

➤ **Continuing Shareholders**

December 2016 Redemptions : EEA have announced \$6.5m redemption payments for the 3rd January Redemption Day, based on results at 30 December 2016. Payments will vary 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. Payments should appear in your bank or platform accounts during February 2017 (my estimate – EEA haven't mentioned a date yet)

Continuing Cell	Proportion of redemption requests deferred from the relevant Redemption Day set out below which were redeemed on 3 January 2017				
	31 Dec 15	31 Mar 16	01 Jul 16	03 Oct 16	03 Jan 17
Euro Fund Acc Cell	7.23%	0.00%	0.00%	0.00%	0.00%
Euro Fund Class X Cell	n/a	100.00%	35.38%	0.00%	0.00%
Euro Fund Dist Cell	n/a	7.08%	0.00%	0.00%	0.00%
Meteor Senior Life Settlements	85.59%	0.00%	0.00%	0.00%	0.00%
Meteor Senior Life Settlements II	47.72%	0.00%	0.00%	0.00%	0.00%
Sterling Fund Acc Cell	n/a	100.00%	13.69%	0.00%	0.00%
Sterling Fund Dist Cell	n/a	41.08%	0.00%	0.00%	0.00%
Sterling Fund X Cell	n/a	n/a	100.00%	26.94%	0.00%
Swedish Krona Fund Class X Cell	n/a	n/a	n/a	n/a	n/a
USD Fund Acc Cell	100.00%	100.00%	3.71%	0.00%	0.00%
USD Fund Class X Cell	n/a	n/a	100.00%	52.77%	0.00%
USD Fund Dist Cell	n/a	14.02%	0.00%	0.00%	0.00%
WAY Life Settlements Fund Cell	n/a	n/a	n/a	n/a	n/a

n/a = no requests outstanding at this time.

100% means that ALL outstanding requests will be paid.

<100% means that a partial redemption will be paid, the balance to be carried forward to April.

0.00% = insufficient cash available for any payment – requests carried forward to April.

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 April 2017 – Too Late. Deadline for receipt of redemption requests was 29 December 2016

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

Redemption Day 2 October 2017 – deadline for receipt of redemption requests 5.00pm (Guernsey time), 29 June 2017.

A **Redemption Request Form** for direct EEA shareholders is available at www.eeafmg.gg/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 - December 2016 Redemptions :**

There was not enough "Available Cash" at 30 December (approx \$7.8m) and therefore there will be **NO** redemption payments until the situation improves through further policy maturities.

➤ **Redemption Summary**

The following table summarises the £396m of Dividend Distributions and net Redemption Payments since inception.

Distbns & Net Redemptions to Dec 2011		
\$106.2m		
Redemption Payments		
Date	Run-off Shares	Continuing Shares
Sep-2014	\$14.6m	
Feb-2015		\$4.1m
Nov-2015	\$101.7m	
Dec-2015		\$88.6m
Apr-2016		\$9.4m
Sep-2016	\$15.5m	
Oct-2016	\$32.5m	\$16.5m
Jan-2017	-----	\$6.5m
Totals	\$164.3m	\$125.1m
	\$396m	

➤ **Remaining Portfolio**

There are currently 140 policies remaining on 107 lives with a total NDB (face value) of \$474m projected to mature over 5 – 10 years, with an average insured age of almost 91 years and a weighted average remaining life expectancy of 33.2 months (2.8 years) – **an increase of 8 months since this time last year**. . The average face value is \$3.4m per policy or \$4.4m per life insured. The following table summarises the remaining policies in terms of face and fair value per life (NOT per policy – there are several insureds with more than one policy on the same life).

Remaining Policies after 2016.12							
NDB / Life	Policies	Lives	Face Value		Fair Val @ 31/12/15		Fair/Face
\$20m +	10	3	\$66.0m	14%	\$35.6m	15%	54%
\$15 - 19m	10	4	\$67.5m	14%	\$26.9m	11%	40%
\$10 - 14m	10	10	\$100.0m	21%	\$53.9m	22%	54%
\$7.5 - 9.0m	9	5	\$43.6m	9%	\$25.1m	10%	58%
\$5.0 - 7.4m	19	16	\$86.0m	18%	\$46.1m	19%	54%
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Sub-Total	58	38	\$363m	77%	\$188m	77%	52%
\$2.5 - 4.9m	23	18	\$65.1m	14%	\$35.1m	14%	54%
\$1.0 - 2.4m	20	18	\$27.9m	6%	\$13.5m	6%	48%
\$0.5 - 0.9m	24	20	\$12.3m	3%	\$6.8m	3%	56%
< \$0.5m	15	13	\$3.3m	1%	\$1.6m	1%	47%
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Sub-Total	82	69	\$109m	23%	\$57m	23%	53%
Total	140	107	\$472m	100%	\$245m	100%	52%

➤ **2016 EEA Fund Performance**

There have been no further maturities reported since 6th November 2016. One more policy (\$1.6m NDB) lapsed during October 2016 and EEA have promised to clarify this in due course. The total maturity (face) value of \$112m is below the historical average of \$113-117m pa, but higher than the Maple Life forecast of \$103m at December 2015.

	Policies	Lives	Fair Val	Face Val	Fair/Face	Fair per Pol/Life	Face per Pol/Life	Proceeds			
2016	B/F from Dec 2015	179	135	302,323	588,491	51%	1,689	2,239	3,288	4,359	995,998
	Matured - 2016	35	24	58,238	111,760	52%	1,664	2,427	3,193	4,657	112,000
	Disposals - 2016	4	4	(647)	5,000	(13%)	(162)	(162)	1,250	1,250	0
	Sold - 2016	0	0	0	0	0%	0	0	0	0	0
	Adjustments	0	0	28,565	(1,575)		0	0	0	0	0
	C/F to Jan 2017	140	107	216,167	473,306	46%	1,544	2,020	3,381	4,423	1,107,998
Premium and other Adjustments to match y/e 2016 Results								Estimated			

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
Oct – Dec	16.4	14.4	\$23.4m
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	8	8	\$53.4m
Oct – Dec	6	4	\$ 17.0m
Total Jan – 14th Nov	35	24	\$111.8m
Lapsed Policies (No benefit)	(4)	(4)	\$(4.9)m

Corrected 8th Feb 2017

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) [Additional \$6.5m in Jan / Feb 2017]	\$(114.4)m .
Run-off Share Redemptions (Aug, Oct) [In addition to \$102.2m in Dec 2015]	\$ (48.1)m
Gross Income (NDB) from Maturities	\$111.8m
Adjustments and Other Items	\$2.5m
Cash Balance at 31 Dec 2016	\$100.6m
2 year Premium Reserve	\$(85.0)m
Estimated Available Cash at 30 Dec 2016	\$15.6m
Attributed to Continuing Cells	\$7.8m
Attributed to Run-off Cells	\$7.8m

DISCLAIMER : 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.

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