

➤ **Good News ...**

- According to the recently announced EEA Policy Sale, and subject to confirmation during November/ December 2015, EEA expects to distribute at least \$87m to Run-off shareholders during December 2015. This amounts to around 25% of the current valuation, or (depending on when you originally purchased your shares) 15-20% (150 – 200 per 1,000) of your original investment – See table below).
- Similarly, Continuing shareholders who requested redemptions for the December 2015 redemption day will, subject to confirmation by EEA during December 2015 / January 2016 also receive at least \$63m in redemption payments during January or February 2016. This is again equivalent to around 25% of the current valuations, but because not everyone requested redemption at this time, the actual amounts received will be more than 25% each.

*e.g. If only half the Continuing shares are redeemed (per Cell) then you would each receive 50% of your request at the 31<sup>st</sup> December 2015 valuation, or 30-40% (300-400 per 1,000) of your original investment – see table below). EEA have not yet released any information about the percentage or number of redemption requests received, but we have always estimated a quarter to one half, meaning that you would each receive proportionately more than 50% of the December valuation.*

*Note 1 : There is a possibility (under the Scheme rules) that EEA might cap the redemption payments for Continuing Cells to 10% (or a higher figure) per Cell per Redemption Day, and reinvest the excess in the New Irish Fund or elsewhere. EEA have so far refused to disclose how they will exercise their discretions in this regard.*

*Note 2 : There is also a possibility (under the Scheme rules) that EEA might charge a redemption fee and/or anti-dilution levy in respect of the estimated \$190m loss of future net cash apparently caused by the Policy Sale (see “Policy Sale” section below). This would effectively wipe out the currently proposed redemption payments. EEA has not so far mentioned this possibility.*

*Note 3 : Based on current cash balances, there is a possibility that more than \$150m cash might be available for total redemption payments.*

➤ **The Not-so-Good News**

- The Policy Sale that caused the \$130m boost in redemption payments described above has apparently caused an estimated \$190m future cash loss to the 80-90% of remaining investors who are not redeeming Continuing shares this December (see “Policy Sale” section below).
- Many platforms have been charging admin / management fees since the Fund was suspended and have accrued significant negative cash balances in your accounts. They will settle these balances from any redemption cash received from EEA.

- We are asking investors to join the EEALIT Litigation Group (see "Litigation" section below) in order to pursue claims for recovering additional payments from EEA and other parties. You might consider paying your subscription from "what you are about to receive". Discounts are available for subscriptions paid during November 2015 (3%), December 2015 (2%) and Jan/ Feb 2016 (1%).

### ➤ How much is your Investment Worth ?

The following table shows how much your original investment is "worth" today, and also compared with what it would now be "worth" if the NAV had actually grown by the benchmark 8% pa since you invested.

**For example** – If you invested \$1000 in the USD A/X Cell in June 2010, it would now be valued at \$724 (72% of your original \$1000 investment, a 28% loss). This is also equivalent to 48% of the \$1,498 that it would now be worth at 8% pa NAV growth since June 2010 to September 2015.

USD A/X Cell - \$1000 Invested in June						EUR A/X Cell - €1000 Invested in June							
	30-Sep-15 NAV	2007	2008	2009	2010	2011		30-Sep-15 NAV	2007	2008	2009	2010	2011
Current Value	\$108.45	\$977	\$895	\$814	\$724	\$666		€ 114.15	€ 1,108	€ 1,008	€ 928	€ 822	€ 761
		98%	90%	81%	72%	67%	Current / Original		111%	101%	93%	82%	76%
8% pa Projected Value		\$1,887	\$1,747	\$1,618	\$1,498	\$1,387	Current / Projected		€ 1,887	€ 1,747	€ 1,618	€ 1,498	€ 1,387
		52%	51%	50%	48%	48%			59%	58%	57%	55%	55%
GBP C/Acc Cell - £1000 Invested in June						SEK X Cell - 1000 kr Invested in June							
	30-Sep-15 NAV	2007	2008	2009	2010	2011		30-Sep-15 NAV	2007	2008	2009	2010	2011
Current Value	£105.56	£955	£875	£796	£707	£652		\$85.65	-	-	-	-	567 kr
		96%	88%	80%	71%	65%	Current / Original		-	-	-	-	57%
8% pa Projected Value		£1,887	£1,747	£1,618	£1,498	£1,387	Current / Projected		-	-	-	-	1,387 kr
		51%	50%	49%	47%	47%			-	-	-	-	41%

The GBP Class C Cell was renamed GBP Acc in July 2009.

The SEK Cell was introduced in January 2011.

