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➤ Sale of Policies

EEA have today published the attached News Release and Shareholder Letter stating that they have agreed to sell 188 policies to an unnamed buyer for \$130m. They have apparently sold all the policies with a current remaining Life Expectancy estimate of more than four years, and this will also save future premium costs and termination of cover losses on policies where the insured will outlive the age limit on the policy.

EEA expects that the “Available Cash” at the beginning of October will be \$150m (over and above a two year premium reserve). They propose to release \$87.6m (58.4%) to Run-off shareholders of record on 1st October (for payment during November). This would represent a 25% redemption payment based on the July NAVs for all Run-off Cells.

The other \$62.4m (41.6%) will be held to meet Continuing share redemption requests (e.g. in December 2015 / January 2016) and/or to reinvest in the New Irish Fund or elsewhere. This would also represent an average 25% of NAV across the various Continuing Cells. Redemption payments would normally be limited to 10% of Cell NAV (or 10% of the total across all Continuing Cells) and it's not yet clear whether EEA will exercise their discretion to meet redemption requests in December above the 10% level.

We have asked EEA for details of which policies have been sold so that we can update our list of remaining policies. Depending on which policies have been sold, the \$130m of short-term cash to be received is at the expense of about \$300m of future net cash that would have been expected, based on the published maturity values, projections and average Life Expectancy estimates for the portfolio.

EEA say that they received a “premium” over the value at which the policies were held by the Fund, but this is difficult to verify. \$130m represents 31% of half the portfolio face value at the end of July whereas the portfolio “Fair Value” at that time was 43% of face value and the (non-discounted) future net cash was 75% of face value based on Maple Life projections.

The average remaining LE at December 2014 was 4.89 years. By selling all policies with an LE of more than four years then the average for the rest must have been reduced to around two years, meaning a further four years of expected maturities.

EEA also state that the price was accepted on a basis that best meets the Fund's strategic objectives. These strategic objectives have not been disclosed to investors (even at the recent AGMs). The Fund's investment policy / strategy (as voted at the 2013 restructuring) is to hold all policies to maturity over 5-10 years (from 2013). The Board recently confirmed that to us in writing, saying that (our) proposal to sell policies to reduce the period to 3-5 years from now would require another restructuring and shareholder vote. But they seem to have done it anyway, losing us \$170m (55%) of future cash in the process.

➤ [Run-off Share Sale](#)

[Click Here](#) for a copy of our Bulletin on the proposed sale. Appendix C is a letter that we have sent to EEA and TPAI asking for the sale to be delayed until they have addressed certain questions. We haven't yet received any response from EEA, TPAI or GFSC. The FCA have confirmed that our letter has been passed to the Supervision Dept that deals with TPAI and EEA (London) but they will not give us any further information or response.

Presumably the potential buyers will have been just as surprised as us at the Sale of Policies and might ask for more time to evaluate their positions and offers, based on the remaining portfolio and future cash projections. Under the current timetable, you must register your interest with TPAI (via your platform if applicable) before **18th September 2015**, including carrying out any due diligence.

Every Run-off investor interested in participating in the sale should send an email to EEA (Mark Colton) and GFSC (Mark Le Page) asking them to delay the Sale process until EEA have issued an appropriate endorsement of the sale, with a forward looking view of the portfolio based on the various Maple Life scenarios described at the AGM, and updated to take account of the sale of 188 policies. They should also re-publish the updated list of remaining policies (assets) similar to the one published in the Annual Reports.

Run-off shareholders (anywhere) who have been denied registration by TPAI because they don't have a registered IFA should also email Mark Colton and Mark Le Page to complain that you are being unfairly discriminated against as a shareholder and "demand" that a solution be found before the TPAI sale can proceed.

Continuing shareholders who would like to participate in the TPAI share sale should also complain to Mark Colton and Mark Le Page about being unfairly excluded by EEA.

