Maturities for the EEA Life Settlements Fund PCC Ltd. were down for June compared to its historical average since the fund's inception, but were up for the first six months of the year compared to its average past performance, according to the latest evaluation by the EEA Investors' Group.

However, the group said that the rate of maturities projected last December by the fund's manager for the year are likely to fall short.

These are among the findings by the investors' group, which tracks performance of the Guernsey-domiciled fund that has come under fire recently for plans to offer a sale of run-off shares with a short deadline.

The Thursday, June 24, update issued to group members coincided with the release by the fund of its monthly fact sheet.

The fact sheet by EEA Fund Management (Guernsey) Ltd. said the fund's net asset value as of June 30 was $857.5 million. It said the fund holds 452 life insurance policies with an average face value of $2.6 million and has a total of $1.2 billion in death benefits.

The fund manager also released the current net asset value of the 30 share classes held in the fund.

Last week, the fund manager backed off its proposed sale of run-off shares after the investors' group complained to fund directors and regulators in Guernsey and the U.K. that the 10-day deadline given was too short for shareholders to make a decision.

David Trinkwon, coordinator of the investors' group, said in his July 24 note to members of his group that its letter and other actions reaching out to the fund manager and regulators was the first time the fund manager had responded to any complaints.

"This is probably the first time that EEA has been 'obliged' to respond to outside pressure, and certainly gives us encouragement to proceed with our mission. … Some members also helped the 'campaign' by exchanging their own emails and phone calls with EEA, the Guernsey and UK Regulators, the Panel on Takeovers and Mergers [in the U.K.] and Canaccord in Guernsey, London and Canada."

He was referring to Canaccord Genuity Wealth International Ltd. of Guernsey, which had been chosen to act as the broker to the purchasers by the fund manager before it called off the sale.

In a July 17 letter to shareholders, chairman Mark Colton said the life settlement fund's board received communications on behalf of a minority of shareholders questioning the fund's proposal, noting that complaints were made as well to regulatory authorities.

Trinkwon, who lives in Maidenhead, U.K., said he sends out updates to investors in his group every two to three weeks tracking performance of the fund, although he said the latest summary was more detailed than usual.

His update said there were four maturities on policies on two lives for $4.3 million in death benefits in June. This compares to a historical average of 7.4 maturities on 5.2 lives reflecting $10.1 million in death benefits, the update said. Another two policies that matured in September and three policies that matured in May were belatedly booked by the fund for the month, his analysis found.

The picture was rosier for the first six months of the year, which had 63 maturities on 37 lives representing $80 million in death benefits. This compares to a historical average for the fund of 43.6 maturities on 34.2 lives reflecting $58.9 million in death benefits.

But Trinkwon, who has invested about $100,000 in the fund, said the fund manager projected in December that $227 million in maturities, or 18% of the total outstanding death benefits, would occur by the end of the year. However, he said the fund has never achieved more than five to nine percent of net death benefits out of the total in the fund in any one year.

If the performance in the first six months of the year is extended based on the historical average, he estimated the fund can expect a total of 111 policies on 68 lives representing $153 million in death benefits, or 12% of the outstanding death benefits, to mature by the end of the year.

"May was a strong month, but June was disappointing," Trinkwon said. "The first six months of the year are looking quite strong, but nowhere near the rate of maturities that EEA projected last December."

He said he has been tracking performance of the portfolio for the last couple of years since redemptions were suspended in late 2011. He said the fund manager doesn't provide information on how the performance compares to what has been estimated.

Redemptions in the fund were suspended after the Financial Services Authority called life settlements a "toxic" asset, causing a run on requests for investors to get their money out of the fund. The fund manager began restructuring the fund Jan. 1.

Meanwhile, the fund's directors called off sales of run-off shares after the investors' group sent critical letters on the short time allowed for a decision.

Colton, the board chairman, said in his July 17 letter to shareholders that the board doesn't accept the criticisms, but that there was not enough time to address all the concerns raised by the investors' group to comply with a new regulatory scheme imposed by the Alternative Investment Fund Managers Directive. The directive took effect in the European Union in July 2013 and is intended to provide more transparency and disclosure by fund managers.

Colton said the fund's board had no plans to put forward a new sale proposal.

Trinkwon had written to Colton and regulators about problems the group saw with the sale.