



Fundadministration

AML Manual

Anti-Money Laundering Manual

11/07/2014

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1. Purpose

The Anti-Money Laundering (“AML”) Manual (the “Manual”) summarizes the general policy of Fundadministration, Inc. (“FA”) with respect to anti-money laundering and establishes the necessary procedures and guidelines to ensure full compliance with all applicable laws and regulations, including without limitation the USA PATRIOT Act of 2001.

The Manual is designed to assist all FA employees in adhering to FA’s policy and procedures, which, if followed diligently, will protect FA, its clients, its employees, facilities and activities from money laundering or other illegal activities. Compliance with this Manual is integral to FA’s overall commitment to combat money laundering, terrorist financing and other crimes.

2. Policy

The policy of FA is to ensure full compliance with all applicable laws and regulations regarding anti-money laundering procedures, in order to prevent and detect money laundering, terrorist financing and other illegal activities, and to take affirmative steps to prevent, detect, and report to the appropriate authorities any known or suspected money laundering activity, suspicious transactions and other criminal activity. All members of FA must comply with FA’s AML Policy and Procedures, which are subject to review by local regulators and/or independent external auditors, if such reviews are required by local law or regulations.

In an effort to aid in the global fight against money laundering, terrorist financing and other crimes, FA is strongly committed to upholding and maintaining high standards of money laundering prevention methods and controls. FA Offices must meet the standards required under the laws of the jurisdiction in which they operate or, if FA standards are deemed more rigorous, those higher standards. FA policy and procedures always supersede lesser requirements that might exist in any jurisdiction.

In addition, FA Offices acting as the administrator of a fund must familiarize themselves with the AML regulations that apply in the jurisdiction of such fund to ensure that the fund complies with those regulations if different from their own.

It is the policy of FA to deal only with individuals and organizations of good standing and sound repute. All prospective investors, sponsors and counterparties must come properly introduced and submit such references and other background information as is required by local law and FA policy and procedures, to ensure that this standard is met.

Employees are required to familiarize themselves with the AML Procedures set out below. Failure to adhere to them may result in disciplinary or other action as prescribed in the terms of employment.

3. Definitions of Terms

- **Clients** refers to individuals and entities, principally fund sponsors and investors, for which FA or an FA Office provides services as an administrator, custodian or both.
- **Close Associate of a Senior Foreign Political Figure** means a person who is widely and publicly known internationally to maintain an unusually close relationship with

the Senior Foreign Political Figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the Senior Foreign Political Figure.

- **Compliance Officer** means an official appointed by each FA Office who will be a member of the local management team with the necessary authority to sufficiently carry-out his or her expected duties.
- **FA Compliance Officer** means an official appointed by the FA Board of Directors who will be a member of the FA management team with the necessary authority to sufficiently carry-out his or her expected duties, including without limitation the coordination of AML and Compliance policy for FA as a whole, including all of the FA Offices.
- **FATF** means the Financial Task Force on Money Laundering (see Appendix A).
- **FATF-Compliant Jurisdiction** means a jurisdiction that (i) is a member in good standing of FATF and (ii) has undergone two rounds of FATF mutual evaluations.
- **Intermediary** means intermediaries such as investment managers, general partners, banks other financial intermediaries, placement agents, consultants, fund-of-funds, custodians, nominees, administrators, or any other third party (each, an “Intermediary”).
- **Investor Due Diligence** means fund sponsor or fund investor due diligence.
- **KYC** means “Know Your Client.”
- **MLRO** refers to the Money Laundering Reporting Officer, who will generally serve as the Compliance Officer for an FA Office and will be appointed by each FA Office and will be a member of the local management team with the necessary authority to sufficiently carry-out his or her expected duties.
- **Non-Cooperative Jurisdiction** means any foreign country that has been designated as non-cooperative with international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the FATF.
- **OFAC** means U.S. Office of Foreign Asset Control.
- **Prohibited Person** means (i) a person or entity whose name appears on the various lists issued and maintained by OFAC, including the List of Specially Designated Nationals and Blocked Persons, the Specially Designated Terrorists List and the Specially Designated Narcotics Traffickers List; (ii) a Foreign Shell Bank; or (iii) a person or entity who is a citizen or resident of, or which is located in, or whose subscription funds are transferred from or through, a Foreign Bank in a Non-Cooperative Jurisdiction or Sanctioned Region.
- **Senior Foreign Political Figure** means a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether

elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a Senior Foreign Political Figure includes any corporation, business or other entity that has been formed by, or for the benefit of, a Senior Foreign Political Figure.

4. Procedures

4.1. Introduction

Money laundering is the process by which criminals attempt to conceal the true origin and ownership of the proceeds of their activities. If undertaken successfully, it also allows them to maintain control over those proceeds and, ultimately, to provide a legitimate cover for their source of income.

The increased integration of the world's financial systems and the removal of barriers to the free movement of capital have enhanced the ease with which proceeds of crime can be laundered and have complicated the tracing process. Financial institutions have become major targets in the laundering process because they provide a variety of services and instruments that can help conceal the illegitimate source of money placed into the financial system.

Successful money laundering activities involving FA may result in litigious claims against FA. This may result in financial loss for FA and may adversely affect its ability to continue as a going concern if found guilty of negligence. Therefore, the prevention of the adverse consequences associated with involvement in or facilitation of money laundering, including the potential for detrimental publicity to the reputation of FA, cannot be emphasized enough.

4.2. The Money Laundering Process

Money laundering is a diverse and complex process, involving the introduction of illegal proceeds into the financial system through a cycle of transactions that make the proceeds appear legitimate. There is no one method of laundering money. It basically involves three stages, which may comprise numerous transactions by the launderers that could alert a financial institution to criminal activity:

- **Placement:** the physical disposal of cash proceeds derived from illegal activity, thus moving cash into the non-cash economy.
- **Layering:** Confusing the audit trail. Separating illicit proceeds from their source by creating complex layers of financial transactions, which disguise the audit trail and provide anonymity.
- **Integration:** Giving illicit funds the appearance of legitimacy. Funds re-entering the normal economy as legitimate business funds.

