

Global Insurance Settlements Funds plc (the “Company”)
Policy pursuant to the
Criminal Justice (Money Laundering and Terrorist Financing) Act 2010
as amended by the Criminal Justice Act 2013 (the “Act”)

Introduction

The Act transposed the Third Anti-Money Laundering Directive (2005/60/EC) and its implementing directive (2006/70/EC) into Irish law. Collective Investment Schemes such as the Company fall within the definition of “**Designated Person**” under the Act and are required to comply with certain anti-money laundering and counter terrorist financing (**AML/CTF**) obligations.

The board of directors of the Company (the “**Board**”) is ultimately responsible for ensuring that the Company complies with the requirements of the Act. This includes;

- creating a culture of compliance with the requirements of the Act;
- ensuring that the Company’s AML/CFT policy is in line with the requirements of the Act;
- ensuring that it is aware of, understands and receives regular reports in relation to the policies and procedures in place at those entities to which certain operational aspects of the Company’s compliance with the requirements of the Act have been delegated;
- being fully engaged in relevant decision making processes and taking ownership of the risk-based measures adopted.

The Board is committed to combatting money laundering and terrorist financing (**ML/TF**). This policy is designed to guide the Board in the discharge of its role and in its application of the relevant provisions of the Act, the Irish Fund Industry Association Sectoral Guidelines on the prevention of the use of the financial system for the purpose of AML/CFT (which were agreed with the Central Bank in December 2013)¹ and the related Core Guidelines issued by the Department of Finance on 14 February² (together referred to as the “**Guidance**”).

Description of how the Company is marketed

Shares in the Company’s sub-funds, the GIS General Fund and the Alternate Investment Fund, are marketed by GI Asset Management Limited (the “**Distributor**” or “**Investment Manager**”). As of yet, there are no investors in the Alternate Investment Fund.

Reliance on the Administrator

In order to facilitate compliance with the Act and to ensure that its AML/CTF obligations are adhered to and consistently discharged, the Company and its Alternative Investment Fund Manager (“**AIFM**”) and Non UCITS Management Company, LSI Management Limited (the “**Manager**”), has delegated certain AML/CFT related functions to CACEIS Ireland Limited (the “**Administrator**”) pursuant to an Administration Agreement dated 22 July 2014.

Under the terms of the Administration Agreement, the Administrator is required to “comply with its obligations under Criminal Justice Money Laundering and Terrorist Financing) Act 2010 (the “Act”) and any regulations and guidance issued in relation thereto regarding the prevention of money laundering; together with such further

¹ The Central Bank notes in a letter to the Irish Funds Industry Association dated 5 December 2013 that it will have regard to these Sectoral Guidance Notes when assessing compliance with the Act by Designated Persons in the funds sector.

² The Department of Finance issued the Guidelines in February 2012. The Guidelines are stated to be for the purpose of guiding designated persons on the application of Part 4 of the Act. While these Guidelines have not been approved under Section 107 of the Act, it is noted that the Central Bank will have regard to these Guidelines in assessing compliance by Designated Persons with the Act.

activities as may be agreed from time to time between the Manager and the Administrator to assist the Company and the Manager in complying with Irish Law, regulation and best industry practices”.

In performing such tasks, the obligations of the Administrator include, but are not limited to, risk assessment relating to investors and the services provided by the Company and risk mitigation, customer due diligence (“**CDD**”) including the identification of beneficial ownership (where applicable), enhanced CDD in the case of politically exposed persons (“**PEPs**”), suspicious transaction monitoring and reporting to the Money Laundering Reporting Officer (the “**MLRO**”), maintenance of government sanctions lists, reporting to the Board and record keeping.

The Board is satisfied based on information provided by the Administrator that the Administrator has in place policies and procedures which are adequate to address the apparent AML/CFT risks which the Board have identified in relation to the Company.

The Board will periodically request additional information from the Administrator to satisfy itself that the AML/CFT due diligence measures employed by the Administrator are appropriate and adequate in the context of the Company’s obligations under Part 4 of the Act and the Guidance (the “**Policies and Procedures**”).

In the context of the Board's responsibility to combat AML/CFT, the Board will look to the Administrator periodically (and at least annually) for confirmation the Administrator is satisfied that the Policies and Procedures it has in place are adequate and in their view comply with the relevant requirements of the Act and the Guidance.

The Board will, through the reporting arrangements described under the section of this Policy headed “Governance” below, receive regular updates from the Administrator and the MLRO regarding the performance of their respective functions.

Money Laundering Reporting Officer (MLRO)

The Board has appointed Ms Laura Chia to carry out the role of MLRO. Ms Chia is an employee of the Investment Manager. The MLRO is responsible for ensuring communication of reports of suspicious transactions to the Financial Intelligence Unit of An Garda Síochána and the Revenue Commissioners (the “**Irish Authorities**”) pursuant to the Act and the Guidance, as soon as practicable.

