



EEA Fund Management
(Guernsey) Limited

EEA Life Settlements Fund

Prospectus (Offering Memorandum)

The Directors of the Company whose names and biographies appear on pages 14 and 15 of this Offering Memorandum accept full responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is true and accurate in all material respects and there are no other material facts, the omission of which would make misleading any statement contained in this document whether of fact or opinion. This Offering Memorandum includes particulars given in compliance with the Listing Rules of the CISX for the purpose of giving information with regards to the Company.

OFFERING MEMORANDUM

EEA LIFE SETTLEMENTS FUND PCC LIMITED

(an open-ended protected cell company incorporated with limited liability under the laws of Guernsey with registered number 43302)

4 April 2011

This Offering Memorandum together with any supplements issued in respect of a particular Cell represents scheme particulars as required by, and prepared in accordance with the Collective Investment Schemes (Class B) Rules 1990 as issued by the Guernsey Financial Services Commission pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. This Offering Memorandum will be revised at least once in every twelve month period and prospective investors should enquire of the Administrator as to whether this document has been revised or superseded.

Prospective investors should not treat the contents of this Offering Memorandum as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants as to legal, tax, investment or other related matters concerning the company and an investment therein.

This Offering Memorandum of EEA Life Settlements Fund PCC Limited (the “**Company**”) is dated 4 April 2011 and has been prepared in accordance with the Collective Investment Schemes (Class B) Rules 1990 as issued by the Guernsey Financial Services Commission (the “**Commission**”) pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended (the “**Law**”).

Application had been made to the Channel Islands Stock Exchange, LBG (the “**CISX**”) in relation to an unlimited number of Shares in the Company issued and available for issue, to be admitted to the Official List of the CISX, by way of introduction and offer for subscription. The Shares of USD Fund Class X Cell, USD Fund Dist Cell, Euro Fund Class X Cell, Euro Fund Dist Cell, Sterling Fund Class X Cell and Sterling Fund Dist Cell issued and available for issue, were admitted to the CISX and the dealing in those Shares commenced on or about 14 December 2006. Dealing in the Shares of Sterling Fund Acc Cell commenced on 20 February 2007, the Meteor Senior Life Settlements Sterling Fund on 5 March 2008, the Meteor Senior Life Settlements Sterling Fund II on 1 October 2008, the USD Fund Class I Cell, WAY Life Settlements Fund Cell on 25 November 2009 and the USD Fund Acc Cell on 15 December 2009. Dealing in the Shares of the Euro Fund Acc Cell and the Swedish Krona Fund Class X Cell are expected to commence on 8 April 2011. The listing of the Shares on the CISX is the primary listing and no application has been, or

is currently intended to be, made for the Shares to be admitted to listing or to be dealt in on any other stock exchange or investment exchange save for the CISX.

Neither the admission of the Shares to the Official List of the CISX nor the approval of this Offering Memorandum pursuant to the listing requirements of the CISX shall constitute a warranty or representation by the CISX as to the competence of the service providers to or any other party connected with the Company, the adequacy and accuracy of the information contained in this Offering Memorandum or the suitability of the Company for investment or for any other purpose.

The Company is an open-ended investment protected cell company governed by the provisions of The Companies (Guernsey) Law, 2008, as amended, extended or replaced (“**Companies Law**”). Persons investing in and dealing with a cell of the Company (a “**Cell**”) shall only have recourse to that Cell and their interest shall be limited to the assets from time to time attributable to that Cell and they shall have no recourse to the assets of any other Cell or, except as provided under Part XXVII of the Companies Law, against any non-cellular assets of the Company.

The Company has been authorised by the Commission as a Class B Scheme under the Law. In giving this authorisation the Commission does not vouch for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

The distribution of this Offering Memorandum and the offering of shares in certain jurisdictions may be restricted. Persons into whose possession this Offering Memorandum comes are required to inform themselves about and to observe any such restrictions. This Offering Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer is not authorised or to any person to whom it is unlawful to make such offer or solicitation. No person may treat this Offering Memorandum as constituting an invitation to such person unless in the relevant territory such an invitation could lawfully be made to such person without compliance with any registration or other legal requirements. In particular the shares in the Company have not been registered under the United States Securities Act of 1933, as amended, and none of the shares may be offered, sold, transferred, signed or delivered directly or indirectly in the United States of America, its territories or

possessions and all areas subject to its jurisdiction including the District of Columbia or to any US person.

The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. This Offering Memorandum is not available to the general public in the United States.

The Company is not authorised or otherwise approved by the United Kingdom Financial Services Authority and as an unregulated collective investment scheme it cannot be marketed in the United Kingdom to the general public except to persons authorised under the Financial Services and Markets Act 2000 (the “Act”) and other categories of investors to whom unregulated collective investment schemes can be marketed without contravention of the Act. Moreover, the protections offered by the Act do not apply to the Company.

Investors in the Company are not eligible for any compensation under the Collective Investment Schemes (Compensation of Investors) Rules, 1988 made under the Law.

It should be remembered that the price of the Shares and the income from them (if any) can go down as well as up and that, on the redemption of their Shares, investors may not receive the amount that they originally invested.

The Directors of the Company may at their discretion decline any application and are not obliged to give reasons for so doing.

The attention of investors is drawn to the section entitled Risk Warnings on pages 47 to 54 and the section entitled Redemptions on pages 35 to 39.

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DIRECTORY

Company EEA Life Settlements Fund PCC Limited
Registered office:
Regency Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 1WW

Directors Mark Colton (Chairman)
Christopher Daly
Alison Simpson

The address for each director is the registered address of the Company

Manager EEA Fund Management (Guernsey) Limited
Registered Office:
Regency Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 1WW

Administrator, Secretary and Registrar International Administration (Guernsey) Limited
Registered Office:
Regency Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 3RH

Custodian BNP Paribas Trust Company (Guernsey) Limited
Registered Office:
BNP Paribas House
St Julian's Avenue
St Peter Port
Guernsey
GY1 1WA

Auditors Ernst & Young LLP
14 New Street
St Peter Port
Guernsey
GY1 4AF

Guernsey Legal Advisers

Ogier
Ogier House
St Julian's Avenue
St Peter Port
Guernsey
GY1 1WA

CISX Listing Sponsor

Ogier Corporate Finance Limited
Registered Office:
Whiteley Chambers
Don Street
St Helier
Jersey
JE4 9WG

DEFINITIONS

“**Administrator, Secretary and Registrar**” means International Administration (Guernsey) Limited or such other entity appointed as administrator, secretary and registrar to the Fund from time to time;

“**Administration Agreement**” has the meaning ascribed to that term in the section titled “General Information: Material Agreements”;

“**Application Form**” means the application form for Shares adopted by the Directors from time to time;

“**Articles**” means the articles of incorporation of the Company as amended from time to time;

“**Auditors**” means Ernst & Young LLP or such other firm appointed as auditors from time to time;

“**Business Day**” means any day (other than a Saturday or Sunday) on which banks in Guernsey are open for normal banking business or as the Directors may from time to time determine;

“**Cash Instruments**” includes cash in any current account or on deposit with or certificates of deposit issued by any bank or building society, short to medium term bonds or notes issued by any bank, building society or national government, units or other interests in collective investment schemes investing at least 90 per cent. of their assets in any of the foregoing and all other assets which the Directors in their discretion consider to be of a similar nature;

“**Cell**” means a cell created by the Company established and maintained in accordance with the Articles for the purpose of segregating and protecting cellular assets in the manner provided by Part XXVII of the Companies Law. A list of the Cells are set out in the Schedule;

“**Channel Islands Stock Exchange**” or “**CISX**” means the Channel Islands Stock Exchange, LBG;

“**Commission**” means the Guernsey Financial Services Commission;

“**Company**” means EEA Life Settlements Fund PCC Limited;

“**Companies Law**” means The Companies (Guernsey) Law, 2008 as amended, extended or replaced;

“**Custodian**” means BNP Paribas Trust Company (Guernsey) Limited or such other entity appointed as custodian to the Fund from time to time;

“**Custodian Agreement**” has the meaning ascribed to that term in the section titled “General Information: Material Agreements”;

“**Dealing Day**” means a Redemption Day and/or a Subscription Day;

“**Dilution Levy**” means a levy of such amount as may be determined by the Manager in its absolute discretion which may be made upon redemptions by Shareholders as further described in the section titled “Dealing Process: Redemption Charge/Dilution Levy”;

“**Directors**” means the board of directors of the Company, EEA Holdings, the Master Subsidiary, the Master Sub II and/or EEA Inc (as appropriate);

“**EEA Holdings**” means EEA Life Settlements Holdings Limited, a limited liability company incorporated in Guernsey with registration number 51784;

“**EEA Inc**” means EEA Life Settlements Inc., a corporation formed under the laws of Delaware;

“**Euro**” or “**€**” means the lawful European single currency;

“**Fund**” means any one or more of the Company, its Cells, EEA Holdings, the Master Subsidiary, the Master Sub II and EEA Inc;

“**GBP**” or “**£**” means the lawful currency of the United Kingdom;

“**Hedging Instruments**” means forward contracts, futures contracts, options or any other derivative instruments or instruments used to hedge risk;

“Internal Revenue Service” or **“IRS”** means the United States Internal Revenue Service;

“Investment Assets” means the assets owned by the Fund for investment purposes but not including Cash Instruments;

“Investment Adviser” means ViaSource Funding Group, LLC incorporated in the state of New Jersey, the United States, whose registered office is at 106 Allen Road, Bernards Township, New Jersey 07920, US or such other entity appointed as investment adviser to the Fund from time to time;

“Investment Advisory Agreement” has the meaning ascribed to that term in the section titled “General Information: Material Agreements”;

“Investment Value” means the value of the Investment Assets determined by the Manager or the Investment Adviser at the Valuation Point;

“Law” means The Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended;

“Leverage” means the use of borrowing to increase the investment in the Investment Assets;

“life settlement” means an agreement entered into between a company and an insured that establishes the terms under which the company will pay compensation or anything of value, which compensation or value is less than the expected death benefit of the insurance policy, in return for the insured’s assignment, transfer, sale, devise or bequest of the death benefit or ownership of the insurance policy to the company;

“Management Agreement” has the meaning ascribed to that term in the section titled “General Information: Material Agreements”;

“Management Share” means a management share in the Company of €1.00 each;

“Manager” means EEA Fund Management (Guernsey) Limited or such other entity appointed as manager to the Fund from time to time;

“(the) Master Subsidiary” means EEA Life Settlements Master Fund Limited, a limited liability company incorporated in Guernsey with registration number 45372;

“(the) Master Sub II” means EEA Life Settlements Master Fund II Limited, a limited liability company incorporated in Guernsey with registration number 50574;

“Net Asset Value” means the net asset value of the Fund determined in accordance with the section entitled “Valuation” herein and the constituent documents of the Fund;

“Premium Payment Agent” means Mills, Potoczak & Company in its capacity as premium payment agent or such other entity appointed as premium payment agent to the Fund from time to time;

“Redemption Charges” means charges levied upon redemption of Shares in any of the Cells;

“Redemption Day” means a day on which the Shares in a Cell can be redeemed as determined by the Directors from time to time;

“Redemption Value” means the amount per Share on the redemption of any such Share determined in accordance with the section entitled “Valuation” herein before deduction of any Redemption Charges;

“Registrar and Paying Agent Agreement” has the meaning ascribed to that term in the section titled “General Information: Material Agreements”;

“Schedule” means the schedule to this Offering Memorandum;

“Servicing Agent” means Mills, Potoczak & Company in its capacity as servicing agent or such other entity appointed as servicing agent to the Fund from time to time;

“Shareholder” means a person who is registered as a holder of Shares;

“Shares” means participating redeemable preference shares of no par value in one or more Cells which for the avoidance of doubt excludes the Management Shares;

“Sub-Custodian” means RBS Citizens N.A. whose registered office is at One Citizens Plaza, RC0310, Providence, R102903, USA or such other entity appointed as sub-custodian to the Fund from time to time;

“Subscription Day” means a day on which the Shares in a Cell can be subscribed as determined by the Directors from time to time;

“Subscription Price” means the amount payable per Share on the issue of any such Share determined in accordance with the section entitled “Valuation” herein;

“Supplement” or **“Supplements”** means the supplement/s to this Offering Memorandum related to each of the Cells;

“US” means the United States of America;

“USD” or **“US\$”** means the lawful currency of the United States of America; and

“Valuation Point” means the time in Guernsey on a Business Day determined by the Directors from time to time at which the Investment Assets and/or Cash Instruments of the Fund, are valued for dealing, subscription or redemption (as appropriate).

