

**To Shareholders , Investors (and their Advisors)
In the EEA Life Settlements Fund (Guernsey)
and its various Cells (or “Classes”)**

We have all survived the EEA Fund suspension from November 2011 to December 2013, following the “emotive” announcements by the UK Financial Services Authority (FSA) which proposed to consult on banning the sale of Traded Life Policy products to UK retail investors. We are now “stuck” in the protracted run-off period where “returns” are non-existent and our (depleted) capital is still at risk.

We are not happy with the way that the Directors of the Fund conducted our affairs during the suspension and “railroaded” through a set of restructuring proposals which we considered to be more in the interests of the Directors (and their associated companies) than the Fund’s investors.

We attended the EEA meetings in Guernsey on 17th October 2013 and voted against the Resolutions at the Class Meeting and EGM, believing (amongst other things) that shareholders should also have been given the choice of voting for an orderly winding up of the Fund (NOT a “firesale” liquidation as threatened by EEA with “huge capital losses”). We campaigned vigorously for the Fund’s Regulator (The Guernsey Financial Services Commission) to stop the restructuring, or at least impose certain conditions and modifications as part of its approval.

We also attended the six AGMs held in Guernsey on 31st December 2013, 21st November 2014 and the 11th / 21st August 2015. We took the Company to task over the qualified 2011 Report and Financial statements plus the subsequent 2012, 2013, 2015 and 2016 Annual Reports and were successful in stopping a flawed secondary share sale attempt during 2014.

We are now focused on minimising any further damage to the remaining value of our assets and to making sure that investors get as much cash back from the Fund as possible, and as quickly as possible, while continuing to hold the Directors, the Regulator, Ernst and Young and the new Auditor (Grant Thornton) more firmly to account.

We are continuing to investigate potential options for bringing “wrongdoers” to justice and to obtain redress or compensation.

If you share our concerns and would like to become better informed or involved, please get in touch immediately – we need your help and support.

1. BACKGROUND – Who “We” Are

We were originally seven shareholders and Financial Advisors who attended the EEA Life Settlement Fund PCC Class Meeting and Extraordinary General Meeting (EGM) at the EEA office in Guernsey on Thursday 17th October 2013. Each of us had different concerns about the EEA Restructuring Proposals, but we all agreed that the Proposals and meetings were flawed in one or more significant ways, and were disappointed that the Board had decided to make such proposals and call the EGM in the way that they did. After the Meetings, some of us met and agreed to form a Group to pursue our objectives and seek a better outcome for ourselves, our clients and investors as a whole. We have subsequently been joined by more than 450 other investors, advisors and specialists, as our presence and concerns have become more widely known or visible.

2. OUR OBJECTIVES – What We Are Trying to Achieve

- a) To make contact and exchange information with other EEA Life Settlement Fund investors and their representatives or advisors.
- b) To seek lower costs, better financial returns, better transparency and better shareholder accountability for the maturing of the remaining life policies within the Fund.
- c) To develop actions, petitions and/or resolutions to achieve the objectives
- d) To consider and engage professional advice or legal action when necessary to investigate and secure the outcomes sought by the Group.
- e) To provide information, help and support to investors wishing and able to make compensation claims.

Our first actions (from October to December 2013) were focussed on building the Group membership plus developing information and positions to persuade the Regulators, the Company and the new Auditor to act in our interests when dealing with the proposed restructuring plus issues relating to the Fund suspension and the 2011, 2012 and 2013 Accounts. For a number of complex reasons, we failed to stop (or modify) the restructuring which became effective on 1st January 2014. We now have a much broader and better informed basis on which to go forward and ensure that we help ourselves and other investors to achieve maximum cash returns from the remaining assets of the Fund, and as quickly as possible.

Our current priorities are :

- i. **To obtain the maximum possible cash redemptions from the remaining assets over a reasonable timeframe** (consistent with or better than the EEA predictions at the time of the restructuring vote in 2013). In accordance with the restructuring vote, this will be achieved by holding as many policies as possible to maturity, subject to understanding why the remaining policies are still not maturing in accordance with EEA's many wrong predictions.
- ii. **To prevent EEA from reducing or damaging the quality and value of the remaining assets**, e.g. by selling policies at less than their net future cash value, especially at significant discounts (e.g. 20-50% of face value) in the tertiary market. We also want to minimise the ongoing expenses and eliminate valuation based charges.

- iii. **To investigate and recover past overpayments** caused by wrong or manipulated valuations, and to identify / prosecute / sanction any parties that acted unlawfully, incompetently, carelessly or recklessly in mis-managing or mis-representing the operation of the Fund in any way since inception, to the detriment of the current investors.

3. LITIGATION

We initially considered litigation to be too expensive, uncertain and a too complex process for getting better outcomes for EEA Investors, but in September 2015 we decided that the time had come to resort to this form of action, in addition to maintaining pressure on EEA and the Regulators. We have therefore created a Litigation sub-group - to register an interest and obtain further information please email Litigation@EEAInvestors.com

4. CONTACTS – How to Get in Touch, and How We Communicate

Members of the Group communicate with the Coordinator and each other by telephone and email, and make individual submissions to EEA and Regulators on their own and clients' behalf as necessary, copying other members of the Group where appropriate. External contact into the Group is via the website www.EEAInvestors.com or our Coordinator – David Trinkwon of Medley Systems Ltd via email at Admin@EEAInvestors.com or by phone at +44 (0)7802 538315. David will arrange for the appropriate action and response from within the Group, establish the necessary communication links, propose joint submissions or courses of action for consideration by the members and then execute such joint submissions and actions on behalf of the Group as applicable.

