

If the links in this update (or on our web page www.EEAInvestors.com) don't work for you then please let me know

➤ **Annual General Meetings (AGMs)**

Proxies : I've received almost fifty proxies from investors for the 2014 AGM of which half are complete and the rest are awaiting final forms and signatures etc via the platforms and nominees involved.

Very many thanks to everyone concerned, especially for jumping through all the hoops and bureaucracy concerned.

Questions : I attach two letters (one per AGM) which we have sent to EEA etc containing questions which we will raise at the AGMs. These effectively summarise all our significant concerns with the current state of the Company and its future projections.

Resolutions : I attach a letter that we sent to EEA with three Resolutions that we propose to move at the 2014 AGM. They haven't posted any Notice on their website, and therefore we will have to request a poll to be carried out after the meeting. We are taking further legal advice on our positions and options.

Notes of Meetings : EEA do not publish Minutes or Notes of the General Meetings and discussions. My own notes of the October 2013 (Restructuring) EGM and the December 2013 AGMs are available on our website under "Archives". I will produce and distribute my notes of the 2014 Meetings.

If you need any further clarification or information then please get in touch.

➤ **Run-off Shares – June 2014 Redemption (September 2014)**

This process now seems to have been completed and you should each have received the payments into your accounts. Almost 86,000 shares were redeemed, reducing the proportion of Run-off shares in the Fund from 58.07% to 57.32%.

The redemptions were based on 30th September NAVs rather than June as proposed, and the next automatic run-off redemptions will be sometime in early 2015, at the discretion of the Directors.

➤ **DEADLINE APPROACHING : Continuing Shares – Optional / Discretionary 5% Redemption**

All requests must be with EEA/IAG in Guernsey before 5pm on 28th November 2014 (earlier via platforms and nominees). We have issued a second Press Release to try and spread the word across the Globe. EEA is not publicising the option – they are hoping to keep the number of requests to a minimum so that they CAN invest any available cash to get the New Irish Fund started. This would further reduce the cash available for future redemptions when the lockup period expires on 30th November 2015. Nonetheless, the cash available to meet the 5% optional request in December this year appears to be "minimal" – see 2014 results below.

➤ **October 2014 Results**

EEA have confirmed that two policies (two lives) matured during October with a total NDB of \$10.3m. A third policy was “lost” in September (making 8 since inception). EEA have promised an explanation shortly, but the September quarterly Portfolio statistics and “Chairman’s Commentary” are unusually delayed.

Description	Policies	Lives	Gross NDB
<i>Historical Average for Oct</i>	4.2	3.8	\$4.4m
Oct 2014 Actual	2	2	\$ 10.3m
Addnl items booked in Oct	0	0	
Totals	2	2	\$10.3m

Cash b/f from 30 th Sep 2014	\$133.3m
Estimated Premium Payments and Expenses (Sep)	\$(7.3)m
Gross Income (NDB) from Maturities	\$10.3m
Adjustments and Other Items	0
Estimated Cash Balance at 31st Oct 2014	\$136.3m

To be Confirmed

➤ **2014 Performance**

The table below summarises the “NAV” growth since December 2013 for typical USD and Sterling cells.

Date	USD Class X Run-off Cell			Sterling (Meteor) Run-off Cell		
	“NAV”	Per Month	Per Year	“NAV”	Per Month	Per Year
01-Jan-2014	\$149.09			£120.91		
31-Jan-2014	\$149.03	(0.04%)	(0.48%)	£121.84	0.77%	9.63%
28-Feb-2014	\$148.98	(0.03%)	(0.40%)	£119.67	(1.78%)	(19.40%)
31-Mar-2014	\$149.47	0.33%	4.02%	£120.74	0.89%	11.27%
30-Apr-2014	\$150.82	0.90%	11.39%	£120.46	(0.23%)	(2.75%)
30-May-2014	\$150.98	0.11%	1.28%	£121.43	0.81%	10.10%
30-Jun-2014	\$151.39	0.27%	3.31%	£119.66	(1.46%)	(16.16%)
31-Jul-2014	\$151.57	0.12%	1.44%	£121.34	1.40%	18.21%
31-Aug-2014	\$152.19	0.41%	5.02%	£123.85	2.07%	27.85%
30-Sep-2014	\$152.02	(0.11%)	(1.33%)	£126.65	2.26%	30.77%
31-Oct-2014						
30-Nov-2014						
31-Dec-2014						
YTD	\$2.93	0.22%	2.63%	£5.74	0.52%	6.38%

These returns are comparable with the cumulative annual returns of 2.25% and 1.98% respectively since February 2012 (rather than the 8-12% pa returns quoted by EEA until revaluation in June 2013).

