

## EEA LIFE SETTLEMENTS FUND PCC LIMITED

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Dear Shareholders

### **Update on proposed rollover into a new closed-ended fund to be admitted to trading on the London Stock Exchange**

We are writing to you to provide an update on the proposals which the board of directors (the "**Board**") of EEA Life Settlements Fund PCC Limited (the "**Fund**") relayed to shareholders of the Fund (the "**Shareholders**") in the letters from the Board dated 31 October 2022 and 28 December 2022 (the "**Shareholder Updates**" and the "**Proposals**").

The Proposals would see all Shareholders exchange their interest in the Fund for shares in a newly established fund (the "**New Fund**"), which would be admitted to trading on the London Stock Exchange (the "**LSE**").

In the most recent Shareholder Update, the Board committed to provide an update to Shareholders on implementation of the Proposals no later than 31 March 2023, or earlier should the Proposals prove unviable.

#### ***Update on the Proposals***

As noted to Shareholders in the Shareholder Updates, the Proposals are conditional on a number of factors, including obtaining the necessary regulatory approvals required to implement the Proposals.

The Board has decided to pause work on the Proposals. This decision has not been taken lightly and we apologise for the ongoing uncertainty which this creates for Shareholders.

The considerations leading to the decision to pause work on the Proposals are complex but broadly include the following areas, being: (i) the uncertainty created by the ongoing litigation with Coventry (the "**Coventry Litigation**"); (ii) recent large maturities; (iii) the regulatory approvals which are required to proceed with the Proposals; and (iv) the continuing ability of the Fund to bring the scheme of arrangement which forms part of the Proposals to the Royal Court in Guernsey, taking into account the foregoing.

The Board is unable to comment in detail on the Coventry Litigation as it is ongoing; however, we refer Shareholders to the Q&A document on the Manager's website at [www.eeafmg.com/eea-life-settlements-fund/](http://www.eeafmg.com/eea-life-settlements-fund/) for the background to the Coventry Litigation.

In addition, the required regulatory approvals for the New Fund would require strong evidence of the increase in value to Shareholders of the Proposals. Indeed, the Board continues to believe that the successful implementation of the Proposals would likely be beneficial to Shareholders by providing the opportunity to exit their shareholdings in the secondary market.<sup>1</sup>

However, the Board has always been pro-active in assessing Shareholder value and recent improved liquidity within the Fund has narrowed the gap between the value to Shareholders of the Proposals, and the value that

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<sup>1</sup> The secondary market is a market which exists in an investment after it has been issued – in this case, the secondary market refers to the market in the shares in the New Fund which will exist and be facilitated by admission to trading on the LSE.

might be achieved through continued operation of the Fund while streamlining the Fund's structure. It is anticipated that such streamlining of the Fund's structure would remove all non-essential fees and expenses. The Board is actively investigating the relative merits of this alternative option now, with a view to maximising value for the Fund and Shareholders as a whole.

While each option will have benefits, risks, and drawbacks, we are currently assessing all options and we are working to formalise a plan to achieve the best outcomes for the Fund and its Shareholders as a whole.

The Board is of the view that the only viable options at this point are to progress with the Proposals which will provide potential secondary market liquidity options or to start streamlining the Fund in order to maximise returns to Shareholders as the Fund's portfolio matures.

***When will further information become available?***

The Board will update Shareholders on the matters referred to in this letter no later than 30 June 2023, or earlier if a further Shareholder update is warranted.

We understand that Shareholders may have questions in relation to this letter. If you do wish to ask a question, please email [eea@mjhudson.com](mailto:eea@mjhudson.com). Please note that the Fund's resources are currently directed towards determining the optimum path forward for the Fund – accordingly, the Board thanks Shareholders for their patience in this respect.

Yours faithfully

**The Board**

**EEA Life Settlements Fund PCC Limited**