
SUPPLEMENT 5 FOR EEA LIFE SETTLEMENTS FUND PCC LIMITED:

USD Fund Dist Cell

1 March 2021

This Supplement to the Information Memorandum of EEA Life Settlements Fund PCC Limited relates to USD Fund Dist Cell.

THE COMPANY IS CLOSED TO FURTHER SUBSCRIPTIONS. THIS SUPPLEMENT IS BEING PROVIDED SOLELY TO MEET THE COMPANY'S REGULATORY REQUIREMENTS IN ACCORDANCE WITH THE CLASS B RULES AND DOES NOT CONSTITUTE A DIRECT OR INDIRECT OFFERING OR PLACEMENT OF SHARES OR ANY OTHER OPPORTUNITY TO INVEST IN THE COMPANY.

This Supplement must be read in conjunction with the Information Memorandum and applications for Shares will be accepted only on that basis.

Further copies of the Information Memorandum can be obtained from the Manager, namely EEA Fund Management (Guernsey) Limited of PO Box 141, La Tonnelle House, Les Banques, St Sampson, Guernsey GY1 3HS.

USD Fund Dist Cell is a Cell of EEA Life Settlements Fund PCC Limited, an open-ended protected cell investment company registered with limited liability in Guernsey on 20 June 2005 and authorised by the Guernsey Financial Services Commission as a Class B collective investment scheme.

Words defined in the Information Memorandum unless otherwise defined shall have the same meaning in this Supplement.

DEFINITIONS

The definitions herein shall apply to the USD Fund Dist Cell only.

“Available Cash” means cash held directly by the Cell after deduction for any accrued fees and expenses (for the avoidance of doubt, cash required to pay the premia on Current Underlying Investments from time to time attributable to the Cell for a one year period (or such longer or shorter period as the Directors may determine from time to time) will be retained by the Cell or one or more subsidiaries of the Company and will not be Available Cash for this purpose). Shareholders will be notified by way of an announcement on the Manager’s website (<https://www.eeafmg.com/eea-life-settlements-fund/>) or in such other manner as the Directors may determine from time to time, in due course of any such determination.

“Cell” means USD Fund Dist Cell.

“Continuing Cells” means the continuing cells of the Company (including this Cell) in existence immediately prior to the Effective Date.

“Effective Date” means 1 January 2014.

“Redemption Day” means a day when the Shares in the Cell can be redeemed, normally being the first Business Day of each calendar quarter. However, the Directors may select other and/or additional day or days either generally or different days for different purposes at their discretion.

“Shares” means shares in the Cell.

“Valuation Point” means 23.59 hours (Guernsey time) on the Business Day immediately preceding the relevant Redemption Day and/or such other time or times

and day or days as the Directors may determine, either generally or in any particular case.

BASE CURRENCY

The Cell is denominated in USD.

INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS

Investment objective

The investment objective of the Cell is to invest in life insurance policies issued primarily in the United States. The Cell aims to achieve long term capital growth by investing initially in EEA Inc through investment in EEA Holdings, which invests in the Master Subsidiary and Master Sub II, and subsequently in Other Instruments. Master Sub II invests exclusively in EEA Inc.

The Cell will achieve the spreading of risk by investing in EEA Inc (through EEA Holdings which invests in the Master Subsidiary and Master Sub II, which in turn invests in EEA Inc), and by subsequently investing in Other Instruments, which invest in a diversified portfolio of life insurance policies issued primarily in the United States.

Investment policy

The investment policy of the Cell will be initially to invest in EEA Inc through EEA Holdings which invests in the Master Subsidiary and the Master Sub II. The Master Sub II invests exclusively in EEA Inc. EEA Inc invests in a diversified portfolio of life insurance policies. It is anticipated that such insurance policies will be held to maturity, though the Manager has flexibility to sell investments to third parties before maturity or let them lapse if it deems it appropriate. As Current Underlying Investments mature/are realised and the proceeds are repatriated to the Cell, maturity/realisation proceeds which are Available Cash will be paid to the Cell where the balance of such proceeds which is not required to fund redemptions of Shares (net of any accrued fees and/or expenses) will be used by the Cell to invest in New Underlying Investments via the Cell investing in Other Instruments.

Investment restrictions

Subject to the restrictions in the Information Memorandum, the Cell may invest in foreign exchange forward contracts, futures contracts and options for the purpose of hedging the investments only.

Borrowing policy / Leverage policy

Subject to the restrictions stated in the Information Memorandum, the Cell may borrow for redemption and payment of expenses. However, it is not the policy of the Cell to borrow for leveraging its investments.

ADMINISTRATION

The Manager, the Custodian, the Administrator, Secretary and Registrar for the Cell shall be the same as the Company, details of which are set out in the Information Memorandum.

TAXATION

For a high level summary of certain tax considerations relating to investment in Shares see the section headed “United Kingdom” in the section headed “TAXATION” in the Information Memorandum.