INTRODUCTION

The Fund

The Company is a Guernsey based open-ended company established as a protected cell company. The Company may create one or more Cells for the purpose of segregating and protecting cellular assets and may issue Shares in respect of each Cell.

The assets, liabilities, income and expenses attributed to each class of Shares are applied to the Cell established for that class and kept separate and segregated from those attributable to other classes of Shares. Any such assets, liabilities, income and expenses not attributable to a particular class of Shares are allocated between all Cells at the discretion of the Manager on such basis as it considers fair.

Each of the Cells will invest substantially all of its capital into EEA Holdings, which in turn will invest substantially all of its capital into the Master Subsidiary and the Master Sub II. The investment policy of the Master Subsidiary is to provide debt financing to the Master Sub II. The investment policy of Master Sub II is to provide equity and debt financing to EEA Inc, its wholly owned subsidiary. The investment policy of EEA Inc is to invest in a diversified portfolio of life insurance policies. The Company will therefore be exposed to the performance of EEA Holdings, the Master Subsidiary, the Master Sub II and EEA Inc. Direct investments into EEA Holdings, the Master Subsidiary, the Master Sub II and EEA Inc by investors is not permitted.

The Fund comprises the Company, its Cells, EEA Holdings, the Master Subsidiary, the Master Sub II and EEA Inc. Any references to “Fund” herein apply to any one or more of these entities and should be construed as the context may require.

The terms and conditions specific to each Cell are set out in the relevant Supplement.

The Directors

The directors of the Company are as follows:

Mark Colton is a Partner and Head of Investment Consultancy Services at BWCI Group. He joined the BWCI Group in 2003 and specialises in providing investment

and actuarial consultancy services to corporate clients such as pension scheme trustees, captive insurance companies and life assurance companies. He currently holds a number of directorships in insurance-related companies. Prior to joining BWCI he was director and general manager of a major international insurer based in Guernsey.

Christopher Daly is a Manager and Chief Financial Officer of ViaSource Funding Group, LLC, and its four subsidiaries which issued financial notes securitised by life insurance policies. ViaSource Funding Group, LLC is the Investment Adviser of the Fund. Prior to joining ViaSource, he held senior financial positions and served as a director of several medium sized companies in The United States of America.

Alison Simpson is a director of the Company and is Chief Executive Officer of the Administrator. In addition, she is a director of a number of Guernsey-based investment management companies and funds. She has over twenty years' experience in the fields of offshore banking and fund administration services and co-founded the Administrator in February 2000. Prior to this, she spent ten years at Guernsey's largest fund administration company where she was responsible for a variety of clients and offshore fund structures, both open and closed-ended.

Save as set out herein, no Director has any material interest in any contract or arrangement subsisting at the date of this Offering Memorandum and which is significant in relation to the business of the Company other than by virtue of his or her interest in the Investment Adviser, the Administrator and the Manager, which are parties to the Investment Advisory Agreement, the Administration Agreement and the Management Agreement respectively.

INVESTMENT OBJECTIVES, POLICY AND RESTRICTIONS

Investment objectives

The investment objective of the Fund is to acquire and trade the property interest in outstanding life insurance policies issued primarily in the United States, the maturity of which can reasonably be ascertained. The sellers are given the opportunity to unwind their long term investment. The fund aims to achieve medium to long term capital growth.

Each Cell has the specific investment objectives as set out in the relevant Supplement.

Investment policy

The Fund will invest in a diversified portfolio, subject to the relevant investment restrictions, with a view to spread the risk. The Manager may, where appropriate for the reduction or control of risk, apply hedging strategies provided such strategies are consistent with the investment objectives, policies and restrictions of the Fund.

The investment policy of the Fund will be to invest in a diversified portfolio of life insurance policies. When choosing and pricing an investment, the Investment Adviser will take into account the life expectancy, the health and the age of the insured, the amount of the premiums needed to keep the policy in force, the rating of the issuing insurance company, and the amount of the death benefit. The Manager aims to achieve a net annual return of 8 per cent. or above through structured investments, accurate life expectancy estimation and careful pricing. However, there is no guarantee of such return.

The Manager has appointed the Investment Adviser to source and procure the life policies and provide tracking services while the policies are held by the Fund.

Each Cell has the specific investment policy as set out in the relevant Supplement hereto.

Investment restrictions

The following investment restrictions will apply to the Fund.

The Fund may:-

- (a) not purchase a policy which is issued by an insurance company rated less than “B” by one of the major rating agencies (Standard & Poor’s, Moody’s, A.M. Best and Fitch), unless in the case of a life policy in a state with a state guaranty fund and the amount of the underlying life insurance policy is less than the limits of the guaranty fund; or
- (b) not purchase a policy which has not yet passed the suicide and contestability period (suicide period is a limitation in life insurance policies to the effect that no death benefits will be paid if the insured commits suicide during a specified initial period, usually the first two years that the policy is in force; contestability period is the period of time, generally two years, during which an insurance company can declare a life insurance contract void because of misrepresentation or concealment by the insured in obtaining the policy); or
- (c) not purchase policies held by the insureds diagnosed with the same illness the aggregate face value of which is more than 20 per cent. of the total face value of the policies held by the Fund; or
- (d) not purchase policies issued by one single insurance company the aggregate face value of which is more than 20 per cent. of the total face value of the policies held by the Fund; or
- (e) not purchase policies from an insured whose life expectancy is more than 96 months from the date of purchase; or
- (f) not purchase policies from a non United States resident; or
- (g) not purchase policies the face value of which exceeds 3.5 per cent. of the total face value of the policies held by the Fund including such purchase; or
- (h) not purchase any policies where the insured has been diagnosed as having AIDS or being HIV positive; or

- (i) not purchase a term life policy, the remaining term at the time of the purchase of which is less than 10 years if the life expectancy of the insured is 4 years, or 9 years if the life expectancy of the insured is 3 years or less; or
- (j) invest in foreign exchange forward contracts, futures contracts and options for the purpose of hedging of the investments only; or
- (k) not invest more than 10 per cent. of its net asset value in other collective investment schemes; or
- (l) not borrow more than 10 per cent. of its net assets for any purpose.

Notwithstanding the investment restriction (a) above, if the credit ratings of the insurance company are lowered subsequent to the acquisition of the policies by the Fund, the Manager is not obliged to sell such policies.

The specific investment restrictions for each Cell are set out in the relevant Supplement hereto.

Borrowing policy

The Fund will not borrow more than 10 per cent. of its net assets.

The Fund may borrow for redemption, payment of expenses and bridging between the settlement of investments subject to the limit stated above. It is not the policy of the Fund to borrow for leveraging its investments.

Hedging policy

There is no limit on the Fund's hedging of the assets and liabilities of the Fund except as stated in the Supplements. There are presently no hedging instruments for hedging the fluctuation in value of life insurance policies. If such a product becomes available, the Manager may enter into hedging arrangements. There is no limit to the amounts payable by way of premium or margin for such arrangements.

MANAGEMENT AND ADMINISTRATION

Manager

The Manager is EEA Fund Management (Guernsey) Limited, a company incorporated in Guernsey with limited liability under The Companies (Guernsey) Law, 1994, as amended, on 16 June 2005 and its ultimate holding company is EEA Group Limited, a company incorporated in England. The directors of the Manager are as follows:

Mark Clubb has 30 years' experience in the financial services sector. Initially he worked at Brewin Dolphin as part of his degree in Business Studies and Economics. After completing his studies he worked at private client broker and then a fund management organisation, spending some time in the Hong Kong office as well as London. In 1987 Mark moved into institutional sales at the stockbroker, UBS Phillips and Drew, where he spent five years before moving to a similar role at BZW. In 1998 he was one of the eight founding partners who set up Altium Capital, a boutique investment bank with offices around Europe. In 2008 he returned to Jersey where he now works at Collins Stewart.

Jonathan Fieldsend joined the EEA Group in February 2004. With a degree in Economics from York University he trained as an accountant at Eastern Electricity in the early 1990s. He then moved to London to work as an investment analyst at Clerical Medical in 1995. During his time at Clerical Medical he analysed a wide range of sectors including food retail, telecommunications, mining, media, support services, software, utilities and pharmaceuticals. Ultimately Jonathan was Assistant Head of Research at Insight Investment. Jonathan joined EEA to work on a general UK equity fund and a UK financials fund. He also assisted in the creation and the early management of the EEA's environmental funds, working on the prospectuses of the funds and managing assets for Climate Change Plc. Jonathan is a director of EEA Group Limited and Distribution Holdings (Guernsey) Limited, the Manager's immediate holding company. He has stood in as interim finance director at EEA Group and assists with the general management of the group.

Martyn Henley-Roussel worked at Kleinwort Benson in Guernsey from 1994 to 2000, where he was Head of Portfolio Management. He became a director of

Kleinwort Benson Asset Management Limited in 2000. From 2002 to 2006, he worked as an investment manager at Fortis, and was also a member of the advisory committee for a substantial family trust. During his period at Fortis, Martyn had specific responsibility for collective investment scheme investment analysis and helped design Fortis' multi-manager funds model for the sterling area. He is currently a director of a number of companies including a London traded closed ended fund Signet Global Fixed Income Strategies Limited and Indian Energy Limited, which is AIM listed. Martyn is a member of the Chartered Institute for Securities & Investment, Personal Finance Society, Institute of Directors and has a BA in Economics.

Peter Winders joined EEA Fund Management Limited, a fellow subsidiary of EEA Group Limited, in January 2007. Prior to this he was Managing Director of Fund Consulting Limited, a company that focuses on assisting asset managers to build distribution and gather assets. He has been in the fund management industry for over 35 years majoring on the sales and marketing side of the business and has held senior positions with a number of institutions, for example Bank Sarasin, Phoenix Home Life (Aberdeen Asset Management), Scottish Equitable and Legal & General. Peter has focussed on promoting funds, segregated accounts and investment services in the UK and Middle East.

Mark Woodall is the Chief Financial Officer of the Administrator, an Associate of the Institute of Chartered Accountants in England and Wales and an Associate of the Chartered Institute of Bankers. He has worked in offshore fund administration since 1992, during which time he has been a director of a number of offshore funds, managers and advisers. Prior to co-founding the Administrator in February 2000, Mr Woodall was company secretary, financial controller and head of operations for funds with assets in excess of £5 billion at Guernsey International Fund Managers Limited, then a subsidiary of ING Groep NV and Guernsey's largest fund administrator.

The Manager has the primary responsibility for the management and administration of the Fund and the making of investments on its behalf under the overall supervision of the Directors. The duties of investment of the Fund's assets have been delegated to the Investment Adviser and administration functions of the Fund have been delegated to the Administrator. The Manager may deal as principal in the Shares and is under

no obligation to account to the Company or its Shareholders for any profits to which it thereby becomes entitled. The Manager is under no obligation to account to the Company or its Shareholders for any profit it makes on the issue of Shares or on the re-issue or cancellation of any such Shares which have been redeemed.

Investment Adviser

The Manager has appointed the Investment Adviser as the investment adviser to carry out its investment management responsibilities in relation to the Fund under the Investment Advisory Agreement. The Investment Adviser is a limited liability company formed on 12 April 1999 in the State of New Jersey, USA. The Investment Adviser, the Manager and the Custodian are independent of each other.

The Investment Adviser is responsible for the investment of the Fund's assets and has discretionary authority to invest the same in accordance with the objectives, policies and investment restrictions set out herein subject to the approval of the Servicing Agent.

