



IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION

CAUSE NO: FSD            OF 2023 (    )

IN THE MATTER OF THE COMPANIES ACT (2023 REVISION)  
AND IN THE MATTER OF AQUAM FUNDS SPC  
AND IN THE MATTER OF PREMIER LIFE SETTLEMENT FUND SP

---

**PETITION**

---

**TO THE GRAND COURT**

The humble petition of Yu Jiang, of Jingtang District, Hangzhou, Zhejiang Province, China (the “**Petitioner**”) shows that:

**A. INTRODUCTION**

1. The Petitioner seeks the appointment of receivers over Premier Life Settlement Fund SP (“**Premier Life SP**” or the “**SP**”), a segregated portfolio of Aquam Funds SPC, an exempted segregated portfolio company incorporated under the laws of the Cayman Islands (the “**Company**” or the “**SPC**”), pursuant to section 224 of the Companies Act (2023 Revision) (the “**Act**”), upon the grounds that:

- a. The assets attributable to the Premier Life SP are or are likely to be insufficient to discharge the claims of its creditors in respect of the Premier Life SP; and
- b. The appointment of receivers will enable the orderly closing down of the business of the SP and the distribution of the SP's assets to those persons entitled to have recourse thereto.

## **B. BACKGROUND**

2. The Company was incorporated on 17 July 2017 with registration number 324985 as an exempted segregated portfolio company under the laws of the Cayman Islands with its registered office situated at the offices of Hermes Corporate Services Ltd., 5th Floor, Zephyr House, 122 Mary Street, George Town, P. O. Box 31493, Grand Cayman KY1-1206, Cayman Islands.
3. The Company is regulated under the Mutual Funds Act (2021 Revision) and by virtue of such is subject to regulation by the Cayman Islands Monetary Authority.
4. Premier Life SP was established by the Company for the purpose of investing in life insurance policies and other mortality related products. Specifically, the SP was established to:
  - a. Invest 20% of its capital in Tigerholding Asset Management Limited Liability Company (the "**Blocker**"), a to-be-formed Hungarian company with limited liability, in exchange for which the Company would receive 100% of the equity interests in the Blocker; and
  - b. Make a loan to the Blocker in a principal amount equal to 80% of the SP capital in exchange for a profit participating note tied to the profits of the Blocker. The Blocker, would in turn invest all or substantially all of its capital in Premier US Life Settlement LP, a Delaware series limited partnership (the "**Target Fund**").
5. The structure of the SP and its offering is governed by a Confidential Private Placement Memorandum dated 9 November 2018 (the "**PPM**").
6. In August 2020, the Petitioner entered into two subscription agreements to become the registered holder of shares in the SP as follows:

- a. By subscription agreement dated 15 August 2020, the Petitioner subscribed for 200 Class A 17 August 2020 Series Shares for a subscription amount of US\$200,000; and
  - b. By subscription agreement dated 20 August 2020, the Petitioner subscribed for 100 Class A 01 September 2020 Series Shares for a subscription amount of US\$100,000
- (together, the “Shares”).

### C. REDEMPTION PROVISIONS

7. The PPM provides as follows in relation to shareholders’ right to redeem their shares:

*“Shareholder Redemptions. Subject to the Lock-Up Period (as defined below) and certain other restrictions described below, Shareholders may redeem a minimum of US\$100,000 as of the last day of each quarter (each such date, a “Redemption Date”), upon at least ninety (90) days’ prior written notice to the Administrator, and in such other amounts and at such other times as the Board of Directors may determine, in its sole discretion. Unless the Board of Directors consents, partial redemptions may not be made if they would reduce the value of a Shareholder’s remaining Shares in the Fund below US\$100,000. Shares will be redeemed at the Redemption Price (as defined below). All redemptions will be deemed made prior to the commencement of the following quarter.”*

8. The principal restriction on shareholder redemptions contained in the PPM aside from those mentioned above is a “Lock-Up Period”:

*“Each subscription by a Shareholder to purchase Shares will be subject to a 24-month lock-up period (“Lock-Up Period”) during which such Shares (and any earnings thereon) may not be redeemed from the Fund, unless the Lock-Up Period is waived or reduced by the Board of Directors. If a Shareholder purchases Shares on multiple dates, each Series of Shares will be tracked separately for purposes of the Lock-Up Period, and redemptions will be deemed made from Shares purchased on the earliest date, unless otherwise agreed by the Board of Directors.”*

9. The following provision in the PPM is the relevant mechanism for determining the value of the Shares for redemption purposes:

**“Redemption Price.** *Shares will be redeemed at the Redemption Price as of the close of business on the applicable Redemption Date. The “Redemption Price” shall equal the net asset value of the Shares of the relevant Series being redeemed as of the Redemption Date (less any Fund expenses and accrued Management Fees, Advisory Performance Fee or Performance Fees related to such Shares).”*

10. The following provision in the PPM is the relevant mechanism governing payment of the Redemption Price to the investors of the SP:

**“Payment.** *A Shareholder who requests a redemption of Shares that constitutes, together with prior redemptions within any fiscal year, less than 90% of the value of such Shareholder’s Shares in the Fund (other than any Special Situation Shares), will be paid within 30 days after the applicable Redemption Date. A Shareholder who is redeeming 90% or more of the value of such Shareholder’s Shares in the Fund in the aggregate (other than any Special Situation Shares) within any fiscal year will be paid 90% of an amount estimated by the Investment Manager (in consultation with the Board of Directors) to be the amount to which the redeeming Shareholder is entitled (calculated on the basis of unaudited data) within 30 days after the applicable Redemption Date. The balance of the amount payable upon such redemption will be paid, without interest, within 30 days after completion of the audited financial statements for the fiscal year in which the redemption occurs. Notwithstanding the foregoing, the Board of Directors, in its sole discretion (after consultation with the Investment Manager), may agree to pay up to the full value of Shareholder’s Shares (calculated on the basis of unaudited data) to a redeeming Shareholder within 30 days after the applicable Redemption Date, subject to adjustment based on audited financial statements. Upon redemption of all of its Shares in the Fund on the relevant Redemption Date, a Shareholder will be deemed to have redeemed from the Fund, and, upon notice of such redemption, a Shareholder shall not be entitled to exercise any voting rights afforded to*

*Shareholders under this Confidential Memorandum and under the Articles of Association.” (Emphasis added)*

#### D. THE PETITIONER'S REDEMPTION REQUESTS

11. On 30 June 2022, the Petitioner submitted a request for the redemption of all his Shares, noting the next Redemption Date being 30 September 2022.
12. In accordance with the above provisions of the PPM, the SP was obligated to cause to be paid, 90% of the value of the Shares in the SP held by the Petitioner within 30 days of the Redemption Date (30 September 2023).
13. The Redemption Price became due and payable to the Petitioner on 30 October 2022 (i.e. 30 days after the Redemption Date) or on 15 November 2022 at the latest (assuming only business days are counted). The SP failed to pay the Redemption Price in accordance with the provisions of the PPM.
14. The remaining 10% of the Redemption Price (i.e. the remaining 10%) became due and payable to the Petitioner within 30 days of completion of the SP's audited financial statements for the fiscal year. Notwithstanding that the SP has completed its financial statements for the year 2022, the SP has failed to pay the remaining 10% of the Redemption Price in accordance with the provisions of the PPM.
15. On 11 April 2023, the Petitioner received confirmation that the Shares were redeemed by the SP on 1 October 2022. The redemption confirmation received on 11 April 2023 confirms that the SP currently owes the following amount of the Redemption Price for the Shares to the Petitioner:
  - a. US\$106,102.223 for the redemption of 100 Class A 01 September 2020 Series Shares; and
  - b. US\$216,703.50 for the redemption of 200 Class A 17 August 2020 Series Shares.
16. To date, the SP has failed to pay the Petitioner US\$322,805.72 (the “**Debt**”) being the total sum owed to the Petitioner for the redemption of the Shares.

**E. RIGHTS OF RECOURSE**

17. In relation to the structure of the segregated portfolios of the Company and rights of recourse of investors of the SP, the PPM provides as follows:

*“.....The Company may have multiple segregated portfolios (“Segregated Portfolios”, and each, a “Segregated Portfolio”). Each Segregated Portfolio may have different investment objectives and may utilize unique investment strategies. Each Segregated Portfolio has separate rights and obligations with respect to its investments. Separate books and records are maintained for each Segregated Portfolio, and the assets and liabilities of each Segregated Portfolio will be held separately from the assets and liabilities of other Segregated Portfolios. .... Under Cayman Islands law, the liabilities and obligations incurred with respect to any Segregated Portfolio shall be enforceable against the assets of such Segregated Portfolio only and not against the assets of the Company generally or any other Segregated Portfolio...”*

**F. FINANCIAL POSITION OF THE PREMIER LIFE SP**

18. The PPM provides that:

*“Each Shareholder will receive the following: (i) annual financial statements of the Fund audited by an independent certified public accounting firm; and (ii) other reports as determined by the Investment Manager, in its sole discretion...”*

19. The last financial information the Petitioner received was the SP’s balance sheet as at 31 March 2023 (the “**March Balance Sheet**”). The March Balance Sheet showed that the SP’s assets amounted to US\$9,878,754.40 and liabilities of US\$5,022,606.98, which includes US\$4,092,551.18 comprising redemptions owed by the SP to its investors.
20. The March 2023 Balance Sheet states that the SP has an overall positive net asset value of US\$4,856,147.42.
21. On 24 May 2023, the Petitioner received a “*Notice on the Suspended Redemption Application of the Fund [SP]*”. The notice confirmed that the cash balance held by the SP was approximately US\$450,000 in cash and that redemptions were suspended due to the large

amounts of redemption requests. Further, the notice stated that the SP's liquidity position would greatly improve by the end of June 2023.