The Shares in the Cell will constitute interests in an offshore fund. The Directors have obtained from the United Kingdom HM Revenue & Customs recognition of Shares in the Cell as a reporting fund with effect from the accounting period beginning on 1 January 2010. The effect of obtaining and maintaining reporting fund status (and, where applicable, distributing fund status) throughout a Shareholder’s relevant period of ownership would be that any gains on disposal of Shares in the Cell would be taxed as capital gains. However, there can be no guarantee that reporting fund status will be maintained for the Shares in the Cell. Due to the delay in finalising the audits of the accounts for the 2011 financial year and 2012 financial year, certain obligations arising under the reporting fund regime were not complied with within the requisite time limits. In relation to both the 2011 financial year and the 2012 financial year, the relevant audited accounts have now been provided to the United Kingdom HM Revenue & Customs. The United Kingdom HM Revenue & Customs have confirmed that the late submission of each set of accounts each

constituted a minor breach for the purposes of the reporting fund regime. If the Fund were to commit four minor breaches of the reporting fund regime in any ten year period, the fourth of such breaches would be regarded as a serious breach for the purposes of the regime. A serious breach of the reporting fund regime could result in withdrawal of reporting fund status. Were such status subsequently to be withdrawn, any gains arising to Shareholders resident in the United Kingdom on a sale, redemption or other disposal of Shares in the Cell (including a deemed disposal on death) would be taxed as offshore income gains rather than capital gains.

DEALING PROCESS

Subscription

The Cell is closed to further subscriptions unless and until the Directors in their absolute discretion determine otherwise.

Minimum holding

Subject to the redemption provisions described below, investors may make a partial redemption of their shareholding in the Cell provided that the individual redemptions are not less than USD10,000 in value and the aggregate value of their shareholding does not as a consequence fall below USD50,000. The Directors may in their discretion reduce such minimum redemption value and holding.

Redemptions

Shares will be redeemable at the option of the Shareholder on a quarterly basis on the first Business Day of each calendar quarter upon at least 95 calendar days' prior written notice.

Requests for redemption must be received by the Administrator by 5 p.m. on a Business Day not less than 95 calendar days prior to the relevant Redemption Day for redemption on such Redemption Day. Any redemption request received later than the specific Business Day will be processed on the first Redemption Day occurring not less than 95 calendar days after receipt of the redemption request unless it is properly withdrawn by the Shareholder with the approval of the Manager.

The redemption proceeds will be paid to the investors normally within 30 days following the relevant Redemption Day, subject to the availability of funds, provided that the original written redemption request has been received by the Administrator.

The Directors may suspend the redemption of Shares or refuse to redeem Shares in the circumstances set out in the Information Memorandum and may also postpone redemptions (see “Postponement of redemption” in this Supplement).

Redemption in specie

On a redemption of Shares the Directors shall have the power to divide in specie the whole or any part of the assets of the Company held for the Cell and appropriate such assets or the proceeds thereof in the satisfaction or part satisfaction of the redemption proceeds.

Compulsory redemptions

Shares may be compulsorily redeemed in the circumstances described in the Information Memorandum.

Redemption Charge

No Redemption Charge will be payable upon the redemption of Shares.

Anti-Dilution Levy

The Manager may charge an Anti-Dilution Levy on redemptions of Shares to mitigate the effects of dilution arising where there may be a cost incurred in the realisation of the Company’s assets required to raise funds to satisfy redemption requests by holders of Shares. At its absolute discretion, the Manager may charge an Anti-Dilution Levy to reflect the fact that the actual cost of purchasing or selling assets may vary due to duties and charges being applied and spreads between the buying and selling price of assets which would otherwise have an adverse effect on the value of the Cell.

Furthermore, at its absolute discretion, the Manager may also charge an Anti-Dilution Levy on redemptions of Shares where:

- (a) the Company experiences a large level of net redemptions on any Redemption Day relative to the size of EEA Inc or its holding of Other Instruments (as applicable);
- (b) the Net Asset Value of the Company is in continuing decline as a result of poor market conditions or continued net redemptions; or
- (c) redemption requests on any Redemption Day will require the realisation of more than 5 per cent. of the assets of EEA Inc or the Company's holding of Other Instruments (as applicable).

In each case, the Anti-Dilution Levy will be retained by the Company and will not be for the benefit of the Manager.

Postponement of redemption

In the event that redemption requests for Shares in the Cell are received in respect of a Redemption Day the aggregate Redemption Value of which exceeds the Available Cash held by the Cell, the Directors shall be entitled at their absolute discretion to refuse to redeem such excess Shares. If the Directors refuse to redeem such Shares for this reason, the requests for redemption of the Shares in the Cell on such Redemption Day will be reduced pro rata and the Cell will not be obliged to redeem the remainder of such Shares to which each request relates until the Redemption Day next following the date of such refusal to redeem (subject to further refusal if, on such next following Redemption Day, the outstanding redemption requests received in respect of Shares in the Cell have an aggregate Redemption Value which exceeds the Available Cash held by the Cell as at such Redemption Day).