The MLRO is required to determine whether the information or other matters contained in a suspicious transaction report she has received via the Company’s internal reporting procedure merit the making of a report to the Irish Authorities. Accordingly, the MLRO maintains a formal register of all suspicious transaction reports received by her, the determinations made, any subsequent reports made to the Irish Authorities and any further correspondence sent or received. Where the MLRO decides not to make a report to the Irish Authorities, a record of that fact is recorded, together with the reason(s) for not making the report.

The Board will support the MLRO in having free and direct access to the Irish Authorities, or to any supervisory body, in order that any suspicious activity can be reported to the appropriate bodies as soon as practicable after acquiring the relevant knowledge, forming the suspicion or acquiring reasonable grounds to suspect that a person has been or is engaged in money laundering or terrorist financing.

The MLRO has confirmed to the Board that she has sufficient knowledge of the Act, the Guidelines, the Company and its products, services and systems, and the Policies and Procedures. The Company has entered into a written agreement with the Investment Manager dated [2 October 2015] pursuant to which the Investment Manager contracts to provide the services of an MLRO to the Company.

The Board is satisfied that the MLRO has the authority to act independently and autonomously in carrying out her responsibilities and, subject to applicable law, shall at all times have access to the supporting documentation of the Administrator or any such other administrator of the Company as may be appointed from time to time.

Risk Assessment

The Board notes that the Company will, with the assistance of the Administrator, make an assessment of the AML/CFT risks associated with the Company's customers and products. In accordance with the Act this will allow the Company focus its resources on those activities which may pose the greatest risks in terms of ML/TF.

Following the most recent report carried out by the MLRO of the processes in place at the Administrator the Company has been classified as Level 2 - "Medium Risk" from an AML/CFT perspective. The Board has reviewed and approved the rationale for this risk assessment. The Board further notes that the Administrator will look to update CDD every two years based on this risk assessment.

The Board notes that the Administrator conducts its Customer Due Diligence based on risks associated with the investors' geographic location, the product/service being provided, the customer due diligence category that applies to the investor and the relevant delivery and distribution channels that apply.

Based on a presentation provided by the Administrator to the MLRO entitled "*The Account opening process for Investors in Funds administered by CACEIS Ireland Limited*" the Board are satisfied that the Administrator:

- Evaluates the risks of ML/TF pertinent to investment funds and the Company;
- Puts in place appropriate procedures to mitigate the risks of ML/TF and has demonstrated its risk evaluation methodology to the Board of the Company including the criteria used in assessing risks posed to investment funds and the Company and the mitigating measures it has taken (as deemed necessary) in accordance with the Policies and Procedures;
- Will on a continuous basis refresh and update the risk profile analysis as appropriate and will provide supporting documentation to the Company, as required, evidencing the appropriateness of the risk-based approach adopted.

In that regard the Board notes and approves that CACEIS consider the following in assessing risk associated with investors in the Fund:

- The investor's jurisdiction (whether they are resident/incorporated in a prescribed or non-prescribed country)
- The investor type: type of legal structure, company vs. individual
- Regulatory Status: simplified due diligence is conducted on designated bodies in prescribed countries
- Whether the company is a wholly owned subsidiary to an entity in the reduced or enhanced vigilance category (determined on a case by case basis)
- Delivery channel: simplified due diligence is conducted on investors in a prescribed country introduced by
 - a designated body (intermediary regulated in an equivalent country)
 - Enhanced due diligence is conducted on PEPs
 - Reliance on a third party is subject to the conditions set out in the Guidance.

The Board considers there are currently no identifiable gaps in the AML/CFT due diligence approach employed in relation to the Fund bearing in mind that there are just three shareholders.

Governance

The Board meets quarterly and, at each Board meeting, the Board reviews the operations of the Company which includes the supervision, monitoring and oversight of the Administrator and other service providers.

As a Qualifying Investor AIF, the Company's directors receive reports on compliance matters, including AML/CFT related activities which include reports from the Administrator and the MLRO each quarter. The MLRO and representatives from the Administrator answer any questions the Board may have at the quarterly meetings.

The Board considers that matters relating to AML/CTF are key strategic issues relating to the Company and are reserved to the Board exclusively for its decision. The Administrator may seek direction from the Board as to whether subsequent subscriptions should be accepted from investors in respect of whom CDD has yet to be fully completed

The quarterly reports from the Administrator include but are not limited to the following information;

- any change to the risk profile of the Company or its shareholders/investors;

- a description of the status of the CDD on existing shareholders in the Company;
- the number of shareholder accounts, if any, which are deficient in respect of CDD and confirmation that such accounts have been and will continue to be frozen until CDD is satisfactorily completed;
- the steps which have been and are being taken to complete CDD as soon as practicable including a description of the action taken to obtain the outstanding information and the length of time the information has been outstanding;
- the steps which have been and are being taken to ensure that CDD information is up to date;
- whether any investors have been identified as Politically Exposed Persons (**PEPs**) and confirmation that enhanced CDD has been applied on such investors;
- provide information on other categories of investors who merit an enhanced CDD approach in terms of identification and verification of identity;
- note whether any suspicious transactions have been reported to the MLRO (if appropriate);

and

- any developments in the area of AML/CTF which should be brought to the attention of the Board.