Maturities

Description	2014 Year to Date (Oct)			2014 Year End (December) Projection				
	Policies	Lives	Gross NDB	Policies	Lives	Gross NDB	EEA F'Cast *	WP7A F'Cast **
<i>Historical Average</i>	60.2	50.2	\$93.3m	73	62	\$110m		
Actual in Period	81	51	\$113.3 (8.9%)	105	68	\$125m 9.9%	\$227m 18%	\$125m 9.9%
Addnl items booked in period	0 (3)	0 (3)	\$5.4m \$(5.8)m	3 (3)	2 (3)	\$5.4m \$(5.8)m	0	0
Totals	78 15%	48 12%	\$112.9m 8.9%	111 21%	73 18%	\$125m 9.9%	\$227m 18%	\$125m 9.9%

Cashflow

b/f from 31 st Dec 2013	\$104.2m	517	394	\$104m	* 2013 EEA Annual Report and Portfolio Statistics ** EEAIG WP7A
Estimated Premium Payments and Expenses	\$(74.2)m			(\$89m)	
Maturities	\$113.3m	(108)	(70)	\$125m	
August Run-off Redemption Payment	\$(14.6)m			\$(14.6)m	
Estimated Adjustments and Other Items	\$7.6m	(3)	(3)	\$10m	
Estimated End of Period	\$136.3m	406	321	\$136m	

Note that our year-end cash balance projection of \$136m is below the two-year premium reserve policy level of around \$145m, leaving nothing available for the December / January Run-off and Continuing share redemptions unless the Directors decide to vary the premium reserve policy (or secure an extra \$50m between now and year-end).

➤ Claims against IFAs

- A number of you are proceeding with claims(with and without lawyers) and giving me feedback along the way.
- I'm available to help you with your draft letters, responses and questions.
- I'm also helping IFAs to work out ways to cope with their exposures with clients.
- One member has got official and recorded confirmation from the UK Financial Ombudsman Service (FOS) that pension funds can be claimed for separately from personal investments.
- A couple of you have asked whether I can set up a (confidential) forum / bulletin board on the website for people making claims - to swap notes and information.
- Yes – I can Let me know if you'd be interested.

➤ ShareSoc Campaign for Shareholder Rights

ShareSoc would like to ensure that those in nominee accounts (who are the vast majority of private shareholders) obtain the Right to Vote, the Right to Attend General Meetings and the Right to Receive Information directly from companies which they own. There is now a petition which you can sign to support this campaign. <http://www.sharesoc.org/sr-petition.html> Please sign it now if you have not already done and also pass info on to any friends or colleagues who might be interested in signing it. For more information on this campaign and why it is necessary to get some changes made (or to donate) go to <http://www.sharesoc.org/shareholder-rights.html>

➤ **Miscellaneous (Click to Follow Links)**

[December deadline for 'death bond' mis-selling complaints](#) *Telegraph Online for Expats (Michael Goodman) :*

A deadline is looming for investors to lodge complaints about a fund that a number of expats are believed to have invested in. According to a pressure group, some elderly investors have been forced to sell their homes and cars due to delays in getting their money back.

[EEA accused of 'deliberately' withholding information](#)

EEA has been accused of “deliberately” withholding information after an action group discovered its troubled EEA Life Settlements fund is “unlikely” to repay outstanding portfolios.

