

**13 Sept 2015 Updates are indicated with a red bar in the right margin |**  
**9<sup>th</sup> Oct 2015 Update added a second letter to EEA etc in Appendix C**

1. This Working Paper (WP) is intended for EEA shareholders who are considering whether to register some or all of their shares for the proposed secondary share sale (SSS) by [Tullett Prebon Alternative Investments \(TPAI\)](#) in September / October 2015. This was announced by EEA in a [Letter to Shareholders](#) dated 7<sup>th</sup> August 2015.

Registration is non-binding but a decision to sell must be made later in the proceedings when a strike price and “matching process” information has been provided to the potential sellers by TPAI. You will then have to decide

- Whether to accept the offer and commit your shares to the sale.
- Whether to reject the offer and hold out for better (or worse) cash returns later (over an unspecified period).

One of the TPAI conditions for registration is that retail investors must have a registered Financial Advisor in order to comply with UK legal and regulatory requirements. Many EEA investors don't have such an Advisor and we launched a request for IFAs to “Adopt An Investor”.- details of such volunteers are given in **Appendix D**. We will add more volunteers as we receive details, and would also like to hear from any investor still having difficulty registering with TPAI.

2. **Appendix A** sets out the facts, the pro's and con's as fairly as we can and investors will have to make decisions based on their own judgement of the factors and risks concerned, and any professional advice that they are able to obtain – preferably from independent and “neutral” sources. We will be pleased to answer any questions, provide additional information or clarification but cannot provide professional financial advice. We would welcome any comments or suggestions for improving this information in a future update of this WP.

**Appendix B** describes the sale process as currently envisioned by the EEA shareholder letter dated 7<sup>th</sup> August 2015.

**Note that TPAI have postponed the process by at least one month as a result of a separate [announcement by EEA](#) that they have sold 188 policies (49% of the portfolio) to an unnamed buyer, due to complete during September 2015.**

**Appendix C** is a letter that we have sent to EEA and TPAI raising some questions and concerns. We will update this WP when we receive answers for the questions raised or TPAI or EEA issue new information.

**Appendix D** is the IFAs who have volunteered to “adopt” and assist EEA investors with their registration for the TPAI sale. In some cases this will require a formal IFA / client relationship (and fees) as described in the Appendix.

3. In our view, it is currently **impossible** to make a **rational** decision whether to sell your shares based on any economic or other investment criteria. There are too many

variables, too many unknowns and a lack of credible information about the future cash predictions and timescales for the remaining EEA Fund. This is in spite of repeated submissions to EEA and the Guernsey Regulator to improve the information and options available to the Fund's remaining investors. We are also unsure of EEA's intentions regarding the ongoing management of the Fund / portfolio and the potential sale of policies at various discount levels

**as now evidenced by the latest EEA announcement. Check our website periodically [www.EEAInvestors.com](http://www.EEAInvestors.com) for the latest updates.**

The result of the secondary share sale might also have implications for the future direction and control of the remaining Fund, especially if a small number of buyers accumulate significant numbers of shares that could influence the voting outcomes of the Fund or the makeup of the EEA Board (for better or for worse from a current investor viewpoint).

4. In our view, investors will have to decide whether or not to accept the offered price based solely on how "attractive" is the immediate cash amount offered in October 2015, regardless of any views about the potential future cash returns and timescales if you reject the offer. This will depend on your own (financial, personal or commercial) circumstances, priorities and timelines. If you have claims in progress against your Financial Advisor (FA), or through an Ombudsman or Compensation Scheme then you might also need to check carefully about any impact the sale (or non-sale) of your shares might have on the outcome, bearing mind your legal obligations to "mitigate or minimise your losses".

## Background

In 2014 EEA proposed a Guernsey-based share sale process for Run-off shareholders in accordance with the "intention" that they made in the 2013 restructuring documents. We objected to this proposal on various grounds and the proposal was abandoned (for more information, see the Archive section on our website [www.EEAInvestors.com](http://www.EEAInvestors.com) )

We understand that for this current proposal TPAI approached EEA who agreed to facilitate the proposal but are not involved in the process in any way. TPAI are holding the proposed sale in the UK under UK laws and Financial Conduct Authority (FCA) Regulations. We welcome the proposal, but we have a number of questions and concerns which are covered here and in our letter (Appendix C).

