



EEA Fund Management  
(Guernsey) Limited

# EEA Life Settlements Fund

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Portfolio Statistics as at 31 March 2017

This document is being directed only at those persons referred to in the regulatory information and notice at the end of this document. Other persons should not act or rely upon it in any circumstances.

# Fund Commentary

As at 31 March 2017

At 31 March 2017, the Fund held 136 life insurance policies with a total net death benefit of \$461 million. The average policy size was approximately US\$3.4 million. The portfolio covered 50 illnesses, 102 lives and 41 insurance companies. Based upon weighted net death benefit, almost 93% of the portfolio was represented by insureds who were aged 80 or over, with an overall weighted average age of 90.92 years.

At the start of the year, the Fund's independent valuation agent, Maple Life Analytics, projected portfolio maturities for 2017 of \$67.3 million (but with a range of between \$28.7 million and \$119.0 million). In the quarter to the end of March 2017, there were 3 reported maturities with a total net death benefit of \$12.37 million, which is therefore within the range of expectations for 2017.

The Fund has recently confirmed that the cash required to pay future premiums on Current Underlying Investments for one year, on the conservative assumption that no maturities occur during this period, is \$40.4 million. According to Maple Life Analytics, the cumulative premiums expected to be paid in 2017 is \$34.1 million and, in 2018, is \$34.3 million.

As a result of lower than expected cash flows from maturities, together with the effect of updating certain life expectancy estimates and other adjustments made by Maple Life Analytics, the NAV per Share of the USD-denominated Cells decreased over the last quarter, ranging from -1.26% to -1.45% depending on the Cell.

The effect of currency movements on the non USD-denominated Cells over the last quarter were on average -1.52% (GBP), -1.23% (EUR) and -1.32% (SEK), meaning that the overall NAV per share of the GBP-denominated Cells (range -2.05% to -2.98%), the EUR-denominated Cells (range -2.64% to -2.78%) and the SEK-denominated Cells (range -2.56% to -2.94%) all decreased over the quarter.

On 3 January 2017, the Fund redeemed approximately \$6.5 million of shares across all Continuing Cells in respect of that Redemption Day.

Since the date of this report, the Fund has also redeemed approximately \$18.7 million of shares across all Continuing Cells in respect of the 3 April 2017 Redemption Day.

The Fund's board of directors has also declared a Redemption Day of 10 April 2017 in order to distribute in aggregate approximately \$35.8 million (equating to approximately 19.7% of the 31 March 2017 NAV per Share of Run-Off Cells) to those persons registered as holders of Run-Off Shares as at 10 April 2017, by way of compulsory redemption of a portion of each holder's Run-Off Shares.

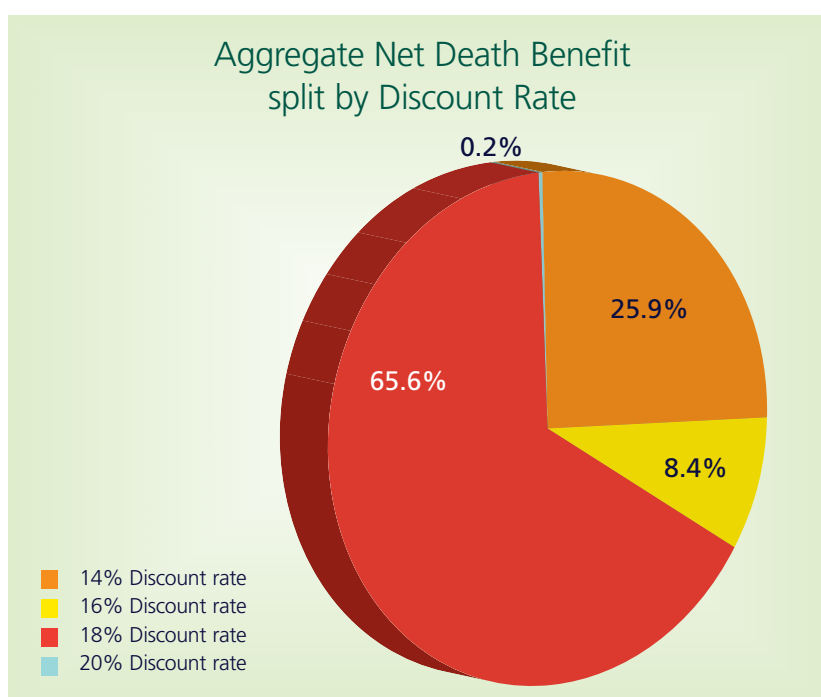
In calculating the level of Available Cash, cash required to pay future premiums on Current Underlying Investments attributable to a Cell for a specified period is excluded. The Board has determined that the appropriate period to adopt for such calculation should, until further notice, be one year.

