



EEA Fund Management  
(Guernsey) Limited

# EEA Life Settlements Fund

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Portfolio Statistics as at 31 December 2020

(Amended and restated on 2 March 2021)

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# Fund Commentary

As at 31 December 2020

At the reporting date of 31 December 2020, the Fund held 60 life insurance policies with a total net death benefit of \$226 million. The average policy size (net death benefit) was approximately US\$3.8 million. The portfolio covered 26 illnesses, 39 lives and 26 insurance companies. Based upon weighted net death benefit, 88.4% of the portfolio was represented by insureds who were aged 80 or over, with an overall weighted average age of 93.5 years.

In November 2020, a policy with a net death benefit of \$5.0 million expired due to the underlying insured reaching the age at which the policy automatically terminates. The value of this policy had been written down over several years thus reducing the impact on the Fund's NAV.

At the start of the year, the Fund's independent valuation agent, Maple Life Analytics, projected portfolio maturities for 2020 of \$65.4 million (but with a range of between \$28.5 million and \$108.6 million). In 2020, there were ten reported maturities with a total net death benefit of \$40.6 million.

The NAV per Share of the USD-denominated Cells increased over the last quarter, ranging from 0.69% to 0.84% depending on the Cell. This increase resulted primarily from a reduction in life expectancy for a number of insureds.

The effect of currency movements on the non-USD-denominated Cells over the last quarter were on average around -5.42% (GBP), -4.01% (EUR) and -8.05% (SEK). As a result, during the period the overall NAV per share of the GBP-denominated Cells (range -4.49 to -4.78%), the EUR-denominated Cells (range -3.13% to -3.36%) and the SEK-denominated Cells (range -7.12% to -7.30%) all decreased over the quarter.

Based on the cash position for the quarter ending December 2020, there were no redemptions of shares in any Cells made in January 2021.

## Aggregate Net Death Benefit split by Discount Rate

As at 31 December 2020

The discount rate shown below refer to the rate used to determine the present value of the future cashflows anticipated in respect of each

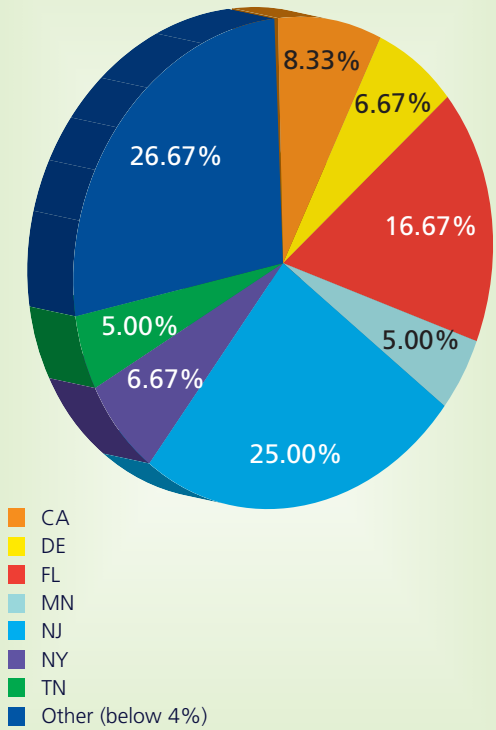
policy – it is a rate which reflects an implied annual return over the period from the date of valuation to the life expectancy estimate.