As at 31<sup>st</sup> July 2015 there were 4.8m shares outstanding in the EEA Life Settlements Fund, under 5,121 shareholdings ( some of which cover hundreds or thousands of beneficial owners and individual investors). 58% of the shares are in Run-off Cells which are currently eligible for the proposed sale.

Table 1 : EEA Life Settlements Fund Status at 31-Jul-2015									
	No of Shares		No of Holdings		Value of Shares		Average	Gross Cash USD *	
	Qty	% of Total	Qty	% of Total	Amount	% of Total	NAV	Amount	% of Cell
Continuing Cells - Total	2036k	42.3%	2515	49.1%	\$248 m	42.1%	\$121.86	\$54 m	22%
Run-Off Cells - Total	2774k	57.7%	2606	50.9%	\$341 m	57.9%	\$122.74	\$69 m	20%
<b>Total Fund</b>	<b>4810k</b>	<b>100.0%</b>	<b>5121</b>	<b>100.0%</b>	<b>\$589 m</b>	<b>100.0%</b>	<b>\$122.37</b>	<b>\$123 m</b>	<b>21%</b>

\* Gross Cash includes the Current Premium Reserve

## Eligibility

- a. **Continuing Shareholders** – As proposed, Continuing shareholders are **NOT** eligible to register for this sale process. According to TPAI this restriction was imposed by EEA. We believe that this restriction is inappropriate and unfair, and that it is not EEA's right to restrict which shares can be offered for sale to willing buyers in a secondary market. If you are a Continuing shareholder / investor who wishes to register for this proposed sale then please email TPAI, EEA and GFSC to support the request in our letter (Appendix C). Note that Continuing shareholders must also consider making initial redemption requests in the same timeframe (see our separate [WP20150730](http://www.EEAInvestors.com) for more information)
- b. **Run-off Shareholders** - As proposed, all Run-off shareholders / investors (anywhere in the World) are eligible to register and participate in the TPAI secondary share sale. However, the actual rules and process will depend on how you hold your shares and whether or not you have a registered Financial Advisor, as summarised below.
  - i. **EEA Direct Shareholders** – If you are the registered shareholder with EEA (or have an appropriate authorisation or power of attorney etc on behalf of the registered shareholder) then you can register directly with TPAI via email or letter, and will need to provide a copy of your recent shareholding statement from EEA as evidence of your shareholding. NOTE : you can choose to only offer part of your shareholding if you wish, and should make that clear in your registration and/or that you reserve the right to vary the quantity when you receive the purchase offer and confirm your sale acceptance.

- **With a Financial Advisor (FA)** – TPAI will register your FA details and would prefer to communicate via the FA. Please confirm that your FA is willing to carry out this function on your behalf, what he/she will charge (if anything) for being involved and whether he/she is willing to provide professional advice concerning the sale or retention of your investment, and if so is he/she currently authorised and insured to provide such advice on UCIS and Life Settlements investments where applicable (e.g. in the UK under FCA regulations). Check that the FA is in possession of whatever information he/she needs about the EEA Fund and is competent to provide the advice sought. In our view, TPAI should communicate directly with the investor (with copies to the FA) unless you choose or prefer otherwise. There will be some tight deadlines for sending and receiving information / instructions and the less links in the chain the better, especially for overseas investors and those without (good) access to email or the web.
- **Without a Financial Advisor (FA)** – Currently TPAI will refuse to register a private (retail) investor without an FA, unless they are a recognised / registered High Net Worth (HNW), professional or institutional investor. This is because of UK legislation and FCA Regulations designed to protect retail investors from making certain types of investment without professional advice.

There are many current investors locked into their EEA shareholdings who, for a number of reasons, do not (or no longer have) a registered FA (and maybe never had one). Many investors have already claimed for mis-selling against their original FA, or the FA has gone out of business, leaving them stranded. A “New” advisor (and some existing ones) are unlikely to accept any responsibility (and/or be prohibited by their Professional Indemnity Insurers) for providing advice in relation to EEA investments, and might consider the EEA financial information and projections to be “too opaque” (as one UK IFA Head Office has stated to its Singapore office and client). This is a serious set of concerns that we have raised with TPAI, EEA, FCA and GFSC (see Appendix C).

Meanwhile, Appendix D gives information about IFAs who have “volunteered” to assist investors with their TPAI registrations, including full advice where stated.