## Aggregate Net Death Benefit split by Discount Rate

As at 31 March 2017

The discount rate shown here refers to the rate used to determine the present value of the future cashflows anticipated in respect of each policy – it is a rate which reflects an implied annual return over the

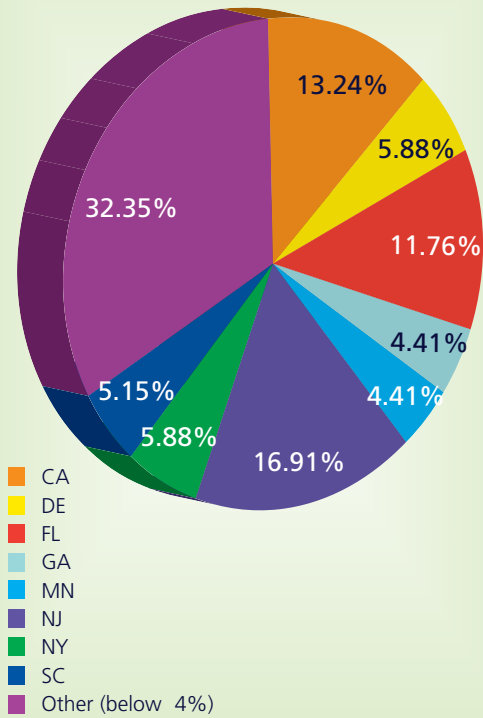
period from the date of valuation to the life expectancy estimate. The table also illustrates how the valuation changes should these assumptions be altered.



