



EEA Fund Management
(Guernsey) Limited

EEA Life Settlements Fund

Portfolio Update
31 December 2022

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All data as at 31 December 2022 unless otherwise stated.

Fund Commentary

At the reporting date of 31 December 2022, the Fund held 35 life insurance policies with a total net death benefit of \$124.0 million. The average policy size (net death benefit) was approximately US\$3.54 million. The portfolio covered 20 illnesses, 22 lives and 19 insurance companies. Based upon weighted net death benefit, 95.45% of the portfolio was represented by insureds who were aged 80 or over, with an overall weighted average age of 93.0 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 year ending 31 December 2022, there were 10 reported maturities with a total net death benefit of \$45.1 million.

The NAV per Share of the USD-denominated Cells decreased over the last quarter, ranging from -1.29% to -1.79% depending on the Cell. The decrease over the last quarter was largely driven by non-recurring professional fees.

The effects of currency movements on the non-USD-denominated Cells over the last quarter were on average around -6.92% (GBP), -7.88% (EUR) and -5.61% (SEK). As a result, during the period the overall NAV per share of the GBP-denominated Cells (range -7.82% to -9.85%), the EUR-denominated Cells (range -8.47% to -10.01%), and the SEK-denominated Cells (-6.51% to -7.52%) all decreased over the quarter.

Following the end of the quarter, the Fund redeemed approximately \$8.41m of shares across all Continuing Cells and \$10m of shares across all Run-Off Cells in respect of the 3 January 23 Redemption Day.

The Fund has also provided an update regarding the proposed rollover into a new closed-ended fund to be admitted to trading on the London Stock Exchange, which is also available at <https://www.eeafmg.com/news>.

A discount rate of 12.74% 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

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%
	174,651,289	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 \$174.7m also takes into account potential future policy expiries.

Policy Split by State of Issue

State	Number of policies		Net Death Benefit	
AL	2	5.71%	\$292,230.00	0.24%
CA	4	11.43%	\$15,400,000.00	12.42%
DE	2	5.71%	\$5,000,000.00	4.03%
FL	1	2.86%	\$5,000,000.00	4.03%
GA	1	2.86%	\$750,000.00	0.60%
MN	2	5.71%	\$395,639.00	0.32%
MS	1	2.86%	\$4,100,000.00	3.31%
NJ	11	31.43%	\$55,100,000.00	44.44%
NY	3	8.57%	\$11,716,983.00	9.45%
SC	1	2.86%	\$200,000.00	0.16%
SD	2	5.71%	\$14,000,000.00	11.29%
TN	2	5.71%	\$1,282,962.00	1.03%
TX	1	2.86%	\$500,000.00	0.40%
VA	1	2.86%	\$10,000,000.00	8.07%
WA	1	2.86%	\$250,000.00	0.20%
Total	35	100.00%	\$123,987,814.00	100.00%

Policy Split by Net Death Benefit

NDB Range	Number of Policies		Net Death Benefit	
< \$0.5M	9	25.71%	\$1,881,637.00	1.52%
\$0.5M - \$0.99M	4	11.43%	\$2,532,962.00	2.04%
\$1.0M - \$2.49M	5	14.29%	\$6,473,215.00	5.22%
\$2.5M - \$4.99M	3	8.57%	\$11,100,000.00	8.95%
\$5.0M - \$7.49M	8	22.86%	\$42,000,000.00	33.87%
>= \$7.5M	6	17.14%	\$60,000,000.00	48.39%
Total	35	100.00%	\$123,987,814.00	100.00%

Policy Split by Policy Type

Policy Type	Number of Policies		Policy Net Death Benefit	
	Count	Percentage	Amount	Percentage
Flexible Premium	15	42.86%	\$55,582,962.00	44.83%
Term	5	14.29%	\$1,700,000.00	1.37%
Universal Life	15	42.86%	\$66,704,852.00	53.80%
Total	35	100.00%	\$123,987,814.00	100.00%

Policy Split by Age

Age Range	Number of Policies		Net Death Benefit	
	Count	Percentage	Amount	Percentage
50 - 59	4	11.43%	\$892,230.00	0.72%
60 - 69	6	17.14%	\$3,395,584.00	2.74%
70 - 79	3	8.57%	\$1,350,000.00	1.09%
80 - 89	5	14.29%	\$24,100,000.00	19.44%
90 - 99	16	45.71%	\$94,000,000.00	75.81%
100+	1	2.86%	\$250,000.00	0.20%
Total	35	100.00%	\$123,987,814.00	100.00%

Policy Split by Insurance Company

Insurance Company	Number of Policies		Policy Net Death Benefit	
American General Life	6	17.14%	\$11,300,000.00	9.11%
American National	1	2.86%	\$10,000,000.00	8.07%
AXA	3	8.57%	\$20,000,000.00	16.13%
Federated Life	1	2.86%	\$732,962.00	0.59%
Lincoln Benefit	3	8.57%	\$15,295,639.00	12.34%
Lincoln Financial	1	2.86%	\$10,000,000.00	8.07%
Lincoln National	2	5.71%	\$20,000,000.00	16.13%
MetLife	2	5.71%	\$500,000.00	0.40%
New England Financial	1	2.86%	\$1,473,215.00	1.19%
Pacific Life	1	2.86%	\$6,000,000.00	4.84%
Primerica	1	2.86%	\$100,000.00	0.08%
Prudential	1	2.86%	\$5,000,000.00	4.03%
State Farm Life	2	5.71%	\$292,230.00	0.24%
Sun Life Assurance	1	2.86%	\$6,000,000.00	4.84%
Transamerica	3	8.57%	\$13,100,000.00	10.57%
United of Omaha	3	8.57%	\$3,000,000.00	2.42%
US Financial Life	1	2.86%	\$200,000.00	0.16%
West Coast Life	1	2.86%	\$750,000.00	0.60%
William Penn	1	2.86%	\$243,768.00	0.20%
Total	35	100.00%	\$123,987,814.00	100.00%

12 months premiums to 31 December 2022 was \$17,397,349.20

Aggregate Net Death Benefit Split by Illness

Illness	Policy Net Death Benefit
Brain Cancer	0.59%
Brain Stem Lesion	1.38%
Breast Cancer	0.48%
Colon Cancer	0.20%
COPD	16.94%
Coronary Atherosclerosis	16.13%
Dementia	11.29%
Diabetes II	8.07%
Hyperlipidemia	16.13%
Hypertension	8.07%
Liver Cancer	0.24%
Lung Cancer	0.08%
Malignant Neoplasm of Trachea	3.31%
Mantle Cell Lymphoma	3.23%
Multiple Myeloma	0.40%
Myocardial Infarction	4.03%
Obstructive Pulmonary Disease	8.07%
Prostate Cancer	0.52%
Rectal Cancer	0.24%
Squamous Cell Cancer of the Tongue	0.60%