- ii. **Platform and Nominee Investors** - If your investment is held via a platform, trustee or nominee (e.g Old Mutual International, RL360, Generali, Friends Provident, Meteor, Transact, Hargreaves Lansdowne, Hornbuckle Mitchell or any number of others) then they will have to register with TPAI on your behalf. Trustees and Pensions / SIPP Administrators will need to be involved to register and approve the eventual transactions in accordance with their duties of care and oversight, based on the individual circumstances and trust deeds. If you haven't heard from your platform, nominee or trustee etc then get in touch with them immediately to ensure that they are aware of the proposed sale and your potential interest, and have the appropriate procedures / information in place to handle the process with you and TPAI. In these cases you would not normally need to register an FA with TPAI, but the platform or nominee might insist on you having one, under the same UK laws and regulations.

### c. Conversion Rights and Redemption Payments

In the EEA 2014 Annual Report, the Directors announced an intention that "...in the future there will be an opportunity where new investors are sourced who are willing to purchase shares from run-off investors at a discount to net asset value. New investors will then have an option to acquire shares in a cell of the Continuation fund." The [EEA letter](#) announcing the TPAI Secondary Share Sale doesn't mention this facility, or explain how the option would work.

EEA have repeatedly refused existing investors the option to convert to or from Run-off / Continuing shares and we have questioned this position in relation to the proposed option for the new investors (see Appendix C). Subject to any further details emerging from EEA, this option might enable the buyers of Run-off shares to "convert" to Continuing and then request full or partial redemption (at the appropriate NAVs) from March 2016.

Continuing shareholders have no current right or opportunity to convert to Run-off to take advantage of this sale offer, or to participate directly as Continuing shareholders.

If the Directors should decide to exercise their new discretion to reduce the premium reserve below two years following the sale then the buyers of the shares will also benefit from any "boosted" redemption payments for the Run-off or (converted) Continuing shares that they have acquired.

Selling shareholders can currently do nothing about these matters – they can only accept or reject the prices that will be offered in September / October and if they sell their shares will lose all access to the December or subsequent redemption payments on their shares.

### Advice and Information

EEA provides virtually no relevant information about projections of future maturities or redemption / cash payments for Run-off or Continuing shares, or the associated Net Asset Values (NAVs).

Until November 2011 they published portfolio and premium predictions which indicated that 90-110% of original investment would be returned to investors over 5-10 years. Their maturity predictions have never been met and in our October 2014 [Working Paper 7A](#) we estimated that the future returns might only be 50-70% of original investment over 10-15 (or more) years.

EEA engaged Maple Life Analytics to independently revalue the portfolio in December 2014 and we believe that their current results would indicate a 80 – 100% return over 5 – 10 years. In our opinion the Maple Life projections of maturities and future premium costs are still unrealistic / optimistic and we currently stand by our October 2013 view – but with a possible downward adjustment of 2015 maturities continue to fall short of even our predictions..

If the Fund should sell any policies on the US tertiary market in order to generate short term cash to boost redemption payments, or to cover premium and expenses payments at any time, then the future cash returns to the majority of shareholders (mostly in the Run-off Cells) would be reduced by \$1.5m - \$2.5m for every \$1m raised.

We are currently analysing the impact of the policy sale announced by EEA on 4<sup>th</sup> September 2015 and have sent this [letter to EEA](#) raising certain issues and concerns. Check our website periodically for updated information. TPAI have postponed the share sale until further information is available.

The [EEA letter](#) included a schedule from TPAI which indicated that buyers (but not sellers) already have access to the TPAI "data room" under Non-Disclosure Agreements (NDA). EEA have stated that buyers and sellers will have equal access to all information. We have taken this up with EEA and TPAI (See Appendix C).

EEA state that Maple Life Analytics have carried out a range of analyses of best, worst and very worst case maturity / cashflow scenarios which will now be used to inform the Board when it makes its discretionary and prudent decisions over future redemption payments v/v the reserves needed to cover expenses and premium payments.

The early indications are that these Maple Life projections might also be over optimistic, but EEA have refused our requests for them to publish a full report on the Maple Life scenarios, assumptions and results. We believe that this is completely unacceptable non-disclosure, and unfair to both buyers and sellers in the proposed sale process (See Appendix C).

This has now been exacerbated by the EEA announcement of the policy sale referred to above.

