



➤ **Continuing Shareholders**

October 2016 Redemptions : EEA have now completed the \$16.4m of redemption payments for the 3rd October Redemption Day. Check your bank or platform account to confirm that payment has been received and that the amount is correct. It varies depending on which Cell / currency you are invested in and when you made your initial redemption request. If you need help checking the amount then please let me know. If the payment hasn't yet appeared in your bank or platform account then query it with your platform provider / nominee or with [EEA](#) if you are a direct shareholder.

Continuing Cell	Proportion of outstanding redemption requests paid from			
	31 Dec 2015 Redemption Day	31 Mar 2016 Redemption Day	1 July 2016 Redemption Day	3 Oct 2016 Redemption Day
USD Class X	None Outstanding	100%	85.34%	0%
USD Dist	None Outstanding	30.45%	0%	0%
USD Acc	82.35%	0%	0%	0%
SEK Class X	None Outstanding	None Outstanding	None Outstanding	100%
Euro Class X	100%	97.39%	0%	0%
Euro Dist	None Outstanding	17.20%	0%	0%
Euro Acc	17.62%	0%	0%	0%
GBP Class X	100%	100%	55.09%	0%
GBP Dist	100%	9.74%	0%	0%
GBP Acc	100%	37.55%	0%	0%
GBP Meteor SLS	68.88%	0%	0%	0%
GBP Meteor SLS II	55.23%	0%	0%	0%
GBP WAY LS	None Outstanding	None Outstanding	None Outstanding	None Outstanding

Request Deadline : If you haven't yet requested redemption of some or all of your Continuing shares, please note the following deadlines. If you have already requested redemptions then the request will be automatically carried forward until your request is 100% fulfilled :

Redemption Day 3 January 2017 – Too Late. Deadline for receipt of redemption requests was 30 September 2016

Redemption Day 3 April 2017 – deadline for receipt of redemption requests 5.00pm (Guernsey time), **29 December 2016**.

Redemption Day 3 July 2017 – deadline for receipt of redemption requests 5.00pm (Guernsey time), 30 March 2017.

A **Redemption Request Form** for direct EEA shareholders is available at www.eeafmg.qg/eea-life-settlements-fund .

Earlier dates (or different forms) will apply if you are invested through a platform, pension or other nominee.

➤ **Run-off Shareholders - October 2016 Redemptions :**

EEA have now completed the \$32.6m of redemption payments for the 10th October Redemption Day. Check your bank or platform account to confirm that payment has been received and that the amount is correct (approx 15% of your 30th September 2016 valuation). If the payment hasn't yet appeared in your bank or platform account then query it with your platform provider / nominee or with [EEA](#) if you are a direct shareholder.

➤ **Next Redemption Review – January 2017**

There was \$49m of "Available Cash" at 30th September 2016 and this was used to make the \$(16.4 + 32.6)m redemption payments in October / November as noted above, leaving nothing available for future redemption payments. There were \$15m of additional policy maturities notified during October, leaving \$11m of Available Cash across all cells at 31st October 2016 (net of October premium payments and expenses)

There has been \$9m of additional policy maturities notified up to 14th November 2016 and this will just cover the premium payments and other expenses through November and December, leaving the October \$11m available for further redemption payments at the 3rd January Redemption Day.

Any further policy maturities notified during December will immediately add to October's \$11m to become "Available" as of 31st December 2016 and it will be up to EEA's discretion how much to apply to Continuing and/or Run-off payments in January, subject to the various rules and thresholds contained within the Scheme Particulars.

As noted previously the currently remaining policies are generally higher value than in the past and there are many examples of multiple policies on the same life. This means that we can expect bigger individual maturities but fewer and further in between, as has been apparent in the past few months.

➤ **Remaining Portfolio**

There are currently 140 policies remaining on 107 lives with a total NDB (face value) of \$475m projected to mature over 5 – 10 years, with an average insured age of almost 91 years and a weighted average remaining life expectancy of 34.5 months (2.8 years) – **an increase of 10 months since this time last year**. The average face value is \$3.4m per policy or \$4.4m per life insured.

Estimated future premium payments are \$100m giving a non-discounted net future cash flow of \$284m (after deducting estimated expenses and potential tail writeoffs), and subject to actual versus expected maturity performance or premium costs. This is 170% of the current (discounted) Fair Value of the portfolio which is \$215m (45% of face value).

➤ **2016 EEA Fund Performance**

There have been three policy maturities reported so far (on two separate lives) for November 2016, for a total of \$9m Net Death Benefit, bringing the total to date for this year to \$111.8m against a forecast for the full year of \$103m at December 2015. Further maturity notifications might be forthcoming by 31st December 2016.

One more policy (\$1.6m NDB) appears to have lapsed during October 2016 and I have requested further information from EEA.

Description	Policies	Lives	Gross NDB
Historic Average			
Jan - Mar	21.3	16.9	\$27.3m
April - June	19.0	15.0	\$31.6m
July – Sept	15.7	12.6	\$30.5m
October	3.4	3.1	\$4.6m
November	7.1	6.3	\$9.5m
December	5.9	5.0	\$9.3m
Total Jan - Dec	72.4	58.9	\$112.8m
2016 Actual			
Jan - Mar	11	7	\$30.2m
Apr - June	10	5	\$14.2m
July - Sept	11	11	\$53.4m
October	3	2	\$ 8.0m
November (to 14 th)	3	02	\$ 9.0m
December	TBD	TBD	TBD
Total Jan – 14th Nov	32	23	\$111.8m
Lapsed Policies (No benefit)	(4)	(4)	\$(4.9)m

Cash b/f from 31st Dec 2015	\$196.6m
Estimated Premiums (Jan – Dec)	\$(35.9)m
Estimated Expenses (Jan – Dec)	\$(11.9)m
Continuing share redemptions (Jan, Mar, Oct)	\$(114.4)m .
Run-off Share Redemptions (Aug, Oct)	\$ (48.1)m
<i>[In addition to \$102.2m in Dec 2015]</i>	
Gross Income (NDB) from Maturities	\$111.8m
Adjustments and Other Items	TBD
Estimated Cash Balance at 31 Dec 2016 *	\$98.1m
2 year Premium Reserve (EEA Assumptions)	\$(87.1)m
Estimated Available Cash at 31 Dec 2016 *	\$11.0m
<i>* Excluding further maturities notified in December</i>	

DISCLAIMER : I'm still not an expert or an auditor or a lawyer or a (regulated) financial advisor and I don't provide financial or legal advice – just information and personal opinions. EEA state that investors should only rely on information provided by themselves or a regulated professional advisor – if you have one.

Don't hesitate to contact me if you have any questions or need further information or clarification on any EEA related matter.

David Trinkwon

Director, Medley Systems Ltd
Coordinator – EEA Investors' Group

Tel : +44 (0) 7802 538315
Skype : david.trinkwon