

➤ **Maturities and Coventry Capital lawsuit.**

No additional maturities have been reported so far for September or October. However the additional maturities reported last month for June, July and August are the subject of a legal claim by Coventry Capital, who say they that belonged to Coventry under the terms of a \$204m sale agreement which Coventry says EEA has backed away from.

It's possible that EEA is not currently reporting any further maturities because of the ongoing lawsuit. For further information on the Coventry lawsuit please see the footnotes ^{1,2} and ³ below (including a response from EEA ⁴ which avoids answering my substantive points).

➤ **2017 EEA Annual General Meeting – Friday 3rd November in Guernsey**

EEA have sent a letter to Direct shareholders announcing that the 2017 AGM will be held at 10:00am on Friday 3rd November at the offices of Saffery Champness in Guernsey. The Agenda just contains the two routine Resolutions to re-appoint Grant Thonton as Auditor for another year, and to authorise the Board to approve the Auditor's charges for the coming year. The AGM will also "receive" the 2016 Annual Report and Financial Statements ⁵

There are no further Resolutions or Agenda Items (e.g. to authorise the sale of policies, to liquidate the Fund or to explain the Coventry lawsuit). If anyone is planning to attend the AGM then please let me know. If your shares are held via a platform, nominee, trust or pension wrapper then you will have to get a Letter of Representation from the relevant intermediary.

➤ **Implications of Policy Sale**

If EEA proceeds with the sale of the remaining portfolio to Coventry (or someone else) then they can immediately redeem all the outstanding Run-off shares at the current NAV (\$140m) and meet all the outstanding redemption requests for Continuing shares (also at the current NAV – approx \$12m). However, this would still leave approx \$85m of cash in the Continuing Cells. EEA are able to re-invest the \$85m in "Other Instruments" in accordance with the terms of the Information Memorandum that was significantly updated in February 2017 ⁶. These removed all reference to the "New Irish Fund" and redefined "Other Instruments" as

(page 13) "instruments which provide exposure to life settlements with similar characteristics to those described in this Information Memorandum, as determined by the Manager in its absolute discretion;"

and

¹ See [Coventry Lawsuit \(pdf\) dated 28th September 2017](#)

² See [Letter to EEA \(pdf\) dated 2nd October 2017](#)

³ See [Letter to GFSC \(pdf\) dated 2nd October 2017](#)

⁴ See [Letter from EEA \(pdf\) dated 12th October 2017](#)

⁵ See [EEA 2016 Annual Report and Financial Statements \(pdf\)](#)

⁶ See [Information Memorandum dated 1st February 2017 \(pdf\)](#)

(page 26) "... (i) Continuing Cells may acquire interests in life policies through subsidiaries of the Fund; and (ii) life policies may be purchased by entities to which Other Instruments have exposure."

and

(page 50) "...There will be risks associated with such Other Instruments similar to those associated with the Fund's Current Underlying Investments. Exposure to Other Instruments may also involve other risks.

Furthermore, to the extent that a Continuing Cell invests in Other Instruments then the performance of that Continuing Cell is likely to differ from that of any other Continuing Cell which does not invest in the same Other Instruments "

➤ **VERY IMPORTANT - Redemption Requests – Continuing Shares**

If you have already requested redemptions then the request will be automatically carried forward quarter-by-quarter until your request is 100% fulfilled, subject to the Available Cash on each quarterly Redemption Day, or a full settlement following a Policy Sale as mentioned above.

If you haven't yet requested redemption of some or all of your **Continuing** shares, please note the information above regarding the fact that in the event of a Policy Sale your cash might be reinvested, and **any future redemption will be subject to the valuations, returns, charges and timescales of the "Other Instruments" – which are said to be similar ,to the existing Fund (and will be managed by the same people that have managed the current Fund for the past ten years).** **The only way to avoid these reinvestments is to request 100% redemption of your Continuing shares NOW for the 2nd April 2018 Redemption Day.** The deadline for receipt of redemption requests is 5.00pm (Guernsey time), **28 December 2017**.

A **Redemption Request Form** for direct EEA shareholders is available at www.eefmg.gg/eea-life-settlements-fund . Earlier dates (or different forms) will apply if you are invested through a platform, pension or other nominee.

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DISCLAIMER : I do my best to provide sound information and personal opinions, but 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.