## Pricing and Valuations

EEA publish NAVs per share for each Cell in the relevant Cell currency. These NAVs are an estimate of the future cashflows, discounted back to a present value using subjective discount rates which reflect Maple Life's view of the risks and interest rate factors inherent in the prediction models.

These NAVs affect the amount of redemption payments to Continuing shareholders at the appropriate times but have nothing to do with the future (non-discounted) cash returns to Run-off shareholders or non-redeeming Continuing shareholders.

Buyers can therefore make their own assumptions about the discount rates to apply to the future projected cashflows, and determine an offer price not related to the EEA NAV, but probably expressed as a percentage discount to the EEA NAV or a cash equivalent.

Retail investors do not generally possess the expertise or information to make these complex assessments and might therefore be misled into interpreting the EEA NAV as the amount they might receive in the future from retaining their Run-off shares, subject to any further fluctuations in the NAV or changes to the EEA (or Maple Life) valuation methodology.

We believe that EEA should immediately publish an independent report on the Maple Life maturity / valuation and projected cashflow scenarios, and why the policies in the current portfolio have repeatedly failed to achieve the expected results over the years since inception, and especially since the 2013 revaluation and the December 2014 Maple Life revaluation to date (See Appendix C).

### Implications for Remaining Investors

We don't know how many buyers will acquire how many shares as a result of the proposed TPAI process. For the 2014 (abandoned) shares sale we estimated that two buyers (e.g. hedge funds) could have acquired 30-40% of the total Fund shares for \$100m – a third of the NAV at the time for the shares acquired. They could achieve the same result now for (say) \$70m, or conversely acquire (say) 50% of the total shares for \$100m.

The EEA Articles currently restrict any one owner from holding more than 10% of the total shares, but the Articles could be changed by a 75% majority of those voting at a General Meeting or by written (postal) resolution. In any case, a “non-connected” grouping of a few large shareholders with similar motives or interests and 30 – 50% of the total shares could effectively control the Company and would almost certainly demand or expect representation on the Board.

In some ways this could be good for the remaining existing investors, who effectively have no one on the Board aligned with their interests. On the other hand, it could enable the buyers to force an accelerated sale of assets (i.e. policies) for a quicker (but lower) return or exit, to the detriment of existing investors who are prepared to wait longer for better cash returns from maturing policies. We have asked for clarification of these effects and for a degree of protection for existing investors (See Appendix C).

This has now been exacerbated by the EEA announcement of the policy sale referred to above.

### Contacts for Further Information

a) **Tullett Prebon Alternative Investments** at [eea-process@tullettprebon.com](mailto:eea-process@tullettprebon.com) or  
**William Arnold** Tel : +44 (0)207 200 7537 [warnold@tullettprebon.com](mailto:warnold@tullettprebon.com)  
**Dan Nolan** Tel : +44 (0)207 200 7537 [dnolan@tullettprebon.com](mailto:dnolan@tullettprebon.com)

b) **EEA Life Settlements Fund PCC**  
**Mark Colton, Chairman** Tel: +44 (0)1481 728432 [mcolton@bwcigroup.com](mailto:mcolton@bwcigroup.com)

**Financial Conduct Authority (FCA)** at [consumer.queries@fca.org.uk](mailto:consumer.queries@fca.org.uk)  
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c) **Guernsey Financial Services Commission (GFSC)**  
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Tel: +44 (0)1481 712706 [MLepage@gfsc.gg](mailto:MLepage@gfsc.gg)

d) **EEA Investors' Group** [EEAInvestors@gmail.com](mailto:EEAInvestors@gmail.com)  
**David Trinkwon, Medley Systems Ltd.** Tel: +44 (0) 7802 538315

## PROPOSED TPAI SECONDARY SALE PROCESS

Tullett Prebon Alternative Investments (TPAI) will match certain of its clients who have indicated to TPAI that they wish to purchase EEA Run-Off Shares with EEA Run-Off Shareholders who indicate to TPAI that they wish to sell some or all of their Run-Off Shares.

Unless indicated otherwise at any time, the Secondary Sales Process will be run by TPAI as described in the summary of the Secondary Sales Process provided by TPAI and set out in the following Schedule, which also contains a provisional timetable for completion of matched sales.

All dates below have been postponed by at least one month pending further information about the EEA policy sale announced on 4<sup>th</sup> September 2015 by EEA.