The USD and EUR Class A Cells were renamed Class X in April 2011

### ➤ EEALIT Litigation Group

We have completed our initial investigation into the scope for taking legal action against EEA and various other parties in Guernsey, the UK and USA. The potential claims for losses by investors range from \$150m to \$915m (on a total Fund basis), plus additional amounts paid by IFAs and their insurers in settling claims for unsuitable advice based on apparent misrepresentations by EEA and its agents over the years.

We are forming a separate legal entity – The EEA Litigation Group (EEALIT) to raise up to £5m from 15% of investors so that we can pursue the claims that we have identified. The subscriptions will be capped at a maximum 7% of original investment (70 per 1,000) and can be paid instalments, with "early-bird" discounts of 3% - 1% for joining (and paying) sooner rather than later. We will refund any excess subscriptions or other amounts that are surplus to requirements at the appropriate times. To register your interest and obtain further (confidential) information, please email [Litigation@EEAInvestors.com](mailto:Litigation@EEAInvestors.com). You can also add any comments, suggestions or questions that you would like us to address.

➤ **Investor Information Meetings**

We asked EEA to arrange an Investor Information Meeting in London, but they have refused (several times). We are therefore arranging our own meetings during November / December 2015 to coincide with the upcoming redemption payments and launch of the EEALIT Litigation Group.

Please click on the email links below for the location(s) that you are most interested in attending and let us know which places, dates and times you prefer (including your preferences for weekdays, weekends or evenings as applicable). You can also add any other comments or questions that you would like us to address. The meetings are open to all EEA Investors and any Financial Advisors with EEA invested clients. The meetings will include separate breakout sessions for investors, Financial Advisors and for investors interested in joining the EEALIT Litigation Group.

- [South West](#) : Wiltshire / Bristol / Exeter / Devon / Somerset / Cornwall
- [South Wales](#) : Cardiff / Swansea / Llanelli / Carmarthen
- [West Midlands](#) : Warwickshire / Birmingham / Shropshire / Staffs
- [North West](#) : Cheshire / Liverpool / IoM / Lancs. / N. Wales / Cumbria
- [The North East](#) : Northumberland / Co Durham / Tyne and Tees
- [Yorkshire](#) : W. Yorks. / Leeds / N. Yorks / S. Yorks
- [East Midlands](#) : Notts., Northants., Lincs
- [East](#) : Cambridge/ Norfolk / Suffolk / Essex
- [Home Counties North](#) : Bucks / Berks / Herts / Middx / North London
- [Home Counties South](#) : Hants / IoW / Dorset / Surrey / Kent / Sussex
- [London](#) : West / Central / North / South
- [Scotland](#) : West / East
- [Ireland](#) : Eire, N. Ireland
- [Channel Islands](#) : Jersey, Guernsey
- [Europe](#) : Brussels / Paris / Amsterdam / Switzerland / Germany / Spain
- [Scandinavia](#) : Sweden / Norway / Denmark / Finland
- [Asia](#) : Hong Kong / Singapore/ China / Thailand / Malaysia / Japan
- [Africa](#) : South Africa / Zimbabwe / Kenya

➤ **EEA Key Questions**

EEA has updated an eight page “Key Questions” document to shareholders and intermediaries, only four days after it was first issued. [Click Here](#) to see an annotated version with our comments. The dates for the proposed confirmation and distribution of the \$150m of redemption payments have been delayed by one month, supposedly because it is taking longer than anticipated to transfer the policies to the unnamed buyer.

EEA have also (at long last, and after many requests) opened up their [Guernsey website](#) so that a password is no longer required to access Fact Sheets, Portfolio Statistics and other Fund information. EEA have also added the periodic Maturity Schedule and the Q&A bulletin to the documents available. The main information that is still missing is any useful or credible data on projections of future maturities, cash flow and redemption / run-off schedules. In fact, EEA are now publishing less meaningful forecast data than previously even though they claim that Maple Life is providing much more analysis and data to them than has ever existed before.

➤ **EEA Policy Sale**

EEA has not yet responded to our [recent letter](#) in which we estimated that the proposed sale of 188 policies will result in an estimated **\$160m avoidable future loss** for investors and especially a prejudicial impact on the holders of the 80-90% of shares which are not being redeemed in January as part of the Continuing share redemption process. Information in the latest (October) EEA Maturity Schedule and monthly Fact Sheet confirms that the Policy Sale comprises :

	Policies	NDB	Est. Fair Value
< LE	177	\$404m	n/a
>LE	10	\$13m	n/a
	=====	=====	=====
<b>Total</b>	<b>187</b>	<b>\$417m</b>	<b>\$125m</b> (30% of NDB)

Based on this latest data- the estimated future cash loss is now **\$190m** rather than our previously estimated **\$160m**.

