	8	21.62%	\$42,000,000.00	33.63%
>= \$7.5M	6	16.22%	\$60,000,000.00	48.04%
<b>Total</b>	<b>37</b>	<b>100.00%</b>	<b>\$124,887,814.00</b>	<b>100.00%</b>

## Policy Split by Policy Type

Policy Type	Number of Policies		Policy Net Death Benefit	
Flexible Premium	16	43.24%	\$56,082,962.00	44.91%
Term	5	13.51%	\$1,700,000.00	1.36%
Universal Life	16	43.24%	\$67,104,852.00	53.73%
<b>Total</b>	<b>37</b>	<b>100.00%</b>	<b>\$124,887,814.00</b>	<b>100.00%</b>

## Policy Split by Age

Age Range	Number of Policies		Net Death Benefit	
50 - 59	4	10.81%	\$892,230.00	0.71%
60 - 69	6	16.22%	\$3,395,584.00	2.72%
70 - 79	3	8.11%	\$1,350,000.00	1.08%
80 - 89	6	16.22%	\$24,500,000.00	19.62%
90 - 99	17	45.95%	\$94,500,000.00	75.67%
100+	1	2.70%	\$250,000.00	0.20%
<b>Total</b>	<b>37</b>	<b>100.00%</b>	<b>\$124,887,814.00</b>	<b>100.00%</b>

## Policy Split by Insurance Company

Insurance Company	Number of Policies		Policy Net Death Benefit	
American General Life	6	16.22%	\$11,300,000.00	9.05%
American National	1	2.70%	\$10,000,000.00	8.01%
AXA	3	8.11%	\$20,000,000.00	16.01%
Federated Life	1	2.70%	\$732,962.00	0.59%
Lincoln Benefit	3	8.11%	\$15,295,639.00	12.25%
Lincoln Financial	1	2.70%	\$10,000,000.00	8.01%
Lincoln National	2	5.41%	\$20,000,000.00	16.01%
MetLife	2	5.41%	\$500,000.00	0.40%
New England Financial	1	2.70%	\$1,473,215.00	1.18%
Pacific Life	1	2.70%	\$6,000,000.00	4.80%
Primerica	1	2.70%	\$100,000.00	0.08%
Prudential	1	2.70%	\$5,000,000.00	4.00%
RiverSource Life Insurance	1	2.70%	\$500,000.00	0.40%
State Farm Life	2	5.41%	\$292,230.00	0.23%
Sun Life Assurance	1	2.70%	\$6,000,000.00	4.80%
Transamerica	4	10.81%	\$13,500,000.00	10.81%
United of Omaha	3	8.11%	\$3,000,000.00	2.40%
US Financial Life	1	2.70%	\$200,000.00	0.16%
West Coast Life	1	2.70%	\$750,000.00	0.60%
William Penn	1	2.70%	\$243,768.00	0.20%
<b>Total</b>	<b>37</b>	<b>100.00%</b>	<b>\$124,887,814.00</b>	<b>100.00%</b>

12 months premiums to 30 September 2022 was \$19,195,587.13

## Aggregate Net Death Benefit Split by Illness

Illness	Policy Net Death Benefit
Brain Cancer	0.59%
Brain Stem Lesion	1.37%
Breast Cancer	0.48%
CAD	0.40%
Colon Cancer	0.20%
COPD	16.82%
Coronary Atherosclerosis	16.01%
Dementia	11.21%
Diabetes II	8.01%
Hyperlipidemia	16.01%
Hypertension	8.01%
Liver Cancer	0.24%
Lung Cancer	0.08%
Malignant Neoplasm of Trachea	3.28%
Mantle Cell Lymphoma	3.20%
Mesothelioma	0.32%
Multiple Myeloma	0.40%
Myocardial Infarction	4.00%
Obstructive Pulmonary Disease	8.01%
Prostate Cancer	0.52%
Rectal Cancer	0.23%
Squamous Cell Cancer of the Tongue	0.60%