Date	Activit	Detail
07/08/2015 - 28/08/2015	Process Launch and Preparation	The Manager notifies Run-Off Shareholders that the Secondary Sales Process is taking place and provides them with TPAI's contact details . At the same time, TPAI prepares the data room. An invitation is sent to parties approved by TPAI.
07/08/2015 - 18/09/2015	Registration and Due diligence	Sellers register their interest to sell with TPAI. Once Buyers complete the agreed form NDA they are invited to access TPAI data room to view the materials contained in it.
18/09/2015	Bid Submission	Buyers submit their binding bid(s) to TPAI with minimum and maximum size constraints.
21/09/2015	Seller Notification	All registered sellers are notified of the process strike price for the relevant cell(s) and/or the potential clearing level, and the process for matching sales.
06/10/2015	Process Deadline	All sellers must submit their offer to sell. The clearing level and final supply is calculated by TPAI and the buyer(s) are notified of their fill level.
6/10/2015 - 02/11/2015	Share Transfer Period	TPAI liaises with the Fund's administrator and successful buyer(s) to facilitate any share transfers.

*Note:* This Schedule has been prepared by TPAI and any questions regarding it and/or the Secondary Sales Process should be addressed to TPAI and not to the Fund, the Manager or EEA Fund Management Limited.

TPAI will charge a commission to those of its clients who successfully bid for Run-Off Shares as part of the Secondary Sales Process, and will not receive any brokerage, retainer of any other fee from the Fund, the Manager or any Run-Off Shareholders in connection with the Secondary Sale Process.

None of the Company (EEA), the Manager, EEA Fund Management Limited or any of their respective directors, employees, officers, affiliates and agents (each an "EEA Party" and together, the "EEA Parties") will receive any fees, commissions or unpaid benefits as a result of the Secondary Sales Process (other than the existing fees and expenses payable in respect of Run-Off Shares disclosed in the Company's current Information Memorandum and relevant Supplements).

No EEA Parties will participate in the Secondary Sales Process as bidders or sellers.

None of the EEA Parties has any control over the level at which bids may be made by bidders. Run-Off Shareholders should note that potential bidders may consider any sales pursuant to the proposed sale process to be distressed sales. Bidders taking such a view may offer at a very significant discount to the net asset value of the Run-Off Shares at the time of sale.

None of the EEA Parties is in any way responsible for, and/or is in any way endorsing, the Secondary Sales Process. The only involvement of any EEA Party in the proposed Secondary Sales Process will be (i) the Manager assisting TPAI in relation to the creation and maintenance of a data room to make information (which is, or has been made, available generally to Run-Off Shareholders) available to potential bidders and (ii) the Company's registration of successful transfers of Run-Off Shares pursuant to matched sales.

None of the EEA Parties guarantees that the Secondary Sales Process will be available or, in the event that such a process is made available, that any Run-Off Shareholder will be able to sell some or all of its Run-Off Shares pursuant to it. None of the EEA Parties makes any representation or warranty as to the terms and/or timing of the Secondary Sales Process. Each Run-Off Shareholder which agrees to participate in any such process will do so entirely at its own risk. Any transfer of Run-Off Shares will be subject to the Company's general requirements in relation to share transfers and subject to the rectification of any deficient anti-money laundering requirements or US tax documentation.

By participating in the Secondary Sales Process, you will be deemed to have accepted and agreed to these terms, including (without limitation) the limitation of liability provisions.

For the avoidance of doubt, the Company remains closed to new subscriptions for Shares and accordingly there will be no offering or placement of Run-Off Shares pursuant to the Secondary Sales Process.

If you are interested in participating in the Secondary Sales Process as a seller of Run-Off Shares or have any questions regarding the Secondary Sales Process, please contact TPAI by emailing them at [eea-process@tullettprebon.com](mailto:eea-process@tullettprebon.com)

LETTERS TO TPAI, FCA, EEA and GFSC

29<sup>th</sup> September 2015

M. Colton, EEA Life Settlement Fund PCC via email: [mcolton@bwcigroup.com](mailto:mcolton@bwcigroup.com)  
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W.Arnold, D.Nolan, Tullett Prebon Alternative Investments  
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Dear Sirs

