

### **“Final Warning” for Continuing Investors**

Holders of more than 857,000 EEA “Continuing Shares” currently valued at over \$82m have so far NOT requested redemption of their shares. This means that EEA will shortly be able to reinvest their accrued “Available Cash” into “Other Instruments”, currently defined to be “*US life policies similar to the existing underlying investments*”.

Once this potential re-investment occurs then the shareholders concerned will be subjected to the ongoing charges, costs and risks of the “Other Instruments”, and any future redemption request will also be subject to the valuation, returns and redemption restrictions or charges applicable to the “Other Instruments”. See the Appendix for further details of the current rules governing the potential reinvestment in “Other Instruments”.

The new investments will apparently be based in Guernsey and managed by the same entities that have managed the current EEA Life Settlement Fund to date (In February 2017 EEA appear to have abandoned the proposed “New Irish Fund” described at the time of the 2013 Re-structuring).

*There are also specific implications related to the possibility that EEA is in the process of trying to sell off the remaining life policies and liquidate the current Fund, and this might include splitting off some of the current non-performing life policies into the “Other Instruments” sub-Fund*

If investors wish to avoid these reinvestments and risks then they must request redemption of their Continuing shares as soon as possible. The current deadline is **28<sup>th</sup> December 2017** in respect of the 3<sup>rd</sup> April 2018 Redemption Day. The next deadline is **29<sup>th</sup> March 2018** for the 2<sup>nd</sup> July 2018 Redemption Day.

Direct EEA investors must use the form available at [www.eefmq.gg](http://www.eefmq.gg) .

Indirect investors (e.g. through platforms, insurance wrappers, pensions or trusts) must instruct their platform or intermediary to request redemptions from EEA, using whatever forms or procedures apply in their situation. Some intermediaries will require some days' notice ahead of the EEA deadline above.

Investors who are unsure whether they hold EEA Continuing or Run-off shares, or need further information about the options and implications of requesting redemptions or not should immediately contact their professional advisor and / or the EEA Investors' Group at [www.EEAInvestors.com](http://www.EEAInvestors.com) or **+44 (0)7802 538315**.

Investors who have already requested / received redemption of their Continuing shares need do nothing. Your request will be automatically carried forward to each quarterly Redemption Day until fulfilled. EEA cannot reinvest any available cash within a Continuing Cell until they have cleared all outstanding redemption requests in that Cell.

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**“OTHER INSTRUMENTS” for EEA CONTINUING CELL REINVESTMENTS**

The following is from the current [\(February 2017\) EEA Information Memorandum](#) also available from the EEA website [www.eeafmq.gq](http://www.eeafmq.gq)

*“...as Current Underlying Investments mature ... the [relevant] proceeds ... will be used by that Continuing Cell to invest in Other Instruments [ including ] New Underlying Investments [which] will be of the same type as Current Underlying Investments, being life insurance policies issued solely in the US.*

*...*

*Continuing Cells may acquire interests in life policies through subsidiaries of the Fund; and life policies may be purchased by entities to which Other Instruments have exposure.*

*...*

*[Each] Continuing Cell will bear its pro rata share of the fees charges and expenses in connection with its investment in Other Instruments.*

*...*

*There will be risks associated with such Other Instruments similar to those associated with the Fund's Current Underlying Investments. 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.*

*...*

- a) there is no assurance that any appreciation in the value of the portfolio will occur, or that the investment objectives of the Company will be achieved. Past performance is no guide to the future. The value of Other Instruments, and hence the Shares in the relevant Continuing Cell(s), can go down as well as up, particularly in the short term, meaning that an investment may not be returned in full;*
- b) the tax treatment of Other Instruments may change and such changes cannot be foreseen;*
- c) if investments are made with the intention of achieving a specific capital sum in the future, this will normally be subject to maintaining a specified level of investment; and*
- d) the difference at any one time between subscription and redemption prices for Shares means that any investment should be viewed as medium to long term. An investment should only be made by those persons who are able to sustain a loss on their investment.*

*Continuing Cells which invest in Other Instruments are subject to the risk that the Net Asset Value per Share for the Continuing Cells will fluctuate in response to changes in economic conditions, interest rates and the market's perception of the Other Investments held by the relevant Continuing Cell; accordingly, no assurance can be given that the investment objectives of the Company will be achieved.*