The Investment Adviser is a life settlement provider that has developed significant experience in the successful establishment and management of special purpose investment funds that acquire life settlements. It has developed core competencies in the successful management of life settlement investment funds. In servicing the life settlement funds, the Investment Adviser performs all the tasks from sourcing of policies, follow up with the health status of the insured to the final settlement on maturity.

The Investment Adviser has also been appointed as agent of the Custodian to direct the operation of accounts maintained by the Sub-Custodian on behalf of the Fund and to give instructions and receive full information in respect of those accounts.

The Investment Adviser may not sell to the Fund any life insurance policy held by it for its own account. However, the Investment Adviser may accumulate life insurance policies which meet the investment restrictions of the Fund set out in this document with a third party credit facility for the sole purpose of further transfer to the Fund. When the Investment Adviser decides that it is appropriate for the Fund to acquire such policy, the Fund shall pay to the Investment Adviser the purchase costs of the

policy, the premiums on the policy and the associated finance costs incurred by the Investment Adviser plus any other reasonable handling fees. The Investment Adviser undertakes not to profit from the transfer of policies to the Fund and to account to the Fund for any profits that may arise from the transfer of policies to the Fund made in accordance with the terms set out in this paragraph.

Custodian

The Custodian is BNP Paribas Trust Company (Guernsey) Limited, a company which was incorporated with limited liability in Guernsey on 27 October 2000 and whose principal activity is the provision of trustee and custodian services to collective investment schemes. The Custodian is licensed to carry out controlled investment business in the Bailiwick of Guernsey. As at the date of this document the Custodian's issued and paid up share capital is £1 million divided into 1 million shares of £1 each.

The Custodian is a wholly owned subsidiary of BNP Paribas Securities Services (Holdings) Limited, a company incorporated in the island of Jersey which in turn is ultimately owned by BNP Paribas SA, a company incorporated in France.

The Custodian holds (either itself or through its agents or delegates) all the assets of the Fund and all documents of title to such assets but has no responsibility for selecting or valuing the investments of the Fund. The Custodian has no decision-making discretion in relation to the Fund's assets. Pursuant to the Custodian Agreement, the Custodian may appoint sub-custodians, agents and delegates to perform its duties. The Custodian will not be liable for any loss directly or indirectly arising as a result of the acts or omissions of its sub-custodians, agents or delegates, provided always that the Custodian used reasonable skill, care and diligence in the selection and on-going monitoring of sub-custodians, agents or delegates. The Custodian is primarily responsible under the Collective Investment Schemes (Class B) Rules 1990 for the keeping of the register of Shareholders. The Custodian has delegated this task to the Administrator.

Sub-Custodian

The Fund and the Custodian have appointed RBS Citizens N.A. as sub-custodian to hold the life insurance policies for the Fund, serve as an escrow agent in connection with the purchase of life settlements, establish a premium reserve account and file with the insurance companies claims prepared by the Investment Adviser for the benefit of the Company.

RBS Citizens N.A. is a subsidiary of Citizens Financial Group. Citizens Financial Group is a wholly owned subsidiary of the Royal Bank of Scotland Group plc, a large international banking and financial services company. Headquartered in Edinburgh, Scotland, the Royal Bank of Scotland Group plc operates in the UK, Europe, Middle East and Africa, the Americas and Asia, serving more than 30 million customers. Citizens Financial Group is a \$130 billion commercial bank holding company. Citizens Financial Group was incorporated in Rhode Island and is headquartered in Providence, Rhode Island and through its subsidiaries has more than 1,500 branches, approximately 3,800 ATMs and 21,400 employees. It operates its branch network in 12 States and has non-branch retail and commercial offices in about 40 States.

Servicing Agent

The Fund and the Investment Adviser have appointed Mills, Potoczak & Company as servicing agent of the Fund to serve an active role as the verifier that policies identified for purchase by the Investment Adviser meet the investment criteria of the Fund. The Servicing Agent will certify that the policy meets such purchase criteria and will monitor all future premiums to be paid.

Premium Payment Agent

The Fund, the Investment Adviser and the Sub-Custodian have appointed Mills, Potoczak & Company as premium payment agent to make payments of premiums due under insurance policies.

Administrator, Secretary and Registrar

The Manager has delegated certain of its duties to International Administration (Guernsey) Limited, as administrator and secretary, including administration of the

Fund, valuation of each Cell, and the issue and redemption of Shares and interests in EEA Holdings, the Master Subsidiary, the Master Sub II and EEA Inc. The Custodian has delegated its duties as registrar in respect of the Fund to the Administrator. The Administrator is a company incorporated in Guernsey with limited liability on 1 February 2000 and is licensed by the Commission to carry out the restricted activities of promotion, subscription, registration, dealing, management, administration and advising in connection with category 1 collective investment schemes and category 2 general securities and derivatives under the Law. For the purposes of the Law, the Administrator is the designated manager.

The Administrator is a wholly owned subsidiary of IAG Holdings Limited, a company registered in Guernsey.

The register of shareholders may be inspected at the registered office of the Company.

There are no arrangements with third parties under which the Administrator will receive indirect payments for its services.

LIFE POLICY INVESTMENT PROCESS

Policy Acquisition

The Investment Adviser purchases life policies for the Fund in accordance with the investment restrictions set out herein (and as amended from time to time). The Investment Adviser sends the closing package for the purchase of the life policies to the Servicing Agent who verifies the information and issues a certificate for each life policy to be purchased stating that it complies with the investment restrictions of the Fund. The Investment Adviser will send the certificate to the Sub-Custodian together with a request for disbursement of funds to the owner of the life policy and payment of related acquisition fees. The Sub-Custodian will establish a premium reserve for premiums of the acquired life policy.

Premiums payment on life policies

The Investment Adviser prepares a schedule of premiums to be paid on the life policies held and sends the same to the Servicing Agent for verification. The Servicing Agent certifies the premium for the disbursement by the Premium Payment Agent following receipt of the monies from the Sub-Custodian.

Tracking

The medical professionals appointed by the Investment Adviser will contact the care providers of the insureds every three months to determine the current health status of the insured.

Maturity of life policies

Upon notification of the maturity of a life policy, the Investment Adviser will obtain a death certificate from the relevant authority and then process the death claims from the insurance company with all proceeds going to the Sub-Custodian.

Valuation of life policies

Valuation of the life policy investments is initially prepared by the Investment Adviser in accordance with the section titled “Valuation” herein and verified by the Administrator who completes the valuations of each of the life policy investments.

TAXATION

Prospective investors should ascertain from their professional advisers the consequences to them of acquiring, holding, redeeming, transferring, converting or selling Shares under the relevant laws of the jurisdiction to which they are subject, including the tax consequences and any exchange control requirements. These consequences will vary with the law and practice of an investor's country of citizenship, residence, domicile or incorporation and with his personal circumstances.

Guernsey

The summary below is based on current law and practice in Guernsey and is subject to changes therein. The information should not be regarded as legal or tax advice.

The Company, EEA Holdings, the Master Subsidiary and the Master Sub II

The Company, EEA Holdings, the Master Subsidiary and the Master Sub II will be eligible for exemption from income tax in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 (the "**Tax Ordinance**"). Under the provisions of the Tax Ordinance, exemption is granted by the States of Guernsey Treasury and Resources Department on an annual basis provided that each of the Company, EEA Holdings, the Master Subsidiary and the Master Sub II continues to comply with the requirements of the Tax Ordinance and upon the payment of an annual fee which is currently fixed at £600. Under the current law and practice in Guernsey, the Company, EEA Holdings, the Master Subsidiary and the Master Sub II will only be liable to tax in Guernsey in respect of income arising in Guernsey, other than bank deposit interest. It is the intention of the Directors to conduct the affairs of the Company, EEA Holdings, the Master Subsidiary and the Master Sub II so as to ensure that each retains such exempt status.

In response to the review carried out by the European Union Code of Conduct Group, the States of Guernsey abolished exempt status from 1 January 2008 for the majority of companies and introduced the following measures:

- (a) only a limited number of entities continue to be eligible for exemption from Guernsey income tax;

- (b) the basic rate of income tax on company profits became zero per cent.;
- (c) only certain regulated businesses (such as specific banking activities) became subject to income tax at 10 per cent.;
- (d) resident individuals continue to pay income tax at 20 per cent. on assessable income; and
- (e) “wealth taxes” such as inheritance and capital gains taxes will not be introduced.

However, certain investment companies which provide for participation by members of the public and their subsidiaries (such as the Company, EEA Holdings, the Master Subsidiary and the Master Sub II) may, and each of the Company, EEA Holdings, the Master Subsidiary and the Master Sub II intends to, continue to apply for exempt status. Such companies with exempt status are treated as non-resident and are regarded as having their source of income outside Guernsey. Accordingly, dividend and interest paid to non-residents of Guernsey are not subject to Guernsey income tax.

In keeping with its commitments to meeting international standards, it is likely that the States of Guernsey will undertake a further review of its tax regime with the intention of implementing any required revisions to the regime in the period between 2011 and 2014. At this point in time, the key features of any revised regime have yet to be determined. It is currently not anticipated that there will be any change to the exemption for certain investment companies, from which the Company will benefit.

Guernsey does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties (save that ad valorem fees are payable in respect of the grant of any probate).

No stamp duty is chargeable in Guernsey on the issue, transfer, switching or redemption of Shares.

Shareholders

Guernsey does not levy capital gains tax and, therefore, neither the Company nor any of its shareholders will suffer any tax in Guernsey on capital gains. Payments made by

the Company to shareholders, whether made during the life of the Company or by distribution on the liquidation of the Company, will not be subject to Guernsey tax. Whilst exempt the Company is not required to deduct Guernsey income tax from dividends on any participating share (if applicable) paid to Guernsey residents. However, each of the Company, EEA Holdings, the Master Subsidiary and the Master Sub II will be required to furnish particulars to the Guernsey Income Tax Office and also make a return on an annual basis, when renewing its exempt tax status, as described above, of the names, addresses and gross amounts of income distributions paid to Guernsey resident shareholders during the previous year.

EU Savings Directive

Guernsey has introduced measures that are the same as the EU Savings Tax Directive. However, no retentions or exchanges of information under the EU Savings Directive apply to holdings of Shares in the Company or shares in EEA Holdings, the Master Subsidiary or Master Sub II.

United Kingdom

It is the intention of the Directors to conduct the affairs of the Company so that the management and control is not exercised in the United Kingdom and so that it is not resident in the United Kingdom for taxation purposes, or so that it does not carry on any trade in the United Kingdom (whether or not through a permanent establishment situated there). Accordingly, the Company will not be liable for United Kingdom taxation on its income or gains.

Others

Other income tax and capital gains tax, if any, applicable to the investments of a Cell are set out in the Supplements hereto.

United States

The discussion contained in this Offering Memorandum as to tax considerations is not intended or written to be used, and cannot be used, for the purpose of avoiding US federal income tax penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed in this Offering Memorandum.

Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax adviser.

The statements on taxation below are intended to be a summary of certain US tax consequences of the Company's indirect investment in life settlements and are based on the law in force at the date of this document. As is the case with any investment, there can be no guarantee that the tax consequences anticipated at the time an investment is made actually will be achieved.

The following discussion is a general summary of certain US federal tax consequences that may result to the Company, EEA Holdings, the Master Subsidiary, and the Master Sub II in connection with the transactions contemplated therein. The discussion does not purport to deal with all of the US federal income tax consequences applicable to the Company, EEA Holdings, the Master Subsidiary, and the Master Sub II. Furthermore, the discussion is directed only to (i) individuals who are not residents, citizens, or former residents or citizens of the United States (including certain trusts that are treated as individuals or US federal income tax purposes) and (ii) entities that are treated as foreign corporations for US federal income tax purposes, and only to such individuals or entities that are not deemed for US tax purposes to own indirectly (e.g. through attribution from other individuals or entities) ten per cent. or more of the stock in EEA Inc.

The discussion is based upon the Internal Revenue Code of 1986, as amended (the "**Code**") and upon judicial decisions, US Treasury regulations, IRS rulings and other administrative materials interpreting the Code, all of which are subject to change that may or may not be retroactive.

