

# GIS GENERAL FUND

## QUARTERLY REPORT 30 September 2020



### Key Facts

**Investment Manager**  
GI Asset Management Limited

**Funds Legal Name**  
GIS General Fund

**Domicile**  
Ireland

**Administrator**  
CACEIS Ireland Limited

**Auditors**  
KPMG

**Listing Agent**  
Matheson

**Custodian**  
CACEIS Bank, Ireland Branch

**Securities Intermediary**  
Wells Fargo Bank, NA

**Structure**  
Umbrella Fund / Company

**Asset Category**  
Insurance Linked Securities

**Investment Horizon**  
5 years +

**Currencies**  
USD

**Minimum Investment**  
€100,000 or equivalent

**Management Fee**  
1.5%

**Performance Fee**  
20% over Hurdle Rate of 8%

**Fund Codes**  
SEDOL-B66NST9  
ISIN-IE00B66NST91

**Contact Details:**  
**Website** [www.gisfunds.com](http://www.gisfunds.com)  
**Email** [admin@gisfunds.com](mailto:admin@gisfunds.com)

The GIS General Fund is one of the suite of products offered by Global Insurance Settlements Funds PLC.

Our fund strategy is to utilise our proprietary approach to portfolio evaluation to combine a portfolio of low risk US life insurance policies in an open-ended fund with a buy and hold strategy. These policies will be beyond their contestability period and extensively analysed to ensure correct title can be obtained. The portfolio will be well diversified in terms of issuing insurance companies, medical impairments, age, gender, face value amount and expected maturity dates.

The Fund's overall investment objective is to generate attractive risk-adjusted returns over time, by actively managing a large and diversified portfolio of life insurance policies through Life Settlement transactions.

### GIS General Fund Statistics

**Launch Date** 10 February 2012

**Current Share Price** US\$0.6206

**Asset Under Management** US\$52,982,422.23

**Quarterly Return** -0.84%

**Return Since Inception** -23.91%

**Cumulative Dividend:** \$0.14

\* Indicated Returns Include Dividend

### Calendar Year Return

Year	2012	2013	2014	2015	2016	2017
	5.27 %	0.47 %	2.69 %	-1.56 %	-0.27 %	2.49 %
	2018	2019	2020	2021	2022	2023
	-7.78 %	-29.07 %				

### Quarterly Returns

Year	Qtr Ended Mar	Qtr Ended Jun	Qtr Ended Sep	Qtr Ended Dec
2012	4.53 %	-0.99 %	0.16 %	1.55 %
2013	3.48 %	-0.70 %	-0.15 %	-2.08 %
2014	0.46 %	0.88 %	1.28 %	0.037 %
2015	-1.34 %	0.56 %	0.02 %	-0.81 %
2016	-0.01 %	0.79 %	0.31 %	-1.38 %
2017	2.33 %	0.25 %	0.83 %	-0.92 %
2018	-1.41 %	-5.07 %	-1.46 %	-0.10 %
2019	-0.12 %	-32.57 %	1.75 %	3.49 %
2020	-0.05 %	0.79 %	-0.84 %	

\* Indicated Returns Include Dividend

### Commentary

The GISF has always benefited from very low correlation to the traditional financial markets. This is clearly evident in the current tempestuous Equity and Bond markets worldwide.

In June 2019 the entire portfolio of life policies was re-underwritten as a result of material changes in methodology by our external underwriting agents.

In the June 2020 quarter, the fund experienced a small uplift from policy maturities realised. In the September 2020 Quarter there was a small negative net result as a policy maturity gain was offset by valuation adjustments in a small number of other policies.

# GIS GENERAL FUND

## QUARTERLY REPORT



### Why Invest?

- Diversification benefits;
- Underlying assets have low correlation to financial markets or economic matters;
- Tax clarity thanks to unique tax efficient structure;
- Asset selection targets only low risk life policies for this sub fund
- Target returns for each policy should average 8% - 12% if held to maturity;
- Proven management team; never failed to collect a claim.
- Investor security is paramount, so we only deal with blue-chip service providers and are domiciled in a regulated jurisdiction.
- Opportunity to structure individual portfolios to meet needs and risk appetite

### Benefits Investing In The Fund

- Exposure to a wider range of policies through pooled approach;
- Can add to your investment at any time;
- Limited Liquidity - low redemption restrictions; and
- Access to the asset class with a reasonable sized investment.

### Valuation Methodology

The monthly value of the pool of Life Settlements is determined by the Investment Manager. This is then confirmed on a half yearly basis by an independent actuarial firm, based on similar valuation technique.

The probabilistic approach is an actuarial method that fits a policy's expected cash flows (premium payments and death benefits) to a mortality scale.

An appropriate probability factor is determined from an actuary's Mortality Table and this is applied to generate a series of expected cash flows and an internal rate of return, to price the policy.

The probabilistic approach acknowledges the range of possibilities that may apply to a life expectancy and therefore affect the return from an investment in a Life Settlement.

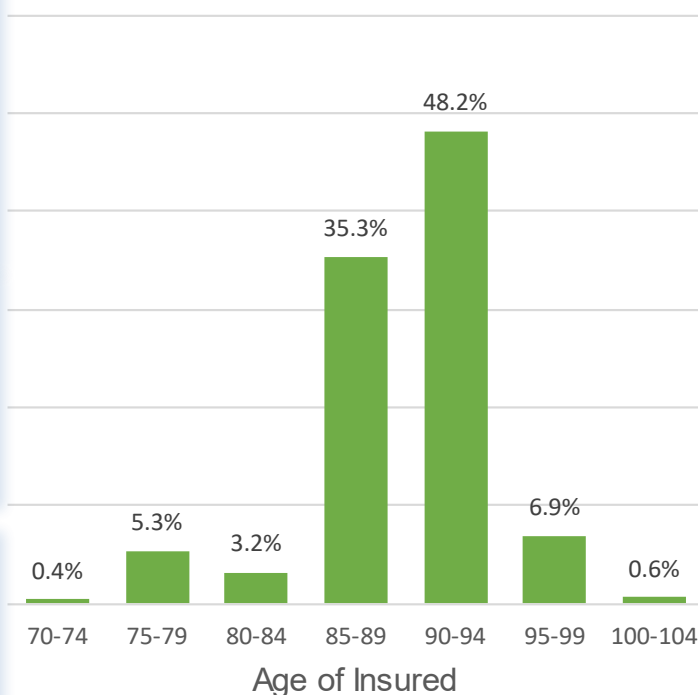
### Risk Mitigation Strategies

- **Selection Risk** - Policies are sourced from licensed Policy Providers following extensive due diligence and a rigorous screening programme;
- **Counter-party Risk** - Best of Breed service providers and a selection process that includes diversification amongst highly rated insurance companies; and
- **Longevity Risk** - Whilst a small number of policies could leave you exposed to this risk, a larger pool of carefully assessed policies provides the necessary diversification.
- **Taxation Risk** - The fund is structured under the umbrella of Global Insurance Settlements Funds PLC, a listed Irish company, so is not liable for US withholding tax, nor will distributions paid from Ireland to offshore jurisdictions be liable for Irish withholding tax;

A key feature to managing the asset is to have the appropriate structure so that the investor would normally pay tax in its own jurisdiction and therefore avoid the potential for unnecessary tax leakage to other jurisdictions.

Global Insurance Settlements Funds PLC can ensure a high level of tax clarity for investors.

### Face Amount by Insured Age (% of Face Value)



### Face Amount by AMBest Rating