22. Having received no further updates from the SP in relation to its current financial position, the Petitioner wrote to the Company on 26 October 2023 demanding full payment of the Debt, requesting information in relation to the liquidity and solvency position of the SP and to put the SP on notice that this Petition would be filed if a satisfactory response was not received.
23. As at the date of filing this Petition, the Petitioner has not received a response to its letter of 26 October 2023.

#### **G. REDEMPTION REQUEST FROM INVESTORS**

24. The Petitioner has made further enquiries with the Investment Advisor of the SP, I-Tiger Global Investment Management Limited, a Cayman Islands exempted company in order to ascertain whether there were any unsatisfied redemption requests. Following a series of enquiries, the Petitioner confirmed that redemption requests totaling US\$3,269,660.24 have been submitted and remain unsatisfied.

#### **H. NECESSITY FOR THE APPOINTMENT OF RECEIVERS**

25. Based on the balance sheet for the SP as at 31 March 2023, the total amount of redemptions payable by the SP was US\$4,092,551.18.
26. The Petitioner has also confirmed that the total subscription amount of all registered investors in the SP who have submitted redemption requests but have not received the Redemption Price for their shares in the SP has risen to US\$7.93 million as of the end of July 2023.
27. On the basis of these redemption requests (which are not included in the March 2023 Balance Sheet), the SP's assets are likely to be insufficient to discharge the claims of its creditors.

## I. CONCLUSION

28. For the above reasons, the Petitioner reasonably believes that the assets of Premier Life SP are insufficient to discharge the claims of its creditors.
29. The Petitioner considers that receivers should be appointed to the SP to conduct the orderly closing down of the business of the SP and to attend to the distribution of its assets to those persons entitled to have recourse thereto.

### YOUR PETITIONER THEREFORE HUMBLY PRAYS THAT:

- (1) A receivership order be made pursuant to section 224 of the Act in relation to Premier Life SP and that Samuel Cole and Mitchell Mansfield of Kroll (Cayman) Ltd., Strathvale House, 3rd Floor, 90 North Church Street, PO Box 30847, Grand Cayman KY1-1204, Cayman Islands be appointed as joint receivers (the “**Joint Receivers**”) with the power to act jointly and severally.
- (2) The business and segregated portfolio assets of Premier Life SP shall be managed by the Joint Receivers for the purposes specified in section 224(3) of the Act.
- (3) That pursuant to section 226(1) of the Act, the Joint Receivers have and be authorised to exercise for the purpose of:
  - i. The orderly closing down of the business of or attributable to the Premier Life SP; and
  - ii. The distribution of the segregated portfolio assets attributable to the Premier Life SP to those entitled to recourse there to,

the following powers:

- a. to make any compromise or arrangement with creditors or persons claiming to be creditors or having or alleging themselves to have any claim (present or future, certain or contingent, ascertained or sounding only in damages) against the segregated assets of Premier Life SP or for which the segregated assets of the Premier Life SP may be rendered liable;

- b. to compromise on such terms as may be agreed all debts and liabilities capable of resulting in debts, and all claims (present or future, certain or contingent, ascertained or sounding only in damages) subsisting, or supposed to subsist between Premier Life SP and a contributory or alleged contributory or other debtor or person apprehending liability to the Premier Life SP;
  - c. to deal with any questions in any way relating to or affecting the assets or orderly closer of the business of Premier Life SP;
  - d. to engage staff to assist them in the performance of their functions;
  - e. to engage attorneys and other professionally qualified persons to assist them in the performance of their functions;
  - f. to take possession of, collect and get in the segregated assets of the Premier Life SP and for that purpose to take all such proceedings as they consider necessary;
  - g. to do all acts and execute, in the name and on behalf of the Premier Life SP, all deeds, receipts and other documents;
  - h. to convene meetings of creditors and contributories; and
  - i. to do all other things incidental to the exercise of their powers.
- (4) The Joint Receivers' fees and expenses shall be payable out of the segregated assets of the Premier Life SP pursuant to section 228 of the Act in priority to all other claims.
- (5) No suit, action or other proceeding shall be instituted against the Company in relation to Premier Life SP except with the leave of the Court pursuant to section 226(5) of the Act.
- (6) Any act required or authorized to be done by the Joint Receivers may be done by any one of them.
- (7) The Joint Receivers be at liberty to apply for further directions and generally.

- (8) The Petitioner's costs of this Petition shall be paid out of the segregated assets of Premier Life SP.
- (9) Such other orders as the Court thinks fit.

AND the Petitioner ever pray etc.

DATED this 3<sup>rd</sup> day of November 2023

*Conyers Dill & Pearman LLP*  
**CONYERS DILL & PEARMAN LLP**  
Attorneys at Law for the Petitioner

NOTE: This petition is intended to be served on the Company.

This Petition was presented by Conyers Dill & Pearman LLP, SIX, 2<sup>nd</sup> Floor, Cricket Square, George Town, Grand Cayman, Cayman Islands, Attorneys-at-Law for the Petitioner