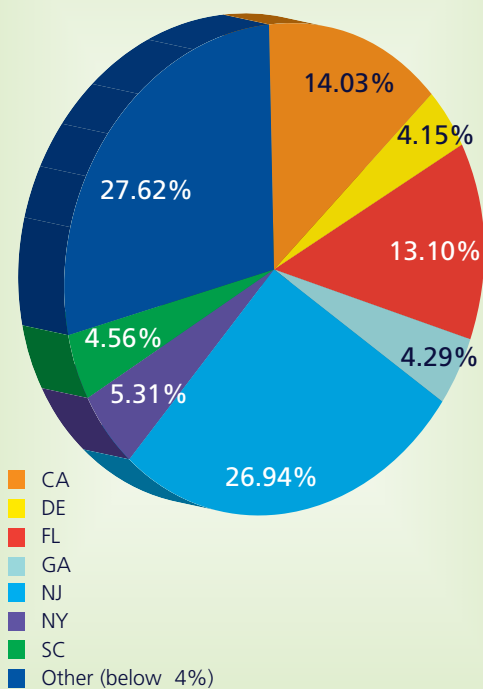
# Policy Split by State of Issue

As at 31 March 2017

Number of Policies by State of Issue



Aggregate Net Death Benefit by State of Issue



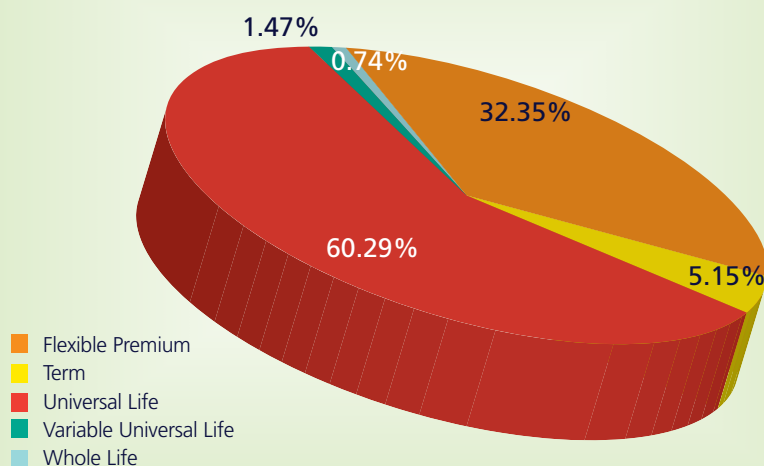
State	Number of Policies	Policy Net Death Benefit	Average Net Death Benefit	
AL	2	1.47%	\$292,230.00	0.06%
AZ	4	2.94%	\$2,850,000.00	0.62%
CA	18	13.24%	\$64,700,000.00	14.03%
CO	1	0.74%	\$615,330.00	0.13%
DE	8	5.88%	\$19,127,328.00	4.15%
FL	16	11.76%	\$60,400,000.00	13.10%
GA	6	4.41%	\$19,767,589.00	4.29%
MA	1	0.74%	\$400,000.00	0.09%
MD	1	0.74%	\$7,500,000.00	1.63%
ME	1	0.74%	\$1,500,000.00	0.33%
MI	3	2.21%	\$10,400,000.00	2.26%
MN	6	4.41%	\$18,384,664.44	3.99%
MS	2	1.47%	\$8,640,000.00	1.87%
NC	3	2.21%	\$7,000,000.00	1.52%
NE	2	1.47%	\$11,200,000.00	2.43%
NJ	23	16.91%	\$124,225,000.00	26.94%
NY	8	5.88%	\$24,466,983.00	5.31%
OH	2	1.47%	\$500,000.00	0.11%
OR	3	2.21%	\$4,625,000.00	1.00%
PA	3	2.21%	\$4,840,000.00	1.05%
SC	7	5.15%	\$21,041,469.00	4.56%
SD	2	1.47%	\$14,000,000.00	3.04%
TN	3	2.21%	\$3,782,962.00	0.82%
TX	3	2.21%	\$8,218,144.00	1.78%
VA	1	0.74%	\$10,000,000.00	2.17%
WA	4	2.94%	\$6,100,000.00	1.32%
WI	2	1.47%	\$6,000,000.00	1.30%
WV	1	0.74%	\$500,000.00	0.11%
WV	1	0.71%	\$500,000.00	0.11%
<b>Totals:</b>	<b>136</b>		<b>\$461,076,699.44</b>	

# Policy Split by Policy Type

As at 31 March 2017

Policy Type	Number of Policies	Policy Net Death Benefit
Flexible Premium	44 32.35%	\$179,669,928.00 38.97%
Term	7 5.15%	\$7,200,000.00 1.56%
Universal Life	82 60.29%	\$268,806,771.44 58.30%
Variable Universal Life	2 1.47%	\$4,400,000.00 0.95%
Whole Life	1 0.74%	\$1,000,000.00 0.22%
<b>Totals</b>	<b>136 100.00%</b>	<b>\$461,076,699.44 100.00%</b>

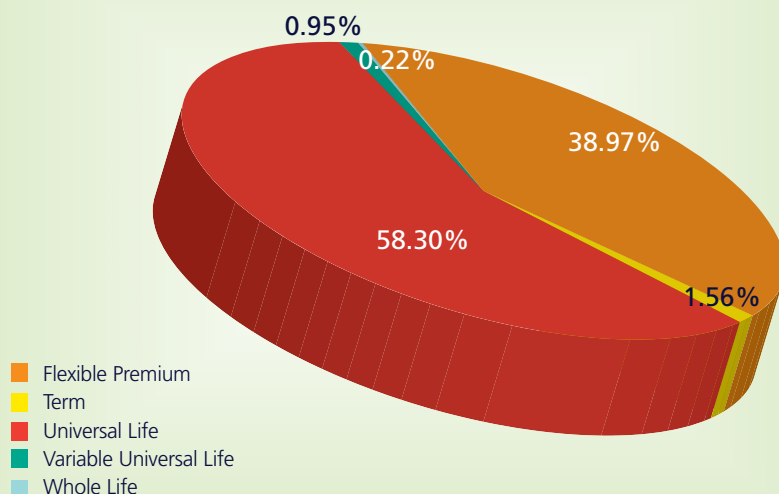
### Number of Policies by Policy Type



### Definitions

- Whole of Life** Premium is fixed and stated in the policy document.
- Universal Life Variable Universal Life Flexible Premium** Whole life policy. Premiums are flexible but there is a minimum premium, to maintain life cover, stated in the policy document.
- Term Group Term Life** Premiums are fixed for a defined term. Premiums go up to a stated premium after the term expires or the policy can be converted to Universal Life Policy. Premiums are stated in the policy document. The Fund must not purchase a term life policy, the remaining term at the time of 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 (see Information Memorandum).