PROSPECTIVE INVESTORS ARE URGED TO CONSULT, AND MUST DEPEND UPON, THEIR OWN TAX ADVISERS WITH SPECIFIC REFERENCE TO THEIR OWN TAX SITUATIONS AND POTENTIAL CHANGES IN APPLICABLE LAW, INCLUDING THE APPLICATION OF STATE AND LOCAL, FOREIGN AND OTHER TAX CONSIDERATIONS.

Taxation of EEA Inc

EEA Inc will be treated as a corporation for US federal income tax purposes and generally will be subject to tax on the income from the maturity of its life insurance policies on a net basis at graduated rates of up to 35 per cent. EEA Inc expects that a substantial amount of the interest paid on the loan notes issued by EEA Inc and held by the Master Sub II should reduce the gross income it realises from each policy. The IRS, however, may challenge this position on one or more grounds, and there can be no assurance that any such challenge will not succeed.

Taxation of the Master Sub II

For US federal income tax purposes, the Master Sub II will be treated as a branch of, or a disregarded entity owned by, EEA Holdings, and the following discussion therefore treats all items of income, gain, loss, and deduction of the Master Sub II as those of EEA Holdings.

Taxation of EEA Holdings

For US federal income tax purposes, EEA Holdings will be treated as a branch of, or a disregarded entity owned by, the Company (or as a partnership the partners in which are the Cells), and the following discussion therefore treats all items of income, gain, loss, and deduction of EEA Holdings as those of the Company.

Taxation of the Master Subsidiary

Because the Master Subsidiary has ceased active operations, US federal income tax liability can arise only in respect of its activities prior to the restructuring, and only if the Master Subsidiary had been engaged in a trade or business in the United States. The Master Subsidiary intends to take the position that it was never so engaged, and, therefore, that none of its income was “effectively connected” with a US trade or business carried on by the Master Subsidiary. However, this issue is subject to some uncertainty, and the IRS may contend that such income was effectively connected. If the IRS prevailed on this point, the Master Subsidiary’s effectively connected income will be subject to US federal income tax on a net basis at the graduated rates

applicable to US domestic corporations, and the Master Subsidiary may also be subject to a branch profits tax on its “effectively connected earnings and profits”.

If the income of the Master Subsidiary that is derived from the maturity of life insurance policies was not effectively connected the IRS would take the position that it generally would be subject to US tax of 30 per cent.. For the purposes of this tax, income with respect to each policy is equal to the amount received from the insurance company that issued such policy, reduced by the sum of (i) the amount paid by the Master Subsidiary to acquire such policy and (ii) any premiums paid to keep such policy in force.

Taxation of the Company and the Shareholders

Interest paid to a partnership with all non-US partners, such as the Company, is generally subject to US withholding tax at a rate of 30 per cent. Under the so called “portfolio interest” exception, however, no US tax will be imposed on the receipt of interest on notes issued by EEA Inc to the extent the partners (i.e., the Shareholders) provide properly completed Forms W-8BEN.. If a Shareholder does not provide a properly completed IRS Form W-8BEN, then that Shareholder’s pro rata share of the interest paid by EEA Inc. will be subject to US withholding tax at a rate of 30 per cent, and the Company will consider compulsorily redeeming a portion of such Shareholder’s Shares and use the proceeds of such redemption to pay such tax. In the absence of such withholding, the IRS would have the legal right to collect US withholding tax directly from the relevant Shareholder. All Shareholders are urged to promptly supply IRS Form W-8BEN when they purchase Shares, and to supply a new IRS Form W-8BEN when the existing IRS Form W-8BEN expires or the information contained therein becomes incorrect.

If EEA Inc pays a distribution with respect to its shares (other than a distribution in complete liquidation), such distribution will be treated first as a dividend to the extent of the earnings and profits of EEA Inc, then as a return of capital to the extent of the Company’s interest in EEA Inc, and then as a capital gain. Dividends paid to a partnership with all non-US partners, such as the Company, are generally subject to US withholding tax at a rate of 30 per cent..

DEALING PROCESS

Dealing arrangements

Shares can be purchased on each Subscription Day or redeemed on each Redemption Day. The first Subscription Day (save for the Shares of Euro Fund Acc Cell and Swedish Krona Fund Class X Cell which are expected to be admitted to listing on or about 8 April 2011) following the admission of the Shares in the Company to the Official List of the CISX is set out in the table below.

Cell	First Subscription Day (following admission)
USD Fund Class X Cell, Euro Fund Class X Cell, Sterling Fund Class X Cell, Sterling Dist Cell, USD Fund Dist Cell and Euro Fund Dist Cell	2 January 2007
Sterling Fund Acc Cell	1 February 2007
Meteor Senior Life Settlements Sterling Fund	1 February 2008
Meteor Senior Life Settlements Sterling Fund II	1 September 2008
USD Fund Class I Cell, WAY Life Settlements Fund Cell	1 December 2009
USD Fund Acc Cell	4 January 2010
Euro Fund Acc Cell	3 May 2011
Swedish Krona Fund Class X Cell	3 May 2011

The prices at which Shares can be purchased or redeemed will normally be determined according to the section entitled “Valuation” herein. The Manager may change the Valuation Point, the Subscription Day or the Redemption Day at its discretion provided that Shareholders will be given at least one month’s prior notice of any such change. The Manager may also determine that there shall be additional Subscription Days or Redemption Days without giving notice to the Shareholders.

The Directors have set the minimum amount to be subscribed in each Cell as described in the Supplements.

Certificates for Shares will not be issued. Title to the Shares will be evidenced by entries on the register of Shareholders. A contract note specifying the number of Shares subscribed will be issued by the Administrator within a period of 15 Business Days from the Subscription Day.

Subscriptions

Applications for Shares may be made on any Subscription Day at the Subscription Price (calculated as set out herein) as at the Valuation Point. Applications for Shares should be made on an Application Form and sent to the Administrator. Currently, (i) the Articles allow a preliminary charge of up to 5 per cent. of the Net Asset Value of the Shares to be levied, and (ii) for some Cells the Manager may charge the relevant Cell a distribution fee of up to 5 per cent. on the total amount subscribed, and the Manager is entitled to share these fees with any intermediaries. Details of the upfront fee or distribution fee to be charged by the Manager in respect of each of the Cells are set out in the Supplements.

The Manager has absolute discretion whether to accept or reject in whole or in part any application for Shares. Application for Shares and subscription monies in each Cell must be received by the day as described in the Supplements, subject to the Manager's absolute discretion to accept applications and subscription monies received after that date but prior to the Subscription Day. In the event that an application is rejected, application monies will be returned without interest by cheque through the post or telegraphic transfer at the discretion of the Manager at the risk and expense of the person(s) entitled thereto.

At the Manager's absolute discretion, payments may be accepted in forms of consideration other than cash.

Money laundering declarations

The Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations, 2007 require the Company to establish the identity of the person by whom or on whose behalf an application form is lodged with payment. The applicant or agent lodging an application form shall be deemed to agree to provide the Administrator with such information and other evidence as the Administrator may require to satisfy the verification of identity requirements. Shares will not be allotted to the applicant until the verification of identity requirements have been complied with to the satisfaction of the Administrator. The documentation required to comply with such requirements will vary depending on the type of applicant, the nature of the relationship between the Company and the applicant, and whether the applicant is in a

jurisdiction as set out in Appendix C to the Handbook for Financial Services Business on Countering Financial Crime and Terrorist Financing.

US Federal Income Tax Forms

The Fund has re-structured its operations to comply with recent US federal income tax guidance in a tax-efficient manner. Doing so has involved the issuance of promissory notes by EEA Inc. The interest paid on those notes generally reduces the gross income of EEA Inc, but is subject to US withholding tax at a rate of 30 per cent. except to the extent such interest is attributable to a Shareholder that has furnished a properly completed IRS Form W-8BEN with respect to his Shares. Each Shareholder therefore is required to furnish such a form upon the acquisition of Shares, and to provide a new form when the form previously provided expires or when the relevant information required to be shown on the form changes so as to make the old form no longer accurate.

Minimum holdings and dealings

Subscriptions should be made in the denominated currency of each Cell. The minimum subscription which shall be accepted in respect of an application for a Cell, its subsequent dealing and the minimum holding are set out in the Supplements.

The Manager may deviate from such minimum amounts at its discretion.

Redemptions

Shareholders may redeem all or part of their holding by submitting a redemption request in writing to the Administrator prior to the relevant Redemption Day. The specific redemption procedure for each Cell is described in the Supplements. The redeemed amount will be calculated by reference to the Redemption Value as at the relevant Redemption Day following the receipt of the request to redeem Shares.

The minimum redemption is Shares having a value of not less than an amount set out in the relevant Supplement of each Cell. If the Shareholder's remaining investment in a Cell is less than the minimum holding specified in the relevant Supplement for the Cell, the Manager may, at its discretion, redeem the entire holding. Redeeming

shareholders will receive a contract note setting out the details of their redemption within 15 Business Days of the relevant Redemption Day.

Redemption Charge / Dilution Levy

The Manager may levy a charge on redemption and such charge may vary by Cell. Details of the Redemption Charge applicable in each Cell are set out in the relevant Supplement.

The Manager may also apply a 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 Fund's assets required to raise funds to satisfy redemption requests by Shareholders. At its absolute discretion, the Manager may charge a dilution levy, to be retained by the Fund, on redemptions made by Cells where:

- (a) the Company experiences a large level of net redemptions on any Redemption Day relative to the size of EEA Inc;
- (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 Dealing Day will require the realisation of more than 5 per cent. of the assets of EEA Inc.

The Dilution Levy will be retained by the Fund and is not for the benefit of the Manager.

Compulsory redemption

The Directors have the power to compulsorily redeem the Shares of any investor if such Shares are being held by a person:

- (i) in contravention of any law or requirement of any country or regulatory authority by virtue of which such person is not qualified to;
- (ii) who is ineligible to hold or be interested in such Shares (as set out in the Articles or this document);

- (iii) whose holding of such Shares may, in the opinion of the Directors, cause legal, regulatory, fiscal, tax, pecuniary or material administrative disadvantage to the Company or its Shareholders;
- (iv) who fails to complete or fails to adequately complete United States taxation forms following notification on behalf of the Company that such taxation forms are required to be completed within such time period specified in the notification;
- (v) who holds equal to or more than ten per cent. of the total number of issued Shares of the Company; or
- (vi) who is a minor.

The Articles provide for the compulsory redemption of Shares in a Cell, if at any time after the first anniversary date of the date of the first issue of Shares of a Cell the Net Asset Value of that Cell on each Redemption Day falls below US\$2 million or equivalent and the Directors so elect.

Postponement of redemption

With a view to protecting the interests of Shareholders, the Directors are entitled at their discretion to defer redemptions for not more than 23 months from the relevant Redemption Day if the total value of all then outstanding requests for redemptions, net of subscriptions, exceeds 10 per cent. of the Net Asset Value of the Fund on any Redemption Day. In such event, priority shall be given in the following order to:-

- (i) Shareholders whose Shares are to be compulsorily redeemed;
- (ii) secondly, Shareholders whose redemption requests have 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
- (iii) thereafter all redemption requests shall be dealt with on a pro-rata basis.

Shareholders will be notified as soon as practicable if their requests for redemption are so deferred.

Redemption proceeds payment

The redemption proceeds net of any applicable Redemption Charges will normally be paid to the Shareholders in the Cell's base currency within the period following the relevant Redemption Day as set out in the Supplement or as soon as the proceeds are received by the Cell from the sale of any underlying investments made to meet the redemption, subject to the surrender of the share certificate, if any, and the receipt of the original redemption request by the Administrator. Shareholders may make a partial redemption of their shareholding subject to the minimum holding indicated in the Supplement.

Payment will be rounded down to the nearest currency unit of the base currency of the relevant Cell and made in accordance with the instructions accompanying the Application Form or amended instructions acceptable to the Manager. The relevant Cell will retain the benefit of any such rounding.