In the event that redemption requests for Shares of the Cell together with all other Continuing Cells are received in respect of a Redemption Day the aggregate Redemption Value of which exceeds the aggregate Available Cash held by all Continuing Cells, the Directors shall be entitled at their absolute discretion to refuse to redeem such excess Shares. If the Directors refuse to redeem such Shares for this

reason, the requests for redemption of the Shares on such Redemption Day will be reduced pro rata and the Cell will not be obliged to redeem the remainder of the relevant Shares to which each request relates until the Redemption Day next following the date of such refusal to redeem (subject to further refusal if, on such next following Redemption Day, the outstanding redemption requests received in respect of Shares of the Cell together with all other Continuing Cells have an aggregate Redemption Value which exceeds the aggregate Available Cash held by the Cell together with all other Continuing Cells as at such Redemption Day).

In the event that redemption requests for Shares are received in respect of a Redemption Day the aggregate Redemption Value of which exceeds 10 per cent. (or such higher percentage as the Directors may from time to time determine) of the Net Asset Value of the Cell, the Directors shall be entitled at their absolute discretion to refuse to redeem such excess Shares. If the Directors refuse to redeem Shares for this reason, the requests for redemption of Shares on such Redemption Day will be reduced pro rata and the Cell will not be obliged to redeem the remainder of such Shares to which each request relates until the Redemption Day next following the date of such refusal to redeem (subject to further refusal if, on such next following Redemption Day, the outstanding redemption requests received in respect of Shares have an aggregate Redemption Value which exceeds 10 per cent. (or such higher percentage as the Directors may from time to time determine) of the Net Asset Value of the Cell as at such Redemption Day).

The Directors shall also be entitled to refuse to redeem Shares to the extent that any matching redemption requests by the Company to redeem investments in Other Instruments are refused or otherwise suspended.

Notwithstanding any refusal by the Directors to redeem Shares pursuant to the foregoing, the Directors shall retain discretion to redeem any Shares the subject of a redemption request which fall below the minimum amount (if any) for redemption.

Additionally, in the event of any refusal to redeem as set out above in this section entitled "Postponement of redemptions", the Directors may determine which Shares (if any) shall be redeemed on the Redemption Day next following (or subsequently) and in so doing shall give priority in the following order to:

- (a) first, Shareholders whose Shares are to be redeemed compulsorily in the circumstances described in the Information Memorandum;
- (b) secondly, Shareholders whose redemption requests have already been deferred from a previous Redemption Day, on the basis of redemption requests from an earlier Redemption Day being given priority to redemption requests from a later Redemption Day, in each case on a pro rata basis; and
- (c) thereafter, all redemption requests shall be dealt with on a pro rata basis.

If a redemption request would result in a Shareholder's holding of Shares in the Cell being below the minimum holding as specified in this supplement, the Directors may in their discretion redeem the Shareholder's entire holding of Shares in the Cell.

VALUATION

The investment in EEA Holdings, the Master Subsidiary and Master Sub II will be valued at the Net Asset Value per share of EEA Holdings, the Master Subsidiary and the Master Sub II respectively.

It is anticipated that Other Instruments will be valued using a valuation methodology similar to that described in the Information Memorandum and "VALUATION – Life Insurance Policies".

DISTRIBUTION POLICY

The Directors do not anticipate that any dividends or other distributions will be paid to the Shareholders, but reserve the right to do so at any time they consider it appropriate to do so.

FEES AND EXPENSES

In addition to a share of the general fees and expenses which will be apportioned to the Cell as set out in the Information Memorandum, the specific fees and expenses of the Cell are as follows:

Manager's fee

The Manager is entitled to receive a fee from the Cell at the rate of 1.5 per cent. per annum of the Net Asset Value of the Cell to be accrued and payable monthly in arrears. In addition, the Manager is entitled to be reimbursed for any out-of-pocket expenses in connection with carrying out its duties.

Other Instruments

In the event that the Cell invests in Other Instruments, the Cell will bear its pro rata share of the fees, charges and expenses in connection with its investment in Other Instruments. Holders of Shares will not suffer, directly or indirectly, any preliminary charge payable on the issue of, or any charge payable on the redemption of, any Other Instruments or other investment in a vehicle managed, operated and/or controlled by the Manager or a member of the Manager's group.

Investment Advisory fee

The Investment Advisory fee is set out in the Information Memorandum.

Custodian fee

The fees and expenses payable to the Custodian are set out in the Information Memorandum.

Administrator's fees and expenses

The fees and expenses payable to the Administrator as Administrator and Registrar are set out in the Information Memorandum.

Restructuring costs

Details of the restructuring costs of the Company (if any) are described in the Information Memorandum.

Other costs

Details of the costs of EEA Holdings, the Master Subsidiary and Master Sub II are described in the Information Memorandum.

Other expenses

The Cell will pay its own operating expenses.

RISK WARNINGS

Material risks associated with an investment in the Cell are set out in the Information Memorandum.

MATERIAL AGREEMENTS

The Cell has not entered into any other contracts in addition to the material contracts entered into by the Company disclosed in the Information Memorandum.