### Aggregate Net Death Benefit by Policy Type

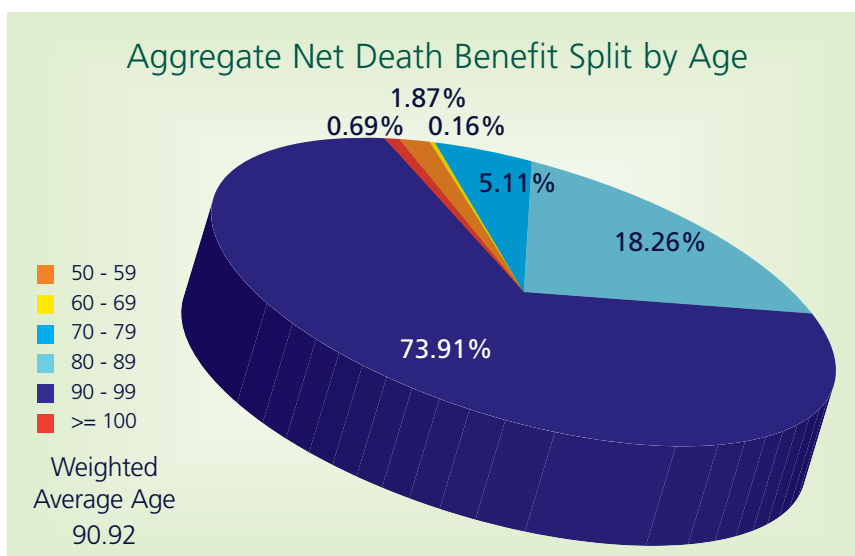
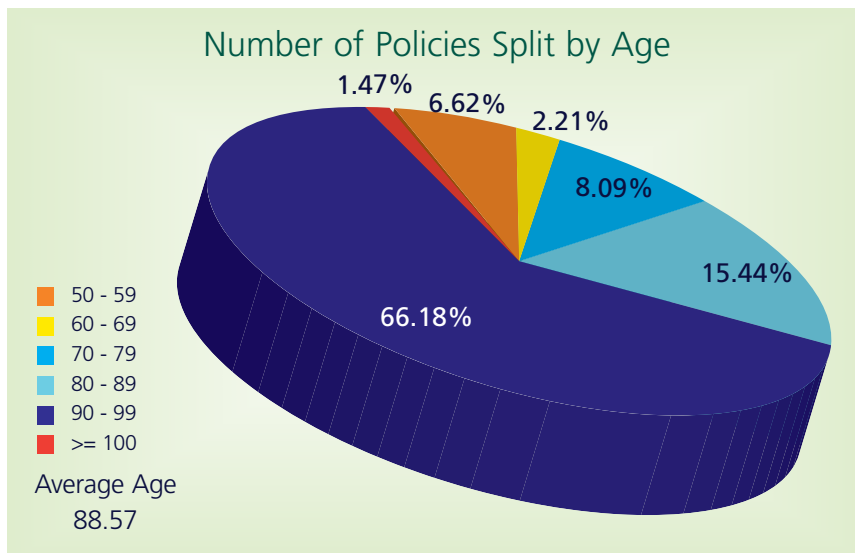


Note: Policies have a termination age. The Investment Adviser has estimated, as at 31 March 2017, that around 1.35% of the remaining net death benefit was represented by policies that would expire should they not mature within their LE estimate and that an additional 4.22% of the remaining net death benefit was represented by policies that would expire should they not mature within two-times their LE estimate.