These three basic steps may occur separately or together, overlapping each other. How they are used depends on the available laundering mechanisms and requirements of the criminal organizations.

However there are certain points in the process which have been identified as being vulnerable, difficult to avoid and therefore more susceptible to recognition:

- Entry of cash into the financial system.

- Cross-border flows of cash.
- Transfers within and from the financial system.

Below are examples of suspicious behaviour or transactions, which could occur during the course of a normal business day:

- A client for whom verification of identity is unusually difficult and who is reluctant to provide details;
- Attempts to make cash deposits;
- Transfer of assets to an apparently unrelated third party;
- Frequent transfers into or from an account for no apparent commercial reason;
- A client who is introduced by a third party based in a country noted for drug production or exchange;
- Receipts from unconnected third parties, requests for payments to unconnected third parties;
- Registration or delivery of securities to be made to an unverified third party.
- The excessive or unnecessary use of nominees;
- The unnecessary granting of wide ranging powers of attorney;
- An unwillingness to disclose the sources of funds;
- The use of a different mailing address; and
- The tardiness and/or unwillingness to disclose the identity of the ultimate beneficial owners or beneficiaries.

To recognize and combat money laundering, FA has put in place extensive procedures and controls in respect of both investors and sponsors, as outlined below and also in the sub-chapters covering the AML Policies and Procedures of the individual FA Offices. Know Your Client (“KYC”) measures are most closely associated with the fight against Money Laundering. KYC policies and procedures are described in detail in Chapter 5 “Due Diligence and Know Your Client (‘KYC’) Procedures” in this Procedure Manual and also in the relevant sub-chapters concerning the individual FA Offices.

4.3. The Global Fight Against Money Laundering and Terrorist Financing

Sound financial systems and strong anti-money laundering regimes are essential elements in the fight against money-laundering and terrorist financing. To protect the integrity of the international financial system, to cut off the resources available to terrorists and to make it harder for criminals to profit from their crimes, the international community has made the fight against money laundering and terrorist financing a priority.

Multilateral initiatives on anti-money laundering include, among others, the United Nations, the Bank of International Settlements, the International Monetary Fund, the World Bank, the European Union, the European Union Council and the Organization of American States. The following anti-money laundering task-force organizations and initiatives have contributed extensively to an international legislative and policy framework for adapting measures against money-laundering and the financing of terrorism and are regarded as standard-setters for AML policies.

4.3.1 The Financial Task Force on Money-Laundering (FATF)

The FATF is an inter-governmental body whose aim is to devise and promote measures aimed at combating money laundering and (since autumn 2001) terrorist financing. Its membership comprises 31 countries and territories, and two international organizations (the European Commission and the Gulf Co-operation Council). Its members include the major financial centers of Europe, North and

South America, Asia, and Africa. Although the FATF secretariat is physically located at the OECD (Organization for Economic Co-operation and Development), the FATF itself is not part of that organization.

The FATF monitors the implementation of provisions concerning the fight against money laundering and the terrorist financing, it studies typologies of, and possible countermeasures related to, money laundering and terrorism and promotes the adoption and implementation of provisions aimed at combating money laundering and terrorist financing among its members. The FATF keeps an updated list of non-co-operative countries and territories (NCCT), i.e. of countries and territories that do not undertake sufficient measures to combat money laundering, and decides, what measures are to be applied when doing business relating to them.

In 1990, the FATF issued 40 Recommendations to fight money laundering. After a first revision in 1996, the Recommendations underwent an in-depth revision in 2002/2003, and were adopted on 20 June 2003 in an extended and more stringent version. The revised recommendations not only targeted the fight against money laundering, but also the fight against terrorist financing. They covered the following areas: measures to be taken nationally relating to criminal justice and regulatory supervision; due diligence obligations and measures to be taken by financial institutions and certain non-financial businesses and professions; international co-operation. On 31 October 2001, the 40 Recommendations were extended to include a set of eight special recommendations relating to terrorist financing. On 22 October 2004, a ninth special recommendation relating to terrorist financing was adopted (Special Recommendations of the Financial Action Task Force on Terrorist Financing). FATF issued its latest version of the Recommendations on February 2012, as developed in coordination with FATF-Style Regional Bodies as well as the International Monetary Fund, the World Bank, the United Nations, and other observer organizations. The latest Recommendations emphasize a risk-based approach, with revisions focused on higher-risk situations.

4.3.2 The Vienna Convention

The United Nations Convention against Illicit Traffic of Controlled Substances approved in Vienna on December 19, 1988; a commitment to control drug trafficking and the laundering of its proceeds.

4.3.3 Palermo Convention

The United Nations Convention against Transnational Organization Crime adopted by resolution of the U.N. General Assembly on November 15, 2000; as a set of four instruments concerning human trafficking, arms trafficking, and money laundering.

4.3.4 The Basel Statement of Principles

of December 28, 1988, on the Prevention of Criminal Use of the Banking System for the Purpose of Money-Laundering, issued by the Basel Committee on Banking Supervision, which consists of representatives from central banks and regulatory authorities of the G-10 countries, plus some others, under the auspices of the Bank for International Settlements (BIS).

4.3.5 The Strasbourg Convention

The European Council Agreement on Laundering, Search, Seizure and Confiscation of the Proceeds from Crime of November 8, 1990, calling on members to make money laundering a criminal offence.

4.3.6 EU Council Directive (91/308/EEC)

of June 10, 1991, on prevention of the use of the financial system for the purpose of money laundering.