**EEA Life Settlements Fund PCC – Proposed Secondary Share Sale**

Further to my letter dated 31<sup>st</sup> August 2015 and EEA's response to me dated 25<sup>th</sup> September 2015 (using the same numbering as our original letter) :

1) EEA

- a) EEA has confirmed that Continuing shareholders can sell their shares to any private buyer if they wish, and the transfer will be registered by EEA/IAG in the normal way, as for Run-off shareholders. TPAI are therefore at liberty to include Continuing shares in the secondary sale process if they and their buyers so choose. Although EEA don't understand why Continuing shareholders might want to choose this option, we can think of several reasons and in our view it is up to the investor and his/her Advisors to decide, subject to TPAI and the buyers being willing.
- b) EEA has confirmed that the statement in the 2014 Annual Report and Financial Statements about the buyers (of Run-off shares) having the ability to purchase Continuing shares was not intended to convey any form of "conversion" rights. The buyers ("New Investors") can choose to purchase Continuing shares (or not) on the same basis as any other new investor when the Continuing Cells become available for new subscriptions in due course. There will be no benefit, rights or special treatment for buyers of Run-off shares in the TPAI process.
- c) EEA has not yet responded to the question of what measures will be taken to protect the rights of the smaller (predominantly retail) investors from the potential actions of (possibly predatory) new investors as a result of the sale process, given also that many of the existing investors are represented by platforms and nominees with poor information and representation. This is a significant outstanding item.
- d) EEA have not responded to the question of also distributing information about the TPAI process to Continuing shareholders / investors and have declined to provide any additional information to shareholders / investors about the revised portfolio following the proposed policy sale.

In our view, the share sale cannot proceed without such information being available to the potential buyers and sellers. EEA have confirmed that TPAI are "adjusting" the timetable for the proposed sale process but have declined to provide any further information to shareholders / investors, in spite of the original registration deadline

having passed. TPAI is not in a position to communicate directly with all EEA shareholders / investors or their representatives.

## 2) TPAI

We have had no response so far from TPAI, and therefore the concerns re lack of provision for investors who do not have a current registered Financial Advisor remain. We have also confirmed that many UK FAs are unwilling or unable to provide advice to their clients / investors because of current FCA and PII restrictions related to UCIS investments in the UK. We urge TPAI, EEA, GFSC and FCA to work together to resolve this issue in a way that is fair to all the “stranded” retail investors in the UK and elsewhere.

- e) We have had no response so far from TPAI, and repeat that information should go directly to the investors and not rely on platforms, intermediaries and FAs for distribution. Actual instructions from the investors to TPAI might need to be routed via platforms, nominees and trustees etc, but generally not via FAs, although these arrangements should be at the option / discretion of the investors.
- f) EEA state that the TPAI Data Room only contains information that is “generally available to shareholders already”. Given the known past deficiencies in the distribution of information to investors via platforms, intermediaries and FAs then we believe that this is inadequate. Investors (and their Advisors) who register for the TPAI process should also have direct access to the Data Room on the same basis as the potential buyers.

Please let me know if you need further clarification or information about any of the matters raised. We are ready to help in any way that we can.

Yours sincerely

*David Trinkwon*

Medley Systems Ltd.,  
Coordinator – EEA Investors' Group

CC : via email

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31st August 2015

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Dear Sirs

**EEA Life Settlements Fund PCC – Proposed Secondary Share Sale**

In the EEA 2014 Annual Report, the Directors announced an intention that "...in the future there will be an opportunity where new investors are sourced who are willing to purchase shares from run-off investors at a discount to net asset value. New investors will then have an option to acquire shares in a cell of the Continuation fund." On 7<sup>th</sup> August, EEA sent a letter to registered Run-off Shareholders with details of a proposed secondary share sale organized by Tullett Prebon Alternative Investments (TPAI).

We have assessed the proposal in the light of the recent EEA 2014 AGM (and associated meetings) and the input from investors who have asked for additional information and/or have registered (or tried to register) with TPAI. The EEA Investors' Group welcomes the TPAI initiative to create a 'secondary share dealing facility', but the timetable should be delayed until the following questions have been properly addressed by EEA and TPAI.