Conversion

On a Dealing Day, Shares in one Cell can be converted to Shares in another Cell without charge unless otherwise stated in the Supplement of the relevant Cells. The amount of such conversion is subject to the minimum dealings detailed in the relevant Supplement.

On written request from a Shareholder, the Administrator shall determine the number of Shares of the subscribing Cell to be allotted or to be otherwise created on conversion in accordance (or as nearly as may be in accordance) with the following formula:

$$N = \frac{F \times P \times C}{S}$$

where:

N is the number of Participating Shares of the subscribing Cell to be allotted;

- F is the number of Participating Shares of the redeeming Cell to be converted;
- P is the Redemption Price per Share of the redeeming Cell ruling on the relevant Subscription Day;
- C is the current exchange rate (where applicable) determined by the Administrator on the relevant Subscription Day as representing the effective rate of exchange applicable to the transfer of relevant assets between the relative Cells, after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;
- S is the Subscription Price per share for the subscribing Cell ruling on the relevant Subscription Day;

and the number of Shares of the subscribing Cell to be created or allotted shall be so allotted or created in respect of each of the Shares of the redeeming Cell being converted in the proportion (or as nearly as may be in the proportion) N to F where N and F have the meanings ascribed to them above; provided always that the Directors may in its discretion make such adjustments to the above conversion formula as they may consider appropriate to take account of any difference between the preliminary charge payable to the Manager in respect of the issue of Shares of the redeeming Cell and the issue of Shares of the subscribing Cell.

Client Money Accounts

Subscriptions are collected prior to the Dealing Day in client money accounts held in the name of the Manager or the Administrator (“**Client Accounts**”). Subscription monies are paid to the Cells on the relevant Dealing Day. Redemption proceeds are paid to redeeming Shareholders via the Client Accounts following the calculation of the Net Asset Value and the amount payable in respect of each redemption. Control of Client Accounts is maintained in accordance with Section 9 of The Licensees (Conduct of Business) Rules 2009. Interest earned on funds held in Client Accounts is for the account of the Manager.

VALUATION

Net Asset Value

The Manager will ascertain the Net Asset Value of each Cell at the Valuation Point. The Net Asset Value of each Cell shall be determined on the basis of the Investment Value of the Investment Assets plus the value of the Cash Instruments and other assets of the Cell, including, where applicable, unamortised initial setup and restructuring costs, unamortised acquisition fees and deferred distribution fees, less all liabilities whether existing or contingent and including such provision for future liabilities as the Manager may determine and any accrued performance fee. The Net Asset Value per Share of each Cell shall be determined by dividing the Net Asset Value by the number of Shares issued in each Cell at the Valuation Point.

The valuation methods specific to the Investment Assets of a Cell are set out in the relevant Supplement.

If, in any particular case, a value is not ascertainable or if the Manager considers that some other method of valuation better reflects the fair value then the Manager will have the discretion to choose such method of valuation as it sees fit.

The Net Asset Value per Share of each Cell listed on the CISX will be notified to the CISX as soon as practicable after calculation.

Subscription Price

The Subscription Price in respect of each Cell is set out in the respective Supplement. Subscriptions of Shares may be subject to a preliminary charge or distribution fee as detailed herein and in the Supplements.

Redemption Value

The Redemption Value shall be the Net Asset Value per Share at the Valuation Point and rounded to the nearest relevant currency unit of the relevant Cell's base currency. Redemptions of Shares may be subject to Redemption Charges and/or a Dilution Levy as detailed herein and in the Supplements. The relevant Cell shall retain the benefit of any such rounding.

Life Insurance Policies

The life policies which form the Investment Assets of EEA Inc shall be valued at the cost of purchasing the life policies plus estimated future profits as determined below.

The estimated future profit of a life policy is calculated by subtracting the acquisition and future servicing and other costs of each life policy, including estimated expected tax charge, from the policy's face value, and is amortised over the estimated remaining life of the policy on a straight line basis. Acquisition and servicing and other costs include those charged by the Investment Adviser and Sub-Custodian, future premiums payable on each life policy and any costs, including taxation, associated with its maturity. The estimated remaining life of the life policy is calculated by taking an average of the projected future life expectancy of each insured as certified by two independent medical professionals and adding thereto an additional period as considered appropriate by the Directors in consultation with the Investment Adviser. Such period is reviewed from time to time and is currently twelve months.

Such valuation will be carried out monthly for the determination of the Net Asset Value of EEA Inc. The Investment Adviser may make any necessary adjustment quarterly to the value of a life policy after assessing the latest health condition of the insured.

AVAILABILITY OF PRICES

The prices of the Cells will be published in the Financial Times and Bloomberg or similar media. The prices are updated monthly as soon as practicable after calculation by the Administrator. The prices of the Cells will also be available on request from the Administrator and the Manager and will also be notified to the CISX in the case of the Cells the Shares of which are listed on the CISX.

DISTRIBUTION POLICY

The distribution policy will be specific to each particular Cell set out in the relevant Supplement.

ACCOUNTING DATE

The accounting date of the Fund is 31 December in each year or such other date as the Directors shall determine from time to time having given due notice to all holders. The accounts of the Fund will be prepared in accordance with International Financial Reporting Standards and in the case of the Fund (excluding the Cells) will be prepared in US\$ and in the base currency for each Cell respectively. Annual reports will be published and sent to Shareholders and/or published on a website as advised to Shareholders within a period of 6 months following the relevant accounting date provided that at the Directors' discretion, Shareholders will only receive that part of the report which relates to the Cell(s) in which they hold Shares. Shareholders will be provided with a copy of the full Annual report of the Company on request.

FEES AND EXPENSES

Management fee

A management fee payable to the Manager by each Cell is accrued and payable monthly in arrears. The applicable fee in each Cell is set out in the relevant Supplement.

Performance fee

A performance fee may be payable by each Cell to the Manager and Investment Adviser if a certain level has been achieved in the Net Asset Value per Share of a Cell. The terms and conditions of such fee are set out in the relevant Supplement of each Cell.

Investment advisory fee

The Investment Adviser will charge the Fund a fee of 1 per cent. of the purchase price of each policy purchased (“**Acquisition Fee**”).

For the purposes of the determination of the Net Asset Value of EEA Inc, such Acquisition Fee shall be amortised over the anticipated life expectancy of the policy.

There will also be a fixed fee of US\$100 per month per policy held payable by the Fund to the Investment Adviser monthly in arrears.

Custodian fee

The Custodian will charge £7,000 per Cell, subject to a minimum fee of £70,000 per annum for the Company as a whole payable quarterly in arrears.

Sub-Custodian fee

The Sub-Custodian will charge the Fund a fixed annual fee of US\$75,000 payable monthly in arrears. The Fund was charged a one-off set up fee of US\$25,000.

Servicing Agent fee

The Servicing Agent will charge the Fund a one time review fee of US\$400 per policy, with a minimum charge of US\$11,500 per month. In addition, there is a monthly monitoring fee of US\$750. There is also an annual standing charge of US\$5,000 payable monthly. The Fund was charged a one-off initialisation fee of US\$2,500.

Premium Payment Agent fee

The Premium Payment Agent will charge the Fund a monthly fee equal to US\$35 per premium disbursement.

Administrator, Secretary and Registrar fee

The Administrator charges fees for its services in respect of each Cell as set out in the relevant Supplement. The fees are subject to a minimum of £1,000 per Cell per month in respect of Cells which have Shares in issue and hold assets.

The Administrator will charge the Fund a fee at the rate of 0.15 per cent. per annum of the Net Asset Value of Master Sub II up to US\$50 million and 0.1 per cent. per annum of its Net Asset Value thereafter.

The Administrator shall be paid an administration fee of £6,000 per annum by each of the Master Subsidiary, EEA Holdings and EEA Inc.

These Administrator's fees are accrued and payable monthly in arrears.

The Administrator is also entitled to be reimbursed by the relevant Fund entity (as appropriate) for all out-of-pocket expenses in connection with the carrying out of its duties.

Directors' Fees

In accordance with the Articles, the Directors are entitled to receive remuneration not exceeding US\$100,000 in aggregate in a financial year and reimbursement of any out of pocket expenses in discharging their duties.

During the financial year ended 30 June 2009, the aggregated directors' fees amounted to US\$6,800. Currently, the directors are entitled in aggregate to receive fees at a rate of £14,000 per annum. At the date of this document, the Directors are not entitled to receive any benefits in kind from the Company.

Listing Expenses

The listing expenses of the Company associated with the listing of the Shares on the official List of the CISX were in the region of £50,000.

Cost of Restructuring and Initial Set Up Costs

The Fund has recently undergone a restructure in order to comply with the recently issued US income tax guidance in a tax efficient manner.

The costs of the restructuring process whereby EEA Holdings, the Master Sub II and EEA Inc were formed were borne by the Fund. For the purposes of calculation of the Net Asset Value of the Fund, such costs will be amortised in the first five years following the first issue of shares in EEA Holdings, the Master Sub II and EEA Inc. For the purposes of statutory financial reporting, these set up and restructuring costs will be written off in the first accounting year in which they were incurred. It is estimated that the total costs in connection with the restructuring were in the region of US\$650,000.

Other fees and expenses

The Manager, the Investment Advisers, the Custodian, the Sub-Custodian, the Premium Payment Agent and the Administrator are entitled to be reimbursed their out of pocket expenses properly incurred in the performance of their respective duties. The Fund shall bear all other expenses including costs and expenses of legal advisers, auditors, brokers, registration, publication and distribution of reports, accounts and

similar documents. The initial setup costs of the Fund have been allocated to the Cells in such a manner as the Directors deem fair and, for the purposes of calculating each Cell's Net Asset Value, amortised over the first five years following the launch of the first Cell. For the purposes of the statutory financial reporting, such initial setup costs were written off as incurred. Other initial costs for each Cell are set out in the Supplements.

Most general expenses of the Fund, including all fees and expenses incurred or payable in connection with the services provided by the Directors, the Auditors and all legal, consultancy and marketing expenses, will be paid by EEA Inc or the Master Sub II. Costs specific to a Cell are paid by the relevant Cell. To the extent that costs of the Cells cannot be easily attributed to a Cell they will be apportioned pro-rata to all the Cells on the basis of their relative Net Asset Value or in such manner as the Directors deem fair and reasonable or paid by the relevant Fund entity.

RISK WARNINGS

IMPORTANT NOTE: Investments in the Cells should be considered as medium to long term investments.

Investment risk

It should be remembered that the price of the Shares and the income (if any) from them can go down as well as up and that, on the redemption of their Shares, investors may not receive the amount that they originally invested. The volatility in the value of investments may be reduced with a diversified portfolio.

The return on the investments will be dependent in large part upon the ability and expertise of the Investment Adviser to source and price the investments. The pricing of a settlement is dependent upon the life expectancy of the insured and premiums payable to maintain the policy. The investment in a policy may result in a loss if the medical diagnosis of the insured's condition is incorrect, the insured lives longer than the life expectancy estimate and, as a result, a higher premium has to be paid for the remainder of the term. The Manager engages an experienced investment adviser and seeks to maintain a balanced portfolio to minimise such risk.

Changes in taxation

Any change in the Fund's tax status, or in taxation legislation or practice in either Guernsey or any jurisdiction in which the Fund invests, could affect the value of the investments held by the Fund or the Fund's ability to achieve its investment objectives or alter the after-tax returns to Shareholders. Statements in this Offering Document concerning the taxation of Shareholders are based upon current Guernsey, United Kingdom and United States tax law and published practice, which law and practice is, in principle, subject to change (potentially with retrospective effect) that could adversely affect the ability of the Fund to meet its investment objectives and which could adversely affect the taxation of Shareholders.

Availability risk

The continuity of operation of a Cell is dependent on the Fund's ongoing ability to purchase Investment Assets and the availability of leverage, where required, to meet the investment objectives of the Cell. A change in the availability of Investment Assets or Leverage (if appropriate) could adversely affect the Manager's ability to execute its investment strategy leading to the potential failure of the Cell to meet its investment objective.