5. DOCUMENTS – What We Do and What We Produce

Individual members (and/or the clients that they represent) have had / continue to have specific conversations and written exchanges with EEA (Guernsey), EEA (London) and the Regulators in Guernsey, the UK and elsewhere on various topics and concerns. We have also “discovered” various external sources of information or documents and developed working papers, media notices, position papers, formal submissions and other material to support our objectives and keep members informed of relevant issues.

The Appendix lists the current Group documents available from the Web site or by request from the Coordinator. Other material (not listed) can also be made available in response to specific questions.

6. WEB SITE and OTHER INFORMATION

The Group's web site is at www.EEAInvestors.com

7. FUNDING

We are all volunteers but do have certain bills to pay (e.g. travel and lawyers). We ask members to make voluntary donations of at least 0.2% of their original investment (i.e. £2, \$2 or €2 per £1000, \$1000 or €1000). Donations can be made via cheque, bank transfer or by clicking the DONATE button on our web site.

8. MEMBERSHIP

We currently have more than 450 members made up of :

- ✓ **200** UK-based investors
- ✓ **110** non-UK investors (Africa , Australia , Belgium, Caribbean , Channel Islands, China , Cyprus , France, Hong Kong , Isle of Man, Malaysia, Malta, Poland, Portugal , Spain, Sweden, Switzerland, Thailand, UAE, USA)
- ✓ **65** UK-based Financial Advisors (including four who are also investors)
- ✓ **25** non-UK Financial Advisors (Belgium, Spain, Ireland, Portugal, Channel Islands, Cyprus, Africa, Asia, Czechia) (including three who are also investors)
- ✓ **>50** "Associates" from investment platforms, other specialists and media contacts

These members represent and/or advise more than 1250 EEA shareholdings worth an original investment of more than \$112m. Please pass this Bulletin along to any other EEA investor or Advisor that you know and invite them to contact the Group.

APPENDIX

LIST OF GROUP DOCUMENTS AVAILABLE BY REQUEST

These are available by request via the Coordinator, Medley Systems Ltd

Email : Admin@EEAInvestors.com or via www.EEAInvestors.com

Tel or SMS : +44 (0) 7802 538315

*(Items marked with an asterisk * are available from our Web Site)*

The current "Group" documents are (in chronological order) :

- i) * WP 0.1 : Preliminary Assessment of Restructuring Proposals dated (27th Sept 2013)
- ii) * WP0.2 : EEA Fund Performance Analysis dated (27th Sept 2013 – since updated)
- iii) * Notes of the Class and EGM Meetings in Guernsey (17th Oct 2013)
- iv) * Submission to the UK FCA (5th Nov 2013)
- v) * Submission to Grant Thornton (26th Nov 2013) *including*
- vi) * WP 1 : EEA Fund Maturity Analysis (26th Nov 2013) (since updated)
- vii) * Email Notice to 2047 UK Financial Advisors (17th Dec 2013)
- viii) * Notes of the 2012 and 2013 AGMs in Guernsey (31st Dec 2013)
- ix) * Submission to the Guernsey FSCS (5th Jan 2014) (and response)
- x) * Announcement – Formation of (2nd) Action Group for Life Settlements Investors
- xi) * WP4 : Summary of Complaints to GFSC
- xii) * WP5 : EEA Financial Summaries
- xiii) * Submission to Auditor – 2012 Report and Accounts
- xiv) * Submission to Auditor – Audit of 2013 Report and Accounts
- xv) * July 2014 Share Sale Offer – Various Submissions to EEA, GFSC, FCA and Responses
- xvi) * WP7A, WP7B, WP7C and WP7D : Portfolio Analysis and Management
- xvii) * WP8A, WP8B and WP8C : Claims against UK Financial Advisors
- xviii) * Further submissions to EEA, GFSC, Auditors and Others based on WP7A – WP7D
- xix) * Run-off and Continuing Share Redemptions
- xx) * Class Action against FCA by Life Settlements Action Group
- xxi) * December 2014 Year-end summary and Changes to Information Memorandum
- xxii) * Outstanding Actions and Matters Arising
- xxiii) * Submission to Auditor – 2014 Report and Accounts
- xxiv) * Redemption Requests for Continuing Shareholders
- xxv) * 2015 EEA Annual General Meeting (August 2015)
- xxvi) * 2015 Updates plus Policy Sale and Share Sale
- xxvii) * 2016 Updates and Submission to Auditor for 2015 Report and Accounts
- xxviii) * 2017 Updates and Submission to Auditor for 2016 Report and Accounts
- xxix) Referral of Ernst & Young Complaint to the ICAEW
- xxx) * Almost 50 email update bulletins to members
- xxxi) Over 70 individual member investment summaries and updates
- xxxii) Assistance with more than 50 members' compensation or redress claims