# Policy Split by Age

As at 31 March 2017

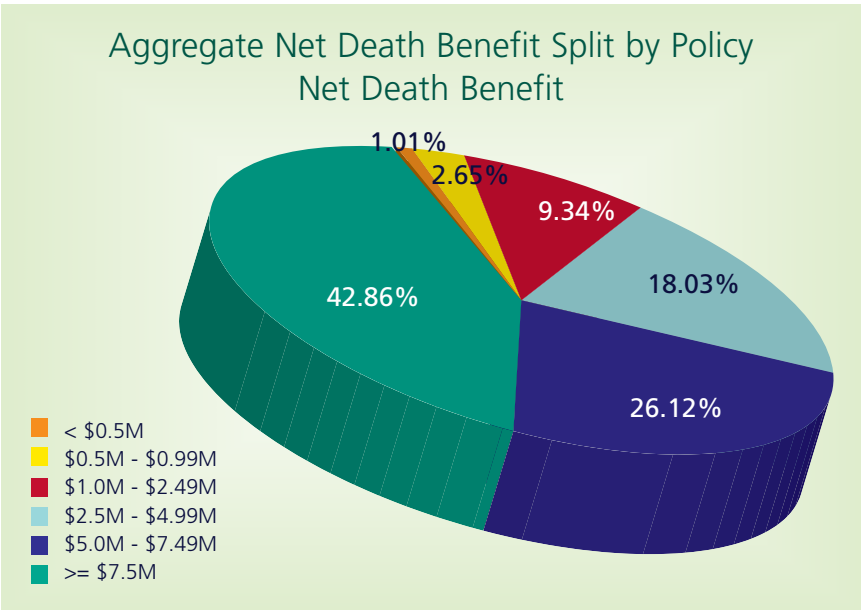
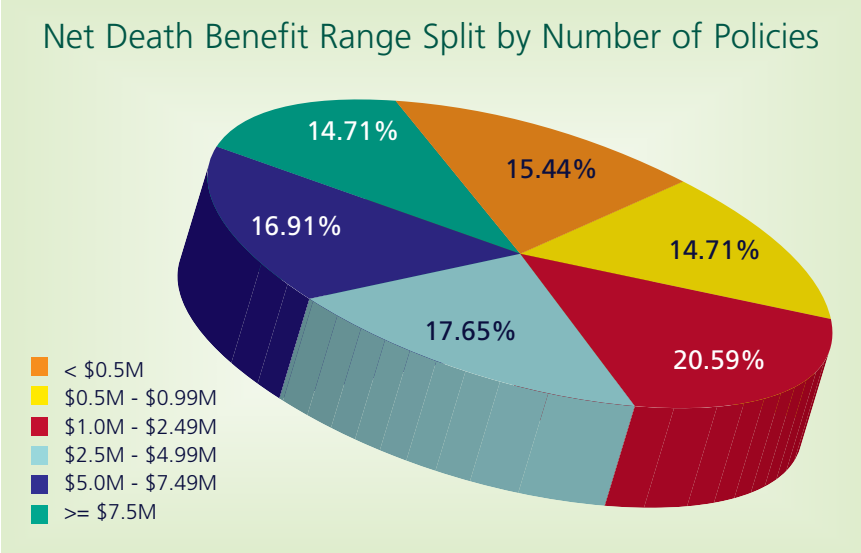
Age Range	Number of Policies	Net Death Benefit
50 - 59	9 (6.62%)	\$8,626,839.44 (1.87%)
60 - 69	3 (2.21%)	\$750,000.00 (0.16%)
70 - 79	11 (8.09%)	\$23,550,000.00 (5.11%)
80 - 89	21 (15.44%)	\$84,200,000.00 (18.26%)
90 - 99	90 (66.18%)	\$340,772,532.00 (73.91%)
>= 100	2 (1.47%)	\$3,177,328.00 (0.69%)
<b>Total</b>	<b>136 (100.00%)</b>	<b>\$461,076,699.44 (100.00%)</b>



# Policy Split by Net Death Benefit

As at 31 March 2017

NDB Range	Number of Policies		Net Death Benefit	
< \$0.5M	21	15.44%	\$4,678,251.44	1.01%
\$0.5M - \$0.99M	20	14.71%	\$12,200,620.00	2.65%
\$1.0M - \$2.49M	28	20.59%	\$43,063,190.00	9.34%
\$2.5M - \$4.99M	24	17.65%	\$83,115,000.00	18.03%
\$5.0M - \$7.49M	23	16.91%	\$120,419,638.00	26.12%
>= \$7.5M	20	14.71%	\$197,600,000.00	42.86%
<b>Totals</b>	<b>136</b>	<b>100.00%</b>	<b>\$461,076,699.44</b>	<b>100.00%</b>