The continuity of operation of EEA Inc is dependent on EEA Inc's ongoing ability to purchase life insurance policies. Changes in the economy and other changed circumstances may result in a reduced supply of policies. Such changes could result from, among other things: (i) improvement in the economy, generating higher investment returns to insureds from their investment portfolios; (ii) improvements in health insurance coverage, limiting the need of insureds to obtain funds to pay the cost of their medical treatment; (iii) a change in law requiring the Fund to apply more stringent credit standards in purchasing life settlements; (iv) the entry into the market of less reputable third party brokers who submit inaccurate or false life settlement information to the Investment Adviser on behalf of insureds; (v) the establishment of new licensing requirements for the market participants and a delay in complying or an inability to comply with such new requirements; or (vi) refusal of the insurance company that issued the policy to consent to its transfer. A change in the availability of life insurance policies or Leverage (where appropriate) could adversely affect the Investment Adviser's ability to execute its investment strategy and meet its investment objective. Initially the Investment Adviser will be licensed in a number of states of the United States of America and will only be able to purchase life settlements in the states in which it is licensed or in which licensing is not required. EEA Inc will therefore be dependent on its ability to find an adequate supply of policies in the states in which the Investment Adviser is licensed or in which licensing is not required.

Leverage risk

Where the Cell uses Leverage to increase potential investment returns a significant risk exists should the cost of borrowing exceed the rate of return of the Investment

Assets. The Cell's exposure to capital risks is increased by the degree of Leverage employed.

Custody risk

Cells which borrow for the purpose of Leverage may be required to provide security. Where security is required, assets will be deposited with the lender and will cease to be within the Custodian's exclusive control. Accordingly, the Cell may be exposed to acts, omissions or insolvency risk of the lender. If pledging of security is required, the Manager will source reliable financial institutions with good credit ratings to minimise such risk.

Business risk

The Company has no record of past performance and there can be no guarantee that the investment objectives of the Company will be achieved.

Hedging risk

The use of Hedging Instruments involves certain special risks including dependence on the Cell's ability to predict movements in interest rates, the price of Investment Assets and Cash Instruments being hedged, imperfect correlation between the Hedging Instruments and the Investment Assets, Cash Instruments and interest rates being hedged, and the fact that the skills needed to use Hedging Instruments are different from those needed to select the Cells' Investment Assets, Cash Instruments and Leverage. Whilst such techniques can improve the return on invested capital, their use may also increase the costs and the risk of losses to the Company and the Cells.

The Directors cannot guarantee that the Cells will at all times have access to adequate hedging facilities to be able to hedge their foreign currency exposure comprehensively. There is a risk that part or all of the Cell's foreign currency exposure may remain unhedged or overhedged from time to time.

Redemption Charges risk

Shares may be subject to Redemption Charges, and/or a Dilution Levy. Such charges will decrease the Redemption Value of Shares.

Currency fluctuation risk

The underlying investments of a Cell may be denominated in currencies other than the base currency. Any fluctuation in the value of these other currencies against the base currency will affect the profitability of a Cell when the investments are converted into its base currency. The Manager may use Hedging Instruments including forward exchange contracts, futures and options to minimise such currency risk.

The Directors cannot guarantee that any Cell will at all times have access to adequate hedging facilities to be able to hedge the Cell's foreign currency exposure comprehensively. There is a risk that part or all of a Cell's foreign currency exposure may remain unhedged or overhedged from time to time.

Cell Risks

The Company is registered as a protected cell company. Under Part XXVII of the Companies Law, the assets of a Cell will not be available to meet the liabilities of another Cell. Although subject to limited judicial scrutiny, the principal advantage of a protected cell company is that, although it is still a single legal entity, it protects the assets of one Cell in the Company from the liabilities of other Cells in the Company. However, the concept of a protected cell company is relatively new and has been subject to limited judicial scrutiny. Accordingly, where the assets of the Company are outside Guernsey and the action is brought against the Company or the assets in that jurisdiction it is not known how the foreign courts will react to Part XXVII of the Companies Law. Furthermore, if a liability is imposed on the Company, it is not known how the courts will react in allocating that liability to one or more of the various Cells.

Concentration Risk

Notwithstanding that each Cell invests separately in EEA Holdings, and that each such investment will belong exclusively to that Cell, all of the Cells are ultimately

exposed to the same underlying risk. In each case the Cell will participate indirectly in a pro rata share of the Investment Assets.

Accordingly no diversity or spread of risk will be achieved by investing in more than one Cell, save in respect of any differences in performance related to such factors as the expenses, and the currency in which that Cell is denominated.

The distributions to Shareholders are paid out of the distributions from EEA Holdings, which in turn are derived from distributions from the Master Subsidiary and the Master Sub II, which in turn are derived from distributions or repayment of loans notes from EEA Inc. Such distributions or repayments could be paid out of the unrealised profits of EEA Inc. The unrealised profits, which are not determined on a marked to market basis, may not be crystallised in the event of early realisation or delayed maturity of the underlying investment in life policies. As a result, the total performance of EEA Inc and thus the Cells, EEA Holdings, the Master Subsidiary and the Master Sub II may be adversely affected.

Valuation overstatement or understatement risk

The valuation of the policies is based on the projected cashflows which depend upon the unknown length of time for which the insured will live. If the Investment Adviser underestimates how long an insured may live, it may pay more for a life policy than the policy is worth either on a discounted or a present value basis and be required to pay out more premiums than anticipated. Either of these circumstances could have a significant adverse effect on the returns on the investments.

Inaccurate forecasting of an insured's life expectancy could result from, among other things: advances in medical treatment resulting in deaths occurring later than forecast; inaccurate diagnosis or prognosis; changes to life style habits or the individual's ability to fight disease resulting in improved health; fraud or misrepresentation by the insured.

Although two qualified physicians' estimates are used, such a valuation will ultimately be a matter of informed judgement, there is no guarantee the Net Asset Value will not be overstated or understated and the Directors, the Manager and the Administrator cannot accept responsibility for consequent incorrect valuations.

Insured fraud risk

Although the Investment Adviser will conduct certain diligence in advance of investing in a policy, there is a risk that EEA Inc will be defrauded. Among other types of fraud that may exist, an insured may misrepresent the status of his illness, may fail to disclose all beneficiaries or may sell a policy to more than one purchaser. If EEA Inc is subject to such fraud, returns on the investments may be adversely affected.

Policy Pricing Risks

Beginning in 2004, the life settlements market has witnessed an inflow of funding. Most of these investment groups have elected to use either the life expectancy at the lower confidence level, or they have used some variations of the mortality curves provided by life expectancy firms. This practice of purchasing policies with shorter life expectancies derived from a lower confidence level has created an extremely competitive pricing arena. This increase in the competitiveness in pricing may make it more difficult for EEA Inc to purchase policies in an expedient manner and result in lower margins on the investments.

Liquidity risk

EEA Inc intends to use a substantial portion of the funds to purchase a pool of life settlements. There is minimal or no return on such purchases until maturity. Proceeds derived from maturing policies will be reinvested and will not be readily available to satisfy redemption requests. Such an investment is essentially illiquid. Therefore, EEA Inc may not have access to liquid assets to make any payment to shareholders until the life insurance policies mature or unless it realises the assets through the secondary market. The secondary market of these settlements is not highly regulated or developed and there is no certainty the market will be active. Accordingly delays may occur in redemption payments. In order to increase EEA Inc's liquidity, the Manager shall seek to match redemptions with subscriptions and source available credit facilities with the pledging of the life insurance policies.

Missing Insureds

There is a risk that an insured with whom EEA Inc has entered into a contract may go missing, or that there may be a delay in ascertaining that an insured has died or in obtaining required documentation needed to claim the insured's death benefit. EEA Inc could incur substantial unplanned expenses in locating missing insureds and could experience substantial delays in collecting death benefits. In some states, the regulator may limit the frequency of contacts that the Investment Adviser through its tracking firms may make to the insured or limit obtaining his or her medical records by the tracking firms.

Counterparty risk

There is a counterparty risk in respect of the solvency of the insurance company during the period a policy is held to maturity. There is no guarantee that the insurance companies will meet their obligations to make payment on maturity. The Manager manages counterparty risk by limiting the exposure to any single insurance company obligor and by only buying policies written by insurers that meet its rating requirements.

EEA Inc relies on the Investment Adviser to locate and evaluate policies to be purchased, to administer the policies in the books and to process claims. If, as a result of insolvency or liquidation or otherwise, the Investment Adviser were to cease servicing the life settlements, it may be difficult to find a suitable successor adviser. Any successor adviser may have less experience and be less capable in evaluating policies, processing claims and managing collection systems. EEA Inc has appointed the Servicing Agent who can perform most of the tasks of the Investment Adviser except sourcing and procurement of policies.

US Federal and State Tax Risks

The IRS could raise a number of issues regarding the US federal income taxation of the Fund which, unless successfully challenged in court, could substantially increase the amount of US federal income tax that the Fund would be required to pay. For example, the IRS could assert that (i) some or all of the interest expense paid by EEA Inc does not reduce the income of EEA Inc for US federal income tax purposes, (ii)

the interest paid by EEA Inc is subject to US federal withholding tax in an amount greater than that reported by the Fund (in which case such tax would be imposed at a rate of 30 per cent.), or (iii) the gain recognised by the Master Subsidiary when it transferred the policies to Master Sub II was subject to US federal income tax on a net basis. Other potential grounds for increased US federal income tax liability also exist. Additionally, the States of New Jersey or other states could assert successfully that EEA Inc was engaged in business or otherwise connected to those states. If such contention were accepted, some or all of the income of EEA Inc could be subject to the income tax of one or more states.

CONFLICT OF INTERESTS

The Directors, the Manager, the Investment Adviser, the Custodian and the Administrator or companies with which they are associated may from time to time act as director, manager, investment adviser, custodian or administrator in relation to, or be otherwise, involved in, other funds established by parties other than the Company which have similar objectives to those of the Fund. It is therefore possible that any of them may, in the course of business, have potential conflicts of interest with the Fund. Each will, at all times, have regard in such event to its obligations to the Fund and endeavour to ensure that such conflicts are resolved fairly. In addition any of the foregoing may deal as principal or agent with the Fund, provided that such dealings are carried out as if effected on the normal commercial terms negotiated on an arm's length basis. The Manager or any of its affiliates or any person connected with the Manager may invest in, directly or indirectly, or manage or advise other funds or accounts which invest in assets which may also be purchased or sold by the Fund. Neither the Manager nor any of its affiliates nor any person connected with it is under any obligation to offer investment opportunities of which any of them become aware to the Fund or to account to the Fund in respect of (or share with the Fund or inform the Fund of) any such transaction or any benefit received by any of them from such transaction, but will allocate such opportunities on an equitable basis between the Fund and other clients.

GENERAL INFORMATION

Incorporation

The Company was incorporated in Guernsey under the provisions of The Companies (Guernsey) Law, 1994, as amended, as a limited company (Company No. 43302) on 20 June 2005 and has been established as a protected cell company for the purpose of Part XXVII of the Companies Law. The Company changed its name from EPIC Investment Funds PCC Limited to EEA Life Settlements Fund PCC Limited on 3 August 2007.

The Company is not and has not since incorporation been engaged in any legal or arbitration proceedings and, so far as the Directors are aware, no such proceedings or claims are pending or threatened by or against the Company which may have or have had a significant effect on the Company's financial position.

Share capital

The Company is authorised to issue 100 Management Shares of €1 each and an unlimited number of participating redeemable preference shares of no par value. The Shares may be issued as shares in a Cell.

All issued shares are in registered form.

Management Shares

The 100 Management Shares in issue were issued at par and are beneficially owned by the Manager. The Management Shares are not redeemable and do not carry any right to vote (except in relation to a resolution to voluntarily wind up the Company or unless there are no Shares in issue in which case each Management Share carries one vote) or to dividends. Assets not attributable to any particular Cell will constitute the non-cellular assets of the Company for the purposes of Part XXVII of the Companies Law. In a winding-up the surplus of any such assets shall be distributed among the holders of Management Shares pro rata to their respective holdings up to the nominal value paid up in the Management Shares.

