

GIS GENERAL FUND

QUARTERLY REPORT 1 July 2019



Key Facts

Investment Manager
GI Asset Management Limited

Funds Legal Name
GIS General Fund

Domicile
Ireland

Administrator
CACEIS Ireland Limited

Auditors
KPMG

Share Dealing Broker
Cantor Fitzgerald, Ireland

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
Email 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\$ 0.5900

Asset Under Management US\$ 50,420,568

Quarterly Return -32.57%

Return Since Inception -27.00 %

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 %					

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 %		

* Indicated Returns Include Dividend

Commentary

The large negative movement in the reporting value is the result of having all policies in the Fund re-underwritten in the June quarter. Normally, the Fund has re-underwritten portions of the portfolio on a rolling basis, due to the buy and hold investment strategy of the fund.

During the year the underwriting suppliers, used by the Fund, have introduced updated mortality tables, which were materially different from those previously used. These estimates form a key part of the calculation of the current reporting value under US GAAP Accounting Standards.

The changes in the current value used for reporting purposes do not impact the benefit amounts payable under the insurance contracts held by the fund.

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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.

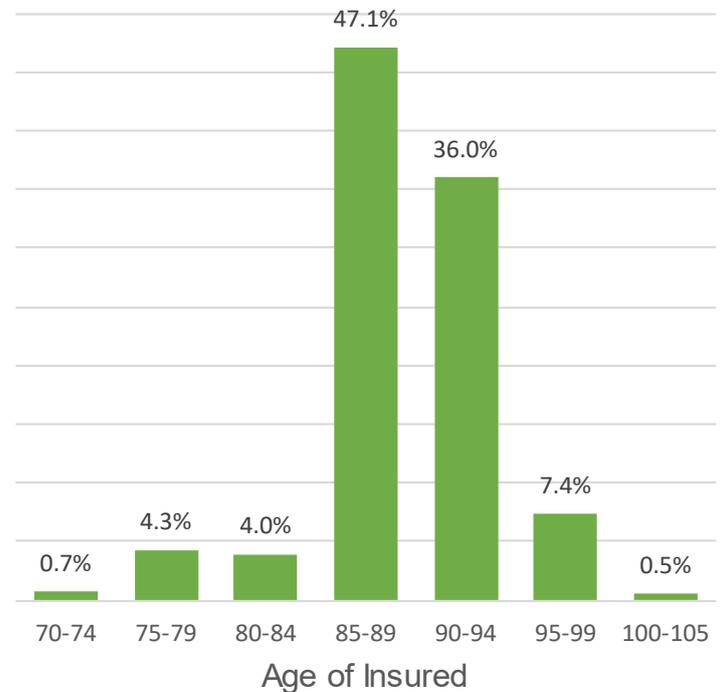
Risk Mitigation Strategies

- **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.

Cases by Insured Age (% of Face Value)



Face Amount by AMBest Rating