**3) EEA**

- g) Why has EEA restricted the sale to Run-off shareholders only ? There are Continuing shareholders who might wish to participate in the proposed sale, as an alternative to waiting several years for uncertain NAV based redemption payments, and in our view it is not up to EEA to control who can or cannot sell their shares to willing buyers in a secondary market. It is a matter for TPAI plus the potential sellers and buyers.
- h) What is the proposed mechanism whereby new investors can acquire Continuing shares on the basis of buying Run-off shares in the proposed secondary sale process ? Is this a "conversion right" that could have value and would existing Run off shareholders have the same right ? Investors must be able to understand the ramifications, especially since the Board has so far rejected "conversion" requests from or on behalf of the current investors.
- i) What measures will be taken to protect the rights of the smaller (predominantly retail) investors from the potential actions of (possibly predatory) new investors as a result of the sale process, given also that many of the existing investors are represented by platforms and nominees with poor information and representation. The existing EEA Articles limit the number of shares for a single holder to 10%.

In the event that a significant proportion of shares end up in the hands of a few large institutional investors (e.g. hedge funds with similar interests in (say) short term asset stripping) then this could be to the detriment of the remaining investors who elected for future cash returns based on holding all policies to maturity over the five-

to-ten year period projected by EEA in the 2013 restructuring documents (and since).

- j) Because of the potential impact of the new investors on the total Fund, will the Board also distribute information about the proposed secondary share sale to the Continuing shareholders and their representatives ?
- k) Will the Board now publish a report on the scenarios, assumptions and projections modelled by Maple Life for the guidance of the sellers and buyers in this process, and also for investors who are considering their decisions about whether or when to request redemption of their Continuing shares in the same timeframe ?

The Director's have a duty of care to investors to ensure that they do not make share dealing decisions without being fully informed and having the benefit of a forward looking statement from the Company (with the relevant caveats). Investors (who have funded the Maple Life analysis) need to know the full details of these ranges, and subject to market conditions, what payouts the Director's intend to make under different scenarios.

In our view, a share sale should not proceed without the above disclosures because no Financial Advisor will be able to give sensible advice to retail investors with respect to comparing the alternatives of retention versus sale. Making a price judgment might result in sellers being taken to the cleaners by the failure of the Company to disclose and give forward looking predictions.

#### 4) TPAI

- l) You have been rejecting registration requests from retail / private investors who do not have a current registered Financial Advisor, on the basis that
  - i) UK and FCA regulations do not permit you to deal directly with retail investors
  - ii) You wish to "streamline" all such communications via FAs

Retail investors have suffered enormously from the 2011 FSA Announcement and the other failings of this Fund, and it is absolutely essential that a way is found for them to participate. Many of these retail investors are among some of the most vulnerable and financially distressed (and elderly) investors for whom the proposed share sale is the only realistic opportunity for getting any timely return of their capital, however small.

Many retail investors (in the UK and elsewhere in the World) have never had (or no longer have) a registered Financial Advisor (for a number of reasons). Many existing (and most "new" Financial Advisors) are not currently authorised or insured to give advice on UCIS or Life Settlements investments, or are unable to do so (or are prevented from doing so by their PI insurers) for pre-existing investments such as EEA. Please discuss with your Management and the FCA about some form of dispensation that would allow such investors to register for and participate in the proposed sale (with or without a Financial Advisor). Would it be possible to move the sale process to one of your offshore locations where such restrictions wouldn't apply, or to appoint a designated independent Financial Advisor to act on behalf of such

investors (like a "public guardian") to ensure that they receive professional and appropriate advice ?

- m) We also have concerns that some Financial Advisors (in the past) have been the cause of delays and missing information for many investors. Can you maintain direct communication with the investors to the maximum extent possible (e.g. via emails or access to a secure website)? Information can be simultaneously copied to Financial Advisors and platforms / nominees etc unless the investor specifically elects to route everything via their designated Advisor or nominee.
- n) The letter from EEA says that only the buyers will have access to the TPAI Data Room whereas EEA has also stated that buyers and sellers will have access to the same information. Can you please arrange for all investors registered in the sale process to have access to the information in the Data Room ?

Please let me know if you need further clarification or information about any of the matters raised. We are ready to help in any way that we can.