Participating Shares

As at the date of this document there are 4,542,828 Shares in issue. The Shares may be issued as shares in a Cell at the Subscription Price (excluding any initial charge) based on the prevailing Net Asset Value per Share determined by the Directors from time to time.

The Shares carry the right to any dividends as determined by the Directors. Each holder of Shares is entitled, on a poll, to one vote for each Share held. Assets attributable to any Cell will constitute the cellular assets of such Cell for the purposes of Part XXVII of the Companies Law. In a winding-up the cellular assets available for distribution shall be distributed among the holders of Shares of each Cell in question pro rata to their respective holdings in such Cell. A fraction of a Share in a Cell will rank pari passu and proportionately with a whole Share in that Cell.

Unclaimed dividends

- (a) Any dividend which has remained unclaimed for 6 years from the date when it became due for payment shall, if the Directors so resolve, be forfeited and cease to remain owing by the Company.
- (b) All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. No dividends shall bear interest against the Company. The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof.

Right to purchase own shares

- (a) The Company may, pursuant to the Articles, acquire any of its own shares whether or not they are redeemable.
- (b) The Company and any of its subsidiaries may give financial assistance directly or indirectly for the purpose of or in connection with the acquisition of its shares or in connection with reducing or discharging any liability incurred in connection with the purchase of shares in the Company.

Winding up procedure

The Company may be wound up when a special resolution is passed by the Company. Further, when the authorisation of the Company as an authorised collective investment scheme is revoked, the Directors shall convene an extraordinary general meeting of the Company for a date not later than one month after the revocation for the purpose of consideration a resolution to wind up the Company.

The Company will be wound up in accordance with the Articles and any applicable Guernsey laws and regulations.

As soon as practicable after the Company falls to be wound up, a liquidator will realise the property of the Company and, after payment of all liabilities and costs, distribute the proceeds of the realisation to the shareholders and in proportion to their respective interests in accordance with the Articles.

Voting rights (including proxies)

Notice of meetings will be sent to all shareholders entitled to attend and/or at the discretion of the Directors will be published on the Company's website as may be advised from time to time.

At any meeting of shareholders of the Company, resolutions may be passed by a show of hands at the meeting unless a poll is required. A poll of shareholders may be demanded by the chairman of the meeting, or at least two shareholders having the right to vote on the resolution, or a shareholder or shareholders representing not less than one-tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

Only Shareholders or their proxies may vote at general meetings of the Company. The Management Shares do not carry any right to vote (except in relation to a resolution to voluntarily wind up the Company or unless there are no Shares in issue in which case each Management Share carries one vote).

The Shareholders representing not less than one-tenth of the Shares in issue may, in writing, request the Directors to convene a meeting. The quorum for a general meeting for the purpose of passing resolutions shall be two shareholders entitled to

vote present in person or by proxy and holding not less than 5 per cent. of Shares for the time being in issue.

A meeting duly convened and held in accordance with the provisions set out in the Articles (and subject to The Collective Investment Schemes (Class B) Rules 1990) shall be competent by special resolution:

- (a) to sanction any modification, alteration or addition to the provisions of the Articles;
- (b) to approve any departure by the Manager from any investment policy a statement of which has been included in the offering memorandum;
- (c) to remove the Manager;
- (d) to remove the Custodian;
- (e) to approve an arrangement for the reconstruction or amalgamation of the Company with another body or scheme whether or not that other scheme is a collective investment scheme;
- (f) to increase the maximum of the management fee provided that any such increase shall become effective at a specified date not earlier than 90 days after the date on which the resolution is passed.

Articles of Incorporation

The following is a summary of certain of the provisions of the Articles.

- (l) Variation of rights and alteration of capital
 - (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, only be varied with the consent in writing of the holders of a majority of the issued shares of that class or with the sanction of an ordinary resolution passed at a separate general meeting of the holders of the shares of that class.

- (ii) The rights attached to the Participating Shares shall be deemed to be varied by the creation or issue of any shares (other than Participating Shares of any class) ranking pari passu with or in priority to them as respects participation in the profits of the Company or in a winding up or reduction of capital.
- (iii) The Company may by ordinary resolution:
 - (A) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (B) subdivide all or any of its shares into shares of a smaller amount than is fixed by the memorandum of incorporation or Articles;
 - (C) cancel any shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the number of shares so cancelled.

(m) **Issue and Transfer of Shares**

- (i) Unless otherwise stated in this Offering Memorandum unissued shares in the Company are under the control of the Directors who may dispose of them on such terms and to such persons as they think fit.
- (ii) Subject to the restrictions below, any shareholder may transfer in writing all or any of his Shares in any form, which the Directors may accept in their discretion.
- (iii) The Directors may in their discretion and without assigning any reason decline to register any transfer of shares (not being fully paid shares). The Shares, among other things, may not be offered, sold, transferred, acquired or delivered, directly or indirectly, in the United States of America or any of its territories, possessions or areas subject to its jurisdiction or to, or for the account of, a Non Qualified Person which definition

includes a US Person (“Non Qualified Person” and “US Person” are each as defined in the Articles).

- (iv) The Directors may also refuse to register any transfer of a share on which the Company has a lien, if the transferee is a person upon which a compulsory redemption notice may be served or unless the instrument of transfer is:
 - (A) lodged at the registered office of the Company or at such other place as the Directors may from time to time appoint and is accompanied by the certificate (if issued) for the shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
 - (B) in respect of only one class of shares;
 - (C) in favour of not more than four transferees; and
 - (D) to a person who is not under the age of 18.
- (v) If the Directors refuse to register a transfer of a share they shall, within two months after the date on which the instrument of transfer was lodged with the Company, send to the transferor and the transferee notice of the refusal.
- (vi) The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Directors may determine. *Although not provided for in the Articles, any such determination by the Directors will be subject to such restrictions (if any) as may be imposed by the Listing Rules of the CISX.*
- (vii) There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document

relating to or affecting the title to any shares, such fee as the Directors may from time to time require or prescribe.

(viii) Subject to the provisions of the Companies Law and without prejudice to any special rights for the time being conferred on the existing holders of any shares or class of shares any share in the Company may be issued with such rights or restrictions as the Directors may determine.

(n) **Compulsory Redemptions**

If it shall come to the notice of the Directors that Shares are or may be held directly, indirectly or beneficially by any person:

- (i) who is a US Person; or
- (ii) who is in breach of any of the laws or regulations of any jurisdiction or regulatory authority by virtue of his holding of Shares; or
- (iii) whose ownership of Shares may in the opinion of the Directors or the Manager subject the Company or its shareholders to adverse legal, tax or regulatory consequences or other fiscal or pecuniary or material administrative disadvantage, the Directors may serve a notice upon the person requiring that person within 30 days to redeem (and/or procure the disposal of interests in) or transfer the relevant shares to another person who would not cause any of the conditions described in this paragraph (c) to exist; or
- (iv) who is within a class of persons identified in this offering memorandum as being ineligible;
- (v) who fails to complete or fails to adequately complete United States taxation forms following notification on behalf of the Company that such taxation forms are required to be completed within such time period specified in the notification;

- (vi) who holds equal to or more than ten per cent. of the total number of Shares of the Company; or
- (vii) who is a minor (under age 18) where such minor's interest is not held in the name of an account maintained for a person or persons over the age of 18.

If within 30 days after the receipt of a notice it has not been complied with, the Directors may deem that the redemption of the relevant shares has been requested by the person and the shares shall be redeemed in accordance with the Articles.

All rights of a holder who has been served a compulsory redemption notice will be suspended from the close of business on the day the notice is served except as is necessary to effect a redemption or transfer.

(o) **Directors**

- (i) Unless otherwise determined by ordinary resolution, the number of Directors shall be not less than two.
- (ii) No share qualification for Directors is required.
- (iii) The Directors shall have power at any time, and from time to time, without sanction of the Company in general meeting, to appoint any person to be a Director, either to fill a casual vacancy or as an additional Director. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election.
- (iv) The Company may by ordinary resolution appoint and remove any person as a Director provided that no person, other than a retiring Director, shall, unless recommended by the Directors for appointment, be eligible for the office of a Director at any general meeting otherwise than in accordance with the provisions of the Articles.

- (v) A Director may retire from office as a Director by giving notice in writing to that effect to the Company.
- (vi) There is no fixed retirement age for the Directors and there is no provision for the retirement of Directors by rotation.
- (vii) The office of a Director shall be vacated if:
 - (A) he ceases to be a Director by virtue of any provision of, or he ceases to be eligible to be a director in accordance with the Companies Law; or
 - (B) he becomes bankrupt or makes any arrangement or composition with his creditors generally; or
 - (C) he dies; or
 - (D) he resigns his office by notice to the Company; or
 - (E) he becomes of unsound mind; or
 - (F) he is given notice by all other Directors and he is given notice to vacate office; or
 - (G) he is absent from meetings of the Directors for four successive meetings without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated; or
 - (H) the Company so resolves by ordinary resolution.
- (viii) The remuneration of each Director shall be determined from time to time by the Directors provided always that the aggregated remuneration of the Directors shall not exceed such amount as may be approved by ordinary resolution of shareholders.
- (ix) The Directors shall be entitled to be repaid by the Company all out of pocket expenses properly incurred by them or with a

view to performance of their duties or in connection with their attendance at meetings of the Directors or of committees of the Directors or general meetings or separate meetings of the holders of any class of shares or otherwise in discharge of their duties.

- (x) Provided that he has disclosed to the Directors the nature and extent of any of his interest in accordance with the Companies Law, a Director notwithstanding his office may be a party to, or otherwise interested in, any transaction or arrangement with the Company and shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any such transaction or arrangement. No such transaction or arrangement shall be liable to be avoided on the ground of any such interest. A general disclosure given to the Directors to the effect that a Director is to be regarded as having an interest (as director, officer, employee, member or otherwise), including the monetary value of the director's interest is quantifiable, the nature and monetary value of that interest and if not quantifiable the nature and extent of that interest, in a party is to be regarded as interested in any transaction which after the date of disclosure be entered into with that party, shall be deemed to be sufficient disclosure of his interest in any such transaction or arrangement.
- (xi) A Director may vote in respect of any transaction or arrangement or any other proposal whatsoever in which he has any interest which he has disclosed and may be counted in the quorum at the meeting at which such matter is voted.
- (xii) Where proposals are under consideration concerning the appointment of two or more Directors to offices or employment with the Company or any company in which the Company is interested such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned shall be entitled to vote and be counted in

the quorum in respect of each resolution except that concerning his own appointment.

(p) **Borrowing Powers**

The Directors may exercise all the powers of the Company to borrow money, to give guarantees and to mortgage, pledge or charge all or part of its property or assets as security for any liability or obligation of the Company or of any third party. The Directors shall restrict the borrowings of the Company and its subsidiaries (if any) to the effect that, save with the previous sanction of an ordinary resolution of the holders of Shares of the relevant class, the Company shall not and ensure that none of its subsidiaries (if any) shall (so far as the Company can so secure by the exercise of its voting and other rights or power of control in respect of such subsidiaries) borrow money in relation to any class of Shares if, at the time of any such transaction, the aggregate liability in respect thereof would exceed a sum equal to such per cent. of the Net Asset Value as set out in the Offering Memorandum. Borrowings for this purpose shall be deemed to include:

- (i) the principal amount of any issued debentures notwithstanding that the same be issued in whole or in part for a consideration other than cash;
- (ii) the outstanding amount of acceptances by any bank or accepting house under any acceptance credit opened on behalf of and in favour of the Company or its subsidiaries (if any);
- (iii) the principal amount of any moneys borrowed the repayment whereof is guaranteed by the Company or its subsidiaries (if any) except so far as either:
 - (A) the debt owing in respect of such borrowed moneys is for the time being beneficially owned by the Company or its subsidiaries (if any); or

- (B) such borrowed moneys are otherwise taken into account as moneys borrowed by the Company or its subsidiaries (if any).

(q) **Indemnity**

Every present or former officer of the Company may (to the extent permissible under the Companies Law) be fully indemnified out of the assets and profits of the Company against all actions, expenses and liabilities which he may incur except through his own wilful act, neglect or default.