The Board also receives reports at each Board meeting from the MLRO. These reports detail;

- whether the MLRO has received any suspicious transaction reports;
- whether the MLRO has filed the suspicious transaction reports with the Irish Authorities [and the rationale if not filed];
- any developments in the area of AML/CTF which the MLRO believes should be brought to the attention of the Board; and
- any significant matters which have arisen and were brought to the attention of the Board over the period.

Customer Due Diligence

Simplified Customer Due Diligence (SCDD)

Investors who qualify for SCDD must fulfil the criteria set out in the Act and appropriate documentation must be retained on the Administrator's records to evidence that SCDD is in line with legal and regulatory requirements. In making that assessment the Board expects that the Administrator revisits this assessment periodically in line with its own procedures to confirm the SCDD approach remains appropriate.

Enhanced Customer Due Diligence ("ECDD")

The Board has agreed with the Administrator that the following types of customer fall within the scope of ECDD and additional documentation will be requested from these entities depending on the Administrator's policy in identifying and verifying their identities:

- Politically Exposed Persons (see below)
- High Risk Investors (investors who the Administrator has determined to be high risk based on (but not limited to) the following – type of person/entity/jurisdiction/type of business/ownership)

and management structure/purpose/anticipated activity/source of wealth and distribution channel.)

- Any natural person whose initial investment is more than €100,000
- A legal entity whose ownership is held via a network of unregulated legal entities (complex structure).

ECDD investors will only be accepted subject to the prior written approval of two members of the Board provided by way of a Letter of Acceptance drafted by the Administrator.

Dormant Accounts and Non-Compliant Accounts

In line with the Guidance, the Board with the assistance of the Administrator will periodically review (at least annually) AML reports received in order to assess the following for investors who have not provided all necessary AML documentation:

- Type of investor.
- The jurisdiction of the investor.
- The nature and quantity of outstanding documentation.
- The level of interaction with the investor and how long the documentation has been outstanding.

Based on this the Board, in consultation with the MLRO and the Administrator will determine on the basis of the delay what additional action is appropriate. This additional action will include:

- The Board meeting to discuss appropriate action which may include escalation to the MLRO. Such meeting will consider the matters listed above and a decision will be taken as to whether to categorise non-compliance as with low, medium or high risk.

The Board, acting in conjunction with the MLRO and as appropriate, the Administrator, will make a determination on how to proceed in relation to dormant and/or non-compliant accounts.

In line with Section 33(8) of the Act failure on the part of the investor to provide the necessary CDD in accordance with the above timelines will, at the determination of the Board, result in certain action which may include:

- Cessation of all services including the acceptance of additional subscriptions and issuance of dividends
- Discontinuance of the business relationship with the investor.

The matter will then be escalated to the MLRO to consider making the submission of a suspicious transaction report to the Irish Authorities.

Under no circumstances will redemptions or dividends be paid to investors who have not provided the full suite of CDD requested.

Politically Exposed Persons (“PEPs”)

The Board has delegated the responsibility to the Administrator for screening new investors to ascertain if they are PEPs as defined in the Act.

Where the Administrator identifies a potential or existing investor as a PEP it will immediately notify the Board of the Company to ensure the Board either approves the on-boarding of the PEP in the manner contemplated by the Act.

PEPs which are brought to the attention of the Board will be signed off by a Director within two weeks of notification being received from the Administrator.

Education and Training

The Company will organise training for the Board on the law relating to AML/CTF on an annual basis and at such other times as may be appropriate. The Board also notes the importance of understanding the AML/CFT policies and procedures which the Administrator has in place in carrying out CDD on new investors. In that respect the Board will seek to satisfy itself (at least annually) that the risk assessment it has in place in relation to the Company (which dictates the allocation of AML/CFT resources) remains appropriate for the Company at all times.

The Board also receives annual confirmations that all relevant staff at the Administrator and the MLRO have received appropriate AML/CTF training and that the Administrator is resourced appropriately to perform its role efficiently and effectively and that those staff are subject to regular review by the Administrator's internal audit department and records are maintained to evidence the delivery of the training.

The Board also looks to the Administrator, the legal advisers to the Company and members of the Board to keep the Board informed in relation to any developments in the area of AML/CTF of relevance to the Company.

Record Keeping

As part of the delegation of functions associated with AML/CTF compliance, the Board will rely on the Administrator to create and maintain adequate records for the purpose of the Act and the Guidelines. The Board will seek an annual confirmation from the Administrator in relation to the existence and maintenance of such records.

The MLRO will also retain appropriate records in relation to AML/CFT matters affecting the Company.

The Board instructs that the Administrator and MLRO retain AML/CFT records for the time periods set out in the Act and the Guidance.

The Board considers that this policy is consistent with the requirements of the Act and the Guidance. The Administrator and MLRO have reviewed this Policy and their comments have been incorporated.

This policy was last updated on: 15 February 2016