

## Meteor Senior Life Settlements Sterling Fund

### EEA Life Settlements Fund PCC Limited (“EEA”) Run-Off Shares – Redemptions

#### Your Questions Answered

##### **What is the background of Run-Off Shares?**

Following the suspension in the creation and trading of EEA shares in November 2011, EEA shareholders were provided with the option of Continuing or Run-Off Shares under a Restructuring Proposal put to investors by EEA in September 2013. The restructuring became effective on 1<sup>st</sup> January 2014.

##### **What is the aim of Run-Off Cells?**

The aim of run-Off Cells is to make distributions to Run-Off Shares as the sums assured are collected from the policies held within the portfolio when the policies mature on the death of the life assured. Distributions are funded by redeeming Run-Off Shares at their prevailing share price at the time the redemption.

On 27<sup>th</sup> April 2023, EEA announced that it was suspending redemptions of both Continuing and Run-Off Shares in all Cells. The information below states the position that existed immediately before the suspension was put in place.

##### **How often are redemptions made?**

When the restructuring became effective in January 2014, it was EEA’s intention to consider its cash position at the June and December valuations each year to determine if it had sufficient Available Cash to make a redemption.

In practice, redemptions have been outside of this timetable. EEA now state that it will keep the position under review and make redemptions as the Available Cash position allows.

##### **What is Available Cash?**

Not all cash held by EEA is available to meet redemptions. In particular, the cash required to pay the next 12 months’ premiums is **excluded** from the cash that is available to meet redemptions.

Until April 2017, EEA had excluded 24 months’ premiums. The reduction to 12 months freed a significant “reserve” of cash to be distributed to holders of Run-Off Shares. This allowed EEA to make an unscheduled redemption of Run-Off Shares on 10<sup>th</sup> April 2017.

##### **How much has been redeemed to date?**

The table below shows the redemptions to date and the valuation dates on which those redemptions were calculated. The first figure shows the percentage of remaining shares redeemed at each redemption and the figures in brackets show the redemptions as a percentage of the original number of Run-Off Shares held.

	Meteor Senior Life Settlements Fund – Run Off Cell (Option 1)	Meteor Senior Life Settlements Fund II – Run Off Cell (Option 2)
Redeemed at August 2014 price Paid November 2014	2.90% (2.90%)	2.90% (2.90%)
Redeemed at Nov. 2015 price Paid January 2016	30.75% (29.85%)	29.50% (28.65%)
Redeemed at July 2016 price Paid September 2016	6.56% (4.41%)	6.54% (4.48%)
Redeemed at Sept. 2016 price Paid November 2016	15.27% (9.60%)	15.27% (9.77%)
Redeemed at March 2017 price Paid May 2017	19.77% (10.53%)	19.77% (10.72%)
Redeemed at Jan. 2018 price Paid March 2018	10.31% (4.40%)	10.30% (4.48%)
Redeemed at Sept. 2018 price Paid November 2018	11.37% (4.36%)	11.37% (4.43%)
Redeemed at March 2019 price Paid May 2019	12.40% (4.21%)	12.40% (4.29%)
Redeemed at March 2020 price. Paid May 2020	12.83% (3.81%)	12.82% (3.88%)
Redeemed at June 2021 price. Paid August 2021	18.76% (4.86%)	18.74% (4.95%)
Redeemed at Dec 2022 price Paid Feb 2023	13.70% (2.89%)	13.69% (2.94%)
Total	N/A (81.82%)	N/A (81.48%)

*Note: Figures are shown to two decimal places only. The total shown in the final row may not tally with the individual amounts shown, due to rounding.*

### **How long will it be before the next redemption?**

In each of the redemptions to date, EEA has utilised all Available Cash to make redemptions. After each redemption, EEA needs to build up the Available Cash again. Its ability to do this depends primarily on the rate at which policies mature

EEA's monthly factsheet indicates the levels of Available Cash in each Cell. This information can give an indication of the prospects for a redemption; however, it is not possible to predict too far in advance when a redemption will occur.

EEA's Q&A and monthly factsheet can be viewed at <https://www.eeafmg.com/eea-life-settlements-fund/>

**Are there any measure EEA could make to advance redemptions more quickly?**

In the past, EEA has acted to advance the rate of redemptions by reducing its “reserve” for the payment of premiums from 24 months to 12 months and by selling policies.

If the rate of maturities remains slow, a further sale of policies appears to be the only means available to EEA to accelerate the rate of redemptions.

Notwithstanding a further sale of policies, the rate of redemptions will depend on how quickly policies mature. It is not possible to provide a definitive indication on how long the process will take to complete.

**This information was last updated in April 2023.**