Discount Rate	Net Death Benefit
14.7%	100.0%

# Policy Split by State of Issue

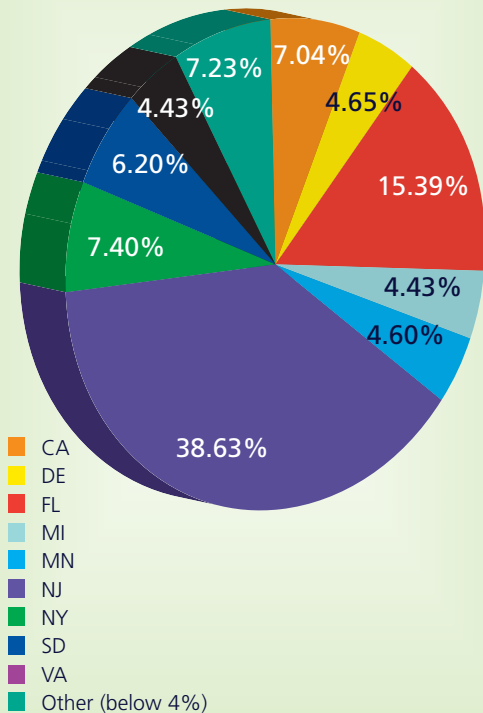
As at 31 December 2020

Number of Policies by State of Issue



State	Number of Policies	Policy Net Death Benefit	Net Death Benefit	
AL	2	3.33%	\$292,230.00	0.13%
CA	5	8.33%	\$15,900,000.00	7.04%
DE	4	6.67%	\$10,500,000.00	4.65%
FL	10	16.67%	\$34,750,000.00	15.39%
GA	1	1.67%	\$750,000.00	0.33%
MA	1	1.67%	\$400,000.00	0.18%
MI	1	1.67%	\$10,000,000.00	4.43%
MN	3	5.00%	\$10,394,026.57	4.60%
MS	1	1.67%	\$4,100,000.00	1.82%
NC	2	3.33%	\$5,000,000.00	2.21%
NJ	15	25.00%	\$87,225,000.00	38.63%
NY	4	6.67%	\$16,716,983.00	7.40%
PA	1	1.67%	\$800,000.00	0.35%
SC	1	1.67%	\$200,000.00	0.09%
SD	2	3.33%	\$14,000,000.00	6.20%
TN	3	5.00%	\$3,782,962.00	1.68%
TX	1	1.67%	\$500,000.00	0.22%
VA	1	1.67%	\$10,000,000.00	4.43%
WA	2	3.33%	\$500,000.00	0.22%
<b>Totals:</b>	<b>60</b>	<b>100%</b>	<b>\$225,811,201.57</b>	<b>100%</b>

Net Death Benefit by State of Issue

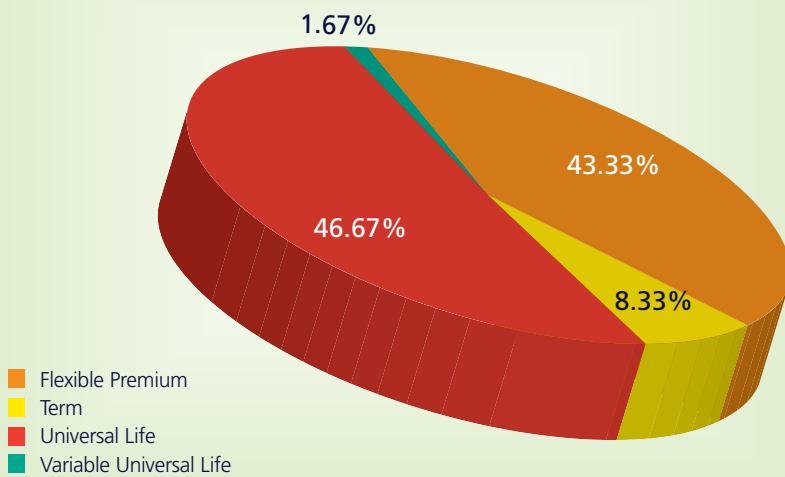


# Policy Split by Policy Type

As at 31 December 2020

Policy Type	Number of Policies		Policy Net Death Benefit	
Flex Pre	26	43.33%	\$101,557,962.00	44.97%
Term	5	8.33%	\$1,700,000.00	0.75%
UL	28	46.67%	\$122,153,239.57	54.10%
VUL	1	1.67%	\$400,000.00	0.18%
<b>Totals</b>	<b>60</b>	<b>100.00%</b>	<b>\$225,811,201.57</b>	<b>100.00%</b>