4.3.7 Directive 2001/97/CE of the European Parliament and of the Council

of December 4, 2001, amending Directive 91/308/EEC, expanding the money laundering crime to any participation in a crime punished with imprisonment of a term exceeding three years.

4.4. Obligations Under The Law

The following common obligations apply to FA:

- It is an offense for FA and any employee to provide assistance to money laundering;
- FA and any employee must report suspicions of money laundering. In the case of an employee, internal reporting as outlined in the procedures will satisfy this requirement;
- FA and any employee are forbidden to tell clients of any suspicions and/or investigation of money laundering;
- To protect FA in breaches of client confidentiality;
- FA must have policies and procedures in place and maintain them to facilitate the prevention of money laundering;
- FA must appoint a Money Laundering Reporting Officer; and
- Provide training to all employees in anti-money laundering procedures at least annually.

Offenses are punishable by imprisonment or fines, or both. This covers particularly the following duties:

- Verification of identity of contracting party.
- Identification of beneficial owner.
- Renewed verification of identity of contracting party or identification of beneficial owner under certain circumstances.
- Obligation to clarify the background or purpose of a transaction or business relationship if it appears unusual or suspect.
- Requirement to retain documents and to establish audit trails.
- Establishment of organizational procedures to prevent money laundering.
- Obligation to notify the appropriate regulatory authority.
- Blocking of assets in connection with such notification.

4.5. FA's Anti-Money Laundering Procedures

FA has adopted the procedures outlined here in respect of both investors and sponsors (sometimes referred to hereinafter collectively as "clients").

4.5.1 Identification Process.

FA has set up extensive procedures and guidelines to verify investors' and fund sponsors' identities, to establish the identity of the beneficial owner of assets involved and to keep records of identities and transactions. Even though Know Your Client ("KYC") measures are closely associated with the fight against Money Laundering and form an integral part of FA's AML Procedures, they are covered independently in Chapter 5, "Due Diligence and Know Your Client (KYC)

Procedures,” in this Procedure Manual and also in the sub-chapters of the individual FA Offices.

In general, as part of the identification procedure, FA will only accept new fund sponsors and new investors after:

- confirming the identity of the sponsor or investor, and, if applicable and appropriate, of the principal beneficial owners of any entity with ownership or control of 10% or greater;
- if an investor is investing on behalf of other underlying investors, confirming the identity of the investor and all the underlying investors;
- determining that it is acceptable to rely on an investor’s Beneficial Ownership Declaration, provided that the investor is a regulated institution.

4.5.1.1 Specific Identification Procedures for New Clients/Accounts

Policies and procedures for processing a potential new client or custodial account thereof shall include:

- Obtaining at a minimum a client’s 1) Name; 2) Date of Birth, for an individual; 3) Address; 4) For United States based clients a Social Security Number or Tax Identification Number. FA will not open any accounts for and or provide any services for United States-based clients that do not already have an existing SSN or TIN.
- For an individual the address must be a residential or business street address, or for an individual who does not have a residential or business street address, an Army Post Office or Fleet Post Office Box. For a person other than an individual, a principal place of business, local office or other physical location. FA reserves the right to apply stricter requirements where it deems applicable.
- In order to comply with FA’s AML Policy all new accounts will also be required to submit a governmental photo identification with current address (e.g., driver’s license, passport, state or national identity card, utility bill or other such documentation as may be appropriate to ascertain and verify a person’s identity the authenticity of which can be reasonably ascertained) along with any government issued identity numbers, if applicable. For non-natural persons (non-US entity) FA will collect a government identification number or other government issued documentation certifying the existence of the business or enterprise. FA will not accept any client or account that cannot provide a valid form of photo or other government identification. FA will not accept a new client or open any new account for which FA believes they cannot form a reasonable belief that it knows the true identity of the potential client. Also, in that situation, FA will evaluate the situation and determine if it would be appropriate to file a Suspicious Activity Report. In addition, as a further source of identification verification, FA will use a third party system that confirms certain information provided by the client. FA will also require the submission of photo identification for at least one account controller in the instance that a non-client account is being opened.
- FA shall perform Know Your Client (“KYC”) procedures on each new client or account. All potential clients will be notified, at a minimum, in their new client or account documentation that FA will be requesting adequate information in order to verify their identity. The extent to which these

procedures will be performed shall be determined on a risk management basis, meaning more attention will be paid to accounts which represent a greater risk to the firm, whether because of their monetary value, geographic base, or noted risk factors.

- FA or the relevant FA Office shall check each client or account applicants name through the SDN and Blocked Persons List set out by the OFAC. FA will implement all Federal directives as they come into effect in connection with these lists. In addition, should FA encounter a potential match between client identification information and a subject on the SDN list, FA will immediately notify OFAC. The firm will also ensure that it checks each account against any list or lists that may now exist or come into existence at any time, of suspected terrorists or terrorist organizations issued by the Federal Government and designated by the Treasury Department and will ensure that the firm follows all Federal Directives issued in connection with such lists. In the event that OFAC's SDN list is updated and new countries are listed, FA will review its existing client base to determine if any client's names appear on the list or may be from a newly added country.

4.5.1.2 Special Measures with Respect to Origins of Accounts or Client Transactions

FA will monitor FinCEN's website for information on foreign jurisdictions, institutions, classes of transactions, or types of accounts that have been designated as a primary money laundering concern and any special measures that have been imposed. FA is required to follow any special measures that have been or may be imposed.

The origin of all client transactions or accounts, foreign or domestic, will be checked against the OFAC's list of Unacceptable Countries as well as those of the Financial Action Task Force ("FATF"), Organization for Economic Cooperation & Development ("OECD"), and the U.S. Department of State's annual International Narcotics Control Strategy Report ("INCSR").

