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*1) Why has the Fund been suspended?*

The FSA's draft guidance and commentary on Traded Life Policy Investments issued on 28 November 2011 ([http://www.fsa.gov.uk/pages/Library/Policy/guidance\\_consultations/2011/11\\_28.shtml](http://www.fsa.gov.uk/pages/Library/Policy/guidance_consultations/2011/11_28.shtml)) led to the withdrawal of indicated subscriptions and redemption requests significantly above normal redemption levels.

The current liquidity of the EEA Life Settlements Fund PCC Limited (the "Fund") is not sufficient to satisfy such redemption requests in full and the Fund's board of directors (the "Board") determined that it was not reasonably practicable to realise or dispose of the Fund's investments to satisfy such requests.

The Board therefore decided to declare a suspension of the valuation of the net asset value of all classes of participating shares in each cell of the Fund and of the issue, sale, purchase, redemption and conversion of shares of each such class, which the Board is entitled to do in accordance with the Fund's articles of incorporation and offering memorandum.

*2) How long will the Fund's suspension last?*

Suspension continues until the Board determines that the condition giving rise to the suspension has ceased to exist and no other condition exists that would lead to suspension. This is unlikely to happen before the FSA's consultation has concluded.

Suspension will automatically cease after six months, unless the Board has declared a further suspension.

The Board will continue to monitor the Fund's position.

*3) Does the Fund have enough cash reserves to meet premium payments on life policies?*

If premium payments are not made on life policies, the policies will lapse and become worthless. It is therefore vital that the Fund preserves cash in order to meet premium payments.

The current aggregate value of the Fund's cash reserves and receivables exceeds the cost of 9 months' premium payments.

Furthermore, as policies mature, the cost of premium payments will decrease and the level of cash held in the Fund should increase as monthly maturities are expected on average to exceed monthly premiums and other Fund costs. So far in 2011, maturities have exceeded \$120m and total expenditure (including fees and premium payments) has been approximately \$96m (source ViaSource Funding Group, LLC and International Administration (Guernsey) Limited).

4) *Are the Fund's assets safe?*

The safe custody of the Fund's assets has not been affected by the suspension. The Fund's subsidiary, EEA Life Settlements Inc, owns the life policies, which are held in custody by RBS Citizens N.A which is the appointed custodian's (BNP Paribas Trust Company (Guernsey) Limited's) nominated sub-custodian. Premium payments are made by Mills Potaczak & Company. Cash is held at BNP Paribas Trust Company (Guernsey) Limited and RBS Citizens N.A.

5) *Are distributions suspended?*

Distributions will not be made during the period of suspension.

6) *Why has the currency hedge been closed-out?*

The hedging counterparty informed the Fund that it would close out the hedging arrangement as a result of the Fund's decision to suspend dealings.

In the circumstances, the Fund and the Manager concluded that it was prudent and in the best interests of the Fund to close-out the hedging arrangements in an orderly manner on 2 December 2011, before the hedging counterparty did so and at a point in time and at an exchange rate beyond the control of the Fund or the Manager.

The Fund and the Manager will explore alternative hedging arrangements and keep shareholders updated.

7) *What is the impact of the currency hedge being removed?*

Shareholders invested in non-US\$ denominated cells will be exposed to currency movements between the currency in which their shares are denominated and US\$ (being the currency in which the underlying life policies are denominated). Shareholders invested in cells other than US\$ denominated cells should be aware of the associated risk and are urged to discuss matters with their financial advisers.

8) *Whilst the Fund is suspended, will management, advisory and administration fees continue to be charged?*

All management, advisory and administration fees will continue to accrue and be payable during the period of suspension.

9) *Is the Fund currently able to sell policies at a profit?*

The Board suspended dealings in the Fund because it was not reasonably practicable to realise or dispose of life policies to satisfy redemption requests, which were significantly in excess of normal redemption levels. The Fund will, however, continue to explore sales opportunities.

10) *How are redemption requests being treated?*

Whilst there is a suspension on dealings, there will be no redemptions and no priority in redemptions.

*11) Does the Fund intend to respond to the FSA's draft guidance on the sale and marketing of TLPs?*

EEA Fund Management Limited ("EEA"), the Fund's marketing agent, intends to respond to the FSA's consultation on the sale and marketing of TLPs in the UK, which closes on 23 January 2012. EEA will not be making any further comment at this time.

*12) What happens next?*

The Manager will not be issuing a Fund factsheet in December, but from January onwards it will provide monthly Fund updates containing key Fund information, including the total sum assured, the cash position and maturity schedules.

The Fund also intends to publish an indicative net asset value throughout the period of suspension.

The Manager intends to write to shareholders in January with a further update.