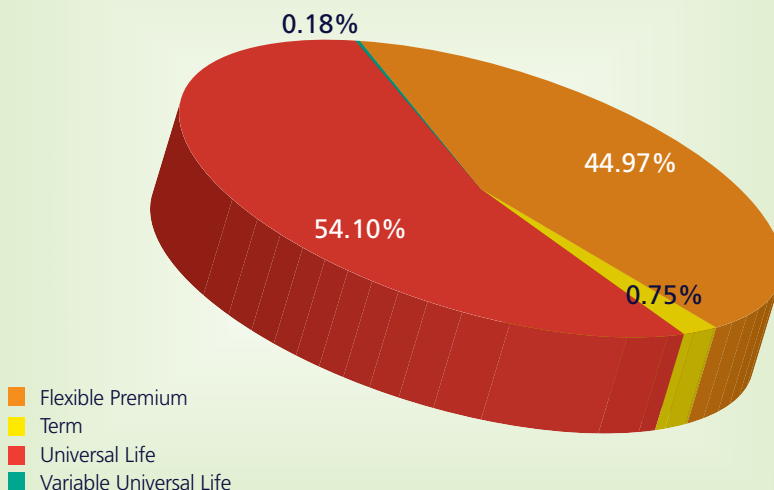
### Number of Policies by Policy Type



### Definitions

<b>Whole of Life</b>	Premium is fixed and stated in the policy document.
<b>Universal Life Variable Universal Life Flexible Premium</b>	Whole life policy. Premiums are flexible but there is a minimum premium, to maintain life cover, stated in the policy document.
<b>Term Group Term Life</b>	Premiums are fixed for a defined term. Premiums go up to a stated premium after the term expires or the policy can be converted to Universal Life Policy. Premiums are stated in the policy document. The Fund must not purchase a term life policy, the remaining term at the time of purchase of which is less than 10 years if the life expectancy of the insured is 4 years, or 9 years if the life expectancy of the insured is 3 years or less (see Information Memorandum).

### Net Death Benefit by Policy Type

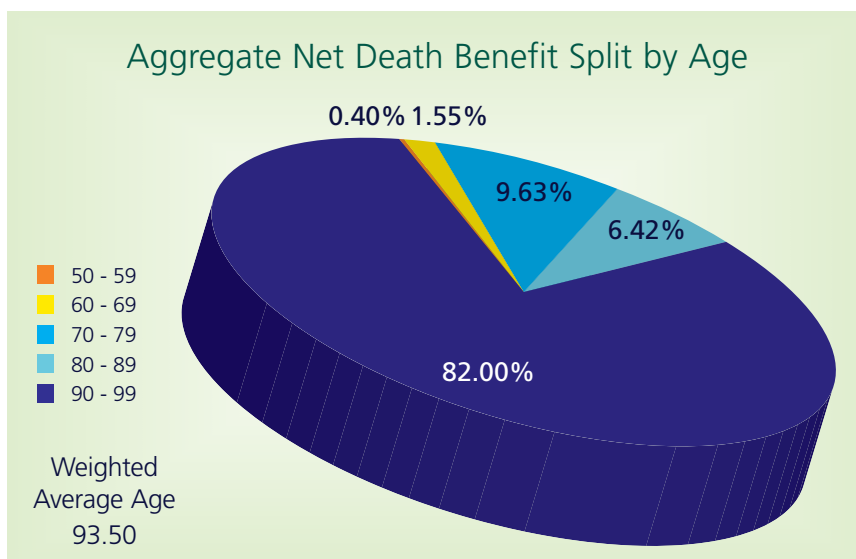
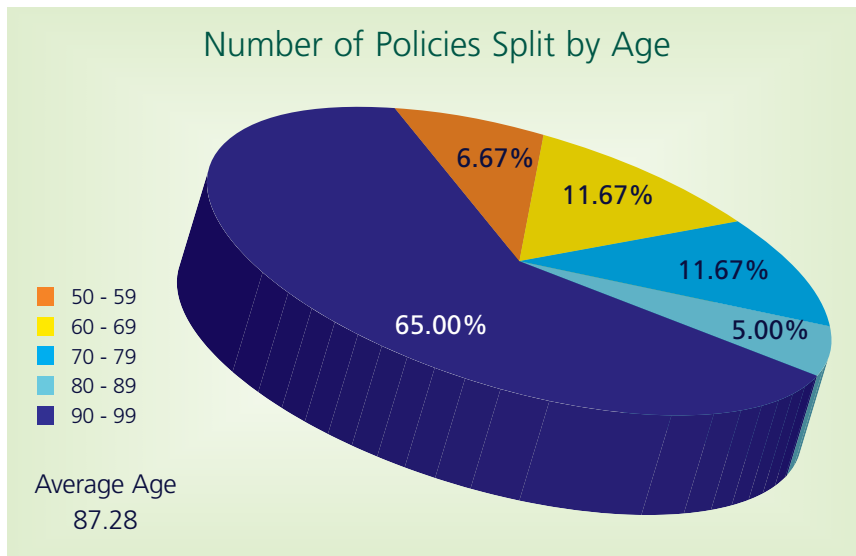