- Any accounts from countries subject to OFAC's list of Unacceptable Countries or whose names appear on OFAC's SDN and Blocked Persons List, or who is otherwise a Prohibited Person as defined in Section 3 of this Manual, shall be rejected. Should new client or new client account documentation be received from any of countries that are sanctioned FA will review any of the appropriate sanctioning documents, and/or contact OFAC for instructions.
- Any foreign account, which are accounts in any jurisdiction outside the United States, must be confirmed with the FA Compliance Officer to ensure that FA is appropriately registered, if necessary, in that jurisdiction and that the account meets all applicable foreign regulatory requirements. For countries not listed on the OFAC's list of Unacceptable Countries listed below, FA personnel shall contact the FA Office MLRO or the FA Compliance Officer to confirm that it is permissible to open an account for a National of that country. Any client or potential client, or any account or potential account

which is from a country that appears on FATF's list of NCCTs or the INCSR will be subject to additional monitoring and supervision, should FA choose to accept or otherwise work with the account. These accounts transactions will be reviewed immediately regardless of the type of transaction executed.

- In addition to the requirements of the proceeding paragraph, foreign accounts must be located in countries in which FA, as a U.S. Company, can do business. FA Offices must check all foreign accounts against the lists indicated above, including OFAC's list of Unacceptable Countries as well as those of the Financial Action Task Force ("FATF"), Organization for Economic Cooperation & Development ("OECD"), and the U.S. Department of State's annual International Narcotics Control Strategy Report ("INCSR"). FA Offices must refer accounts of Nationals of the listed countries to FA's Legal or Compliance departments.

4.5.1.3 Accepting or Rejecting New Clients or Accounts

FA will take the following into account in deciding whether to accept new investors or fund sponsors (generally referred to as "clients") as an administrator:

4.5.1.3.1 Factors to Consider

The following factors are relevant to FA's decision whether to accept or reject new clients or accounts:

- Whether the applicant is an individual, an intermediary, a corporation or other entity, a financial institution, or a regulated person or entity.
- Whether the applicant is already a client of the firm.
- How the applicant contacted the firm.
- Whether the business of the applicant or the type of account the applicant seeks is such as to be more likely to be involved in illicit activity (e.g., a business which operates on a large cash basis).

4.5.1.3.2 Senior Foreign Political Figures

Account applications from a Senior Foreign Political Figure, or Close Associates of a Senior Foreign Political Figure, of governments for countries included in the lists above (including OFAC's list of Unacceptable Countries as well as those of the Financial Action Task Force ("FATF"), Organization for Economic Cooperation & Development ("OECD"), and the U.S. Department of State's annual International Narcotics Control Strategy Report ("INCSR")) should be flagged by the MLRO/Compliance Officer for the FA Office/FA Office MLRO and reviewed by the FA Compliance Officer. In addition, foreign personal investment corporations and foreign personal holding company accounts should be referred to the FA Compliance Officer in order to determine whether such accounts are being established by or for the benefit of a Senior Foreign Political Figure. Please note that immediate family members of such officials, when they can be identified, are also subject to this review.

4.5.1.3.3 Accounting Policies and Procedures

Accounting policies and procedures for client transactions or new accounts shall include:

- FA does not accept cash deposits to client accounts.
- Cash Equivalents (e.g. money orders, traveler’s checks, bearer bonds, and similar financial instruments) shall only be accepted for deposit in extraordinary circumstances and such circumstances shall be set out, and the FA Compliance Officer or a principal of the firm shall approve acceptance thereof, in writing.
 - Photocopies of the cash equivalent instruments shall be retained in the client file.
 - The description of the circumstances involved and the written approval of the FA Compliance Officer or other principal shall be retained in the client file.
 - When accepting cash equivalent instruments, staff and the approving party should consider whether the nature of the deposit leads to a suspicion of structuring (i.e. depositing such instruments in amounts and numbers intended to avoid the \$10,000.00 Currency Transaction Report (“CTR”) requirements of the Bank Secrecy Act (“BSA”). If so, the proposed deposit should not be completed but should be reported to the FA Compliance Officer immediately.
- All transmittal orders in amounts equal to or greater than \$3000 related to accounts shall adhere to the “travel” requirements as set forth by the Treasury Department. These will include the identification of person(s) and financial institutions where funds will be received and remitted to. All account numbers, bank information, and account holders must be identifiable and verified by any of the means acceptable as stated in the “Guidance For Financial Institutions on the Transmittal of Funds “Travel” Regulations” These requirements include the following:
 - Name of the transmitter and/or recipient;
 - Account number of the transmitter and/or recipient (if used);
 - Address of transmitter and/or recipient;
 - Identity of the financial institution;
 - The amount of the transmittal;
 - The execution date of the transmittal order; and
 - Any other identifier
- Suspicious Activity Report (“SAR”) policies and procedures for and existing accounts are set forth below in Section 4.5.5.2.
- Foreign Intermediary Accounts: Foreign Bank Certification: All new accounts of non-U.S. Depository institutions shall be coded as foreign intermediary/, and shall be required to:
 - Certify that they are not “foreign shell banks” as defined under the USA PATRIOT Act.
 - Provide their ownership and the name and address of an agent for service of process in the U.S; and

- Renew such certifications and information on an annual basis.
- Any client(s) or account(s) for which FA feels it cannot form a reasonable belief of the client's true identity will not be accepted.

