

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

*I shall be on holiday for the next ten days with limited access to phone calls and emails.*

➤ **2015 EEA Performance (January - March)**

The portfolio continues to underperform in terms of maturities and the cash balances available for investors. Only one policy (one life) matured during March for a NDB of \$0.25m. Historically, March has been a strong month for high NDB maturities.

Description	Policies	Lives	Gross NDB
<i>Historic Average for</i>			
<i>Jan</i>	7.5	6.7	\$7.00m
<i>Feb</i>	8.0	5.0	\$7.20m
<i>March</i>	7.2	6.2	\$15.7m
<i>Sub-Total Jan - March</i>	22.7	17.9	\$29.9m
2015 Actual Maturities	7	5	\$ 8.57m
- Jan			
Feb	3	3	\$1.90m
March	1	1	\$0.25m
Addnl Maturities from 2014	4	2	\$7.75m
<b>Totals</b>	<b>15</b>	<b>11</b>	<b>\$18.47m</b>

*EEA hasn't yet released the April Fact Sheet and 31<sup>st</sup> March cash balance figures so we have provided an estimate below.*

<b>Cash b/f from 31<sup>st</sup> Dec 2014</b>	<b>\$134.07m</b>
Estimated Premium Payments and Expenses	<b>\$(22.2)m</b>
Continuing share Redemptions (Feb)	<b>\$(4.09)m</b>
Gross Income (NDB) from Maturities	\$18.47m
Adjustments and Other Items	\$6.50m
<b>Estimated Cash Balance at 31<sup>st</sup> March 2015</b>	<b>\$132.7m</b>

To be Confirmed

EEA claimed (at the November 2014 AGM) that the two-year premium reserve was running at \$136m.

We believe that it should be \$140m or more with the remaining portfolio and poor maturity performance.

This threshold affects the amount of cash available for redemption payments at the appropriate times.

➤ **Auditor**

We have sent [this letter](#) to Grant Thornton (Guernsey) summarising our concerns and issues for the Audit of the EEA 2014 Annual Report and Financial statements.

Thanks very much to the Core Group members who provided specialist comments for the drafting of this letter. The 2014 annual Report is due to be published by 30<sup>th</sup> June 2015 (under Guernsey Law).

We are also drafting a formal letter of complaint to Ernst & Young regarding the 2011 and 2008-2010 Audits.

We are separately investigating grounds for potential litigation (against EEA and/or associated companies, such as ViaSource. The Custodians, Auditors etc).

➤ **UK Financial Ombudsman Service (FOS)**

We have reviewed 34 decisions ([see list](#)) by the UK Financial Ombudsman Service (FOS) into complaints of unsuitable advice (mis-selling) against UK Financial Advisors related to EEA and/or Meteor SLS shares. In almost all cases the Ombudsman found in favour of the investor and awarded redress against the Advisor, mostly because of an inappropriate classification of risk.

You can download a [ZIP file](#) of these 34 FOS Decision Notices for review of the arguments for and against the decisions. This might help if you are considering making a claim, or dealing with a rejection of a claim by your Advisor (or a failure to provide a final response letter (FRL) to a claim within the eight week period).

If you cannot open a ZIP file then let me know and I can email you the individual Notices from the list or you can download them directly from the [FOS Website](#)

These Notices DO NOT include claims currently in progress or those where a provisional decision or adjudicator's recommendation have been issued and not (yet) been appealed back to the Ombudsman for a final decision.

NOTE : If you haven't already submitted a claim then you should urgently consider doing so – there are some specific deadlines involved. Please check the "Making Claims ..." section on our website.

➤ **UK Financial Services Compensation Scheme (FSCS)**

We're still at a stalemate with the FSCS about "crystallisation of losses". Their latest email states :

**"...I am not aware of anyone within FSCS confirming that the timescale of 5-10 years was incorrect. FSCS would rely on information from the funds administrator, and is not in a position to estimate when a fund is eventually crystallised. Furthermore, we would not assign a zero value to a fund on the basis of the time it takes to crystallise. If there is a net asset value (NAV) to a fund we would use that value to assess any loss (it**

**may be the case that there was no NAV when the funds were suspended, so we assigned it zero value). As outlined above, FSCS accepts that the fund is illiquid, but as there is a value to the fund we cannot assess it as a zero value...”**

If you have already received a letter from FSCS accepting that your claim is valid but that they cannot make a settlement until the loss is crystallised, then please keep the letter safe until we can try to resolve the situation further. Whether you have received an interim settlement or not from FSCS, the recent 26% drop in NAV might support a higher or further interim payment – but go back to FSCS quickly because the NAV might start to creep up again (even though it's meaningless, in our view).

If your original Advisor is no longer trading (or is unable able to pay a claim) but you haven't yet made a claim to FSCS then urgently consider doing so, especially since there might be some tight deadlines applicable for registering your claim.. Even though FSCS can't yet conclude a settlement it will be important to get their letter accepting that your claim is valid plus any interim payment. You can then go back to them later for a final settlement when we have resolved the issue of crystallised losses. Please check the “Making Claims ...” section on our website.

Kind Regards

David Trinkwon  
Director, Medley Systems Ltd

Coordinator – EEA Investors' Group  
Tel : +44 (0) 7802 538 315  
Skype : david.trinkwon

Email : [EEAInvestors@gmail.com](mailto:EEAInvestors@gmail.com)  
Web : [www.EEAInvestors.com](http://www.EEAInvestors.com)

***Small Print.***

***Please note that I do not provide financial advice or recommendations and am not registered or licensed to do so.***

***I provide information, personal opinions, views, suggestions and recommendations that you can adopt or ignore as you think best.***

***I am happy to discuss your specific circumstances by phone or email at any time.***