# Policy Split by Insurance Company

As at 31 March 2017

Insurance Company	Number of Policies		Policy Net Asset Value	
American General Life	19	13.97%	\$63,061,107.00	13.68%
American National	3	2.21%	\$21,950,000.00	4.76%
Aviva Life Insurance Co	3	2.21%	\$1,400,000.00	0.30%
AXA	11	8.09%	\$68,000,000.00	14.75%
Bankers Life	1	0.74%	\$1,000,000.00	0.22%
Banner Life	1	0.74%	\$500,000.00	0.11%
Commonwealth Annuity	1	0.74%	\$615,330.00	0.13%
Conseco Life	5	3.68%	\$4,540,000.00	0.98%
Federated Life	1	0.74%	\$732,962.00	0.16%
General American Life	1	0.74%	\$625,000.00	0.14%
Genworth	1	0.74%	\$1,000,000.00	0.22%
Indianapolis Life	1	0.74%	\$500,000.00	0.11%
ING	1	0.74%	\$300,000.00	0.07%
ING ReliaStar Life	1	0.74%	\$217,589.00	0.05%
John Hancock	19	13.97%	\$94,277,328.00	20.45%
Lincoln Benefit	4	2.94%	\$18,409,664.44	3.99%
Lincoln Financial	3	2.21%	\$12,100,000.00	2.62%
Lincoln National	14	10.29%	\$66,450,000.00	14.41%
Mass Mutual	1	0.74%	\$3,000,000.00	0.65%
MetLife	4	2.94%	\$4,350,000.00	0.94%
MONY Life Insurance	2	1.47%	\$3,000,000.00	0.65%