4.5.1.4 General Account Opening and Operational Procedures

No account shall be opened for any client until acceptable funds are received and verified by FA. The general guidelines of FA for acceptable funding of an account are as follows:

- FA's policy is not to accept cash in order to open an account or for deposit to an account for any reason. Should a client attempt to deposit cash into their account FA will immediately reject the deposit or require the client to withdraw those funds from their account, and deposit funds in an acceptable manner.
- Funds for an account should be in the form of a personal check or wire transfer from a personal bank account for an individual or joint account. Funds for accounts opened in a form other than an individual or joint account should be in the form of a check or wire from an account directly related to the accounts purposes.
- FA considers the following as generally unacceptable forms of deposit to a client's account:
 - Third Party checks;
 - Corporate checks for personal accounts;
 - Personal checks for a corporate account;
 - Checks from an account for which the client is executor, trustee, or holds some other fiduciary responsibility;
 - Checks drawn on any account which is being held in a fiduciary capacity for the client and is signed by someone other than the client;
 - Checks from partnership accounts unless the client and the signing partner are the only members of the partnership; and
 - Cash and cash equivalents such as money orders, travelers checks, cashier's checks, and bearer securities or bonds.
- Any exceptions to these general guidelines must be reviewed by the FA Compliance Officer and only after the FA Compliance Officer has considered the nature of the account, nature of the deposit, facts and circumstances of the account, must be approved in writing by the FA Compliance Officer, CFO, President, Vice President, or a Member of the Board of Directors. Copies of all approvals will be kept in the client's file as well as the AML Compliance files.
- All employees of FA with financial and treasury responsibilities have been educated in identifying acceptable and unacceptable forms of payment and are instructed to inform the FA Compliance Officer (either directly or through the FA Office MLRO) of any funding that appears to be unacceptable or suspicious and the FA Compliance Officer, or the FA Office MRLO, will direct those employees to take the proper actions or file the proper reports.

4.5.2 Retention of Records and Documents.

FA has set up detailed procedures to establish and maintain a record of all documents used to identify sponsors and investors and of all transactions as required by the laws and regulations of the jurisdictions in which the FA offices are based. In addition, after the cessation of the business, such documents will be retained for at least the same amount of time. These archiving procedures are covered in the pertinent sub-chapters of the FA Offices.

The following is a list of documents that will be retained as part of FA's record retention policy:

- Company constitutive documents;
- Relevant licenses;
- Original subscriptions, redemption requests and any instructions from the investor pertaining to account maintenance issues;
- Copies of all documentation reviewed in connection with the sponsor or investor identification procedures or enhanced due diligence procedures;
- The Due Diligence check list;
- Any reports or documents submitted to law enforcement or regulatory authorities concerning suspicious activity of an investor;
- All transaction records, bank and brokerage statements and all other evidence and supporting documents pertaining to the NAV calculations of a fund;
- All resolutions, powers of attorney, signature cards or other signing authorities pertaining to the operation of the account;
- All documents for a client that has been declined because of suspicion about the source of funds or the nature of the transaction or for any other reason whatsoever;
- All microfilm or electronic instructions from the client;
- All letters, memos, e-mails, and fax correspondence regarding the operations and transactions of the account.

4.5.3 Internal Reporting Procedures.

If an employee becomes suspicious of the activities of a sponsor (or its agents), or of a pattern of investments by an investor she/he should report her/his suspicion immediately to the Money Laundering Reporting Officer (the "MLRO") of the applicable FA Office. In her/his absence, any suspicious activities must be reported to the Managing Director of the relevant FA location or to the FA Compliance Officer. Detailed procedures for the individual FA Offices are outlined in their applicable sub-chapters.

4.5.4 Reporting of Suspicious Transactions

The MLRO of each FA Office has the responsibility of reporting suspicious transactions to the appropriate local authorities and to the FA Compliance Officer. She examines all reports received from staff and all other relevant information and, in consultation with the FA Compliance Officer and the Managing Director, or in his absence, the FA CEO, assesses the available information relating to the investor or sponsor who is subject to suspicion, including the length of the relationship with the FA Office and other FA Group Companies, relationships with other institutions, the pattern of business investments and the volume and frequency of the investment. If, after completing this review, the MLRO is satisfied that the initial report gives rise to a knowledge or suspicion of money laundering, then the MLRO must disclose this information to the reporting authorities as outlined in the reporting procedures and a report must be maintained with the FA Compliance Officer's files. Detailed

procedures for the individual FA Offices are outlined in their applicable sub-chapters.

4.5.5 Reporting Requirements

The following describes reporting requirements for currency transactions, specifically, a deposit in cash or cash equivalents to fund an account, and reporting requirements for suspicious activities in excess of \$5,000.

4.5.5.1 Currency Transaction Reporting (“CTR”) Requirements

FA generally does not accept cash or cash equivalents as deposits to fund an account that FA administers. However, any deposits of this form, which are accepted, will be in accordance with procedures set forth above must be reviewed for compliance with CTR requirements:

- Requirements apply to deposits of currency in excess of \$10,000.00;
- Deposits, which are structured in such a way as to avoid the CTR requirements, must also be reviewed. Examples include cash equivalents spread over several deposits, each in an amount less than \$10,000.00 but which in total equal an amount of \$10,000.00 or more.
- When appropriate, employees should contact the FA Office MRLO (who will contact the FA Compliance Officer) or the FA Compliance Officer to indicate that a CTR report may need to be filed.
- When appropriate, the FA Compliance Officer will prepare and file a CTR with the Financial Crimes Enforcement Center (“FinCEN”).
- Copies of all CTRs are to be maintained in the client account file and in Compliance files

4.5.5.2 Suspicious Activity Reporting (“SAR”) Requirements

In accordance with the USA PATRIOT Act of 2001, Futures Commission Merchants are subject to SAR reporting requirements. FA will seek to uphold similar standards, as follows:

- FA will report all suspicious transactions for amounts in excess of \$5,000.00
- Suspicious activity can occur upon the opening of an account or at any time for the life of the account.
- Transactions must be viewed in the context of the whole of activity in the account, and the KYC information, which has been received about the client. Suspicious activity or transactions are those, which appear to lack a reasonable economic basis, or recognizable strategy based on what FA knows about the client and the account. Some examples may include but are not limited to:
 - Account holder engages in transactions in cash or cash equivalents in excess of \$10,000.00 that appear to be done so as to avoid government-reporting requirements, especially if the amounts are just under the reporting and recording levels required.
 - Account holder attempts to make large or frequent deposits of currency, insists on dealing only in cash or cash equivalents, or asks to be exempted from FA’s policies relating to the deposit of cash or cash equivalent instruments.

