



4th September 2015

For immediate use

NEWS RELEASE

EEA Life Settlements Fund set to distribute \$87.6m to Run-Off Shareholders

The board of directors (the **Board**) of the \$588m* (£376.8m) EEA Life Settlements Fund intends to distribute approximately \$87.6m (£56.1m) to holders of Run-Off Shares in the Fund.

The decision comes after the Board approved the execution of a binding conditional agreement with an undisclosed purchaser for the sale of 188 US life insurance policies for \$130m (£83.3m).

The proceeds of the sale, combined with reduced future premiums, are expected to mean that the Guernsey-domiciled Fund will have approximately \$150m (£96.1m) in Available Cash at the start of October 2015.

Approximately \$87.6m (£56.1m) of this Available Cash is intended to be used to make a distribution to those persons registered as Run-Off Shareholders as at 1 October 2015, who constitute approximately 60% of shareholders in the Fund. The Board expects to confirm the distribution in October 2015, with proceeds paid in early November 2015.

The remainder of the Available Cash, approximately \$62.4m (£40m) attributable to Continuing Cells of the Fund, will be used to meet future redemption requests and/or for the purchase of new policies via a new fund or some other instrument.

Barry John, Head of Business Management at EEA Fund Management Limited, the marketing agent for the Fund, said: "The Board has made clear that the decision to sell the policies has been taken in the best interests of the Fund. A number of bids were received and the Board accepted the one which best meets the Fund's strategic objectives while being at a price acceptable to the Fund. Confirmation of the distribution for Run-Off Shareholders is expected in October and it is anticipated that it will be paid in the early part of the following month."

The price agreed is at a premium to the value at which those policies are held by the Fund, as calculated by the Fund's independent Valuation Agent, Maple Life Analytics LLC, and following the sale the Fund will have sold all policies where the remaining life expectancy (at the time that the policies were offered for sale) exceeded four years. The sale will also significantly reduce the risk of the policies held by the Fund expiring without paying out or otherwise realising a loss to the Fund at maturity.

The term Life Settlement refers to the sale of a US life insurance policy to a third party. In exchange for a payment in excess of the policy's cash surrender value, the purchaser becomes the new owner



of the policy. The new owner pays all future premiums during the remaining life of the insured and becomes entitled to collect the net death benefit or 'face value' of the policy on maturity.

In January 2014, the Fund was restructured, following a vote by shareholders, allowing investors to elect to convert to Run-Off Shares or to remain in Continuing Shares. In the Run-Off Cells of the Fund, cash generated from policies that mature or are sold is not reinvested. Instead surplus cash (after provision for anticipated premiums and other costs) is distributed to the relevant Run-Off Shareholders. This will continue until the proceeds from the final policy held in respect of each Run-Off Cell have been returned to shareholders.

*Fund net asset value as at 31st July 2015 and dollar to sterling currency exchange rate is as at the same date, with \$1 equivalent to £0.64075.

ENDS

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The full announcement to shareholders and their advisers is below:

Announcement from EEA Fund Management (Guernsey) Limited (the "Manager") via www.eeafmg.gg

EEA Life Settlements Fund PCC Limited (the "Fund")

We are pleased to announce that the Fund's board of directors (the "Board") has confirmed that it expects the level of Available Cash in the Fund (assuming that cash required to pay two years' premium payments is retained by the Fund or its subsidiaries) to increase to approximately \$150m upon completion of a sale of policies. As such, the Board intends to distribute approximately \$87.6m to those persons registered as Run-Off Shareholders as at 1 October 2015 and to use approximately \$62.4m (attributable to the Continuing Cells) to meet future redemption requests and/or for the purchase of new policies (via the New Fund or in Other Instruments).

This has been made possible as a result of the Fund taking the opportunity to sell policies where the remaining life expectancy exceeded four years (at the time that the policies were offered for sale), through the sale by tender of 188 policies. The sale price for the portfolio will be \$130m, which represents a premium to the value at which those policies are held by the Fund, as calculated by the Fund's independent Valuation Agent, Maple Life Analytics LLC.

The sale process was run by the Manager and the Investment Adviser, ViaSource Funding Group, LLC, whereby a selected portfolio of policies was offered for sale to a number of prospective purchasers unconnected with the Fund, the Manager, the Investment Adviser or the Valuation Agent. Various



bids were received in respect of these policies and the Fund has accepted the proposal which the Board, the Manager and the Investment Adviser believe best meets the Fund's strategic objectives, at a price acceptable to the Fund.

A binding conditional agreement has been signed and in the event of completion of the transaction the Fund will have sold all policies where the remaining life expectancy (at the time that the policies were offered for sale) exceeded four years. The sale will also significantly reduce the risk of policies held by the Fund expiring without value or otherwise realising a loss to the Fund at maturity.

The Board has determined that this inflow of cash, together with a decrease in projected future premium payments (as, following completion of the sale, the Fund will no longer pay premium payments for the policies being sold), will increase the level of Available Cash to approximately \$150m. The Board expects to confirm the distribution to Run-Off Shareholders in early October 2015 with proceeds being paid in early November 2015.

NOTES TO EDITORS:

About EEA

The EEA group of companies has in excess of \$600m of assets under management or advice. It specialises in equities, environmental consultancy and alternatives.

Important Information: This material is being issued by EEA Fund Management Limited, which is authorised and regulated by the Financial Conduct Authority ("FCA").

EEA Life Settlements Fund PCC Limited (the "Fund" or "EEA Life Settlements Fund") is an unregulated collective investment scheme as contemplated by the Financial Services and Markets Act 2000 and, accordingly, its promotion in the UK is restricted by law. It may be promoted by a UK authorised person in accordance with Section 238 of the UK Financial Services and Markets Act 2000 Act and/or the FCA Rules. Any person who is not an authorised person may not distribute it to any other person. This document may not be given to, or relied or acted upon by, any other person.

As at the date of this document, the Fund has not been approved, notified or registered in accordance with Article 42 of the EU Alternative Investment Fund Managers Directive (2011/61/EU) for marketing to professional investors in any member state of the European Economic Area. Such approval, notification or registration will not be made or sought in the future since the Fund is closed to further subscriptions and will not, therefore, be marketed to professional investors in the European Economic Area.

The Fund is closed to further subscriptions and neither this document nor the Fund's Information Memorandum and Supplements (which, amongst other things, set out the risk factors associated



with an investment in the Fund) constitute a direct or indirect offering or placement of shares or any other opportunity to invest in the Fund. Nothing contained in this note is to be construed as providing or offering investment, legal, accounting, tax or other advice and nothing should be relied on as such. The value of investments may go down as well as up and may be affected by changes in rates of exchange. Past performance should not be taken as an indication or guarantee of future performance and no representation or warranty, express or implied, is made regarding performance. Investments in the Fund do not provide capital guarantees like a deposit account and are not readily accessible. The rules on taxation can change and/or the tax treatment of the Fund could be challenged. Whilst all reasonable efforts have been made to ensure this document is accurate and up to date, no representations or warranties, either express or implied, are given as to the reliability, accuracy or completeness of the information contained in this note. Any opinions expressed are judgments at the time of writing and are subject to change without notice. To the extent permitted by law or regulation, no liability is accepted for any damage or loss, including without limitation loss of profit whether direct, indirect or consequential, in respect of the use of this material.