Please copy me on any of the above emails that you send. In my personal opinion, EVERY Run-off shareholder should register their interest in the process with TPAI (and your platform if applicable) so that you have access to the confidential information that will be available via TPAI. You will not be committed to any sale of your shares until later in the process, as summarised above.

CALLING ALL FINANCIAL ADVISORS – Several EEA investors in the UK and elsewhere no longer have (or never had) a Financial Advisor and are therefore not able to register with TPAI for the Share sale. If you are willing and able to "adopt" one or more such investors so that they can register then please let me know. You will not be expected or required to provide professional advice (unless you wish to) and the investors will sign a waiver to that effect. This might also be an opportunity to sell your services to "stranded" clients with other investments to manage.

➤ Continuing Shares Redemption

The policy sale mentioned above will significantly boost the cash available to meet redemption requests for December and subsequent quarterly redemption days. Check our [Bulletin](#) on the pro's and con's of redeeming your Continuing shares for the initial redemption day of 31st December 2015, including the relevant forms. Requests have to be in Guernsey by **Friday 25th September 2015** and are irrevocable (platforms and nominees / trustees will need them sooner)

Based on our discussions in Guernsey, my personal opinion is that every Continuing shareholder should request a full redemption for the December 2015 redemption day. Your request will then have priority over later requests as the payments are made over subsequent quarters. I personally see no benefit in delaying your request or in holding your shares for the longer term, but others might have different opinions.

➤ 2015 EEA Performance (January - August)

Three more policies (on two lives) have been reported as maturing in August. One life was insured for \$16m with a current LE estimate of 80-90 months from purchase (in 2008/2009) and 34 months from the Review in June 2013.

Description	Policies	Lives	Gross NDB
<i>Historic Ave Jan-Mar</i>	22.7	17.8	\$30.00m
<i>April-June</i>	20.5	15.8	\$30.80m
<i>July</i>	5.2	4.0	\$10.20m
<i>August</i>	6.3	5.3	\$14.80m
Total Jan - Aug	54.7	42.9	\$85.80m
2015 Actual Jan - Mar	13	11	\$ 11.33m
April - June	9	9	\$16.15m
July	2	2	\$4.26m
August	5	4	\$25.10m
Sub-total Jan – August	29	26	\$56.85m
<i>Late Posts from 2014</i>	4	2	\$7.75m
<i>Termination of Cover</i>	1	1	\$(0.50m)
Totals	34	29	\$64.10m

Maple Life F'cast=\$46m
Maple Life F'cast = \$33.3m

Cash b/f from 31st Dec 2014	\$134.07m
Estimated Premium Payments and Expenses	\$(56.00)m
Continuing share redemptions (Feb)	\$(4.09)m
Gross Income (NDB) from Maturities	\$63.60m
Adjustments and Other Items (Feb)	\$6.50m
Balancing Adjustments	\$(3.63)m
Estimated Cash Balance at 31st August 2015	\$140.45m

To Be Confirmed

➤ **Guernsey Financial Services Commission (GFSC)**

I forgot to mention in my last update that two of us had a lengthy meeting with Emma Bailey and Mark Le Page at GFSC while we were in Guernsey for the AGMs.

It was a very constructive meeting and GFSC are continuing to monitor the situation with EEA very closely in accordance with their statutory duties to protect the interests of investors and the reputation of Guernsey as a global financial centre. They stated their appreciation for the emails that various members of the EEA Investors Group have sent them, and they are continuing to gather data and other evidence to help them carry out their duties. They will welcome any further inputs from investors and can contact the relevant home regulators where applicable, subject to agreement from the investors concerned.

GFSC have provided unprecedented access to our Group and its members and will welcome any new or additional information that we can provide. They are, of course, prohibited by Guernsey law from disclosing any information about what they know and what actions they are considering or taking.

Kind Regards

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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 and suggestions that you can adopt, adapt or ignore as you think best.

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