Note: Policies have a termination age. The Investment Adviser has estimated, as at 30 December 2020, that around 0.18% of the remaining net death benefit was represented by policies that would expire should they not mature within their LE estimate and that an additional 4.98% of the remaining net death benefit was represented by policies that would expire should they not mature within two-times their LE estimate.

# Policy Split by Age

As at 31 December 2020

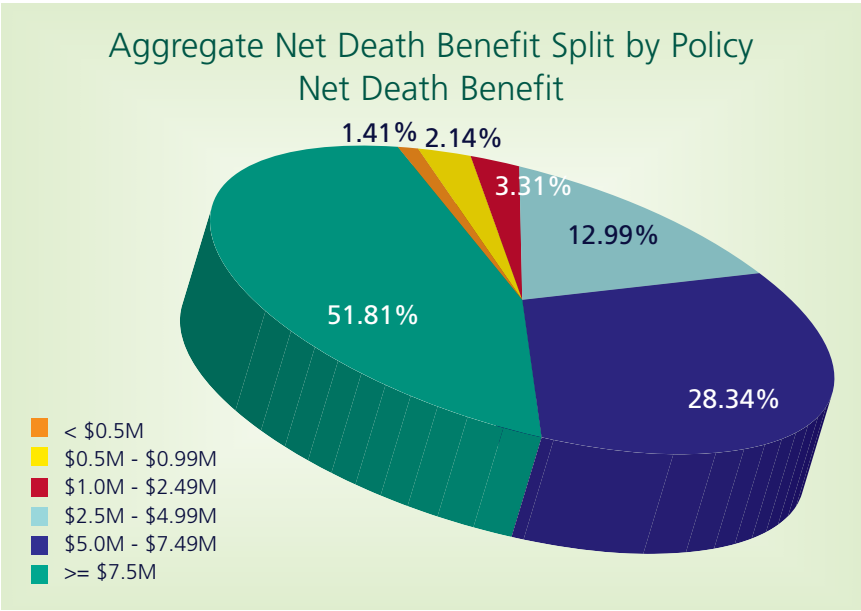
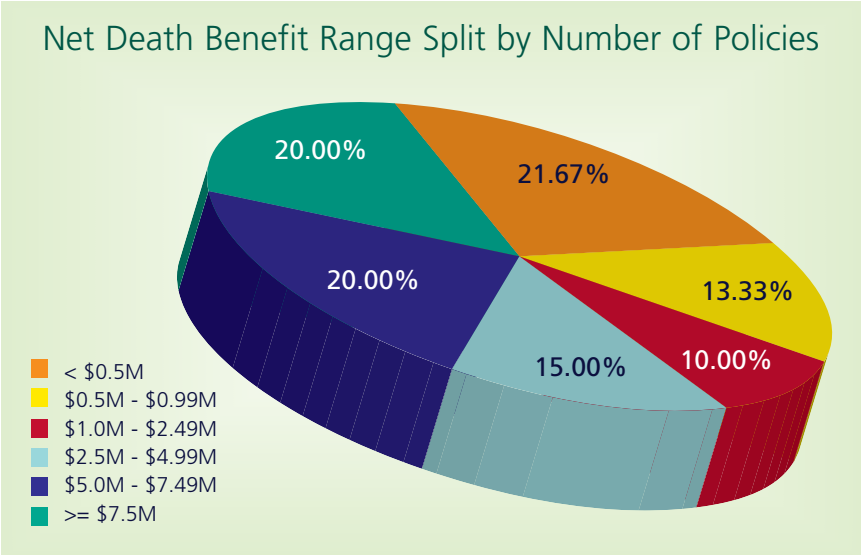
Age Range	Number of Policies		Net Death Benefit	
50 - 59	4	6.67%	\$892,230.00	0.40%
60 - 69	7	11.67%	\$3,493,971.57	1.55%
70 - 79	7	11.67%	\$21,750,000.00	9.63%
80 - 89	3	5.00%	\$14,500,000.00	6.42%
90 - 99	39	65.00%	\$185,175,000.00	82.00%
	<b>60</b>	<b>100.00%</b>	<b>\$225,811,201.57</b>	<b>100.00%</b>



