

## **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 and background 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.

Until March 2024, Meteor customers held Run-Off Shares in either the Meteor Senior Life Settlement Sterling Fund (Option 1) Run-Off Cell (“Option 1 Run-Off”) or the Meteor Senior Life Settlement Sterling Fund (Option 2) Run-Off Cell (“Option 2 Run-Off”).

In March 2024, those 2 Cells were merged alongside 13 other Run-Off Cells to form a single Run-Off Cell called the EEA Life Settlements Fund PCC Limited – GBP New Run-Off Cell (“New Run-Off Cell”)

##### **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 16 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. The period has recently been pushed back out to 16 months.

### How much has been redeemed to date?

The table below shows the redemptions to date in the original Cells 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.

	Option 1 Run-Off	Option 2 Run-Off
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 up to the date of the suspension, EEA had utilised all Available Cash to make redemptions. Notwithstanding the current suspension, its ability to make later redemptions was therefore dependent on the rate at which policies matured in the interim period.

At the time of the Cell merger, Run-Off Cells held a healthy level of Available Cash but, due to the ongoing suspension of redemptions this has not been utilised to fund redemptions.

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

Of the redemptions to date, two were the result of actions taken by EEA. The redemptions in April 2017 was made possible by reducing its “reserve” for the payment of premiums from 24 months to 12 months (it has recently been pushed back to 16 months).

A December 2015 redemption was made possible by the sale of some of the policies held within the portfolio.

Other than lifting the current suspension in redemptions, a further sale of policies would seem the to be the most likely method of speeding the rate of redemptions.

**This information was last updated in May 2024.**