(r) **Notices**

The Company may give notice to a member by the following means:

- (i) personally;
- (ii) by post in a prepaid envelope to his registered address or leaving it at that address;
- (iii) transmitting it by facsimile to the number last notified by the member; or
- (iv) sending it by electronic means to the electronic address advised to the Company or by means of website.

(s) **Suspension of dealings**

The Directors may declare suspension of valuations and dealings in Shares in the Company or in any particular Cell in certain circumstances including in the event that:

- (i) by reason of the closure of or the suspension of trading on any futures exchange, money market or stock exchange it is not reasonably practicable to ascertain the Investment Value in the Cell established for that class of Shares; or

- (ii) for any other reason circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practicable fairly to determine the Net Asset Value for Shares of the Cell or Cells in question or it is likely that at some time on or before the relevant settlement day it will not be reasonably practicable to realise or dispose of investments held for such Cell or Cells; or
- (iii) for any other reason circumstances exist as a result of which, in the opinion of the Directors, it is not reasonably practical for the Company to realise or to dispose of investments comprised in the Cell established for that class of Shares; or
- (iv) a breakdown occurs in the means of communication normally employed between the Company, Custodian and Manager; or
- (v) a breakdown occurs in any system or infrastructure of the Company, Custodian or the Manager to such an extent that the Net Asset Value for a Cell cannot be calculated accurately; or
- (vi) any other breakdown occurs in any of the means normally employed by the Directors in assessing the Investment Value.

General

- (t) Save as otherwise disclosed herein, no share or loan capital of the Company is under option or agreed, conditionally or unconditionally, to be put under option.
- (u) There are no provisions of Guernsey law which confer pre-emption rights on existing shareholders on the allotment of equity securities for cash.
- (v) At the date of this Offering Memorandum Alison Simpson, together with related parties, has an interest in 1,339 Shares of the Sterling Fund Acc Cell. None of the other Directors nor any member of their respective immediate family has any interest in the share capital of the Company the existence of which is known to, or could with reasonable

diligence, be ascertained by, the relevant Director. In the future, other Directors of the Company may become interested directly or indirectly in the share capital of the Company.

- (w) None of the Directors has a service contract with the Company, and no such contract is proposed.
- (x) No loan or guarantee has been granted or provided by the Company to or for the benefit of any Director.
- (f) At the date of this Offering Memorandum the Company has no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges or other borrowings, or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.
- (g) Save as otherwise disclosed herein, none of the Directors nor any member of their respective immediate families has or has had any interest in any transaction or transactions which are or were unusual in their nature or conditions or significant to the business of the Company and which were effected by the Company since its incorporation.

Material agreements

The Company has entered into the following material agreements at the date of this document. The agreements entered into in relation to specific Cells are set out in the relevant Supplement.

Management Agreement

The management agreement dated 30 April 2010 as amended between the Company (on its own behalf and on behalf of its Cells), the Manager, EEA Holdings, the Master Subsidiary, the Master Sub II and EEA Inc (the “**Management Agreement**”) whereby the Manager has been appointed to act as manager of the assets of the Company, EEA Holdings, the Master Subsidiary, the Master Sub II, EEA Inc and of each Cell. Insofar as permitted by the Companies Law, under the Agreement, EEA Holdings, the Master Subsidiary, the Master Sub II, EEA Inc or the relevant Cell, as

applicable, indemnifies and exempts the Manager from any liability and losses not due to the Manager's fraud, gross negligence or wilful default suffered by the Manager in connection with the subject matter of this Agreement. The Agreement may be terminated by, inter alia, either the Manager or the Company giving not less than six months' notice in writing to the other.

Custodian Agreement

Under the Custodian Agreement dated 30 April 2010 as amended between the Company (on its own behalf and on behalf of its Cells), the Manager, the Custodian, EEA Holdings, the Master Subsidiary, the Master Sub II and EEA Inc (the "**Custodian Agreement**") the Custodian has been appointed as custodian of the assets of the Company, EEA Holdings, the Master Subsidiary, the Master Sub II, EEA Inc and of each Cell. Insofar as permitted by the Companies Law, the Agreement exempts the Custodian from liability not due to its fraud, wilful default or negligence and provides the Custodian with an indemnity from the assets of the relevant Fund entity, as applicable, in respect of losses or damages it may incur in the performance of its duties. The Agreement may be terminated by, inter alia, not less than three months' notice in writing given by the Company to the Custodian or by the Custodian to the Company.

Administration Agreement

Under the Administration Agreement dated 16 November 2010 between the Company (on its own behalf and on behalf of its Cells), the Manager, the Administrator, EEA Holdings, the Master Subsidiary, the Master Sub II and EEA Inc (the "**Administration Agreement**") the Manager has appointed the Administrator to carry out certain duties. Insofar as permitted by the Companies Law, the Administrator will not in the absence of wilful default, fraud or gross negligence be liable for any loss or damage which the Company, its Cells, EEA Holdings, the Master Subsidiary, the Master Sub II and EEA Inc may sustain or suffer as a result of, or in the course of, the discharge by the Administrator of its duties thereunder. The Agreement is terminable by, inter alia, not less than three months' notice in writing given by the Manager to the Administrator or the Administrator to the Manager.

Registrar and Paying Agent Agreement

The Registrar and Paying Agent Agreement dated 30 April 2010 as amended between the Company (on its own behalf and on behalf of its Cells), the Custodian, the Registrar, EEA Holdings, the Master Subsidiary, the Master Sub II and EEA Inc (the “**Registrar and Paying Agent Agreement**”) pursuant to which the Registrar has been appointed to act as registrar and paying agent (save in respect of EEA Inc) of the Company, EEA Holdings, the Master Subsidiary, the Master Sub II, EEA Inc and of each Cell. The Agreement provides that for as long as the Administrator acts as administrator of the Company, it will not be entitled to receive any remuneration for its services under the Agreement. The Administrator in its capacity as registrar will not in the absence of fraud, wilful default or negligence be liable for any loss or damage which the Company, EEA Holdings, Master Subsidiary, the Master Sub II, EEA Inc or the Custodian may sustain or suffer as a result of, or in the course of, the discharge by the Administrator in its capacity as registrar of its duties thereunder. The Agreement is terminable, inter alia, upon three months’ notice in writing by either the Custodian or the Registrar.

Investment Advisory Agreement

The Investment Advisory Agreement dated 1 September 2005, as amended and restated, among EEA Inc, the Manager and the Investment Adviser (the “**Investment Advisory Agreement**”) whereby the Investment Adviser has discretion to make investments on behalf of the Manager, subject to compliance with all applicable investment restrictions. The Agreement provides that the Investment Adviser is indemnified in respect of losses or damages it may incur in the performance of its duties not due to fraud, wilful misconduct or negligence. The Agreement remains in effect for 3 years and thereafter it is terminable by any party giving to the others three months’ written notice. The Investment Adviser will receive a fee payable by EEA Inc as set out in the Offering Memorandum.

Sub-Custodian Agreement

The Sub-Custodian Agreement dated 4 April 2011 as amended between the Custodian, EEA Inc and the Sub-Custodian whereby the Sub-Custodian has been appointed sub-custodian of the assets of EEA Inc deposited with the Sub-Custodian.

The Sub-Custodian is indemnified in absence of fraud, negligence, wilful default or a breach of the Sub-Custodian Agreement on its part, against any and all actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Sub-Custodian in connection with the performance of the Sub-Custodian's duties under the terms of the Sub-Custodian Agreement including all legal, professional and other expenses (the "**Liabilities**"). The indemnity also extends to such Liabilities as arise as a result of loss, delay, mis-delivery or error in transmission of any telecommunication or as a result of acting upon any forged transfer for redemption of shares. The Agreement is terminable, *inter alia*, by the Sub-Custodian giving not less than 6 months' written notice to EEA Inc (provided that a period of 3 years since the date of the Sub-Custodian Agreement has expired) and the Custodian or EEA Inc or the Custodian giving not less than 3 months' notice to the Sub-Custodian expiring at any time. The Sub-Custodian will receive a fee payable by EEA Inc set out in the Offering Memorandum.

Supplemental Agreement

The Supplemental Agreement dated 4 April 2011 as amended between the Sub-Custodian, the Investment Adviser, EEA Inc and the Premium Payment Agent whereby the Premium Payment Agent has been appointed to make payments of premiums under insurance policies purchased by EEA Inc to the insurance companies. The Premium Payment Agent is indemnified by EEA Inc in absence of wilful misconduct or gross negligence against any costs, expenses, loss, claim, damage or liability resulting or arising from the performance by the Premium Payment Agent of its duties under the supplemental Agreement. Further, EEA Inc, the Investment Adviser and the Premium Payment Agent joint and severally indemnify the Sub-Custodian for liabilities, costs, losses or damages it incurs arising out of the appointment of the Premium Payment Agent including arising out of the acts or omissions of the Premium Paying Agent. The Agreement is terminable on thirty days notice from EEA Inc (or Investment Adviser acting on its behalf) to the Sub-Custodian and Premium Payment Agent, thirty days notice from the Sub-Custodian to the other parties, and sixty days notice from the Premium Payment Agent to the other parties. The Premium Payment Agent will receive a fee payable by EEA Inc set out in the Offering Memorandum.

Agency Agreement

The Agency Agreement dated 4 April 2011 between the Custodian, EEA Inc, the Investment Adviser and the Sub-Custodian whereby the Investment Adviser has been appointed agent of the Custodian to direct the operation of the accounts maintained by the Sub-Custodian on behalf of EEA Inc, to give instructions to the Sub-Custodian and receive full information in respect of such accounts. The Agent is not entitled to any remuneration so long as it acts as the investment adviser of EEA Inc. The Agreement is terminable, *inter alia*, by the Custodian or the Agent giving to the other three months' written notice or immediately upon the termination of the Custodian Agreement.

Servicing Agreement

The Servicing Agreement dated 4 April 2011 between EEA Inc, the Investment Adviser and the Servicing Agent whereby the Servicing Agent has been appointed servicing agent of the life insurance policies to be acquired or held by EEA Inc. The Servicing Agent is indemnified, in absence of gross negligence or wilful misconduct, against any loss, liability, expense, claims or demands arising out of or in connection with the transactions contemplated by the Servicing Agreement. The Agreement is terminable by EEA Inc by giving thirty (30) days' written notice to the Servicing Agent and the Investment Adviser and by the Servicing Agent giving ninety (90) days written notice to EEA Inc, the Investment Adviser and the Sub-Custodian. The Servicing Agent will receive a fee payable by EEA Inc set out in the Offering Memorandum.

Inspection of the register of shareholders

The register of shareholders and the register of directors and secretaries of the Company may be inspected at the registered office of the Company during usual business hours on each Business Day.

Documents available for inspection

Copies of the following documents may be inspected free of charge or purchased for a reasonable fee at the registered offices of the Company during usual business hours on each Business Day:

- (a) the memorandum and articles of incorporation of the Company;
- (b) the material agreements referred to above and in the Supplements and any amendments thereto;
- (c) this Offering Memorandum and the Supplements;
- (d) The Companies (Guernsey) Law, 2008 as amended, extended or replaced;
- (e) The Collective Investment Schemes (Class B) Rules, 1990; and
- (f) the most recent annual report of the Company and the Cells.

Schedule

Cells

USD Fund Class X Cell (see Supplement 1)

Euro Fund Class X Cell (see Supplement 2)

Sterling Fund Class X Cell (see Supplement 3)

Sterling Fund Dist Cell (see Supplement 4)

USD Fund Dist Cell (see Supplement 5)

Euro Fund Dist Cell (see Supplement 6)

Sterling Fund Acc Cell (see Supplement 7)

Meteor Senior Life Settlements Sterling Fund (see Supplement 8)

USD Fund Class I Cell (see Supplement 9)

Meteor Senior Life Settlements Sterling Fund II (see Supplement 10)

WAY Life Settlements Fund Cell (see Supplement 11)

USD Fund Acc Cell (see Supplement 12)

Euro Fund Acc Cell (see Supplement 13)

Swedish Krona Fund Class X Cell (see Supplement 14)