# Policy Split by Net Death Benefit

As at 31 December 2020

NDB Range	Number of Policies		Net Death Benefit	
< \$0.5M	13	21.67%	\$3,180,024.57	1.41%
\$0.5M - \$0.99M	8	13.33%	\$4,832,962.00	2.14%
\$1.0M - \$2.49M	6	10.00%	\$7,473,215.00	3.31%
\$2.5M - \$4.99M	9	15.00%	\$29,325,000.00	12.99%
\$5.0M - \$7.49M	12	20.00%	\$64,000,000.00	28.34%
>= \$7.5M	12	20.00%	\$117,000,000.00	51.81%
<b>Totals</b>	<b>60</b>	<b>100.00%</b>	<b>\$225,811,201.57</b>	<b>100.00%</b>



# Policy Split by Insurance Company

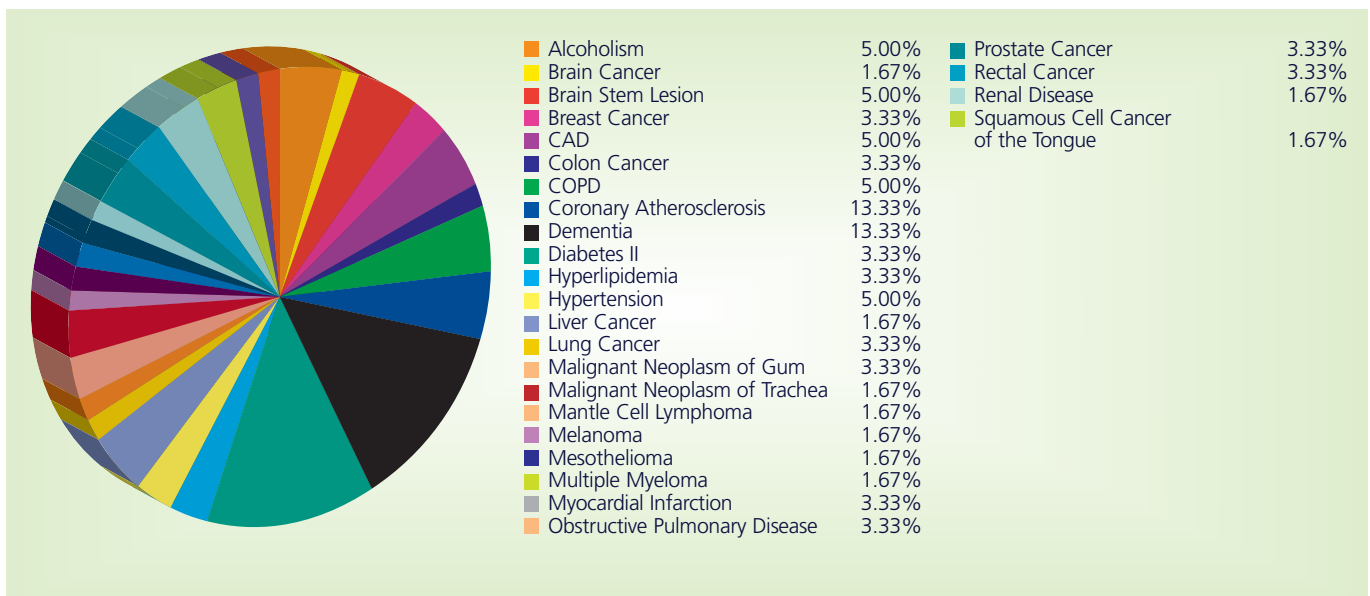
As at 31 December 2020

Insurance Company	Number of Policies	Policy Net Death Benefit	Insurance Company	Number of Policies	Policy Net Death Benefit
American General Life	7 11.67%	\$21,300,000.00 9.43%	Phoenix	1 1.67%	\$10,000,000.00 4.43%
American National	2 3.33%	\$19,000,000.00 8.41%	Primerica	1 1.67%	\$100,000.00 0.04%
Aviva Life Insurance Co	1 1.67%	\$250,000.00 0.11%	Prudential	1 1.67%	\$5,000,000.00 2.21%
AXA	5 8.33%	\$38,000,000.00 16.83%	RiverSource Life Insurance	1 1.67%	\$500,000.00 0.22%
Federated Life	1 1.67%	\$732,962.00 0.32%	State Farm Life	2 3.33%	\$292,230.00 0.13%
John Hancock	6 10.00%	\$25,500,000.00 11.29%	Sun Life Assurance	1 1.67%	\$6,000,000.00 2.66%
Lincoln Benefit	4 6.67%	\$18,419,026.57 8.16%	Transamerica	4 6.67%	\$13,500,000.00 5.98%