➤ **Tullett Prebon Secondary Share Sale**

No response yet from EEA or TPAI to our [last letter](#) and no further information about revised timescales or any resolution of the problems facing investors who don't have a registered Financial Advisor or platform / nominee to interface with TPAI. It also seems likely that the sale will not proceed until after the proposed policy sale has been completed later this year and updated portfolio information is available (estimated as January 2016 by EEA in their Q&A bulletin)

➤ **USA Persons**

EEA have recently written to some members currently living in the United States to say that their shares must be transferred to a non-US person or will be suspended. If anyone has received such a notice or is concerned about their situation then please let me know.

➤ **2015 Annual General Meetings**

The first AGM on 11<sup>th</sup> August 2015 was adjourned because EEA / IAG said that there weren't enough proxies and attendee votes to form a quorum. We therefore had to go back to Guernsey ten days later for a second bite at the cherry on 21<sup>st</sup> August. We have now received a [letter from IAG](#) to say that they made a mistake and that there were enough votes and proxies available at the first meeting after all. We have written [this letter](#) to the Chairman and received [this response](#). We are following up some of the items in the EEA response.

➤ **2015 Interim Results**

EEA have now published their [Interim Results](#) for the six months to June 2015. The Investment Advisor's Report (ViaSource) is dated September and includes a commentary on the Policy Sale.

➤ **2015 Fund Performance**

As of 2<sup>nd</sup> November 2015 there has been ONE policy maturity reported since 20<sup>th</sup> August for \$180k NDB on 6<sup>th</sup> October. There was also a late posting of a June 2015 maturity (\$20m NDB). The January – October results (so far) are :

Description	Policies	Lives	Gross NDB
<i>Historic Average Jan-Mar</i>	22.7	17.8	\$30.00m
<i>April-June</i>	20.5	15.8	\$30.80m
<i>July - Sept</i>	16.8	13.3	\$30.5m
<i>October</i>	3.8	3.5	\$5.4m
<b>Total Jan - Oct</b>	<b>63.8</b>	<b>50.5</b>	<b>\$96.9m</b>
2015 Actual Jan - Mar	13	11	\$ 11.33m
April - June	10	10	\$36.15m
July - Sept	8	7	\$29.65m
October	1	1	\$0.18m
<b>Sub-total Jan – Oct</b>	<b>32</b>	<b>29</b>	<b>\$77.32m</b>
Late Posts from 2014	4	2	\$7.75m
Termination of Cover	1	1	\$(0.50m)
Policy Sale	187	Est 145	Est (\$438m)
<b>Totals 2015 to Date</b>	<b>224</b>	<b>Est 177</b>	<b>Est (\$353m)</b>

EEA=\$80m. ML F'cast=\$46m  
 Maple Life F'cast = \$33.3m  
 ML F'cast July- Dec = \$68m  
 ML F'cast Jan- Dec = \$147.5m  
 To be Confirmed

<b>Cash b/f from 31<sup>st</sup> Dec 2014</b>	<b>\$134.07m</b>
Estimated Premium Payments, Expenses & Other	\$(80.00)m
Continuing share redemptions (Feb)	\$(4.09)m
Gross Income (NDB) from Maturities	\$84.57m
Adjustments and Other Items (Feb)	\$6.50m
Other Adjustments	\$8.95m
Policy Sale	\$130m
<b>Estimated Cash Balance at 31st Oct 2015</b>	<b>\$280m</b>

To be Confirmed

Estimated 2-year Premium Reserve (Post PolicySale) = \$60m  
 Estimated Current Available Cash = \$220m (36% of NAV)

➤ **ShareSoc Proposals for how to reform UK Share Ownership**

EEA Investors have been particularly disadvantaged by the treatment of shareholdings through platforms and nominees. In a recent email, [ShareSoc](#) comments that the UK Government BIS Department, who are dealing with the issues of dematerialisation and how shareholder rights might be improved in future, are moving very slowly. Meanwhile, there are three recent reports that highlight the importance of the reform of share registration in the UK :

1. *How pooled nominee accounts caused shares to disappear from client holdings* - see <https://sharesoc.wordpress.com/2015/08/27/the-case-of-the-disappearing-shares>
2. *The withdrawal of Personal Crest Accounts by brokers on which ShareSoc issued a press release* - see <https://sharesoc.wordpress.com/2015/08/24/sharesoc-deplores-withdrawal-of-personal-crest-membership-by-brokers>
3. *There was also an article in the Financial Times by John Hughman on the "Unpardonable inequity that blights UK equities"* - see <https://sharesoc.wordpress.com/2015/08/30/an-unpardonable-inequity>

ShareSoc will continue to press for reform to resolve these issues.

For more information about ShareSoc – see [www.ShareSoc.org](http://www.ShareSoc.org)

Don't hesitate to contact me if you need clarification or further information on any topic. Note that I don't provide advice – just information and personal opinions.

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