- Account holder (or person associated with client) has a questionable background or is the subject of reports indicating possible criminal, civil, or regulatory violations.
 - Account holder expresses unusual concern with the governmental reporting requirements, particularly in regard to their identity, type of business and assets, or is reluctant to or refuses to reveal any information concerning his business activities, or furnishes fraudulent, suspect, or unusual identity or business documents.
 - Account holder initiates multiple transactions or funds transfers from countries that are considered to be bank secrecy or tax havens and that has no apparent business purposes or are from countries listed by FinCEN or FATF as NCCTs or may be considered in a high risk status.
 - Account holder holds multiple accounts or makes multiple journal entries that have no apparent business purpose or client seeks to engage in other trading transactions that are of no apparent business sense or that are contrary to the clients stated business purpose or strategy.
 - Account holder lacks general knowledge of their industry or seems to be acting on behalf of another as agent and is reluctant to provide information about their account or business purpose for their account.
 - Account activity in terms of frequency of proximity are increased or deposits are made in any form which are requested to be withdrawn immediately or shortly after the deposits have been made, especially in the absence of any other account activity, either to themselves or to a third party.
 - Account holder seems to indicate a lack of concern for the risks involved with opening an account or requests that the account is opened or handled in ways, which are contrary to FA procedures and policies.
- Treasury personnel as well as the MLROs/Compliance Officers for each FA Office should be alert and aware of unusual activities or suspicious activities or occurrences in regards to a client account. Any individual that notices or becomes aware of suspicious activity should immediately file a report with their supervisor. At that point, taking into consideration the reported activity as it relates to the client's account the supervisor may or may not choose to report this activity to the MLRO (who will report such information to the FA Compliance Officer). Whether reported or not, a copy of the report should be maintained in the client's file.
 - Any activity, which is reported to the MLRO or FA Compliance Officer, will be reviewed against the account file and account activity to determine whether it is necessary to file an SAR.
 - If it is determined that an SAR needs to be filed about the suspicious activity it will be filed with FinCEN in Washington D.C. and copies will be maintained in the client account file as well as FA Compliance files. In addition, it may be necessary to file the SAR with the state.
 - SAR reports will be maintained for six years from the date of creation.

4.5.6 Management Reviews and Internal Audit.

The management of each FA location regularly reviews compliance with policies, procedures and controls relating to money laundering activities to make sure that the requirements under the applicable domestic laws, regulations and ordinances to maintain such procedures have been discharged. In the course of any Internal Audit, such reviews will also take place.

4.5.7 Sub-Administrators

FA Offices have concluded and will conclude Service Agreements with each other, and while they conduct their business in accordance with their domestic laws, regulations and ordinances, these Service Agreements provide for them to apply no lower standards than those of the FA Office with whom they have entered into such agreement. In this regard, they have been or will be made aware of the relevant procedures and guidelines in respect to money laundering for the individual FA Office with whom they have a Service Agreement. In particular, they are bound by the provisions relating to the reporting of suspicious transactions and will alert the FA Office for which they provide services to such suspicious transactions if they come to their attention.

4.5.8 Reliance on Intermediary Investor Identification Procedures

In certain circumstances, FA Offices may rely on the Investor Identification Procedures performed by Intermediaries, which require extra caution prior to acceptance of such third party Investor Identification Procedures. The MLRO and Compliance Officer will determine the circumstances in which it is generally appropriate to rely on the Investor Identification Procedures performed by a third party and, in reaching this determination, will consider the following factors:

- Jurisdiction in which the third party is based and the existence of applicable anti-money laundering laws and regulations, with review of pronouncements of governmental agencies and multilateral organizations regarding the anti-money laundering laws and regulations in such jurisdiction; or
- Regulatory status of the third party and its affiliates; or
- Reputation and history of the third party in the investment industry; or
- The anti-money laundering and Investor due diligence policies, procedures and controls implemented by the third party.

An agreement with an Intermediary shall specifically allocate between the Intermediary and FA Office in question each of their respective obligations for compliance with applicable anti-money laundering laws and regulations.

4.5.9 Tipping off

Tipping off, that is, telling clients or other parties of any suspicions and/or investigation of money laundering; might impede an investigation into Money Laundering and is an offense under all applicable domestic laws. In certain jurisdiction there is no automatic exemption from tipping off for informing a parent company or other companies within FA. Careful consideration will have to be given as to whom and in what circumstances information about the filing of a report with a local reporting authority can be disseminated within FA.

Under no circumstances may anyone inform the subject of an SAR or a subject considered for an SAR that a report has been filed or that an SAR has *been* considered. It is a violation of federal law to do so.

4.6. Supervisory System

FA has established internal reporting procedures which include the appointment of an MLRO/Compliance Officer by each FA Office and a FA Compliance Officer appointed by FA's Board of Directors.

4.6.1 FA Compliance Officer

The FA Compliance Officer will be appointed by the FA Board of Directors and shall be a member of the FA management team.

4.6.1.1 Role of the FA Compliance Officer

The FA Compliance Officer will maintain copies of any and all materials used in the initial training of employees in FA's AML procedures, as well as any additional training materials used or developed during subsequent trainings.

The FA Compliance Officer will maintain records of all reports regarding AML or money laundering activities or conduct. The FA Compliance Officer will receive all information from MLROs. FA Compliance Officer shall ensure all reports are made to the relevant authorities and coordinate with the MLROs to ensure uniform policies and consistent reporting across all FA Offices. The FA Compliance Officer shall have principal responsibility for CTRs and SARs.