Lincoln Financial	1 1.67%	\$10,000,000.00 4.43%	Transamerica Occ.	1 1.67%	\$800,000.00 0.35%
Lincoln National	7 11.67%	\$35,750,000.00 15.83%	United of Omaha	3 5.00%	\$3,000,000.00 1.33%
Mass Mutual	1 1.67%	\$3,000,000.00 1.33%	US Financial Life	1 1.67%	\$200,000.00 0.09%
MetLife	2 3.33%	\$500,000.00 0.22%	West Coast Life	3 5.00%	\$5,850,000.00 2.59%
New England Financial	1 1.67%	\$1,473,215.00 0.65%	Western Reserve Life	1 1.67%	\$400,000.00 0.18%
Pacific Life	1 1.67%	\$6,000,000.00 2.66%	William Penn	1 1.67%	\$243,768.00 0.11%

12 months premiums to 30 December 2020 was \$27,168,556.78

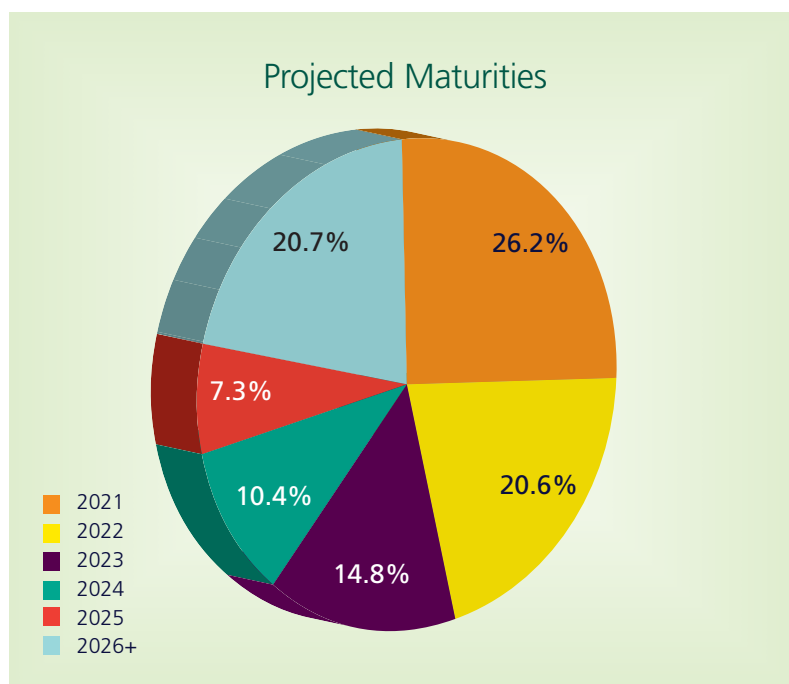
# Aggregate Net Death Benefit Split by Illness

As at 31 December 2020



# Projected Net Death Benefits (NDB) from 1 January 2021

Year	Maturity projections (\$ million)	
2021	58,277,783	26.2%
2022	45,712,646	20.6%
2023	33,001,376	14.8%
2024	23,024,488	10.4%
2025	16,280,813	7.3%
2026+	46,108,644	20.7%
	<b>222,405,750</b>	<b>100.0%</b>



Source: Maple Life Analytics, LLC. The amounts take into consideration Net Death Benefit paid during the relevant year, which includes outstanding payments for maturities in prior years. The total of \$222.4m also takes into account potential future policy expiries.

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