Yours Sincerely

*David Trinkwon*

Medley Systems Ltd.,  
Coordinator – EEA Investors' Group

CC : via email

Emma, Bailey, Mark. Le Page, GFSC [EBailey@gfsc.gg](mailto:EBailey@gfsc.gg) , [MLepage@gfsc.gg](mailto:MLepage@gfsc.gg)

Megan Butler, Tracey McDermott UK FCA

[Megan.Butler@fca.gov.uk](mailto:Megan.Butler@fca.gov.uk) , [Tracey.McDermott@fca.gov.uk](mailto:Tracey.McDermott@fca.gov.uk) , [consumer.queries@fca.org.uk](mailto:consumer.queries@fca.org.uk)

**IFAs WILLING TO ASSIST EEA INVESTORS**

**David Biggam**

**Montpelier China**

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**Tel :** +66 619 19 30 51

I would be interested in helping any clients from the China or Thailand regions who don't have a



**Eugen Neagu**

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**Tel: +44 (0)1483 202072 Fax: Mob: +44 (0)7967 251771**

I would be interested to work with a small number of EEA Investors. Our charge for dealing with Tullett Prebon and help with the sale shares in the EEA will be £650 and it will be paid on engagement. The price is based on the EEA Investors Group providing us with information needed to understand the valuation of these investments and pricing of these shares. I do understand life settlements as I was active on the Keydata victims group and a few people have hired me to be their financial planner afterwards. We would not consider "waivers" of liability. Based on the information received we will provide financial advice – we will obviously consider the client's preference in the advice provided. We have Markets in Financial Instruments Directive (MiFID) permission from the Financial Conduct Authority (FCA) for all European countries so we can work with European clients as well. We could also work with other overseas clients and we have clients based in Australia, New Zealand, Singapore, Philippines, Bahamas, Canada, the US (including Hawaii), even Bonaire Island etc.

I am looking for long term clients, people who were not put off by investing because of this bad experience. At Montfort, we are financial planners, so each client will have a financial plan: complex or simple depending of their financial situation. We believe you cannot invest successfully without following a plan. When investing we mainly consider the main three asset classes: cash, bonds and equities. Within the alternatives (when it is not one of the three asset classes) we only considered pooled investments in commercial property and infrastructure. We stay away from other alternatives: gold & other commodities, life settlements, structured products, hedge funds, classic cars, diamonds etc.

We charge flat annual fees which are determined by the complexity of your financial affairs and we have a minimum of £1,000 per annum. As a result you should have a minimum of £120,000 assets invested with us to make it worthwhile. We are strong believers of low charging investments and we try to keep our fee low, but profitable.

As you can see below I am a Chartered Financial Planner and also a Certified Financial Planner, one of the 600 in the UK having both qualifications. Each qualification brings different skills to the table. And not last we have happy clients all over the world. We could put potential clients in contact with a few if they need references. To be considered you will need to fill in a factfind, a risk profile and an expenditure and income questionnaire.

Dear EEA Fund holder



### Background

My name is Mark Rolfe and I'm a Financial Planner with Clarkson Wayman Ball, based in their City of London office and I have been an independent adviser for almost 30 years dealing mainly with investment and pension funds for my clients using holistic financial planning. Although based in the City of London I live in Milton Keynes and my clients who don't work and live in London are to be found in an arc from the M4 out to Reading going up towards Birmingham and across to the M11 in the East, essentially within an hour and half travel from Milton Keynes.

### EEA Knowledge

I know the EEA situation well as I have taken on some clients from other advisers who had recommended the EEA fund to them and wanted to change adviser. I can assist other EEA fund holders with their redemption requests, however I can only engage fund holders on a fully advised basis, taking them on as long term clients giving a full financial planning service.

### How I Can Help You

I offer a non-committal initial discussion by telephone to discover your situation and then depending on the outcome of that discussion and if appropriate have a non-committal face to face meeting.

I have never recommended UCIS funds to any client.

**Please see my profile on our website:** <http://cwbgroup.netimeet-the-team/mark-rolfe/>

**And my LinkedIn profile:** <https://uk.linkedin.com/bub/mark-rolfe-dippfs/14/935/386>

If you wish to discuss your situation please call me on 020-3207-9851 or 07973 685134.

I look forward to being of assistance to you.

**Best regards, yours faithfully**

A handwritten signature in black ink, appearing to read 'Mark Rolfe'.

**Mark Rolfe DipPFS**

**Financial Planner**

**Direct: 020-3207-9851**

**Mobile: 07973-685134**

**E-mail: [mark.rolfe@cwbgroup.net](mailto:mark.rolfe@cwbgroup.net)**

**Wealth Through Knowledge**

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