4.6.1.2 Responsibilities of the FA Compliance Officer

The responsibilities of the FA Compliance Officer shall include, without limitation:

- Ensuring FA as a whole, and each FA Office, has adequate client identification and verification procedures;
- Ensuring the FA as a whole, and each FA Office, has adequate guidelines for monitoring and reporting suspicious activities;
- Receiving reports of suspicious activity from FA Offices, including the MLRO/Compliance Officer for each FA Office, and other FA personnel;
- Gathering all relevant information to analyze and investigate suspicious activity;
- Ensuring all reports are filed with the relevant authorities, as required by law or by FA policies and procedures, including without limitation reporting by MLROs to local authorities, and maintaining records thereof;
- Determining whether there is any further reporting obligation to senior management or FinCEN; and
- Ensuring recordkeeping procedures for FA as a whole, and each FA Office, are adequate.

4.6.2 Money Laundering Reporting Officer (MLRO) and Compliance Officer

FA's internal reporting procedures include the appointment of an MLRO/Compliance Officer by each FA Office, as required by local laws and regulations. The MLRO/Compliance Officer are members of the local management teams with the necessary authority to sufficiently carry-out the expected duties of the MLRO/Compliance Officer.

4.6.2.1 The Role of the MLRO

The MLRO has a significant degree of responsibility. She/he is required to determine whether the information or other matters contained in reports from staff, transaction reports and other Company activities give rise to a knowledge or suspicion of Money Laundering. In making this judgment, she/he considers all other relevant information available within the Company concerning the person or business to which the initial report relates. She/he examines all reports received from staff and all other relevant information and, in consultation with the Managing Director, or in his absence, the Group CEO, assesses the available information relating to the investor or sponsor who is subject to suspicion, including the length of relationship with the FA Office and other FA Group Companies, relationships with other institutions, the pattern of business investments and the volume and frequency of the investment.

The MLRO prepares a written report on all matters brought to his attention or investigated, regardless of whether the matter gives rise to the submission of a suspicious activity report to the Reporting Authority.

The MLRO is expected to act honestly and reasonably and to make his determination in good faith.

4.6.2.2 Reporting Procedures

If, after completing a review as outlined in 4.6.2.1 above, the MLRO is satisfied that the initial report gives rise to a knowledge or suspicion of money laundering, then the MLRO must disclose this information to the prescribed reporting channels of her/his jurisdiction, as outlined in the in the applicable sub-chapters of the FA Offices, and provides records thereof to the FA Compliance Officer.

4.6.2.3 Other Responsibilities of the MRLO/Compliance Officer

Other responsibilities of the MRLO/Compliance Officer shall include, without limitation:

- Ensuring the FA Office has adequate client identification and verification procedures, in coordination with the FA Compliance Officer;
- Ensuring the FA Office has adequate guidelines for monitoring and reporting suspicious activities, in coordination with the FA Compliance Officer;
- Receiving reports of suspicious activity from FA Office personnel and providing such reports to the FA Compliance Officer;
- Making reports as necessary to the relevant local authorities, and providing records thereof to the FA Compliance Officer;
- Gathering all relevant information to analyze and investigate suspicious activity; and
- Ensuring recordkeeping procedures are adequate for the FA Office.

4.6.3 Annual Audit

FA will conduct an annual independent audit of its AML Procedures. This audit will be done by an appropriate staff member of FA, designated by the management or the Board of Directors, whose normal job functions and requirements are not involved in the AML program.

4.6.4 Procedures for Supervision of Staff

All employees and personnel with access to client funds or securities or those whose job requirements are functional in which the Anti-Money Laundering activity may occur will participate in AML training when hired and on an annual basis. Records of appropriate training whether oral or written will be documented and placed in personnel files as well as the FA Compliance Officer's AML files.

Employees who are hired into positions that are integral to or susceptible to Anti-Money Laundering will have their backgrounds and/or references checked with the appropriate entities in order to have reasonable assurance that the employees are not a risk to the firm's AML compliance.

4.7. Staff Training

The Company will offer training in these and the local AML procedures. It will be focused, as well as generic, to provide for the recognition and handling of transactions which appear to be money laundering-related transactions and will be tailored to the individual employee's position in the Company. Emphasis will be on the employees understanding of the procedures that the Company has in place for the supervision, control and reporting of its business as required under the applicable local laws and regulations, particularly insofar as they relate to the individual employee's position in the Company. All employees and personnel with access to client funds or securities or those whose job requirements are functional in which the anti-money laundering activity may occur will participate in AML training when hired and on an annual basis.

All employees will be issued FA's AML Manual, which includes the AML Manual of their FA employer and will be required to sign a declaration that they have read, understood and will comply with their obligations under local laws and regulations. New employees will be issued same and will receive appropriate training at the start of employment.

The FA Compliance Officers and all MLROs will be required to attend conferences, seminars, and workshops in order to keep abreast of current laws, regulations, rules, and trends in the global and national fight against money laundering when available, and to disseminate the information so learned to all relevant staff members. It is also the desire of FA to conduct refresher training at regular intervals, at least annually, to ensure that staff members are kept updated on new developments and do not forget their responsibilities.

4.8. Continuing Education of AML Policies and Procedures

Continuing Education plan may be prepared by the FA Compliance Officer and will address such issues as follows:

- All new regulatory and legal developments and changes.
- Money Laundering and Office of Foreign Asset Control ("OFAC") issues.
- Application of key information from industry organizations.
- Regulatory reviews, investigations, and disciplinary actions.
- New business initiatives as well as updates to existing initiatives including strategies and news services.
- Input from management, compliance, legal, trading, internal auditing, and operations, as well as registered personnel that may be appropriate or applicable.

- Any area that may not have been addressed or that needs further development or clarification after review of sales and marketing strategies as well as previously used training information and documentation.
- Any client complaints, litigations or actions that involve FA or its affiliates or associated persons.
- Any information or developments not mentioned above that are deemed necessary by the FA Compliance Officer or FA management.