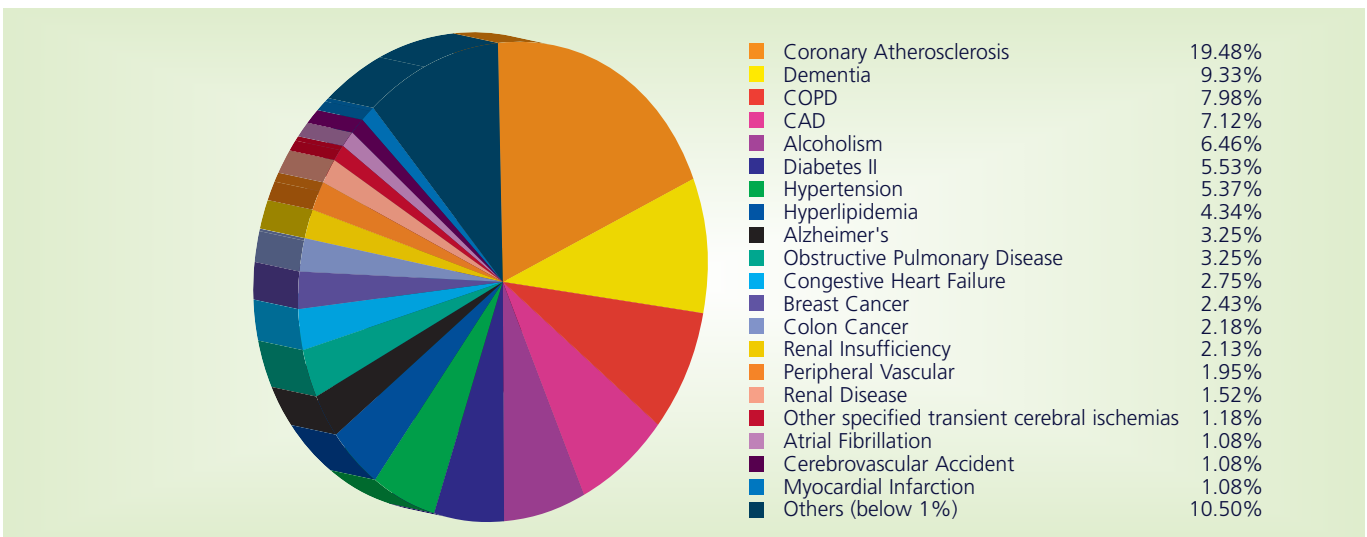
  

Insurance Company	Number of Policies		Policy Net Asset Value	
New England Financial	2	1.47%	\$2,223,215.00	0.48%
Pacific Life	2	1.47%	\$7,000,000.00	1.52%
Phoenix	3	2.21%	\$16,500,000.00	3.58%
Primerica	1	0.74%	\$100,000.00	0.02%
Principal Financial Group	1	0.74%	\$2,000,000.00	0.43%
Prudential	1	0.74%	\$5,000,000.00	1.08%
Reliastar	1	0.74%	\$100,000.00	0.02%
RiverSource Life Insurance	1	0.74%	\$500,000.00	0.11%
Security Life of Denver	1	0.74%	\$2,298,506.00	0.50%
State Farm Life	2	1.47%	\$292,230.00	0.06%
Sun Life Assurance	1	0.74%	\$6,000,000.00	1.30%
The Hartford	1	0.74%	\$8,800,000.00	1.91%
Transamerica	10	7.35%	\$22,740,000.00	4.93%
Transamerica Occ.	1	0.74%	\$800,000.00	0.17%
United of Omaha	3	2.21%	\$3,000,000.00	0.65%
US Financial Life	1	0.74%	\$200,000.00	0.04%
US Life of NY	1	0.74%	\$1,000,000.00	0.22%
West Coast Life	4	2.94%	\$15,850,000.00	3.44%
Western Reserve Life	1	0.74%	\$400,000.00	0.09%
William Penn	1	0.74%	\$243,768.00	0.05%

Notes: Total Net Death Benefit (Sum Assured) is \$461,076,699.44  
 12 months premiums to 31 March 2017 was \$39,845,105.79

# Aggregate Net Death Benefit Split by Illness

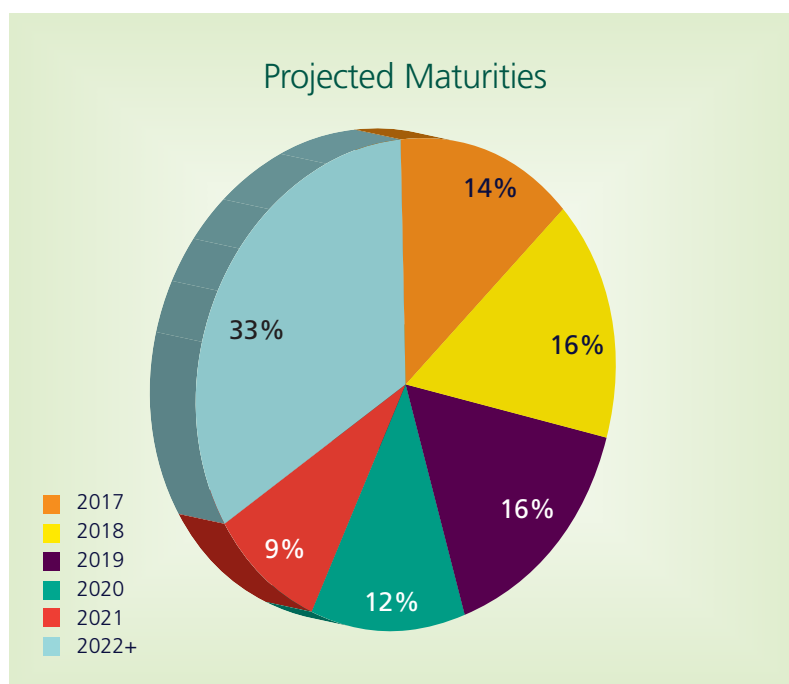
As at 31 March 2017



# Projected Net Death Benefits (NDB) from 1 January 2017

As at 31 December 2016

Year	Maturity projections (\$ million)	
2017	67.2	14%
2018	72.7	16%
2019	72.8	16%
2020	56.1	12%
2021	44.0	9%
2022+	154.4	33%
	<b>467.2</b>	<b>100%</b>



Source: Maple Life Analytics, LLC. The total of \$467.2m takes into account potential future policy expiries.

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