[FCA: What we are doing to prevent future fund collapses](#)

- Getting the right outcome for investors also means ensuring investment managers’ decisions reflect the end client’s original objectives and risk appetite.
- It has never been more important to ensure funds, which are often the major part of a consumer’s savings and investments, deliver the right outcome for consumers.
- Regulators and the industry need to work together to make that happen.
- Past fund failures have highlighted how crucial it is we identify risks early and take preemptive action where appropriate so we can limit the potential and actual loss to investors if a fund fails.
- To do this, I have set up a new team, headed by Andrew Coulson...to oversee the whole lifecycle of funds, from inception through authorisation to ongoing supervision and termination or closure.
- We can consistently focus on investor outcomes right throughout the product’s life.
- The new team will help us to spot risks earlier and act faster to protect investors.

[FSA predicted losses two years before Keydata collapse](#)

The then Financial Services Authority had rated products sold by Keydata as ‘inherently high-risk’ and noted a “significant probability of... high potential relative loss” two years before the distributor collapsed at an estimated cost of £260m for clients. According to documents obtained via a freedom of information request by a regulatory lawyer working with IFAs and Keydata victims, the regulator placed traded life policy investments - of which it cited Keydata products including the ‘secure income bond plan’ - on its Product Risk Framework in 2007.

I have submitted an FOI request for any similar information related to EEA. The FCA has responded that that they “ do hold information about EEA “ but cannot disclose it because

"...some of the information requested is (or contains) information that the FCA has received for the purpose of carrying out our functions under the FSMA 2000, and is therefore exempt from disclosure under section 44 of the Act (Prohibitions on disclosure). Further, some of the information requested is (or contains) information to which section 31 (Law Enforcement) of the Act applies. It is therefore exempt from disclosure as the information would, or would likely, prejudice the exercise by the FCA of its functions. In addition the remaining

information is exempt from disclosure as section 27 (International Relations) of the Act applies. To release this information would be likely to prejudice the relationship between the United Kingdom and an international organization...”
[Presumably Guernsey]

Insurance Agents Charged In \$100 Million Fraud Scheme

Typically, people buying a life insurance policy have some relationship to the person being insured. In contrast, with STOLI arrangements, a policy is bought with the intent to resell it to a third-party investor.

Many insurance companies won't allow this, and in varying degrees state laws prohibit it.

American ILAS Victims Could Face Criminal Prosecution after FATCA

U.S citizens and green card holders who have been scammed by ILAS products could be in for an even worse surprise: tens of thousands of US dollars in fines (at least) and possibly imprisonment.

The problem arises when ignorant or dishonest financial advisers (i.e., commission-hungry insurance salesman) tell US persons that ILAS policies and investment gains arising within those policies do not have to be reported to the US tax authorities—because ILAS is “life insurance”.

The Biggest Scam on Earth: CharlatanFAs, Megalomaniacal F Ms, and Parasitic Insurance Cos

Regulators may not be able to wipe out all the lies and misinformation spread by insurance companies and fund houses, but they can at least ban the corrupt practice of paying kickbacks to self-proclaimed financial advisers. Commissions should be outlawed. Financial advisers should be paid for giving objective advice—not for selling toxic waste.

New Book Slams Insurance-Linked “Donkeys” and Commission-Hungry “Rip-Offers”

Andrew Hallam cuts through the lies propagated by sleazy snake oil salesmen in the financial services industry and explains why actively managed mutual funds—and especially investment-linked insurance policies—are ripoffs. At various points, Hallam refers to ILAS schemes as “offshore donkeys” and the advisers who sell them as “rip-offers”. He lists several culprits by name, including Zurich International, Generali, Friends Provident, Standard Life, Royal Skandia, Aviva, Convoy Financial Services, the deVere Group, Montpelier Financial Consultants, Austen Morris Associates, Globaleye Financial Planning, the Henley Group, Gilt Edge International, Warrick Mann International, the Alexander Beard Group, SCI Group Ltd., the Sovereign Group.

- There are a number of items on Twitter under **#EEALifeSettlements**. Fellow Twitterers and Facebook fanatics - Please do your bit to follow, re-tweet and add comments, and direct anyone who is interested to our website www.EEALifeSettlements.com

Kind Regards

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