FA personnel are required to follow FA's AML procedures. Failure to comply with, or participate in the continuing education of FA may result in actions taken including but not limited to termination of employment with FA.

4.9. Penalties

4.9.1. Civil Penalties

For willful violation of any reporting requirement: the amount of the transaction or \$25,000.00, whichever is greater.

4.9.2. Criminal Penalties

For willful violation of any reporting requirement: \$250,000.00 maximum fine, or up to 5 years imprisonment, or both.

4.9.3. Money Laundering

A fine of not more than \$500,000.00 or twice the value of the property involved in the transaction, whichever is greater, or imprisonment for not more than 20 years, or both.

5. APPENDIX A

List of Members of the Financial Action Task Force on Money Laundering (“FATF”)

1. Argentina
2. Australia
3. Austria
4. Belgium
5. Brazil
6. Canada
7. Denmark
8. European Commission
9. Finland
10. France
11. Germany
12. Greece
13. Gulf Co-operation Council
14. Hong Kong, China
15. Iceland
16. Ireland
17. Italy
18. Japan
19. Luxembourg
20. Mexico
21. Kingdom of the Netherlands
22. New Zealand
23. Norway
24. Portugal
25. Russian Federation
26. Singapore
27. South Africa
28. Spain
29. Sweden
30. Switzerland
31. Turkey
32. United Kingdom
33. United States

This list shall be updated periodically by the MLRO and Compliance Manager (<http://www.oecd.org/fatf/>).

6. APPENDIX B

SUSPICIOUS TRANSACTION REPORT

Completed forms should be forwarded by fax or courier to the Financial Intelligence Unit

For Official Use Only	FIU Reference Number:
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To: Financial Intelligence Unit

Date: _____ No. of Pages: _____

NB: Persons who report suspicious transactions are required, pursuant to section 14(2)(b) and (c) of the Financial Transactions Reporting Act, 2000, and, pursuant to section 4(2)(d) of the Financial Intelligence Unit Act, 2000, to provide the Financial Intelligence Unit with the following information:

[A] Disclosing Institution

Disclosure Type: Proceeds of Crime Report No.:
Drug Trafficking
Other Type of Transaction:

Name of Disclosing Institution:

Full Address:

Sort Code:

Name of Person Handling Transaction:

Name of Money Laundering Reporting Officer/Contact Person:

Direct Telephone No: Fax:

E-mail Address:

[B] Subject(s) of Disclosure - Individual

Full Name (Individual):.....

Date and Place of Birth:

Nationality: Occupation:

Full Address:

.....

Telephone No. (Work):..... Telephone No. (Home):.....

Fax: E-mail Address:

Identification Documents:

.....

[C] Subject(s) of Disclosure - Company

Company Name:.....

Type of Business:

Full Address:

.....

Telephone No.: Fax No.:

E-mail Address:.....

Identification Documents (*e.g., certificate of incorporation, memorandum and articles of association, etc.*):

.....

[D] Beneficial Owner(s)

(of the assets being the subject(s) of disclosure – if different from the subject(s) of disclosure above)

Full Name:.....

Date and Place of Birth (Individual):

Nationality:

Type of Business/Occupation:

Full Address:

.....

Telephone No. (Work):..... Telephone No. (Home):.....

Fax:..... E-mail Address:

Identification Documents (Individual):

.....

[E] Authorized Signatories

*Information on authorised signatories and/or persons with power of attorney.
(List further persons in an annex in the same manner as required below)*

Full Name (Individual):.....

Date and Place of Birth (Individual):

Nationality: Occupation:

Full Address:

.....

Telephone No. (Work):..... Telephone No. (Home):.....

Fax:..... E-mail Address:

Identification Documents:

.....

[F] Intermediaries

Full Name (Individual):.....

Nationality: Occupation:

Full Address:

.....

Telephone No. (Work):..... Telephone No. (Home):.....

Fax: E-mail Address:

[G] Account Information/Activity

Type of Account: (e.g., individual/joint, trust, loan, etc.):

Account number:.....

Date Opened:.....

Assets Held:

Other Accounts Held by any of the Parties Involved:

REASONS FOR SUSPICION

Details of Sums Arousing Suspicion Indicating Debit or Credit Source and Currency Used	Amount	Debit or Credit	Date	Source

Please describe the details of the transaction(s) and the activity that promoted the report, giving reason for your suspicion and any steps that have already been taken (e.g., own investigations). Include information on any third party(s) involved (e.g., payee, payer, deliverer of cheques, stocks, guarantee beneficiary, guarantee surety, third party security creditors). Please add continuation sheets as necessary.

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7. APPENDIX C

Fundadministration, Inc.

ISTR
FORM 1

INTERNAL SUSPICIOUS TRANSACTION REPORT (ISTR)

Part I Subject Information:

Name of Entity or Individual:

Occupation or type of business:

Address: _____

Phone number(s): _____ Fax number(s): _____

Part II Suspicious Activity Information:

Nature of suspicion:

Currency amount involved:

Date or date range of suspicion:

Note: Please attach copies of all supporting documents (e.g. transaction records, instructions, e-mails, correspondence etc...)

Completed by: _____ Date: _____

Part III Report Analysis *(To be completed by MLRO/Compliance Manager):*

Received by: _____ Date: _____

Action Taken: No Further Action Further Investigation
 To Present to Management Committee

Comments/Findings: _____

Sign Off: _____

Date: _____

8. Exhibit 1

Fundadministration, Inc.

Employee Acknowledgement Form

The undersigned has read and received the Fundadministration, Inc. Anti-Money Laundering (“AML”) Manual dated November 7, 2014 and acknowledges that this AML Manual supersedes all previous versions. The undersigned understands and agrees to comply with the provisions and requirements in this AML Manual. The undersigned shall retain the Manual as a reference tool.

Print Name of Employee

Signature of Employee

Date